

# **Hartland Consolidated Schools**

## **District Wide Budgetary Information**

**Fiscal Year Ending**

**June 30, 2027**



## Table of Contents

### Budget Development Assumptions

Revenues	2
Expenditures	4
Fund Balance Assumptions	7

### General Fund:

Descriptions of General Fund Expenditure Categories	9
General Fund Budget	11-12
General Fund Budget by category	13-15

Athletics Fund Budget	17-18
-----------------------	-------

Cafeteria Fund Budget	19-20
-----------------------	-------

Student Activity Fund Budget	21-22
------------------------------	-------

### Other Fund Information:

Debt Fund	23
Capital Projects Fund - Sinking Fund	24
Capital Projects Fund – 2020 Bond	25
Capital Projects Fund – Set Aside	26

General Fund Projection, 2027 - 2029	27
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**HARTLAND CONSOLIDATED SCHOOLS - BUDGET DEVELOPMENT ASSUMPTIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2027**

**Revenue Assumptions & Proposed Budgets**

**Property Tax Revenue**

Property tax revenue was increased in 2026/27 due to an increase in the District’s 2026 calculated taxable value. The District’s tax base is comprised of approximately 80% homestead and 20% non-homestead properties. Below are the property tax revenue expectations by fund for fiscal year ending June 30:

	FY 2025/26	FY 2026/27	Change
General Fund	6,263,390	6,360,391	97,001
Debt Service Fund	18,241,305	19,956,209	1,714,904
Capital Projects - Sinking Fund	915,459	958,657	43,198
	25,420,154	27,275,257	1,855,103

**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, and rental of school facilities (General Fund), breakfast and lunch sales (Cafeteria Fund), admissions to athletic events and pay to participate fees (Athletics Fund), and interest earnings. For more specific detail, please review the individual fund budget documents.

**State Revenue**

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 available. Currently, we have contemplated a foundation allowance increase of \$250 per pupil and a decrease of 39 FTE’s based on our most recent enrollment projection. Categorical funding was estimated based on the various legislative budget proposals and is expected to be significantly less than in 2025/26.

Athletics Fund state revenue represents state categorical funding for UAAL retirement costs. Cafeteria Fund state revenue represents the categorical funding allocated to districts for providing universal free breakfast and lunch programs, as well as for state categorical funding and UAAL retirement costs. 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 2025/26	FY 2026/27	Change
General Fund	57,607,286	57,128,730	(478,556)
Athletics Fund	48,539	45,510	(3,029)
Cafeteria Fund	2,084,802	2,051,543	(33,259)
Debt Service Fund	61,880	61,880	-
	59,802,507	59,287,663	(514,844)

**Federal Revenue**

Federal revenue has been adjusted to reflect our expected grant awards in 2026/27. The decrease in General Fund federal revenues is due to the elimination of the one-time Filter First award from 2025/26. 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 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
General Fund	465,389	293,389	(172,000)
Cafeteria Fund	1,019,575	1,027,610	8,035
Debt Service Fund	669,898	669,898	-
	<u>2,154,862</u>	<u>1,990,897</u>	<u>(163,965)</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 increase in revenues from LESA represents an estimated increase in operating support given the county wide increase in taxable values as well as for a one-time additional payment that will be provided in 2026/27.

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

	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
General Fund - LESA	3,639,771	3,792,352	152,581
General Fund - Other	63,189	63,189	-
	<u>3,702,960</u>	<u>3,855,541</u>	<u>152,581</u>

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

	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
General Fund	290,160	265,200	(24,960)
Athletics Fund	748,104	776,112	28,008
	<u>1,038,264</u>	<u>1,041,312</u>	<u>3,048</u>

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 equipment and vehicles. The Athletics Fund other financing sources represents the transfer received from the General Fund to support operations.

## Expenditure Assumptions & Proposed Budgets

### **Salaries**

Salaries represent 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 2026/27 school year, including wage increases and the cost of steps, lane adjustments, and longevity. Salaries have also been adjusted to restore vacancies and leaves of absence that occurred in the 2025/26 fiscal year. Salary budget adjustments will be made after adoption reflecting the final staffing roster and will be addressed through the budget amendment process.

	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
General Fund	34,351,820	35,594,787	1,242,967
Athletics Fund	334,692	344,079	9,387
Cafeteria Fund	881,617	878,220	(3,397)
	<u>35,568,129</u>	<u>36,817,086</u>	<u>1,248,957</u>

### **Staffing Changes**

The 2026/27 budget was prepared assuming staffing numbers are consistent with 2025/26. Staffing levels are determined based on several factors including enrollment as well as an analysis of district-wide needs and building needs.

### **MPSERS Retirement Costs**

The district pays, with some exceptions, an estimated \$30 in retirement costs for every \$100 of wages paid to our employees. The average retirement rate budgeted for fiscal year 2026/27 is 28.11%, which is a decrease from the 2025/26 average rate of 30.27%. The decrease in the MPSERS rate has been reflected in the district's fiscal year 2026/27 operating costs.

For fiscal year 2026/27, 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 12.68% of salaries in 2025/26, compared to 12.25% in 2026/27.

### **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 to 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 2025 wage cap is \$184,500. The budgeted FICA rate remains at 7.65% for 2026/27.

### **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 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
General Fund	22,103,960	22,133,966	30,006
Athletics Fund	210,020	217,136	7,116
Cafeteria Fund	<u>481,847</u>	<u>491,607</u>	<u>9,760</u>
	22,795,827	22,842,709	46,882

**Purchased Services/Supplies**

The district has budgeted inflationary increases 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 that are not covered by the Sinking Fund or the Bond programs.

The Capital Projects Fund expenditures represent estimated costs for the projects planned and equipment purchases to be made in the 2026/27 fiscal year.

	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
General Fund - Facilities	417,456	350,496	(66,960)
General Fund - Equipment	401,284	311,291	(89,993)
Cafeteria Fund	699,000	420,000	(279,000)
Capital Projects Fund - Sinking Fund	349,597	1,590,085	1,240,488
Capital Projects Fund - 2020 Bond	2,671,838	212,247	(2,459,591)
Capital Projects Fund - Set Aside	<u>1,315,319</u>	<u>326,000</u>	<u>(989,319)</u>
	5,854,494	3,210,119	(2,644,375)

**Other Financing Uses**

Other financing uses, which is outlined in the following chart, represents the “non-operating” expenditures of the district. General Fund other financing uses represents the transfer made to the Athletics Fund to cover operations. Cafeteria Fund other financing uses represents the transfer made to the General Fund for indirect costs.

	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
General Fund	748,104	776,112	28,008
Cafeteria Fund	<u>245,000</u>	<u>245,000</u>	<u>-</u>
	993,104	1,021,112	28,008

**Debt Service Expenditures**

Below is a summary of the District’s debt service expenditures:

	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
Debt Service Fund - Principal	24,750,000	24,370,000	(380,000)
Debt Service Fund - SBLF Payment	2,873,879	5,233,768	2,359,889
Debt Service Fund - Interest	<u>3,882,442</u>	<u>3,682,284</u>	<u>(200,158)</u>
	31,506,321	33,286,052	1,779,731

## Fund Balance Assumptions

The comparative fund balance schedules of the various funds of the district are highlighted below based on our assumptions for fiscal years 2025/26 and 2026/27:

<b><u>General Fund</u></b>	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
Beginning fund balance	21,327,449	22,030,640	703,191
Operating surplus/(deficit)	<u>703,191</u>	<u>(1,303,114)</u>	<u>(2,006,305)</u>
Ending fund balance	22,030,640	20,727,526	(1,303,114)
Fund balance as a % of expenditures	30.61%	28.20%	

<b><u>Athletics Fund</u></b>	<u>FY 2025/26</u>	<u>FY 2026/27</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	-

<b><u>Cafeteria Fund</u></b>	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
Beginning fund balance	1,540,510	1,097,198	(443,312)
Operating surplus/(deficit)	<u>(443,312)</u>	<u>(218,289)</u>	<u>225,023</u>
Ending fund balance	1,097,198	878,909	(218,289)

<b><u>Student Activity Fund</u></b>	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
Beginning fund balance	1,757,974	1,469,809	(288,165)
Operating surplus/(deficit)	<u>(288,165)</u>	<u>115,794</u>	<u>403,959</u>
Ending fund balance	1,469,809	1,585,603	115,794

<b><u>Debt Service Fund</u></b>	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
Beginning fund balance	12,128,091	12,944,355	816,264
Operating surplus/(deficit)	<u>816,264</u>	<u>(12,468,095)</u>	<u>(13,284,359)</u>
Ending fund balance	12,944,355	476,260	(12,468,095)

<b><u>Capital Projects Fund - Sinking Fund</u></b>	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
Beginning fund balance	1,651,756	2,280,087	628,331
Operating surplus/(deficit)	<u>628,331</u>	<u>(575,279)</u>	<u>(1,203,610)</u>
Ending fund balance	2,280,087	1,704,808	(575,279)

***Fund Balance Assumptions, continued***

<b><u>Capital Projects Fund - 2020 Bond</u></b>	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
Beginning fund balance	4,041,873	1,550,498	(2,491,375)
Operating surplus/(deficit)	<u>(2,491,375)</u>	<u>(155,247)</u>	<u>2,336,128</u>
Ending fund balance	1,550,498	1,395,251	(155,247)

<b><u>Capital Projects Fund - Set Aside</u></b>	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>Change</u>
Beginning fund balance	6,344,098	5,233,380	(1,110,718)
Operating surplus/(deficit)	<u>(1,110,718)</u>	<u>(158,660)</u>	<u>952,058</u>
Ending fund balance	5,233,380	5,074,720	(158,660)

The fiscal year 2026/27 General Fund, Athletics Fund, Cafeteria Fund, Student Activity Fund, Debt Service Fund, Capital Projects Fund – 2020 Bond, Set Aside & 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 15, 2026 public meeting.

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

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

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Hartland Consolidated Schools  
Proposed Budget  
General Fund  
Fiscal Year Ending June 30, 2027

	Actual 2024-25	Budgeted 2025-26	Estimated 2026-27	Net Change Percent	Net Change Dollars
<b>Revenues:</b>					
Local Sources	\$ 10,076,762	\$ 10,616,444	\$ 10,657,433	0.39%	40,989
State Sources	58,106,425	57,607,286	57,128,730	-0.83%	(478,556) <b>A</b>
Federal Sources	518,230	465,389	293,389	-36.96%	(172,000) <b>B</b>
Interdistrict & Other	<u>3,594,956</u>	<u>3,993,120</u>	<u>4,120,741</u>	3.20%	<u>127,621</u> <b>C</b>
<b>Total Revenues</b>	<b>\$ 72,296,373</b>	<b>\$ 72,682,239</b>	<b>\$ 72,200,293</b>	<b>-0.66%</b>	<b>\$ (481,946)</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Basic Programs	31,559,012	33,269,905	34,378,265	3.33%	1,108,360 <b>D</b>
Added Needs	9,537,555	10,686,611	10,673,025	-0.13%	(13,586) <b>D</b>
<b>Support Services:</b>					
Pupil Services	2,213,203	2,193,623	2,182,922	-0.49%	(10,701) <b>D</b>
Instructional Services	2,104,036	1,865,429	1,854,972	-0.56%	(10,457) <b>D</b>
General Administration	1,741,726	1,961,201	2,105,258	7.35%	144,057 <b>E</b>
School Administration	4,102,676	4,320,168	4,452,829	3.07%	132,661
Business Services	641,927	670,182	659,979	-1.52%	(10,203)
Operations & Maintenance	7,855,304	8,247,521	8,612,731	4.43%	365,210 <b>F</b>
Transportation	3,102,247	3,303,166	3,223,392	-2.42%	(79,774)
Central Services	571,853	623,775	622,347	-0.23%	(1,428)
Other	196,064	215,680	224,559	4.12%	8,879
Community Services	3,322,901	3,456,227	3,386,560	-2.02%	(69,667)
Debt Service	66,521	-	-	0.00%	-
Capital Outlay	<u>710,423</u>	<u>417,456</u>	<u>350,456</u>	-16.05%	<u>(67,000)</u> <b>G</b>
<b>Total Expenditures</b>	<b>67,725,448</b>	<b>71,230,944</b>	<b>72,727,295</b>	<b>2.10%</b>	<b>1,496,351</b>
<b>Outgoing Transfers</b>	<b><u>2,009,661</u></b>	<b><u>748,104</u></b>	<b><u>776,112</u></b>	<b>3.74%</b>	<b><u>28,008</u></b>
<b>Total Appropriated</b>	<b>\$ 69,735,109</b>	<b>\$ 71,979,048</b>	<b>\$ 73,503,407</b>	<b>2.12%</b>	<b>\$ 1,524,359</b>
<b>Net Change in Fund Balance</b>	<b>\$ 2,561,264</b>	<b>\$ 703,191</b>	<b>\$ (1,303,114)</b>	<b>-285.31%</b>	<b>\$ (2,006,305)</b>
Fund Balance, July 1	18,766,185	21,327,449	22,030,640	3.30%	703,191
Fund Balance, June 30	<b>\$ 21,327,449</b>	<b>\$ 22,030,640</b>	<b>\$ 20,727,526</b>	<b>-5.92%</b>	<b>\$ (1,303,114)</b>
Fund Balance as a % of Expenditures	30.58%	30.61%	28.20%		

Hartland Consolidated Schools  
 General Fund – Proposed Budget Explanations  
 June 30, 2027

<b>A</b>	State Sources	State revenue assumes a \$250 increase in foundation allowance, which is our best estimate at this time, given the state legislature has not yet finalized its budget. The budget also assumes a reduction of 39 FTE's, based on our most recent enrollment projection. Categorical and other grant funding was reduced assuming a majority of the one-time funds received in the 2025/26 fiscal year will not recur.
<b>B</b>	Federal Sources	Decrease is due to the one-time federal Filter First grant program from 2025/26 that has been removed.
<b>C</b>	Interdistrict & Other	Increase is due to a one-time increase in operating support anticipated from LESA in 2026/27.
<b>D</b>	Instruction; Pupil Services; Instructional Services; School Administration	The net change is a culmination of several adjustments made to the various expense categories. Salaries and fringe benefits have been increased for the cost of steps, lanes, longevity, contractual adjustments, and restoration of prior year leaves of absence.  In addition to the above changes, expenditures related to the one-time 27l Educator Compensation program from 2025/26 were removed.
<b>E</b>	General Administration	Increase is due to the cost of steps and contractual increases for non-instructional employees, as well as a placeholder for potential election expense. Election expense will be removed during the amendment process if it is not necessary.
<b>F</b>	Maintenance & Operations	A majority of the increase is to account for the projected increase in utility cost starting in 2026/27 and going forward.
<b>G</b>	Capital Outlay	Decrease is due to one-time capital purchases made in 2025/26 that will not recur in 2026/27.

Hartland Consolidated Schools  
Budget Summary  
General Fund

	Actual 2024-25	Amended 2025-26	Projection 2026-27	Change From 2025-26
<b>INSTRUCTION:</b>				
<b>BASIC PROGRAMS</b>				
Salaries	\$ 17,594,039	\$ 19,104,732	\$ 20,100,940	\$ 996,208
Fringes	12,203,355	12,454,714	12,578,952	124,238
Purchased services	1,192,039	1,297,240	1,213,009	(84,231)
Supplies	314,535	350,889	350,889	-
Capital outlay & other	255,041	62,330	134,475	72,145
<b>ADDED NEEDS</b>				
Salaries	5,328,301	6,063,007	6,127,644	64,637
Fringes	3,650,695	3,923,309	3,885,174	(38,135)
Purchased services	394,975	477,686	481,045	3,359
Supplies	163,587	222,609	179,162	(43,447)
Capital outlay & other	-	-	-	-
<b>TOTAL INSTRUCTION</b>	<b>41,096,567</b>	<b>43,956,516</b>	<b>45,051,290</b>	<b>1,094,774</b>
<b>SUPPORT SERVICES:</b>				
<b>PUPIL SERVICES</b>				
Salaries	1,226,468	1,231,726	1,230,393	(1,333)
Fringes	845,674	796,697	782,638	(14,059)
Purchased services	122,255	120,556	125,247	4,691
Supplies	18,806	44,644	44,644	-
Capital outlay & other	-	-	-	-
<b>INSTRUCTIONAL SERVICES</b>				
Salaries	1,213,919	975,729	976,030	301
Fringes	651,934	606,908	596,150	(10,758)
Purchased services	150,517	179,868	179,868	-
Supplies	87,666	102,924	102,924	-
Capital outlay & other	-	-	-	-

Hartland Consolidated Schools  
 Budget Summary  
 General Fund  
*continued*

	Actual 2024-25	Amended 2025-26	Projection 2026-27	Change From 2025-26
<b>GENERAL ADMINISTRATION</b>				
Salaries	897,047	1,015,542	1,089,687	74,145
Fringes	589,966	636,144	652,056	15,912
Purchased services	226,199	278,515	332,515	54,000
Supplies	7,773	10,000	10,000	-
Capital outlay & other	20,741	21,000	21,000	-
<b>SCHOOL ADMINISTRATION</b>				
Salaries	2,397,525	2,604,419	2,724,258	119,839
Fringes	1,618,234	1,620,349	1,632,203	11,854
Purchased services	80,102	86,000	86,968	968
Supplies	6,815	9,400	9,400	-
Capital outlay & other	-	-	-	-
<b>BUSINESS SERVICES</b>				
Salaries	342,119	371,242	366,810	(4,432)
Fringes	207,346	213,550	207,595	(5,955)
Purchased services	4,470	4,370	4,554	184
Supplies	-	-	-	-
Capital outlay & other	87,992	81,020	81,020	-
<b>OPERATIONS &amp; MAINTENANCE</b>				
Salaries	948,986	1,067,161	1,104,262	37,101
Fringes	703,084	717,681	732,415	14,734
Purchased services	4,258,643	4,282,255	4,384,994	102,739
Supplies	1,820,049	1,971,424	2,328,060	356,636
Capital outlay & other	124,542	209,000	63,000	(146,000)
<b>TRANSPORTATION</b>				
Salaries	566,033	518,669	471,107	(47,562)
Fringes	358,411	335,907	301,956	(33,951)
Purchased services	2,040,669	2,265,375	2,315,129	49,754
Supplies	137,134	183,215	135,200	(48,015)
Capital outlay & other	-	-	-	-
<b>CENTRAL SERVICES</b>				
Salaries	192,400	212,728	210,512	(2,216)
Fringes	148,995	148,912	145,800	(3,112)
Purchased services	230,458	262,135	266,035	3,900
Supplies	-	-	-	-
Capital outlay & other	-	-	-	-

Hartland Consolidated Schools  
Budget Summary  
General Fund  
*continued*

	Actual 2024-25	Amended 2025-26	Projection 2026-27	Change From 2025-26
<b>OTHER</b>				
Salaries	105,578	119,000	129,832	10,832
Fringes	55,312	57,317	55,364	(1,953)
Purchased services	21,490	25,000	25,000	-
Supplies	13,684	14,363	14,363	-
Capital outlay & other	-	-	-	-
<b>TOTAL SUPPORT SERVICES</b>	<b>22,529,036</b>	<b>23,400,745</b>	<b>23,938,989</b>	<b>538,244</b>
<b>COMMUNITY SERVICES</b>				
Salaries	1,046,503	1,067,865	1,063,312	(4,553)
Fringes	586,392	592,472	563,663	(28,809)
Purchased services	1,421,708	1,513,792	1,495,792	(18,000)
Supplies	264,646	254,164	251,997	(2,167)
Capital outlay & other	3,652	27,934	11,796	(16,138)
<b>CAPITAL OUTLAY - Facilities</b>	<b>710,423</b>	<b>417,456</b>	<b>350,456</b>	<b>(67,000)</b>
<b>DEBT SERVICE</b>	<b>66,521</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TRANSFERS &amp; OTHER</b>	<b>2,009,661</b>	<b>748,104</b>	<b>776,112</b>	<b>28,008</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 69,735,109</b>	<b>\$ 71,979,048</b>	<b>\$ 73,503,407</b>	<b>\$ 1,524,359</b>

Salaries	\$ 31,858,918	\$ 34,351,820	\$ 35,594,787	\$ 1,242,967
Fringes	21,619,398	22,103,960	22,133,966	30,006
Purchased services	10,143,525	10,792,792	10,910,156	117,364
Supplies	2,834,695	3,163,632	3,426,639	263,007
Capital outlay & other	491,968	401,284	311,291	(89,993)
Capital outlay - Facilities	710,423	417,456	350,456	(67,000)
Debt service	66,521	-	-	-
Transfers	2,009,661	748,104	776,112	28,008
	<b>\$ 69,735,109</b>	<b>\$ 71,979,048</b>	<b>\$ 73,503,407</b>	<b>\$ 1,524,359</b>

Salaries	45.69%	47.72%	48.43%
Fringes	31.00%	30.71%	30.11%
Purchased services	14.55%	14.99%	14.84%
Supplies	4.06%	4.40%	4.66%
Capital outlay & other	0.71%	0.56%	0.42%
Capital outlay - Facilities	1.02%	0.58%	0.48%
Debt service	0.10%	0.00%	0.00%
Transfers & other	2.88%	1.04%	1.06%

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Hartland Consolidated Schools  
Proposed Budget  
Athletics Fund  
Fiscal Year Ending June 30, 2027

	Actual 2024-25	Budgeted 2025-26	Estimated 2026-27	Net Change Percent	Net Change Dollars	
Revenues:						
Local Sources (Gate)	\$ 154,297	\$ 156,020	\$ 166,020	6.41%	\$ 10,000	<b>A</b>
Other Local Sources	381,036	378,339	378,339	0.00%	-	
State Sources	26,870	48,539	45,510	-6.24%	(3,029)	
Incoming Transfers	<u>659,661</u>	<u>748,104</u>	<u>776,112</u>	3.74%	<u>28,008</u>	<b>B</b>
Total Revenue	1,221,864	1,331,002	1,365,981	2.63%	34,979	
Expenditures:						
Salaries	311,492	334,692	344,079	2.80%	9,387	<b>C</b>
Employee Benefits	173,704	210,020	217,136	3.39%	7,116	<b>C</b>
Contracted Services/Supplies	580,553	616,347	634,823	3.00%	18,476	<b>D</b>
Equipment	23,947	27,975	27,975	0.00%	-	
Officials	84,668	94,468	94,468	0.00%	-	
Transportation	<u>47,500</u>	<u>47,500</u>	<u>47,500</u>	0.00%	<u>-</u>	
Total Appropriated	1,221,864	1,331,002	1,365,981	2.63%	34,979	
Net Change in Fund Balance	-	-	-	-	-	
Fund Balance, July 1	205,235	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, 2027

<b>A</b>	Gate	Gate revenues were increased to account for 1 additional football game expected in 2026/27.
<b>B</b>	Incoming Transfers	Amount represents the contribution from the General Fund. The amount was increased to accommodate the increase in operating expenditures (net of the increase of local revenues), which are explained in more detail below.
<b>C</b>	Salaries/Employee Benefits	Salaries and fringe benefits were increased to account for step and contractual increases for athletic department staff and coaches.
<b>D</b>	Contract Services/Supplies	Contracted coaches were increased to account for contractual and step increases.

Hartland Consolidated Schools  
Proposed Budget  
Cafeteria Fund  
Fiscal Year Ending June 30, 2027

	Actual 2024-25	Budgeted 2025-26	Estimated 2026-27	Net Change Percent	Net Change Dollars
<b>Revenues:</b>					
Local Sources	\$ 321,908	\$ 336,000	\$ 338,770	0.82%	\$ 2,770
State Sources	2,034,172	2,084,802	2,051,543	-1.60%	(33,259) <b>A</b>
Federal Sources	<u>974,598</u>	<u>1,019,575</u>	<u>1,027,610</u>	0.79%	<u>8,035</u>
Total Revenue	3,330,678	3,440,377	3,417,923	-0.65%	(22,454)
<b>Expenditures:</b>					
Salaries	769,762	881,617	878,220	-0.39%	(3,397) <b>B</b>
Employee Benefits	421,756	481,847	491,607	2.03%	9,760 <b>B</b>
Food	1,338,247	1,416,075	1,428,075	0.85%	12,000
Supplies & Other	161,208	160,150	173,310	8.22%	13,160
Capital Outlay	<u>130,385</u>	<u>699,000</u>	<u>420,000</u>	-39.91%	<u>(279,000) <b>C</b></u>
Total Expenditures	2,821,358	3,638,689	3,391,212	-6.80%	(247,477)
Outgoing Transfers	<u>202,909</u>	<u>245,000</u>	<u>245,000</u>	0.00%	<u>-</u>
Total Appropriated	3,024,267	3,883,689	3,636,212	-6.37%	(247,477)
Net Change in Fund Balance	306,411	(443,312)	(218,289)	-50.76%	225,023
Fund Balance, July 1	1,234,099	1,540,510	1,097,198	-28.78%	(443,312)
Fund Balance, June 30	\$ 1,540,510	\$ 1,097,198	\$ 878,909	-19.90%	\$ (218,289)

Hartland Consolidated Schools  
 Cafeteria Fund – Proposed Budget Explanations  
 June 30, 2027

<p>General Comments:</p> <p>The 2026/27 Cafeteria Fund budget was prepared assuming the universal free meals program would continue at similar participation levels, with minor inflationary adjustments across the various line items. Any differences in programming will be addressed through the budget amendment process.</p>		
<b>A</b>	State Sources	Approximately \$51K was removed from the 27L Educator Compensation Program from 2025/26. Offsetting salaries/fringe benefits were also reduced.
<b>B</b>	Salaries/ Fringe Benefits	In addition to the removal of expenditures related to the 27L Educator Compensation Program noted above, salaries and fringe benefits were adjusted to account for contractual increases as well as steps, lanes and longevity increases for Student Nutrition staff. Fringe benefits were also increased to account for a shift in earnings now subject to retirement withholdings.
<b>C</b>	Capital Outlay	Capital outlay was adjusted to ensure fund balance is maintained at the federally required levels. Capital outlay purchases will be finalized after we determine wither the universal free meals program will continue.

Hartland Consolidated Schools  
Proposed Budget  
Student Activities Fund  
Fiscal Year Ending June 30, 2027

	<u>Actual 2024-25</u>	<u>Budgeted 2025-26</u>	<u>Estimated 2026-27</u>	<u>Net Change Percent</u>	<u>Net Change Dollars</u>
Revenues:					
Other Local Revenue	\$ 1,549,161	\$ 1,738,032	\$ 1,781,483	2.50%	\$ 43,451 <b>A</b>
Expenditures:					
Miscellaneous Expense	<u>1,576,539</u>	<u>2,026,197</u>	<u>1,665,689</u>	-17.79%	<u>(360,508) <b>B</b></u>
Total Appropriated	1,576,539	2,026,197	1,665,689	-17.79%	(360,508)
Net Change in Fund Balance	(27,378)	(288,165)	115,794	-140.18%	403,959
Fund Balance, July 1	1,785,352	1,757,974	1,469,809	-16.39%	(288,165)
Fund Balance, June 30	\$ 1,757,974	\$ 1,469,809	\$ 1,585,603	7.88%	\$ 115,794

Hartland Consolidated Schools  
Student Activities Fund – Proposed Budget Explanations  
June 30, 2027

<b>A</b>	Other Local Revenue	Assumed a slight inflationary adjustment.
<b>B</b>	Miscellaneous Expense	Decrease is due to the removal of expenditures related to the daycare grant that were spent in 2025/26.

Hartland Consolidated Schools  
Debt Service Fund  
As of June 30:

	Actual 2024-25	Estimated 2025-26	Estimated 2026-27
Revenues:			
Property Tax Levy	\$ 17,251,007	\$ 18,241,305	\$ 19,956,209
Other Local Revenue	<u>672,738</u>	<u>155,300</u>	<u>145,300</u>
Total Local Revenue	17,923,745	18,396,605	20,101,509
State Revenue	39,319	61,880	61,880
Federal Revenue	673,521	669,898	669,898
Proceeds from Refunding	<u>-</u>	<u>13,363,545</u>	<u>-</u>
Total Revenue	18,636,585	32,491,928	20,833,287
Expenditures:			
Redemption of Principal	13,500,904	27,623,879	29,603,768
Interest on Debt	4,147,499	3,882,442	3,682,284
Miscellaneous Expense	<u>12,340</u>	<u>169,343</u>	<u>15,330</u>
Total Expenditures	17,660,743	31,675,664	33,301,382
Net Change in Fund Balance	975,842	816,264	(12,468,095)
Fund Balance, July 1	11,152,249	12,128,091	12,944,355
Fund Balance, June 30	\$ 12,128,091	\$ 12,944,355	\$ 476,260

The Debt Service Fund accounts for the receipt of property tax revenues and the payment of principal and interest on the District's debt obligations. The current debt millage is 9.49 mills.

Note that the 2016 bond issue was refunded in 2025/26; corresponding revenues and expenditures from the refunding transaction are accounted for in the 2025/26 budget.

Fund balance in has grown due to 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 on the 2010 QSCB debt is \$12.1M and is scheduled to be paid in the 2026/27 school year.

Hartland Consolidated Schools  
Capital Projects Fund - Sinking Fund  
As of June 30:

	Actual 2024-25	Estimated 2025-26	Estimated 2026-27
Revenues:			
Property Tax Levy	\$ 871,038	\$ 915,459	\$ 958,657
Interest & Other	55,581	62,469	56,149
Total Revenue	926,619	977,928	1,014,806
Expenditures:			
Construction/Renovation Construction	754,473	223,530	1,460,000
Manager/Architect/Other	29,469	126,067	130,085
Total Expenditures	783,942	349,597	1,590,085
Net Change in Fund Balance	142,677	628,331	(575,279)
Fund Balance, July 1	1,509,079	1,651,756	2,280,087
Fund Balance, June 30	\$ 1,651,756	\$ 2,280,087	\$ 1,704,808

The Sinking Fund was first approved by voters in May 2017 and expires with the July 2026 levy (2026/27 fiscal year). The originally approved millage rate was .5 mills, however, over time, the rate has been rolled back due to Headlee overrides. The 2026 rate was .4763 mills and the 2027 rate will be .4740 mills.

Property tax revenues are received annually in an amount equal to the District's total taxable value times the applicable millage rate.

Expenditures represent projects or a portion of projects that took place during the fiscal year. Note that a majority of construction work occurs over the summer months, which spans two separate fiscal years.

The expenditures above spanning over the 2025, 2026, and 2027 fiscal years include district-wide door and concrete replacement, masonry repair at Lakes Elementary, the cooling tower at the High School, pool upgrades, and uninvent replacement at the Elementary buildings.

Future planned sinking fund expenditures, while subject to change based on District need, include additional district-wide paving improvements, interior/exterior door replacements, and domestic water piping replacement.

In order to extend the Sinking fund beyond the 2026 tax year (2026/27 fiscal year), the District will need to successfully pass a renewal millage by May 2027.

Hartland Consolidated Schools  
Capital Projects Fund - 2020 Bond  
As of June 30:

	Actual 2024-25	Estimated 2025-26	Estimated 2026-27
<b>Revenues:</b>			
Interest	\$ 305,369	\$ 180,463	\$ 57,000
Total Revenue	305,369	180,463	57,000
<b>Expenditures:</b>			
Construction/Renovation	2,981,097	1,813,856	-
Technology Infrastructure & Equipment	352,905	-	-
Furniture, Fixtures & Equipment	400,862	191,105	212,247
School Busses	884,280	493,430	-
Construction Manager/Architect/Other	623,166	173,447	-
Total Expenditures	5,242,310	2,671,838	212,247
Net Change in Fund Balance	(4,936,941)	(2,491,375)	(155,247)
Fund Balance, July 1	8,978,814	4,041,873	1,550,498
Fund Balance, June 30	\$ 4,041,873	\$ 1,550,498	\$ 1,395,251

The Capital Projects Fund – 2020 Bond accounts for the proceeds and expenditures related to the 2020 bond program, which was approved by voters in August 2020.

Expenditures represent projects or a portion of projects that took place during the fiscal year. Note that a majority of construction work occurs over the summer months, which spans two separate fiscal years.

The construction/renovation expenditures above spanning over the 2025, 2026, and 2027 fiscal years include the High School and Athletic Complex upgrades (including the team room), paving, roofing replacements, pool painting, access control upgrades, and upgrades to the HESSC auditorium and grounds.

As of June 30, 2026, all major construction projects relating to the 2020 Bond are complete. The estimated balance of \$1.4M as of June 30, 2027 represents a technology refresh through 2031 that was planned in the bond.

Hartland Consolidated Schools  
 Capital Projects Fund - Set Aside  
 As of June 30:

	Actual 2024-25	Estimated 2025-26	Estimated 2026-27
<b>Revenues:</b>			
Interest	\$ 289,367	\$ 204,601	\$ 167,340
Transfer from General Fund	1,350,000	-	-
<b>Total Revenue</b>	<b>1,639,367</b>	<b>204,601</b>	<b>167,340</b>
<b>Expenditures:</b>			
Construction/Renovation	271,626	767,010	256,000
Furniture, Fixtures & Equipment	-	69,783	-
School Busses	-	314,664	-
Construction Manager/Architect/Other	316,063	163,862	70,000
<b>Total Expenditures</b>	<b>587,689</b>	<b>1,315,319</b>	<b>326,000</b>
<b>Net Change in Fund Balance</b>	<b>1,051,678</b>	<b>(1,110,718)</b>	<b>(158,660)</b>
Fund Balance, July 1	5,292,420	6,344,098	5,233,380
Fund Balance, June 30	\$ 6,344,098	\$ 5,233,380	\$ 5,074,720

The Capital Projects Fund – Set Aside was created in 2021/22 with a transfer from the General Fund. The purpose of the fund was to hold these funds in reserve until the end of the 2020 bond program in order to address the escalating costs of the bond program and to address other capital needs not covered by the bond or sinking fund. An additional transfer was completed in 2024/25 to reallocate the remaining one-time capital expenditures that were originally budgeted in the General Fund over to the Capital Projects Fund.

Expenditures represent projects or a portion of projects that took place during the fiscal year. Note that a majority of construction work occurs over the summer months, which spans two separate fiscal years.

The expenditures above spanning over the 2025, 2026, and 2027 fiscal years include the portion of the team room at the main stadium not covered by the 2020 bond, the renovation of the 51 Building and parking lot, bus purchases, and a capital needs assessment to determine priorities for future capital spending.

The \$5M balance projected at the end of the 2026/27 fiscal year will be held for the 2027/28 bus purchase, as well as for future construction/renovation needs not covered by the current sinking fund program. After the capital needs assessment is completed in the summer of 2026 and the outcome of the 2026 sinking fund election is known, the use of the remaining set aside funds will be determined.

**HARTLAND CONSOLIDATED SCHOOLS**  
**General Fund Revenue and Expenditure Projection**

	2025/26	2026/27	2027/28	2028/29
Revenue	72,682,239	72,200,293	72,133,405	73,267,723
Expenditures	71,979,048	73,503,407	75,692,216	77,292,187
Excess Revenue /(Expenditures)	703,191	(1,303,114)	(3,558,811)	(4,024,464)
Fund Balance July 1	21,327,449	22,030,640	20,727,526	17,168,715
Fund Balance June 30	22,030,640	20,727,526	17,168,715	13,144,251
<b>Fund Balance Percent</b>	<b>30.61%</b>	<b>28.20%</b>	<b>22.68%</b>	<b>17.01%</b>
Revenue increase	0.53%	-0.66%	-0.09%	1.57%
Expenditure increase	3.22%	2.12%	2.98%	2.11%
Contractual increase	7.0000%	3.0000%	3.0000%	1.0000%
Retirement rate	30.27%	28.11%	27.70%	27.95%
Foundation allowance	\$ 10,050	\$ 10,300	\$ 10,575	\$ 10,850
<b>Foundation allowance increase</b>	<b>\$ 442</b>	<b>\$ 250</b>	<b>\$ 275</b>	<b>\$ 275</b>
Blended count @10%/90%	4,937.04	4,897.07	4,878.77	4,834.87
Enrollment change (blended count)	(64.99)	(39.97)	(18.30)	(43.90)
<b>Enrollment change (October count)</b>	<b>(66.40)</b>	<b>(39.00)</b>	<b>(16.00)</b>	<b>(47.00)</b>

The 3-year General Fund revenue and expenditure projection is a planning tool used by District Administration to assess how current decisions may affect the District's financial position in future years. Because future revenue streams are subject to uncertainty, this projection should be viewed as a planning estimate rather than a precise forecast.

A significant portion of the District's budget is driven by student enrollment and state/federal appropriations, both of which can vary from year to year and are largely out of the District's control. Revenue projections are based on an estimated inflationary increase in the foundation allowance as well as enrollment forecasts prepared by the District's enrollment consultant. It is important to note that approximately \$10.9M of state funding is derived from categorical sources, which are not guaranteed on an ongoing basis. As such, the projection above assumes that approximately \$1.7M worth of categorical funding will be eliminated in future years, based on the best information currently available.

Expenditure projections incorporate any known changes, such as employment contracts and the addition or removal of one-time expenditures. They also include assumptions related to inflation, staffing levels, and other anticipated cost drivers.