

# **Hartland Consolidated Schools**

## **District Wide Budgetary Information**

**Fiscal Year Ending**

**June 30, 2019**

**(7/1/2018 - 6/30/2019)**



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**HARTLAND CONSOLIDATED SCHOOLS - BUDGET DEVELOPMENT ASSUMPTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Revenue Assumptions & Proposed Budgets**

**Property Tax Revenue**

The commercial and residential real estate markets across the county are expected to improve resulting in increased tax revenues. The District’s tax base is comprised of 80% homestead and 20% non-homestead taxable value classification property. Below are the property tax revenue expectations by fund for fiscal year 2018-19:

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
General Fund	4,385,662	4,619,799	234,137
Debt Service Fund	9,720,756	10,265,578	544,822
Capital Projects - Sinking Fund	<u>603,750</u>	<u>633,282</u>	<u>29,532</u>
	14,710,168	15,518,659	808,491

**Other Local Revenue**

In addition to property taxes, local revenue consists of all operating revenue received from sources other than the state, federal government, or the ISD. This includes revenue from community education programs, rental of school facilities and pay to participate (General Fund), breakfast and lunch sales (Cafeteria Fund), admissions to athletic events (Athletics Fund), and interest earnings. For more specific detail, please review the individual fund budget documents.

**State Revenue**

The foundation allowance is currently projected to increase by \$240 per pupil; however, we are forecasting a loss of 48 students based on early projections. Adjustments have been made to certain categorical funding, including an increase in the special ed categorical, which is projected to increase by approximately \$181K, and a decrease of approximately \$55K related to the elimination of the Early Literacy grant. The remaining state categorical funding is expected to remain consistent with prior year. Cafeteria Fund state revenue represents the categorical funding allocated to districts for providing breakfast and lunch programs. Debt Service Fund state revenue represents expected reimbursement from the Small Taxpayer Exemption Loss. Revenue budget adjustments will be made after adoption reflecting final state budget figures via the amendment process. The chart below identifies in dollars, by fund, the expectations contained in this budget document:

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
General Fund	44,243,666	45,121,410	877,744
Cafeteria Fund	52,936	53,517	581
Debt Service Fund	<u>72,348</u>	<u>74,517</u>	<u>2,169</u>
	44,368,950	45,249,444	880,494

**Federal Revenue**

Federal revenue has been adjusted to reflect our expected grant awards in 2018/19. A majority of the decrease in General Fund federal revenues is due to a reduction in the Workforce Investment Act grant funding, as 2018/19 is the last year grant funds will be available for this initiative. Revenue budget adjustments will be made after adoption reflecting final federal budget figures via the amendment process. The chart below identifies in dollars, by fund, the expectations contained in this budget document:

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
General Fund	522,133	333,567	(188,566)
Cafeteria Fund	552,000	563,070	11,070
Debt Service Fund	<u>658,755</u>	<u>658,755</u>	<u>-</u>
	1,732,888	1,555,392	(177,496)

**Other Revenue**

Other revenue consists of ISD Revenue, Other Revenue, and Other Financing Sources.

ISD Revenue received from Livingston Educational Service Agency (“LESA”) includes operating support and Medicaid funding for special education programs as well as funding for vocational education programs.

Other Revenue represents transfers received from entities within the district not separately identified in the funds (i.e., the Senior Center and Trust & Activity accounts).

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
General Fund - LESA	2,585,909	2,573,409	(12,500)
General Fund - Other	<u>92,848</u>	<u>92,848</u>	<u>-</u>
	2,678,757	2,666,257	(12,500)

Other financing source revenue is presented in the following table, and represents the “non-operating” revenue of the district.

The General Fund other financing sources consist of the operating transfer received from the Cafeteria Fund to cover a portion of overhead costs, as well as proceeds from the sale of school busses and from the loan proceeds associated with the purchase of new school busses. The significant increase in the General Fund is due to the additional proceeds expected from bus loan financing and the sale of existing buses and school vehicles. The district intends to purchase a total of 7 buses in 2018/19 (which is an increase of 4 from 2017/18).

Athletics Fund other financing sources represents the operating transfer received from the General Fund. The Debt Fund other financing sources includes proceeds from the School Bond Loan/Revolving Fund to provide funding to meet the District's current debt service requirements.

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
General Fund	343,060	818,287	475,227
Athletics Fund	749,385	773,160	23,775
Debt Service Fund	<u>12,176,596</u>	<u>12,243,124</u>	<u>66,528</u>
	13,269,041	13,834,571	565,530

## Expenditure Assumptions & Proposed Budgets

### Salaries and Wages

Salaries and wages comprise the single largest expenditure category for the district. Salaries have been adjusted to account for anticipated step increases, lane changes, and longevity increases, as well as for the net effect of replacing retiring staff and any new contract terms that will take effect beginning in the 2018/19 school year. Salary budget adjustments will be made after adoption reflecting the final staffing roster and will be addressed through the budget amendment process.

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
General Fund	27,032,354	27,670,582	638,228
Athletics Fund	249,038	251,562	2,524
Cafeteria Fund	517,886	542,229	24,343
	<u>27,799,278</u>	<u>28,464,373</u>	<u>665,095</u>

### Staffing Changes

The proposed budget contemplates 2 additional teaching positions as well as using 7 more salaried teachers instead of permanent subs. The district also intends to hire a Technology and Grants Facilitator in 2017/18.

### MPSERS Retirement Costs

The district pays, with some exceptions, an estimated \$26 in base retirement costs for every \$100 of wages paid to our employees. The average retirement rate budgeted for fiscal year 2018/19 is 25.81%, which is a slight increase from the 2017/18 average rate of 25.56%. The change in the MPSERS rate has been reflected in the district's fiscal year 2018/19 operating costs.

For fiscal year 2018/19, it is anticipated that the Legislature will continue funding the section 147c MPSERS rate stabilization categorical ("UAAL"). The district receives revenue from this categorical and then immediately remits the amount to the Office of Retirement Services in a pass-through process. The revenue and expenditure budgets of the General Fund, Athletics Fund, and Cafeteria Fund are "grossed up" by this process and the costs are embedded at all functional levels. The UAAL rate has increased slightly to 12.21% in 2018/19 from 11.32% in 2017/18.

### FICA Costs

The district pays \$7.65 in FICA payroll taxes (Medicaid of 1.45% plus social security of 6.2%) for every \$100 of wages paid our employees. The individual applicable salary base upon which the Social Security element of the FICA payroll tax is levied is capped at a specific IRS determined earnings level on a calendar year basis. The calendar year 2018 wage cap is \$128,400. The budgeted FICA rate remains at 7.65% for 2018/19.

**Summary Employee Benefits Costs**

The district incurs fringe benefits costs which include MPSERS retirement, FICA, healthcare, dental, vision, long term disability, life, unemployment and workers compensation insurances. Employees are also required to contribute towards healthcare, retirement, and FICA. Below is a summary chart depicting the district’s share of these fringe benefits costs:

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
General Fund	16,205,616	16,752,949	547,333
Athletics Fund	119,075	126,114	7,039
Cafeteria Fund	<u>253,120</u>	<u>280,978</u>	<u>27,858</u>
	16,577,811	17,160,041	582,230

**Purchased Services/Supplies**

The district has budgeted a small inflationary increase for its various contracted services and supplies accounts. For more specific detail, please reference the individual proposed budget documents.

**Capital Outlay**

The district’s budgeted capital outlay is outlined in the table below. Resources are needed within the General, Athletics and Cafeteria Funds to upgrade facilities and equipment, especially as bond dollars for this purpose are no longer available. The significant increase budgeted on the General Fund – Equipment line reflects the cost of 7 new buses (4 more than in 2017/18) as well as the estimated cost of a new security system at the middle school.

A majority of the Capital Projects Fund expenditures represent anticipated technology upgrades using the proceeds remaining from the 2010 bond issue. It is expected the bond proceeds will be fully spent at the end of 2018/19. Capital Projects Fund – Sinking Fund expenditures are for district-wide facilities upgrades made possible from the successful passing of the Sinking Fund election in May 2017.

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
General Fund - Facilities	215,000	320,000	105,000
General Fund - Equipment	383,649	924,751	541,102
Athletics Fund	51,000	51,000	-
Cafeteria Fund	82,000	79,000	(3,000)
Capital Projects Fund - 2010 Bond	548,117	367,924	(180,193)
Capital Projects Fund - Sinking Fund	<u>-</u>	<u>520,116</u>	<u>520,116</u>
	1,279,766	2,262,791	983,025

**Other Financing Uses**

Other financing uses, which is outlined in the following chart, represents the “non-operating” expenditures of the district. The General Fund other financing uses represents the transfer made to the Athletics Fund to cover operations. The transfer amount is partially offset by approximately \$240K of revenue from the district’s “Pay to Play” program, which is collected by the General Fund. The Cafeteria Fund other financing uses represents the transfer made to the General Fund to cover indirect costs.

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
General Fund	749,385	773,160	23,775
Cafeteria Fund	<u>29,503</u>	<u>24,171</u>	<u>(5,332)</u>
	778,888	797,331	18,443

**Debt Service Expenditures**

General Fund debt service consists of principal and interest payments owed on the district’s various bus loans. For Debt Service Fund details please reference the specific fund budget documents. Below is the combined debt service budgeted expenditures:

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
General Fund - Principal	373,914	427,378	53,464
General Fund - Interest	26,552	30,077	3,525
Debt Service Fund - Principal	16,745,000	17,125,000	380,000
Debt Service Fund - Interest	<u>5,005,570</u>	<u>4,656,193</u>	<u>(349,377)</u>
	22,151,036	22,238,648	87,612



## Fund Balance Assumptions

The comparative fund equity schedules of the various funds of the district are highlighted below based on our assumptions for fiscal years 2017/18 and 2018/19:

<b><u>General Fund</u></b>	<b><u>FY 2017-18</u></b>	<b><u>FY 2018-19</u></b>	<b><u>Change</u></b>
Beginning fund balance	4,165,937	4,948,653	782,716
Operating surplus/(deficit)	<u>782,716</u>	<u>177,158</u>	<u>(605,558)</u>
Ending fund balance	4,948,653	5,125,811	177,158
Fund balance as a % of expenditures	9.03%	9.02%	
<b><u>Athletics Fund</u></b>	<b><u>FY 2017-18</u></b>	<b><u>FY 2018-19</u></b>	<b><u>Change</u></b>
Beginning fund balance	191,806	190,489	(1,317)
Operating surplus/(deficit)	<u>(1,317)</u>	<u>4,660</u>	<u>5,977</u>
Ending fund balance	190,489	195,149	4,660
<b><u>Cafeteria Fund</u></b>	<b><u>FY 2017-18</u></b>	<b><u>FY 2018-19</u></b>	<b><u>Change</u></b>
Beginning fund balance	270,810	226,936	(43,874)
Operating surplus/(deficit)	<u>(43,874)</u>	<u>(81,721)</u>	<u>(37,847)</u>
Ending fund balance	226,936	145,215	(81,721)
<b><u>Debt Service Fund</u></b>	<b><u>FY 2017-18</u></b>	<b><u>FY 2018-19</u></b>	<b><u>Change</u></b>
Beginning fund balance	3,207,219	4,121,398	914,179
Operating surplus/(deficit)	<u>914,179</u>	<u>1,496,411</u>	<u>582,232</u>
Ending fund balance	4,121,398	5,617,809	1,496,411
<b><u>Capital Projects Fund - 2010 Bond</u></b>	<b><u>FY 2017-18</u></b>	<b><u>FY 2018-19</u></b>	<b><u>Change</u></b>
Beginning fund balance	906,541	363,424	(543,117)
Operating surplus/(deficit)	<u>(543,117)</u>	<u>(363,424)</u>	<u>179,693</u>
Ending fund balance	363,424	-	(363,424)
<b><u>Capital Projects Fund - Sinking Fund</u></b>	<b><u>FY 2017-18</u></b>	<b><u>FY 2018-19</u></b>	<b><u>Change</u></b>
Beginning fund balance	-	538,236	538,236
Operating surplus/(deficit)	<u>538,236</u>	<u>37,046</u>	<u>(501,190)</u>
Ending fund balance	538,236	575,282	37,046

The fiscal year 2018/19 General Fund, Athletics Fund, Cafeteria Fund, Debt Service Fund, Capital Projects Fund and Sinking Fund budgets incorporate all the major revenue and expenditure assumptions identified by the district. The fund level budgets, as incorporated into this document, are presented for approval and adoption to the Hartland Consolidated Schools Board of Education at the June 25, 2018 public meeting.

**Hartland Consolidated Schools**  
**Descriptions of General Fund Financial Statement Expenditure Categories**

<b>Financial Statement Category</b>	<b>Description</b>
Basic Program	Instructional activities dealing directly with teaching pupils. Includes elementary, middle-junior high, and high school activities.
Added Needs	Instructional activities designed for the added needs of pupils in the district, including special education, compensatory education, and career/technical education.
Pupil	Activities designed to assess and improve the well-being of pupils. Includes guidance, health, and teacher consultant services.
Instructional Staff	Activities associated with assisting the instructional staff with the content and process of providing learning experience to pupils. Includes the curriculum department, ICT, instructional technology and media staff and materials.
General Administration	Activities associated with oversight of the district as a whole.
School Administration	Activities associated with oversight of a single school building.
Business	Includes services concerned with the fiscal operations of the district, including budgeting, receiving and disbursing, financial accounting, and payroll.
Operation & Maintenance	Activities related to operating the district's buildings. Includes heating and lighting, as well as repairs and maintenance of equipment, property and liability insurance, and janitorial and grounds maintenance costs.
Pupil Transportation	Includes services associated with the transportation of pupils to and from school.
Central Support	Activities that support each of the other instructional and support service programs. Includes data processing oversight and equipment.
Other	Includes those supporting service expenditures which cannot be classified above.
Community Services	Activities that are not directly related to providing education to pupils in the district. Includes community education programs as well as the senior center.
Debt Service	Represents principal and interest payments owed during the current fiscal year on installment purchase obligations.
Capital Outlay	Includes site acquisition and facilities improvement.
Transfers	Includes transfers to other funds.

HARTLAND CONSOLIDATED SCHOOLS  
GENERAL FUND  
PROPOSED BUDGET  
FISCAL YEAR ENDING JUNE 30, 2019

	ACTUAL 2016-17	BUDGETED 2017-18	ESTIMATED 2018-19	NET CHANGE PERCENT	NET CHANGE DOLLARS
<b>REVENUES:</b>					
LOCAL SOURCES	\$ 7,656,801	\$ 7,819,604	\$ 8,096,217	3.54%	276,613 <b>A</b>
STATE SOURCES	42,690,072	44,243,666	45,121,410	1.98%	877,744 <b>B</b>
FEDERAL SOURCES	<u>491,405</u>	<u>522,133</u>	<u>333,567</u>	-36.11%	<u>(188,566) <b>C</b></u>
TOTAL REVENUES	50,838,278	52,585,403	53,551,194	1.84%	965,791
INCOMING TRANSFERS AND OTHER	<u>2,643,203</u>	<u>3,021,817</u>	<u>3,484,544</u>	15.31%	<u>462,727 <b>D</b></u>
TOTAL REVENUES, INCOMING TRANSFERS AND OTHER	\$ 53,481,481	\$ 55,607,220	\$ 57,035,738	2.57%	\$ 1,428,518
<b>EXPENDITURES:</b>					
<b>INSTRUCTION:</b>					
BASIC PROGRAMS	26,035,944	26,737,818	27,038,361	1.12%	300,543 <b>E</b>
ADDED NEEDS	5,982,150	6,599,850	6,675,656	1.15%	75,806 <b>E</b>
<b>SUPPORT SERVICES:</b>					
PUPIL SERVICES	1,565,032	1,376,881	1,482,594	7.68%	105,713 <b>E</b>
INSTRUCTIONAL SERVICES	1,236,770	1,540,262	1,774,615	15.22%	234,353 <b>E, F</b>
GENERAL ADMINISTRATION	1,248,925	1,313,841	1,333,962	1.53%	20,121
SCHOOL ADMINISTRATION	3,187,909	3,253,262	3,383,114	3.99%	129,852 <b>G</b>
BUSINESS SERVICES	662,786	657,820	684,653	4.08%	26,833
OPERATIONS & MAINTENANCE	5,027,855	5,209,726	5,495,353	5.48%	285,627 <b>H</b>
TRANSPORTATION	2,290,103	2,714,233	3,296,121	21.44%	581,888 <b>I</b>
CENTRAL SERVICES	572,026	606,490	820,921	35.36%	214,431 <b>J</b>
OTHER	203,335	175,198	164,321	-6.21%	(10,877)
COMMUNITY SERVICES	3,181,380	3,274,272	3,158,304	-3.54%	(115,968) <b>K</b>
DEBT SERVICE	400,465	400,466	457,445	14.23%	56,979 <b>L</b>
CAPITAL OUTLAY	<u>175,107</u>	<u>215,000</u>	<u>320,000</u>	48.84%	<u>105,000 <b>M</b></u>
TOTAL EXPENDITURES	51,769,787	54,075,119	56,085,420	3.72%	2,010,301
OUTGOING TRANSFERS (ATHLETICS)	<u>727,756</u>	<u>749,385</u>	<u>773,160</u>	3.17%	<u>23,775</u>
TOTAL APPROPRIATED	\$ 52,497,543	\$ 54,824,504	\$ 56,858,580	3.71%	\$ 2,034,076
EXCESS REVENUES(APPROPRIATION)	\$ 983,938	\$ 782,716	\$ 177,158	-77.37%	\$ (605,558)
FUND BALANCE, JULY 1	3,181,999	4,165,937	4,948,653	18.79%	782,716
FUND BALANCE, JUNE 30	\$ 4,165,937	\$ 4,948,653	\$ 5,125,811	3.58%	\$ 177,158
FUND BALANCE AS A % OF EXPENDITURES	7.94%	9.03%	9.02%		

Hartland Consolidated Schools  
 General Fund – Proposed Budget Explanations  
 June 30, 2019

<b>A</b>	Local Sources	Property tax revenue was increased to account for an increase in property values. Since the state reduces the foundation allowance by the district’s estimated property tax revenue, the State Sources line item was reduced by an amount equal to the increase in property tax revenues. In addition, a slight inflationary increase on other local revenues (other than property tax revenue) was estimated.
<b>B</b>	State Sources	The budget currently assumes a foundation increase of \$240 per pupil as well as a loss of 48 students for 2018/19. State revenues were reduced by an estimated increase in property tax revenue, as noted in the “Local Sources” line item above. The special ed categorical funding was calculated using projected 2017/18 expenditures and increased for 2018/19 accordingly. In addition, the Early Literacy grant was eliminated. Offsetting expenditures related to the Early Literacy grant were reduced from the “Instructional Services” line item below. The remaining categorical funding is expected to remain consistent with prior year.
<b>C</b>	Federal Sources	The Workforce Investment Act revenue has been reduced by \$139K, since 2018/19 is the last year the district will receive funding for this grant. Expenditures have been reduced in the same amount under the “Community Services” line item. In addition, Title I and II allocations were reduced for 2018/19.
<b>D</b>	Incoming Transfers & Other	Amount includes an increase of approximately \$403K to account for the additional proceeds expected from bus loan financing, as well as \$72K for the proceeds from the sale of existing buses and school vehicles. The district intends to purchase a total of 7 busses in 2018/19 (which is an increase of 4 from 2017/18). Operational support was increased \$18K based on the estimated additional revenues available to distribute from LESA. CTE grant funding was reduced \$30K for the one-time equipment grant that was received in 2017/18. Expenditures related to the CTE equipment grant were also reduced.
<b>E</b>	Instruction; Pupil Services; Instructional Services	The net change is a culmination of several adjustments made to the various expense categories. Salaries & fringe benefits have been adjusted for expected steps, lane changes, increased fringe benefit costs, and the replacement of retiring teachers. The 2018/19 budget assumes 2 additional teaching positions as well as using 7 more salaried teachers instead of permanent subs. Contracted services was increased for the anticipated costs associated with attracting and retaining

		substitute teachers. Supplies were reduced for the elimination of the Early Literacy grant. Offsetting revenues for the Early Literacy grant were reduced under the "State Sources" line item above.
<b>F</b>	Instructional Services	In addition to item E above, the restoration of curriculum change dollars to normal levels was included in this line item.
<b>G</b>	School Administration	Salaries and fringe benefits have been adjusted for expected step increases, formula increases (where applicable), and new affiliate contract terms effective in 2018/19. Fringe benefit costs have also been increased accordingly.
<b>H</b>	Operations & Maintenance	Salaries and fringe benefits have been adjusted for expected step increases, formula increases (where applicable), and new maintenance union contract terms effective in 2018/19. Fringe benefit costs have also been increased accordingly. In addition, reductions made in prior year for staffing vacancies and utilities were restored to regular levels. Finally, expenditures were increased to account for anticipated costs related to contract custodial, as well as for the purchase of a large truck.
<b>I</b>	Transportation	A majority of the increase in expense from prior year is related to the purchase of 7 buses in 2018/19, which is 4 more than in 2017/18. In addition, more resources have been allocated for attracting and retaining bus drivers under the RTC agreement, as well as for one additional bus route that will be needed in 2018/19. Finally, reductions to salaries and fringe benefits made in 2017/18 for staffing vacancies were restored to regular levels.
<b>J</b>	Central Services	Resources were added to purchase a new security system at the middle school. In addition, funds were allocated to staff a new technology position that is planned in 2018/19.
<b>K</b>	Community Services	A majority of the decrease relates to a reduction in the Workforce Investment Act activities. Offsetting grant revenues were also reduced in the "Federal Sources" line item above. The decrease was partially offset by expected increases to healthcare and retirement costs.
<b>L</b>	Debt Service	Principal and interest expenditures have been added for the 2017/18 bus loans.
<b>M</b>	Capital Outlay	Additional resources were added due to the lack of bond dollars available to fund repairs to and replacements of the district's buildings and infrastructure.

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**HARTLAND CONSOLIDATED SCHOOLS  
BUDGET SUMMARY  
GENERAL FUND**

	ACTUAL 2016/17	AMENDED 2017/18	PROJECTION 2018/19	CHANGE FROM 2017/18
<b>INSTRUCTION:</b>				
<b>BASIC PROGRAMS</b>				
Salaries	\$ 15,681,302	\$ 15,813,304	\$ 16,048,794	\$ 235,490
Fringes	9,181,279	9,620,263	9,899,259	278,996
Purchased services	885,005	1,004,688	814,314	(190,374)
Supplies	245,706	291,448	267,879	(23,569)
Curriculum change	35,823	-	-	-
Capital outlay & other	6,829	8,115	8,115	-
<b>ADDED NEEDS</b>				
Salaries	3,405,217	3,801,266	3,851,624	50,358
Fringes	2,072,904	2,299,896	2,350,985	51,089
Purchased services	338,264	212,106	216,465	4,359
Supplies	165,765	286,582	256,582	(30,000)
Capital outlay & other	-	-	-	-
<b>TOTAL INSTRUCTION</b>	<b>32,018,094</b>	<b>33,337,668</b>	<b>33,714,017</b>	<b>376,349</b>
<b>SUPPORT SERVICES:</b>				
<b>PUPIL SERVICES</b>				
Salaries	997,791	858,078	919,180	61,102
Fringes	527,706	475,493	519,772	44,279
Purchased services	33,418	36,736	36,736	-
Supplies	6,117	6,574	6,906	332
Capital outlay & other	-	-	-	-
<b>INSTRUCTIONAL SERVICES</b>				
Salaries	545,045	756,597	845,514	88,917
Fringes	299,215	408,120	449,307	41,187
Purchased services	161,495	138,818	115,199	(23,619)
Supplies	193,086	162,227	164,595	2,368
Curriculum change	37,928	74,500	200,000	125,500
Capital outlay & other	-	-	-	-
<b>GENERAL ADMINISTRATION</b>				
Salaries	566,982	616,820	642,749	25,929
Fringes	307,464	341,942	353,040	11,098
Purchased services	354,428	334,579	315,892	(18,687)
Supplies	7,677	8,000	8,513	513
Capital outlay & other	12,374	12,500	13,768	1,268
<b>SCHOOL ADMINISTRATION</b>				
Salaries	1,968,054	1,963,141	2,034,920	71,779
Fringes	1,119,459	1,180,676	1,238,749	58,073
Purchased services	88,077	95,000	95,000	-
Supplies	12,319	14,445	14,445	-
Capital outlay & other	-	-	-	-
<b>BUSINESS SERVICES</b>				
Salaries	237,465	237,309	247,247	9,938
Fringes	139,325	146,587	150,516	3,929
Purchased services	147,886	147,886	147,886	-
Supplies	-	-	-	-
Capital outlay & other	138,110	126,038	139,004	12,966
<b>OPERATIONS &amp; MAINTENANCE</b>				
Salaries	708,978	718,032	759,997	41,965
Fringes	529,853	564,712	597,389	32,677



Purchased services	3,467,034	3,578,782	3,743,826	165,044
Supplies	214,343	270,200	287,141	16,941
Capital outlay & other	107,647	78,000	107,000	29,000
<b>TRANSPORTATION</b>				
Salaries	432,670	434,295	467,367	33,072
Fringes	266,567	274,745	287,873	13,128
Purchased services	1,466,540	1,606,629	1,727,197	120,568
Supplies	123,807	115,500	127,393	11,893
Capital outlay & other	519	283,064	686,291	403,227
<b>CENTRAL SERVICES</b>				
Salaries	132,989	139,232	195,546	56,314
Fringes	98,666	102,328	140,445	38,117
Purchased services	337,227	362,430	362,430	-
Supplies	3,144	2,500	2,500	-
Capital outlay & other	-	-	120,000	120,000
<b>OTHER</b>				
Salaries	97,650	100,250	100,250	-
Fringes	41,143	44,873	45,121	248
Purchased services	7,854	3,850	3,850	-
Supplies	3,100	3,100	3,100	-
Capital outlay & other	<u>53,588</u>	<u>23,125</u>	<u>12,000</u>	<u>(11,125)</u>
<b>TOTAL SUPPORT SERVICES</b>	<b>15,994,741</b>	<b>16,847,713</b>	<b>18,435,654</b>	<b>1,587,941</b>
<b>COMMUNITY SERVICES</b>				
Salaries	1,585,712	1,591,030	1,554,394	(36,636)
Fringes	698,825	745,981	748,993	3,012
Purchased services	776,378	804,562	723,968	(80,594)
Supplies	120,129	127,699	125,949	(1,750)
Capital outlay & other	336	5,000	5,000	-
<b>CAPITAL OUTLAY - Facilities</b>	<b>175,107</b>	<b>215,000</b>	<b>320,000</b>	<b>105,000</b>
<b>DEBT SERVICE</b>	<b>400,465</b>	<b>400,466</b>	<b>457,445</b>	<b>56,979</b>
<b>TRANSFERS &amp; OTHER</b>	<u><b>727,756</b></u>	<u><b>749,385</b></u>	<u><b>773,160</b></u>	<u><b>23,775</b></u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 52,497,543</b>	<b>\$ 54,824,504</b>	<b>\$ 56,858,580</b>	<b>\$ 2,034,076</b>

Salaries	\$ 26,359,855	\$ 27,029,354	\$ 27,667,582	\$ 638,228
Fringes	15,282,406	16,205,616	16,781,449	575,833
Purchased services	8,063,606	8,326,066	8,302,763	(23,303)
Supplies	1,095,193	1,288,275	1,265,003	(23,272)
Curriculum change	73,751	74,500	200,000	125,500
Capital outlay & other	319,403	535,842	1,091,178	555,336
Capital outlay - Facilities	175,107	215,000	320,000	105,000
Debt service	400,465	400,466	457,445	56,979
Transfers	<u>727,756</u>	<u>749,385</u>	<u>773,160</u>	<u>23,775</u>
	<b>\$ 52,497,543</b>	<b>\$ 54,824,504</b>	<b>\$ 56,858,580</b>	<b>\$ 2,034,076</b>

Salaries	50.21%	49.30%	48.66%	
Fringes	29.11%	29.56%	29.51%	
Purchased services	15.36%	15.19%	14.60%	
Supplies	2.09%	2.35%	2.22%	
Curriculum change	0.14%	0.14%	0.35%	
Capital outlay & other	0.61%	0.98%	1.92%	
Capital outlay - Facilities	0.33%	0.39%	0.56%	
Debt service	0.76%	0.73%	0.80%	
Transfers & other	1.39%	1.37%	1.36%	

HARTLAND CONSOLIDATED SCHOOLS  
PROPOSED BUDGET  
ATHLETICS FUND  
FISCAL YEAR ENDING JUNE 30, 2019

	ACTUAL 2016-17	BUDGETED 2017-18	ESTIMATED 2018-19	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
LOCAL REVENUE (GATE)	\$ 144,621	\$ 148,465	\$ 153,622	3.47%	\$ 5,157
OTHER LOCAL REVENUE	111,377	114,610	127,610	11.34%	13,000
TOTAL REVENUE	<u>255,998</u>	<u>263,075</u>	<u>281,232</u>	6.90%	18,157 <b>A</b>
INCOMING TRANSFERS	<u>727,756</u>	<u>749,385</u>	<u>773,160</u>	3.17%	<u>23,775</u> <b>B</b>
TOTAL REVENUE & INCOMING TRANSFERS	983,754	1,012,460	1,054,392	4.14%	41,932
EXPENDITURES:					
SALARIES	245,542	249,038	251,562	1.01%	2,524
EMPLOYEE BENEFITS	102,542	119,075	126,114	5.91%	7,039 <b>C</b>
CONTRACTED SERVICES/SUPPLIES	473,186	477,153	499,776	4.74%	22,623 <b>D</b>
EQUIPMENT	23,820	28,291	30,560	8.02%	2,269
OFFICIALS	36,966	41,720	43,220	3.60%	1,500
TRANSPORTATION	47,500	47,500	47,500	0.00%	-
CAPITAL OUTLAY	<u>19,727</u>	<u>51,000</u>	<u>51,000</u>	0.00%	<u>-</u> <b>E</b>
TOTAL APPROPRIATED	949,283	1,013,777	1,049,732	3.55%	35,955
EXCESS REVENUE (APPROPRIATION)	34,471	(1,317)	4,660	-453.83%	5,977
FUND BALANCE, JULY 1	157,335	191,806	190,489	-0.69%	(1,317)
FUND BALANCE, JUNE 30	\$ 191,806	\$ 190,489	\$ 195,149	2.45%	\$ 4,660

Hartland Consolidated Schools  
 Athletics Fund – Proposed Budget Explanations  
 June 30, 2019

<b>A</b>	Revenues	Gate revenue was increased to account for one additional home varsity football game scheduled this year. In addition, KLAA/MHSAA tournament revenue was increased since there were an unusually low number of events awarded to the district in 2017/18. The increase in KLAA/MHSAA tournament revenue has been offset by additional expenses related to these events, which are budgeted in the “Contract Services” line below.
<b>B</b>	Incoming Transfers	Transfer from the General Fund has been adjusted for the annual 3% base increase and the revised UAAL amount.
<b>C</b>	Employee Benefits	Benefits were adjusted to account for the projected increase in healthcare costs and retirement rates.
<b>D</b>	Contract Services	Contracted coaching expense was increased since the 3 vacant positions from prior year will be filled. In addition, as noted in item “A” above, KLAA/MHSAA tournament expenses were increased in anticipation of hosting more events this year than in 2017/18.
<b>E</b>	Capital Outlay	Capital outlay budget remains unchanged from prior year. Capital needs have been assessed and a replacement schedule has been prepared by the Athletic Director. Anticipated purchases in 2018/19 include a press box, bleacher resurfacing, and a sound system.

HARTLAND CONSOLIDATED SCHOOLS  
 PROPOSED BUDGET  
 CAFETERIA FUND  
 FISCAL YEAR ENDING JUNE 30, 2019

	ACTUAL 2016-17	BUDGETED 2017-18	ESTIMATED 2018-19	NET CHANGE PERCENT	NET CHANGE DOLLARS
<b>REVENUES:</b>					
LOCAL REVENUE	\$ 1,180,504	\$ 1,085,079	\$ 1,121,450	3.35%	\$ 36,371 <b>A</b>
STATE REVENUE	58,453	52,936	53,517	1.10%	581
FEDERAL REVENUE	508,031	552,000	563,070	2.01%	11,070 <b>A</b>
INCOMING TRANSFERS	-	481	481	0.00%	-
<b>TOTAL REVENUE</b>	<b>1,746,988</b>	<b>1,690,496</b>	<b>1,738,518</b>	<b>2.84%</b>	<b>48,022</b>
<b>EXPENDITURES:</b>					
SALARIES	508,176	517,886	542,229	4.70%	24,343 <b>B</b>
EMPLOYEE BENEFITS	245,842	253,120	280,978	11.01%	27,858 <b>B</b>
FOOD	754,939	766,000	796,000	3.92%	30,000 <b>C</b>
SUPPLIES & OTHER	87,614	85,861	97,861	13.98%	12,000 <b>D</b>
CAPITAL OUTLAY	44,345	82,000	79,000	-3.66%	(3,000) <b>E</b>
<b>TOTAL EXPENDITURES</b>	<b>1,640,916</b>	<b>1,704,867</b>	<b>1,796,068</b>	<b>5.35%</b>	<b>91,201</b>
OUTGOING TRANSFERS	29,580	29,503	24,171	-18.07%	(5,332) <b>F</b>
<b>TOTAL APPROPRIATED</b>	<b>1,670,496</b>	<b>1,734,370</b>	<b>1,820,239</b>	<b>4.95%</b>	<b>85,869</b>
EXCESS REVENUE (APPROPRIATION)	76,492	(43,874)	(81,721)	86.26%	(37,847)
FUND BALANCE, JULY 1	194,318	270,810	226,936	-16.20%	(43,874)
FUND BALANCE, JUNE 30	\$ 270,810	\$ 226,936	\$ 145,215	-36.01%	\$ (81,721)

Hartland Consolidated Schools  
 Cafeteria Fund – Proposed Budget Explanations  
 June 30, 2019

<b>A</b>	Local/ Federal Revenue	Local and federal revenue were increased to account for the addition of a breakfast program at two elementary buildings, which is required in the current year based on free and reduced-price meal eligibility. In addition, paid lunch and a la carte revenues were increased to account for an anticipated increase in participation due to a new pizza offering planned in 2018/19. This increase in revenue has been partially offset by increases in labor and food expense.
<b>B</b>	Salaries/ Fringe Benefits	Salaries and fringe benefits were adjusted to account for the new contract terms that are effective July 1, 2018. In addition, salaries and related fringe benefits were increased to staff the new breakfast program at two elementary buildings. Furthermore, healthcare expenditures were increased to account for the full-year cost of the additional staff members electing to take health insurance at the January 1, 2018 open enrollment.
<b>C</b>	Food	Food expenditures were increased to account for the additional cost of the new breakfast program as well as the additional cost associated with the increase in participation projected in 2018/19 as noted under “Local/ Federal Revenue” above.
<b>D</b>	Supplies & Other	Increase is mostly due to repairs and maintenance expenditures that were restored to 2016/17 levels to cover the cost of any potential failure of cafeteria equipment. Repairs and maintenance expenditures were reduced in 2017/18 as a result of fewer items requiring service than normal.
<b>E</b>	Capital Outlay	Long-term capital needs have been assessed and a replacement schedule has been prepared by the Food Service Director. The amount budgeted is based on the items scheduled for replacement in 2018/19. Items include transport carriers, carts, and steam tables.
<b>F</b>	Outgoing Transfers	The outgoing transfer to the General Fund is reduced by the UAAL expense budgeted in the Employee Benefits line item in any given year. Since the UAAL rate has increased, the transfer has decreased accordingly.

HARTLAND CONSOLIDATED SCHOOLS  
 PROPOSED BUDGET  
 DEBT SERVICE FUND  
 FISCAL YEAR ENDING JUNE 30, 2019

	ACTUAL 2016-17	BUDGETED 2017-18	ESTIMATED 2018-19	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
PROPERTY TAX LEVY	\$ 9,933,543	\$ 9,720,756	\$ 10,265,578	5.60%	\$ 544,822 <b>A</b>
OTHER LOCAL REVENUE	<u>10,358</u>	<u>79,464</u>	<u>54,050</u>	-31.98%	<u>(25,414) <b>B</b></u>
TOTAL LOCAL REVENUE	9,943,901	9,800,220	10,319,628	5.30%	519,408
STATE REVENUE	67,969	72,348	74,517	3.00%	2,169
FEDERAL REVENUE	658,049	658,755	658,755	0.00%	-
SBLF PROCEEDS	<u>11,638,867</u>	<u>12,176,596</u>	<u>12,243,124</u>	0.55%	<u>66,528 <b>C</b></u>
TOTAL REVENUE & OTHER PROCEEDS	22,308,786	22,707,919	23,296,024	2.59%	588,105
EXPENDITURES:					
REDEMPTION OF PRINCIPAL	16,385,000	16,745,000	17,125,000	2.27%	380,000 <b>D</b>
INTEREST ON DEBT	5,326,395	5,005,570	4,656,193	-6.98%	(349,377) <b>D</b>
MISCELLANEOUS EXPENSE	<u>115,459</u>	<u>43,170</u>	<u>18,420</u>	-57.33%	<u>(24,750) <b>E</b></u>
TOTAL EXPENDITURES	21,826,854	21,793,740	21,799,613	0.03%	5,873
TOTAL APPROPRIATED	21,826,854	21,793,740	21,799,613	-0.34%	5,873
EXCESS REVENUE (APPROPRIATION)	481,932	914,179	1,496,411	63.69%	582,232
FUND BALANCE, JULY 1	2,725,287	3,207,219	4,121,398	28.50%	914,179
FUND BALANCE, JUNE 30	\$ 3,207,219	\$ 4,121,398	\$ 5,617,809	36.31%	\$ 1,496,411 <b>F</b>

Hartland Consolidated Schools  
 Debt Service Fund – Proposed Budget Explanations  
 June 30, 2019

<b>A</b>	Property Tax Levy	The property tax levy is calculated based on 8.05 mils and 2018 taxable value. Taxable value increased by approximately 5.4% from prior year. There is also a small increase budgeted for delinquent tax collections.
<b>B</b>	Other Local Revenue	Other local revenues were reduced for the elimination of the municipal derivatives settlement, which was expected to be a one-time revenue source in 2017/18. This decrease was partially offset by an increase in the expected change in market value of the QSCB investment deposit.
<b>C</b>	SBLF Proceeds	The 2018/19 SBLF borrowing amount was calculated based on expected debt fund cash flow, taking into account property tax collections and debt service requirements.
<b>D</b>	Redemption of Principal/Interest on Debt	Principal and interest expenditures have been updated for 2018/19 debt service requirements based on the long-term debt schedules.
<b>E</b>	Miscellaneous Expense	Miscellaneous expense includes tax chargebacks and paying agent fees expected for 2017/18. Overall expenditures decreased due to the expected market value change of the QSCB investment deposit. There was a market value loss budgeted in 2017/18; however, the district is estimating a positive change in 2018/19, which is included on the “other local revenue” line above.
<b>F</b>	Fund Balance	Fund balance in continues to grow as a result of the payment structure of the 2010 QSCB debt. Each year, the district is required to deposit “set-aside” funds into an investment account so that when the bonds mature, the principal is paid in one lump sum from the proceeds of the investment account. The total lump sum principal payment is \$12.1M, and is scheduled to be paid in the 2026/27 school year.

HARTLAND CONSOLIDATED SCHOOLS  
 PROPOSED BUDGET  
 CAPITAL PROJECTS FUND - 2010 BOND  
 FISCAL YEAR ENDING JUNE 30, 2019

	ACTUAL 2016-17	BUDGETED 2017-18	ESTIMATED 2018-19	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
INTEREST	\$ 4,467	\$ 5,200	\$ 4,500	-13.46%	\$ (700)
TOTAL REVENUE	4,467	5,200	4,500	-13.46%	(700)
EXPENDITURES:					
REMODELING, RENNOVATION & NEW CONSTRUCTION	2,833	-	50,000	0.00%	50,000 A
EQUIPMENT	126,689	548,317	317,924	-42.02%	(230,393) A
SITE DEVELOPMENT	172,266	-	-	0.00%	-
TOTAL APPROPRIATED	301,788	548,317	367,924	-32.90%	(180,393)
EXCESS REVENUE (APPROPRIATION)	(297,321)	(543,117)	(363,424)	-33.09%	179,693
FUND BALANCE, JULY 1	1,203,862	906,541	363,424	-59.91%	(543,117)
FUND BALANCE, JUNE 30	\$ 906,541	\$ 363,424	\$ -	-100.00%	\$ (363,424)



Hartland Consolidated Schools  
Capital Projects Fund – 2010 Bond – Proposed Budget Explanations  
June 30, 2019

<b>A</b>	Remodeling, Renovation & New Construction/ Equipment	The remaining bond proceeds will be spent in 2018/19. A majority of the proceeds are reserved for the purchase of technology equipment which is in line with the overall spending plan.
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HARTLAND CONSOLIDATED SCHOOLS  
 PROPOSED BUDGET  
 CAPITAL PROJECTS FUND - SINKING FUND  
 FISCAL YEAR ENDING JUNE 30, 2019

	ACTUAL 2016-17	BUDGETED 2017-18	ESTIMATED 2018-19	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
PROPERTY TAX LEVY	\$ -	\$ 603,750	\$ 633,282	4.89%	\$ 29,532 <b>A</b>
INTEREST	-	1,750	2,000	14.29%	250
TOTAL REVENUE	-	605,500	635,282	4.92%	29,782
EXPENDITURES:					
REMODELING, RENNOVATION & NEW CONSTRUCTION	-	-	520,116	0.00%	520,116 <b>B</b>
MISC (ARCHITECT, CONSTRUCTION MGR, OTHER)	-	67,264	78,120	16.14%	10,856 <b>B</b>
TOTAL APPROPRIATED	-	67,264	598,236	789.39%	530,972
EXCESS REVENUE (APPROPRIATION)	-	538,236	37,046	-93.12%	(501,190)
FUND BALANCE, JULY 1	-	-	538,236	0.00%	538,236
FUND BALANCE, JUNE 30	\$ -	\$ 538,236	\$ 575,282	6.88%	\$ 37,046

Hartland Consolidated Schools  
 Capital Projects Fund – Sinking Fund – Proposed Budget Explanations  
 June 30, 2019

<b>A</b>	Property Tax Levy	Amount was calculated based on .4965 mills and 2018 taxable value. The 2018 tax base was subject to a Headlee rollback in 2018, and therefore, the full .5 mills could not be levied.
<b>B</b>	Remodeling, Renovation & New Construction/ MISC	Amounts represent anticipated 2018/19 expenditures for construction and renovation projects as well as for design and engineering work for future projects.

<b>FOUNDTION ALLOW. \$240 INCREASE p/p ENROLLMENT LOSS OF 48</b>	<b>HARTLAND CONSOLIDATED SCHOOLS</b>			
	<b>Makes an assumption on cost of all contract settlements.</b>			

### Revenue and Expenditure Projection

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Revenue</b>	51,550,686	53,481,479	55,607,220	57,035,738	57,822,482	58,490,481
<b>Expenditures</b>	52,286,883	52,497,541	54,824,504	56,858,580	58,257,168	58,973,173
<b>Excess Rev. /(Expend)</b>	(736,197)	983,938	782,716	177,158	(434,686)	(482,692)
<b>Fund Balance July 1</b>	3,918,196	3,181,999	4,165,937	4,948,653	5,125,811	4,691,125
<b>Fund Balance June 30</b>	3,181,999	4,165,937	4,948,653	5,125,811	4,691,125	4,208,433
<b>Fund Balance Percent</b>	<b>6.09%</b>	<b>7.94%</b>	<b>9.03%</b>	<b>9.02%</b>	<b>8.05%</b>	<b>7.14%</b>
<b>Revenue increase</b>	1.01%	3.75%	3.97%	2.57%	1.38%	1.16%
<b>Expenditure increase</b>	2.30%	0.40%	4.43%	3.71%	2.46%	1.23%
<b>Key percentage factors</b>						
<b>"Net" Foundation inc.( found. plus incentives)</b>	<b>0.2954%</b>	<b>1.6287%</b>	<b>1.7071%</b>	<b>3.1142%</b>	<b>1.5154%</b>	<b>1.4879%</b>
Tch formula inc.	0.1946%	0.9772%	1.0965%	1.8685%	0.9093%	0.8928%
Tch formula % of foundation	65.87%	60.00%	64.23%	60.00%	60.00%	60.00%
<b>Health ins Inc.</b>	<b>2.50%</b>	<b>2.50%</b>	<b>3.30%</b>	<b>3.50%</b>	<b>3.50%</b>	<b>3.50%</b>
Retirement rate	<b>25.78%</b>	<b>24.94%</b>	<b>25.56%</b>	<b>25.81%</b>	<b>26.06%</b>	<b>26.31%</b>
<b>Key numerical factors</b>						
<b>"Net" Foundation inc.( found. plus incentives)</b>	<b>21.96</b>	<b>121.44</b>	<b>129.35</b>	<b>240.00</b>	<b>120.43</b>	<b>120.03</b>
Blended count @10%/90 %	5,537.82	5,534.30	5,554.56	5,510.28	5,507.20	5,507.20
<b>Student inc.</b>	<b>8.67</b>	<b>(4.93)</b>	<b>20.14</b>	<b>(48.00)</b>	<b>-</b>	<b>-</b>
Annual Curr. Change dollars	0	0	74,500	200,000	200,000	200,000
Annual Technology equipment dollars	0	0	0	120,000	120,000	120,000
Annual Special Capital proj. dollars(maint./repair)	0	0	0	100,000	200,000	200,000

