

The background of the slide is a close-up photograph of pink cherry blossoms. The flowers are in various stages of bloom, with some showing bright yellow stamens. The lighting is soft, creating a gentle gradient from light pink to a deeper magenta. The text is overlaid on this background.

School District of Waupaca

Preliminary 2018-2019 Budget Snapshot

July 10th, 2018



**“The first step toward success
is taken when you refuse to be
a captive of the environment
in which you first find
yourself.”**

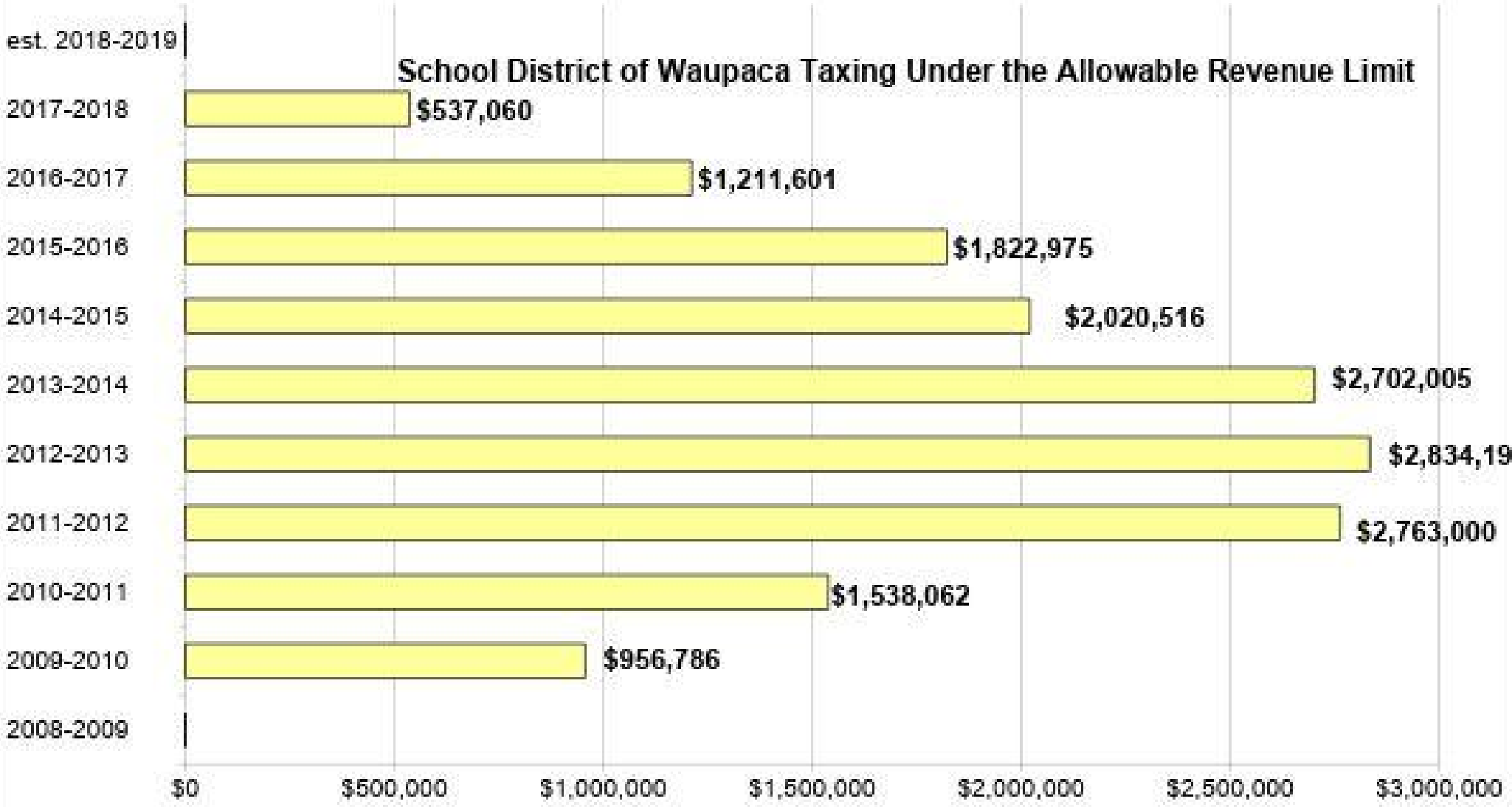
Mark Caine

School District Of Waupaca				
Fund Balance History				
	End of FY			
	Fund Balance			
FY	June 30th	Increase/Decrease		
2010-11	\$7,275,438			
2011-12	\$7,645,925	\$370,487		
2012-13	\$7,901,694	\$255,769		
2013-14	\$8,418,865	\$517,171		
2014-15	\$8,504,436	\$85,571		
2015-16	\$8,994,815	\$430,379	Six Years Total Increase	
2016-17	\$9,548,046	\$613,231	\$2,272,608	
2017-18	\$8,864,767	-\$683,179		
Seven Year Total Fund Balance Increase		\$1,551,272		
Not Budgeted for 2017-18			Dollar Amount	ongoing/onetime/unsure
Legal			\$16,000	not sure
Teacher Ret Payout			\$4,500	on going
Charter School			\$30,000	two years
Community Relations			\$10,612	not sure
Board Budget			\$13,750	(State Convention, Food at events)
Curriculum Budget			\$46,908	not sure
HS Landscaping			\$50,000	one time
HS Remodel			\$38,029	one time
Tuition payout			\$8,142	one time
True Time			\$10,000	annual fee \$500
Forecast 5			\$7,000	annual
Comet Car			\$10,000	one time
HR Consultant			\$4,500	one time
Storage Bleachers			\$95,000	one time
Textbooks			\$10,000	??
MS Weight Rm			\$4,000	one time
Chain Gym			\$5,158	one time
Privacy Fence HS Parking			\$5,260	one time
Door Closures (safety)			\$14,000	one time
Road Salt			\$10,000	unusual
Transportation Budget			\$29,784	one time
Technology 480			\$37,375	one time
Unemployment			\$4,000	buy out
Technology WTI Telepresens			\$9,260	one time
Google Expeditions			\$9,370	one time
New Ag Business Auto Cad			\$12,500	one time
6th grade CB			\$40,140	one time
Tech Camp Food			\$1,100	one time
Our School Facility Scheduling			\$25,700	one time
Chrome Book cases			\$14,720	one time
Bauerfeind copy overcharge			\$14,135	one time
Total Un-Budgeted For			\$567,813	
Foundry pledge			\$100,000	Expected one time payment to Offset Expenses
Rather \$2,750 per month			\$72,250	Last year equaling \$25,750
Un-Budgeted Total Therefore			\$667,813	
17-18 Budget surplus/deficit with			(\$15,526)	

School District Of Waupaca				
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17-18 Budget surplus/deficit without	(\$15,526)	

School District of Waupaca Taxing Under the Allowable Revenue Limit



October Preliminary Budget/Tax Levy Certification Board Budget Approval

- The Board Approves a Budget & Tax Levy Certification in October
- The Budget is set by the Board
- Anything that Administration brings forth after is **Not** in the Budget
- This Year, at almost each Board Meeting, You were asked to approve **Additional** expenses scenarios
- If You want to stay within the Budget, Ask was it part of the Budget the Board approved in October
- You already know the Answer

I ask you my friends to please...
Ask Yourselves as Board Members
of the Community as a whole:
What is truly the Value of another
Additional Treasurer's Report and more Balance Sheets
showing Actual to Previous Years Expenditures and Budgets?

- Each Year is different, so comparing a previous year to the last year tells you what? For the Budget is entirely different. Changing Needs. Nothing stays the same does it?
- If indeed the Board simply sticks to the Budget they Approved in October would it not come out close to what they approved as in the past?
- More Data perhaps is nice, yet if you approve more expenditures beyond the October approved Budget it seems to really to not matter how many reports you get does it?
- The Board of Education is in control, the Board of Directors so to speak beholden to all the stakeholders in the district. 70% who pay taxes, yet don't have school age children in the district many on a fixed income. What do they Need?

Fund Balance Depletion Exercise							
SCHOOL DISTRICT OF WAUPACA		Short Term Borrowing Needed					
	EXPENDITURE	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Projected Expenditures							
<i>Salary & Fringe increase at 3.5% per year</i>							
Fund 10 Salary & Fringe	\$16,927,585	\$17,520,050	\$18,133,252	\$18,767,916	\$19,424,793	\$20,104,661	\$20,808,324
Operating Transfer (portion of Fund 27 & 50 covered by Fund 10)	\$2,477,914	\$2,564,641	\$2,654,403	\$2,747,308	\$2,843,463	\$2,942,985	\$3,045,989
<i>Non-Salary Inflationary Increases at 3% per year (does not include operating transfer)</i>							
	\$5,532,088	\$5,698,051	\$5,868,992	\$6,045,062	\$6,226,414	\$6,413,206	\$6,605,602
Adjustments							
Total Projected Expenditures	\$24,937,587	\$25,782,742	\$26,656,648	\$27,560,286	\$28,494,670	\$29,460,852	\$30,459,915
Revenue Projected (1% increase)	\$24,269,774	\$24,512,472	\$24,757,596	\$25,005,172	\$25,255,224	\$25,507,776	\$25,762,854
PROJECTED ANNUAL SURPLUS / DEFICIT	(\$667,813)	(\$1,270,270)	(\$1,899,051)	(\$2,555,113)	(\$3,239,446)	(\$3,953,075)	(\$4,697,061)
<i>Projected Pupil Count</i>	2154	2108	2080	2038	2013	1984	1976
Fund Balance Depletion						NEGATIVE FUND BALANCE	
Projected Ending Fund Balance	\$9,559,476	\$8,289,206	\$6,390,154	\$3,835,041	\$595,595	(\$3,357,480)	(\$8,054,541)
Estimated Short Term Borrowing Amount Needed			\$3,000,000	\$6,000,000	\$9,000,000		
Estimated Interest Amount of Borrowing to be paid out of of Instruction Budget 3%			\$90,000	\$180,000	\$270,000	Referendum to Exceed Rev. Cap	

It Took 31 Years To Build the District's Solid Fund Balance

- Dr. Poeschl, District Administrator – 24 years
- Harley Hellerud, Business Manager – 24 years
- Me, Carl Hayek, Director of Business Services –
7 years



In 3 Years It could be depleted

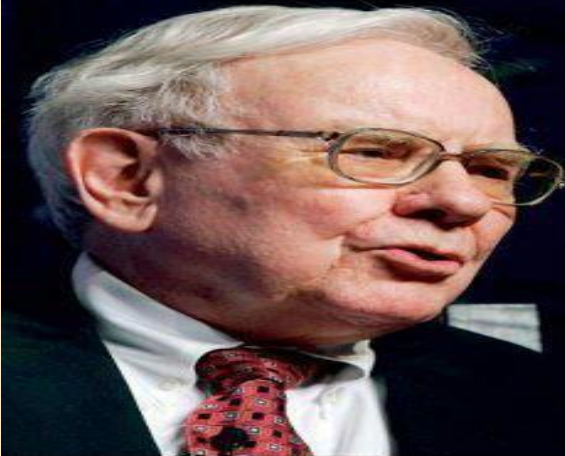
- Harder to build than to wipe out
- Don't get lost in % ratio of Budget/Expenses to Fund Balance
- Put Waupaca in Verona who borrows \$4M a year in Short Term Borrowing
- \$142,000 in Interest
- Waupaca would attain the highest Moody's Bond Rating Available
- While Verona in Waupaca would have a terrible Bond Rating
- It's only economic business factors and median income that keeps Waupaca from attaining the highest Moody's Bond Rating Right Now Right Here

**The School District of Waupaca
is in an Excellent Financial Position,
one could argue perhaps the Best in the State
Compared to 424
Other School District's**

Fund Balance

- I would argue is the most important component to a district's finances/health and one should try to increase it each year and forget about Percent ratios to budget and expenses. Period! For expenses never go down NEVER.
- Meaning Fund Balance should increase each year no matter what anyone tells you.

Excellent Quotes by Warren Buffet



On Earning: "Never depend on single income. Make investment to create a second source".

On Spending: "If you buy things you do not need, soon you will have to sell things you need".

On Savings: "Do not save what is left after spending, but spend what is left after saving".

On Taking Risk: "Never test the depth of river with both the feet".

On Investment: "Do not put all eggs in one basket".

On Expectations: "Honesty is very expensive gift. Do not expect it from cheap people".

Infrastructure Needs versus Wants versus & Technology and Curriculum Needs versus Wants
Cost Analysis

Location	Roofs	Sound Systems	Theater Lighting	Landscaping	Building Painting	Technology	Curriculum Seminars	Other	New Positions	Total
HS	\$17,153			\$49,162						
MS				\$32,675						
WLC				\$140,091						
Chain				\$331,555	\$10,000					
HS Gym		\$44,100					\$30,000			
HS Theater		\$156,040	\$156,000							
HS Commons		\$62,450								
MS Gym		\$37,700			\$32,945		\$26,000			
MS Theater		\$22,795	\$32,150							
Chain Gym		\$11,745								
WLC Gym		\$27,100								
HS Fitness Equipment								\$96,333		
MS Weight Room							\$15,000			
Roof Replacement								\$50,000		
Infinite Camp. (3 yr. old) to Skyward Student Software						\$70,000				
True Time						\$10,000				
AD/Activities Director									\$100,000	
Human Resource/Attorney									\$120,000	
Snow Tractor								\$30,000		
Lawn Mowers (2)								\$12,000		
External Door Frames/All New Door knobs hardware							\$107,135			
High School Well & Pump							\$50,000			
Pavement Replacement (Roads HS) both entries and curbing								\$365,321		
Donor Archway								\$25,000		
LIVE HOUSE Alt Ed Building								\$100,000		
HS Office Furniture								\$28,000		
Library Furniture								\$35,000		
Career Center Carpet								\$5,000		
Human Resource Assistant								\$60,000		
PSLO Officer								\$50,000		
HS Well								\$35,000		
HS Gym Video Board								\$182,000		
Safety Grant								\$200,000		
Chain Charter								\$150,000		
Totals	\$17,153	\$361,930	\$188,150	\$553,483	\$42,945	\$80,000	\$228,195	\$1,423,654	\$220,000	\$3,115,510

*Necessity or Project already play because of breakdown or need

Breakdown \$508,200 FY 17-18 as of 5/29/18

Want \$2,607,310

FY 18-19 \$340,195 Purchase Order or Hire Made Already

Left Cost \$2,267,115

Color Meaning

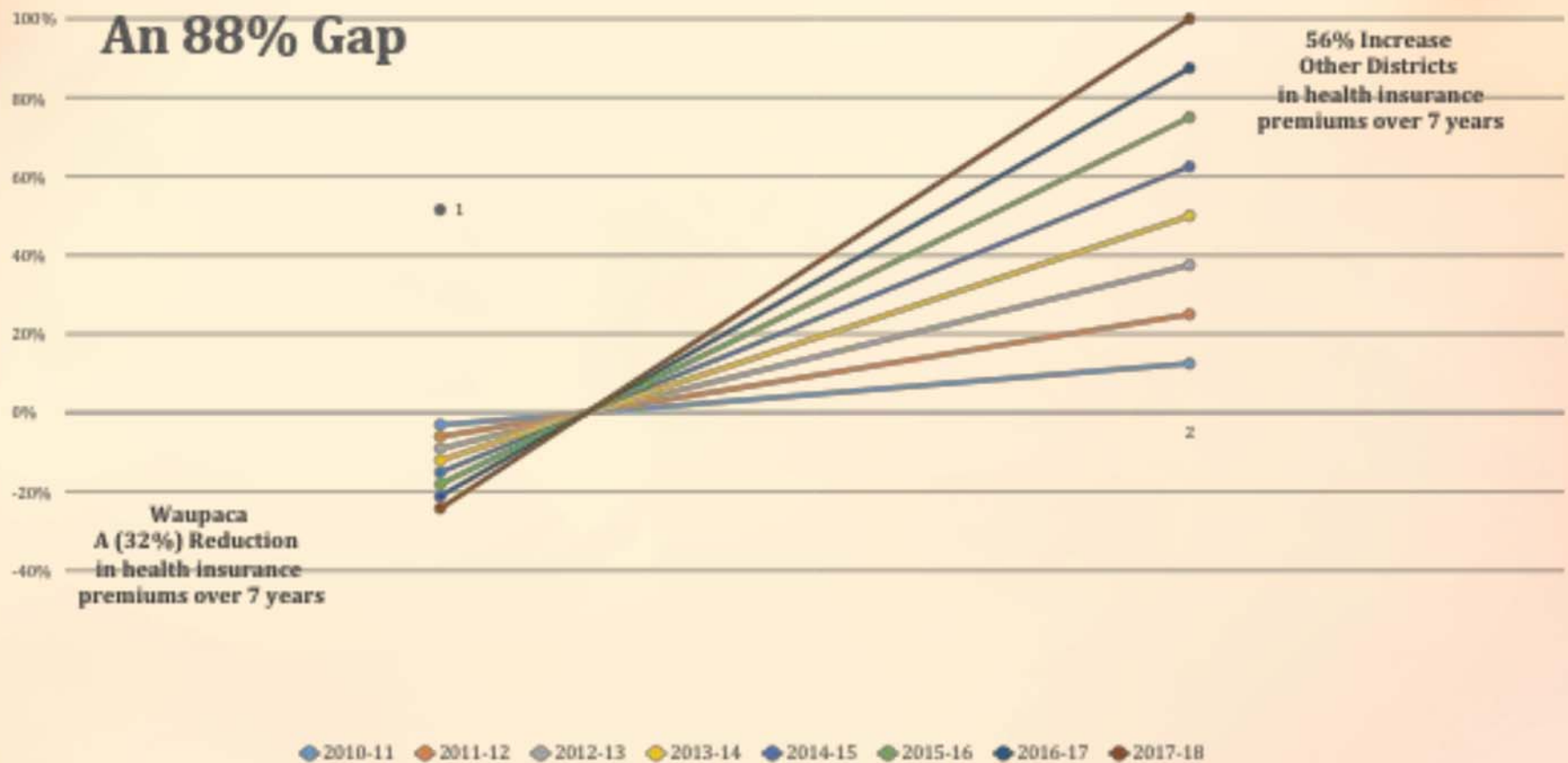
Need Priorities

Want Priorities

Happening not yet PO'd

Health Insurance Premiums Comparison to other Districts

An 88% Gap



2018-2019 Preliminary Budget Projection Snapshot

SCHOOL DISTRICT OF WAUPACA

0.025

2017-2018 Cast Forward Budget Comparison

	2017-18 Budgeted-Expenses Fund 10	PROJECTED 2018-19 Expenses Fund 10	PROJECTED 2018-19 Revenues Fund 10	PROJECTED 2018-19 Deficit Fund 10 Expenses	Unaudited 2017-18 Surplus Fund 10 Expenses
Projected Expenditures:					
Salary (2.5% Increase)	\$12,753,564	\$13,072,403		\$25,102,118	\$0
Health Insurance (2.6%)	\$2,067,888	\$2,121,653			
WRS (6.6%)	\$760,559	\$862,779		vs	vs
Other Fringe	\$1,345,574	\$1,337,307			
Retiree Addition		\$0			
Fund 10 Non Salary (3% inflation)	\$5,532,088	\$5,698,051		2018-19 Actual	2017-18 Actual
Insurance Savings (Contracted Busing)		(\$85,000)			
Transportation Services Savings		(\$130,000)			
(B&G) Budget Reduction		(\$283,210)			
		\$0			
Operating Transfer (portion of Fund 27 covered by Fund 10)	\$2,477,914	\$2,509,136		Revenues	Revenues
				\$25,099,432	\$0
Total Projected Expense/Revenue Budget	\$24,937,587	\$25,102,118			
Minus Fund 27		\$0			

2017-18 Applied to Fund 10
\$0 2016-17 Surplus
\$0 2017-18 Deficit
\$0 Fund 10 Balance Reduction

Total Fund 10 Budget Expenses	\$25,102,118	\$25,099,432	(\$2,686)	\$0
Budget Increase	\$164,531			
	0.7%			
Budget Increase without Insurance Savings, Transportation Service Savings, B&	\$683,741			
	2.70%			

Major Funding Reductions

GENERAL AID ANNUAL YEAR ANALYSIS

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Estimate 2018-19	Cumulative General Aid Loss
October 15 General Aid Certification	\$12,344,296	\$11,489,947	\$10,702,000	\$9,633,578	\$8,884,464	\$8,914,248	\$8,557,473	\$8,272,398	\$8,489,974	\$8,583,881	\$8,583,881	
General Aid Loss		(\$854,349)	(\$787,947)	(\$1,068,422)	(\$749,114)	\$29,784	(\$396,775)	(\$285,075)	\$217,576	\$93,907	\$0	(\$2,906,068)

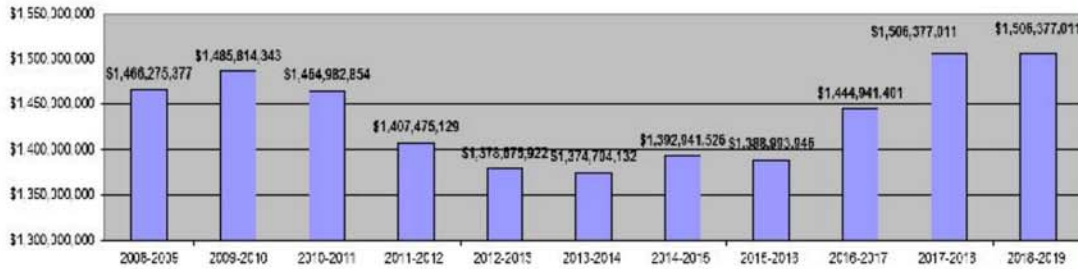
Fund 10 Taxes

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Cumulative Tax Increase
District Fund 10 Tax Levy	\$9,323,611	\$9,523,611	\$9,923,611	\$9,776,265	\$11,093,370	\$11,288,109	\$12,194,715	\$12,797,229	\$12,713,345	\$12,862,614	\$13,568,283	
Tax Offset		\$200,000	\$400,000	(\$147,346)	\$1,317,105	\$194,739	\$906,606	\$602,514	(\$83,884)	\$149,269	\$705,669	\$3,245,496

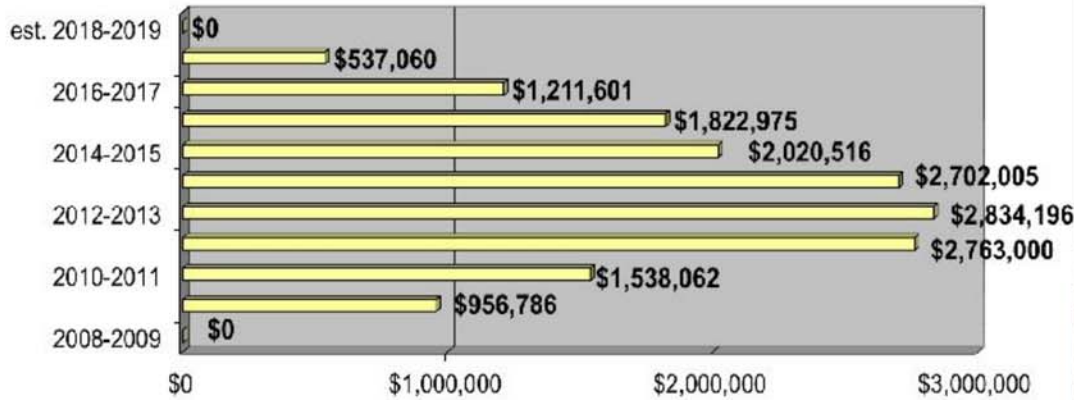
Net Loss

\$339,430

**School District of Waupaca
Property Valuation History**



**School District of Waupaca
Taxing Under the Allowable Revenue Limit**



2018-19 Tax Mill Rate Scenarios

Scenario	Revenue Cap. Allowable Rev	Total Tax	Mill Rate/1000
Scenario #1		\$16,779,043	\$11.14
Scenario #1	2017-18	2018-19	Increase
Mill Rate per \$1,000	\$10.79	\$11.14	\$0.35
Home Value			Increase
\$100,000	\$1,079	\$1,114	\$35.00
\$150,000	\$1,619	\$1,671	\$52.50
\$200,000	\$2,158	\$2,228	\$70.00
\$250,000	\$2,698	\$2,785	\$87.50

Gen. Aid Loss Equates to Tax Shift	Projected				
	2017-18	2017-18	2016-17	2015-16	2014-15
Tax Levy Breakout					
Fund 10 (General Fund)	\$13,568,283	\$12,862,614	\$12,713,345	\$12,797,229	\$12,194,715
Fund 38 (ST Loan)	\$216,257	\$216,257	\$0	\$0	\$0
Fund 39 (Debt Service)	\$2,994,503	\$3,152,674	\$3,154,718	\$3,355,495	\$3,354,830
Property Chargeback	\$0	\$16,699	\$0	\$0	\$0
Total Tax Levy (All Funds)	\$16,779,043	\$16,248,244	\$15,868,063	\$16,152,724	\$15,549,545
Tax Increase over Prior Yr	\$530,799	\$380,181	(\$284,661)	\$603,179	



**“People who succeed have momentum.
The more they succeed, the more they want to succeed, and the more they find a way to succeed.
Similarly, when someone is failing, the tendency is to get on a downward spiral that can even become a self-fulfilling prophecy.”**



Let's Succeed Again
It's Not Too Late

Use Your Heart, Your Inner Knowing, Your Wisdom

LOVE

