

Building a Bigger, Better Future...



Parkview School District
2018-2019 Budget Hearing and
Annual Meeting

Monday, October 22, 2018

6:00 p.m.

Parkview Elementary LMC

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.

2017-2018 Budget Review

- The Parkview School District is expected to end the 2017-2018 Fiscal Year with a budget surplus of \$72,697.20 in the General Fund.
- This surplus represents a \$317,923.49 increase over the projected shortfall of \$245,226.29 presented at last year's Annual Meeting, and is due in large part to lower than expected expenditures.
- The fund balance for the District on June 30, 2018 was \$2,944,309.07, which represented 28.86% of the expenditures for 2017-2018.

2018-2019 Budget Overview

- The Parkview School District is projected to have a budget shortfall of \$329,611.31 during the 2018-2019 fiscal year.
- The most significant factor for the budgeted shortfall has to do with the allowable revenue limit decrease of \$342,377.00. This decrease in large part is due to the declining enrollment exemption decrease of \$177,703.00
- The District's fund balance would decrease to \$2,614,697.76 by the end of the 2018-2019 fiscal year, which would represent 24.93% of projected expenditures for 2018-2019.
- It is important to keep in mind that without the referendum, the District would have a budget deficit of \$679,611.31 in 2018-2019.

2018-2019 Budget Adoption

| GENERAL FUND 10 | Audited | Unaudited | Budget |
|--|----------------------|----------------------|----------------------|
| | 2016-17 | 2017-18 | 2018-19 |
| Beginning Fund Balance | 2,874,815.87 | 2,871,611.87 | 2,944,309.07 |
| Ending Fund Balance | 2,871,611.87 | 2,944,309.07 | 2,614,697.76 |
| REVENUES & OTHER FINANCING SOURCES | | | |
| Transfers-In (Source 100) | | | 9,500.00 |
| Local Sources (Source 200) | 3,553,905.00 | 3,682,985.44 | 3,322,335.00 |
| Inter-district Payments (Source 300 + 400) | 373,039.00 | 398,617.56 | 534,597.00 |
| Intermediate Sources (Source 500) | 8,944.00 | 8,065.60 | 9,000.00 |
| State Sources (Source 600) | 5,943,975.00 | 5,852,801.06 | 5,963,208.00 |
| Federal Sources (Source 700) | 241,732.00 | 232,125.88 | 270,027.81 |
| All Other Sources (Source 800 + 900) | 166,675.00 | 97,759.73 | 46,554.89 |
| TOTAL REVENUES & OTHER FINANCING SOURCES | 10,288,270.00 | 10,272,355.27 | 10,155,222.70 |
| EXPENDITURES & OTHER FINANCING USES | | | |
| Instruction (Function 100 000) | 4,614,405.00 | 4,741,015.47 | 4,818,584.12 |
| Support Services (Function 200 000) | 3,834,919.00 | 3,631,929.87 | 3,642,938.58 |
| Non-Program Transactions (Function 400 000) | 1,842,150.00 | 1,826,712.73 | 2,023,311.31 |
| TOTAL EXPENDITURES & OTHER FINANCING USES | 10,291,474.00 | 10,199,658.07 | 10,484,834.01 |

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.

2018-2019 Revenue Limit

Revenue Limit

—

State Aid
(General Aid +
High Poverty
Aid + Computer
Aid + Exempt
Personal
Property Aid)

=

Revenue Limit
Property Tax
Levy

2018-2019 Revenue Limit

- The revenue limit is adjusted each year based on many factors including enrollment, property value and a per pupil adjustment.
- Prior-Year Controlled Revenue (Base
- Membership Changes (3-Year Averages)
- Exemptions – Additional revenue limit authority based on specific approvals that are happening at the district (e.g., referenda, declining enrollment, private school vouchers)

| Year | Revenue Limit | Yearly Change |
|-------|---------------|---------------|
| 13-14 | \$9,608,961 | -0.38% |
| 14-15 | \$9,625,106 | 0.17% |
| 15-16 | \$9,556,079 | -0.72% |
| 16-17 | \$9,268,036 | -3.01% |
| 17-18 | \$9,106,634 | -1.74% |
| 18-19 | \$8,689,357 | -4.58% |

2018-2019 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 1.91% decrease in Equalization Aid which will increase our reliance on the tax levy.

| Year | State General Aid | Yearly Change |
|-------|-------------------|---------------|
| 13-14 | \$5,645,863.00 | -2.77% |
| 14-15 | \$5,481,605.00 | -2.91% |
| 15-16 | \$5,481,004.00 | -0.01% |
| 16-17 | \$5,637,010.00 | 2.85% |
| 17-18 | \$5,381,571.00 | -4.53% |
| 18-19 | \$5,278,877.00 | -1.91% |

2018-2019 Local Property Tax

- This amount differs from the published budget as the District must publish before the October 15th certification date.
- The total tax levy is the same amount as the 2017-2018 tax levy
- The total levy includes an additional \$32,836 be levied for the community service fund. It also includes an increase of \$301,810 for the referendum approved debt – this will go toward paying down the referendum debt.

| Year | Tax Levy | Yearly Change |
|--------------|-----------------------|---------------|
| 13-14 | \$3,961.803 | .87% |
| 14-15 | \$5,093,046.00 | 28.55% |
| 15-16 | \$5,212,469.00 | 2.34% |
| 16-17 | \$4,861,830.00 | -6.73% |
| 17-18 | \$4,968,572.00 | 2.20% |
| 18-19 | \$4,968,572.00 | 0.00% |

2018-2019 Levy (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.

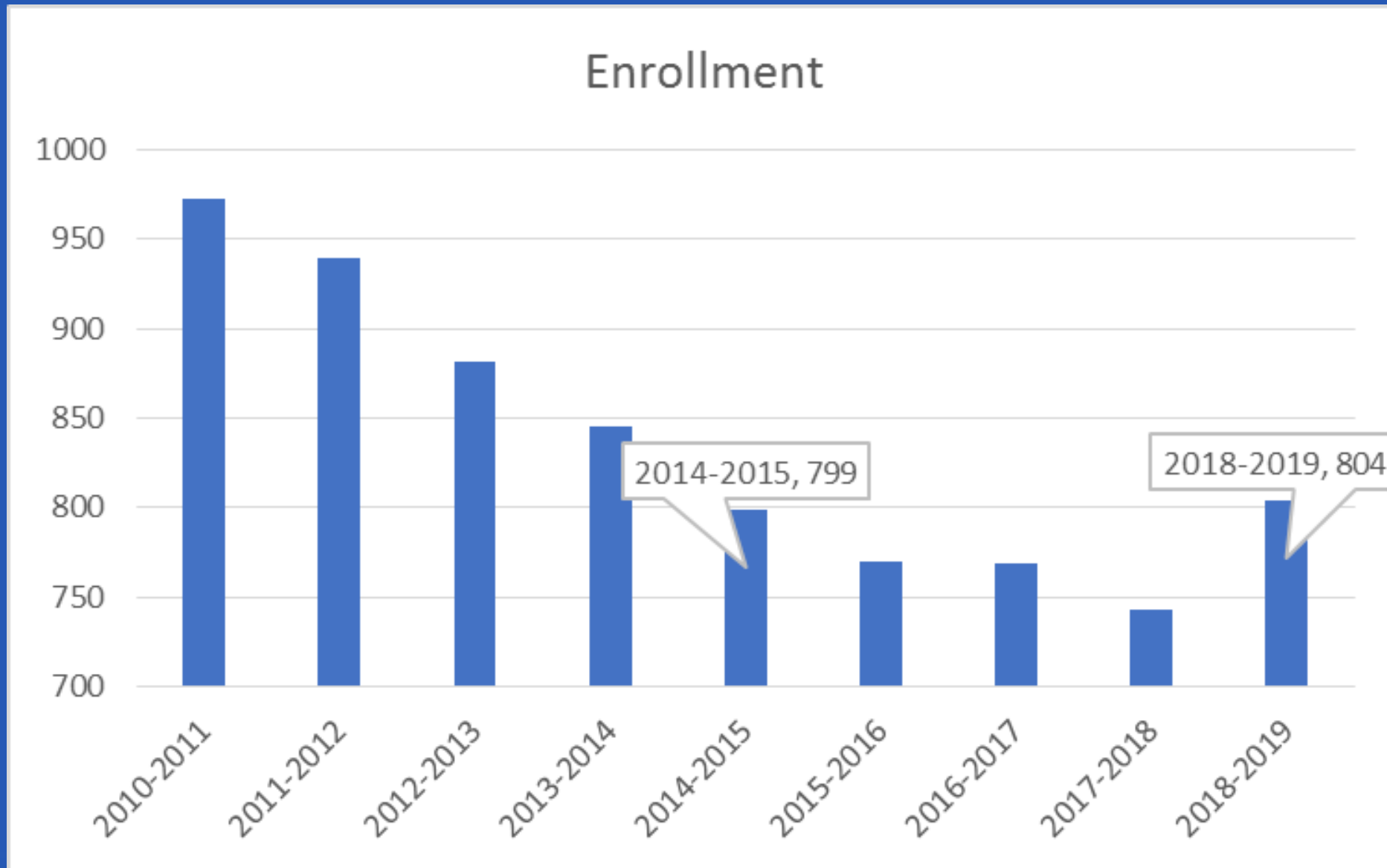
| Year | Dist. Avg. Levy (Mill) Rate | Yearly Change |
|-------|-----------------------------|---------------|
| 13-14 | \$10.46 | 4.39% |
| 14-15 | \$13.35 | 27.63% |
| 15-16 | \$13.49 | 1.05% |
| 16-17 | \$12.24 | -9.27% |
| 17-18 | \$12.23 | -0.08% |
| 18-19 | \$11.43 | 0.0% |

2018-2019 Enrollment

ENROLLMENT DRIVES EVERYTHING

- REVENUE LIMIT
- GENERAL STATE AID
- PER PUPIL AID
- EXPENSES

2018-2019 Enrollment



2018-2019 Enrollment FTE

| HISTORICAL ENROLLMENT DATA | | | | | | |
|----------------------------|---------------|-----------|---------------|-----------|----------------|-----------|
| Year | Enrollment | # Change | Sept FTE | # Change | Avg Membership | # Change |
| 2018-2019 | 804.00 | 61 | 841.00 | 37 | 829.00 | -6 |
| 2017-2018 | 743.00 | -26 | 804.00 | -22 | 835.00 | -24 |
| 2016-2017 | 769.00 | -1 | 826.00 | -31 | 859.00 | -20 |
| 2015-2016 | 770.00 | -29 | 857.00 | -21 | 879.00 | -23 |
| 2014-2015 | 799.00 | -46 | 878.00 | -7 | 902.00 | -23 |
| 2013-2014 | 845.00 | -37 | 885.00 | -41 | 925.00 | -33 |
| 2012-2013 | 882.00 | -57 | 926.00 | -20 | 958.00 | -37 |
| 2011-2012 | 939.00 | -34 | 946.00 | -38 | 995.00 | -44 |

Enrollment: Actual number of students Parkview provides instruction for

Sept FTE = Enrollment – OE In + OE Out

Used in Revenue Limit calculation

Average (Avg) Membership: There is a base average and a current average – both are used in the Revenue Limit calculation and Per-Pupil Aid calculation. The difference between base average and current average is used to calculate the Declining Enrollment Exemption.

2018-2019 Membership

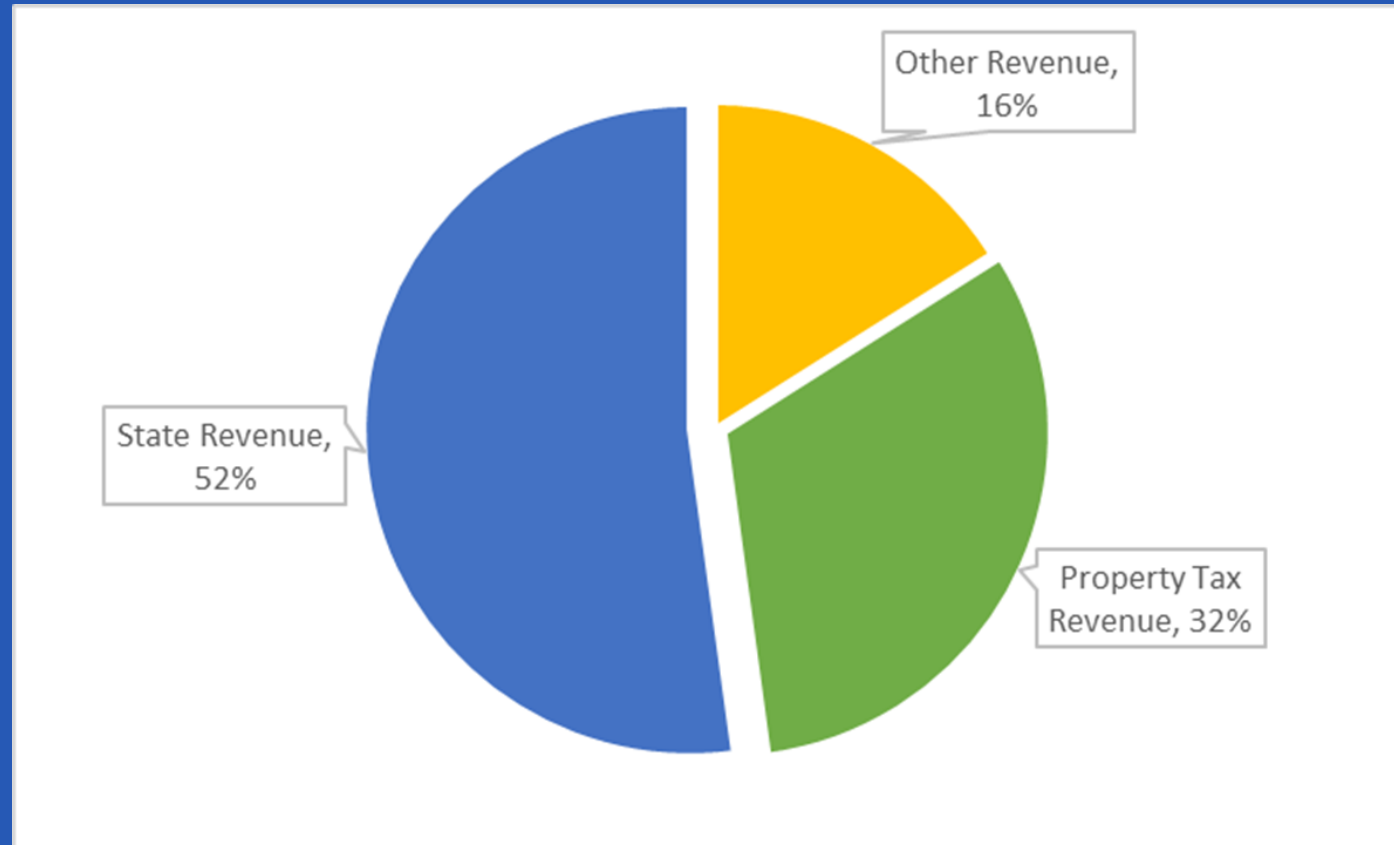
| 2018-2019 | | | |
|--|------|------|----------|
| September & Summer FTE Membership Averages | | | |
| Count Ch. 220 Inter-District Resident Transfer Pupils @ 75%. | | | |
| Line 2: Base Avg:((15+.4ss)+(16+.4ss)+(17+.4ss)) / 3 = | | | 835 |
| | 2015 | 2016 | 2017 |
| Summer FTE: | 14 | 15 | 15 |
| % (40,40,40) | 6 | 6 | 6 |
| Sept FTE: | 857 | 826 | 804 |
| Special Needs | | | |
| Vouchers FTE | 0 | 0 | 0 |
| New ICS - Independent | | | |
| Charter Schools FTE | 0 | 0 | 0 |
| Total FTE | 863 | 832 | 810 |
| Line 6: Curr Avg:((16+.4ss)+(17+.4ss)+(18+.4ss)) / 3 = | | | 829 |
| | 2016 | 2017 | 2018 |
| Summer FTE: | 15 | 15 | 13 |
| % (40,40,40) | 6 | 6 | 5 |
| Sept FTE: | 826 | 804 | 841 |
| Special Needs | | | |
| Vouchers FTE | 0 | 0 | 0 |
| New ICS - Independent | | | |
| Charter Schools FTE | 0 | 0 | 0 |
| Total FTE | 832 | 810 | 846 |
| Line 10B: Declining Enrollment Exemption = | | | 59,321 |
| Average FTE Loss (Line 2 - Line 6, if > 0) | | | 6 |
| X 1.00 | | | 6 |
| X (Line 5, Maximum 2018-2019 Revenue per Memb) = | | | 9,886.80 |
| Non-Recurring Exemption Amount: | | | 59,321 |
| 2017-2018 | | | |
| September & Summer FTE Membership Averages | | | |
| Count Ch. 220 Inter-District Resident Transfer Pupils @ 75%. | | | |
| Line 2: Base Avg:(14+.4ss)+(15+.4ss)+(16+.4ss) / 3 = | | | 859 |
| | 2014 | 2015 | 2016 |
| Summer fte: | 13 | 14 | 15 |
| % (40,40,40) | 5 | 6 | 6 |
| Sept fte: | 878 | 857 | 826 |
| Special Needs | | | |
| Vouchers | 0 | 0 | 0 |
| Total fte | 883 | 863 | 832 |
| Line 6: Curr Avg:(15+.4ss)+(16+.4ss)+(17+.4ss) / 3 = | | | 835 |
| | 2015 | 2016 | 2017 |
| Summer fte: | 14 | 15 | 15 |
| % (40,40,40) | 6 | 6 | 6 |
| Sept fte: | 857 | 826 | 804 |
| Special Needs | | | |
| Vouchers | 0 | 0 | 0.00 |
| Total fte | 863 | 832 | 810 |
| Line 10B: Declining Enrollment Exemption = | | | 237,024 |
| Average FTE Loss (Line 2 - Line 6, if > 0) | | | 24 |
| X 1.00 | | | 24 |
| X (Line 5, Maximum 2017-2018 Revenue per Memb) = | | | 9,876.00 |
| Non-Recurring Exemption Amount: | | | 237,024 |

MEMBERSHIP

- A 3-year average is used to minimize the financial impact of a sharp increase or decrease in student membership.
- The change in three-year rolling averages (Line 2 vs Line 6) which affects the current year Revenue Limit Authority before exemptions is shown.
- The three-year averages also are used in calculating the declining enrollment exemption (Line 10B).

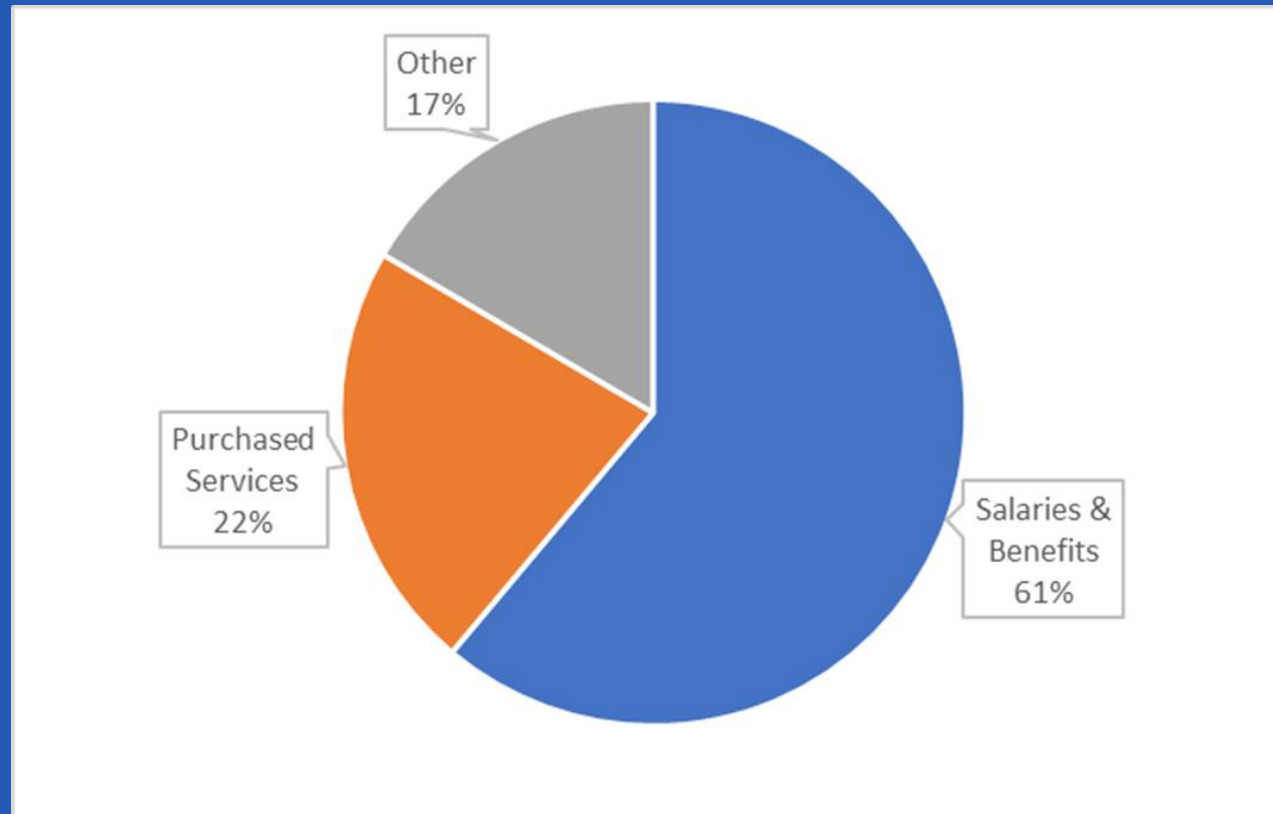
Loss of \$177,703 in Declining Enrollment Exemption

2018-2019 General Fund Revenue



- It is projected that 83.97% of General Fund (Fund 10) revenue will come from state aid (52.16%) and local property taxes (31.81%).
- The other sources of revenue includes district fees, and federal grants.
- Open enrollment revenues will increase by \$81,757 this fiscal year.
- Only the tax levy for the General Fund is represented on this chart.

2018-2019 General Fund Expenses



- It is projected that 61.13% 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.

2018-2019 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 % |
|-------|-----------------|----------------|
| 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 | \$2,871,611.87 | 27.90% |
| 17-18 | \$2,944,309.07 | 28.87% |
| 18-19 | \$2,614,697.76* | 24.94% |

2018-2019 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 2018-2019. This document can be found in the Annual Meeting packet and on the District website.

| Description | Amount |
|---|--------------------|
| Community Fitness Center | \$17,561.78 |
| Parkview Voice (Staffing and Materials) | \$22,525.06 |
| Community Ed Classes | \$3,495.35 |
| Community Sign | \$850.00 |
| Summer Rec Programs | \$500.00 |
| Total | \$44,932.19 |

Contact Information

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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](#).