

Hartland Consolidated Schools

District Wide Budgetary Information

Fiscal Year Ending

June 30, 2018

(7/1/2017 - 6/30/2018)



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**HARTLAND CONSOLIDATED SCHOOLS - BUDGET DEVELOPMENT ASSUMPTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Revenue Assumptions & Proposed Budgets

Property Tax Revenue

The commercial and residential real estate markets across the county are expected to improve slightly resulting in increased tax revenues. The District’s tax base is comprised of 80% homestead and 20% non-homestead taxable value classification property. In the Debt Service Fund, the millage has been reduced from 8.55 mills in FY 17 to 8.05 mills in FY 18. Due to the successful sinking fund election, property tax revenue in the amount of .5 mills has been budgeted in the Capital Projects Fund. Below are the property tax revenue expectations by fund for fiscal year 2017-18:

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
General Fund	4,319,176	4,354,852	35,676
Debt Service Fund	9,936,721	9,740,625	(196,096)
Capital Projects - Sinking Fund	-	600,000	600,000
	<u>14,255,897</u>	<u>14,695,477</u>	<u>439,580</u>

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 \$120 per pupil. We expect enrollment to remain stable. In addition, the district’s 31a at-risk allocation is projected to increase by approximately \$134K. 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 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
General Fund	42,672,599	43,491,032	818,433
Cafeteria Fund	58,425	51,682	(6,743)
Debt Service Fund	<u>67,969</u>	<u>72,348</u>	<u>4,379</u>
	<u>42,798,993</u>	<u>43,615,062</u>	<u>816,069</u>

Federal Revenue

Federal revenue has been adjusted to reflect our expected grant awards in 2017-18. There was a significant reduction in Title I & II funding at the federal level, resulting in a decreased district allocation expected in FY 18. 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 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
General Fund	502,038	431,821	(70,217)
Cafeteria Fund	473,910	467,510	(6,400)
Debt Service Fund	<u>658,049</u>	<u>658,049</u>	-
	1,633,997	1,557,380	(76,617)

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. The significant decrease is mostly due to one-time revenue distributions received in the prior year for excess operational support and Section 95a grant funding.

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 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
General Fund - LESA	2,488,836	2,287,666	(201,170)
General Fund - Other	<u>112,580</u>	<u>115,424</u>	<u>2,844</u>
	2,601,416	2,403,090	(198,326)

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 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 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
General Fund	43,757	388,237	344,480
Athletics Fund	727,756	749,756	22,000
Debt Service Fund	<u>11,638,867</u>	<u>12,624,445</u>	<u>985,578</u>
	12,410,380	13,762,438	1,352,058

Expenditure Assumptions & Proposed Budgets

Salaries and Wages

Salaries and wages comprise the single largest expenditure category for the district. A small increase to the existing salary/wage base is budgeted for fiscal year 2017-18. The net change consists of salary increases due to steps, lane changes, longevity increases, and an estimated 1% formula increase, as well the net effect of replacing retiring teachers. Salary budget adjustments will be made after adoption reflecting the final staffing roster and will be addressed through the budget amendment process.

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
General Fund	26,409,852	26,876,630	466,778
Athletics Fund	245,415	251,866	6,451
Cafeteria Fund	<u>511,201</u>	<u>516,374</u>	<u>5,173</u>
	27,166,468	27,644,870	478,402

Staffing Changes

The proposed budget contemplates no changes in staffing at this time.

Concessions

Existing labor contracts allow for employee concessions in the event fund balance is projected to fall below 5% of expenditures. Currently, no employee concessions are anticipated in FY 18.

MPSERS Retirement Costs

The district pays, with some exceptions, an estimated \$25 in base retirement costs for every \$100 of wages paid to our employees. The weighted average retirement rate for fiscal year 2017-18 is 25.41%, which is a slight increase from the 2016-17 blended rate of 25.15%. The change in the MPSERS rate has been reflected in the district's fiscal year 2017-18 operating costs.

For fiscal year 2017-18 the Legislature currently intends to 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 decreased slightly to 11.32% in FY 18 from 11.7% in FY 17.

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 2017 wage cap is \$127,200. The budgeted FICA rate remains at 7.65% for fiscal year 2017-18.

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 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
General Fund	15,472,323	16,068,843	596,520
Athletics Fund	101,391	105,526	4,135
Cafeteria Fund	<u>246,880</u>	<u>243,408</u>	<u>(3,472)</u>
	15,820,594	16,417,777	597,183

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. The change in budgeted amounts on the General Fund – Equipment line reflects the cost of new busses less one-time equipment purchases made in the prior year.

Capital Projects Fund expenditures represent anticipated building and technology upgrades using the proceeds remaining from the 2010 bond issue. Capital Projects Fund – Sinking Fund expenditures represent district-wide facilities upgrades made possible from the successful passing of the Sinking Fund election in May 2017.

	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
General Fund - Facilities	180,000	215,000	35,000
General Fund - Equipment	158,188	427,725	269,537
Athletics Fund	20,000	20,000	-
Cafeteria Fund	66,180	40,000	(26,180)
Capital Projects Fund - 2010 Bond	422,602	400,000	(22,602)
Capital Projects Fund - Sinking Fund	<u>-</u>	<u>75,000</u>	<u>75,000</u>
	846,970	1,177,725	330,755

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 \$180K 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 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
General Fund	727,756	749,756	22,000
Cafeteria Fund	<u>34,542</u>	<u>34,022</u>	<u>(520)</u>
	762,298	783,778	21,480

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 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
General Fund - Principal	364,633	373,914	9,281
General Fund - Interest	35,833	26,552	(9,281)
Debt Service Fund - Principal	16,385,000	16,745,000	360,000
Debt Service Fund - Interest	<u>5,326,395</u>	<u>5,005,570</u>	<u>(320,825)</u>
	22,111,861	22,151,036	39,175

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 2016-17 and 2017-18:

<u>General Fund</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
Beginning fund balance	3,181,999	3,697,508	515,509
Operating surplus/(deficit)	<u>515,509</u>	<u>(500,775)</u>	<u>(1,016,284)</u>
Ending fund balance	3,697,508	3,196,733	(500,775)
Fund balance as a % of expenditures	6.98%	5.82%	
<u>Athletics Fund</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
Beginning fund balance	157,335	181,498	24,163
Operating surplus/(deficit)	<u>24,163</u>	<u>30,641</u>	<u>6,478</u>
Ending fund balance	181,498	212,139	30,641
<u>Cafeteria Fund</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
Beginning fund balance	194,318	205,748	11,430
Operating surplus/(deficit)	<u>11,430</u>	<u>10,426</u>	<u>(1,004)</u>
Ending fund balance	205,748	216,174	10,426
<u>Debt Service Fund</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
Beginning fund balance	2,725,287	3,190,897	465,610
Operating surplus/(deficit)	<u>465,610</u>	<u>1,384,296</u>	<u>918,686</u>
Ending fund balance	3,190,897	4,575,193	1,384,296
<u>Capital Projects Fund - 2010 Bond</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
Beginning fund balance	1,203,862	785,760	(418,102)
Operating surplus/(deficit)	<u>(418,102)</u>	<u>(396,000)</u>	<u>22,102</u>
Ending fund balance	785,760	389,760	(396,000)
<u>Capital Projects Fund - Sinking Fund</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>Change</u>
Beginning fund balance	-	-	-
Operating surplus/(deficit)	<u>-</u>	<u>475,200</u>	<u>475,200</u>
Ending fund balance	-	475,200	475,200

The fiscal year 2017-18 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 26, 2017 public meeting.

Hartland Consolidated Schools
Descriptions of General Fund Financial Statement Expenditure Categories

Financial Statement Category	Description
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, 2018

	ACTUAL 2015/16	BUDGETED 2016/17	ESTIMATED 2017/18	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
LOCAL SOURCES	\$ 7,491,025	\$ 7,645,891	\$ 7,681,567	0.47%	35,676 A
STATE SOURCES	41,613,593	42,672,599	43,491,032	1.92%	818,433 B
FEDERAL SOURCES	<u>448,128</u>	<u>502,038</u>	<u>431,821</u>	-13.99%	<u>(70,217)</u> C
TOTAL REVENUES	49,552,746	50,820,528	51,604,420	1.54%	783,892
INCOMING TRANSFERS AND OTHER	<u>1,997,940</u>	<u>2,645,173</u>	<u>2,791,327</u>	5.53%	<u>146,154</u> D
TOTAL REVENUES, INCOMING TRANSFERS AND OTHER	\$ 51,550,686	\$ 53,465,701	\$ 54,395,747	1.74%	\$ 930,046
EXPENDITURES:					
INSTRUCTION:					
BASIC PROGRAMS	26,133,175	26,200,277	26,940,634	2.83%	740,357 E
ADDED NEEDS	5,661,930	6,039,113	6,174,830	2.25%	135,717 E
SUPPORT SERVICES:					
PUPIL SERVICES	1,427,743	1,578,700	1,623,714	2.85%	45,014 E
INSTRUCTIONAL SERVICES	1,068,942	1,271,864	1,299,664	2.19%	27,800 E, F
GENERAL ADMINISTRATION	1,275,260	1,249,895	1,325,959	6.09%	76,064 G
SCHOOL ADMINISTRATION	2,899,482	3,215,850	3,296,217	2.50%	80,367 H
BUSINESS SERVICES	653,206	653,325	656,257	0.45%	2,932
OPERATIONS & MAINTENANCE	4,975,513	5,092,930	5,410,354	6.23%	317,424 I
TRANSPORTATION	2,930,494	2,331,419	2,812,557	20.64%	481,138 J
CENTRAL SERVICES	921,320	594,002	605,973	2.02%	11,971
OTHER	148,704	206,325	176,853	-14.28%	(29,472) K
COMMUNITY SERVICES	3,071,239	3,208,270	3,208,288	0.00%	18
DEBT SERVICE	238,034	400,466	400,466	0.00%	-
CAPITAL OUTLAY	<u>177,431</u>	<u>180,000</u>	<u>215,000</u>	19.44%	<u>35,000</u> L
TOTAL EXPENDITURES	51,582,473	52,222,436	54,146,766	3.68%	1,924,330
OUTGOING TRANSFERS (ATHLETICS)	<u>704,410</u>	<u>727,756</u>	<u>749,756</u>	3.02%	<u>22,000</u> M
TOTAL APPROPRIATED	\$ 52,286,883	\$ 52,950,192	\$ 54,896,522	3.68%	\$ 1,946,330
EXCESS REVENUES(APPROPRIATION)	\$ (736,197)	\$ 515,509	\$ (500,775)	-197.14%	\$ (1,016,284)
FUND BALANCE, JULY 1	3,918,196	3,181,999	3,697,508	16.20%	515,509
FUND BALANCE, JUNE 30	\$ 3,181,999	\$ 3,697,508	\$ 3,196,733	-13.54%	\$ (500,775)
FUND BALANCE AS A % OF EXPENDITURES	6.09%	6.98%	5.82%		

Hartland Consolidated Schools
 General Fund – Proposed Budget Explanations
 June 30, 2018

A	Local Sources	Amount contemplates a slight inflationary increase in local revenues.
B	State Sources	Budget currently assumes a foundation increase of \$120 per pupil as well as an increase in Section 31a funding. The remaining categorical funding is expected to remain consistent with prior year. Enrollment is expected to remain steady.
C	Federal Sources	Title I and II allocations have been reduced at the Federal level. As a result, the FY 18 budget has been updated accordingly.
D	Incoming Transfers & Other	Amount includes an increase of approximately \$340K to account for the proceeds from bus loan financing, as well as for the proceeds from the sale of existing buses. The increase is offset by a decrease in LESA operational support of \$143K and other LESA grant funding of \$58K, which were both one-time additional revenue sources in the prior year.
E	Instruction; Pupil Services; Instructional Services	The net change is a culmination of the adjustments made to various expense categories. Salaries & fringe benefits have been adjusted for expected steps, lane changes, a projected 1% formula increase, increased fringe benefit costs, and the replacement of retiring teachers. The budget assumes teaching staff levels will remain consistent with prior year. In addition, inflationary increases were made to instructional contract services and supplies. Anticipated costs associated with attracting and retaining substitute teachers were also included.
F	Instructional Services	In addition to item E above, the restoration of curriculum change dollars to normal levels was included in this line item.
G	General Administration	Salaries and benefits for a full year of the Assistant Superintendent of Curriculum have been restored to normal amounts. There was a vacancy in this position for half of FY 17.
H	School Administration	Salaries and fringe benefits have been adjusted for expected step and formula increases, as well as increased fringe benefit costs.
I	Operations & Maintenance	Salaries and fringe benefits have been adjusted for expected step and formula increases, as well as increased fringe benefit costs. In addition, reductions made in prior year for utility staffing vacancies, “weather-related” items (salt, plowing, natural gas), as well as overall unspent contracted services and supplies were restored to regular levels.

J	Transportation	A majority of the increase in expense from prior year is related to the purchase of 3 new busses in FY 18. In addition, more resources have been allocated for attracting and retaining bus drivers under the RTC agreement, as well as for an additional bus route.
K	Other	Decrease is due to the one-time purchase of band uniforms in prior year.
L	Capital Outlay	Reductions made in prior year were restored to normal levels.
M	Outgoing Transfers & Other	Transfer to Athletic Fund was increased for inflation.

**HARTLAND CONSOLIDATED SCHOOLS
BUDGET SUMMARY
GENERAL FUND**

	ACTUAL 2015/16	AMENDED 2016/17	PROJECTION 2017/18	CHANGE FROM 2016/17
INSTRUCTION:				
BASIC PROGRAMS				
Salaries	\$ 15,879,794	\$ 15,690,485	\$ 15,957,063	\$ 266,578
Fringes	9,013,706	9,293,371	9,652,998	359,627
Purchased services	903,466	911,338	943,490	32,152
Supplies	250,826	259,725	259,725	-
Curriculum change	79,744	37,600	119,600	82,000
Capital outlay & other	5,639	7,758	7,758	-
ADDED NEEDS				
Salaries	3,316,672	3,418,703	3,462,094	43,391
Fringes	2,023,950	2,102,680	2,178,801	76,121
Purchased services	182,697	347,295	363,500	16,205
Supplies	138,611	170,435	170,435	-
Capital outlay & other	-	-	-	-
TOTAL INSTRUCTION	31,795,105	32,239,390	33,115,464	876,074
SUPPORT SERVICES:				
PUPIL SERVICES				
Salaries	900,678	1,003,759	1,026,873	23,114
Fringes	494,253	532,806	553,970	21,164
Purchased services	25,923	36,000	36,736	736
Supplies	6,889	6,135	6,135	-
Capital outlay & other	-	-	-	-
INSTRUCTIONAL SERVICES				
Salaries	587,896	545,952	537,500	(8,452)
Fringes	332,335	304,215	308,267	4,052
Purchased services	82,029	173,969	175,169	1,200
Supplies	39,590	198,328	198,328	-
Curriculum change	26,923	49,400	80,400	31,000
Capital outlay & other	170	-	-	-
GENERAL ADMINISTRATION				
Salaries	595,701	552,133	603,308	51,175
Fringes	332,317	314,727	350,632	35,905
Purchased services	328,839	363,535	352,247	(11,288)
Supplies	6,434	7,000	7,272	272
Capital outlay & other	11,969	12,500	12,500	-
SCHOOL ADMINISTRATION				
Salaries	1,814,838	1,974,724	2,018,117	43,393
Fringes	1,019,333	1,133,209	1,170,183	36,974
Purchased services	53,413	95,000	95,000	-
Supplies	11,898	12,917	12,917	-
Capital outlay & other	-	-	-	-
BUSINESS SERVICES				
Salaries	219,947	237,336	235,882	(1,454)
Fringes	133,682	139,950	136,348	(3,602)
Purchased services	147,886	147,886	147,886	-
Supplies	-	-	-	-
Capital outlay & other	151,691	128,153	136,141	7,988
OPERATIONS & MAINTENANCE				
Salaries	670,307	723,157	754,970	31,813
Fringes	503,882	532,071	563,558	31,487

Purchased services	3,515,548	3,500,102	3,715,255	215,153
Supplies	220,432	227,600	266,571	38,971
Capital outlay & other	65,344	110,000	110,000	-
TRANSPORTATION				
Salaries	347,865	438,747	447,710	8,963
Fringes	225,036	270,292	280,075	9,783
Purchased services	1,429,016	1,506,640	1,664,739	158,099
Supplies	87,748	115,500	119,793	4,293
Capital outlay & other	840,829	240	300,240	300,000
CENTRAL SERVICES				
Salaries	275,243	133,256	136,653	3,397
Fringes	169,886	99,998	103,565	3,567
Purchased services	364,399	358,248	363,255	5,007
Supplies	111,792	2,500	2,500	-
Capital outlay & other	-	-	-	-
OTHER				
Salaries	98,981	100,250	100,250	-
Fringes	34,885	44,242	45,233	991
Purchased services	10,900	5,145	5,145	-
Supplies	-	3,100	3,100	-
Capital outlay & other	<u>3,938</u>	<u>53,588</u>	<u>23,125</u>	<u>(30,463)</u>
TOTAL SUPPORT SERVICES	16,300,664	16,194,310	17,207,548	1,013,238
COMMUNITY SERVICES				
Salaries	1,553,937	1,581,650	1,586,510	4,860
Fringes	703,212	704,762	725,213	20,451
Purchased services	674,968	794,182	765,425	(28,757)
Supplies	135,703	127,340	130,804	3,464
Capital outlay & other	3,419	336	336	-
CAPITAL OUTLAY - Facilities	177,431	180,000	215,000	35,000
DEBT SERVICE	238,034	400,466	400,466	-
TRANSFERS & OTHER	<u>704,410</u>	<u>727,756</u>	<u>749,756</u>	<u>22,000</u>
TOTAL EXPENDITURES	\$ 52,286,883	\$ 52,950,192	\$ 54,896,522	\$ 1,946,330

Salaries	\$ 26,261,859	\$ 26,400,152	\$ 26,866,930	\$ 466,778
Fringes	14,986,477	15,472,323	16,068,843	596,520
Purchased services	7,719,084	8,239,340	8,627,847	388,507
Supplies	1,009,922	1,130,580	1,177,580	47,000
Curriculum change	106,667	87,000	200,000	113,000
Capital outlay & other	1,082,999	312,575	590,100	277,525
Capital outlay - Facilities	177,431	180,000	215,000	35,000
Debt service	238,034	400,466	400,466	-
Transfers	<u>704,410</u>	<u>727,756</u>	<u>749,756</u>	<u>22,000</u>
	\$ 52,286,883	\$ 52,950,192	\$ 54,896,522	\$ 1,946,330

Salaries	50.23%	49.86%	48.94%
Fringes	28.66%	29.22%	29.27%
Purchased services	14.76%	15.56%	15.72%
Supplies	1.93%	2.14%	2.15%
Curriculum change	0.20%	0.16%	0.36%
Capital outlay & other	2.07%	0.59%	1.07%
Capital outlay - Facilities	0.34%	0.34%	0.39%
Debt service	0.46%	0.76%	0.73%
Transfers & other	1.35%	1.37%	1.37%

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HARTLAND CONSOLIDATED SCHOOLS
 PROPOSED BUDGET
 ATHLETICS FUND
 FISCAL YEAR ENDING JUNE 30, 2018

	ACTUAL 2015-16	BUDGETED 2016-17	ESTIMATED 2017-18	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
LOCAL REVENUE (GATE)	\$ 141,470	\$ 143,674	\$ 146,964	2.29%	\$ 3,290
OTHER LOCAL REVENUE	<u>126,391</u>	<u>114,221</u>	<u>128,721</u>	12.69%	<u>14,500</u>
TOTAL REVENUE	267,861	257,895	275,685	6.90%	17,790 A
INCOMING TRANSFERS	<u>704,410</u>	<u>727,756</u>	<u>749,756</u>	3.02%	<u>22,000</u> B
TOTAL REVENUE & INCOMING TRANSFERS	972,271	985,651	1,025,441	4.04%	39,790
EXPENDITURES:					
SALARIES	235,556	245,415	251,866	2.63%	6,451 C
EMPLOYEE BENEFITS	98,616	101,391	105,526	4.08%	4,135 D
CONTRACTED SERVICES/SUPPLIES	471,174	480,924	503,650	4.73%	22,726 E
EQUIPMENT	22,999	30,060	30,060	0.00%	-
OFFICIALS	34,165	36,198	36,198	0.00%	-
TRANSPORTATION	32,000	47,500	47,500	0.00%	-
CAPITAL OUTLAY	<u>-</u>	<u>20,000</u>	<u>20,000</u>	0.00%	<u>-</u>
TOTAL APPROPRIATED	894,510	961,488	994,800	3.46%	33,312
EXCESS REVENUE (APPROPRIATION)	77,761	24,163	30,641	26.81%	6,478
FUND BALANCE, JULY 1	79,574	157,335	181,498	15.36%	24,163
FUND BALANCE, JUNE 30	\$ 157,335	\$ 181,498	\$ 212,139	16.88%	\$ 30,641

Hartland Consolidated Schools
 Athletics Fund – Proposed Budget Explanations
 June 30, 2018

A	Revenues	Gate revenue remains relatively consistent with prior year. KLAA tournament revenue was increased to be more consistent with FY 16 and prior, since there were an unusually low number of events awarded to the district in FY 17. This increase in revenue has been offset by additional KLAA expense, budgeted in the “Contract Services” line below.
B	Incoming Transfers	Transfer has been adjusted for the 3% base increase and revised UAAL amount.
C	Salaries	Adjusted for step increases to salaried coaches and staff, and to account for a transfer from the “Contracted Services” line for a coaching position that was previously contracted.
D	Employee Benefits	Adjusted for the increase in wages, as well as the increase in healthcare costs and retirement rates.
E	Contract Services	Adjusted to account for the FY 18 projected non-staff coaching roster as well as anticipated increases to KLAA tournament expenses. In addition, expenses were added to accommodate a JV hockey program.

HARTLAND CONSOLIDATED SCHOOLS
 PROPOSED BUDGET
 CAFETERIA FUND
 FISCAL YEAR ENDING JUNE 30, 2018

	ACTUAL 2015-16	BUDGETED 2016-17	ESTIMATED 2017-18	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
LOCAL REVENUE	\$ 1,049,238	\$ 1,146,900	\$ 1,127,940	-1.65%	\$ (18,960) A
STATE REVENUE	49,344	58,425	51,682	-11.54%	(6,743) B
FEDERAL REVENUE	443,873	473,910	467,510	-1.35%	(6,400) C
INCOMING TRANSFERS	-	5,000	5,000	0.00%	-
TOTAL REVENUE	1,542,455	1,684,235	1,652,132	-1.91%	(32,103)
EXPENDITURES:					
SALARIES	467,875	511,201	516,374	1.01%	5,173 D
EMPLOYEE BENEFITS	227,615	246,880	243,408	-1.41%	(3,472) E
FOOD	655,431	714,910	708,810	-0.85%	(6,100) F
SUPPLIES & OTHER	85,307	99,092	99,092	0.00%	-
CAPITAL OUTLAY	-	66,180	40,000	0.00%	(26,180) G
TOTAL EXPENDITURES	1,436,228	1,638,263	1,607,684	-1.87%	(30,579)
OUTGOING TRANSFERS	49,128	34,542	34,022	-1.51%	(520)
TOTAL APPROPRIATED	1,485,356	1,672,805	1,641,706	-1.86%	(31,099)
EXCESS REVENUE (APPROPRIATION)	57,099	11,430	10,426	-8.78%	(1,004)
FUND BALANCE, JULY 1	137,219	194,318	205,748	5.88%	11,430
FUND BALANCE, JUNE 30	\$ 194,318	\$ 205,748	\$ 216,174	5.07%	\$ 10,426

Hartland Consolidated Schools
 Cafeteria Fund – Proposed Budget Explanations
 June 30, 2018

A	Local Revenue	Revenue from paid breakfast was reduced to account for the elimination of the breakfast program at Round Elementary. In addition, the UDIM grant was a one-time revenue source in FY 17, and therefore was eliminated in FY 18. The corresponding expenditures for this grant were also eliminated from the “Capital Outlay” line item below.
B	State Revenue	The prior year adjustment for 31d was reduced in FY 18 to be more consistent with FY 16 and prior, since the FY 17 reimbursement was significantly higher than any previous fiscal year. This amount is not known until late in the fiscal year.
C	Federal Revenue	The federal reimbursement for breakfast was reduced for the elimination of the breakfast program at Round Elementary.
D	Salaries	Salaries were increased to account for a full year of the office assistant as well as for additional hours at the MS/HS due to need. These increases were partially offset by the reduced labor cost resulting from the elimination of the breakfast program at Round Elementary, as well as the elimination of the one-time stipends paid to the café union members in FY 17.
E	Employee Benefits	Healthcare costs were reduced due to one employee no longer having enough hours to qualify for insurance. At the same time, FICA and retirement were adjusted for the increase in wages, and retirement was adjusted for the increase in retirement rates.
F	Food	Food costs were decreased for the elimination of the breakfast program at Round Elementary.
G	Capital Outlay	Two ovens will be replaced in FY 18, which are expected to cost less than the walk-in cooler box that was purchased and installed in FY 17. In addition, the one-time purchase of milk coolers in FY 17 using the UDIM grant proceeds was eliminated in FY 18.

HARTLAND CONSOLIDATED SCHOOLS
 PROPOSED BUDGET
 DEBT SERVICE FUND
 FISCAL YEAR ENDING JUNE 30, 2018

	ACTUAL 2015-16	BUDGETED 2016-17	ESTIMATED 2017-18	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
PROPERTY TAX LEVY	\$ 9,658,264	\$ 9,936,721	\$ 9,740,625	-1.97%	\$ (196,096) A
OTHER LOCAL REVENUE	<u>285,832</u>	<u>10,399</u>	<u>60,399</u>	480.82%	<u>50,000</u> B
TOTAL LOCAL REVENUE	9,944,096	9,947,120	9,801,024	-1.47%	(146,096)
STATE REVENUE	19,216	67,969	72,348	6.44%	4,379
FEDERAL REVENUE	<u>934,233</u>	<u>658,049</u>	<u>658,049</u>	0.00%	<u>-</u>
TOTAL REVENUE	10,897,545	10,673,138	10,531,421	-1.33%	(141,717)
SBLF PROCEEDS	1,507,407	11,638,867	12,624,445	8.47%	985,578 C
REFUNDING PROCEEDS	<u>93,817,564</u>	<u>-</u>	<u>-</u>	0.00%	<u>-</u>
TOTAL REVENUE & OTHER PROCEEDS	106,222,516	22,312,005	23,155,866	3.78%	843,861
EXPENDITURES:					
REDEMPTION OF PRINCIPAL	61,195,000	16,385,000	16,745,000	2.20%	360,000 D
INTEREST ON DEBT	5,332,936	5,326,395	5,005,570	-6.02%	(320,825) D
MISCELLANEOUS EXPENSE	<u>597,447</u>	<u>135,000</u>	<u>21,000</u>	-84.44%	<u>(114,000)</u> E
TOTAL EXPENDITURES	67,125,383	21,846,395	21,771,570	-0.34%	(74,825)
REFUNDING PRINCIPAL AND COSTS	<u>37,776,178</u>	<u>-</u>	<u>-</u>	0.00%	<u>-</u>
TOTAL APPROPRIATED	104,901,561	21,846,395	21,771,570	-0.34%	(74,825)
EXCESS REVENUE (APPROPRIATION)	1,320,955	465,610	1,384,296	197.31%	918,686
FUND BALANCE, JULY 1	1,404,332	2,725,287	3,190,897	17.08%	465,610
FUND BALANCE, JUNE 30	\$ 2,725,287	\$ 3,190,897	\$ 4,575,193	43.38%	\$ 1,384,296

Hartland Consolidated Schools
 Debt Service Fund – Proposed Budget Explanations
 June 30, 2018

A	Property Tax Levy	Amount was calculated based on 8.05 mils and 2017 taxable value. Taxable value increased by approximately 3.9% from prior year, however, 8.05 mils will be levied in FY 18 versus 8.55 in FY 17.
B	Other Local Revenue	Includes estimated change in market value of the QSCB investment deposit.
C	SBLF Proceeds	The FY 18 SBLF borrowing amount was calculated based on principal and interest requirements as well as the expected debt fund cash flow.
D	Redemption of Principal/Interest on Debt	Principal and interest expenditures have been updated for actual FY 18 required payments.
E	Miscellaneous Expense	Includes tax chargebacks and paying agent fees expected for FY 18. Significant decrease from FY 17 is due to the market value change of the QSCB investment deposit. There was a market value loss in FY 17; however, the district is budgeting a positive change in 2018, and included the adjustment on the “Other local revenue” line above.

HARTLAND CONSOLIDATED SCHOOLS
 PROPOSED BUDGET
 CAPITAL PROJECTS FUND - 2010 BOND
 FISCAL YEAR ENDING JUNE 30, 2018

	ACTUAL 2015-16	BUDGETED 2016-17	ESTIMATED 2017-18	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
INTEREST	\$ 2,688	\$ 4,500	\$ 4,000	-11.11%	\$ (500)
TOTAL REVENUE	2,688	4,500	4,000	-11.11%	(500)
EXPENDITURES:					
REMODELING, RENNOVATION & NEW CONSTRUCTION	-	-	25,000	0.00%	25,000 A
EQUIPMENT	292,167	247,503	375,000	51.51%	127,497 A
SITE DEVELOPMENT	23,138	175,099	-	-100.00%	(175,099) A
MISC (ARCHITECT, CONSTRUCTION MGR, OTHER)	640	-	-	0.00%	-
TOTAL APPROPRIATED	315,945	422,602	400,000	-5.35%	(22,602)
EXCESS REVENUE (APPROPRIATION)	(313,257)	(418,102)	(396,000)	-5.29%	22,102
FUND BALANCE, JULY 1	1,517,119	1,203,862	785,760	-34.73%	(418,102)
FUND BALANCE, JUNE 30	\$ 1,203,862	\$ 785,760	\$ 389,760	-50.40%	\$ (396,000)

Hartland Consolidated Schools
Capital Projects Fund – 2010 Bond – Proposed Budget Explanations
June 30, 2018

A	Remodeling, Renovation & New Construction/ Equipment/ Site Development	A majority of the remaining 2010 bond proceeds are reserved for the purchase technology equipment and is in line with the overall spending plan.
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HARTLAND CONSOLIDATED SCHOOLS
 PROPOSED BUDGET
 CAPITAL PROJECTS - SINKING FUND
 FISCAL YEAR ENDING JUNE 30, 2018

	<u>ESTIMATED</u>	
	<u>2017-18</u>	
REVENUES:		
PROPERTY TAX LEVY	\$ 600,000	A
INTEREST	<u>200</u>	
TOTAL REVENUE	600,200	
EXPENDITURES:		
REMODELING, RENNOVATION & NEW CONSTRUCTION	75,000	B
MISC (ARCHITECT, CONSTRUCTION MGR, OTHER)	<u>50,000</u>	B
TOTAL APPROPRIATED	125,000	
EXCESS REVENUE (APPROPRIATION)	475,200	
FUND BALANCE, JULY 1	-	
FUND BALANCE, JUNE 30	\$ 475,200	

Hartland Consolidated Schools
Capital Projects – Sinking Fund – Proposed Budget Explanations
June 30, 2018

A	Property Tax Levy	Amount was calculated based on .5 mils and 2017 taxable value.
B	Remodeling, Renovation & New Construction/MISC	Since this is the first year of the sinking fund, the District intends to focus on the design and engineering process in FY 18 in order to plan and prioritize projects, with a greater emphasis on projects and construction starting in FY 19 and beyond.

SUMMARY OF CAPITAL CONSTRUCTION PROJECT IN PROGRESS
2017/18

Project Description	Financing Source	Date Approved	Estimated Cost		Expenditures to Date *	2017/18	2018/19	2019/20	Additional Estimated Operating Costs			
			Original	Amend					Finance Source	2017/18	2018/19	2019/20
District-wide renovation bond. Also new buses, purchase of equipment, replacement of technology and lighting.	Bond Issue (28,045,000)	2/23/2010	28,045,000	28,576,170	27,785,410	400,000	225,000	165,760	Gen'l Fund (net)	0	0	0
							3 year total = \$790,760					

* Based on budgeted expenditures through June 30, 2017

Note: All but \$50,000 of the dollars remaining to be spent are for technology.

No increase in Fund Balance percentage included for 2018/19 or 2019/20

ASSUMES NO CHANGE IN TEACHER CONTRACT IN 18/19 AND 19/20

HARTLAND CONSOLIDATED SCHOOLS

Revenue and Expenditure Projection

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Revenue	51,035,013	51,550,686	53,465,701	54,395,747	55,732,233	55,452,140
Expenditures	51,112,526	52,286,883	52,950,192	54,896,522	56,121,825	55,484,186
Excess Rev. / (Expend)	(77,513)	(736,197)	515,509	(500,775)	(389,592)	(32,046)
Fund Balance July 1	3,995,709	3,918,196	3,181,999	3,697,508	3,196,733	2,807,141
Fund Balance June 30	3,918,196	3,181,999	3,697,508	3,196,733	2,807,141	2,775,095
Fund Balance Percent	7.67%	6.09%	6.98%	5.82%	5.00%	5.00%
Revenue increase	5.89%	1.01%	3.71%	1.74%	2.46%	-0.50%
Expenditure increase	3.53%	2.30%	1.27%	3.68%	2.23%	-1.14%
Key percentage factors						
"Net" Foundation inc. (found. plus incentives)	2.8599%	0.2954%	1.6287%	1.5860%	1.5862%	1.5864%
Tch salary inc.	1.7159%	0.1946%	0.9772%	0.9516%	0.9517%	0.9517%
Tch salary % of foundation	60.00%	65.87%	60.00%	60.00%	60.00%	59.99%
Health ins Inc.	3.50%	2.50%	2.50%	3.30%	3.50%	3.50%
Retirement rate	25.78%	25.78%	24.94%	25.56%	25.81%	26.06%
Key numerical factors						
"Net" Foundation inc. (found. plus incentives)	206.69	21.96	121.44	120.18	122.10	124.05
Blended count @ 10%/90 %	5,530.32	5,537.82	5,534.30	5,536.43	5,535.06	5,535.06
Student inc.	(11.59)	8.67	(4.93)	-	-	-
Curr. Change dollars	89,907	75,000	0	113,000	115,000	117,000
Technology dollars	0	0	0	0	0	0
Capital proj. dollars (maint./repair)	0	0	0	0	0	0
Other significant items:						
Restore/(reduce) curr. dollars to \$200K	-	-	0	113,000	-	-
Expend. reduction to keep minimal fund bal.	-	(710,000)	-	-	(238,000)	(1,200,000)
Net Salary reduction to meet exp. reduction	(504,100)	(205,900)	0.00%	0.00%	0.81%	4.02%
Est. Value of 1% increase in salaries	36.97%	36.55%	\$350,327	\$356,519	\$362,151	
Teacher salaries as % of total expenditures			35.33%			