

HARTLAND CONSOLIDATED SCHOOLS
BUDGET AMENDMENT
GENERAL FUND
JUNE 30, 2021

	LAST APPROVED 6/22/2020	AS AMENDED 2/8/2021	RECOMMENDED AMENDMENTS	NET CHANGE PERCENT
REVENUES:				
LOCAL SOURCES	\$ 8,026,310	\$ 7,180,420	\$ (845,890)	-11.8% A
STATE SOURCES	42,533,855	46,172,887	3,639,032	7.9% B
FEDERAL SOURCES	<u>305,953</u>	<u>2,588,921</u>	<u>2,282,968</u>	88.2% C
TOTAL REVENUES	50,866,118	55,942,228	5,076,110	9.1%
INCOMING TRANSFERS AND OTHER	<u>4,439,283</u>	<u>3,161,709</u>	<u>(1,277,574)</u>	-40.4% D
TOTAL REVENUES, INCOMING TRANSFERS AND OTHER	\$ 55,305,401	\$ 59,103,937	\$ 3,798,536	6.4%
EXPENDITURES:				
INSTRUCTION:				
BASIC PROGRAMS	24,882,378	27,685,616	2,803,238	10.1% E
ADDED NEEDS	6,736,925	6,869,643	132,718	1.9% E
SUPPORT SERVICES:				
PUPIL SERVICES	1,602,670	1,690,175	87,505	5.2% E
INSTRUCTIONAL SERVICES	1,660,920	1,643,903	(17,017)	-1.0% E
GENERAL ADMINISTRATION	1,421,834	1,440,455	18,621	1.3%
SCHOOL ADMINISTRATION	3,617,739	3,550,967	(66,772)	-1.9% F
BUSINESS SERVICES	612,116	612,478	362	0.1%
OPERATIONS & MAINTENANCE	5,720,680	6,132,631	411,951	6.7% G
TRANSPORTATION	3,832,276	2,811,930	(1,020,346)	-36.3% H
CENTRAL SERVICES	652,748	635,299	(17,449)	-2.7% I
OTHER	186,705	139,521	(47,184)	-33.8% J
COMMUNITY SERVICES	3,296,954	2,608,087	(688,867)	-26.4% K
DEBT SERVICE	495,581	495,581	-	0.0%
CAPITAL OUTLAY	<u>420,000</u>	<u>420,000</u>	<u>-</u>	0.0%
TOTAL EXPENDITURES	55,139,526	56,736,286	1,596,760	2.8%
OUTGOING TRANSFERS	<u>805,835</u>	<u>1,021,447</u>	<u>215,612</u>	21.1% L
TOTAL APPROPRIATED	\$ 55,945,361	\$ 57,757,733	\$ 1,812,372	3.1%
EXCESS REVENUES(APPROPRIATION)	\$ (639,960)	\$ 1,346,204	\$ 1,986,164	
FUND BALANCE, JULY 1	3,763,711	7,433,223	3,669,512	
FUND BALANCE, JUNE 30	\$ 3,123,751	\$ 8,779,427	\$ 5,655,676	
FUND BALANCE AS A % OF EXPENDITURES	5.58%	15.20%		

REVENUE:		
A	Local Sources	<p>Decrease is mostly due to adjustments made to the various Community Ed program revenue line items to be more in line with current year expected activity. The original budget assumed we would resume normal Community Ed actives, with some reduced level of revenue in the early months. However, COVID-19 restrictions have extended much later into the fiscal year than anticipated, which has had a negative impact on revenue. The decrease in revenue is partially offset by decreases in expense.</p>
B	State Sources	<p>At budget adoption, both the 2019/20 and the 2020/21 foundation allowance were not known. At the time, it was estimated that the foundation allowance would be reduced by \$700 per pupil in 2019/20 and remain at that level in 2020/21. However, in August, the legislature concluded that the 2019/20 foundation allowance would only be reduced by \$175 per pupil and restored in 2020/21. In addition, a one-time payment of \$65 per pupil was allocated in 2020/21.</p> <p>The District originally estimated a loss of 13 pupils, however, membership loss for purposes of calculating state aid was 47. Actual student loss was actually 212, however, the pupil membership blend calculation was modified this year to weigh the 2019/20 pupil count more heavily in the overall total. Revenue has been adjusted accordingly.</p> <p>In addition, categorical revenues were adjusted to actual amounts, including a significant increase in 147c retirement and a significant decrease in Special Ed-Headlee 51c and At-risk 31a dollars. These amounts are not known at budget adoption.</p>
C	Federal Sources	<p>Federal grant revenues have been adjusted to reflect actual award amounts, which includes approximately \$2.4M for COVID-19 relief that was not awarded until after budget adoption.</p>
D	Incoming Transfers and Other	<p>A majority of the decrease is due to the bus loan proceeds in the amount of \$994K that were removed due to the successful bond election. Busses will be purchased out of the bond proceeds instead of from General Fund. Offsetting expenditures for the purchase of these busses have also been removed.</p> <p>Operational support from LESA was reduced by approximately \$215K, due to the district's proportionate share of special ed costs relative to the county being lower than in prior years.</p> <p>Finally, the transfer from the Cafeteria Fund in the amount of \$25K for indirect cost reimbursement was removed. The original budget contemplated food service returning to a somewhat normal level of operation, however, the impact of COVID-19 has extended much farther into the fiscal year than originally anticipated. Therefore, for the second</p>

		year in a row, the General Fund will need to subsidize food service operations. This expense is budgeted on the “Outgoing Transfers” line item.
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EXPENDITURES:		
	<p>General Comments:</p> <p>District-wide, expenditures increased by \$1.8M from the original adopted budget. Line items increased include the following:</p> <ul style="list-style-type: none"> • The original budget contemplated a \$2M expenditure reduction in order to maintain fund balance above 5%. This was needed due to the original projected reduction in foundation allowance of \$700 per pupil. Since the foundation allowance was not reduced, the \$2M expenditure reduction was not needed. • UAAL expense increased by \$429K. This is directly offset by an increase in 147c state categorical revenue. • PPE expense in the amount of \$445K was added. • Sub costs were increased by \$223K to account for the increase in sub pay enacted in the current year, as well as for the addition of 4 full-time building subs. • Transfers were increased by \$215K to support athletics and food service operations due to the negative financial impact of COVID-19 on these programs. • The cost of Michigan Virtual University seats for Hartland students taking online classes was increased \$130K to account for the larger number of students that elected remote learning for the 2020/21 school year. <p>This increase was partially offset by a decrease in expenditures across other budget categories as follows:</p> <ul style="list-style-type: none"> • The bus purchase of \$994K was removed from expenditures, as noted in item H. • \$689K for various Community Ed programs (revenues for these programs were also reduced). <p>Please refer to the individual line-item explanations for the remaining expenditure variance.</p>	
E	Basic Programs/ Added Needs/ Pupil Services/ Instructional Services	In total, expenditures between the basic programs, added needs, pupil services, and instructional services categories increased by \$3M, which was primarily a result of eliminating the \$2M expenditure reduction, as well as the increase in sub costs, MVU seats, and UAAL expense as noted in the “general comments” section. Additionally, salaries and fringe benefits were

		<p>increased in this category to account for the additional staffing needed in the current year to cover COVID-19-related FMLA's, as well as for the \$375K board appreciation bonus that was approved.</p> <p>Expenditures for salaries and benefits have been shifted between these line items due to a reallocation of FTE for general ed teachers (basic programs), resource room teachers (added needs), teacher consultants (pupil services) and ITC teachers (instructional services). Teacher FTE is adjusted each year based on the student need within each of these categories.</p>
F	School Administration	Decrease is due to shifting the salaries and fringe benefit costs related to anticipated contractual increases for all groups (with the exception of the teacher group) to the proper expenditure categories. These costs were originally budgeted here as a placeholder.
G	Operations & Maintenance	A majority of the increase relates to PPE expenditures in the amount of \$445K that are necessary for the current school year. This increase is partially offset by a decrease of approximately \$25K in salaries and fringe benefits to account for staffing vacancies in the current year.
H	Transportation	Decrease is due to the bus purchase in the amount of \$995K that was removed due to the successful bond election. Busses will be purchased out of the bond proceeds. In addition, the RTC bus driver contract was reduced by \$38K to account for 1 less route than was originally budgeted. Remaining difference relates to inflationary adjustments that were originally budgeted but not needed.
I	Central Services	Costs for software and equipment were reduced to reflect current year anticipated expenditures.
J	Other	Schedule B payments were decreased for the current year, both as a cost-savings measure as well as for the limitations placed on outside activities due to COVID-19.
K	Community Services	Expenditures were decreased across several programs to be more in line with current year expected activity due to the prolonged implications of COVID-19. The decrease in expenditures has been partially offset by decreases in revenue as described in item A .
L	Outgoing Transfers	As noted in the "general comments" section, transfers were increased by \$215K to support athletics and food service operations due to the negative financial impact of COVID-19 on these programs.

Hartland Consolidated Schools
Descriptions of General Fund Financial Statement Expenditure Categories for Reference

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
 BUDGET AMENDMENT
 ATHLETICS FUND
 FISCAL YEAR ENDING JUNE 30, 2021

	LAST APPROVED 6/22/2020	AS AMENDED 2/8/2021	RECOMMENDED AMENDMENTS	NET CHANGE PERCENT
REVENUES:				
LOCAL REVENUE (GATE)	\$ 106,580	\$ 27,876	\$ (78,704)	-73.8% A
OTHER LOCAL REVENUE	<u>112,905</u>	<u>26,955</u>	<u>(85,950)</u>	-76.1% B
TOTAL REVENUE	219,485	54,831	(164,654)	-75.0%
INCOMING TRANSFERS	<u>805,835</u>	<u>866,576</u>	<u>60,741</u>	7.5% C
TOTAL REVENUE & INCOMING TRANSFERS	1,025,320	921,407	(103,913)	-10.1%
EXPENDITURES:				
SALARIES	293,869	290,330	(3,539)	-1.2%
EMPLOYEE BENEFITS	149,221	137,894	(11,327)	-7.6% D
CONTRACTED SERVICES/SUPPLIES	470,294	398,650	(71,644)	-15.2% E
EQUIPMENT	24,724	20,908	(3,816)	-15.4% F
OFFICIALS	44,712	31,125	(13,587)	-30.4% G
TRANSPORTATION	35,500	35,500	-	0.0%
CAPITAL OUTLAY	<u>7,000</u>	<u>7,000</u>	<u>-</u>	0.0%
TOTAL APPROPRIATED	1,025,320	921,407	(103,913)	-10.1%
EXCESS REVENUE (APPROPRIATION)	-	-	-	
FUND BALANCE, JULY 1	205,235	205,235	-	0.0%
FUND BALANCE, JUNE 30	\$ 205,235	\$ 205,235	\$ -	0.0%

LINE-ITEM SPECIFIC COMMENTS:		
A	Local Revenue (Gate)	Gate revenue was reduced to account for reduced capacity allowed at athletic events due to COVID restrictions on crowd gatherings. The original budget contemplated a 50% reduction in fall revenues, however, COVID restrictions were much greater for fall activities, and are expected to continue through the winter and spring seasons.
B	Other Local Revenue	Concession revenue was eliminated for the current year, since concessions are not allowed at events under current COVID restrictions. This is expected to continue for the remainder of the year. In addition, advertising revenue is expected to be significantly less than originally budgeted, as are KLAA event revenue – all due to current COVID restrictions.
C	Incoming Transfers	The transfer from the General Fund was increased this year in order to offset the negative financial impact COVID restrictions have had on Athletic finances.
D	Employee Benefits	Health benefits were no longer needed for certain athletic staff, and therefore, the budget was reduced accordingly.
E	Contracted Services/Supplies	Contracted services were reduced to account for fewer event staff needed in the current year, due to lower crowd capacity and the elimination of concession sales. In addition, concession supplies were eliminated since concessions are not allowed at athletic events under current COVID restrictions.
F	Equipment	Equipment budgets were reduced in the current year across the board.
G	Officials	Officials were reduced due to fewer home fall events, as well as for the shortened winter season.

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

	LAST APPROVED 6/22/2020	AS AMENDED 2/8/2021	RECOMMENDED AMENDMENTS	NET CHANGE PERCENT
REVENUES:				
LOCAL REVENUE	\$ 1,245,292	\$ 130,326	\$ (1,114,966)	-89.5% A
STATE REVENUE	77,976	77,905	(71)	-0.1%
FEDERAL REVENUE	594,882	1,610,330	1,015,448	170.7% B
INCOMING TRANSFERS	492	154,871	154,379	31377.8% C
TOTAL REVENUE	1,918,642	1,973,432	54,790	2.9%
EXPENDITURES:				
SALARIES	604,611	585,461	(19,150)	-3.2% D
EMPLOYEE BENEFITS	314,187	311,655	(2,532)	-0.8% D
FOOD	916,783	901,983	(14,800)	-1.6%
SUPPLIES & OTHER	119,255	156,843	37,588	31.5% E
CAPITAL OUTLAY	-	17,490	17,490	0.0% F
TOTAL EXPENDITURES	1,954,836	1,973,432	18,596	1.0%
OUTGOING TRANSFERS	24,656	-	(24,656)	-100.0% G
TOTAL APPROPRIATED	1,979,492	1,973,432	(6,060)	-0.3%
EXCESS REVENUE (APPROPRIATION)	(60,850)	-	60,850	-100.0%
FUND BALANCE, JULY 1	181,714	181,714	-	0.0%
FUND BALANCE, JUNE 30	\$ 120,864	\$ 181,714	\$ 60,850	50.3%

LINE-ITEM SPECIFIC COMMENTS:		
A	Local Revenue	Local revenues were decreased due to the district participating in the extended Summer Food Service Program (“SFSP”), which provides free meals to all students, regardless of free/reduced/paid status. Therefore, revenue for paid lunch sales were eliminated. Additionally, a la carte revenues were reduced significantly, due to COVID restrictions and SFSP participation have not allowed for a la carte sales.
B	Federal Revenue	Federal revenues were increased due to the district’s participation in the SFSP as noted in item A . The SFSP provides for a higher per meal reimbursement than the regular National School Lunch Program for all students.
C	Incoming Transfers	The incoming transfer represents an amount provided by the General Fund to support operations in the current year, to offset the negative financial impact COVID restrictions have had on the Cafeteria Fund.
D	Salaries/ Fringe Benefits	Salaries and fringe benefits were adjusted to account for reduced staffing needs on Fridays, as well as for the additional training and recruiting incentives implemented in the current year. Health insurance costs were also adjusted for current year expected costs.
E	Supplies & Other	Supplies were increased to account for the additional PPE needs for food service staff.
F	Capital Outlay	Capital outlay was increased to account the purchase of equipment that needs to be replaced in the current year. No capital purchases were planned originally.
G	Outgoing transfers	This line item represents the amount typically transferred to the General Fund for indirect costs. In the current year, this transfer was eliminated since the General Fund will instead be transferring funds to the Cafeteria Fund to support operations as noted in item C .