



5-Year Financial Projection

FY2022 - FY2026

December 17, 2020



Jason P. Demerath, SFO, CSRM
Director of Business Services



TABLE OF CONTENTS

1 | Memorandum to the Board of Education

1 | Enrollment

3 | Revenue

4 | Projected Levy & Annual Taxes

5 | Expenses

6 | Annual Operating Surplus (Deficit)

6 | Fund Balance Impact

7 | Comparison to Referendum Projection

8 | Summary

9 | High Level Summary of Key Variables

10 | Key Assumptions Report

11 | Fund 10-General Fund-History and Projection Summaries

13 | Tax Levy & Mill Rate Analysis



MEMORANDUM

To: Board of Education

From: Jason P. Demerath, SFO, CSRM, Director of Business Services

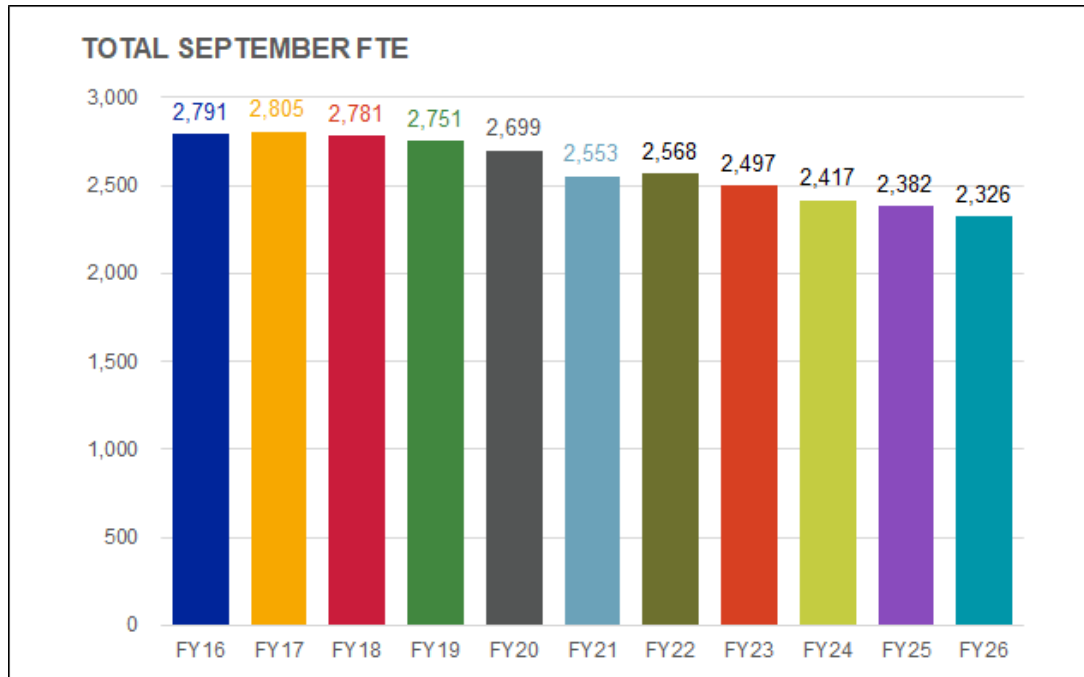
Date: December 17, 2020

Re: 5-Year Financial Projection (FY2022 - FY2026)

Attached you will find materials related to the 5-year financial projection as outlined below. This “Base Scenario” will be the starting point for further discussions regarding budget planning for 2021-22. If we can understand this base scenario and the assumptions that went into it, we can then discuss possible future budget scenarios as we come out of the COVID-19 pandemic and receive information regarding the 2021-23 State of Wisconsin biennial budget.

Enrollment

As you know, this fall we saw a larger than expected decrease in enrollment due to the COVID-19 pandemic. If you were to compare this projection to last year’s FTE projection, you would find that we were not expected to decrease to around 2,500 FTE until FY2024. Like many things that were planned or expected within the next few years, the pandemic has accelerated that decrease to the current year. This projection carries forward that decreased enrollment each year into the future using a 5-year cohort survival rate. As a word of caution, this is the base scenario that we will be building off of as we plan and it only incorporates known variables at this point. It is very possible that we could see some or many of the students that did not show up in our count this year, reappear in next year’s count should the pandemic be over at that point.



The data behind the projection on the prior page is shown below.

Enrollment Analysis - SUMMARY											
Fort Atkinson Base Scenario Enrollment Projected with 5-Year Cohort Survival Method											
Type	ACTUAL					CURRENT	PROJECTED				
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
RESIDENTS											
In	2,696	2,671	2,660	2,671	2,583	2,456	2,414	2,321	2,226	2,165	2,080
Change		(25)	(11)	11	(88)	(127)	(42)	(93)	(95)	(61)	(85)
Projected Five-Year Cumulative Change											(376)
OE - TW	114	112	146	119	123	150	168	190	205	231	260
220	0	0	0	0	0	0	0	0	0	0	0
Other	(2)	32	2	(2)	7	5	5	5	5	5	5
Out Total	112	144	148	117	130	155	173	195	210	236	265
Change		32	4	(31)	13	25	18	22	15	26	29
Projected Five-Year Cumulative Change											110
TOTAL	2,808	2,815	2,808	2,788	2,713	2,611	2,587	2,516	2,436	2,401	2,345
Change		7	(7)	(20)	(75)	(102)	(24)	(71)	(80)	(35)	(56)
Projected Five-Year Cumulative Change											(266)
NON-RESIDENTS											
OE - TW	196	186	182	185	168	188	197	211	228	248	273
220	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	21	16	16	16	16	16	16
TOTAL	196	186	182	185	189	204	213	227	244	264	289
Change		(10)	(4)	3	4	15	9	14	17	20	25
Projected Five-Year Cumulative Change											85
IN SEATS	2,892	2,857	2,842	2,856	2,772	2,660	2,627	2,548	2,470	2,429	2,369
Change		(35)	(15)	14	(84)	(112)	(33)	(79)	(78)	(41)	(60)
Projected Five-Year Cumulative Change											(291)

As you can see in the table above, over the next five years the number of students in seats in our school district decreases by 291 students. This is a result of the drastic decrease in FY21 due to the pandemic, as well as the decline in the prior five years being the basis for how student numbers matriculate through the system. Over the course of that same timeframe we see a total 5-year increase of 110 students open enrolling out of the district with only a total increase of 85 open enrolling into the district. As we have seen over the past few years, the number of students open enrolling out of the district has been increasing faster than the number of students open enrolling into the district. Again, this year's pandemic may have skewed these numbers in different ways and may be a one time anomaly however, we will not know that until next September when we see which students stay or return to the district.

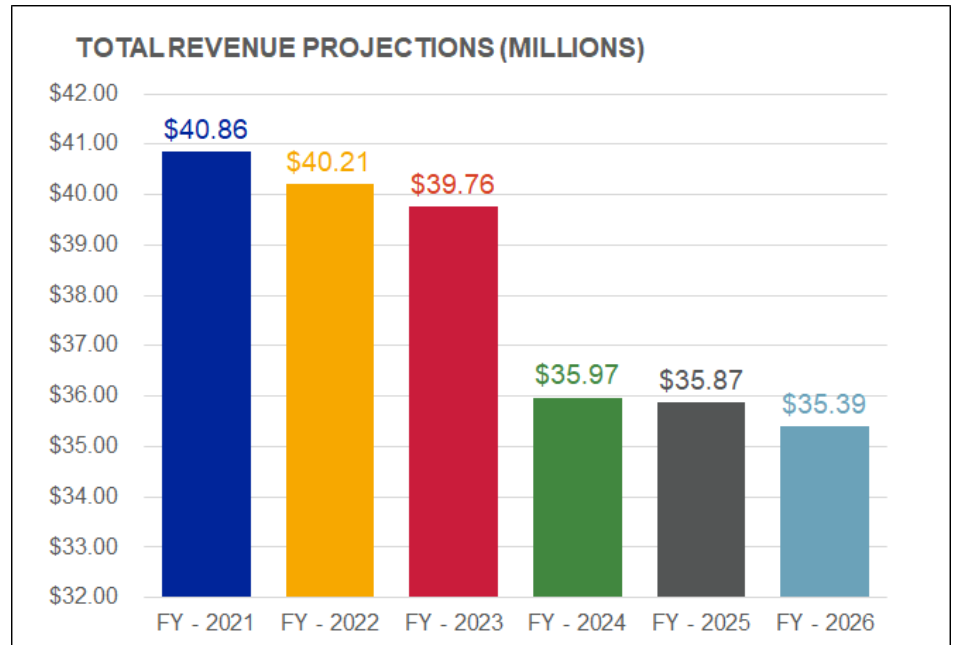
With student count being one of the main factors in school finance in Wisconsin, all of these variables have an impact on our available revenue as you can see in the next section.

Revenue

Below is a table outlining total revenue projections for the general fund:

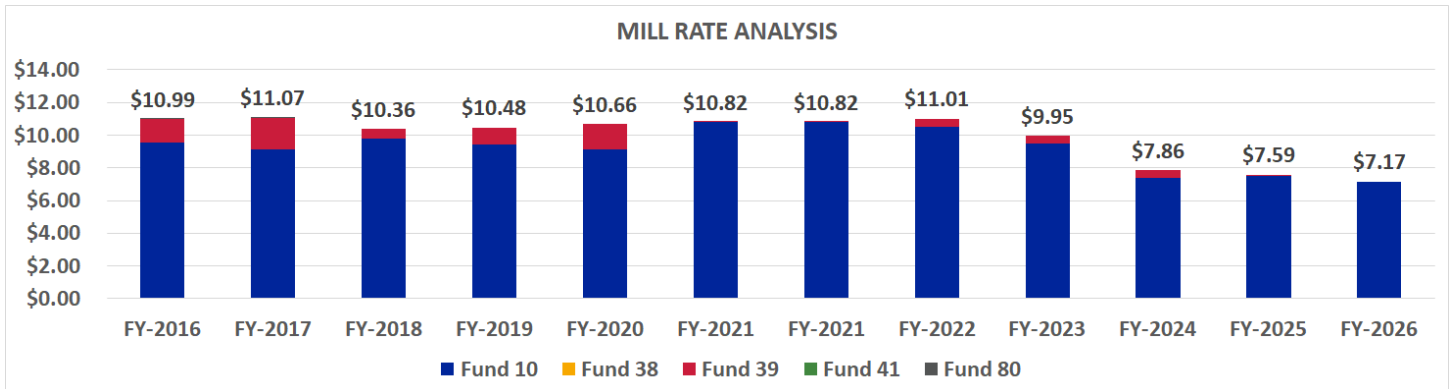
Fund 10 - General Fund - Revenue Analysis											
Fort Atkinson Base Scenario											
	BUDGET FY - 2021	FY - 2022	% Δ	FY - 2023	% Δ	FY - 2024	% Δ	FY - 2025	% Δ	FY - 2026	% Δ
TRANSFERS	\$0	\$0		\$0		\$0		\$0		\$0	
LOCAL											
Taxes	\$18,061,050	\$18,089,681	0.16%	\$16,741,374	-7.45%	\$13,435,263	-19.75%	\$14,037,251	4.48%	\$13,722,510	-2.24%
Other Local Revenue	\$152,600	\$196,934	29.05%	\$196,934	0.00%	\$196,934	0.00%	\$196,934	0.00%	\$196,934	0.00%
TOTAL LOCAL REVENUE	\$18,213,650	\$18,286,615	0.40%	\$16,938,308	-7.37%	\$13,632,197	-19.52%	\$14,234,185	4.42%	\$13,919,444	-2.21%
WI INTER-DIST PMTS	\$1,588,262	\$1,586,475	-0.11%	\$1,732,775	9.22%	\$1,909,000	10.17%	\$2,116,500	10.87%	\$2,374,375	12.18%
OUTSIDE WI INTER-DIST PMTS	\$0	\$0		\$0		\$0		\$0		\$0	
INTERMEDIATE SOURCES	\$0	\$0		\$0		\$0		\$0		\$0	
STATE											
Categorical Aid	\$125,964	\$125,964	0.00%	\$125,964	0.00%	\$125,964	0.00%	\$125,964	0.00%	\$125,964	0.00%
Equalization Aid	\$17,818,289	\$17,450,367	-2.06%	\$18,250,773	4.59%	\$17,621,453	-3.45%	\$16,760,984	-4.88%	\$16,381,929	-2.26%
Other State Revenue	\$2,238,246	\$2,133,195	-4.69%	\$2,083,481	-2.33%	\$2,049,349	-1.64%	\$2,003,345	-2.24%	\$1,961,051	-2.11%
TOTAL STATE REVENUE	\$20,182,499	\$19,709,526	-2.34%	\$20,460,218	3.81%	\$19,796,766	-3.24%	\$18,890,293	-4.58%	\$18,468,944	-2.23%
TOTAL FEDERAL REVENUE	\$750,483	\$508,939	-32.19%	\$508,939	0.00%	\$508,939	0.00%	\$508,939	0.00%	\$508,939	0.00%
OTHER REVENUE	\$120,454	\$120,454	0.00%	\$120,454	0.00%	\$120,454	0.00%	\$120,454	0.00%	\$120,454	0.00%
TOTAL REVENUE	\$40,855,348	\$40,212,009	-1.57%	\$39,760,694	-1.12%	\$35,967,356	-9.54%	\$35,870,371	-0.27%	\$35,392,156	-1.33%

In the table above and graph at the right, because of the projected enrollment declines, our total revenue also declines in the next couple of years even with the referendum that was passed in April. The other factor to keep in mind as we look at this projection and plan for the future is that there will be a new state biennial budget for FY21 - FY23. This is perhaps the largest factor influencing school finance in Wisconsin. In this base projection we are assuming that there will be no increase in allowable revenue or aid in the next five years. Again, this is a base projection which allows us to build off of it and react to information we may receive about the next state budget. While state revenues have certainly been better than projected during the pandemic, we are also hearing at this time that due to election results, the state legislature believes that their conservative principles have been confirmed and this may result in a more conservative budget being proposed for the next biennium.



Projected Levy & Annual Taxes

Below is the projected Tax Rate along with the tax levy effects on homes of various values:



SCHOOL PORTION OF PROPERTY TAX LEVY

FORT ATKINSON SCHOOL DISTRICT | BASE SCENARIO

	ACTUAL					BUDGET	PROJECTIONS				
	FY-2016	FY-2017	FY-2018	FY-2019	FY-2020	FY-2021	FY-2022	FY-2023	FY-2024	FY-2025	FY-2026
Value of Home											
\$100,000	\$1,099	\$1,107	\$1,036	\$1,048	\$1,066	\$1,082	\$1,101	\$995	\$786	\$759	\$717
\$150,000	\$1,649	\$1,660	\$1,554	\$1,571	\$1,599	\$1,624	\$1,651	\$1,493	\$1,179	\$1,138	\$1,075
\$200,000	\$2,199	\$2,214	\$2,072	\$2,095	\$2,133	\$2,165	\$2,202	\$1,990	\$1,573	\$1,517	\$1,433
\$275,000	\$3,023	\$3,044	\$2,850	\$2,881	\$2,932	\$2,977	\$3,027	\$2,737	\$2,162	\$2,086	\$1,970
\$300,000	\$3,298	\$3,320	\$3,109	\$3,143	\$3,199	\$3,247	\$3,302	\$2,985	\$2,359	\$2,276	\$2,150

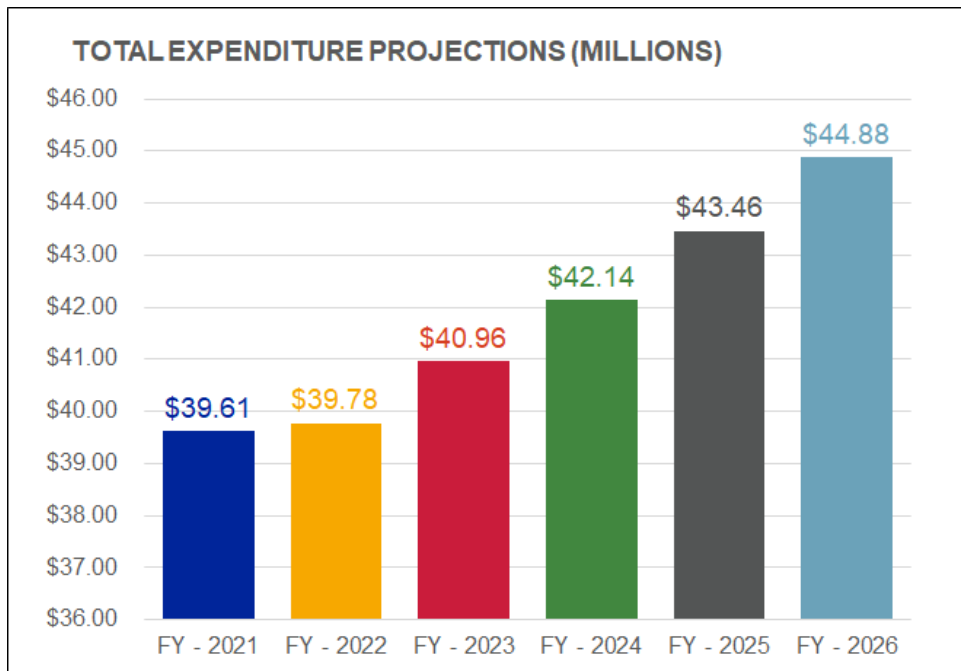
We can see from the chart and table above that under the current three-year referendum (FY21 through FY23) the mill rate and tax effect on a home may increase slightly next year and then decrease the following year. This projection confirms the decision made to postpone the debt defeasance into FY21 in order to manage the FY22 tax levy as a result of declining enrollment and revenue impact due to the pandemic. One item of note is that this does not factor in any increase in private school vouchers. As you know, local private school vouchers have increased exponentially in the past few years however, we have no basis on which to make assumptions as we do not receive any information from the State of Wisconsin on private school voucher participants other than the total dollar amount they give us each fall to base our revenue limit and tax levy amounts on.

You can also see that after the current \$3 million non-recurring referendum expires in June, 2023 the tax rate (along with revenue in the prior section) decreases greatly as we do not build into this projection any future referenda. One other item to not lose track of during this abnormal year is that we were nearing the end of a facilities study process that was getting close to recommendations. Any recommendations that may come out of the Facilities Advisory Committee and be adopted by the Board of Education are not built into this projection at this time either. Those recommendations may involve a capital referendum or other funding sources and increased expenses at some point in the future. Any capital referendum would impact the tax projections outlined above.

Expenses

Below is a summary of projected expenditures in the general fund:

Fund 10 - General Fund - Expenditures Analysis (by Object)											
School District Base Scenario											
	BUDGET FY - 2021	FY - 2022	% Δ	FY - 2023	% Δ	FY - 2024	% Δ	FY - 2025	% Δ	FY - 2026	% Δ
SALARY & BENEFIT COSTS											
Salaries	\$17,535,179	\$17,924,831	2.22%	\$18,288,553	2.03%	\$18,659,960	2.03%	\$19,039,238	2.03%	\$19,426,580	2.03%
Benefits	\$8,091,628	\$8,468,962	4.66%	\$8,836,085	4.33%	\$9,221,093	4.36%	\$9,637,610	4.52%	\$10,096,424	4.76%
SALARIES & BENEFITS TOTAL	\$25,626,807	\$26,393,793	2.99%	\$27,124,637	2.77%	\$27,881,053	2.79%	\$28,676,848	2.85%	\$29,523,003	2.95%
OTHER COSTS											
Purchased Services	\$6,175,521	\$6,219,379	0.71%	\$6,499,271	4.50%	\$6,738,216	3.68%	\$7,068,076	4.90%	\$7,433,880	5.18%
Non-Capital Objects	\$1,999,750	\$1,239,710	-38.01%	\$1,239,710	0.00%	\$1,239,710	0.00%	\$1,239,710	0.00%	\$1,239,710	0.00%
Capital Objects	\$74,648	\$25,489	-65.85%	\$25,489	0.00%	\$25,489	0.00%	\$25,489	0.00%	\$25,489	0.00%
Debt Service	\$475	\$475	0.00%	\$475	0.00%	\$475	0.00%	\$475	0.00%	\$475	0.00%
Insurance & Judgement	\$331,444	\$321,387	-3.03%	\$331,029	3.00%	\$340,960	3.00%	\$351,189	3.00%	\$361,724	3.00%
Transfers	\$5,307,603	\$5,477,800	3.21%	\$5,633,400	2.84%	\$5,807,020	3.08%	\$5,989,354	3.14%	\$6,180,976	3.20%
Other Expenditures	\$98,061	\$100,488	2.47%	\$103,502	3.00%	\$106,608	3.00%	\$109,806	3.00%	\$113,100	3.00%
OTHER COSTS TOTAL	\$13,987,502	\$13,384,729	-4.31%	\$13,832,877	3.35%	\$14,258,478	3.08%	\$14,784,099	3.69%	\$15,355,355	3.86%
TOTAL COSTS	\$39,614,309	\$39,778,522	0.41%	\$40,957,515	2.96%	\$42,139,531	2.89%	\$43,460,947	3.14%	\$44,878,358	3.26%

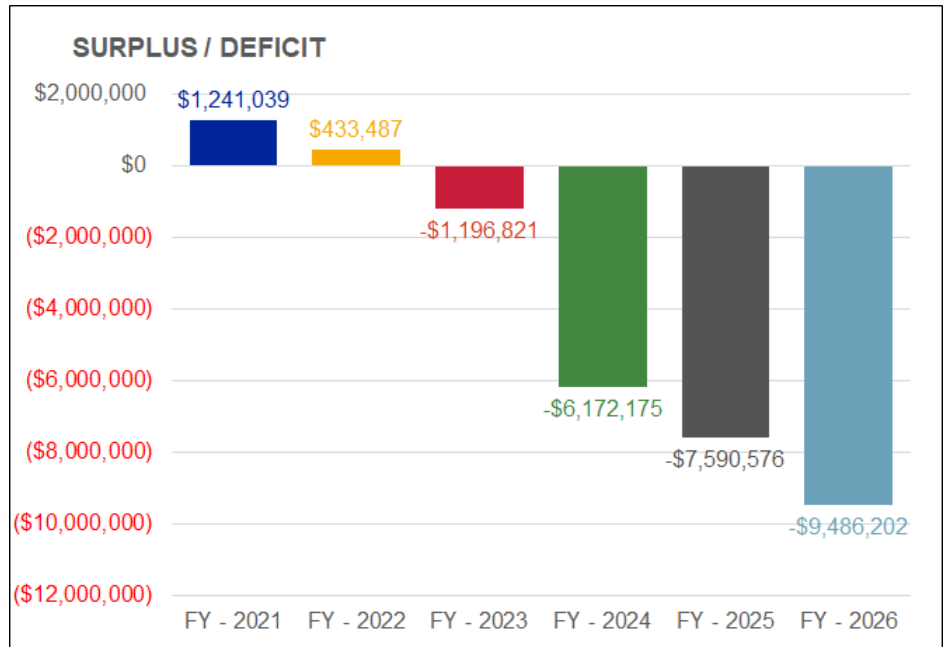


Projected expenditures for the next five years is based largely upon a smaller than normal increase in expenses next year (FY22) as a result of stimulus funds, grants, and our own carryover to manage COVID-19 expenses ending as of June 30, 2021. After that, regular inflationary increases are assumed however, what the ultimate financial impact of the pandemic will be on national, state, and local finances is yet undetermined. It currently appears that the Consumer Price Index (CPI) increase for FY22 upon which salary increases are based will be around 1.25%. We then build in another 0.75% salary and wage increase on top of CPI for longevity increases within the district. That 2%

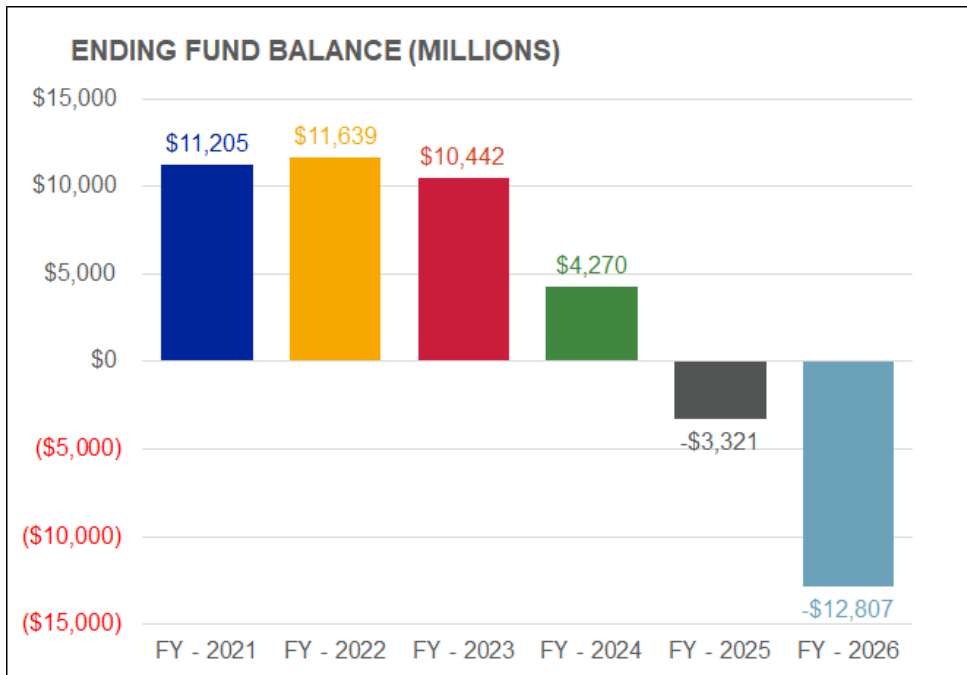
total salary and wage increase is carried forward in each year of this projection. Outside of salary and wage increases, health insurance is projected to increase 7.9% each year as that is our current rate cap with our provider. As you can imagine, the health insurance and health care market could be extremely volatile in the coming years as costs in that sector related to the pandemic unfold. At this point, there is no basis to assume anything different than what we have negotiated with our provider. All other expense categories assume inflationary increases of 0% - 4% on average.

Annual Operating Surplus (Deficit)

With the decrease in revenue as projected within this model due to the factors outlined, and the inflationary increases assumed at this point in expenses the graph below outlines the overall surplus or deficit in each year going forward. Within the current three-year operational referendum (FY21 - FY23) we are in line with our projections that were used during the referendum planning process to essentially break even over the course of these three years. One consideration at this point is the impact on our revenue of declining enrollments and what the next biennial budget holds for any revenue increases. In the long term, managing expenses to more closely match our declining revenues and declining student enrollments may be one possible path forward. As we continue our work in the Smarter School Spending model to leverage available resources for the most impact, considering declining enrollment numbers and reallocating funding to best match those numbers and the needs of the student body that composes those numbers is an ongoing effort.



Fund Balance Impact



With the projected surpluses or deficits in each year going forward, the graph at left illustrates the impact on the fund balance of the District. During the three years of the referendum, under this base scenario the District ends up slightly better than projected (see next section) at the end of FY23. Once the current referendum expires you can see that there is a dramatic impact on fund balance due to the resulting deficit if no further revenue is gained through the referendum or other allowable sources.

Comparison to Referendum Projection

As a point of comparison, below is the financial projection that was used during referendum planning leading up to the April 7, 2020 referendum. As opposed to comparing every data point in this projection with all of the data previously shared in this memo and attached, I will leave it up to the reader to review the following pertinent data points: Enrollment; Revenues & Expenditures; Surplus (Deficit); Mill Rate; Tax Levy.

KEY ASSUMPTIONS REPORT						
FORT ATKINSON REF SCENARIO: \$2.25M RR + \$3M 3-YR NR						
	BUDGET FY-2020	FY-2021	FY-2022	FY-2023	FY-2024	FY-2025
<u>Membership Assumptions</u>						
FTE Membership	2,654	2,632	2,614	2,556	2,509	2,476
% increase	-2.03%	-0.83%	-0.68%	-2.22%	-1.84%	-1.32%
Headcount	2,772	2,736	2,709	2,631	2,561	2,520
% increase	-2.94%	-1.30%	-0.99%	-2.88%	-2.66%	-1.60%
Open Enrollment In (Student Count)	168	168	168	162	155	161
Open Enrollment Out (Student Count)	123	137	146	160	176	190
Net OE	45	31	22	2	(21)	(29)
<u>Revenue Limit Assumptions</u>						
Revenue Limit Per Pupil Increase	\$175	\$179	\$75	\$75	\$75	\$75
Per Pupil Categorical Aid Amount	\$742	\$742	\$817	\$892	\$967	\$1,042
Per Pupil Categorical Aid Increase	\$88	\$0	\$75	\$75	\$75	\$75
Recurring Ref to Exceed Rev Limit	\$0	\$2,250,000	\$0	\$0	\$0	\$0
Non-Recurring Ref to Exceed Rev Limit	\$2,250,000	\$3,000,000	\$3,000,000	\$3,000,000	\$0	\$0
Energy Efficiency Exemption	\$0	\$0	\$0	\$0	\$0	\$0
Private School Voucher Students	41.1	41.1	41.1	41.1	41.1	41.1
Private School Voucher Expense	\$337,151	\$345,371	\$353,591	\$361,811	\$370,031	\$378,251
Special Needs Voucher Students	11.5	11.5	11.5	11.5	11.5	11.5
Special Needs Voucher Expense	\$143,976	\$149,236	\$150,961	\$152,686	\$154,411	\$156,136
<u>Tax Levy Assumptions</u>						
Fund 10 Levy	\$14,778,405	\$16,806,172	\$17,198,581	\$17,094,908	\$14,569,940	\$14,878,935
Fund 38 Levy	\$0	\$0	\$0	\$0	\$0	\$0
Fund 39 Levy	\$2,469,127	\$822,975	\$823,425	\$826,638	\$0	\$0
Fund 41 Levy	\$0	\$0	\$0	\$0	\$0	\$0
Fund 80 Levy	\$0	\$0	\$0	\$0	\$0	\$0
Fund 10 Chargeback Levy	\$37	\$0	\$0	\$0	\$0	\$0
Total Levy	\$17,247,569	\$17,629,147	\$18,022,006	\$17,921,546	\$14,569,940	\$14,878,935
% increase	8.22%	2.21%	2.23%	-0.56%	-18.70%	2.12%
October Property Valuation	1,612,443,974	1,660,817,293	1,710,641,812	1,761,961,066	1,814,819,898	1,869,264,495
% increase	5.99%	3.00%	3.00%	3.00%	3.00%	3.00%
Mill Rate	\$10.70	\$10.61	\$10.54	\$10.17	\$8.03	\$7.96
<u>Major Expense Assumptions</u>						
All Funds Salaries	21,998,494	22,634,173	23,302,186	23,990,646	24,700,199	25,431,512
All Funds Benefits	10,504,645	11,067,414	11,601,852	12,173,232	12,784,312	13,438,058
All Funds Salary & Benefits	32,503,139	33,701,587	34,904,037	36,163,878	37,484,511	38,869,570
% increase	3.28%	2.89%	2.95%	2.95%	2.96%	2.96%
<u>Effect of Assumptions</u>						
Fund 10 Revenues	\$36,615,415	\$39,574,271	\$39,757,096	\$39,769,246	\$36,821,407	\$36,825,982
Fund 10 Expenses	\$37,892,929	\$38,272,407	\$39,606,681	\$41,043,578	\$42,556,472	\$44,124,298
Margin/Shortfall	(\$1,277,514)	\$1,301,864	\$150,415	(\$1,274,331)	(\$5,735,064)	(\$7,298,316)
Ending Fund Balance	\$9,459,202	\$10,761,066	\$10,911,481	\$9,637,150	\$3,902,086	(\$3,396,230)
Fund Balance as % of Expenditures	24.96%	28.12%	27.55%	23.48%	9.17%	-7.70%

Summary

In summary, as we begin our preparations for the 2021-22 fiscal year budget I would offer the following considerations:

- **Salary & Wage Increases** - Under this base scenario salary and wage increases are projected to be 2% per year for each of the five years. This is based on a current CPI (as of November, 2020) trending towards 1.25% plus a 0.75% increase to allow for longevity within the current compensation system. Should CPI change in future years salary and wage increases would change accordingly and one might assume so would allowable revenue. However, allowable revenue granted by the State of Wisconsin is not tied to any regular inflationary increase factor at this point which is one of the main reasons for the numerous referenda that are held each year across the state.
- **Per Pupil Revenue Increases** - This base scenario is built off of no increase in allowable revenue granted by the state at any point in the future. As referenced in the item immediately above, there is currently no mechanism built into state law to predict any allowable revenue increase for Wisconsin school districts. As referenced in the item immediately below, the State of Wisconsin biennial budget for FY21 - FY23 will have a great impact on the allowable revenue increases for school districts across the state.
- **State of Wisconsin Biennial Budget** - As mentioned throughout this memorandum, the next State of Wisconsin biennial budget will have a large impact on the future of the School District of Fort Atkinson's finances. Traditionally, the Governor would release his budget proposal in February, 2021 and the legislature would then spend the next several months crafting a budget to send back to the Governor for approval. Ideally, this process would be completed prior to July 1, 2021 and would cover the 2021-22 and 2022-23 fiscal years. However, more often than not the process gets extended beyond July 1. The purpose of this base projection is to lay the groundwork for being able to react and forecast proposals that may come forward during the state budget process so that we can plan accordingly at a local level as to what the impact of those proposals may be.
- **COVID Impact on Enrollment** - As outlined in the enrollment section of this memorandum, the COVID pandemic resulted in a much larger than expected decline in enrollment as well as a decline in FTE associated with summer school in the summer of 2020. Both of these enrollment factors have a significant impact on allowable revenue and state aid in the future. What is built into this base projection is that summer school in the summer of 2021 will return to normal and that the fall student count is forecast off of the decreased enrollment that was seen in September, 2020. At this point there is no way of forecasting if or how much of the student count decline may be recovered in September, 2021 should the pandemic be over by that point.
- **COVID Recovery** - As has been well publicized, it is very likely that some recovery effort in student learning and other aspects of our educational programming will be needed following this pandemic and the time that we spend in the virtual environment. At this point in the forecasting process, it is too early to determine when that might begin or what exactly might be needed. A reasonable path forward may be to assess in early calendar 2021 the amount of recovery needed and layout a framework and timeline for that recovery. This may impact the needs for FY22 and possibly following years including any future referenda, but can be part of the planning discussion as we approach next fiscal year.

Overall, these as well as other factors will need to be considered as we build future budgets and plan for the upcoming fiscal year. It is also important to keep in mind that this projection is a snapshot of one point in time and, as we learned this year more than ever before, factors can change quickly and frequently. With our forecasting tool, our "base scenario" can be quickly updated to analyze the impact of changes as they come our way.

As always, should you have any questions regarding this memorandum or the financial projection, or any other questions you may have about other items, please do not hesitate to contact me.

HIGH LEVEL SUMMARY OF KEY VARIABLES

FORT ATKINSON | BASE SCENARIO

	ACTUAL					BUDGET	PROJECTIONS				
	FY-2016	FY-2017	FY-2018	FY-2019	FY-2020	FY-2021	FY-2022	FY-2023	FY-2024	FY-2025	FY-2026
FTE	2,737	2,752	2,731	2,709	2,654	2,547	2,523	2,452	2,372	2,337	2,281
Per Pupil Revenue Limit	0	0	0	0	175	179	0	0	0	0	0
Per Pupil Categorial Aid	150	250	450	654	742	742	742	742	742	742	742
Prop Valuation Growth	0.00%	0.25%	3.39%	3.73%	5.99%	3.71%	2.75%	2.75%	2.75%	2.75%	2.75%
Fund 10 Revenues	\$32,540,250	\$32,524,408	\$34,904,750	\$36,138,666	\$36,620,284	\$40,855,348	\$40,212,009	\$39,760,694	\$35,967,356	\$35,870,371	\$35,392,156
Fund 10 Expenses	<u>\$32,345,807</u>	<u>\$32,370,978</u>	<u>\$34,261,043</u>	<u>\$36,445,381</u>	<u>\$37,406,551</u>	<u>\$39,614,309</u>	<u>\$39,778,522</u>	<u>\$40,957,515</u>	<u>\$42,139,531</u>	<u>\$43,460,947</u>	<u>\$44,878,358</u>
Margin/Shortfall	\$194,443	\$153,430	\$643,707	-\$306,715	-\$786,267	\$1,241,039	\$433,487	-\$1,196,821	-\$6,172,175	-\$7,590,576	-\$9,486,202
Ending Fund Balance	\$10,260,150	\$10,413,580	\$11,057,287	\$10,750,572	\$9,964,305	\$11,205,344	\$11,638,831	\$10,442,011	\$4,269,835	-\$3,320,741	-\$12,806,943
Fund Balance as % of Expenditures	31.72%	32.17%	32.27%	29.50%	26.64%	28.29%	29.26%	25.49%	10.13%	-7.64%	-28.54%
Total Levy	\$15,557,795	\$15,700,820	\$15,198,090	\$15,937,556	\$17,193,843	\$18,101,652	\$18,913,106	\$17,568,012	\$14,262,776	\$14,138,291	\$13,722,510
Mill Rate	\$10.99	\$11.07	\$10.36	\$10.48	\$10.66	\$10.82	\$11.01	\$9.95	\$7.86	\$7.59	\$7.17
Recurring Ref to Exceed Rev Limit	\$0	\$0	\$1,750,000	\$0	\$0	\$2,250,000	\$0	\$0	\$0	\$0	\$0
Non-Recurring Ref to Exceed Rev Limit	\$1,750,000	\$1,750,000	\$2,250,000	\$2,250,000	\$2,250,000	\$3,000,000	\$3,000,000	\$3,000,000	\$0	\$0	\$0
Energy Efficiency Exemption	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

KEY ASSUMPTIONS REPORT

FORT ATKINSON | BASE SCENARIO

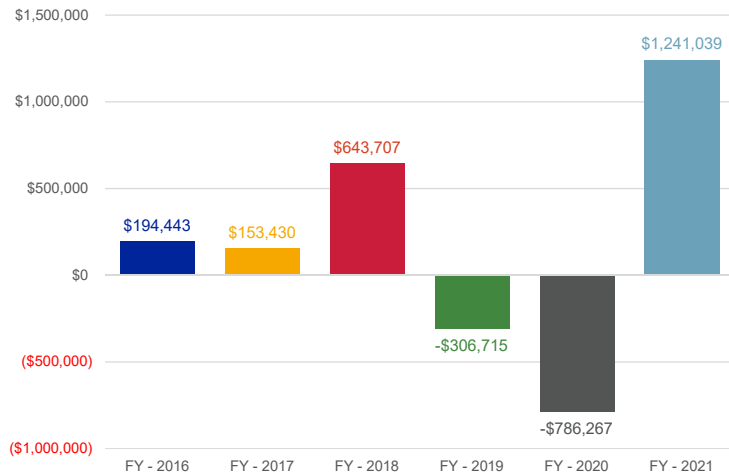
	ACTUAL					BUDGET	PROJECTIONS				
	FY-2016	FY-2017	FY-2018	FY-2019	FY-2020	FY-2021	FY-2022	FY-2023	FY-2024	FY-2025	FY-2026
<u>Membership Assumptions</u>											
FTE Membership	2,737	2,752	2,731	2,709	2,654	2,547	2,523	2,452	2,372	2,337	2,281
% increase		0.55%	-0.76%	-0.81%	-2.03%	-4.03%	-0.94%	-2.81%	-3.26%	-1.48%	-2.40%
Headcount	2,892	2,857	2,842	2,856	2,772	2,660	2,627	2,548	2,470	2,429	2,369
% increase		-1.21%	-0.53%	0.49%	-2.94%	-4.04%	-1.24%	-3.01%	-3.06%	-1.66%	-2.47%
Open Enrollment In (Student Count)	196	186	182	185	168	188	197	211	228	248	273
Open Enrollment Out (Student Count)	<u>114</u>	<u>112</u>	<u>146</u>	<u>119</u>	<u>123</u>	<u>150</u>	<u>168</u>	<u>190</u>	<u>205</u>	<u>231</u>	<u>260</u>
Net OE	82	74	36	66	45	38	29	21	23	17	13
<u>Revenue Limit Assumptions</u>											
Revenue Limit Per Pupil Increase	\$0	\$0	\$0	\$0	\$175	\$179	\$0	\$0	\$0	\$0	\$0
Per Pupil Categorical Aid Amount	\$150	\$250	\$450	\$654	\$742	\$742	\$742	\$742	\$742	\$742	\$742
Per Pupil Categorical Aid Increase	\$0	\$100	\$200	\$204	\$88	\$0	\$0	\$0	\$0	\$0	\$0
Recurring Ref to Exceed Rev Limit	\$0	\$0	\$1,750,000	\$0	\$0	\$2,250,000	\$0	\$0	\$0	\$0	\$0
Non-Recurring Ref to Exceed Rev Limit	\$1,750,000	\$1,750,000	\$2,250,000	\$2,250,000	\$2,250,000	\$3,000,000	\$3,000,000	\$3,000,000	\$0	\$0	\$0
Energy Efficiency Exemption	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Private School Voucher Students	0	4	3	8	41.1	68.5	68.5	68.5	68.5	68.5	68.5
Private School Voucher Expense	\$0	\$31,876	\$24,528	\$66,554	\$337,151	\$578,240	\$591,940	\$605,640	\$619,340	\$633,040	\$646,740
Special Needs Voucher Students	\$0	0	0	0	0	15.5	15.5	15.5	15.5	15.5	15.5
Special Needs Voucher Expense	\$0	\$0	\$0	\$0	\$0	\$196,467	\$198,642	\$200,817	\$202,992	\$205,167	\$207,342
<u>Tax Levy Assumptions</u>											
Fund 10 Levy	\$13,522,411	\$12,931,443	\$14,372,923	\$14,355,338	\$14,724,679	\$18,061,050	\$18,089,681	\$16,741,374	\$13,435,263	\$14,037,251	\$13,722,510
Fund 38 Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fund 39 Levy	\$2,009,288	\$2,743,040	\$825,075	\$1,582,218	\$2,469,127	\$40,602	\$823,425	\$826,638	\$827,513	\$101,040	\$0
Fund 41 Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fund 80 Levy	\$26,096	\$26,096	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fund 10 Chargeback Levy	<u>\$0</u>	<u>\$241</u>	<u>\$92</u>	<u>\$0</u>	<u>\$37</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Levy	\$15,557,795	\$15,700,820	\$15,198,090	\$15,937,556	\$17,193,843	\$18,101,652	\$18,913,106	\$17,568,012	\$14,262,776	\$14,138,291	\$13,722,510
% increase		0.92%	-3.20%	4.87%	7.88%	5.28%	4.48%	-7.11%	-18.81%	-0.87%	-2.94%
October Property Valuation	1,415,148,214	1,418,621,859	1,466,649,506	1,521,310,339	1,612,443,974	1,672,208,864	1,718,194,608	1,765,444,960	1,813,994,696	1,863,879,550	1,915,136,238
% increase		0.25%	3.39%	3.73%	5.99%	3.71%	2.75%	2.75%	2.75%	2.75%	2.75%
Mill Rate	\$10.99	\$11.07	\$10.36	\$10.48	\$10.66	\$10.82	\$11.01	\$9.95	\$7.86	\$7.59	\$7.17
<u>Major Expense Assumptions</u>											
All Funds Salaries	18,826,816	19,132,211	20,219,761	21,299,120	21,964,857	22,376,028	22,875,014	23,331,626	23,797,915	24,274,117	24,760,476
All Funds Benefits	8,853,332	9,246,767	9,769,281	10,114,252	10,615,854	10,643,280	11,139,166	11,628,958	12,145,790	12,703,994	13,315,127
All Funds Salary & Benefits	27,680,148	28,378,978	29,989,042	31,413,372	32,580,711	33,019,308	34,014,180	34,960,584	35,943,705	36,978,111	38,075,603
% increase		1.62%	5.68%	5.34%	3.13%	1.87%	2.23%	2.00%	2.00%	2.00%	2.00%
<u>Effect of Assumptions</u>											
Fund 10 Revenues	\$32,540,250	\$32,524,408	\$34,904,750	\$36,138,666	\$36,620,284	\$40,855,348	\$40,212,009	\$39,760,694	\$35,967,356	\$35,870,371	\$35,392,156
Fund 10 Expenses	<u>\$32,345,807</u>	<u>\$32,370,978</u>	<u>\$34,261,043</u>	<u>\$36,445,381</u>	<u>\$37,406,551</u>	<u>\$39,614,309</u>	<u>\$39,778,522</u>	<u>\$40,957,515</u>	<u>\$42,139,531</u>	<u>\$43,460,947</u>	<u>\$44,878,358</u>
Margin/Shortfall	\$194,443	\$153,430	\$643,707	(\$306,715)	(\$786,267)	\$1,241,039	\$433,487	(\$1,196,821)	(\$6,172,175)	(\$7,590,576)	(\$9,486,202)
Ending Fund Balance	<u>\$10,260,150</u>	<u>\$10,413,580</u>	<u>\$11,057,287</u>	<u>\$10,750,572</u>	<u>\$9,964,305</u>	<u>\$11,205,344</u>	<u>\$11,638,831</u>	<u>\$10,442,011</u>	<u>\$4,269,835</u>	<u>(\$3,320,741)</u>	<u>(\$12,806,943)</u>
Fund Balance as % of Expenditures	31.72%	32.17%	32.27%	29.50%	26.64%	28.29%	29.26%	25.49%	10.13%	-7.64%	-28.54%

Fund 10 - General Fund - History Summary

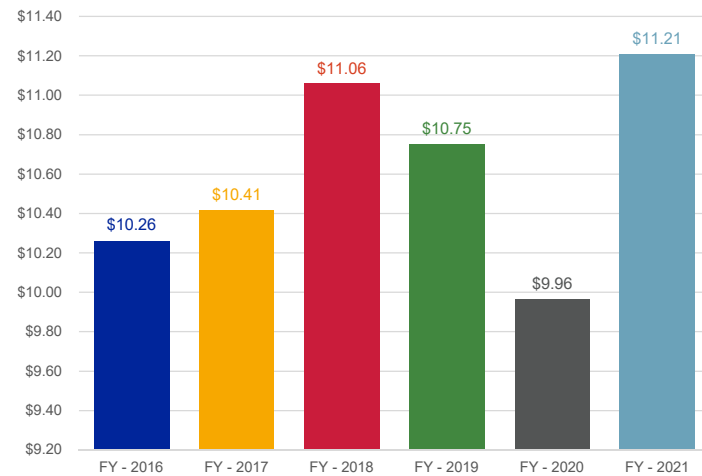
School District | Base Scenario

	ACTUAL REVENUES & EXPENDITURES									BUDGET	
	FY - 2016	FY - 2017	% Δ	FY - 2018	% Δ	FY - 2019	% Δ	FY - 2020	% Δ	FY - 2021	% Δ
REVENUE											
Local Sources	\$13,777,119	\$13,149,288	-4.56%	\$14,587,028	10.93%	\$14,682,449	0.65%	\$14,990,020	2.09%	\$18,213,650	21.51%
State Sources	\$16,474,623	\$17,220,880	4.53%	\$18,204,705	5.71%	\$19,269,161	5.85%	\$19,543,049	1.42%	\$20,182,499	3.27%
Federal Sources	\$629,840	\$657,464	4.39%	\$636,421	-3.20%	\$653,551	2.69%	\$618,311	-5.39%	\$750,483	21.38%
Other	\$1,658,668	\$1,496,776	-9.76%	\$1,476,597	-1.35%	\$1,533,505	3.85%	\$1,468,903	-4.21%	\$1,708,716	16.33%
TOTAL REVENUE	\$32,540,250	\$32,524,408	-0.05%	\$34,904,750	7.32%	\$36,138,666	3.54%	\$36,620,284	1.33%	\$40,855,348	11.56%
EXPENDITURES											
Salary and Benefits	\$21,980,361	\$22,439,168	2.09%	\$23,438,376	4.45%	\$24,547,835	4.73%	\$25,284,660	3.00%	\$25,626,807	1.35%
Other Objects	\$10,365,446	\$9,931,810	-4.18%	\$10,822,667	8.97%	\$11,897,547	9.93%	\$12,121,891	1.89%	\$13,987,502	15.39%
TOTAL EXPENDITURES	\$32,345,807	\$32,370,978	0.08%	\$34,261,043	5.84%	\$36,445,381	6.38%	\$37,406,551	2.64%	\$39,614,309	5.90%
SURPLUS / DEFICIT	\$194,443	\$153,430		\$643,707		(\$306,715)		(\$786,267)		\$1,241,039	
BEGINNING FUND BALANCE	\$10,065,707	\$10,260,150		\$10,413,580		\$11,057,287		\$10,750,572		\$9,964,305	
ENDING FUND BALANCE	\$10,260,150	\$10,413,580		\$11,057,287		\$10,750,572		\$9,964,305		\$11,205,344	
FUND BALANCE AS % OF EXPENDITURES	31.72%	32.17%		32.27%		29.50%		26.64%		28.29%	

SURPLUS/DEFICIT



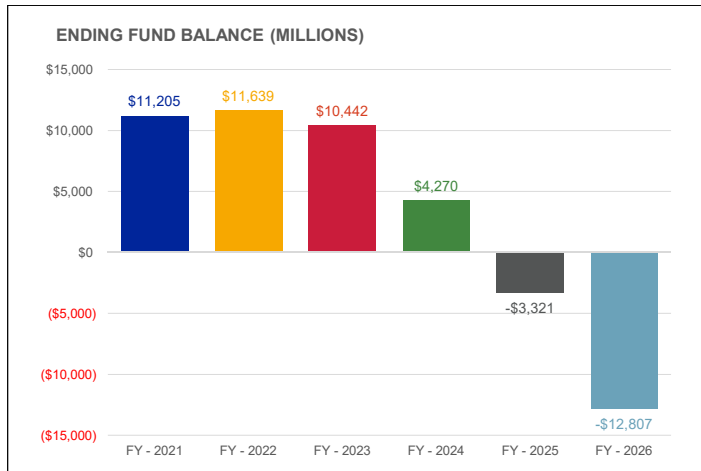
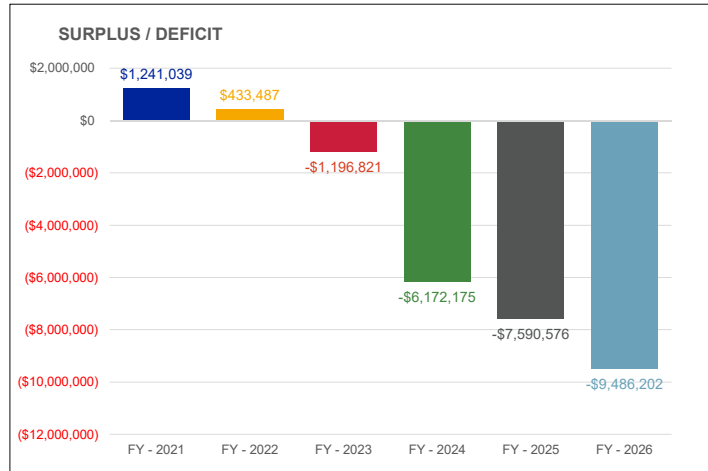
ENDING FUND BALANCE (MILLIONS)



Fund 10 - General Fund - Projection Summary

Fort Atkinson | Base Scenario

	BUDGET		REVENUE & EXPENDITURE PROJECTIONS								
	FY - 2021	FY - 2022	% Δ	FY - 2023	% Δ	FY - 2024	% Δ	FY - 2025	% Δ	FY - 2026	% Δ
REVENUE											
Local Sources	\$18,213,650	\$18,286,615	0.40%	\$16,938,308	-7.37%	\$13,632,197	-19.52%	\$14,234,185	4.42%	\$13,919,444	-2.21%
State Sources	\$20,182,499	\$19,709,526	-2.34%	\$20,460,218	3.81%	\$19,796,766	-3.24%	\$18,890,293	-4.58%	\$18,468,944	-2.23%
Federal Sources	\$750,483	\$508,939	-32.19%	\$508,939	0.00%	\$508,939	0.00%	\$508,939	0.00%	\$508,939	0.00%
Other	\$1,708,716	\$1,706,929	-0.10%	\$1,853,229	8.57%	\$2,029,454	9.51%	\$2,236,954	10.22%	\$2,494,829	11.53%
TOTAL REVENUE	\$40,855,348	\$40,212,009	-1.57%	\$39,760,694	-1.12%	\$35,967,356	-9.54%	\$35,870,371	-0.27%	\$35,392,156	-1.33%
EXPENDITURES											
Salary and Benefits	\$25,626,807	\$26,393,793	2.99%	\$27,124,637	2.77%	\$27,881,053	2.79%	\$28,676,848	2.85%	\$29,523,003	2.95%
Other Objects	\$13,987,502	\$13,384,729	-4.31%	\$13,832,877	3.35%	\$14,258,478	3.08%	\$14,784,099	3.69%	\$15,355,355	3.86%
TOTAL EXPENDITURES	\$39,614,309	\$39,778,522	0.41%	\$40,957,515	2.96%	\$42,139,531	2.89%	\$43,460,947	3.14%	\$44,878,358	3.26%
SURPLUS / DEFICIT	\$1,241,039	\$433,487		(\$1,196,821)		(\$6,172,175)		(\$7,590,576)		(\$9,486,202)	
Change over Previous Year		(\$807,552)		(\$1,630,308)		(\$4,975,355)		(\$1,418,401)		(\$1,895,626)	
BEGINNING FUND BALANCE	\$9,964,305	\$11,205,344		\$11,638,831		\$10,442,011		\$4,269,835		(\$3,320,741)	
ENDING FUND BALANCE	\$11,205,344	\$11,638,831		\$10,442,011		\$4,269,835		(\$3,320,741)		(\$12,806,943)	
FUND BALANCE AS % OF EXPENDITURES	28.29%	29.26%		25.49%		10.13%		-7.64%		-28.54%	



TAX LEVY & MILL RATE ANALYSIS

FORT ATKINSON SCHOOL DISTRICT | BASE SCENARIO

		FY-2016	FY-2017	ACTUAL FY-2018	FY-2019	FY-2020	BUDGET FY-2021	CALCULATED FY-2021	FY-2022	FY-2023	PROJECTIONS FY-2024	FY-2025	FY-2026
TAX LEVY													
Fund 10	General Fund	\$13,522,411	\$12,931,443	\$14,372,923	\$14,355,338	\$14,724,679	\$18,061,050	\$18,061,050	\$18,089,681	\$16,741,374	\$13,435,263	\$14,037,251	\$13,722,510
Fund 10	Property Tax Charge Back	\$0	\$241	\$92	\$0	\$37	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total General Fund Levy		\$13,522,411	\$12,931,684	\$14,373,015	\$14,355,338	\$14,724,716	\$18,061,050	\$18,061,050	\$18,089,681	\$16,741,374	\$13,435,263	\$14,037,251	\$13,722,510
Fund 38	Non-Ref. Debt Svc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fund 39	Ref. Approved Debt Svc.	\$2,009,288	\$2,743,040	\$825,075	\$1,582,218	\$2,469,127	\$40,602	\$40,602	\$823,425	\$826,638	\$827,513	\$101,040	\$0
Fund 41	Capital Expansion Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fund 80	Community Service Fund	\$26,096	\$26,096	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL LEVY		\$15,557,795	\$15,700,820	\$15,198,090	\$15,937,556	\$17,193,843	\$18,101,652	\$18,101,652	\$18,913,106	\$17,568,012	\$14,262,776	\$14,138,291	\$13,722,510
PERCENT CHANGE			0.92%	-3.20%	4.87%	7.88%	5.28%	5.28%	4.48%	-7.11%	-18.81%	-0.87%	-2.94%
EQUALIZED VALUATION (TIF OUT)		\$1,415,148,214	\$1,418,621,859	\$1,466,649,506	\$1,521,310,339	\$1,612,443,974	\$1,672,208,864	\$1,672,208,864	\$1,718,194,608	\$1,765,444,960	\$1,813,994,696	\$1,863,879,550	\$1,915,136,238
Percent Change			0.25%	3.39%	3.73%	5.99%	3.71%	3.71%	2.75%	2.75%	2.75%	2.75%	2.75%
MILL RATE													
Fund 10	General Fund	\$9.56	\$9.12	\$9.80	\$9.44	\$9.13	\$10.80	\$10.80	\$10.53	\$9.48	\$7.41	\$7.53	\$7.17
Fund 38	Non-Ref. Debt Svc.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fund 39	Ref. Approved Debt Svc.	\$1.42	\$1.93	\$0.56	\$1.04	\$1.53	\$0.02	\$0.02	\$0.48	\$0.47	\$0.46	\$0.05	\$0.00
Fund 41	Capital Expansion Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fund 80	Community Service Fund	\$0.02	\$0.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MILL RATE TOTAL		\$10.99	\$11.07	\$10.36	\$10.48	\$10.66	\$10.82	\$10.82	\$11.01	\$9.95	\$7.86	\$7.59	\$7.17
PERCENT CHANGE			0.67%	-6.37%	1.10%	1.79%	1.52%	1.52%	1.69%	-9.60%	-20.99%	-3.53%	-5.54%

