

School District of Waupaca

Finance Overview

Presented to: **Board of Education** – March 13, 2012

Steve Shambeau, President
Betty Manion, Vice President
Kirsten Greenfield, Clerk
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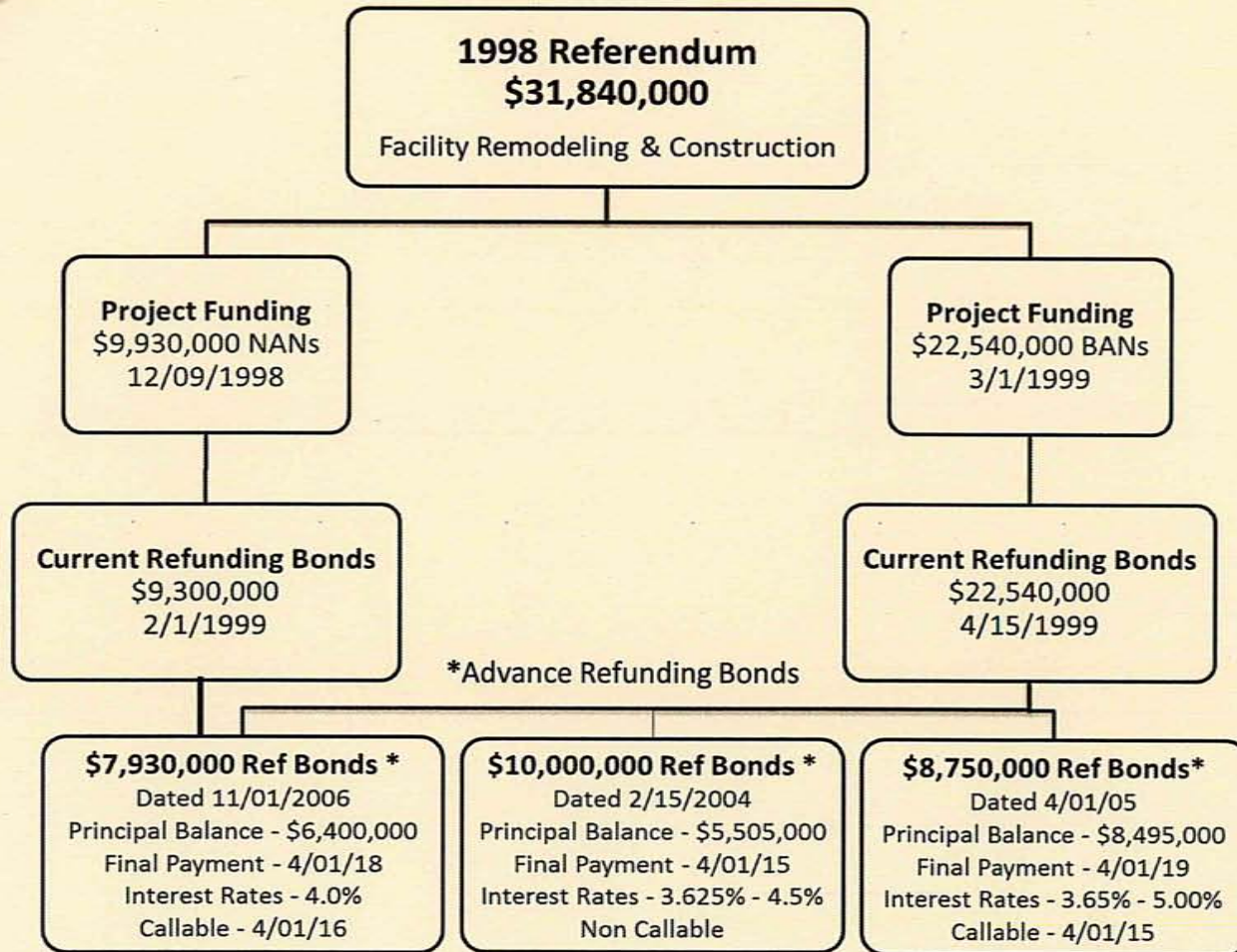
Presented by:
Carol Wirth, President
Wisconsin Public Finance Professionals, LLC



Existing Referendum Approved Debt (Fund 39) Overview

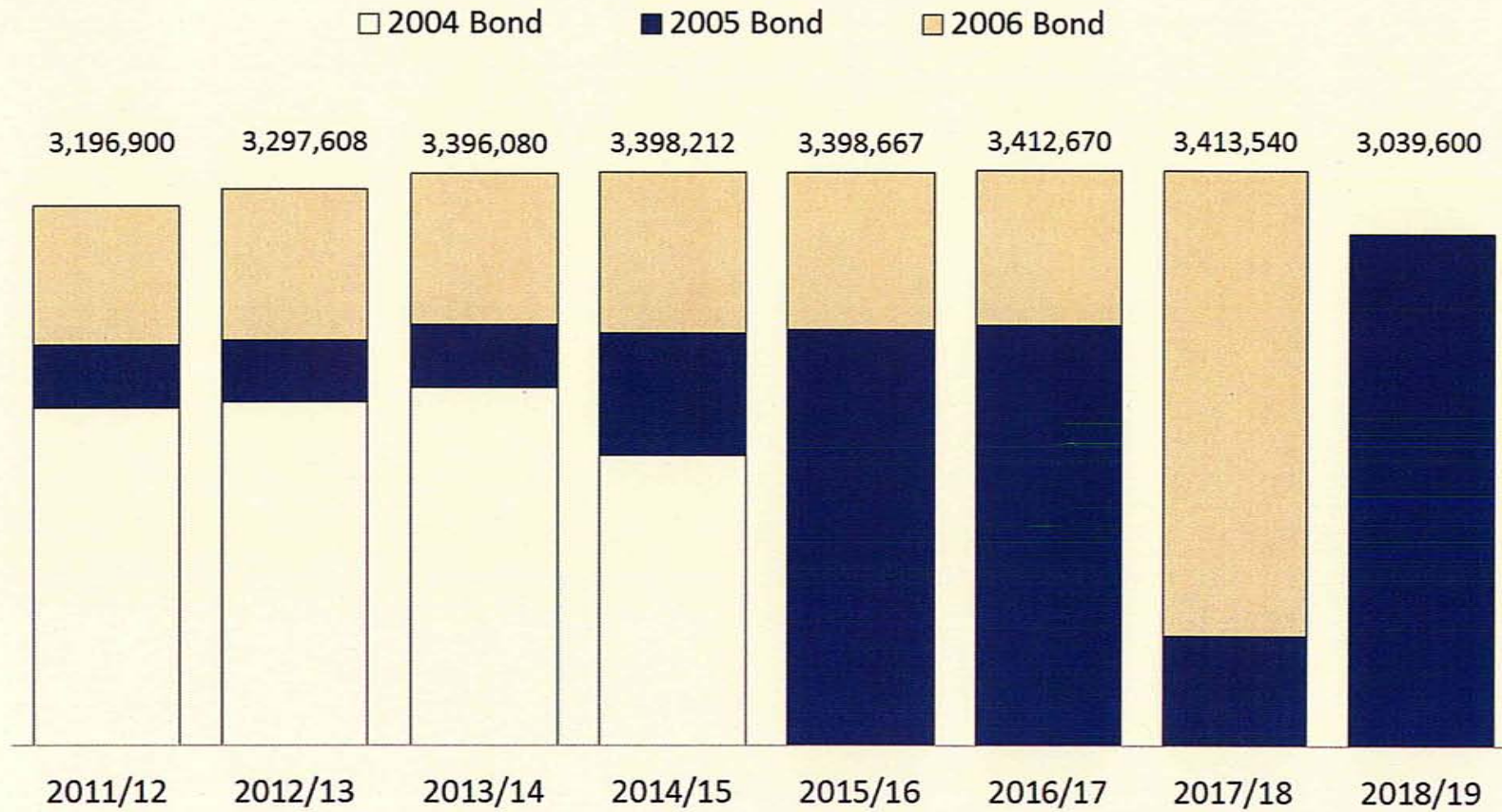


Existing Referendum Approved (Fund 39) Debt History





Existing Referendum Approved (Fund 39) Scheduled Debt Service (Not Including Debt Levy Mitigation Funds)





Legal Debt Limit

- Wisconsin Statutes limit Indebtedness to 10% of Equalized Valuation, (TID IN)
- District's 2011 Equalized Valuation - \$1,467,410,329
- Legal Debt Limit (10%) - \$146,741,032
- General Obligation Debt Outstanding - \$20,400,000
- Debt Limit Remaining - \$126,341,032
86%



Debt Overview Summary

- Three Existing Bond issues – 2004, 2005, 2006
- All Existing Bond Issues – Advance Refundings
- Debt Management Options
 - Tax-Exempt Current Refunding at Call Date
 - Taxable Advanced Refunding Prior to Call Date
- History of Debt Levy Mitigation – Debt Service Fund
 - As of June 30, 2011 - \$204,678
- General Fund Balance Designated to Debt Service
 - As of June 30, 2011 - \$289,363
- District's Existing Moody's Bond Rating "Aa3"



Revenue Limit, State Aid and Property Tax Levy Overview



Revenue Limit

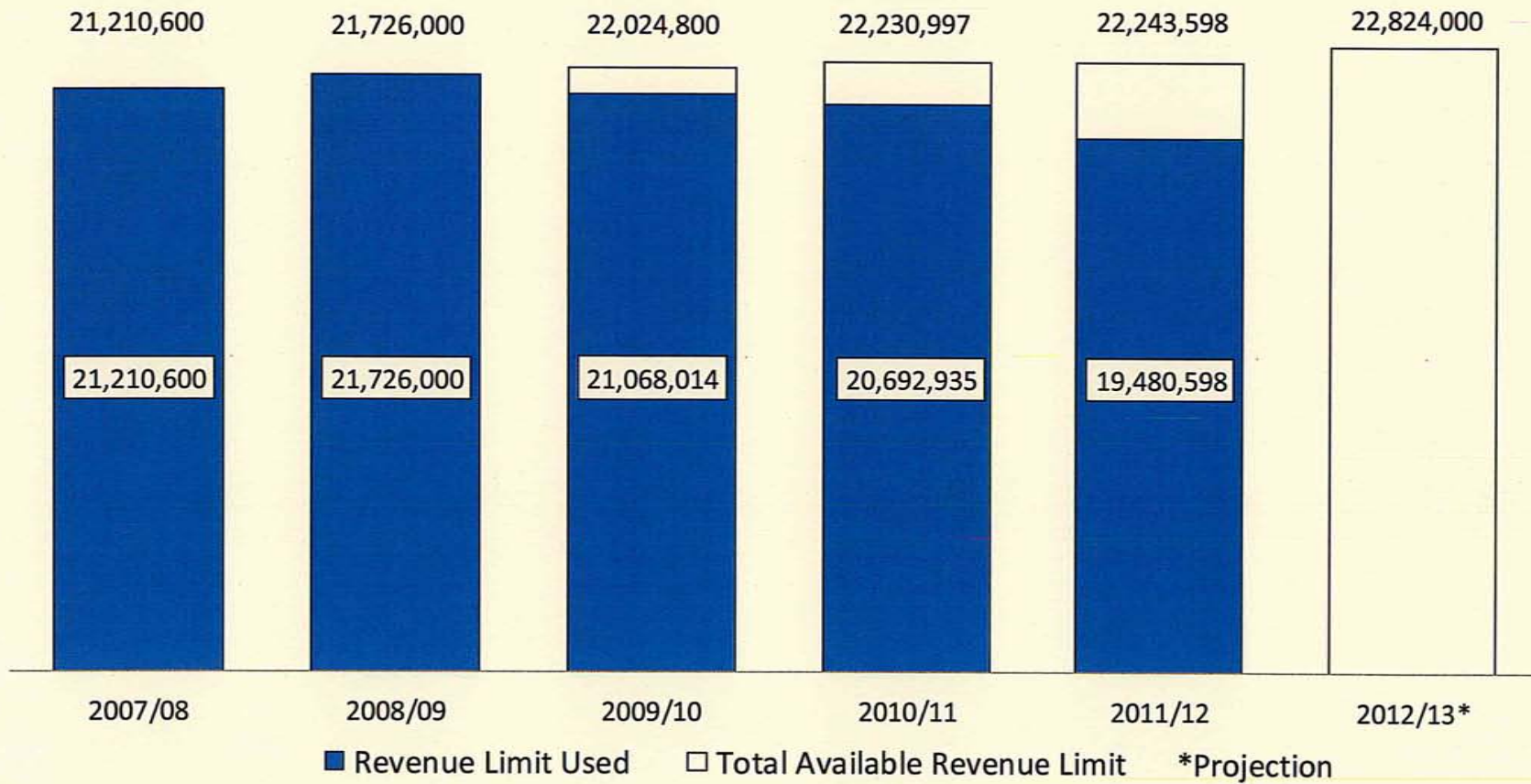
The revenue limit law was imposed on all Wisconsin School Districts beginning in 1993. The law limits the amount of revenues districts receive to pay operating expenses from state aid and property taxes. The revenue limit calculation is impacted by student enrollment and legislative modifications.

- 2007 – 2008 District levied to maximum limit
- 2008 – 2009 District levied to maximum limit
- 2009 – 2010 District underlevied \$956,786
- 2010 – 2011 District underlevied \$1,538,062
- 2011 – 2012 District underlevied \$2,763,000

- 2012 – 2013 DPI worksheet allowable revenue limit - \$22,824,000 (\$580,400 above 2011-12 allowable limit)

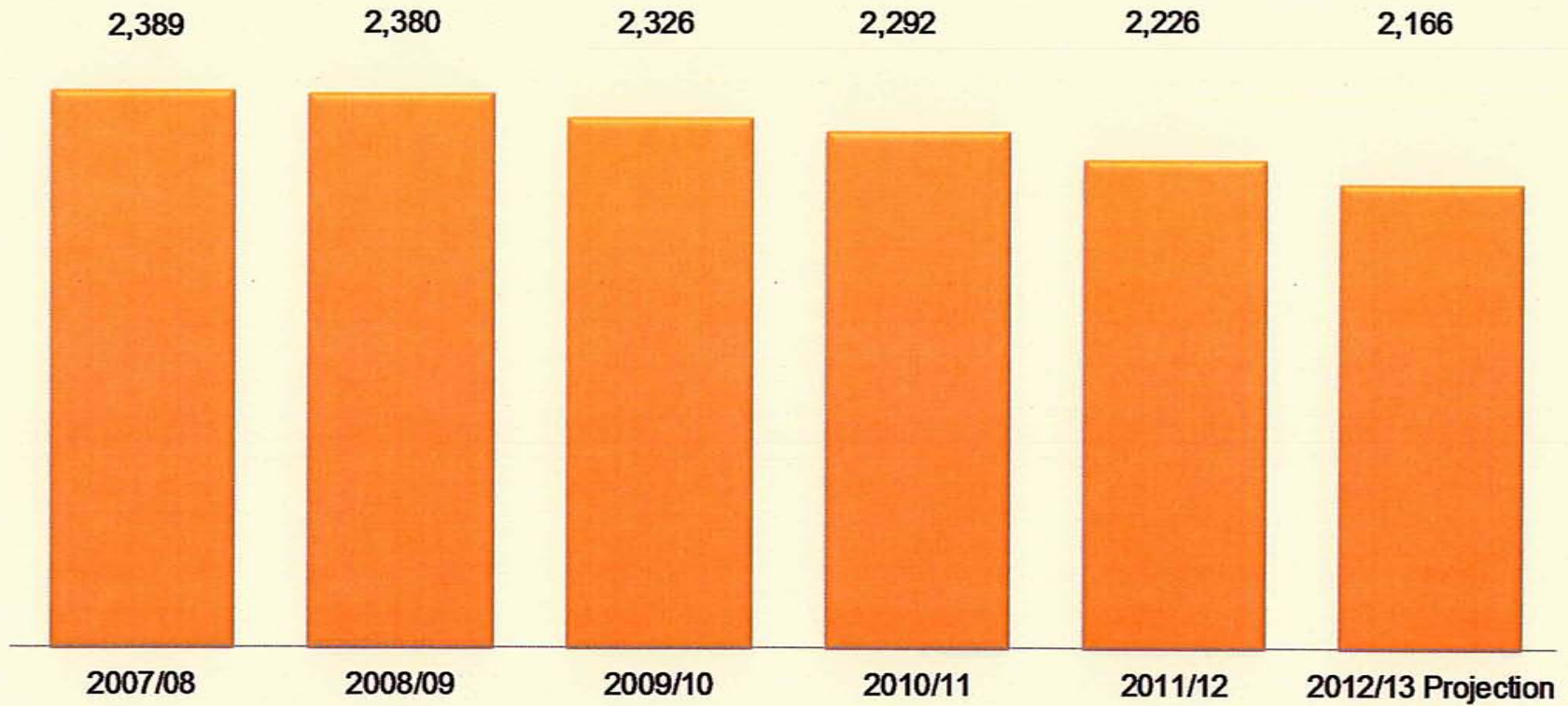


History of Revenue Limit





Revenue Limit Total Annual FTE





State Aid – General (Equalization)

Waupaca School District's 2011-12 budget received state aid equal to approximately 40% of the prior budget year's operating and debt service expenses. The formula is divided into three tiers. Waupaca is a negative tertiary tier district – aid calculated in the first two tiers and is subtracted in the third tier. When a district's per-pupil property value exceeds the state guarantee, "negative aid" is generated.

State aid is not guaranteed and is subject to funding within the State's biennial budget.

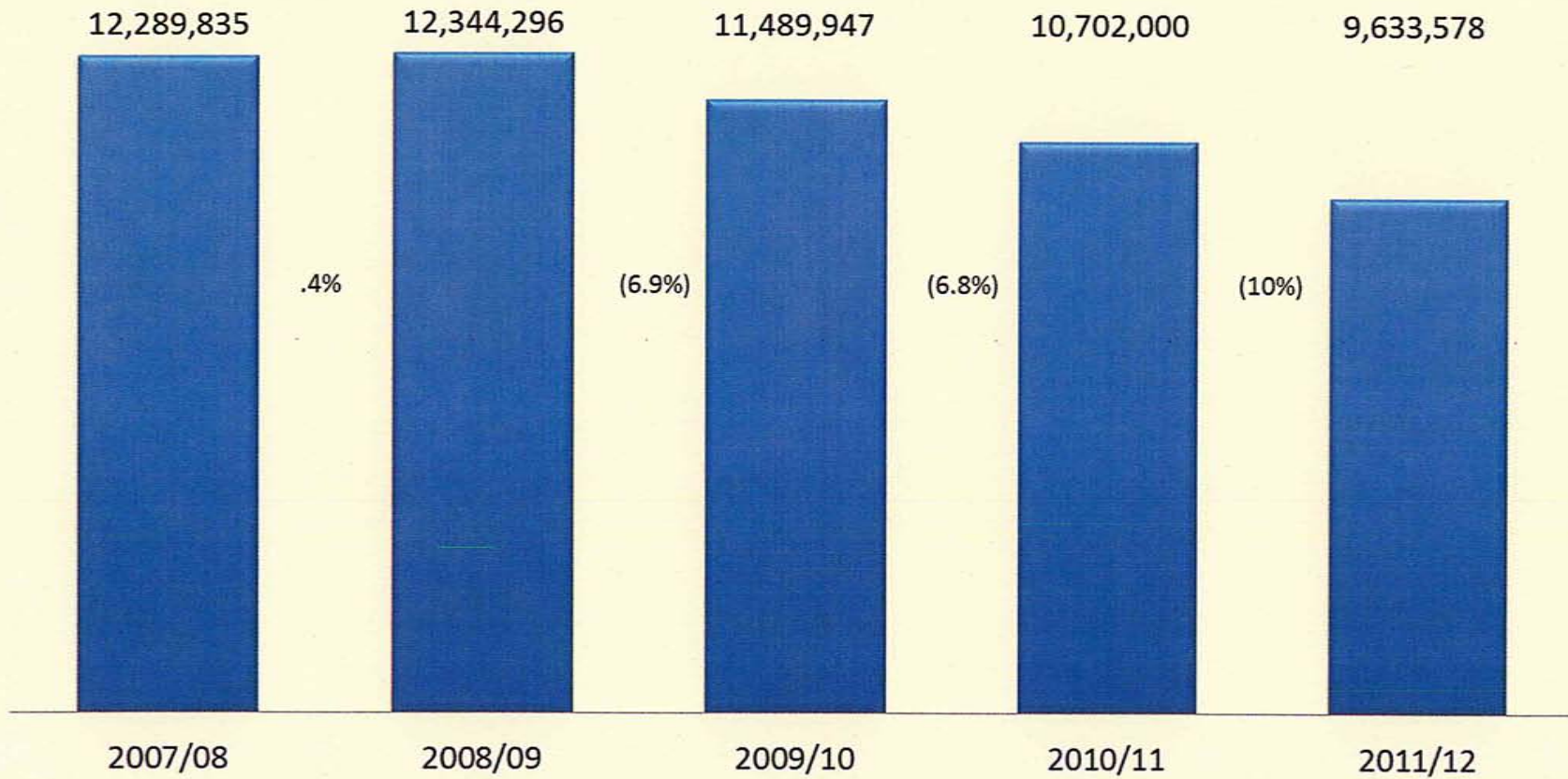
General aid has been declining over the last three years. Increased property value per student also increased the percent of negative tertiary aid. The 2011-12 budget year decrease was impacted by the State's biennial budget for all Wisconsin School Districts.

State's appropriation for 2012-13 equalization aid for all Wisconsin School Districts is approximately \$4.29 Billion which is .75% greater than the 2011-12 appropriation.

No information on the amount of aid districts will receive is currently available from DPI. DPI gathers 2011-12 budget information from all district's to provide aid estimates for the 2012-13 budget year. Each district is compared to State-wide averages. For example: As expenditures trend downward, overall shared costs are reduced. State aid appropriation is approximately the same. Individual district expenditures, compared to state averages, will determine the potential for any reduction in aid.



General (Equalization) Aid

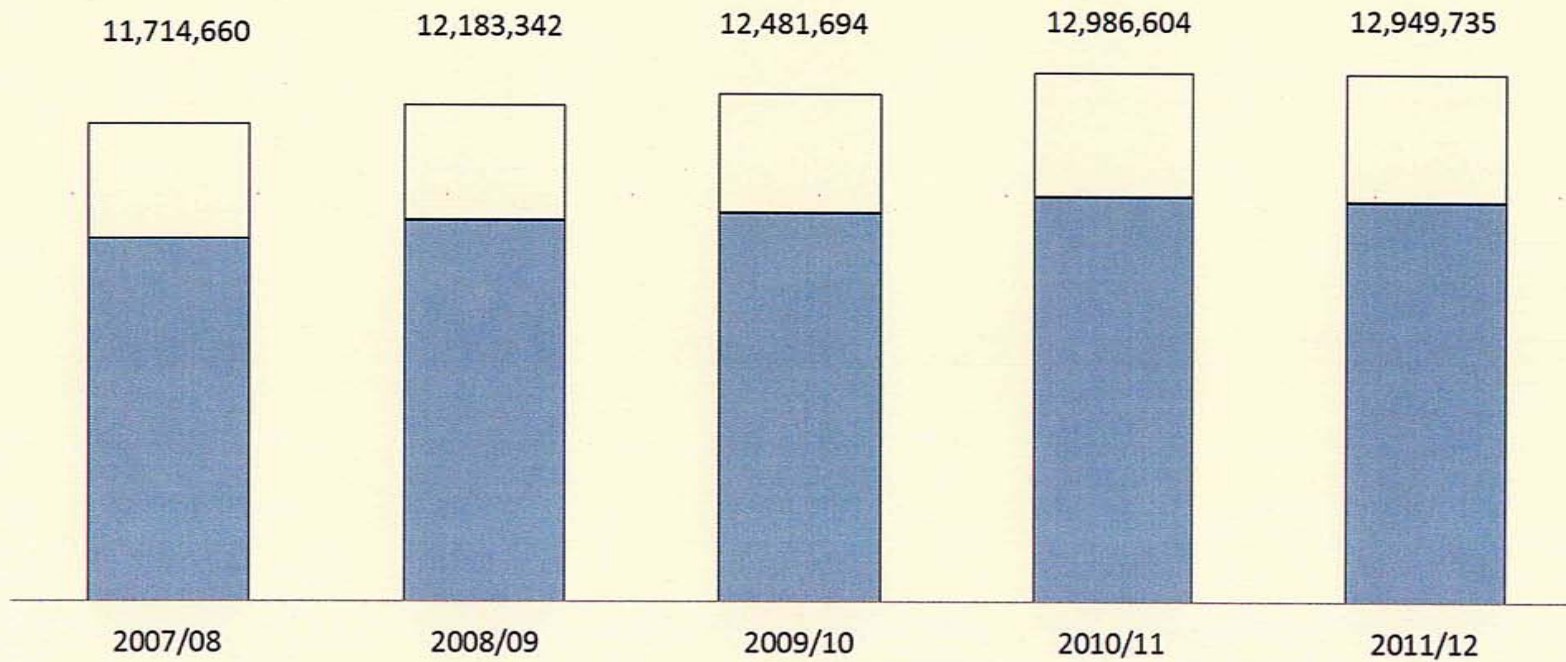




History of Tax Levy by Fund

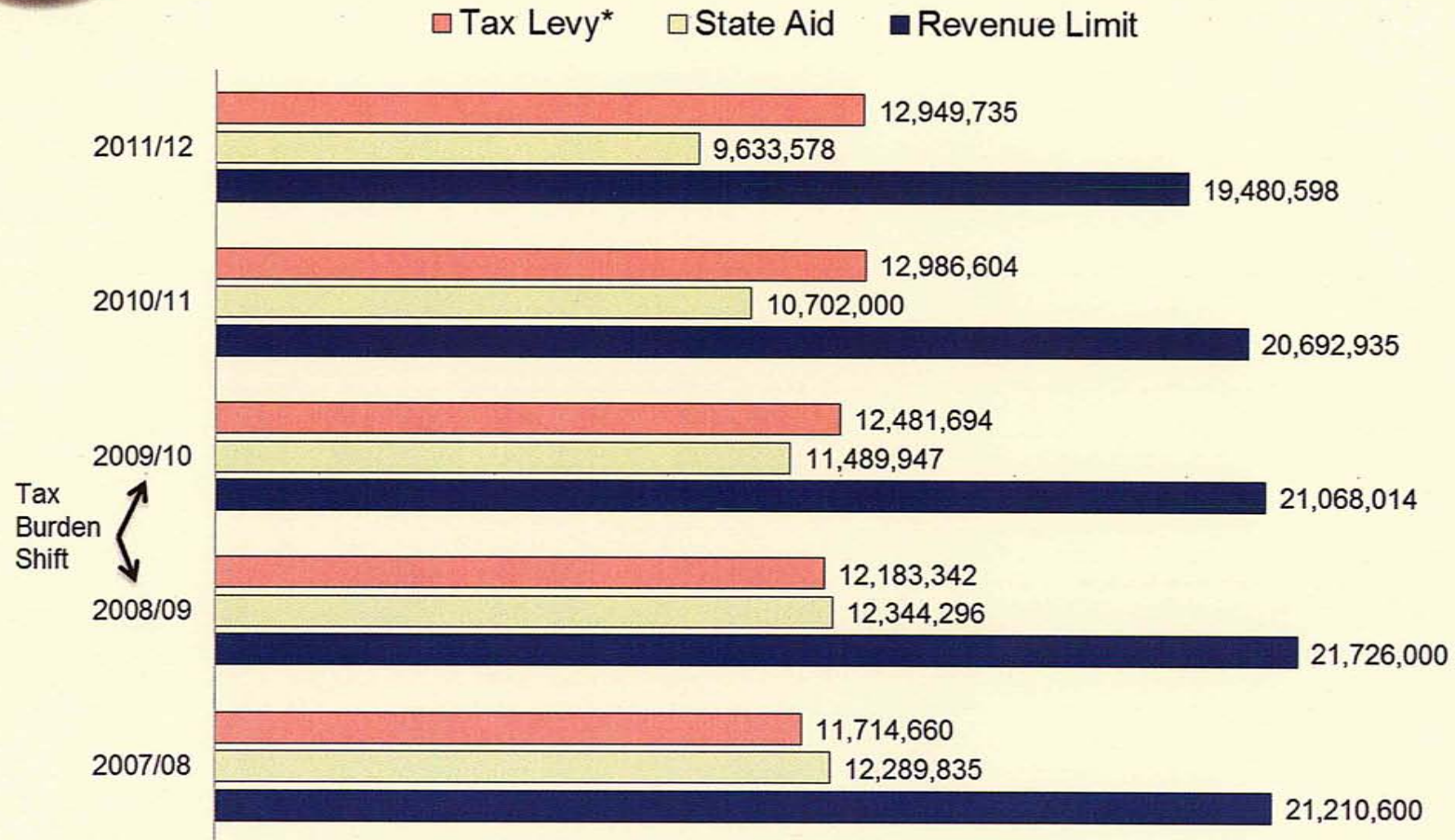
■ Fund 10 ■ Fund 41 □ Fund 39

Fund 10-Operating
Fund 41-Capital Expansion
Fund 39-Ref. Approved Debt





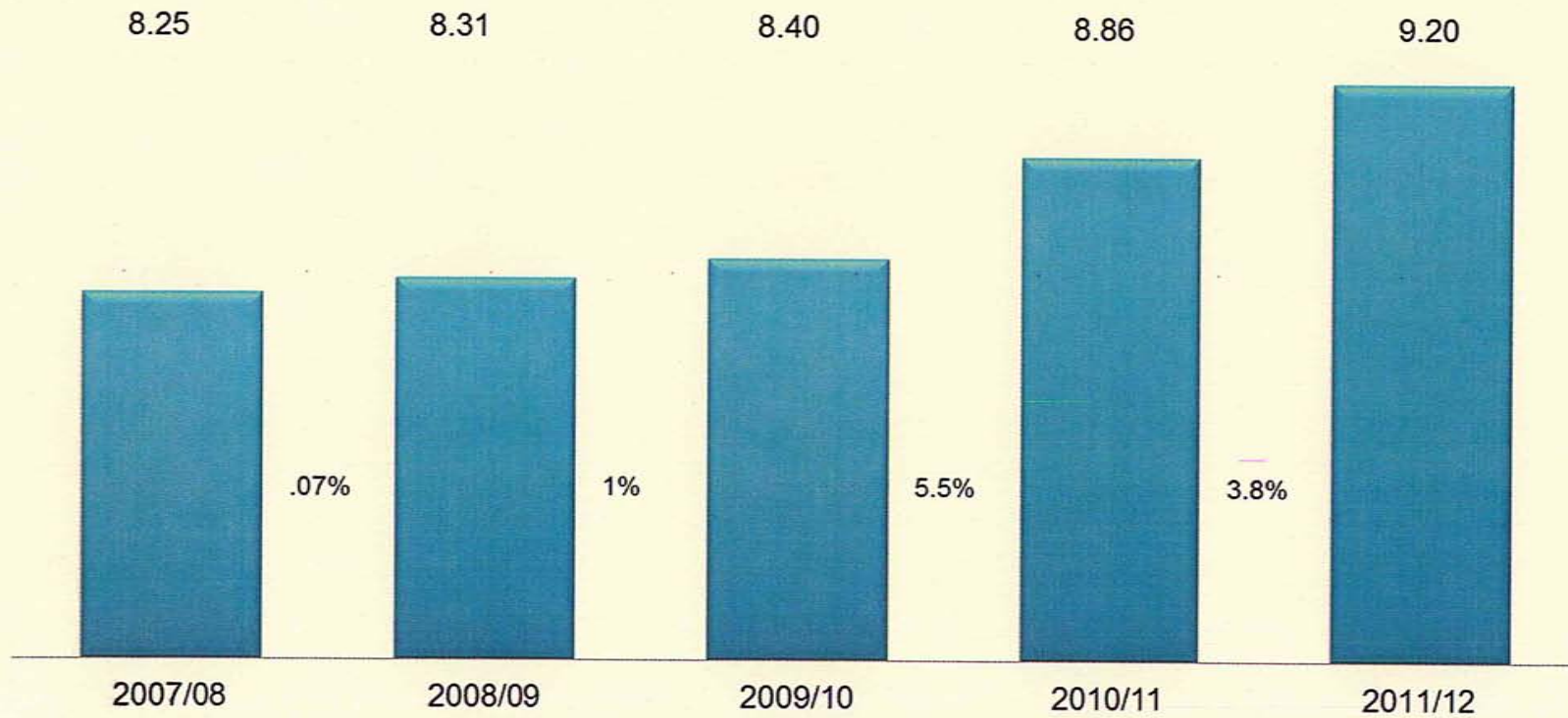
Comparison of Revenue Limit Used, State Aid and Tax Levy



*Includes Operations, Debt Service and Capital Expansion

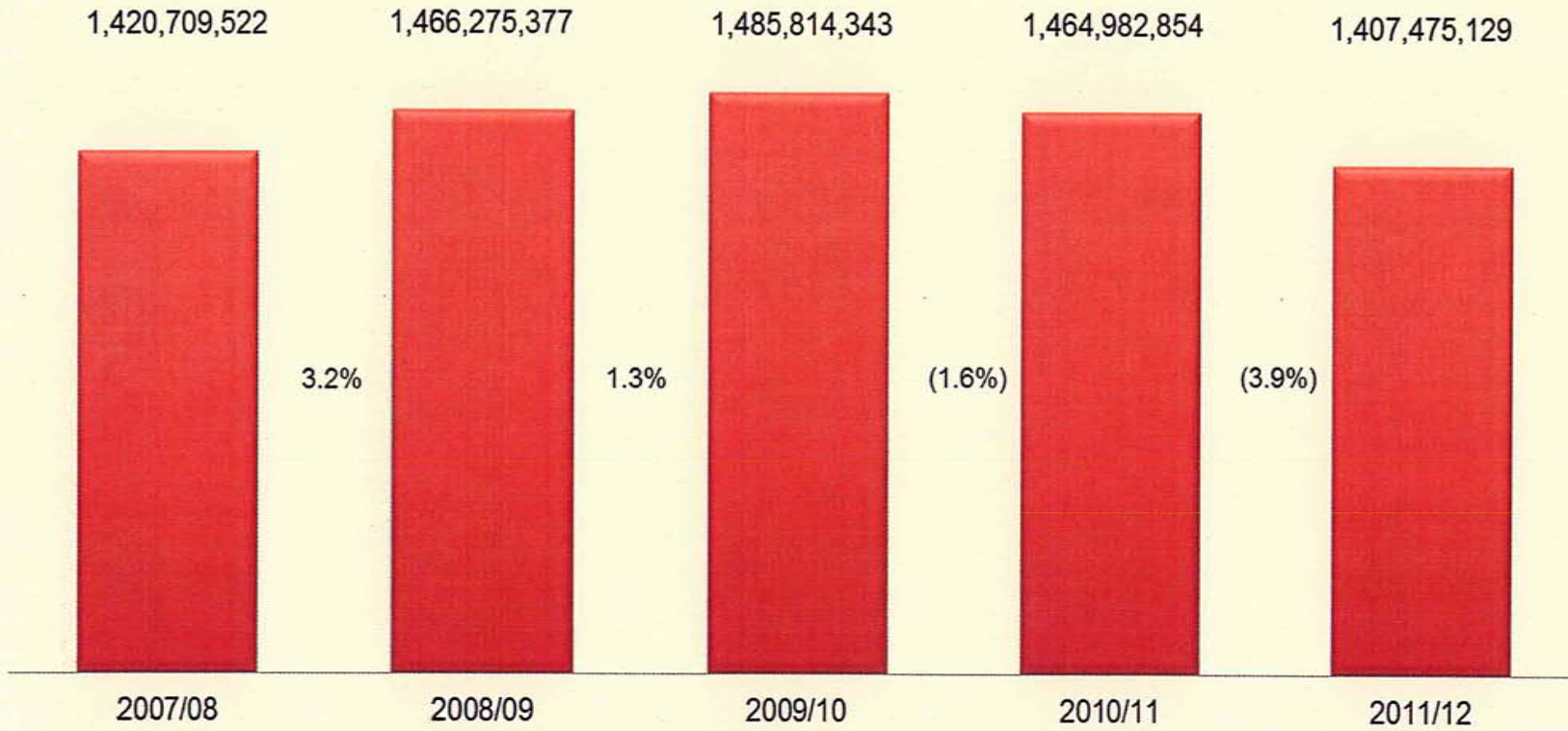


History of Tax Rate Per \$1,000 Equalized Value





History of District Equalized Values





Revenue Comparison

Budget Year	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13 (Est)</u>
State Aid	\$10,702,000	\$ 9,633,578	\$ 8,978,495 (6.8% decline)
Property Taxes	<u>\$12,986,604</u>	<u>\$12,949,735</u>	<u>\$13,604,810</u>
Total Revenues	\$23,688,604	\$22,583,313	\$22,583,305
Debt Service & Charge Back	(\$ 3,025,993)	(\$ 3,136,470)	(\$ 3,250,000)
Underlevy	\$ 1,538,062	\$ 2,763,000	\$ 3,455,232
Computer Aid	<u>\$ 30,324</u>	<u>\$ 33,755</u>	<u>\$ 35,463</u>
Total Allowable Revenue	\$22,230,997	\$22,243,598	\$22,824,000
Tax Rate	\$8.86	\$9.20	\$9.66

Assumptions –

2012-13 DPI Revenue Limit Worksheet

2012 FTE – 2,166 (decline of 60)

2011 Equalized Valuation

State Aid reduced 6.8% (similar to 10-11 budget year)

No increase/decrease in revenues 2011-12 to 2012-13



2012-13 Projection Revenue Limit Worksheet

2012-2013 Revenue Limit Worksheet: (6.8% decline in Aid, UnderLevy)		
1.	2011-12 Base Revenue (Funds 10, 38, 41)	(from left) 19,480,598
2.	Base Sept Membership Avg (09+.4ss, 10+.4ss, 11+.4ss/3)	(from left) 2,281
3.	2011-12 Base Revenue Per Member (Ln 1 / Ln2)	(with cents) 8,540.38
4.	2012-13 Per Member Change (A+B)	459.62
	A. Allowed Per Pupil Change (\$50.00)	50.00
	B. Low Rev Incr ((9,000 - (3 + 4A)) - 4C) Not < 0	409.62
	C. Low Rev Dist in CCDEB (enter adjustment provided by DPI)	0.00
5.	2012-13 Maximum Revenue / Memb (Ln 3 + Ln 4)	9,000.00
6.	Current Membership Avg (10+.4ss, 11+.4ss, 12+.4ss/3)	(from left) 2,228
7.	2012-13 Rev Limit, No Exemptions (Ln 5 x Ln 6) + Ln 7B	(rounded) 20,052,000
	A. Max Rev/Memb x Cur Memb Avg (Ln 5 x Ln 6)	20,052,000
	B. Hold Harm Non-Recurr Exemption from 2010-11	0
8.	Total Recurring Exemptions (A+B+C+D+E)	(rounded) 2,295,000
	A. Prior Year Carryover	2,295,000
	B. Transfer of Service (if negative, include sign)	0
	C. Transfer of Territory (if negative, include sign)	0
	D. Federal Impact Aid Loss (2010-11 to 2011-12)	0
	E. Recurring Referenda to Exceed (If 12-13 is first year)	0
9.	2012-13 Limit with Recurring Exemptions (Ln 7 + Ln 8)	22,347,000
10.	Total 2012-13 Non-Recurring Exemptions (A+B+C+D)	477,000
	A. Non-Recurring Referenda, to Exceed 2012-13 Limit	0
	B. Declining Enrollment Exemptn for 12-13 (from left)	477,000
	C. Energy Efficiency Exemption for 12-13	0
	D. Adjustment for Refunded/Rescinded Taxes, 2012-13	0
11.	2012-13 Revenue Limit With All Exemptions (Ln 9 + Ln 10)	22,824,000
12.	Total Aid to be Used in Computation (12A + 12B)	8,978,495
	A. October 15 Certification of 2012-13 General Aid	8,978,495
	B. State Aid to High Poverty Districts (not all dists) Source 628	0
13.	Allowable Limited Revenue: (Line 11 - Line 12) (10, 38, 41 Levies + Src 691. Src 691 is DOR Computer Aid.)	13,845,505
14.	Total Limited Revenue To Be Used (A+B+C)	Not > line 13 10,390,273
	Entries Required Below: Amnts Needed by Purpose and Fund:	
	A. Gen Operations: Fnd 10 including Src 211 & Src 691	10,353,273 (Proposed Fund 10)
	B. Non-Referendum Debt (inside limit) Fnd 38 Src 210	(to Budget Rpt)
	C. Capital Exp. Annual Meeting Approved: Fnd 41 Src 210	37,000 (to Budget Rpt)
15.	Total Revenue from Other Levies	(A+B+C+D): 3,250,000
	A. Referendum Apprvd Debt (Non Fund 38 Debt-Src 210)	3,250,000
	B. Community Services (Fnd 80 Src 210)	(to Budget Rpt)
	C. Prior Year Levy Chargeback (Src 212)	(to Budget Rpt)
	D. Other Levy Revenue - Milwaukee & Kenosha Only	(to Budget Rpt)
16.	Total Levy + Src 691, "Proposed Levy" (Ln 14 + Ln 15)	13,640,273
17.	Est Src 691 (Comp Aid) Based on Ln 16 & Values Entered	(to Budget Rpt) 35,463
18.	Fnd 10 Src 211 (Ln 14A-Ln 17), 2012-13 Budget	10,317,810
	<i>Line 18 (not 14A) is the Fund 10 Levy certified by the Board.</i>	
19.	Total Fall, 2012 All Fund Tax Levy (14B + 14C + 15 + 18)	13,604,810
	Line 19 is the total levy to be apportioned in the PI-401.	Levy Rate = 0.00966611
20.	Fund 30 Src 210 (38 + Non-38) (Ln 14B + Ln 15A)	3,250,000
21.	ESTIMATED PER PUPIL ADJUSTMENT AID (Src 619, 2012-13 only)	
	A. Max RL (ln 11) - PY Carry Over (ln 8A) / Member (ln 6)	9,214.09
	B. Actual Ltd Rev (ln 12-ln 14B-ln 14C-ln 17-ln 18) / Member (ln 6)	8,693.34
	NOTE: This categorical aid is OUTSIDE the revenue limit. Max Possible: 111,400	



Financial Performance Indicators

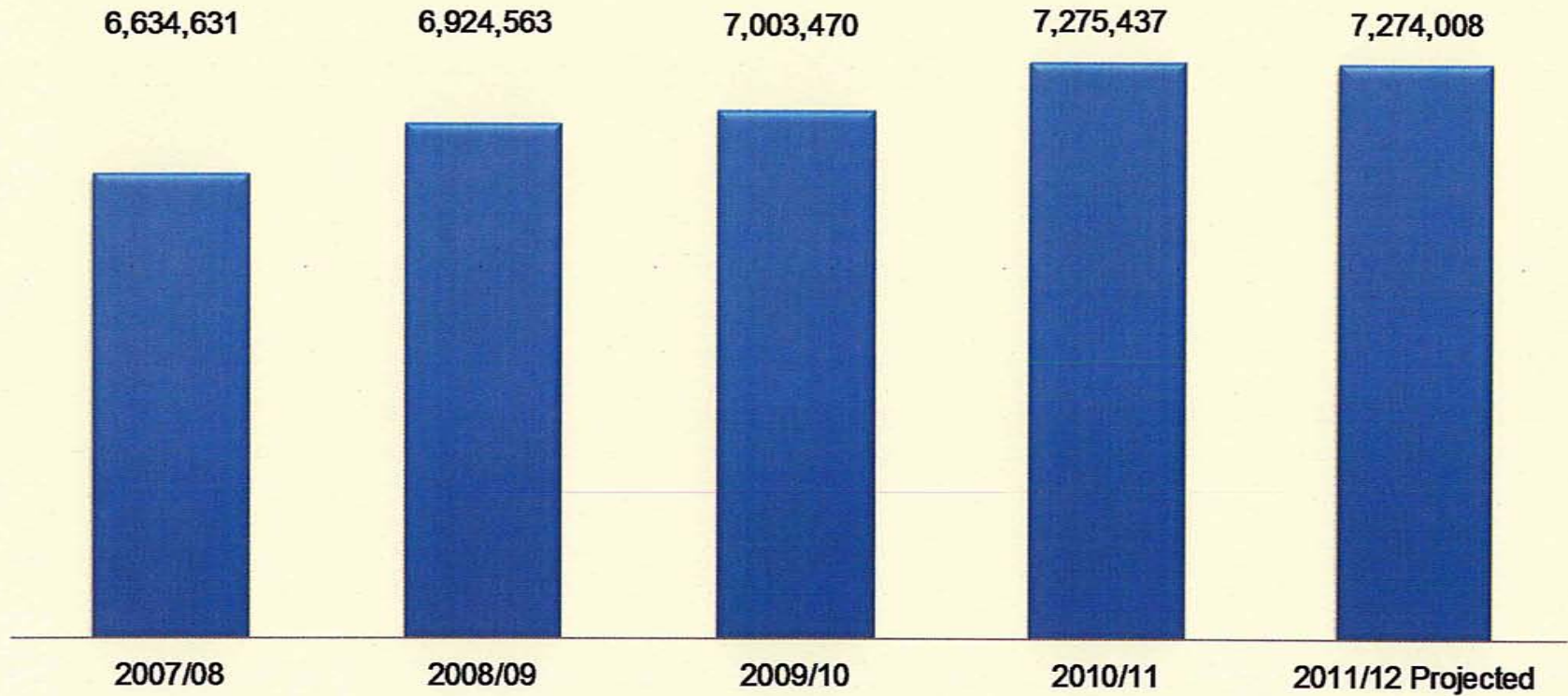


Fund Balance

- Operating reserves that are continuously work to pay monthly operating expenses prior to receipt of tax levy, state aid and federal grants
- Management tool which plays a critical role in monitoring successfully managed governments
- Important credit factor- establishes financial flexibility in time of economic slowdown
- Formal policy is viewed more favorably by rating agencies
- Adherence to fund balance strategy reflects positively on management
- Reduces/eliminates need to cash flow borrow



History of Fund Balance





Bond Rating History

School District of Waupaca Bond Ratings

Moody's Rating Scale

2010

Aa3

Aaa

Aa1

Aa2

Aa3

A1

2004

A2

A2

A3



Select Moody's Medians

As of 10/5/2011

Wisconsin Medians – School Districts

Total Entities Rated 204	6 Aaa	11 Aa1	62 Aa2	66 Aa3	57 A1	2 A2	Waupaca School District
Financial Statistics & Ratios							
Total GF Revenues (\$000)	\$67,694	\$47,654	\$34,273	\$18,011	\$12,222	\$54,439	\$23,190
GF Balance as of % of Revenues	23.6	19.0	20.6	18.6	18.0	10.2	31.3
Unreserved GF Balance as % of Rev	23.4	18.9	19.9	18.5	18.0	9.9	25.9
Tax Base Statistics and Ratios							
Total Full Value (\$000)	\$5,635,347	\$3,349,967	\$2,133,707	\$1,137,204	\$77,897	\$2,827,737	\$1,467,410
Full Value Per Capita (\$)	\$160,355	\$113,513	\$94,136	\$90,236	\$72,316	\$74,770	\$91,380
Average Annual Increase in FV (%)	2.0	1.4	3.3	3.5	3.6	2.3	-.25
Debt Statistics & Ratios							
Direct Net Debt as % of Full Value	0.4	0.7	1.1	1.0	1.3	1.5	1.4
Direct Net Debt Per Capita (\$)	\$554	\$684	\$904	\$995	\$1,115	\$1,166	\$1,270
Debt Service as % of OE	6.2	8.8	8.5	8.9	10.2	8.3	6.8
Payout, 10 yrs.	81.9	93.6	90.3	100.0	94.3	86.1	100.0
Demographic Statistics							
Population 2010 Census	37,518	25,955	17,550	10,352	6,283	39,645	16,058
Population Change 2000-2010 (%)	6.2	10.8	17.3	17.2	11.1	8.8	2.65



School District Population

<u>Municipality</u>	<u>Equalized Value TID OUT</u>	<u>District's Equalized Value TID OUT</u>	<u>Percent In District</u>	<u>2010 Census Population</u>	<u>2010 District Population</u>	<u>2000 Census Population</u>	<u>2000 District Population</u>
Town of Belmont	60,772,600	15,022,059	24.72%	616	152.27	623	154.00
Town of Lanark	120,757,700	45,113,291	37.36%	1,527	570.46	1,449	541.32
Town of Dayton	365,304,300	362,218,811	99.16%	2,748	2,724.79	2,734	2,710.91
Town of Farmington	446,470,800	446,470,800	100.00%	3,974	3,974.00	4,148	4,148.00
Town of Lind	119,672,500	86,482,806	72.27%	1,579	1,141.08	1,381	998.00
Town of Royalton	121,045,900	146,890	0.12%	1,434	1.74	1,523	1.85
Town of Saint Lawrence	63,257,600	10,164,315	16.07%	710	114.08	740	118.90
Town of Scandinavia	106,630,100	15,249,982	14.30%	1,066	152.46	1,075	153.74
Town of Waupaca	89,497,100	85,943,935	96.03%	1,173	1,126.43	1,155	1,109.14
City of Waupaca	336,128,200	336,128,200	100.00%	6,069	6,069.00	5,676	5,676.00
Town of Saxeville	141,035,400	4,534,040	3.21%	986	31.70	974	31.31

Total

1,407,475,129

16,058.01

15,643.18

2010 Increase
Over 2000

414.83
2.65%



Financial Highlights/Challenges

- Strong history of general fund balance
- Consideration of fund balance policy
- District does not borrow for operating purposes (cash flow)
- Long term debt repaid in seven years
- Debt service funds for tax levy mitigation
- Capital expansion fund - \$761,328
- OPEB - Managing Liability
- Declining Enrollment
- Declining State Aid – Tax Burden Shift
- Flat growth in tax base