
MEMORANDUM

To: Dr. Jeffrey Zaspel, District Administrator; Board of Education

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

Date: October 20, 2015

Re: 2015-16 Budget Information

The purpose of this memorandum is to outline the attached materials pertaining to the 2015-16 fiscal year budget. There are several items attached to this memorandum. As you review the attached materials, I want to draw your attention to a few of the items:

1. **Per Pupil Aid** – Included in the budget adjustments is the \$150 per pupil in aid from the State. This was not included in the preliminary budget as it was not proposed as part of Governor Walker's budget and the final budget was not passed at the time of approval of the preliminary budget. This amounted to \$421,650 in additional revenue in the final 2015-16 budget.
2. **State Aid & Tax Levy** – As was planned, the District's general aid decreased this year, with the final decrease being over \$600,000. This was adjusted based on our final aid allocation from DPI on October 15th. The tax levy was adjusted accordingly. You will see the comparison of these items on the summary sheet.
3. **Insurance Claims** – As you know, we had one large insurance claim in July – the Barrie Elementary fire. Along with that we had a couple of other minor claims. As a result, adjustments were made on both the revenue side (to account for insurance reimbursements) and the expense side (to account for restoration services and replacement of materials/equipment).
4. **Carryover** – On the expense side, the carryover that was outlined in July to the Board of Education was added to the expense side in these adjustments. The bulk of the carryover related to funds from each building's budget to be used on technology purchases that were awaiting the arrival of a new Technology Director. The remainder of the carryover relates to the usual items, such as summer curriculum work.
5. **Transfer from Fund 10 to Fund 27** – This was a larger than normal adjustment this year. As you will see on the expense side in the changes made to the Special Education Fund, there was a large adjustment for students being placed out of the district. This is the result of several factors including one student that is new to our district this year that was not known at the time of the preliminary budget and a current placement that is making its way through the legal process that was planned to be served within the District. This large increase in out of district placements as compared to the preliminary budget accounts for nearly all of the increase in the required transfer to Fund 27 from Fund 10. It should be noted, there were two students brought back into the District from out of District placements this year as planned and next year we should see a sizable reduction in these placements as these students matriculate or are brought back to the District as well (given we don't see any new students come into our District that need out of District services).
6. **Revenue Limit FTE Count** – Fortunately, our FTE count for revenue limit purposes did not decline as projected in the spring. Rather, there was a slight increase. The positive to this difference is that it will help us in future years as the revenue limit is calculated on a three year average. The negative is that for 2015-16 our total revenue limit actually decreased as compared to spring projections due to the mechanisms in the calculation that give districts a one year grace period to make adjustments for declining enrollment. These mechanisms include a hold harmless provision as well as a one year declining enrollment exemption to allow time for the district to make expense reductions to match expected revenue decreases due to declining enrollment.

Each item attached is listed here with a brief synopsis:

- **2015/16 October Adjustments Summary** – This one page summary highlights some of the major data point outcomes of the October budget adjustments. Comparisons to prior years for revenues, expenditures, resident student FTE's, revenue limit and tax levy are outlined here for your review.
- **Reconciliation to 2015/16 Preliminary Budget – Revenues** – This document shows the detailed changes to revenue that were made in the General Fund (Fund 10) and the Special Education Fund (Fund 27) since the preliminary budget was adopted at the annual meeting.
- **October Adjustments Report – Revenues** – This report shows the revenue changes by source for all funds by comparing the preliminary budget to the proposed budget.
- **Reconciliation to 2015/16 Preliminary Budget – Expenses** – This document shows the detailed changes to expenses that were made in the General Fund (Fund 10) and the Special Education Fund (Fund 27) since the preliminary budget was adopted at the annual meeting.
- **October Adjustments Report – Expenditures** – This report shows the expenditure changes for all funds in the same format as was presented at the annual meeting by comparing the preliminary budget to the proposed budget.
- **Fiscal Year 2015-2016 October Budget Adjustments Presentation** – This is the presentation that will be given at the meeting on Monday regarding the budget adjustments.

The final comment I will make is regarding the adjustment to the Fund 80 tax levy. Due to new DPI rules implemented this past fiscal year, it is extremely difficult to pro-rate items such as utilities for our Middle School pool. As a result, no utilities for the Middle School pool were charged to Fund 80 in 2014-15 to avoid an audit finding. I am currently working with Mr. Kulczewski to evaluate a cost effective method of measuring the actual utility usage by the Middle School pool when it is used by the community. As a result, I am recommending that the Fund 80 levy be decreased for the 2015-16 year only by the amount equivalent to one year's worth of utility charges for the Middle School pool. This will allow us to put systems in place to try to meet the new DPI regulations and it also partially offsets the increase to the levy based on the large state aid reduction. This recommendation simply uses up the levy for this fund that was levied in 2014-15 but not used last year. It is my plan at this point to reevaluate the Fund 80 levy next year and to put controls in place to better meet the new DPI regulations.

Please feel free to contact me directly with any questions. Thank you.

2015/16 October Adjustments Summary

REVENUES v. EXPENDITURES				
	Audited <u>2013/14</u>	Audited <u>2014/15</u>	Prelim Budget <u>2015/16</u>	Original Budget <u>2015/16</u>
General Fund Revenues	\$30,808,895	\$32,178,211	\$31,794,460	\$32,337,407
% Change		4.44%	-1.19%	0.49%
General Fund Expenditures	\$31,108,871	\$30,315,975	\$31,601,614	\$32,252,874
% Change		-2.55%	4.24%	6.39%
General Fund Surplus (Deficit)	-\$299,976	\$1,862,236	\$192,846	\$84,533

RESIDENT STUDENT FTE COUNT (For Revenue Limit Purposes)				
	Actual <u>2013/14</u>	Actual <u>2014/15</u>	Prelim Budget <u>2015/16</u>	Actual <u>2015/16</u>
Resident Student FTE	2,811	2,738	2,698	2,742
Change		-73	-40	4
Summer School FTE	90	127	134	134
Change		37	7	7
Total Revenue Limit FTE	2,847	2,789	2,752	2,796
Change		-58	-37	7

REVENUE LIMIT				
	Audited <u>2013/14</u>	Audited <u>2014/15</u>	Prelim Budget <u>2015/16</u>	Original Budget <u>2015/16</u>
Property Tax (Fund 10)	\$11,889,781	\$12,888,340	\$13,473,993	\$13,522,411
% Change		8.40%	4.54%	4.92%
State Equalization Aid	\$16,086,025	\$16,408,374	\$15,937,325	\$15,795,362
% Change		2.00%	-2.87%	-3.74%
Tax Exempt Computer Aid	\$91,919	\$77,696	\$79,919	\$71,843
% Change		-15.47%	2.86%	-7.53%
Total Revenue Limit	\$28,067,725	\$29,374,410	\$29,491,237	\$29,389,616
% Change		4.66%	0.40%	0.05%

TAX LEVY				
	Audited <u>2013/14</u>	Audited <u>2014/15</u>	Prelim Budget <u>2015/16</u>	Original Budget <u>2015/16</u>
General Fund	\$11,889,781	\$12,888,340	\$13,473,993	\$13,522,411
% Change		8.40%	4.54%	4.92%
General Fund (Prior Year)	\$918	\$1,446	\$0	\$0
% Change		57.52%	-100.00%	-100.00%
Referendum Debt Service Fund	\$3,240,634	\$2,011,683	\$2,009,288	\$2,009,288
% Change		-37.92%	-0.12%	-0.12%
Community Service Fund	\$58,384	\$58,384	\$58,384	\$26,096
% Change		0.00%	0.00%	-55.30%
Total Tax Levy	\$15,189,717	\$14,959,853	\$15,541,665	\$15,557,795
% Change		-1.51%	3.89%	4.00%

Reconciliation to 2015/16 Preliminary Budget - Revenues

GENERAL FUND					
Item	Beginning Balance	\$	31,794,460		
	Amount		Balance		
		\$	31,794,460		
Adjust Grants to Match Allocations	\$	(55,545)	\$	31,738,915	October Adjustments
Adjust Open Enrollment IN to Actual	\$	29,265	\$	31,768,180	
Adjust for Insurance Claims	\$	255,964	\$	32,024,144	
Adjust Per Pupil Aid Allocation	\$	421,650	\$	32,445,794	
Adjust Computer Aid	\$	(8,076)	\$	32,437,718	
Adjust State Aid	\$	(141,963)	\$	32,295,755	
Adjust Tax Levy	\$	48,418	\$	32,344,173	
Adjust Student Fees	\$	(6,766)	\$	32,337,407	
			\$	32,337,407	
SPECIAL EDUCATION FUND					
Item	Beginning Balance	\$	5,610,019		
	Amount		Balance		
		\$	5,610,019		
Adjust Estimated Special Education Aid	\$	(93,416)	\$	5,516,603	October Adjustments
Adjust Open Enrollment Special Education Revenue	\$	94,400	\$	5,611,003	
Adjust Grants to Match Allocations	\$	25,578	\$	5,636,581	
Adjust Medicaid Revenue	\$	55,000	\$	5,691,581	
Adjust Fund 27 Transfer	\$	264,589	\$	5,956,170	
			\$	5,956,170	

						2015-16	2015-16	2015-16	
Fd	T	Loc	Obj	Func	Prj	Source	Preliminary Budget	October Adjustments	Proposed Original
10	R	---	211	-----	---	TAXES (CURRENT YEAR)	13,473,993.00	48,418.00	13,522,411.00
10	R	---	271	-----	---	ADMISSIONS RECEIPTS	36,490.00	0.00	36,490.00
10	R	---	279	-----	---	OTH SCH ACTIV INCOME	38,000.00	0.00	38,000.00
10	R	---	280	-----	---	INTEREST ON INVEST.	14,000.00	0.00	14,000.00
10	R	---	292	-----	---	STUDENT FEES	109,865.00	-4,231.00	105,634.00
10	R	---	293	-----	---	REVENUE FROM RENTALS	13,265.00	-2,535.00	10,730.00
10	R	---	297	-----	---	STUDENT FINES	400.00	0.00	400.00
10	R	---	345	-----	---	OPEN ENROLL. TUITION	1,188,992.00	29,265.00	1,218,257.00
10	R	---	612	-----	---	STATE TRANSPORT. AID	21,000.00	0.00	21,000.00
10	R	---	613	-----	---	STATE LIBRARY AID	94,817.00	0.00	94,817.00
10	R	---	619	-----	---	OTHER STATE AID	0.00	421,650.00	421,650.00
10	R	---	621	-----	---	STATE EQUALIZ. AID	15,937,325.00	-141,963.00	15,795,362.00
10	R	---	660	-----	---	ST.REV.THRU.LOC.GOV.	4,500.00	0.00	4,500.00
10	R	---	691	-----	---	TAX EXEMPT COMP. AID	79,919.00	-8,076.00	71,843.00
10	R	---	730	-----	---	SPECIAL PROJ. GRANTS	274,374.00	-63,535.00	210,839.00
10	R	---	751	-----	---	IASA - TITLE 1	409,820.00	7,990.00	417,810.00
10	R	---	869	-----	---	OTHER SALES/LOSSES	45,000.00	255,964.00	300,964.00
10	R	---	971	-----	---	REFUND OF PRIOR YEAR EXPENSE	37,200.00	0.00	37,200.00
10	R	---	990	-----	---	MISC. REVENUES	15,500.00	0.00	15,500.00
10	-	---	---	-----	---	GENERAL FUND	31,794,460.00	542,947.00	32,337,407.00
21	R	---	291	-----	---	RECEIPTS FROM GIFTS	11,500.00	0.00	11,500.00
21	-	---	---	-----	---	SPECIAL REVENUE TRUST FUND	11,500.00	0.00	11,500.00
27	R	---	110	-----	---	TRANSFER FRM FUND 10	3,624,800.00	264,589.00	3,889,389.00
27	R	---	316	-----	---	TRANSIT OF STATE AID	6,000.00	0.00	6,000.00
27	R	---	347	-----	---	SP.ED.OPEN ENROLMENT	0.00	94,400.00	94,400.00
27	R	---	516	-----	---	HNDCPD. AID VIA CESA	8,000.00	0.00	8,000.00
27	R	---	611	-----	---	HANDICAPPED AID	1,304,195.00	-93,416.00	1,210,779.00
27	R	---	625	-----	---	HIGH COST SP.ED. AID	20,000.00	0.00	20,000.00
27	R	---	730	-----	---	SPECIAL PROJ. GRANTS	517,024.00	25,578.00	542,602.00
27	R	---	780	-----	---	FEDERAL AID THRU STATE OF WI	130,000.00	55,000.00	185,000.00
27	-	---	---	-----	---	SPECIAL ED. & RELATED SERVICES	5,610,019.00	346,151.00	5,956,170.00
39	R	---	211	-----	---	TAXES (CURRENT YEAR)	2,009,288.00	0.00	2,009,288.00
39	R	---	280	-----	---	INTEREST ON INVEST.	2,500.00	0.00	2,500.00
39	-	---	---	-----	---	REFERENDUM APPROVED DEBT	2,011,788.00	0.00	2,011,788.00
50	R	---	251	-----	---	PUPIL LUNCH RECEIPTS	593,000.00	-19,905.00	573,095.00
50	R	---	252	-----	---	ADULT LUNCH RECEIPTS	18,500.00	0.00	18,500.00
50	R	---	259	-----	---	OTH FOOD SRVC SALES	45,000.00	-95.00	44,905.00
50	R	---	280	-----	---	INTEREST ON INVEST.	0.00	250.00	250.00
50	R	---	617	-----	---	STATE FOOD SERV. AID	24,000.00	0.00	24,000.00
50	R	---	714	-----	---	DONATED COMMODITIES	79,000.00	0.00	79,000.00
50	R	---	717	-----	---	FED. FOOD SERV. AID	575,000.00	0.00	575,000.00
50	-	---	---	-----	---	FOOD SERVICE FUND	1,334,500.00	-19,750.00	1,314,750.00
72	R	---	280	-----	---	INTEREST ON INVEST.	300.00	0.00	300.00
72	-	---	---	-----	---	EXPENDABLE TRUST FUND	300.00	0.00	300.00
73	R	---	280	-----	---	INTEREST ON INVEST.	3,200.00	0.00	3,200.00

						2015-16	2015-16	2015-16	
Fd	T	Loc	Obj	Func	Pri	Source	Preliminary Budget	October Adjustments	Proposed Original
73	R	---	951	-----	---	CONTRIB.TO TRUST FD.	1,224,559.00	-87,424.00	1,137,135.00
73	R	---	952	-----	---	OPEB RETIREE CONTRIBUTION	0.00	86,103.00	86,103.00
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73	-	---	---	-----	---	EMPLOYEE BENEFIT FUND	1,227,759.00	-1,321.00	1,226,438.00
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80	R	---	211	-----	---	TAXES (CURRENT YEAR)	58,384.00	-32,288.00	26,096.00
80	R	---	272	-----	---	COMMUNITY SERVIC FEE	22,000.00	0.00	22,000.00
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80	-	---	---	-----	---	COMMUNITY SERVICE	80,384.00	-32,288.00	48,096.00
95	R	---	317	-----	---	TRANSIT OF FED. AIDS	19,747.00	0.00	19,747.00
95	R	---	730	-----	---	SPECIAL PROJ. GRANTS	21,212.00	-21,212.00	0.00
							<hr/>	<hr/>	<hr/>
95	-	---	---	-----	---	COOP PROGRAMS-FISCAL AGENT	40,959.00	-21,212.00	19,747.00
							<hr/>	<hr/>	<hr/>
Grand Revenue Totals							42,111,669.00	814,527.00	42,926,196.00

Number of Accounts: 83

***** End of report *****

Reconciliation to 2015/16 Preliminary Budget - Expenses

GENERAL FUND

<u>Item</u>	<u>Beginning Balance</u>	\$	<u>31,601,614</u>	
	<u>Amount</u>		<u>Balance</u>	
		\$	31,601,614	
Adjust Salaries & Benefits to Actual	\$ (109,772)	\$	31,491,842	October Adjustments
Add Carryover	\$ 272,641	\$	31,764,483	
Adjust Grants to Match Allocations	\$ (56,074)	\$	31,708,409	
Adjust for Insurance Claims	\$ 255,964	\$	31,964,373	
Adjust Open Enrollment OUT to Actual	\$ (20,011)	\$	31,944,362	
Adjust Transportation Costs to Actual	\$ 18,307	\$	31,962,669	
Adjust 4K Payments to Actual Based on Enrollment	\$ 2,934	\$	31,965,603	
Adjust Utilities Based on 2014-15 Usage & Known Rate Increases	\$ 16,629	\$	31,982,232	
Other Miscellaneous Adjustments	\$ 6,053	\$	31,988,285	
Adjust Transfer to Fund 27	\$ 264,589	\$	32,252,874	
		\$	32,252,874	

SPECIAL EDUCATION FUND

<u>Item</u>	<u>Beginning Balance</u>	\$	<u>5,610,019</u>	
	<u>Amount</u>		<u>Balance</u>	
		\$	5,610,019	
Adjust Salaries & Benefits to Actual	\$ 138,416	\$	5,748,435	October Adjustments
Adjust Costs for Special Education Open Enrollment OUT Students	\$ (34,661)	\$	5,713,774	
Adjust Transportation Costs to Actual	\$ (12,888)	\$	5,700,886	
Adjust Grants to Match Allocations	\$ 17,761	\$	5,718,647	
Adjust for Out of District Student Placements	\$ 238,160	\$	5,956,807	
Other Miscellaneous Adjustments	\$ (637)	\$	5,956,170	
		\$	5,956,170	

Fd	T	Loc	Obj	Func	Pri	Function	2015-16	2015-16	2015-16
							Preliminary Budget	October Adjustments	Proposed Original
10	E	---	---	11	---	UNDIFFER. CURRICULUM	4,995,717.00	-90,965.00	4,904,752.00
10	E	---	---	12	---	REGULAR CURRICULUM	8,550,021.00	166,808.00	8,716,829.00
10	E	---	---	13	---	VOCATIONAL EDUCATION	1,017,754.00	40,645.00	1,058,399.00
10	E	---	---	14	---	PHYSICAL CURRICULUM	1,011,404.00	16,032.00	1,027,436.00
10	E	---	---	16	---	CO-CURRIC ACTIVITIES	323,086.00	3,170.00	326,256.00
10	E	---	---	17	---	SPECIAL NEEDS CURRIC	453,973.00	4,721.00	458,694.00
10	E	---	---	21	---	PUPIL SERVICES	906,986.00	-64,231.00	842,755.00
10	E	---	---	22	---	INSTRUCT.STAFF SERV.	1,544,455.00	46,491.00	1,590,946.00
10	E	---	---	23	---	GENERAL ADMINISTRAT.	375,483.00	13,591.00	389,074.00
10	E	---	---	24	---	SCHOOL BLDG. ADMIN.	1,634,137.00	-4,337.00	1,629,800.00
10	E	---	---	25	---	BUSINESS ADMINISTRAT	4,794,911.00	265,198.00	5,060,109.00
10	E	---	---	26	---	CENTRAL SERVICES	757,013.00	4,009.00	761,022.00
10	E	---	---	27	---	INSURANCE/JUDGMENTS	333,772.00	-15,629.00	318,143.00
10	E	---	---	28	---	DEBT SERVICES	1,777.00	0.00	1,777.00
10	E	---	---	29	---	OTH.SUPPORT SERVICES	64,441.00	3,245.00	67,686.00
10	E	---	---	41	---	INTERFND.OPER.TRANSF	3,624,800.00	264,589.00	3,889,389.00
10	E	---	---	43	---	GEN.TUITION PAYMENTS	1,211,884.00	-2,077.00	1,209,807.00
10	-	---	---	---	---	GENERAL FUND	31,601,614.00	651,260.00	32,252,874.00
21	E	---	---	16	---	CO-CURRIC ACTIVITIES	8,500.00	0.00	8,500.00
21	E	---	---	21	---	PUPIL SERVICES	4,000.00	0.00	4,000.00
21	E	---	---	22	---	INSTRUCT.STAFF SERV.	1,373.00	0.00	1,373.00
21	E	---	---	25	---	BUSINESS ADMINISTRAT	0.00	6,629.00	6,629.00
21	E	---	---	26	---	CENTRAL SERVICES	420.00	0.00	420.00
21	-	---	---	---	---	SPECIAL REVENUE TRUST FUND	14,293.00	6,629.00	20,922.00
27	E	---	---	15	---	SPECIAL EDUCATION	4,324,237.00	61,292.00	4,385,529.00
27	E	---	---	21	---	PUPIL SERVICES	563,847.00	65,059.00	628,906.00
27	E	---	---	22	---	INSTRUCT.STAFF SERV.	204,371.00	26,682.00	231,053.00
27	E	---	---	25	---	BUSINESS ADMINISTRAT	302,111.00	-12,888.00	289,223.00
27	E	---	---	43	---	GEN.TUITION PAYMENTS	215,453.00	206,006.00	421,459.00
27	-	---	---	---	---	SPECIAL ED. & RELATED SERVICES	5,610,019.00	346,151.00	5,956,170.00
39	E	---	---	28	---	DEBT SERVICES	2,041,262.00	0.00	2,041,262.00
39	-	---	---	---	---	REFERENDUM APPROVED DEBT	2,041,262.00	0.00	2,041,262.00
50	E	---	---	25	---	BUSINESS ADMINISTRAT	1,294,179.00	-41,023.00	1,253,156.00
50	-	---	---	---	---	FOOD SERVICE FUND	1,294,179.00	-41,023.00	1,253,156.00
73	E	---	---	42	---	FUDUCIARY FUND PYMNT	1,166,246.00	6,478.00	1,172,724.00
73	-	---	---	---	---	EMPLOYEE BENEFIT FUND	1,166,246.00	6,478.00	1,172,724.00
80	E	---	---	25	---	BUSINESS ADMINISTRAT	58,384.00	-32,288.00	26,096.00
80	E	---	---	39	---	OTHER COMMUNITY SERV	22,000.00	0.00	22,000.00
80	-	---	---	---	---	COMMUNITY SERVICE	80,384.00	-32,288.00	48,096.00
95	E	---	---	13	---	VOCATIONAL EDUCATION	17,904.00	0.00	17,904.00
95	E	---	---	17	---	SPECIAL NEEDS CURRIC	20,262.00	-20,262.00	0.00
95	E	---	---	22	---	INSTRUCT.STAFF SERV.	2,593.00	-750.00	1,843.00
95	E	---	---	25	---	BUSINESS ADMINISTRAT	200.00	-200.00	0.00

<u>Fd</u>	<u>T</u>	<u>Loc</u>	<u>Obj</u>	<u>Func</u>	<u>Pri</u>	<u>Function</u>	<u>2015-16</u> <u>Preliminary Budget</u>	<u>2015-16</u> <u>October Adjustments</u>	<u>2015-16</u> <u>Proposed Original</u>
95	-	---	---	-----	---	COOP PROGRAMS-FISCAL AGENT	40,959.00	-21,212.00	19,747.00
Grand Expense Totals							41,848,956.00	915,995.00	42,764,951.00

Number of Accounts: 1947

***** End of report *****

Fiscal Year 2015 – 2016 October Budget Adjustments

October 26, 2015



Tonight I will discuss the final original budget to be approved for the 2015-16 fiscal year. As is the case each year, the budget approved at the annual meeting is a preliminary budget for the year that needs to be adjusted based on actual student and funding numbers as determined by the State of Wisconsin in October. The adjustments you are approving tonight are those changes that have been made since the annual meeting as new information has become available.

[Budget Change Highlights]

- Resident Student Count
- Decrease in State Aid
- Increase in Tax Levy
- Net Open Enrollment Revenue



Some of the major factors influencing tonight's changes in the 2015-16 budget were not known at the time of the annual meeting. These include our resident student count which is taken the third Friday in September; the amount of state aid we receive which was certified to us on October 15th; the resulting tax levy due to the change in state aid; and our open enrollment counts as taken on the third Friday in September. I will take a little time to review these factors now and then discuss the overall budget and tax levy changes for you to approve this evening.

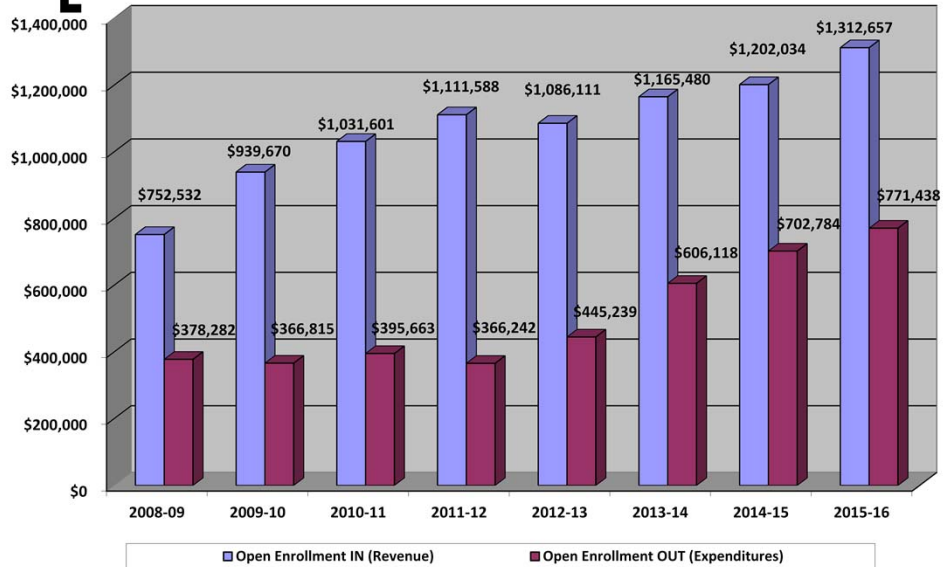
[Resident Student Count (FTE's)]

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Summer School	115	90	127	134
(40% To Revenue Limit)	(46)	(36)	(51)	(54)
September Count	2,826	2,811	2,738	2,742
Total Revenue Limit FTE's	2,872	2,847	2,789	2,796
FTE Change from Prior Year	+36	-25	-58	+7
% Change from Prior Year	+1.27%	-0.87%	-2.04%	+0.25%



In looking at the history of our resident student enrollment you can see the changes here over the past few years. Over the past two years we have decreased 83 FTE's. This year we have held steady at that lower level with a gain of only 7 FTE's for revenue limit purposes. This is better than the decrease we were expecting in the spring based on enrollments at that time, however the positive impact of maintaining our student count as opposed to declining will not be felt this year, but in our three year average in the next few years as it relates to the revenue limit.

[Open Enrollment]



Outside of our resident student enrollment, we will also take a look at our open enrollment numbers for this year. At this point, it appears that our net open enrollment revenue has increased by nearly \$41,000 as compared to last year. You can see that since 2008-09 our revenues and expenses associated with open enrollment have increased.

As of our September count, it appears that we will receive \$1,312,657 in revenue and pay out \$771,438 in expenses, netting an estimated \$541,219 in open enrollment revenue for 2015-16.

[Revenue Limit]

■ Per Student Increase of \$0

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
Property Tax (Fund 10)	\$11,889,781	\$12,888,340	\$13,522,411
% Change		8.40%	4.92%
State Equalization Aid	\$16,086,025	\$16,408,374	\$15,795,362
% Change		2.00%	-3.74%
Tax Exempt Computer Aid	\$91,919	\$77,696	\$71,843
% Change		-15.47%	-7.53%
Total Revenue Limit	\$28,067,725	\$29,374,410	\$29,389,616
% Change		4.66%	0.05%



Here you can see a breakdown of our revenue limit for the 2015-16 fiscal year and how it compares to the prior two years. The State has allowed no per student increase over last year's revenue limit resulting in a five hundredths of one percent increase in our allowable revenue under the State limits.

So, with this relatively flat total revenue limit and a \$613,000 decrease in State aid, you can see that the local property taxes for operations made up for that loss in aid from the State. We will look at the overall tax levy for all funds next.

[Tax Levy Overview]

PROPOSED PROPERTY TAX LEVY

FUND	Audited Annual 2014-2015	Annual Meeting 2015-2016	Budget 2015-2016
General Fund	\$12,888,340	\$13,473,993	\$13,522,411
General Fund (Prior Year)	\$1,446	\$0	\$0
Referendum Debt Service Fund	\$2,011,683	\$2,009,288	\$2,009,288
Community Service Fund	\$58,384	\$58,384	\$26,096
TOTAL SCHOOL LEVY	\$14,959,853	\$15,541,665	\$15,557,795
PERCENTAGE INCREASE --			
TOTAL LEVY FROM PRIOR YEAR	-1.51%	3.89%	4.00%



And here a breakdown of the total proposed property tax levy. You can see how the total levy has changed from what was projected at the annual meeting and how it lines up with last year's tax levy.

As you can see, the General Fund levy is increasing over \$600,000 from last year due to the decrease in State aid.

The "General Fund (Prior Year)" line is simply taxing for the unpaid taxes from last year, which we did not have any of this year. We are proposing the debt service tax levy be in line with the debt payments that come due within the next year.

Finally, we are proposing a decrease to the Community Service Fund levy for this year. This levy goes to cover activities for the community at the Middle School Pool. The recommended decrease is a result of the unused levy amount from last year being utilized in the current year and an effort to manage the levy as efficiently as possible during the current three year referendum.

Overall, for the 2015-16 fiscal year the levy is proposed to be set at \$15,557,795 which is a \$597,942 increase from last year and a slight increase from what was projected at the annual meeting.

Tax Levy Timeline (41.82% of Fund 10 Revenue)

- **October 26, 2015** – Board of Education sets the tax levy
- **November 10, 2015** – Tax levy must be certified to municipalities on or before this date
- **January 15, 2016** – First Tax Payment Arrives
- **February 20, 2016** – Second Tax Payment Arrives
- **August 20, 2016** – Balance of Tax Levy Due



With respect to cash flow for the District, as the levy is nearly 42% of our total general fund revenue, you can see that once we set the levy tonight we will certify it to all of our municipalities by November 10th. After that, we receive our first tax payment on January 15th, over half way through our fiscal year. Then another tax payment is received in February. Finally, the balance of the levy is received on August 20th, over a month and a half after our fiscal year ends on June 30th.

General Fund Budget Overview

PROPOSED GENERAL FUND BUDGET			
	Audited Annual 2014-2015	Annual Meeting 2015-2016	Proposed Budget 2015-2016
Revenues	\$32,178,211	\$31,794,460	\$32,337,407
% Change	4.44%	-1.19%	0.49%
Expenditures	\$30,315,975	\$31,601,614	\$32,252,874
% Change	-2.55%	4.24%	6.39%
Surplus (Deficit)	\$1,862,236	\$192,846	\$84,533



Here is a breakdown of the proposed General Fund Budget. You can see here that since the annual meeting, budgeted revenues and expenditures have increased. Overall, the surplus for this year has decreased. You received some further detail on these changes in your packet. The one item I will note here is that both the revenue and expenditure side increased by nearly \$300,000 as a result of having to account for the Barrie fire damage repair on the expense side and the associated insurance reimbursement on the revenue side.

In a larger view, remember that this year is the second year of a three year referendum. The surplus you see from last year and this year is intended to offset a deficit next year as the referendum amount does not change each year. What that deficit is projected to be will be presented in the near future as I complete the financial projection based on the data we have discussed here tonight.

Questions???