

# EXECUTIVE SUMMARY

## FOR THE SHOREWOOD SCHOOL BOARD

**Topic:** Resolution to approve the transfer of the non-levy balance in Fund 80 to Fund 21

**Date:** 21 July, 2015

**Prepared by:** Patrick Miller

---

**Recommended action:**

<input type="checkbox"/>	Information only
<input type="checkbox"/>	Presentation/discussion
<input type="checkbox"/>	Discussion/action by committee
<input checked="" type="checkbox"/>	Discussion/action by board of education
<input type="checkbox"/>	Presentation/action next meeting

**Recommendation(s):** Approval of the RESOLUTION TO APPROVE THE TRANSFER OF THE NON-LEVY BALANCE IN FUND 80 TO FUND 21

**Purpose:** This resolution will allow the School District of Shorewood to transfer excess fund balance from fund 80 to fund 21.

**Background:** In 2013, legislative action by the State of Wisconsin brought about changes to the processes used by school districts that managed recreation departments through the community service fund, fund 80. The legislature also charged the DPI with establishing rules to guide the financial management of fund 80 (PI-80) During the development of PI-80, some districts that managed large recreation departments, such as we do in Shorewood, built up fund balances that were restricted in their use under PI-80. The DPI established a one-time transfer rule, allowing such districts to move non-levy fund balance from the highly restricted community service fund, fund 80, to the more flexible special projects fund, fund 21.

The dollars transferred will still be used for the original purpose of maintenance and development of district facilities to benefit the community as well as the School District of Shorewood. In the 09 June School District of Shorewood School Board meeting, a preliminary listing of planned maintenance and development projects was presented. The district will use this plan as a guide, but the DPI will not require the district to adhere to a specific listing of projects, allowing for some flexibility in projects as needs arise. There is also no required time table on spending these funds, allowing the district to manage some longer range maintenance needs such as SHS pool and field turf maintenance.

Modifications to the resolution were made in consultation with the DPI. I recommend the board approve this resolution.

**Attachment:** Resolution to approve the transfer of the non-levy balance in fund 80 to 21

**RESOLUTION TO APPROVE THE TRANSFER  
OF THE NON-LEVY BALANCE IN FUND 80 TO FUND 21**

**BE IT RESOLVED** by the School Board of the School District of Shorewood, Milwaukee County, Wisconsin, that the non-levy balance in the amount of \$1,200,000.00 in the District's Community Service Fund (Fund 80) be transferred to the Special Revenue Trust Fund (Fund 21).

This transfer amount of \$ 1,200,000.00 was generated from rental fees and donations collected by the Shorewood School District Recreation Department in excess of the planned community service levy over the past five years. In the past, the Recreation Department of the Shorewood School District managed the shared long-term maintenance cost of district facilities through the Community Service Levy and the collection of dues and fees. Changes to policy regarding the use of rec department funds resulted in the accumulation of these excess funds.

The funds transferred from Fund 80 to Fund 21 will be used by the district to support planned short and long-term maintenance of facilities used by the community recreation programs within the district.

In the future, rental fees for use of district facilities will be deposited in the General Fund (Fund 10) and donations will be deposited in the Special Revenue Trust Fund (Fund 21). We plan to evaluate and adjust program fees to prevent the reoccurrence of significant non-levy fund balance. This practice should result in a manageable fund balance for the Community Service Fund in the future and prevent such substantial fund balances from accumulating.

We acknowledge that we are responsible for any and all impacts on the Equalization Aid calculation this transaction creates now or in the future. We also understand that this is a one-time opportunity and all transactions must be completed by July 31, 2015, and that this action will impact the 2014-15 District financial statements.

Adopted and recorded \_\_\_\_\_, 2015

\_\_\_\_\_  
Paru Shah - Board President

ATTEST:

\_\_\_\_\_  
Rodney Cain - District Clerk