

Hartland Consolidated Schools

District Wide Budgetary Information

Fiscal Year Ending

June 30, 2021

(7/1/2020 – 6/30/2021)



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**HARTLAND CONSOLIDATED SCHOOLS - BUDGET DEVELOPMENT ASSUMPTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Revenue Assumptions & Proposed Budgets

Property Tax Revenue

Property tax revenue was increased in 2020/21 due to an increase in the District's 2020 calculated taxable value. 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 ending June 30:

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
General Fund	4,676,773	4,736,002	59,229
Debt Service Fund	10,839,575	11,511,287	671,712
Capital Projects - Sinking Fund	<u>667,995</u>	<u>701,840</u>	<u>33,845</u>
	16,184,343	16,949,129	764,786

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

For the second year in a row, the state has not yet adopted its School Aid budget in time for the District to use an exact foundation allowance when preparing the initial General Fund budget. Therefore, assumptions were made using the best information we have available. Currently, we have contemplated no change to the foundation allowance, after assuming a \$700 per pupil reduction in the 2019/20 fiscal year (which still has not yet been confirmed by the state). We have also estimated a loss of 13 students. The remaining state categorical funding was budgeted consistent with prior year amounts.

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:

	FY 2019-20	FY 2020-21	Change
General Fund	42,590,629	42,533,855	(56,774)
Cafeteria Fund	77,976	77,976	-
Debt Service Fund	17,819	17,819	-
	<u>42,686,424</u>	<u>42,629,650</u>	<u>(56,774)</u>

Federal Revenue

Federal revenue has been adjusted to reflect our expected grant awards in 2020/21. The decrease in General Fund federal revenues is due to an overall reduction in Title funds allocated to the District in 2020/21, as well as the elimination of the Workforce Investment Act grant. The increase in Cafeteria Fund federal revenues is to restore a full year of meal claims, since the 2019/20 year was shortened due to the early school closure. 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:

	FY 2019-20	FY 2020-21	Change
General Fund	315,448	246,971	(68,477)
Cafeteria Fund	454,509	594,882	140,373
Debt Service Fund	664,760	664,760	-
	<u>1,434,717</u>	<u>1,506,613</u>	<u>71,896</u>

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 amount has increased significantly from the prior year due to a one-time distribution of operating support that is expected in 2020/21.

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).

	FY 2019-20	FY 2020-21	Change
General Fund - LESA	2,886,430	3,196,704	310,274
General Fund - Other	115,471	114,683	(788)
	<u>3,001,901</u>	<u>3,311,387</u>	<u>309,486</u>

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 10 buses in 2020/21. There were no bus purchases or sales in 2019/20.

Athletics Fund other financing sources represents the operating transfer received from the General Fund. The Cafeteria Fund other financing sources represents the contribution from the General Fund to cover uncollectible delinquent lunch balances. The 2019/20 Cafeteria Fund amount also represented the contribution from the General Fund to support the Cafeteria Fund expenses during the school closure. No such contribution is anticipated for 2020/21. 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. The 2019/20 amount also included the proceeds from 2 separate refunding transactions, which are not anticipated in 2020/21.

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
General Fund	9,008	1,127,896	1,118,888
Athletics Fund	731,486	805,835	74,349
Cafeteria Fund	262,953	492	(262,461)
Debt Service Fund	<u>92,680,856</u>	<u>11,957,867</u>	<u>(80,722,989)</u>
	93,684,303	13,892,090	(79,792,213)

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 staffing changes and any new contract terms that will take effect beginning in the 2020/21 school year. The District has asked its bargaining units to consider a salary freeze for the 2020/21 school year, given the significant loss of foundation allowance assumed in 2019/20. Step increases, lane changes, and longevity increases were budgeted in the event the bargaining units do not agree to the freeze. Salary budget adjustments will be made after adoption reflecting the final staffing roster and will be addressed through the budget amendment process.

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
General Fund	27,434,449	27,228,132	(206,317)
Athletics Fund	288,890	293,869	4,979
Cafeteria Fund	<u>588,284</u>	<u>604,611</u>	<u>16,327</u>
	28,311,623	28,126,612	(185,011)

Staffing Changes

The proposed budget contemplates 3 less teaching positions and 1 less business office position. The teaching positions were reduced by not replacing retiring teachers. The business office position was eliminated.

MPSERS Retirement Costs

The district pays, with some exceptions, an estimated \$28 in base retirement costs for every \$100 of wages paid to our employees. The average retirement rate budgeted for fiscal year 2020/21 is 28.03%, which is a slight increase from the 2019/20 average rate of 27.17%. The change in the MPSERS rate has been reflected in the district's fiscal year 2020/21 operating costs.

For fiscal year 2020/21, 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 effective UAAL rate is 12.35 % of salaries in 2020/21, compared to 12.27% in 2019/20.

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 2020 wage cap is \$137,700. The budgeted FICA rate remains at 7.65% for 2020/21.

Summary Employee Benefits Costs

The district incurs fringe benefits costs which include MPSERS retirement (including UAAL), FICA, healthcare, dental, vision, long term disability, life, unemployment and workers compensation insurances. Employees are also required to contribute towards healthcare, retirement, and FICA. As noted under the “MPSERS Retirement Costs” section above, UAAL costs are offset by state categorical revenue. Below is a summary chart depicting the district’s share of these fringe benefit costs:

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
General Fund	16,822,383	17,242,442	420,059
Athletics Fund	142,263	149,221	6,958
Cafeteria Fund	<u>304,681</u>	<u>314,187</u>	<u>9,506</u>
	17,269,327	17,705,850	436,523

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 and Athletics Funds to upgrade facilities and equipment. The significant increase budgeted on the General Fund – Equipment line reflects the cost of 10 new buses. There were no busses purchased in 2019/20. Cafeteria Fund capital outlay expenditures were not budgeted for 2020/21 and will instead be deferred to 2021/22 due to the difficult financial conditions projected in the 2020/21 fiscal year.

There are no expenses in the Capital Projects Fund – 2010 Bond since the proceeds were completely spent in 2019/20. There are also no expenses planned in the Capital Projects Fund – Sinking Fund since those proceeds are being held for technology purchases in the event the August 2020 bond proposal does not pass.

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
General Fund - Facilities	330,000	420,000	90,000
General Fund - Equipment	315,978	1,146,135	830,157
Athletics Fund	14,132	7,000	(7,132)
Cafeteria Fund	11,215	-	(11,215)
Capital Projects Fund - 2010 Bond	271,078	-	(271,078)
Capital Projects Fund - Sinking Fund	<u>190,922</u>	<u>-</u>	<u>(190,922)</u>
	1,133,325	1,573,135	439,810

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 \$239K of revenue from the district’s “Pay to Play” program, which is collected by the General Fund. The significant decrease in the transfer amount is because in 2019/20, the General Fund amount also included a transfer to the Cafeteria Fund to support expenses during the school closure. This transfer is not needed in the 2020/21 fiscal year. The Cafeteria Fund other financing uses in 2020/21 represents the transfer made to the General Fund to cover indirect costs.

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
General Fund	994,439	805,835	(188,604)
Cafeteria Fund	-	24,656	24,656
	<u>994,439</u>	<u>830,491</u>	<u>(163,948)</u>

General Fund Expenditure Reduction

The General Fund budget for 2020/21 includes expenditure reductions of approximately \$1.1M. However, assuming the foundation allowance is reduced by \$700 per pupil in 2019/20, an additional \$2M in expenditure reductions are needed to maintain fund balance above 5%. This reduction was built into the 2020/21 budgeted amounts. Once the 2019/20 and 2020/21 foundation allowances are finalized, and the District has more information regarding funding, it will target specific areas to obtain the appropriate expenditure reduction needed. These adjustment will be made through the amendment process.

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. The significant reduction in Debt Service Fund – Principal expenditures is due to the refunding transactions that took place in 2019/20. Below is the combined debt service budgeted expenditures:

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
General Fund - Principal	549,998	468,197	(81,801)
General Fund - Interest	40,489	27,384	(13,105)
Debt Service Fund - Principal	66,811,000	18,565,000	(48,246,000)
Debt Service Fund - Interest	<u>4,687,938</u>	<u>3,829,470</u>	<u>(858,468)</u>
	<u>72,089,425</u>	<u>22,890,051</u>	<u>(49,199,374)</u>

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 2019/20 and 2020/21:

<u>General Fund</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
Beginning fund balance	6,518,923	3,763,711	(2,755,212)
Operating surplus/(deficit)	<u>(2,755,212)</u>	<u>(639,960)</u>	<u>2,115,252</u>
Ending fund balance	3,763,711	3,123,751	(639,960)
Fund balance as a % of expenditures	6.73%	5.58%	
<u>Athletics Fund</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
Beginning fund balance	205,235	205,235	-
Operating surplus/(deficit)	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	205,235	205,235	-
<u>Cafeteria Fund</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
Beginning fund balance	181,714	181,714	-
Operating surplus/(deficit)	<u>-</u>	<u>(60,850)</u>	<u>(60,850)</u>
Ending fund balance	181,714	120,864	(60,850)
<u>Debt Service Fund</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
Beginning fund balance	5,475,621	7,079,585	1,603,964
Operating surplus/(deficit)	<u>1,603,964</u>	<u>2,318,925</u>	<u>714,961</u>
Ending fund balance	7,079,585	9,398,510	2,318,925
<u>Capital Projects Fund - 2010 Bond</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
Beginning fund balance	269,878	-	(269,878)
Operating surplus/(deficit)	<u>(269,878)</u>	<u>-</u>	<u>269,878</u>
Ending fund balance	-	-	-
<u>Capital Projects Fund - Sinking Fund</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>
Beginning fund balance	357,517	831,804	474,287
Operating surplus/(deficit)	<u>474,287</u>	<u>703,390</u>	<u>229,103</u>
Ending fund balance	831,804	1,535,194	703,390

Fund Balance Assumptions, continued

<u>Student Activity Fund</u>	<u>FY 2019-20*</u>	<u>FY 2020-21</u>	<u>Change</u>
Beginning fund balance	1,193,061	1,077,505	(115,556)
Operating surplus/(deficit)	<u>(10,735)</u>	<u>11,124</u>	<u>21,859</u>
Ending fund balance	1,182,326	1,088,629	(93,697)

** 2019/20 is the first year a budget is required for the Student Activity Fund. Beginning fund balance has been restated.*

The fiscal year 2020/21 General Fund, Athletics Fund, Cafeteria Fund, Debt Service Fund, Capital Projects Fund, Sinking Fund and Student Activity 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 22, 2020 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, 2021

	ACTUAL 2018/19	BUDGETED 2019/20	ESTIMATED 2020/21	NET CHANGE PERCENT	NET CHANGE DOLLARS	
REVENUES:						
LOCAL SOURCES	\$ 7,939,907	\$ 7,313,711	\$ 8,026,310	9.74%	712,599	A
STATE SOURCES	44,975,192	42,590,629	42,533,855	-0.13%	(56,774)	B
FEDERAL SOURCES	311,495	275,332	305,953	11.12%	30,621	C
TOTAL REVENUES	53,226,594	50,179,672	50,866,118	1.37%	686,446	
INCOMING TRANSFERS AND OTHER	3,690,401	3,010,909	4,439,283	47.44%	1,428,374	D
TOTAL REVENUES, INCOMING TRANSFERS AND OTHER	\$ 56,916,995	\$ 53,190,581	\$ 55,305,401	3.98%	\$ 2,114,820	
EXPENDITURES:						
INSTRUCTION:						
BASIC PROGRAMS	26,870,344	26,624,235	24,882,378	-6.54%	(1,741,857)	E
ADDED NEEDS	6,844,090	6,867,418	6,736,925	-1.90%	(130,493)	E
SUPPORT SERVICES:						
PUPIL SERVICES	1,392,394	1,607,807	1,602,670	-0.32%	(5,137)	E
INSTRUCTIONAL SERVICES	1,501,356	1,460,577	1,660,920	13.72%	200,343	E, F
GENERAL ADMINISTRATION	1,292,860	1,415,405	1,421,834	0.45%	6,429	
SCHOOL ADMINISTRATION	3,326,453	3,464,926	3,617,739	4.41%	152,813	G
BUSINESS SERVICES	611,489	671,905	612,116	-8.90%	(59,789)	H
OPERATIONS & MAINTENANCE	5,114,627	5,298,640	5,720,680	7.97%	422,040	I
TRANSPORTATION	3,200,898	2,493,196	3,832,276	53.71%	1,339,080	J
CENTRAL SERVICES	736,342	781,334	652,748	-16.46%	(128,586)	K
OTHER	161,947	173,849	186,705	7.39%	12,856	
COMMUNITY SERVICES	3,101,452	3,171,575	3,296,954	3.95%	125,379	L
DEBT SERVICE	457,444	590,487	495,581	-16.07%	(94,906)	M
CAPITAL OUTLAY	330,910	330,000	420,000	27.27%	90,000	N
TOTAL EXPENDITURES	54,942,606	54,951,354	55,139,526	0.34%	188,172	
OUTGOING TRANSFERS (ATHLETICS)	773,160	994,439	805,835	-18.97%	(188,604)	
TOTAL APPROPRIATED	\$ 55,715,766	\$ 55,945,793	\$ 55,945,361	0.00%	\$ (432)	
EXCESS REVENUES(APPROPRIATION)	\$ 1,201,229	\$ (2,755,212)	\$ (639,960)	-76.77%	\$ 2,115,252	
FUND BALANCE, JULY 1	5,317,694	6,518,923	3,763,711	-42.26%	(2,755,212)	
FUND BALANCE, JUNE 30	\$ 6,518,923	\$ 3,763,711	\$ 3,123,751	-17.00%	\$ (639,960)	
FUND BALANCE AS A % OF EXPENDITURES	11.70%	6.73%	5.58%			

Hartland Consolidated Schools
 General Fund – Proposed Budget Explanations
 June 30, 2021

A	Local Sources	<p>Local revenues that were reduced in 2019/20 due to the COVID-19 pandemic, such as pay to play and transportation revenues, were restored to normal levels. Community Ed revenues were only partially restored, since there is still an anticipated decrease in activities that will be allowable during the early months of the year.</p> <p>In addition, a slight inflationary increase on other local revenues was estimated.</p>
B	State Sources	<p>The budget currently assumes no change in foundation allowance, which is our best estimate at this time, given the state legislature has not yet finalized its budget. A loss of 13 students was also contemplated. The special ed categorical funding was calculated using projected 2019/20 expenditures and was increased for 2019/20 accordingly. The remaining categorical funding is expected to remain consistent with prior year.</p>
C	Federal Sources	<p>Approximately \$99K was added for CARES act funding, which is to be used to assist Districts with coronavirus response activities. In addition, the WIA grant was removed, since funding for the program ended June 30, 2020. Offsetting expenditures for these two funding sources were also adjusted. The District’s Title I and II allocations have also been reduced.</p>
D	Incoming Transfers & Other	<p>A majority of the increase relates to the proceeds expected from bus loan financing. Offsetting expenditures related to the purchase of the busses have been included in the “Transportation” line item. The district intends to purchase a total of 10 busses in 2020/21. There were no bus purchases in 2019/20. Proceeds from the sale of busses in the amount of \$100K was also added. Finally, operational support from LESA was increased for a one-time disbursement of \$313K.</p>
E	Instruction; Pupil Services; Instructional Services	<p>The net change is a culmination of several adjustments made to the various expense categories. Expenditures that were reduced in 2019/20 due to the early school closure, such as substitute costs and building supply budgets were restored to normal levels. Fringe benefits were increased for the expected increase in healthcare and retirement rates.</p> <p>Note that the \$2,000,000 of expenditure reductions needed to obtain fund balance over 5% has been allocated to these line items.</p>
F	Instructional Services	<p>In addition to item E, the restoration of curriculum dollars to normal levels was included on this line item. In addition, expenditures for the CARES Act funding noted in item C is included in this line item.</p>
G	School Administration	<p>Salaries and fringe benefits have been adjusted for expected step increases and new affiliate contract terms effective in 2020/21. Fringe benefit costs have also been increased accordingly.</p>

H	Business Services	Expenditures were reduced for the elimination of a position in the business office.
I	Operations & Maintenance	Salaries and fringe benefits have been adjusted for maintenance union contract terms effective in 2020/21. Fringe benefit costs have also been increased accordingly. In addition, reductions made in the prior year for staffing vacancies/overtime and utilities were restored to regular levels. Finally, the GRBS contract, which was reduced in 2019/20 due to the early school closure, was restored to normal levels.
J	Transportation	A majority of the increase in expense from prior year is related to the purchase of 10 buses in 2020/21 (there were no bus purchases in 2019/20). Offsetting revenues for the financing of the busses have been included in the "Incoming Transfers and Other" line item. In addition, reductions made in 2019/20 to the RTC (contracted bus drivers) for the early school closure were restored. Finally, 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 2020/21.
K	Central Services	Funding for technology equipment purchases was reduced in 2020/21 and deferred to the 2021/22 school year.
L	Community Services	Expenditures that were reduced for the ending of operations were restored in 2020/21. In addition, expenditures for the WIA grant were removed.
M	Debt Service	Principal and interest expenditures for bus loans have been adjusted in accordance with amounts due per the 2020/21 amortization schedules.
M	Capital Outlay	The amount reduced in 2019/20 was restored in 2020/21.

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**HARTLAND CONSOLIDATED SCHOOLS
BUDGET SUMMARY
GENERAL FUND**

	ACTUAL 2018/19	AMENDED 2019/20	PROJECTION 2020/21	CHANGE FROM 2018/19
INSTRUCTION:				
BASIC PROGRAMS				
Salaries	\$ 16,076,026	\$ 15,725,516	\$ 15,577,017	\$ (148,499)
Fringes	9,484,349	9,741,794	10,032,007	290,213
Purchased services	982,664	877,707	1,054,428	176,721
Supplies	319,978	273,399	211,628	(61,771)
Curriculum change	-	-	-	-
Capital outlay & other	7,327	5,819	7,298	1,479
Budgeted expenditure reduction	-	-	(2,000,000)	(2,000,000)
ADDED NEEDS				
Salaries	4,053,971	3,948,890	3,793,378	(155,512)
Fringes	2,385,650	2,439,001	2,456,754	17,753
Purchased services	227,515	304,518	306,109	1,591
Supplies	176,954	175,009	180,684	5,675
Capital outlay & other	-	-	-	-
TOTAL INSTRUCTION	33,714,434	33,491,653	31,619,303	127,650
SUPPORT SERVICES:				
PUPIL SERVICES				
Salaries	876,113	924,585	897,767	(26,818)
Fringes	494,807	546,165	557,638	11,473
Purchased services	14,119	130,500	139,861	9,361
Supplies	7,355	6,557	7,404	847
Capital outlay & other	-	-	-	-
INSTRUCTIONAL SERVICES				
Salaries	773,351	707,833	699,499	(8,334)
Fringes	431,545	438,228	449,634	11,406
Purchased services	111,306	111,719	140,822	29,103
Supplies	133,775	129,280	146,231	16,951
Curriculum change	51,379	73,517	125,002	51,485
Capital outlay & other	-	-	99,732	99,732
GENERAL ADMINISTRATION				
Salaries	674,588	705,727	705,727	-
Fringes	375,681	410,783	420,698	9,915
Purchased services	222,777	278,951	273,303	(5,648)
Supplies	7,999	6,000	8,162	2,162
Capital outlay & other	11,815	13,944	13,944	-
SCHOOL ADMINISTRATION				
Salaries	2,009,349	2,102,761	2,206,508	103,747
Fringes	1,212,257	1,239,597	1,278,711	39,114
Purchased services	95,588	112,128	117,373	5,245
Supplies	9,259	10,440	15,147	4,707
Capital outlay & other	-	-	-	-
BUSINESS SERVICES				
Salaries	242,012	240,309	206,794	(33,515)
Fringes	157,749	155,820	127,682	(28,138)
Purchased services	118,309	130,701	132,565	1,864
Supplies	-	-	-	-
Capital outlay & other	93,419	145,075	145,075	-
OPERATIONS & MAINTENANCE				
Salaries	718,562	716,907	747,940	31,033
Fringes	560,103	564,708	591,280	26,572
Purchased services	3,559,790	3,585,213	4,083,632	498,419
Supplies	245,634	283,200	290,828	7,628
Capital outlay & other	30,538	148,612	7,000	(141,612)

HARTLAND CONSOLIDATED SCHOOLS
BUDGET SUMMARY
GENERAL FUND

continued

	ACTUAL 2018/19	AMENDED 2019/20	PROJECTION 2020/21	CHANGE FROM 2018/19
TRANSPORTATION				
Salaries	432,990	461,882	459,373	(2,509)
Fringes	269,376	288,425	298,592	10,167
Purchased services	1,697,282	1,616,949	1,940,642	323,693
Supplies	131,301	125,700	139,086	13,386
Capital outlay & other	669,949	240	994,583	994,343
CENTRAL SERVICES				
Salaries	191,916	203,495	203,495	-
Fringes	130,589	136,606	140,204	3,598
Purchased services	270,072	264,911	268,689	3,778
Supplies	1,866	2,500	2,500	-
Capital outlay & other	141,899	173,822	37,860	(135,962)
OTHER				
Salaries	98,909	96,785	96,785	-
Fringes	45,288	47,548	48,404	856
Purchased services	11,200	18,866	18,866	-
Supplies	6,550	10,650	10,650	-
Capital outlay & other	-	-	12,000	12,000
TOTAL SUPPORT SERVICES	17,338,366	17,367,639	19,307,688	1,940,049
COMMUNITY SERVICES				
Salaries	1,542,652	1,599,399	1,633,849	34,450
Fringes	764,276	813,605	840,836	27,231
Purchased services	693,421	646,421	698,563	52,142
Supplies	90,030	112,150	122,206	10,056
Capital outlay & other	11,073	-	1,500	1,500
CAPITAL OUTLAY - Facilities	330,910	330,000	420,000	90,000
DEBT SERVICE	457,444	590,487	495,581	(94,906)
TRANSFERS & OTHER	773,160	994,439	805,835	(188,604)
TOTAL EXPENDITURES	\$ 55,715,766	\$ 55,945,793	\$ 55,945,361	\$ 1,999,568

Salaries	\$ 27,690,439	\$ 27,434,089	\$ 27,228,132	\$ (205,957)
Fringes	16,311,670	16,822,280	17,242,440	420,160
Purchased services	8,004,043	8,078,584	9,174,853	1,096,269
Supplies	1,130,701	1,134,885	1,134,526	(359)
Curriculum change	51,379	73,517	125,002	51,485
Capital outlay & other	966,020	487,512	1,318,992	831,480
Capital outlay - Facilities	330,910	330,000	420,000	90,000
Budgeted expenditure reduction	-	-	(2,000,000)	(2,000,000)
Debt service	457,444	590,487	495,581	(94,906)
Transfers	773,160	994,439	805,835	(188,604)
	\$ 55,715,766	\$ 55,945,793	\$ 55,945,361	\$ (432)

Salaries	49.70%	49.04%	48.67%
Fringes	29.28%	30.07%	30.82%
Purchased services	14.37%	14.44%	16.40%
Supplies	2.03%	2.03%	2.03%
Curriculum change	0.09%	0.13%	0.22%
Capital outlay & other	1.73%	0.87%	2.36%
Capital outlay - Facilities	0.59%	0.59%	0.75%
Budgeted expenditure reduction	0.00%	0.00%	-3.57%
Debt service	0.82%	1.06%	0.89%
Transfers & other	1.39%	1.78%	1.44%

HARTLAND CONSOLIDATED SCHOOLS
 PROPOSED BUDGET
 ATHLETICS FUND
 FISCAL YEAR ENDING JUNE 30, 2021

	ACTUAL 2018-19	BUDGETED 2019-20	ESTIMATED 2020-21	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
LOCAL REVENUE (GATE)	\$ 147,412	\$ 127,994	\$ 106,580	-16.73%	\$ (21,414) A
OTHER LOCAL REVENUE	<u>150,188</u>	<u>118,342</u>	<u>112,905</u>	-4.59%	<u>(5,437) A</u>
TOTAL REVENUE	297,600	246,336	219,485	-10.90%	(26,851)
INCOMING TRANSFERS	<u>773,160</u>	<u>731,486</u>	<u>805,835</u>	10.16%	<u>74,349 B</u>
TOTAL REVENUE & INCOMING TRANSFERS	1,070,760	977,822	1,025,320	4.86%	47,498
EXPENDITURES:					
SALARIES	271,912	288,890	293,869	1.72%	4,979 C
EMPLOYEE BENEFITS	132,377	142,263	149,221	4.89%	6,958 C
CONTRACTED SERVICES/SUPPLIES	500,517	449,716	470,294	4.58%	20,578 D
EQUIPMENT	25,674	25,420	24,724	-2.74%	(696) D
OFFICIALS	44,850	29,901	44,712	49.53%	14,811 D
TRANSPORTATION	47,500	27,500	35,500	29.09%	8,000 D
CAPITAL OUTLAY	<u>41,326</u>	<u>14,132</u>	<u>7,000</u>	-50.47%	<u>(7,132) E</u>
TOTAL APPROPRIATED	1,064,156	977,822	1,025,320	4.86%	47,498
EXCESS REVENUE (APPROPRIATION)	6,604	-	-	0.00%	-
FUND BALANCE, JULY 1	198,631	205,235	205,235	0.00%	-
FUND BALANCE, JUNE 30	\$ 205,235	\$ 205,235	\$ 205,235	0.00%	\$ -

Hartland Consolidated Schools
 Athletics Fund – Proposed Budget Explanations
 June 30, 2021

A	Revenues	Gate revenue and concession revenue was decreased by approximately half for fall sporting events, in anticipation of possible social distancing measures that are likely to be in place for the foreseeable future.
B	Incoming Transfers	Transfer from the General Fund was calculated to generate no profit or loss in the Athletic Fund. A larger transfer is needed in 2020/21 in light of the decrease in gate and concession revenue noted in item A .
C	Salaries/Employee Benefits	Salaries and fringe benefits were increased in anticipation of the Athletic Secretary’s retirement and the added costs of training a replacement. In addition, healthcare costs were adjusted to account for the projected increase in the hard cap, and the retirement rate was increased accordingly. The budget assumes there will be no step increases for 2020/21.
D	Contract Services/ Supplies/Officials/ Equipment/ Transportation	Accounts were restored to account for spring sports (which were cancelled in the 2019/20 fiscal year). At the same time, budget reductions were made to supplies, equipment, and transportation in order to help alleviate budget pressure.
E	Capital Outlay	Capital outlay budget was adjusted to account for the anticipated purchases in 2020/21, which consists of wrestling mats for the Middle School.

HARTLAND CONSOLIDATED SCHOOLS
 PROPOSED BUDGET
 CAFETERIA FUND
 FISCAL YEAR ENDING JUNE 30, 2021

	ACTUAL 2018-19	BUDGETED 2019-20	ESTIMATED 2020-21	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
LOCAL REVENUE	\$ 1,180,888	\$ 885,678	\$ 1,245,292	40.60%	\$ 359,614 A
STATE REVENUE	70,869	77,976	77,976	0.00%	-
FEDERAL REVENUE	575,305	454,509	594,882	30.88%	140,373 A
INCOMING TRANSFERS	610	262,953	492	-99.81%	(262,461) B
TOTAL REVENUE	1,827,672	1,681,116	1,918,642	14.13%	237,526
EXPENDITURES:					
SALARIES	547,760	588,284	604,611	2.78%	16,327 C
EMPLOYEE BENEFITS	280,417	304,681	314,187	3.12%	9,506 C
FOOD	846,602	682,624	916,783	34.30%	234,159 D
SUPPLIES & OTHER	104,894	94,312	119,255	26.45%	24,943 D
CAPITAL OUTLAY	75,793	11,215	-	0.00%	(11,215) E
TOTAL EXPENDITURES	1,855,466	1,681,116	1,954,836	16.28%	273,720
OUTGOING TRANSFERS	24,726	-	24,656	0.00%	24,656 F
TOTAL APPROPRIATED	1,880,192	1,681,116	1,979,492	17.75%	298,376
EXCESS REVENUE (APPROPRIATION)	(52,520)	-	(60,850)	0.00%	(60,850)
FUND BALANCE, JULY 1	234,234	181,714	181,714	0.00%	-
FUND BALANCE, JUNE 30	\$ 181,714	\$ 181,714	\$ 120,864	-33.49%	\$ (60,850)

Hartland Consolidated Schools
 Cafeteria Fund – Proposed Budget Explanations
 June 30, 2021

A	Local Revenue/ Federal Revenue	Local and Federal revenues were increased to restore the reductions made in 2019/20 for the early closure of school operations. Revenues have been budgeted assuming school re-opens as normal.
B	Incoming Transfers	The one-time contribution made in 2019/20 from the General Fund to support food service operations was eliminated. The remaining transfer budgeted for 2020/21 represents the mandated transfer from the General Fund for uncollectible student lunch balances.
C	Salaries/ Fringe Benefits	Salaries and fringe benefits were adjusted to account for contract terms that are effective July 1, 2020. Fringe benefits have also been adjusted to reflect increased health care hard cap costs and an increased retirement rate that takes effect October 1, 2020.
D	Food/Supplies & Other	Food costs and supplies were increased to restore reductions made in 2019/20 for the early closure of school operations. Additional expenditures were also budgeted on these line items in response to changes that the District anticipates in response to COVID-19. Food costs are expected to be higher due to the anticipated rise in meat prices, as well as the elimination of fruit/vegetable bars. The elimination of fruit/vegetable bars increases food prices since each student will now need to be provided with pre-packaged fruit and vegetable in order to satisfy Federal requirements. Supply expenditures were increased to account for the necessary protective equipment needed for food service staff (i.e., masks, plastic dividers, disposable aprons, etc.).
E	Capital Outlay	Capital outlay purchases have been postponed until the 2021/22 school year.
F	Outgoing Transfer	The outgoing transfer to the General Fund for overhead costs was restored in 2020/21.

HARTLAND CONSOLIDATED SCHOOLS
 PROPOSED BUDGET
 DEBT SERVICE FUND
 FISCAL YEAR ENDING JUNE 30, 2021

	ACTUAL 2018-19	BUDGETED 2019-20	ESTIMATED 2020-21	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
PROPERTY TAX LEVY	\$ 10,246,943	\$ 10,839,575	\$ 11,511,287	6.20%	\$ 671,712 A
OTHER LOCAL REVENUE	<u>463,296</u>	<u>585,082</u>	<u>580,082</u>	-0.85%	<u>(5,000)</u>
TOTAL LOCAL REVENUE	10,710,239	11,424,657	12,091,369	5.84%	666,712
STATE REVENUE	65,179	17,819	17,819	0.00%	-
FEDERAL REVENUE	661,228	664,760	664,760	0.00%	-
SBLF PROCEEDS	11,716,370	11,755,856	11,957,867	1.72%	202,011 B
REFUNDING PROCEEDS	<u>-</u>	<u>80,925,000</u>	<u>-</u>	-100.00%	<u>(80,925,000) C</u>
TOTAL REVENUE & OTHER PROCEEDS	23,153,016	104,788,092	24,731,815	-76.40%	(80,056,277)
EXPENDITURES:					
REDEMPTION OF PRINCIPAL	17,125,000	66,811,000	18,565,000	-72.21%	(48,246,000) D
INTEREST ON DEBT	4,656,193	4,687,938	3,829,470	-18.31%	(858,468) D
REFUNDING PRINCIPAL AND COSTS	-	31,666,770	-	-100.00%	(31,666,770) C
MISCELLANEOUS EXPENSE	<u>14,419</u>	<u>18,420</u>	<u>18,420</u>	0.00%	<u>-</u>
TOTAL EXPENDITURES	21,795,612	103,184,128	22,412,890	-78.28%	(80,771,238)
TOTAL APPROPRIATED	21,795,612	103,184,128	22,412,890	-0.34%	(80,771,238)
EXCESS REVENUE (APPROPRIATION)	1,357,404	1,603,964	2,318,925	44.57%	714,961
FUND BALANCE, JULY 1	4,118,217	5,475,621	7,079,585	29.29%	1,603,964
FUND BALANCE, JUNE 30	\$ 5,475,621	\$ 7,079,585	\$ 9,398,510	32.76%	\$ 2,318,925 E

Hartland Consolidated Schools
 Debt Service Fund – Proposed Budget Explanations
 June 30, 2021

A	Property Tax Levy	The property tax levy is calculated based on 8.05 mils and 2020 taxable value. Taxable value increased by 5.7% from prior year.
B	SBLF Proceeds	The 2019/20 SBLF borrowing amount was calculated based on expected debt fund cash flow, taking into account property tax collections and debt service requirements.
C	Refunding Proceeds/Refunding Principal and Costs	Amounts were removed since no refundings are planned for the 2020/21 fiscal year.
D	Redemption of Principal/Interest on Debt	Principal and interest expenditures have been updated for 2020/21 debt service requirements based on the long-term debt schedules.
E	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 - SINKING FUND
 FISCAL YEAR ENDING JUNE 30, 2021

	ACTUAL 2018-19	BUDGETED 2019-20	ESTIMATED 2020-21	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
PROPERTY TAX LEVY	\$ 632,013	\$ 667,995	\$ 701,840	5.07%	\$ 33,845 A
INTEREST	3,715	1,800	1,800	0.00%	-
TOTAL REVENUE	635,728	669,795	703,640	5.05%	33,845
EXPENDITURES:					
REMODELING, RENNOVATION & NEW CONSTRUCTION	656,700	64,426	-	-100.00%	(64,426) B
EQUIPMENT	116,046	126,496	-	-100.00%	(126,496) B
MISC (ARCHITECT, CONSTRUCTION MGR, OTHER)	64,704	4,586	250	-94.55%	(4,336) B
TOTAL APPROPRIATED	837,450	195,508	250	-99.87%	(195,258)
EXCESS REVENUE (APPROPRIATION)	(201,722)	474,287	703,390	48.30%	229,103
FUND BALANCE, JULY 1	559,239	357,517	831,804	132.66%	474,287
FUND BALANCE, JUNE 30	\$ 357,517	\$ 831,804	\$ 1,535,194	84.56%	\$ 703,390

Hartland Consolidated Schools
 Capital Projects Fund – Sinking Fund – Proposed Budget Explanations
 June 30, 2021

A	Property Tax Levy	Amount was calculated based on .4899 mills and 2020 taxable value. The tax base was subject to a Headlee rollback in 2021, 2020 and 2019, and therefore, the full .5 mills cannot be levied.
B	Remodeling, Renovation & New Construction/ MISC	Sinking fund dollars will be reserved for technology purchases in the event the August 2020 bond election does not pass. These purchases would likely occur in the 2021/22 fiscal year. A small amount has been budgeted for tax chargebacks.

HARTLAND CONSOLIDATED SCHOOLS
 PROPOSED BUDGET
 STUDENT ACTIVITIES FUND
 FISCAL YEAR ENDING JUNE 30, 2021

	ACTUAL 2018-19	BUDGETED 2019-20	ESTIMATED 2019-20	NET CHANGE PERCENT	NET CHANGE DOLLARS
REVENUES:					
OTHER LOCAL REVENUE	\$ -	\$ 1,381,571	\$ 1,775,864	28.54%	\$ 394,293 A
EXPENDITURES:					
MISCELLANEOUS EXPENSE	-	<u>1,392,306</u>	<u>1,764,740</u>	26.75%	<u>372,434</u> A
TOTAL APPROPRIATED	-	1,392,306	1,764,740	26.75%	372,434
EXCESS REVENUE (APPROPRIATION)	-	(10,735)	11,124	-203.62%	21,859
FUND BALANCE, JULY 1	-	1,193,061	1,077,505	-9.69%	(115,556)
FUND BALANCE, JUNE 30	\$ -	\$ 1,182,326	\$ 1,088,629	-7.92%	\$ (93,697)

Hartland Consolidated Schools
Student Activities Fund – Proposed Budget Explanations
June 30, 2021

A	Other Local Revenue/Misc Expense	Amounts were reduced in 2019/20 due to the early closure of school operations, and therefore were restored to regular expected levels in 2020/21.
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HARTLAND CONSOLIDATED SCHOOLS
General Fund Revenue and Expenditure Projection

**Assumes \$700
proration hits in FY20**

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Revenue	55,636,267	56,916,994	53,190,581	55,305,401	55,379,426	55,972,604
Expenditures	54,484,510	55,715,765	55,945,793	55,945,361	55,303,820	56,258,731
Excess Revenue /(Expenditures)	1,151,757	1,201,229	(2,755,212)	(639,960)	75,606	(286,127)
Fund Balance July 1	4,165,937	5,317,694	6,518,923	3,763,711	3,123,751	3,199,356
Fund Balance June 30	5,317,694	6,518,923	3,763,711	3,123,751	3,199,356	2,913,229
Fund Balance Percent	9.76%	11.70%	6.73%	5.58%	5.79%	5.18%
EXPENDITURE REDUCTION NEEDED				\$ (2,000,000)	\$ (2,000,000)	\$ -
Revenue increase	4.03%	2.30%	-6.55%	3.98%	0.13%	1.07%
Expenditure increase	3.78%	2.26%	0.41%	0.00%	-1.15%	1.73%
Key percentage factors						
"Formula" salary increase	1.0964%	1.8657%	0.0000%	0.0000%	0.0000%	0.0000%
Non-formula salary increase	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Health insurance increase	0.07%	4.39%	2.63%	3.30%	3.30%	3.30%
Retirement rate	25.56%	26.03%	27.17%	28.03%	28.59%	29.09%
Key numerical factors						
Base Foundation Allowance	\$ 7,631	\$ 7,871	\$ 7,411	\$ 7,411	\$ 7,486	\$ 7,606
"Net" Foundation inc. (found. plus incentives)	\$ 120	\$ 240	\$ (460)	\$ -	\$ 75	\$ 120
Blended count @10%/90%	5,554.56	5,481.44	5,468.44	5,455.29	5,423.59	5,426.82
Enrollment Change	20.26	(73.12)	(13.00)	(13.15)	(31.70)	3.23
Off-schedule payment per contract	n/a	421,000	-	-	-	-
Salary reduction per contract (not including FICA/Retirement)			-	(492,423)	-	-
CIL reduction per contract (not including FICA)		n/a	-	125,000	125,000	125,000
Annual curriculum change dollars	74,500	51,380	73,517	0	245,000	245,000
Annual technology equipment dollars	0	120,000	120,000	200,000	700,000	950,000
Annual special capital project dollars (maint./repair)	0	100,000	110,000	0	0	0