

Building a Bigger, Better Future...



Parkview School District  
2017-2018 Budget Hearing and  
Annual Meeting

Monday, October 23, 2017

6:00 p.m.

Parkview Elementary LMC

# 2016-2017 Budget Review

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- The Parkview School District is expected to end the 2016-2017 Fiscal Year with a budget shortfall of \$3,208.15 in the General Fund.
- The final number for 2016-2017 could still change as the District is in the process of their annual financial audit.
- This surplus represents a \$222,695.41 increase over the projected shortfall of \$225,903.56 presented at last year's Annual Meeting, and is due in large part to lower than expected expenditures and higher than expected revenues.
- The fund balance for the District on June 30, 2017 was \$2,871,607.72, which represented 27.87% of the expenditures for 2016-2017

# 2017-2018 Budget Overview

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- The Parkview School District is projected to have a budget shortfall of of \$245,226.29 during the 2017-2018 fiscal year.
- Approximately \$127,000 of this shortfall is composed of onetime expenses due to the construction of a District Greenhouse and staffing needs at the sixth grade.
- The District's fund balance would decrease to \$2,626,381.43 by the end of the 2017-2018 fiscal year, which would represent 24.86% of projected expenditures for 2017-2018.
- It is important to keep in mind that without the referendum, the District would have a budget deficit of \$595,226.29 in 2017-2018.

# School Finance Accounting Basics

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- School districts in Wisconsin use the Wisconsin Uniform Financial Accounting Requirements (WUFAR) to categorize all of their finances.
- The WUFAR is fund accounting, which separates each revenue and expenditure into a specific fund.
- A majority of school finances are held in the General Fund (Fund 10), but there are also other funds for areas like food service and special education.

Fund	Location	Object/ Source	Function	Program/ Project
XX	XXX	XXX	XXXXXX	XXX

**Most of the commercial software used in districts will display account codes in this order. In DPI reporting you will see the function number preceding the object or source. DPI reporting does not require location detail.**

# 2017-2018 Budget Adoption

<b>GENERAL FUND</b>	<b>Audited 2015-16</b>	<b>Unaudited 2016-17</b>	<b>Budget 2017-18</b>
Beginning Fund Balance	2,415,936.68	2,874,815.87	2,871,607.72
<b>Ending Fund Balance</b>	<b>2,874,815.87</b>	<b>2,871,607.72</b>	<b>2,626,381.43</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>			
Transfers-In (Source 100)	9,188.14	0.00	9,500.00
Local Sources (Source 200)	4,020,873.05	3,553,904.56	3,662,655.00
Inter-district Payments (Source 300 + 400)	229,802.00	373,039.00	453,372.00
Intermediate Sources (Source 500)	7,900.24	8,943.20	9,000.00
State Sources (Source 600)	5,717,842.29	5,943,975.63	5,848,022.00
Federal Sources (Source 700)	248,739.51	248,835.09	259,528.56
All Other Sources (Source 800 + 900)	445,685.09	166,675.64	77,938.46
<b>TOTAL REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>10,680,030.32</b>	<b>10,295,373.12</b>	<b>10,320,016.02</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>			
Instruction (Function 100 000)	4,499,135.58	4,614,405.00	4,859,754.16
Support Services (Function 200 000)	3,828,480.23	3,834,923.42	3,784,216.22
Non-Program Transactions (Function 400 000)	1,893,535.32	1,849,252.85	1,921,271.93
<b>TOTAL EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>10,221,151.13</b>	<b>10,298,581.27</b>	<b>10,565,242.31</b>

The Department of Public Instruction requires every school district in the state to complete a Budget Adoption sheet each year for the proposed budget for the upcoming year and the last two years.

# 2017-2018 Revenue Limit

- The revenue limit is adjusted each year based on many factors including enrollment, property value and a per pupil adjustment.
- From 2001 to 2010, the average per pupil adjustment amount was an increase of \$237.90.
- In 2011, the per pupil adjustment amount was a decrease of \$528.81 for every district in the state (Act 10).
- While there have been smaller increases to the per pupil adjustment since 2011, the amount was frozen for 2015, 2016, and 2017 (i.e. \$0 increase).

Year	Revenue Limit	Yearly Change
12-13	\$9,645,261	-5.09%
13-14	\$9,608,961	-0.37%
14-15	\$9,625,106	0.17%
15-16	\$9,556,079	-0.72%
16-17	\$9,258,192	-3.12%
17-18	\$9,116,510	-1.53%

# 2017-2018 State General Aid

- Determining state general aid each year involves many different factors, a complex calculation, and the actions of all other public school districts
- This formula is designed to “equalize” district resources by providing more aid to relatively “property poor” districts.
- The District is projected to receive a 4.53% decrease in Equalization Aid which will increase our reliance on the tax levy.
- State general aid for the Parkview School District has decreased recently due to declining enrollment and increasing property values

Year	State General Aid	Yearly Change
12-13	\$5,806,470	-9.10%
13-14	\$5,646,272	-2.76%
14-15	\$5,482,661	-2.90%
15-16	\$5,481,004	-0.03%
16-17	\$5,637,010	2.85%
17-18	\$5,381,571	-4.53%

# 2017-2018 Local Property Tax

- The 2017-2018 tax levy represents the Board recommended tax amount following the October 15<sup>th</sup> state aid certification
- This amount differs from the published budget as the District must publish before the October 15<sup>th</sup> certification date.
- The increase to the 2017-2018 tax levy is due to a decrease in the amount of state aid provided to the District.
- We are also recommending an additional \$15,706 be levied to offset a reduction in state aid that is used by the state to fund the private school voucher program

Year	Tax Levy	Yearly Change
12-13	\$3,927,580	-1.00%
13-14	\$3,961,803	0.87%
14-15	\$5,093,046	28.55%
15-16	\$5,212,469	2.34%
16-17	\$4,861,830	-6.73%
17-18	\$4,968,572	2.20%



# 2017-2018 Mill Rate

- The mill rate is a number used to equate the amount of taxes that will be assessed on a property that has a certain valuation.
- An increase or decrease in the mill rate could vary due to changes in property values.
- It is important to remember that the mill rate is an average for multiple municipalities and an individual's actual mill rate could vary.
- A resident's taxes could still go up if the value of their property increases by more than the decrease for their municipality.

Year	State Avg. Mill Rate	Dist. Avg. Mill Rate	Yearly Change
12-13	\$10.21	\$10.02	1.52%
13-14	\$10.36	\$10.46	4.39%
14-15	\$10.26	\$13.35	27.63%
15-16	\$10.24	\$13.49	1.05%
16-17	\$9.97	\$12.24	-9.27%
17-18	n/a	\$12.23	-0.08%

# 2017-2018 Enrollment FTE

- Enrollment FTE (Full-Time Equivalency) is not a head count, but a calculation based on the September counts, summer school enrollment and resident additions and subtractions.
- The Parkview School District is currently experiencing declining enrollment, which has had an adverse affect on the revenue limit and the amount of state general aid the District receives.

Year	Enrollment FTE	Yearly Change
12-13	931	-2.21%
13-14	891	-4.30%
14-15	883	-0.90%
15-16	863	-2.27%
16-17	833	-3.48%
17-18	800	-3.96%

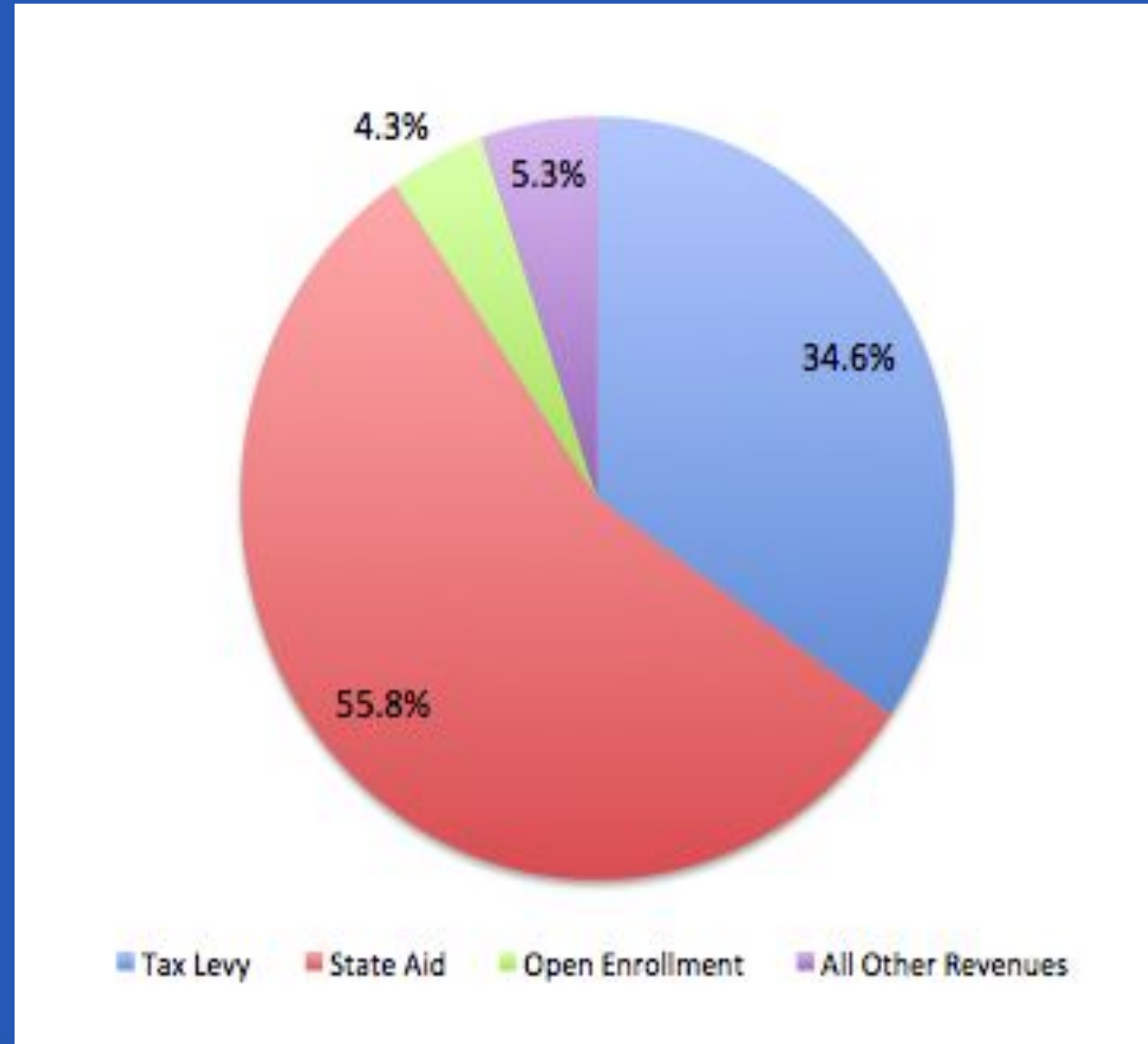
# 2017-2018 Open Enrollment

- In addition to declining enrollment, the Parkview School District also has more students enrolling out of the District than enrolling in through open enrollment.
- When a student who lives in a district decides to attend another district, the resident district must pay the other district open enrollment tuition for the student.
- Open enrollment tuition per student is \$7,055.
- Open enrollment tuition for special education students was set at \$12,207 per student.

Year	OE In Students	OE Out Students
12-13	49	124
13-14	57	118
14-15	40	142
15-16	39	148
16-17	54	134
17-18	62	144

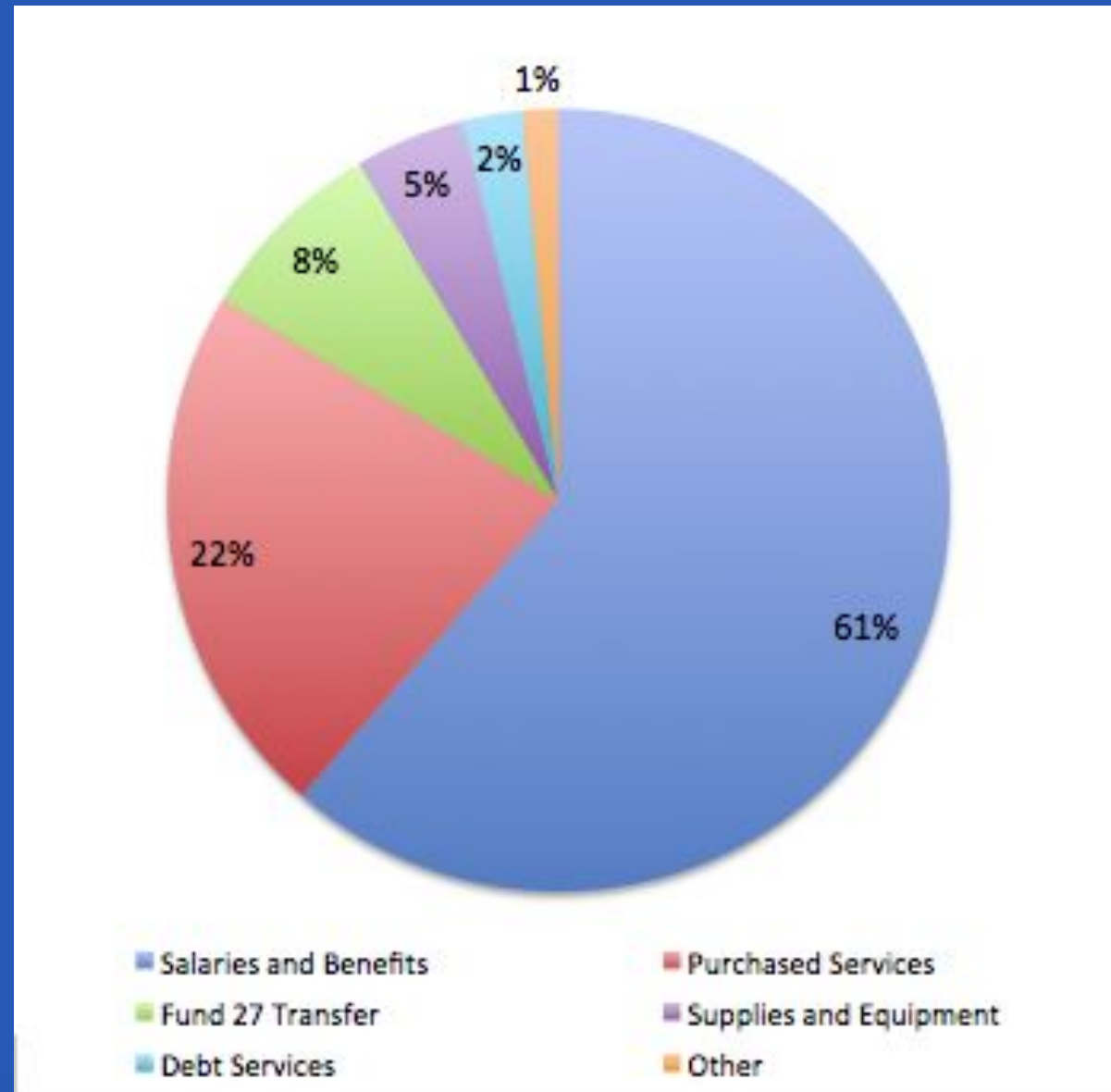
# 2017-2018 General Fund Revenue

- It is projected that 90.4% of General Fund (Fund 10) revenue will come from state aid (55.8%) and local property taxes (34.6%).
- The other sources of revenue includes district fees, and federal grants.
- Open enrollment revenues increased by over \$85,000 this fiscal year.
- Only the tax levy for the General Fund is represented on this chart. The revenue from the referendum is credited to other funds (Fund 38 and 39).

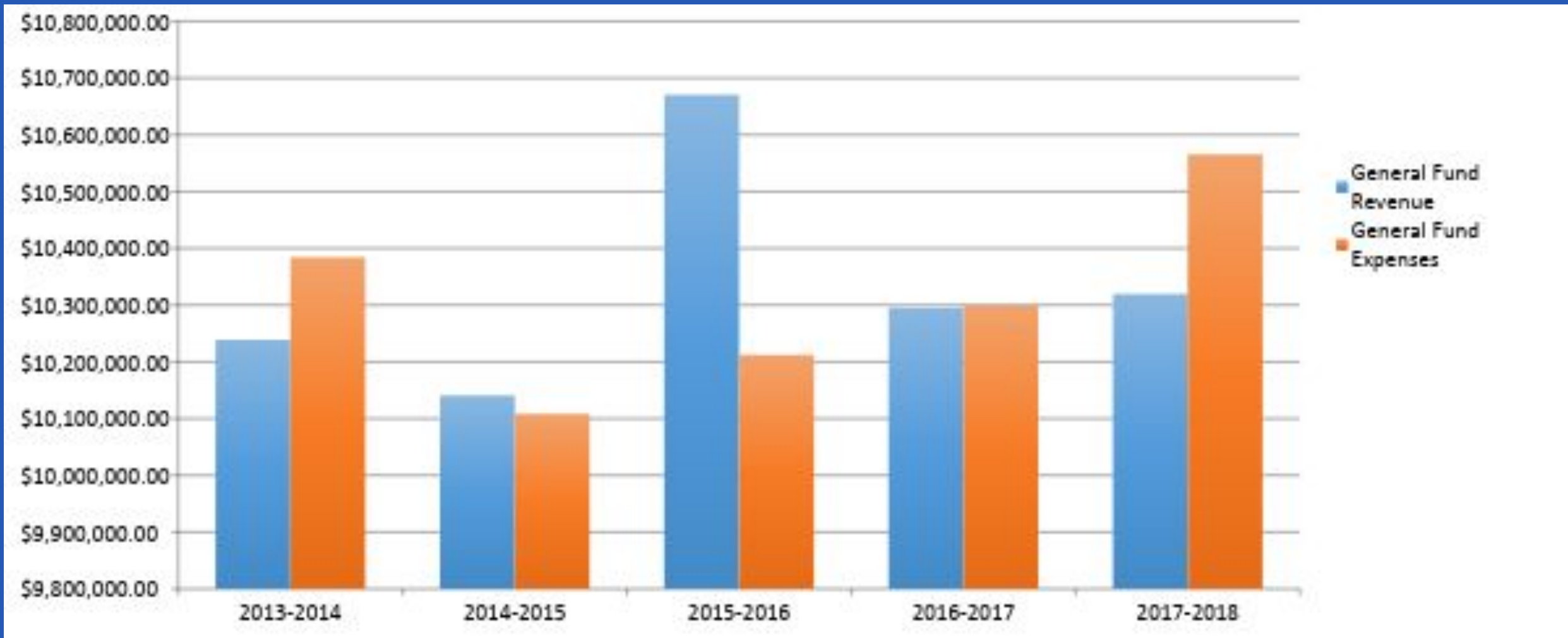


# 2017-2018 General Fund Expenses

- It is projected that 61% of general fund expenses will be from salaries and benefits for the General Fund (Fund 10).
- Purchased services include expenses for services to the District and open enrollment tuition.
- Other expenses include insurance costs and District and employee dues and fees.

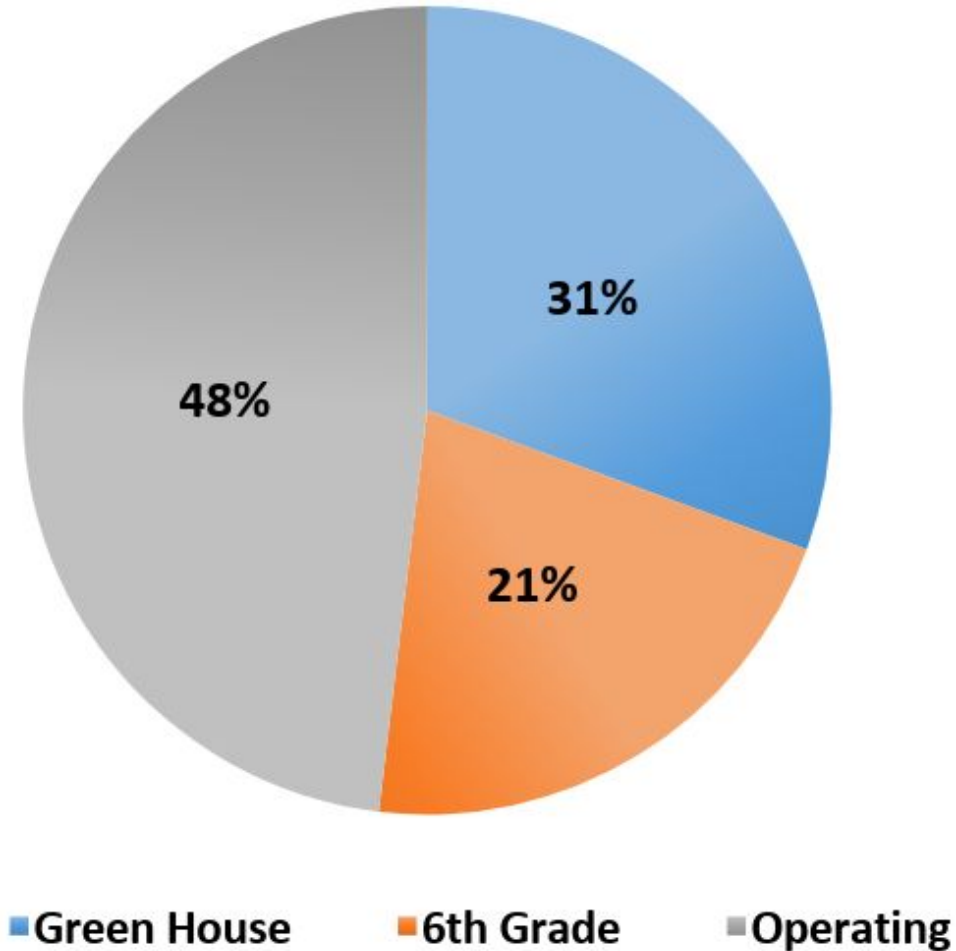


# General Fund Expense History



A revenue and expense transaction of \$554,007.44 was removed from 2014-2015 to more accurately depict financial trends over time. The transaction is cost neutral to the District, but inflates both revenue and expenses for that year.

# Budget Shortfall Breakdown



## District Greenhouse

\$75,000.00

## Additional Sixth Grade Teacher

\$52,300.00

## Operating Shortfall

\$117,926.29

# 2017-2018 Fund Balance

- A fund balance is not the same as a cash account, it is instead a combination of assets and liabilities.
- The actual cash in the bank is usually a lot lower during the year than the fund balance.
- If the fund balance drops below approximately \$2,000,000, the Parkview School District may need to short-term borrow to cover expenses before revenues come in.
- The fund balance % is the fund balance amount divided by expenses.

Year	Ending Balance	Fund Balance %
12-13	\$2,528,348.59	23.69%
13-14	\$2,383,139.13	22.95%
14-15	\$2,415,936.68	22.39%
15-16	\$2,874,815.87	28.15%
16-17	\$2,871,607.72	27.87%
17-18	\$2,626,381.43	24.86%



# 2017-2018 Community Service Fund 80

- The Community Service Fund (Fund 80) is used to account for activities that have a primary function of serving the community.
- The Community Service Fund (Fund 80) Summary will have a more detailed breakdown of the expenses for 2017-2018. This document can be found in the Annual Meeting packet and on the District website.

Description	Amount
Community Fitness Center	\$15,649.46
Parkview Voice (Staffing and Materials)	\$22,052.96
Community Sign	\$850.00
Summer Rec Programs	\$500.00
<b>Total</b>	<b>\$39,052.42</b>

# Contact Information

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A copy of this PowerPoint and other budget information can be  
found on the Parkview School District website under the  
[Business Office link](#).