

Building a Bigger, Better Future...



**Parkview School District
2016-2017 Budget Hearing
and Annual Meeting**

**Monday, October 17, 2016
6:00 p.m.**

Parkview Elementary LMC

2015 -2016 Budget Review

- The Parkview School District is expected to end the 2015-2016 Fiscal Year with a surplus of \$458,879.19 in the General Fund.
- The final number for 2015-2016 could still change as the District is in the process of their annual financial audit.
- This surplus represents a \$214,240.38 increase over the projected surplus of \$244,277.01 presented at last year's Annual Meeting, and is due in large part to the sale of three district properties.
- The fund balance for the District on June 30, 2016 was \$2,874,815.87, which represented 28.15% of the expenditures for 2015-2016.

2016 – 2017 Budget Overview

- The Parkview School District is projected to have a budget shortfall of of \$225,903.56 during the 2016-2017 fiscal year.
- This budget shortfall is due in large part to the completion of building projects approved in the 2015-2016 Fiscal Year.
- The District's fund balance would decrease to \$2,648,500.51 by the end of the 2016-2017 fiscal year, which would represent 25.53% of projected expenditures for 2016-2017.
- It is important to keep in mind that without the referendum, the District would have a budget deficit of \$578,903.56 in 2016-2017.

School Finance Accounting Basics

- 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.

2016 – 2017 Budget Adoption

GENERAL FUND	Audited 2014-15	Unaudited 2015-16	Budget 2016-17
Beginning Fund Balance	2,383,139.13	2,415,936.68	2,874,404.07
Ending Fund Balance	2,415,936.68	2,874,404.07	2,648,500.51
REVENUES & OTHER FINANCING SOURCES			
Transfers-In (Source 100)	13,023.97	0.00	0.00
Local Sources (Source 200)	3,977,932.83	4,020,463.05	3,551,955.00
Inter-district Payments (Source 300 + 400)	252,008.28	229,802.00	366,100.00
Intermediate Sources (Source 500)	8,932.25	7,900.24	9,000.00
State Sources (Source 600)	5,724,891.81	5,717,842.49	5,931,052.00
Federal Sources (Source 700)	217,444.33	248,739.51	252,294.00
All Other Sources (Source 800 + 900)	500,537.08	445,685.09	36,000.00
TOTAL REVENUES & OTHER FINANCING SOURCES	10,694,770.55	10,670,432.38	10,146,401.00
EXPENDITURES & OTHER FINANCING USES			
Instruction (Function 100 000)	4,600,326.74	4,499,137.58	4,740,489.27
Support Services (Function 200 000)	4,188,365.12	3,828,480.23	3,735,316.55
Non-Program Transactions (Function 400 000)	1,873,281.14	1,884,347.18	1,896,498.74
TOTAL EXPENDITURES & OTHER FINANCING USES	10,661,973.00	10,211,964.99	10,372,304.56

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.

2016 – 2017 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 and 2016 (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%

2016 – 2017 State General Aid

- Determining state general aid each year involves many different factors and a complex calculation.
- State general aid for the Parkview School District has been decreasing mainly due to declining enrollment and the amount of funding from the state, the two main factors in the equation.
- The District is projected to receive a 3.49% increase in Equalization Aid which will help decrease the tax levy.
- This increase is due to increases in the Secondary and Tertiary guarantees of this formula.

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%

2016 – 2017 Local Property Tax

- The 2016-2017 tax levy represents the Board recommended tax amount following the October 15th state aid certification and differs from the original budget publication information.
- The decrease to the tax levy is due to a higher than expected state aid amount, the reduction of the Fund 80 Levy due to removing the Summer Rec Program, and a reduction in the District's revenue limit authority.

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%

2016 – 2017 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	n/a	\$12.24	-9.27%

2016 – 2017 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%

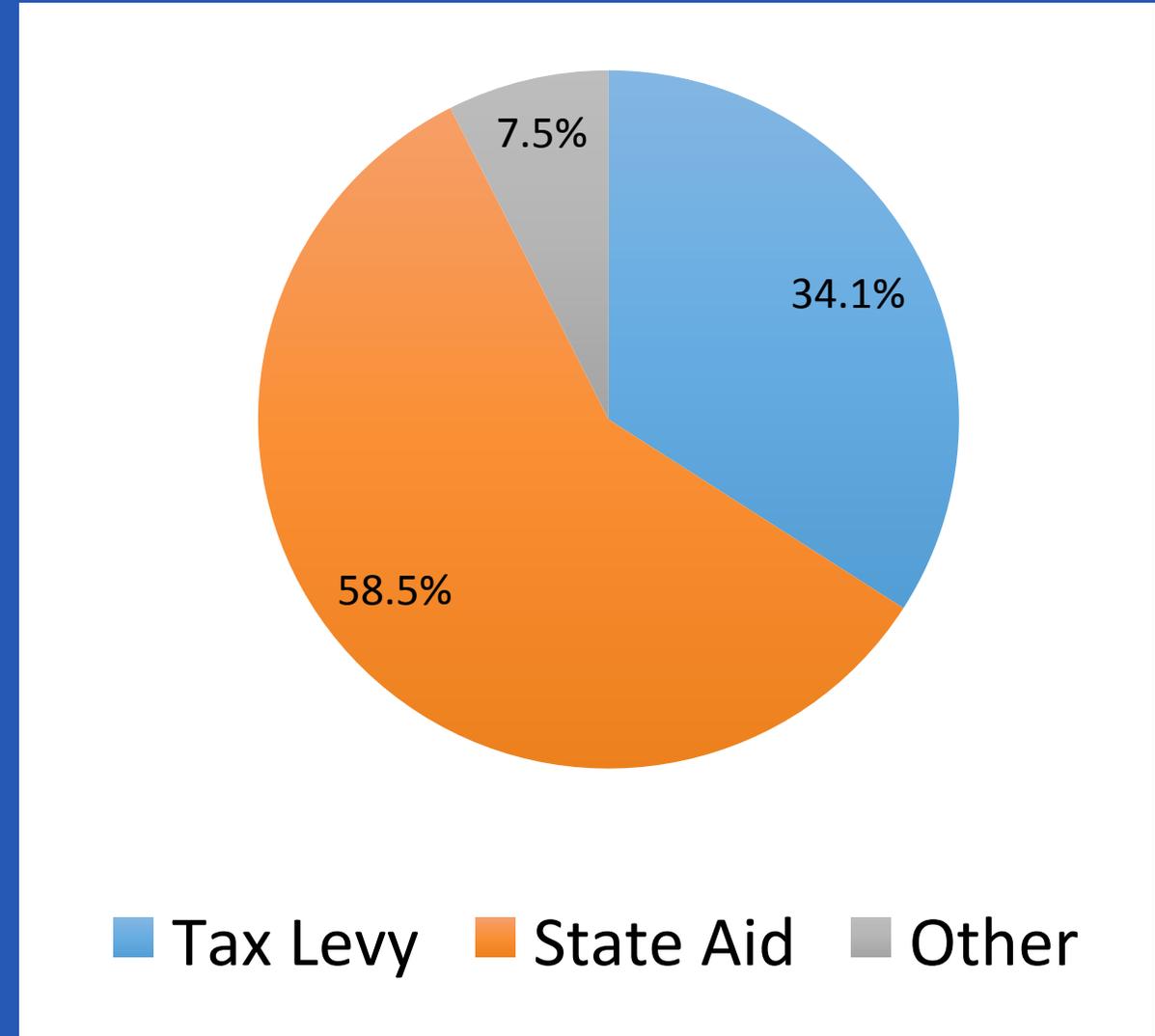
2016 – 2017 Open Enrollment

- 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 \$6,748.
- Open enrollment tuition for special education students was set at \$12,000 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

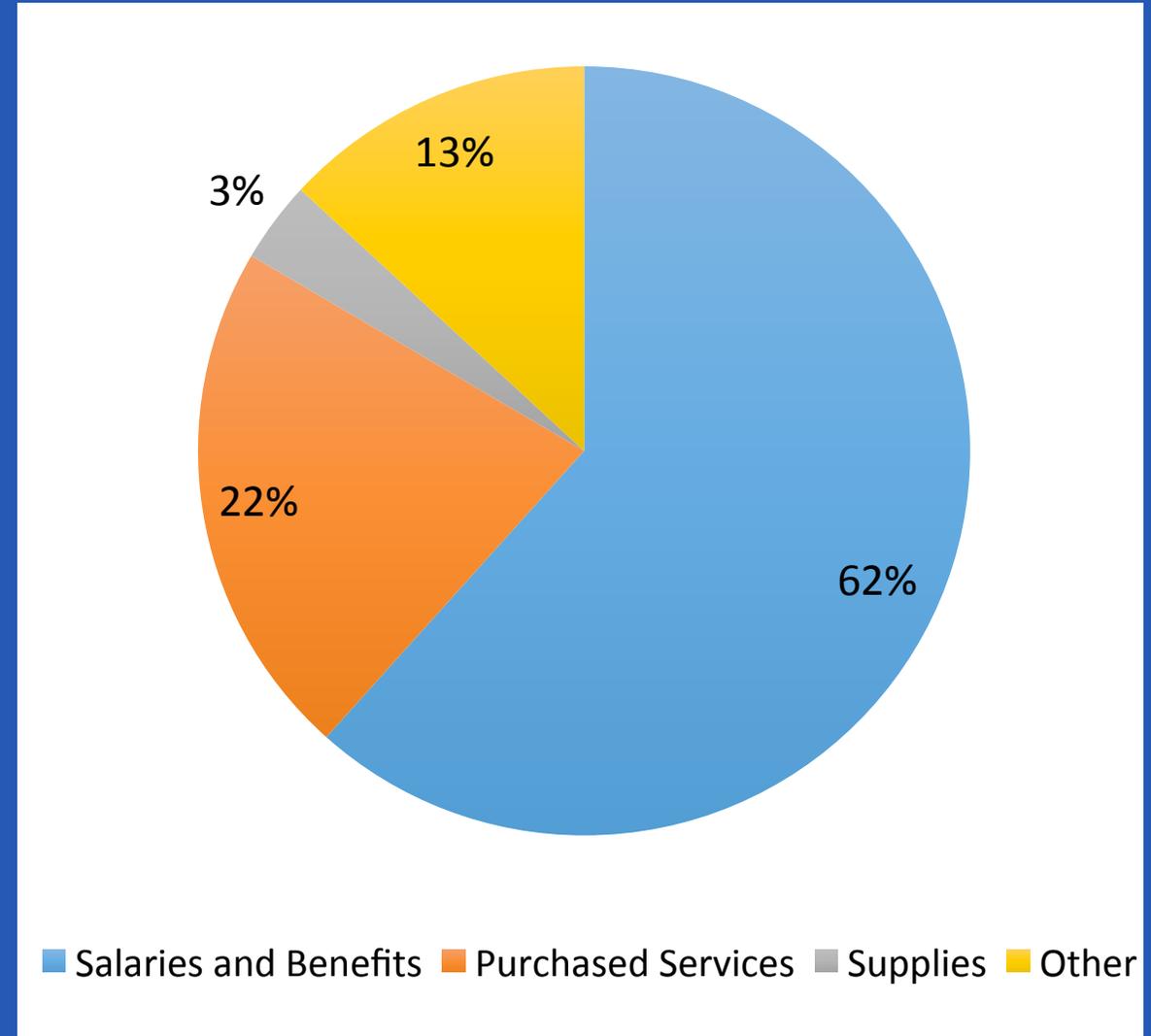
2016 – 2017 General Fund Revenue

- It is projected that 93% of General Fund (Fund 10) revenue will come from state aid (59%) and local property taxes (34%).
- The other sources of revenue include open enrollment tuition, district fees, and federal grants.
- 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).

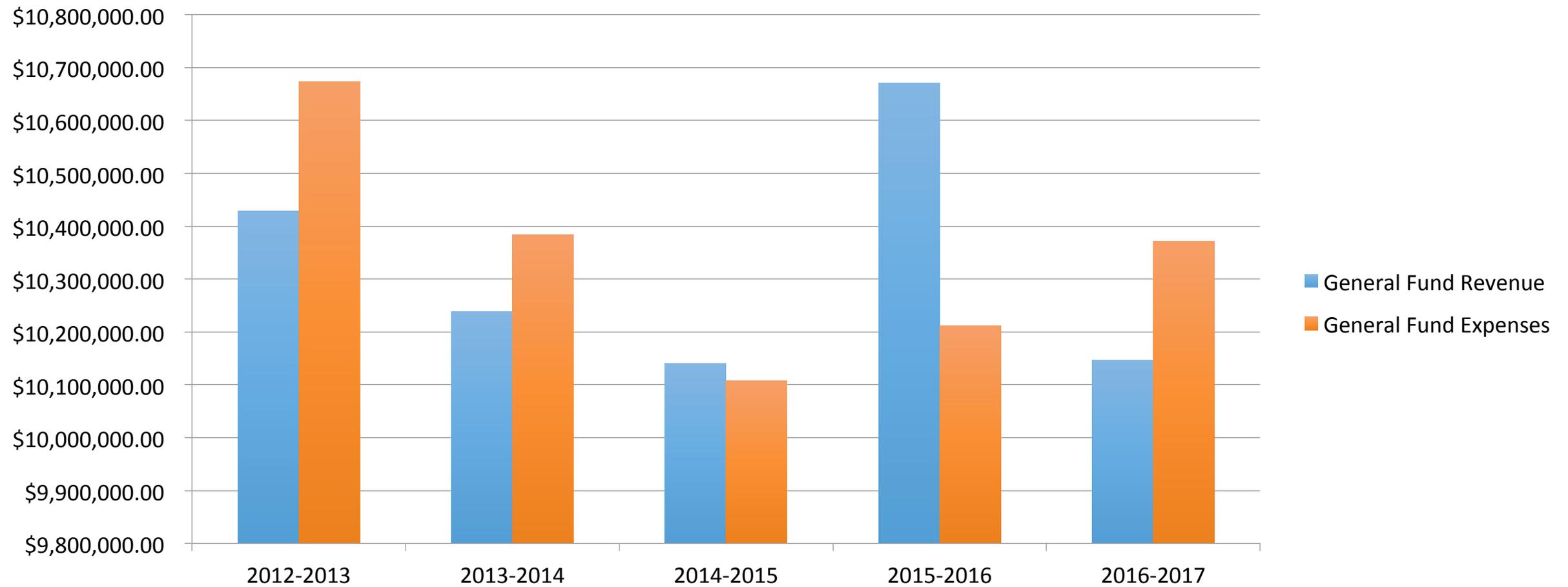


2016 – 2017 General Fund Expenses

- It is projected that 62% 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 capital purchases, lease payments, fund transfers, dues and fees and insurance.



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.

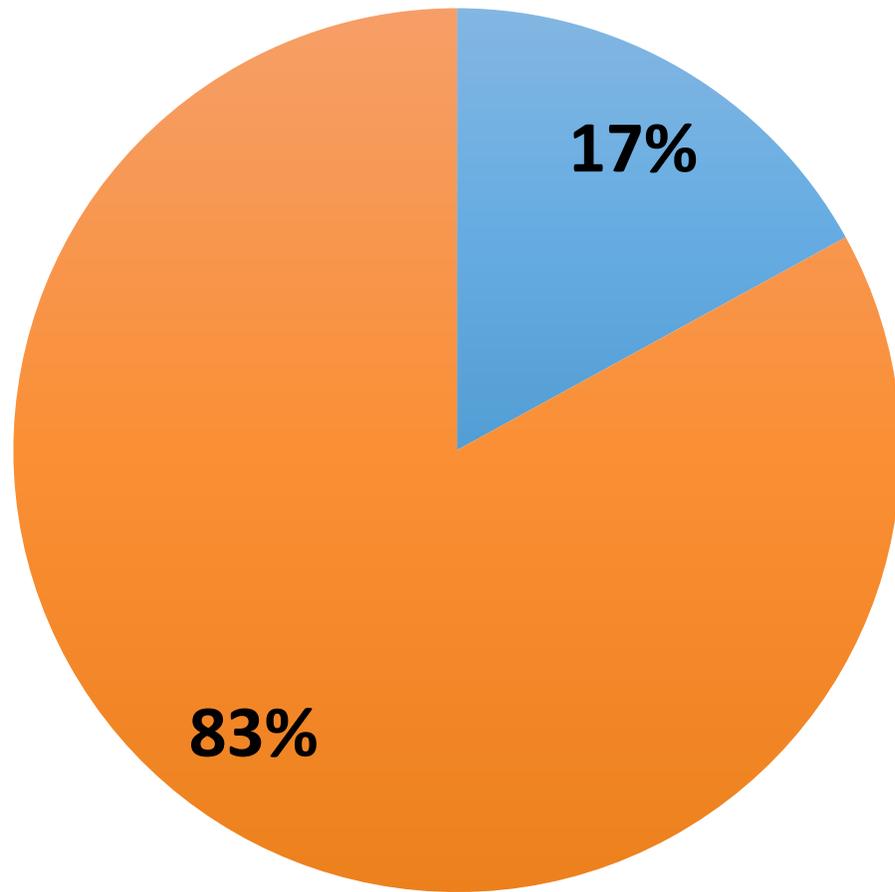
General Fund Expense History

School Year	Approved at Annual Meeting	Actual at Year End
2007-2008	-\$5,763	-\$298,313
2008-2009	-\$154,195	-\$158,798
2009-2010	Balanced	-
2010-2011	Balanced	\$143,980.40
2011-2012	Balanced	\$80,061.56
2012-2013	-\$275,201.72	-\$250,976.49
2013-2014	-\$331,699.81	-\$277,819.99
2014-2015	-\$186,730.30	\$34,677.41
2015-2016	\$244,277.01	\$458,879.19*
2016-2017	-\$225,903.56	

*Includes \$204,605.48 in revenues from the sale of Parkview Primary, Bus Barn, and Church Property.

Budget Shortfall Breakdown

16-17 Budget Shortfall



■ Operating ■ Phase I & II Projects

Operating Shortfall	Phase I & II
\$38,403.56	\$187,500.00

- \$47,106.92 salary and benefits for full-time Long-term Sub.

2016 – 2017 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 \$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	\$2,648,500.51	25.53%

2016 – 2017 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 2016-2017. This document can be found in the Annual Meeting packet and on the District website.
- This District has recently discontinued the Summer Recreation Program.

Description	Amount
Community Fitness Center	\$22,195.71
Parkview Voice (Staffing and Materials)	\$21,239.28
Community Sign	\$850.00
Total	\$44,284.99

Contact Information

Tony Klein- Business Manager

Email - tklein@email.parkview.k12.wi.us

Phone - 608-879-2717 ext. 6114

Office located in the Parkview District Office at Parkview
Elementary

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