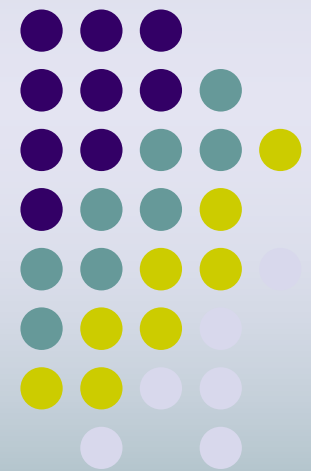


School District of Sheboygan Falls

2010/2011 Annual Budget

*"Unlocking potential for lifelong
learning and service."*



What do the various Funds mean?



- Fund 10 (General Fund)
 - Every day operations of educating the children and maintaining the facilities are recorded.
 - Unless specifically necessary to be recorded in another fund, it will be found here.



What do the various Funds mean?



- Fund 21 (Special Revenue Fund)
 - Used for gifts
- Fund 27 (Special Education)
 - All activity related to Special Education costs
 - Balance must equal \$0 at end of year. There usually is an amount called a “fund transfer” that must be paid from Fund 10 to make it balance.

What do the various Funds mean?



- **Fund 30 (Debt Service)**
 - For transactions related to the borrowings of the district.
- **Fund 40 (Capital Projects Fund)**
 - For expenditures for items financed through bonds or notes.
- **Fund 50 (Food Service Fund)**
 - This is where all of the transactions related to the food program are kept.
 - This fund can have a positive fund balance, as it currently has, but if it is negative, it must be brought to \$0 with funds from Fund 10.

What do the various Funds mean?



- Fund 60 (Agency Funds)
 - Funds for pupil organizations.
 - These are funds that actually do not belong to the school district.
 - If the Student Council has a fundraiser, the funds are kept in a Fund 60 account.

What do the various Funds mean?



- Fund 72 (Trust Funds)
 - For transactions related to scholarships.
- Fund 73 (Other Post Employment Trust)
 - Established late in 08/09 through WI OPEB Trust
 - 2009/10 was the first full year
- Fund 80 (Community Service Fund)
 - For the recreation programs in the city, and Aquatic Center operations.

School Finance Terms



- **Revenue Limit** – state imposed limit to the amount of property taxes a school district is permitted to levy.
 - Prior year's revenue limit
 - Three year average pupil count
 - Allowable per pupil revenue increase
 - Amount of equalized aid to be received in the current year.
 - Began in the 1993/94 school year

School Finance Terms



- **Equalized aid** – general school aid received from the state
 - 2009/2010 - \$10,231,120
 - *July 2010 aid estimate - \$10,221,114*
 - Certified in October
- **Tax Levy** – amount of real property taxes certified by the school board as necessary to provide funding for the annual school budget.
 - *\$8,412,670 – 2010/2011*
- **Mill Rate** - amount stated in “dollars and cents per thousand”, calculated by dividing the total tax levy by the total value of property to be taxed.
 - *\$9.45 projected for 10/11*

What is a Fund Balance?



- The difference between what the district owns and what the district owes to others.
- NOT the cash account kept aside for a rainy day.
- Measure of the school district's financial health.
- Fund balance percentage is measured by taking the fund balance amount and dividing it by the total expenditures expected for next year.

Why is the Fund Balance Important?



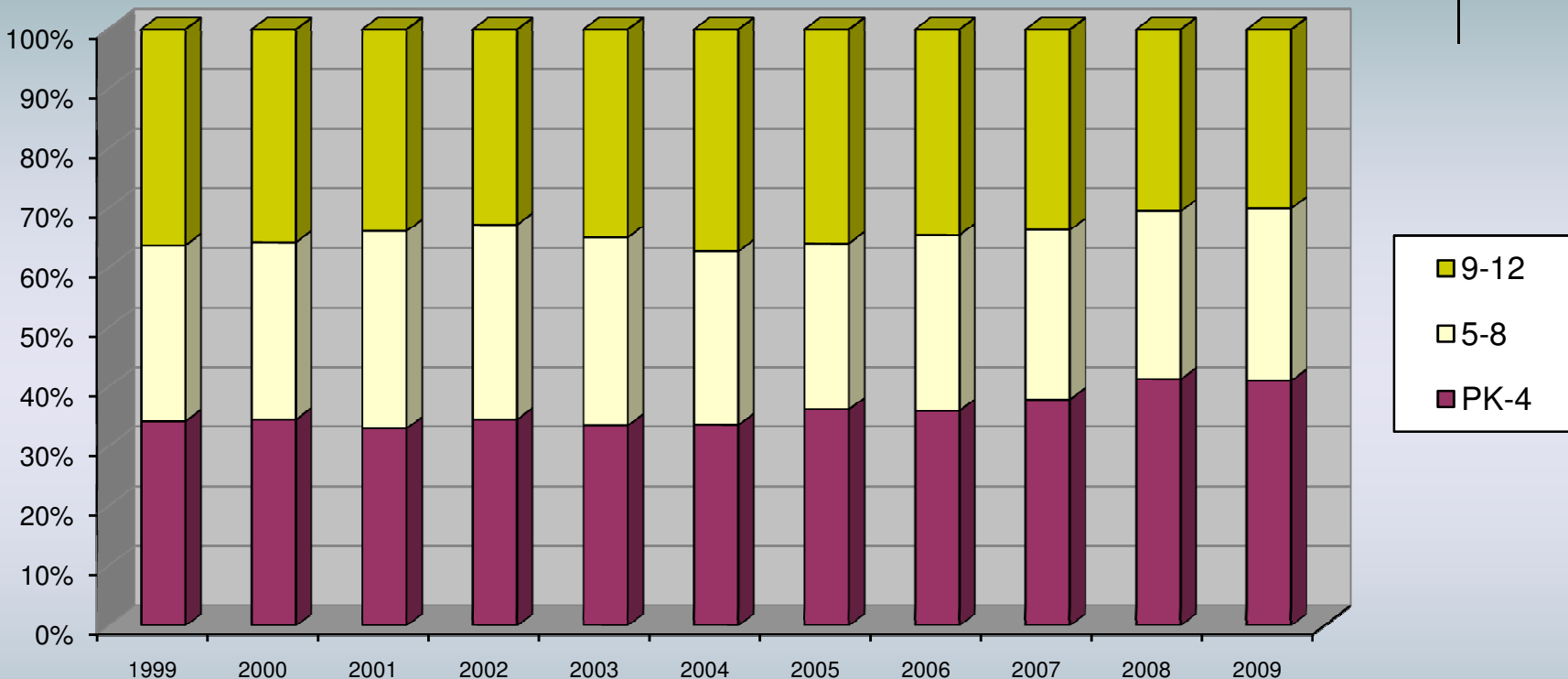
- A strong fund balance allows us to get a better bond rating and therefore better rates when we borrow money.
 - Moody's rating: Aa3
- A strong fund balance may eliminate the need to do short term borrowing.
- Some financial advisers say that a good fund balance is between 10 and 16%.

What is meant by Fund Balance?



- The current general fund balance is projected at \$2,621,214 which is 14.5% of next year's general fund expenditures.
- Required annual audit conducted July 27-July 29

Enrollment



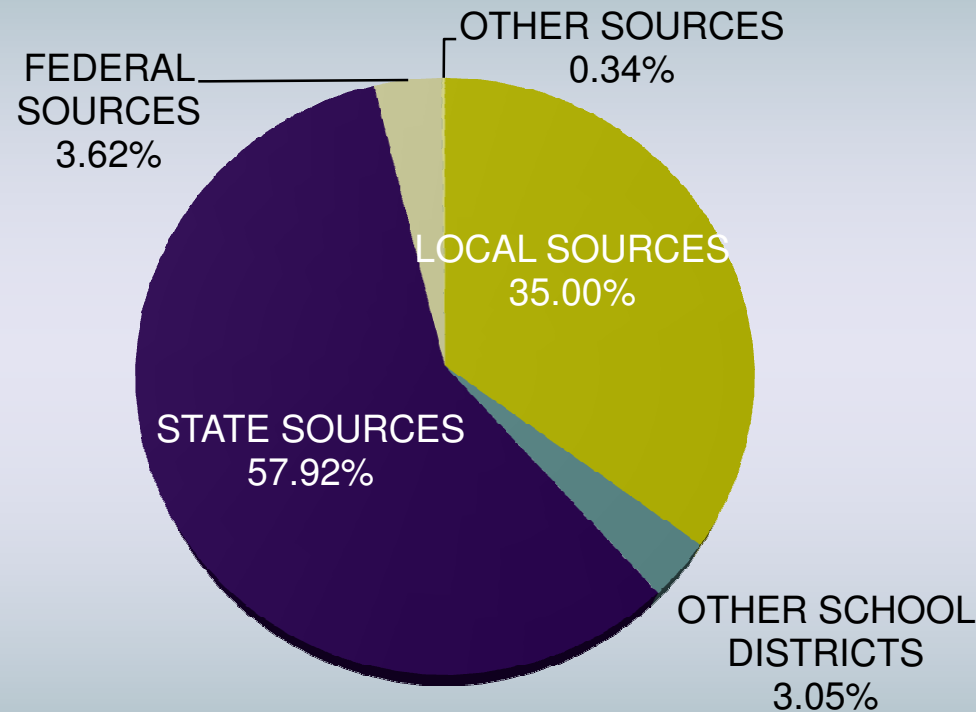
- Enrollment counts the number of students attending in the district, regardless of residency.
- Enrollment has increased since 2005.

ARRA - American Recovery & Reinvestment Act



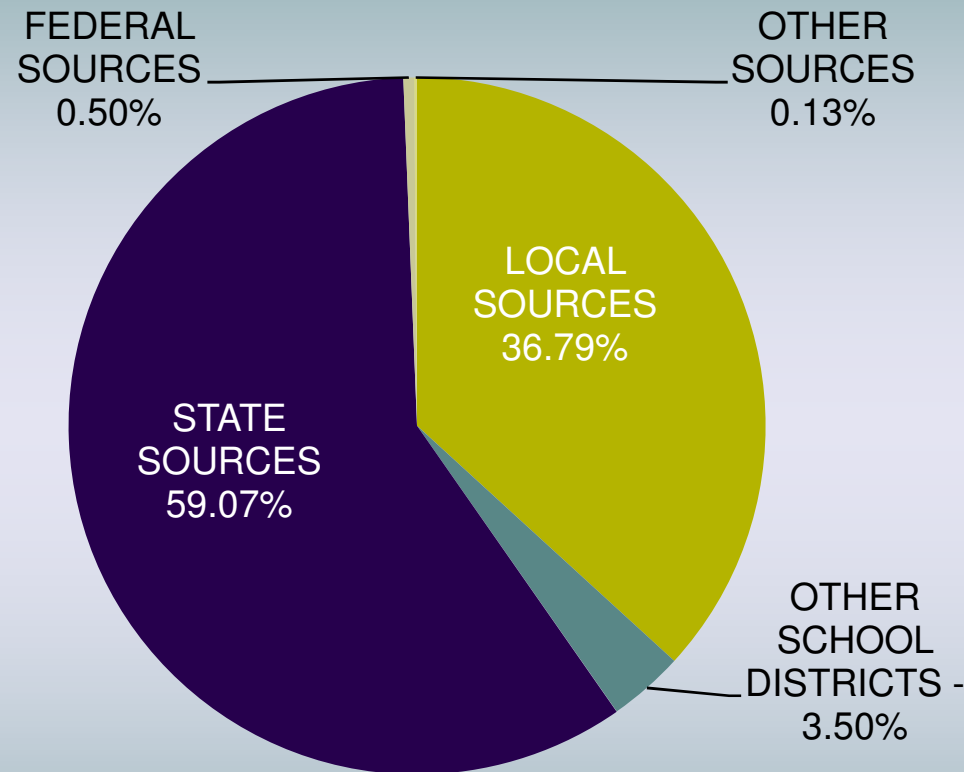
- One-time (federal stimulus) funds
- \$365,120 was allocated to Sheboygan Falls
 - Some of those funds will carry over into the 2010/2011 school year for Special Education
 - 50% of that amount could be expended for certain approved uses in the General Fund
- District's goals:
 - Impact as many students as possible
 - Build capacity for teachers long term

General Fund (Fund 10) 2009/10 Revenue by Source (unaudited)



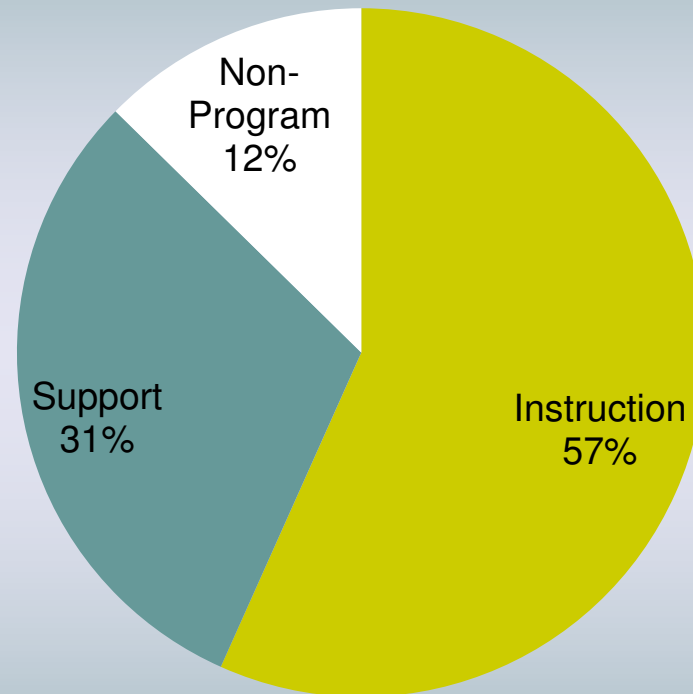
- Revenue from the state is less because 5% of the general aid allocation was federal money (State Fiscal Stabilization Fund)
- Otherwise the state's share would be almost 61%

General Fund (Fund 10) 2010/2011 Revenue by Source (budget)



- 2009/10 SFSF aid makes it look like the state's share is increasing in 2010/11
- Revenue from the state is actually less than 09/10
 - Less state aid in 10/11

General Fund & Special Education Fund (Fund 10 & 27) 2009/2010 Expenditures by Program (unaudited)



Equipment like microscopes are classified as instructional.

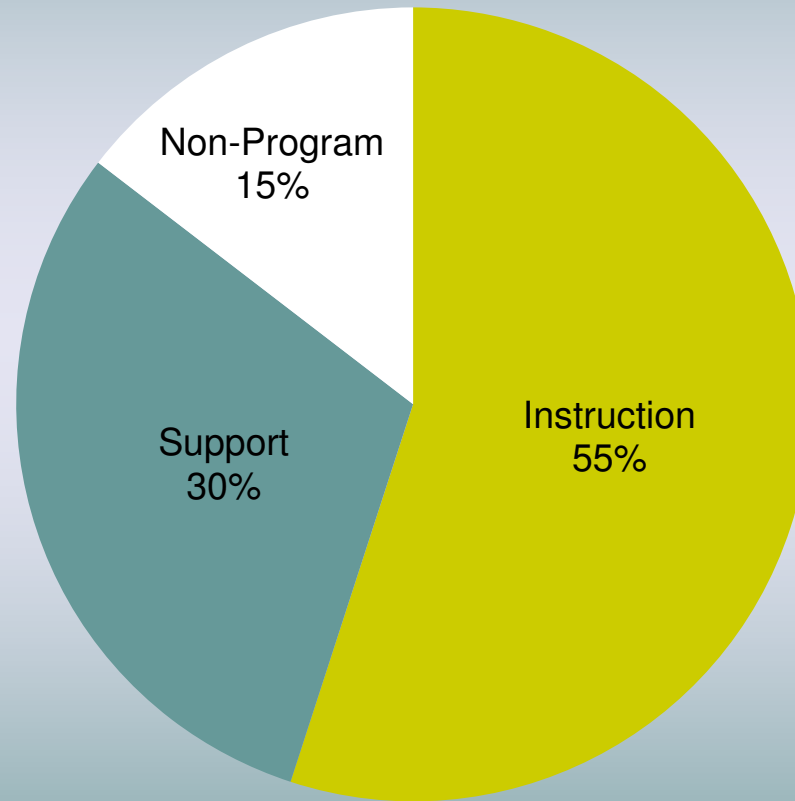
Equipment like office printers are classified as support services.

Teachers are instructional and principals are support services.

Open enrollment payments and inter-fund transfers are non-program transactions.

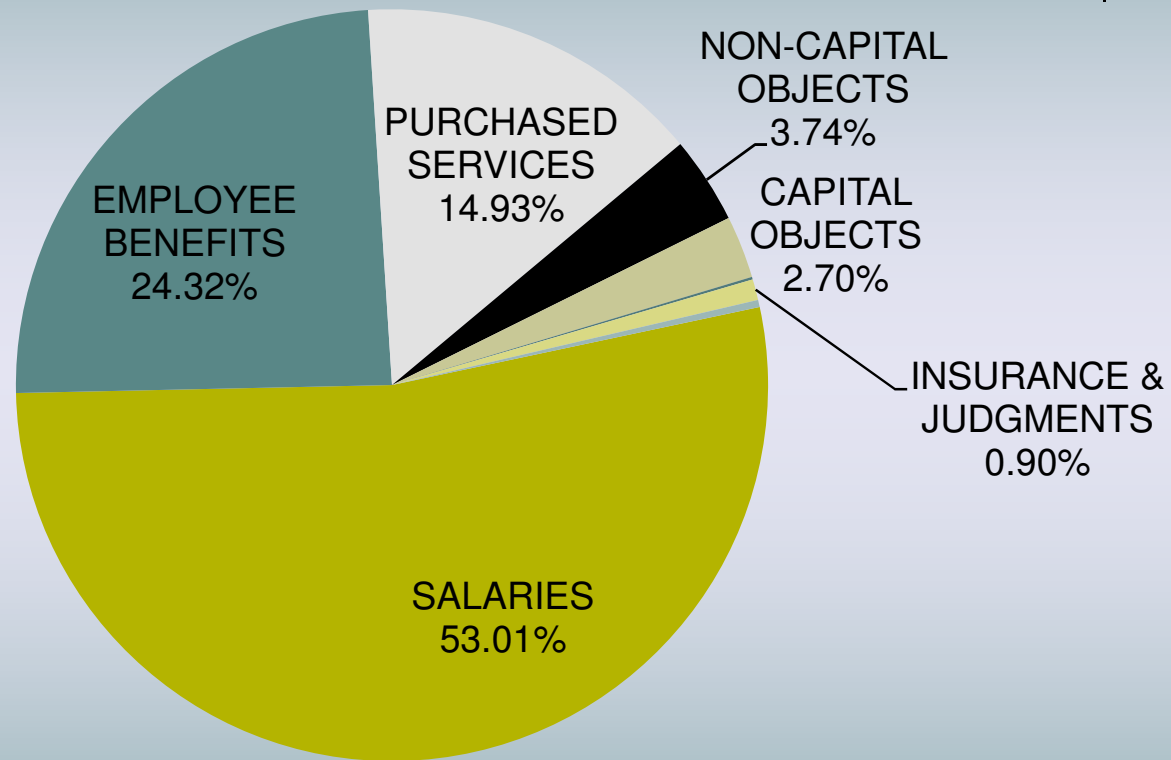


General Fund & Special Education Fund (Fund 10 & 27) 2010/2011 Expenditures by Program (budgeted)



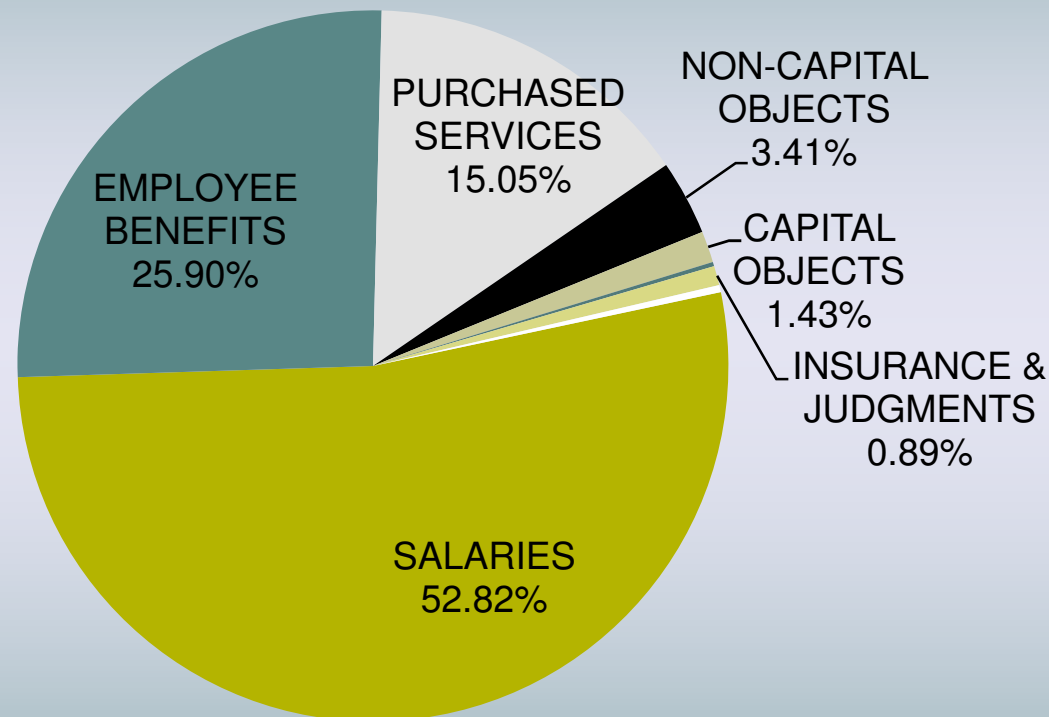
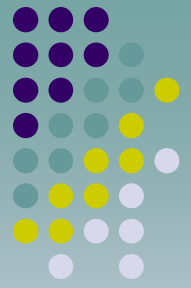
The 2010/2011 budget reflects an increase in Non-Program expenditures, and support services expenditures.

General Fund & Special Education Fund (Fund 10 & 27) 2009/2010 Expenditures by Object (unaudited)



- Insurance (Property, Worker's Comp, Liability) – 0.90%
- Other Objects (Miscellaneous) – 0.5%

General Fund & Special Education Fund (Fund 10 & 27) 2010/2011 Expenditures by Object (unaudited)



- Increase in the amount budgeted for Fringe benefits for 2010/11
- Purchased services are projected to increase slightly.
- Less than 5% of the total budget is allocated for supplies & equipment due to a reduction in building and department budgets.

The Tax Mill Rate



- There are three factors that will affect this calculation:
- **1) Equalized Property Value-**
 - Five year average increase – 6.47%
 - Last year 1.84%
 - *Estimate for 10/11 – 0%*
 - Larger increase will result in amount of levy being spread out over a larger base, a smaller increase in equalized property value will have the opposite effect
 - Certified by DOR in October
- **2) Revenue Limit Calculation**
- **3) State Equalized Aid –**
 - *Estimated at \$10,221,114*
 - The greater the amount of State Aid, the lower the amount needed to levy.

The Current Mill Rate



- The current levy proposed is \$8,412,670
- The estimated (TIF-Out) equalized value is \$890,278,454
- The current mill rate would be \$9.45
- This is an increase of \$0.68 per \$1,000 for school purposes over last year
 - \$0.07 more than 2000/2001
 - \$6.20 less than 1993/94 (Revenue Limit established)

What is the affect of the Mill Rate change?



Property with an equalized valuation of:

	\$100,000	\$ 150,000	\$ 200,000
2009/10	\$ 877.00	\$ 1,315.50	\$ 1,754.00
<i>2010/11</i>	<i>\$ 945.00</i>	<i>\$ 1,417.50</i>	<i>\$ 1,890.00</i>
	\$ 68.00	\$ 102.00	\$ 136.00

The 2010/11 amount uses the projected mill rate.

Equalized Aid Formula



- 3 Local Factors Affect Aid

- **Costs**

- Sheboygan Falls is a low spending district

- **Wealth/Tax Base** – Equalized values

- Est. Equalized value per member - \$499,650

- **Membership**

- 1,793 for 10/11 aid computation

Equalized Aid & Tax Levy Credit



- State factors also impact equalization aid
- The state did not allocate any additional funds to state aid for the 2010/2011 year
 - Last year the state decreased the equalized aid allocation by \$147 million
- While the aid allocation decreased, property tax levy credits increased \$70 million
 - The increased tax levy credit results in a credit on your tax bill to offset the increase in the school levy portion of your tax bill.

Debt Service - Fund 30



- Mill Rate - \$1.98
- Total Principal Paid in 2009/2010 - \$1,154,327
- Total Principal to pay in 2010/2011 - \$1,335,000
 - \$1,230,000 for long-term referendum debt
 - \$105,000 for non-referendum debt

Food Service – Fund 50



	2009/2010 Unaudited	2010/2011 Budgeted
Beginning Fund Balance	\$ 70,191	\$ 62,876
+ Revenues	\$715,461	\$790,280
- Expenditures	\$ 722,776	\$830,755
Ending Fund Balance	\$ 62,876	\$ 22,401

New for 2010/2011 Breakfast & Farm to School

Community Service - Fund 80



- Recreation Department/Aquatic Center
- Estimated 2010/11 mill rate - \$0.31
- Using fund balance for operating costs
 - Lowers the amount needed to levy
 - Still maintains a balance for emergencies
 - Projected fund balance is 37.7% of 2010/2011 expenses





Thank you to the **Board of Education, Finance Committee and Administrative team** for their contribution to building the budget presented tonight.

Also **thank you** to the **district office staff** for their help throughout the school year.

If you have any questions tonight, or in the future, feel free to contact me.

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