

Tomahawk School District

Baird Budget Forecast Model Presentation

April 8, 2014



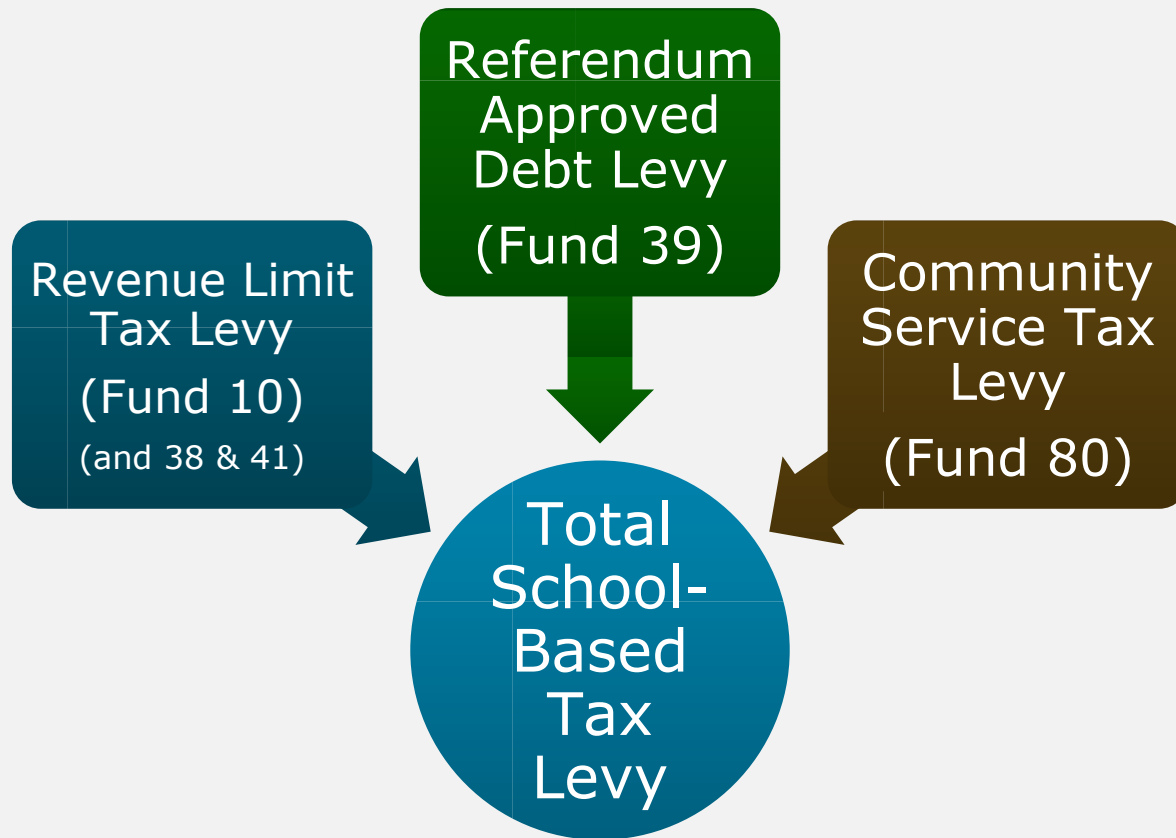
Why a Forecasting tool?

Interrelated Data Components

- Connects inter-related budget components
 - Resident student membership (FTE)
 - Equalized property value
 - Spending
 - Revenue Limit revenue
 - Equalization Aid
 - Tax Levy
 - Mill Rate, etc.
- Efficiently allows “what-if” scenarios
- Allows a long-range view for planning and decision-making

TAX LEVY AND MILL RATE

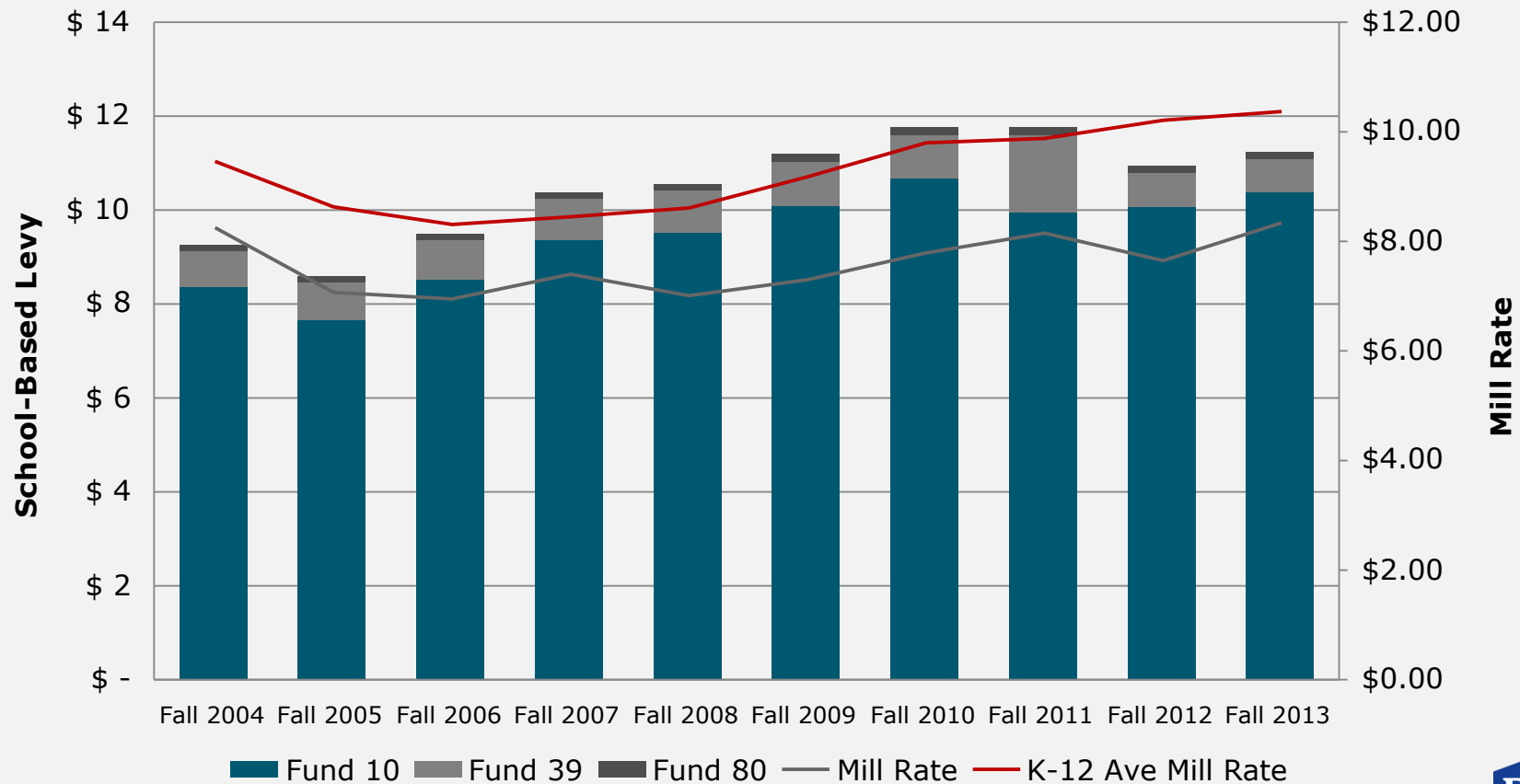
Calculating the Tax Levy



Calculating the Mill Rate



Levy by Fund and Calculated Mill Rate



Source: DPI Website

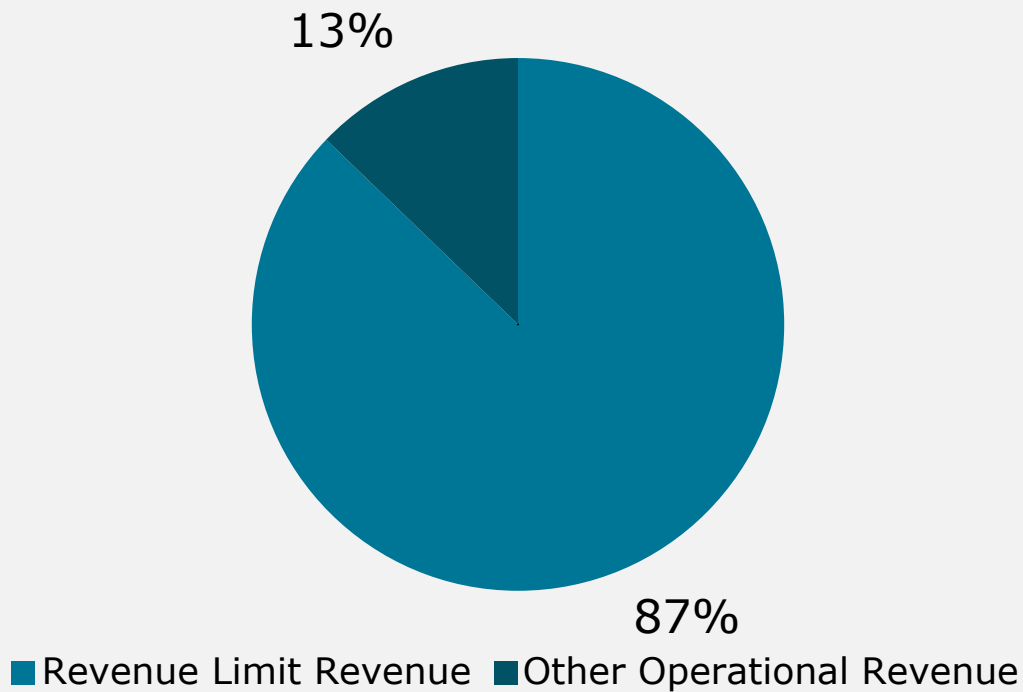
BUDGET PROJECTIONS

Key Financial Components

- Revenue Limits
- Equalization Aid (a.k.a State Aid)
- Tax Levy
- Mill Rate
- Salary and Benefits
- Other Revenues and Expenditures
- Referendum / Non-Referendum Debt

Revenue Limits

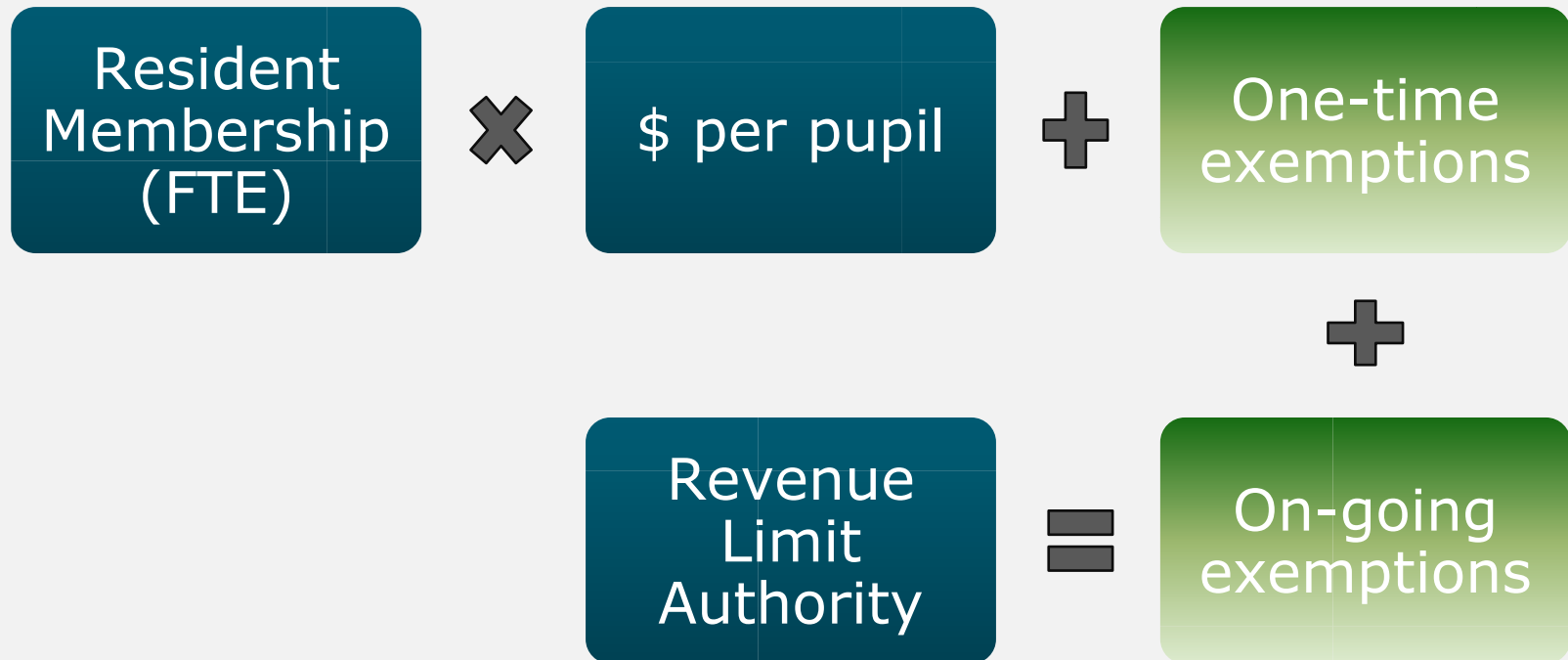
General Fund Revenue 2014-15 Budget



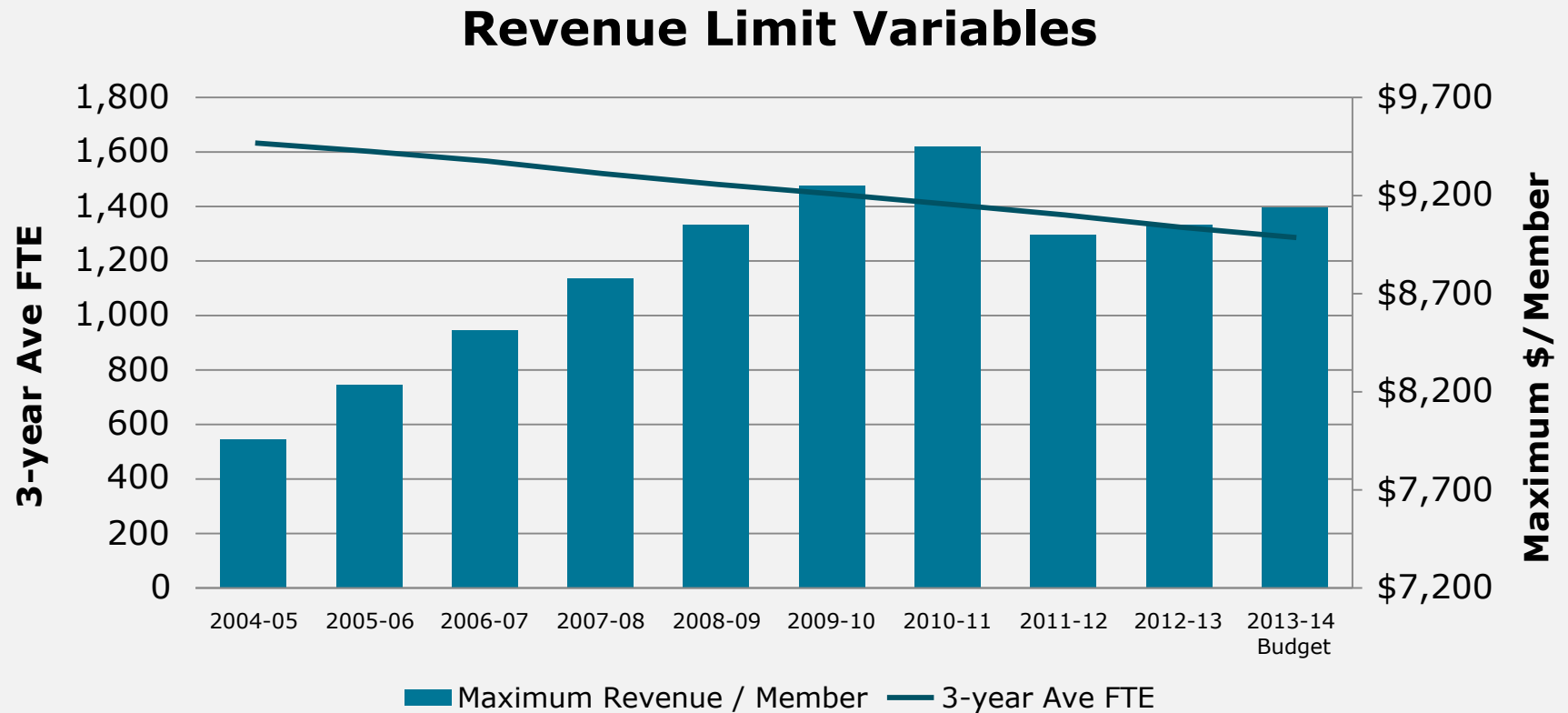
Revenue Limits:

- Established in 1993
- Limits the amount of revenue a school district can generate through the sources of **state equalization aid** and the **local tax levy**

How to Calculate the Revenue Limit



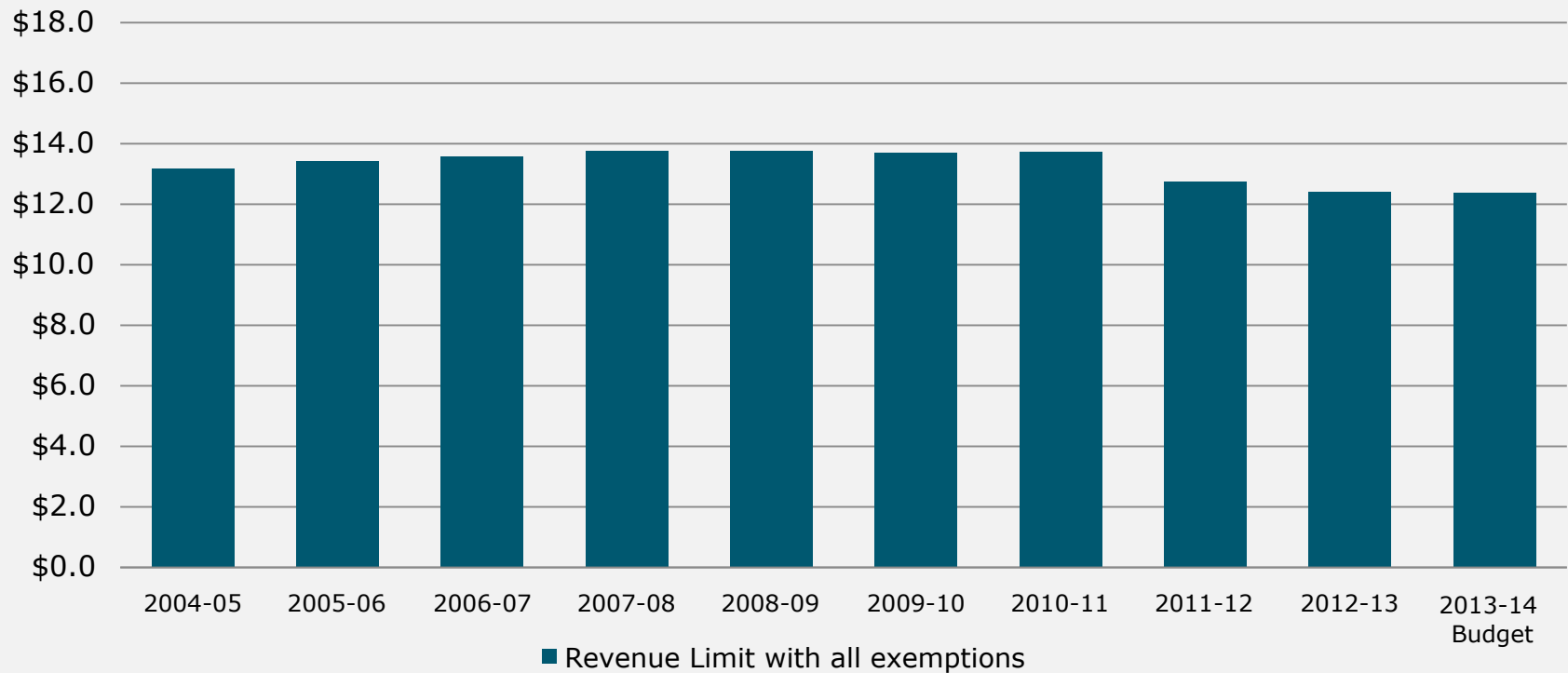
Revenue Limit Variables



Source: DPI Website

Revenue Limit with all Exemptions

Revenue Limit with all Exemptions

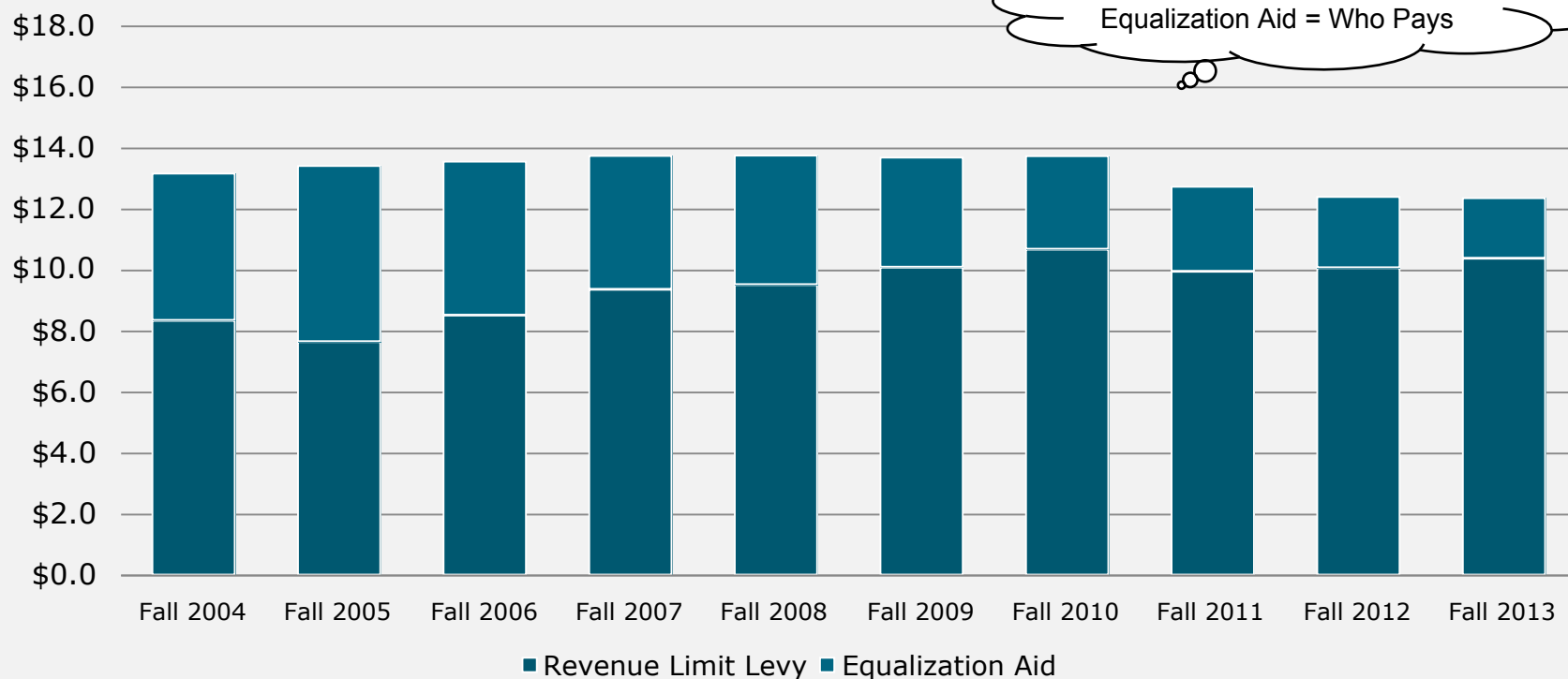


Source: DPI Website

State Equalization Aid Levy impact vs. Budget impact

Revenue Limit Levy/Aid

Revenue Limit = How Much
Equalization Aid = Who Pays

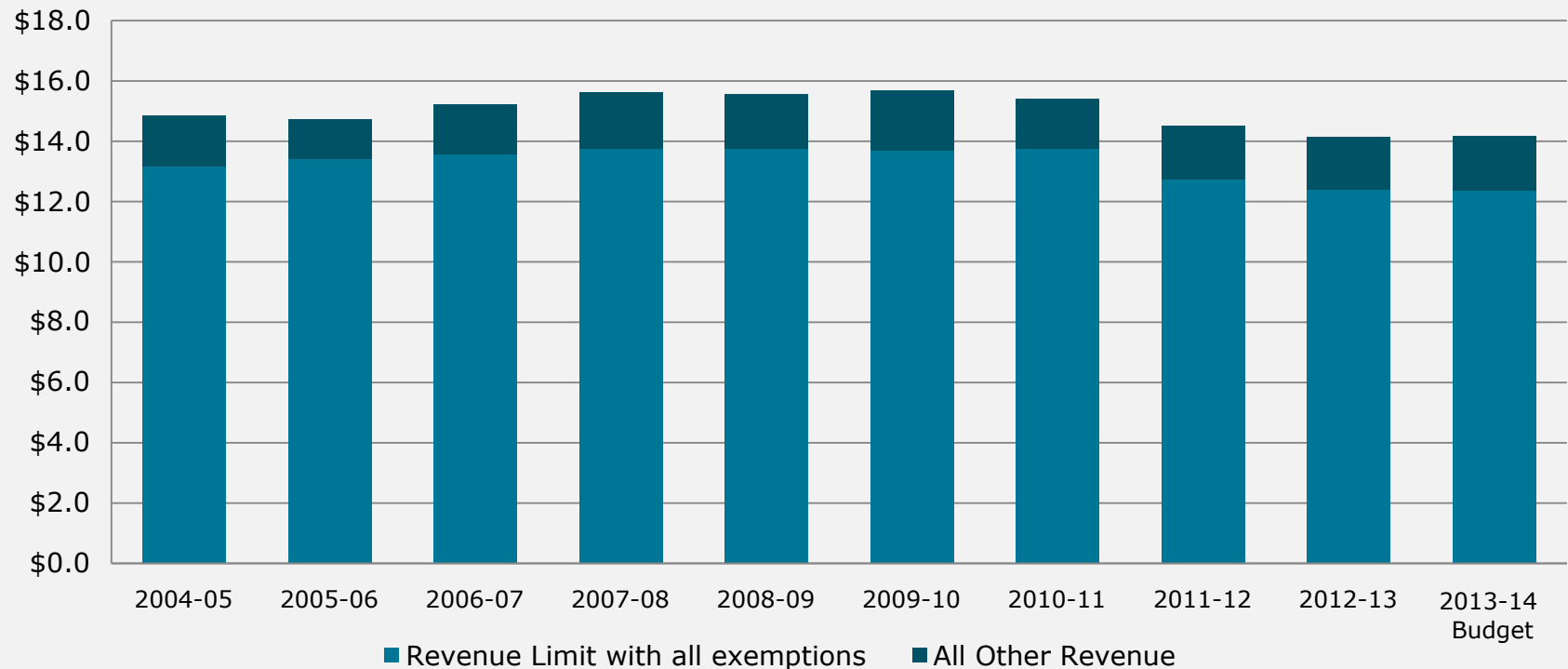


Source: DPI Website

Budgeting Pre and Post-Revenue Limits

Total General Fund Revenue 2013-14 Budget

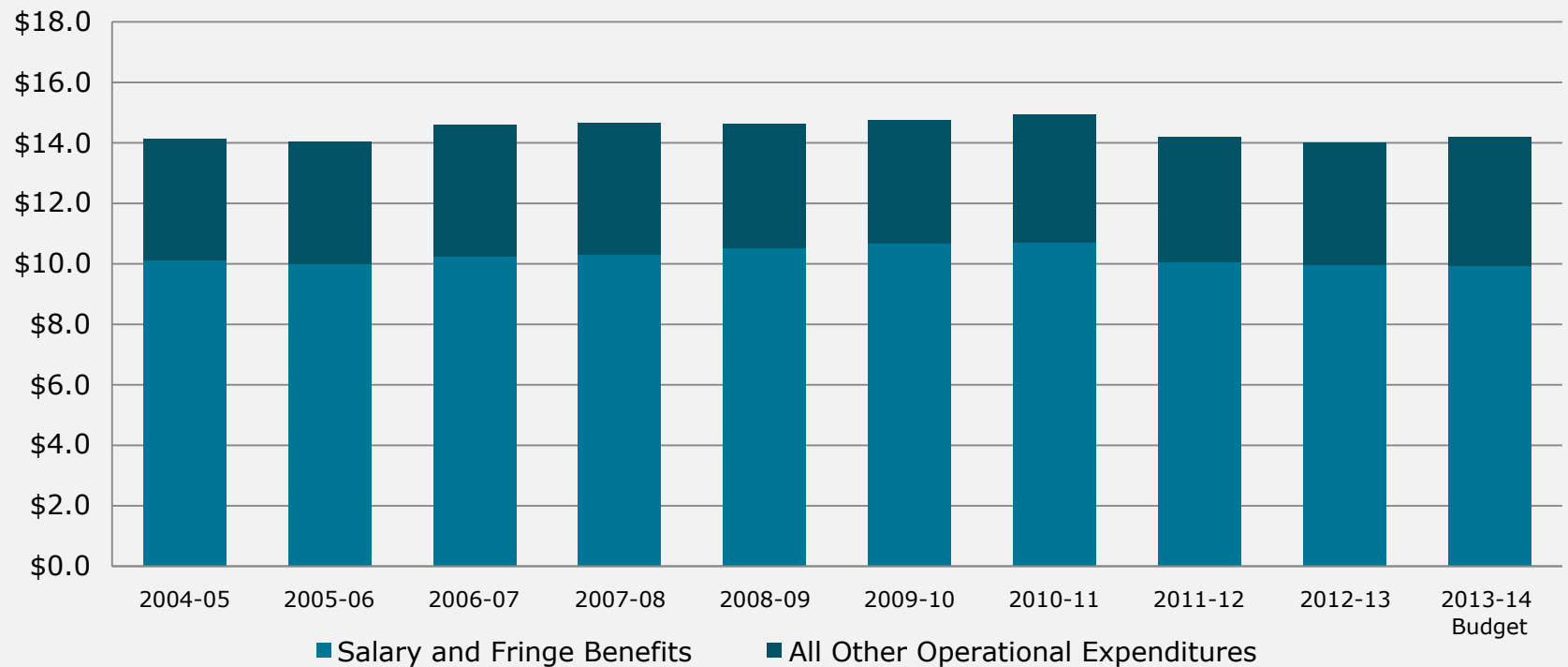
Total General Fund Revenue



Source: DPI Website

Total General Fund Expenditures 2013-14 Budget

Total General Fund Expenditures



Source: DPI Website

Model Assumptions

Key Assumptions

	'11-'12	'12-'13	'13-'14	'14-'15	'15-'16	'16-'17	'17-'18	'18-'19
Enrollment: Summer ADM	23	23	27	27	27	27	27	27
Growth Multiplier:	0.00%	0.00%	17.39%	0.00%	0.00%	0.00%	0.00%	0.00%
Enrollment: Third Friday September	1,305	1,278	1,245	1,206	1,178	1,145	1,123	1,100
Growth Multiplier:	0.00%	-2.07%	-2.58%	-3.14%	-2.32%	-2.80%	-1.90%	-1.90%
Revenue Limit Per Pupil Increase	(\$520)	\$50	\$75	\$75	\$0	\$0	\$0	\$0
Open Enrollment Transfers In	45.8	45.2	41.0	43.0	43.0	43.0	43.0	43.0
Open Enrollment Transfers Out	35.1	34.9	32.0	40.0	40.0	40.0	40.0	40.0
Fund 10 Levy	\$9,956,647	\$10,076,961	\$10,386,557	\$10,377,314	\$10,411,997	\$10,349,495	\$10,153,661	\$10,050,481
Fund 38 Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fund 39 Levy	\$1,643,079	\$711,293	\$707,475	\$709,463	\$708,150	\$714,775	\$710,800	\$711,300
Fund 41 Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fund 80 Levy	\$160,000	\$146,000	\$146,000	\$146,000	\$146,000	\$146,000	\$146,000	\$146,000
TIF OUT Equalized Valuation	\$1,443,877,029	\$1,429,989,836	\$1,347,126,922	\$1,306,713,114	\$1,293,645,983	\$1,293,645,983	\$1,306,582,443	\$1,345,779,916
Valuation Growth Multiplier		-0.96%	-5.79%	-3.00%	-1.00%	0.00%	1.00%	3.00%

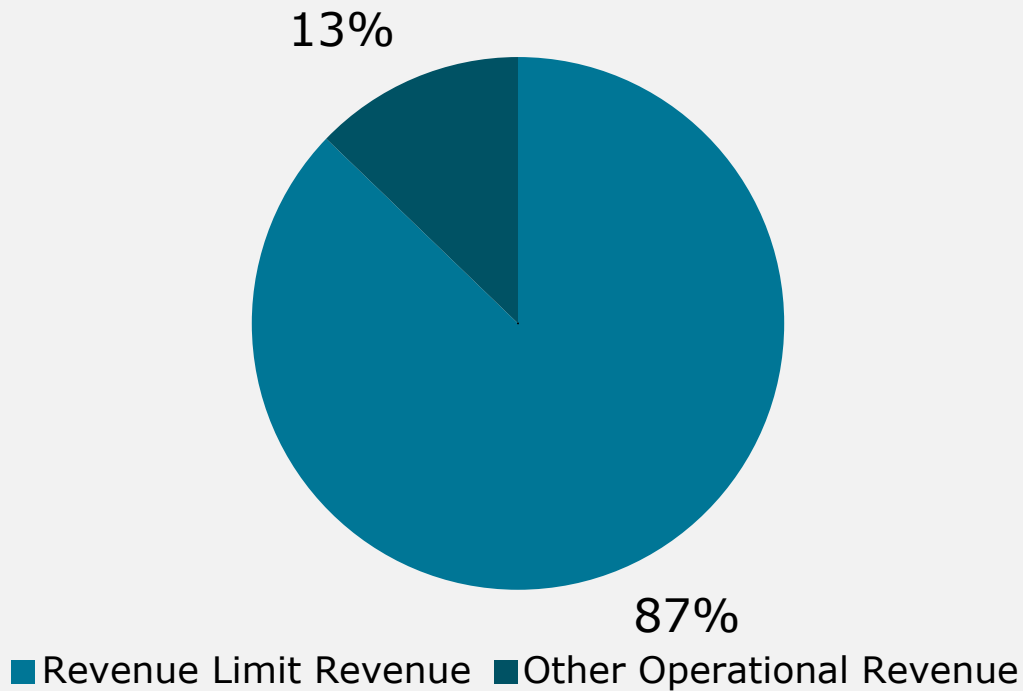
2014-15 Preliminary Estimates

Forecast Model Scenario: Base Scenario							
	'12-'13	'13-'14	'14-'15	'15-'16	'16-'17	'17-'18	'18-'19
Enrollment Growth:	-2.07%	-2.58%	-3.14%	-2.32%	-2.80%	-1.90%	-1.90%
Per Pupil Increase:	\$50	\$75	\$75	\$0	\$0	\$0	\$0
Equalized Valuation Growth:	-0.96%	-5.79%	-3.00%	-1.00%	0.00%	1.00%	3.00%
Fund 10 Revenues	\$14,156,464	\$14,186,455	\$13,900,223	\$13,705,865	\$13,466,591	\$13,135,134	\$12,931,477
Fund 10 Expenditures	\$14,001,768	\$14,186,455	\$14,569,088	\$14,953,768	\$15,194,204	\$15,440,638	\$15,693,325
Surplus (Deficit)	\$154,695	\$0	(\$668,866)	(\$1,247,902)	(\$1,727,613)	(\$2,305,504)	(\$2,761,848)
Fund Balance	\$9,440,445	\$9,440,445	\$8,771,580	\$7,523,678	\$5,796,065	\$3,490,561	\$728,712
Fund Balance as % of Expenditures	67.42%	66.55%	60.21%	50.31%	38.15%	22.61%	4.64%
Total School-Based Tax Levy	\$10,935,040	\$11,240,032	\$11,232,777	\$11,266,147	\$11,210,270	\$11,010,461	\$10,907,781
Total Tax Rate per \$1,000 Equalized Valuation	\$7.65	\$8.34	\$8.60	\$8.71	\$8.67	\$8.43	\$8.11
Non-Recurring Referendum \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recurring Referendum \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0

OPERATIONAL REFERENDUM INFORMATION

Revenue Limits-Review

General Fund Revenue 2014-15 Budget



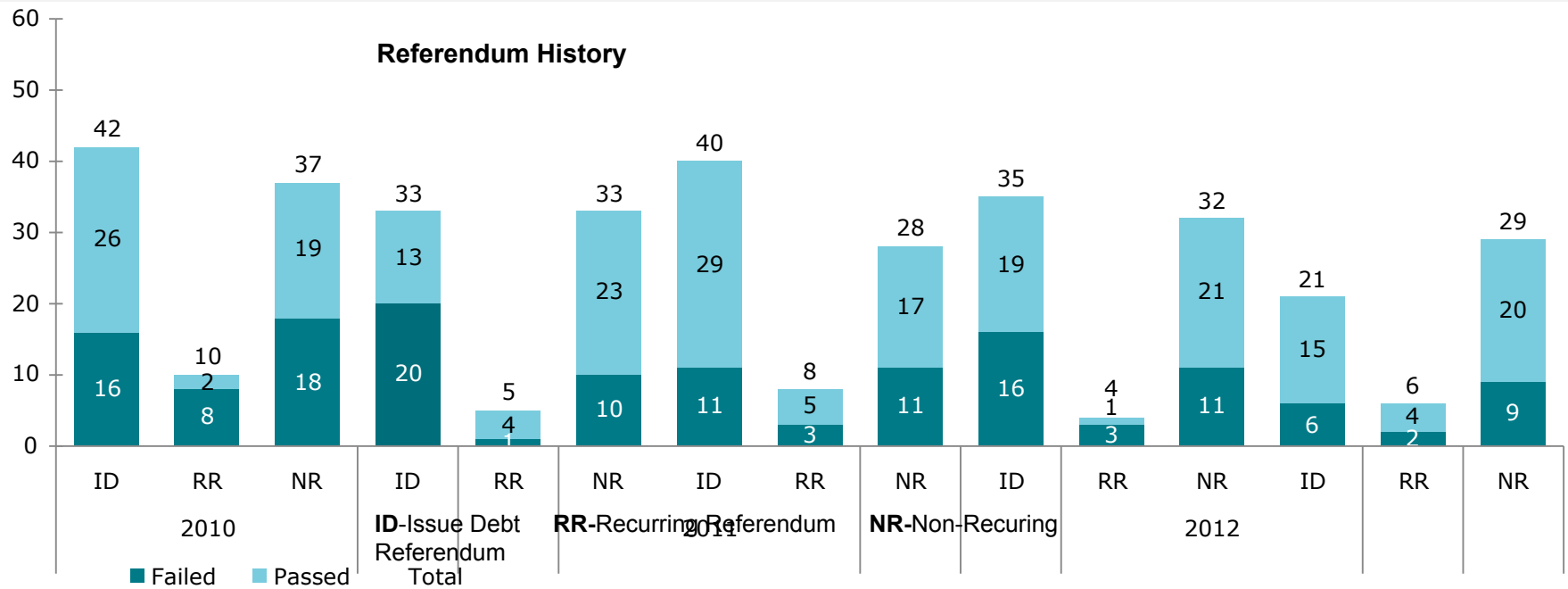
Source: DPI Website

Revenue Limits:

- Established in 1993
- Limits the amount of revenue a school district can generate through the sources of **state equalization aid** and the **local tax levy**

How to Increase Revenue Limit-Review

Revenue Cap Referendum Success Rates



Source: DPI website (https://www2.dpi.state.wi.us/safr/all_referenda.asp).

As of April 1, 2014

How a Board Takes Action

By adopting a resolution that includes:

- Election date
- Dollar amount
- Whether recurring or nonrecurring
 - If recurring, specify start date
 - In non-recurring, specify years applicable
 - Resolution drafted by qualified bond counsel

Future Regular Election Dates:

Fall		2014
Primary	Resolution needs to be approved and filed by	08/12/2014 06/03/2014
General	Resolution needs to be approved and filed by	11/04/2014 08/26/2014
Spring		2015
Primary	Resolution needs to be approved and filed by	02/17/2015 12/09/2014
General	Resolution needs to be approved and filed by	04/07/2015 01/27/2015

Changes to recent Wisconsin election laws requires that school districts attempting referendums file with the official or agency responsible for preparing the ballots for the election no later than **70 days prior to the election date.**

Example Recurring Referendum

School District of Tomahawk

Forecast Model Scenario: \$2M Recurring Referendum in 2015-16

	'12-'13	'13-'14	'14-'15	'15-'16	'16-'17	'17-'18	'18-'19
Enrollment Growth:	-2.07%	-2.58%	-3.14%	-2.32%	-2.80%	-1.90%	-1.90%
Per Pupil Increase:	\$50	\$75	\$75	\$0	\$0	\$0	\$0
Equalized Valuation Growth:	-0.96%	-5.79%	-3.00%	-1.00%	0.00%	1.00%	3.00%
Fund 10 Revenues	\$14,156,464	\$14,186,455	\$13,900,223	\$15,705,865	\$15,522,283	\$15,123,666	\$14,874,145
Fund 10 Expenditures	\$14,001,768	\$14,186,455	\$14,569,088	\$14,953,768	\$15,194,204	\$15,440,638	\$15,693,325
Surplus (Deficit)	\$154,695	\$0	(\$668,866)	\$752,098	\$328,079	(\$316,972)	(\$819,180)
Fund Balance	\$9,440,445	\$9,440,445	\$8,771,580	\$9,523,678	\$9,851,757	\$9,534,785	\$8,715,604
Fund Balance as % of Expenditures	67.42%	66.55%	60.21%	63.69%	64.84%	61.75%	55.54%
Total School-Based Tax Levy	\$10,935,040	\$11,240,032	\$11,232,777	\$13,264,573	\$13,264,344	\$12,997,443	\$12,848,979
Total Tax Rate per \$1,000 Equalized Valuation	\$7.65	\$8.34	\$8.60	\$10.25	\$10.25	\$9.95	\$9.55
Non-Recurring Referendum \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recurring Referendum \$	\$0	\$0	\$0	\$2,000,000	\$0	\$0	\$0

Note: Numbers represented above are for demonstration purposes only and should not be considered a recommendation.

Example Recurring Referendum

School District of Tomahawk

Forecast Model Scenario: "Step" Recurring \$800K, \$600K, \$600K

	'12-'13	'13-'14	'14-'15	'15-'16	'16-'17	'17-'18	'18-'19
Enrollment Growth:	-2.07%	-2.58%	-3.14%	-2.32%	-2.80%	-1.90%	-1.90%
Per Pupil Increase:	\$50	\$75	\$75	\$0	\$0	\$0	\$0
Equalized Valuation Growth:	-0.96%	-5.79%	-3.00%	-1.00%	0.00%	1.00%	3.00%
Fund 10 Revenues	\$14,156,464	\$14,186,455	\$13,900,223	\$14,505,865	\$14,888,868	\$15,144,195	\$14,921,492
Fund 10 Expenditures	\$14,001,768	\$14,186,455	\$14,569,088	\$14,953,768	\$15,194,204	\$15,440,638	\$15,693,325
Surplus (Deficit)	\$154,695	\$0	(\$668,866)	(\$447,902)	(\$305,336)	(\$296,443)	(\$771,834)
Fund Balance	\$9,440,445	\$9,440,445	\$8,771,580	\$8,323,678	\$8,018,342	\$7,721,898	\$6,950,065
Fund Balance as % of Expenditures	67.42%	66.55%	60.21%	55.66%	52.77%	50.01%	44.29%
Total School-Based Tax Levy	\$10,935,040	\$11,240,032	\$11,232,777	\$12,065,517	\$12,631,427	\$13,017,955	\$12,896,290
Total Tax Rate per \$1,000 Equalized Valuation	\$7.65	\$8.34	\$8.60	\$9.33	\$9.76	\$9.96	\$9.58
Non-Recurring Referendum \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recurring Referendum \$	\$0	\$0	\$0	\$800,000	\$600,000	\$600,000	\$0

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Example Non-Recurring Referendum

School District of Tomahawk

Forecast Model Scenario: 3-Year Non-Recurring \$2M, \$2M, \$2M

	'12-'13	'13-'14	'14-'15	'15-'16	'16-'17	'17-'18	'18-'19
Enrollment Growth:	-2.07%	-2.58%	-3.14%	-2.32%	-2.80%	-1.90%	-1.90%
Per Pupil Increase:	\$50	\$75	\$75	\$0	\$0	\$0	\$0
Equalized Valuation Growth:	-0.96%	-5.79%	-3.00%	-1.00%	0.00%	1.00%	3.00%
Fund 10 Revenues	\$14,156,464	\$14,186,455	\$13,900,223	\$15,705,865	\$15,466,591	\$15,135,134	\$12,931,477
Fund 10 Expenditures	\$14,001,768	\$14,186,455	\$14,569,088	\$14,953,768	\$15,194,204	\$15,440,638	\$15,693,325
Surplus (Deficit)	\$154,695	\$0	(\$668,866)	\$752,098	\$272,387	(\$305,504)	(\$2,761,848)
Fund Balance	\$9,440,445	\$9,440,445	\$8,771,580	\$9,523,678	\$9,796,065	\$9,490,561	\$6,728,712
Fund Balance as % of Expenditures	67.42%	66.55%	60.21%	63.69%	64.47%	61.46%	42.88%
Total School-Based Tax Levy	\$10,935,040	\$11,240,032	\$11,232,777	\$13,264,573	\$13,208,696	\$13,008,902	\$10,907,781
Total Tax Rate per \$1,000 Equalized Valuation	\$7.65	\$8.34	\$8.60	\$10.25	\$10.21	\$9.96	\$8.11
Non-Recurring Referendum \$	\$0	\$0	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$0
Recurring Referendum \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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Example Non-Recurring Referendum

School District of Tomahawk

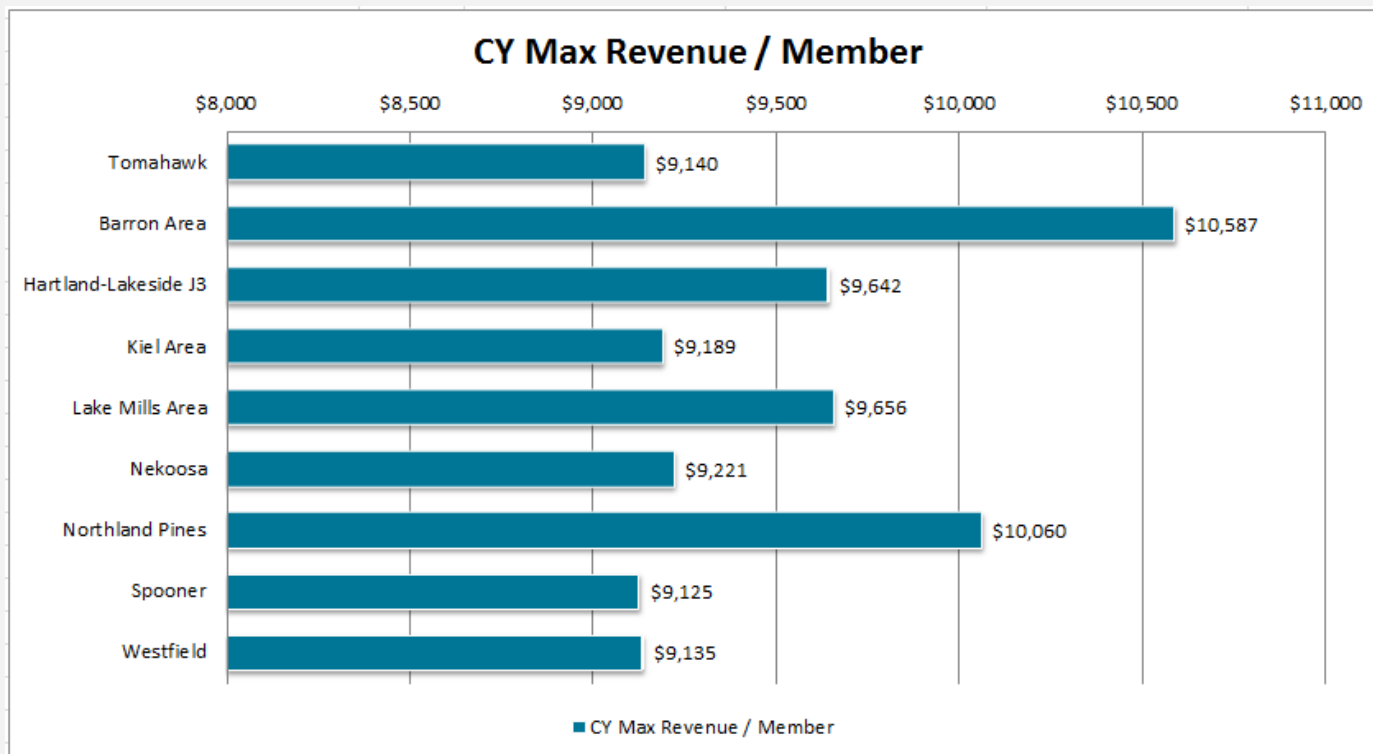
Forecast Model Scenario: 3-Year "Step" Non-Recurring \$1M, \$1.5M, \$2M

	'12-'13	'13-'14	'14-'15	'15-'16	'16-'17	'17-'18	'18-'19
Enrollment Growth:	-2.07%	-2.58%	-3.14%	-2.32%	-2.80%	-1.90%	-1.90%
Per Pupil Increase:	\$50	\$75	\$75	\$0	\$0	\$0	\$0
Equalized Valuation Growth:	-0.96%	-5.79%	-3.00%	-1.00%	0.00%	1.00%	3.00%
Fund 10 Revenues	\$14,156,464	\$14,186,455	\$13,900,223	\$14,705,865	\$14,966,591	\$15,135,134	\$12,931,477
Fund 10 Expenditures	\$14,001,768	\$14,186,455	\$14,569,088	\$14,953,768	\$15,194,204	\$15,440,638	\$15,693,325
Surplus (Deficit)	\$154,695	\$0	(\$668,866)	(\$247,902)	(\$227,613)	(\$305,504)	(\$2,761,848)
Fund Balance	\$9,440,445	\$9,440,445	\$8,771,580	\$8,523,678	\$8,296,065	\$7,990,561	\$5,228,712
Fund Balance as % of Expenditures	67.42%	66.55%	60.21%	57.00%	54.60%	51.75%	33.32%
Total School-Based Tax Levy	\$10,935,040	\$11,240,032	\$11,232,777	\$12,265,360	\$12,709,089	\$13,008,902	\$10,907,781
Total Tax Rate per \$1,000 Equalized Valuation	\$7.65	\$8.34	\$8.60	\$9.48	\$9.82	\$9.96	\$8.11
Non-Recurring Referendum \$	\$0	\$0	\$0	\$1,000,000	\$1,500,000	\$2,000,000	\$0
Recurring Referendum \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0

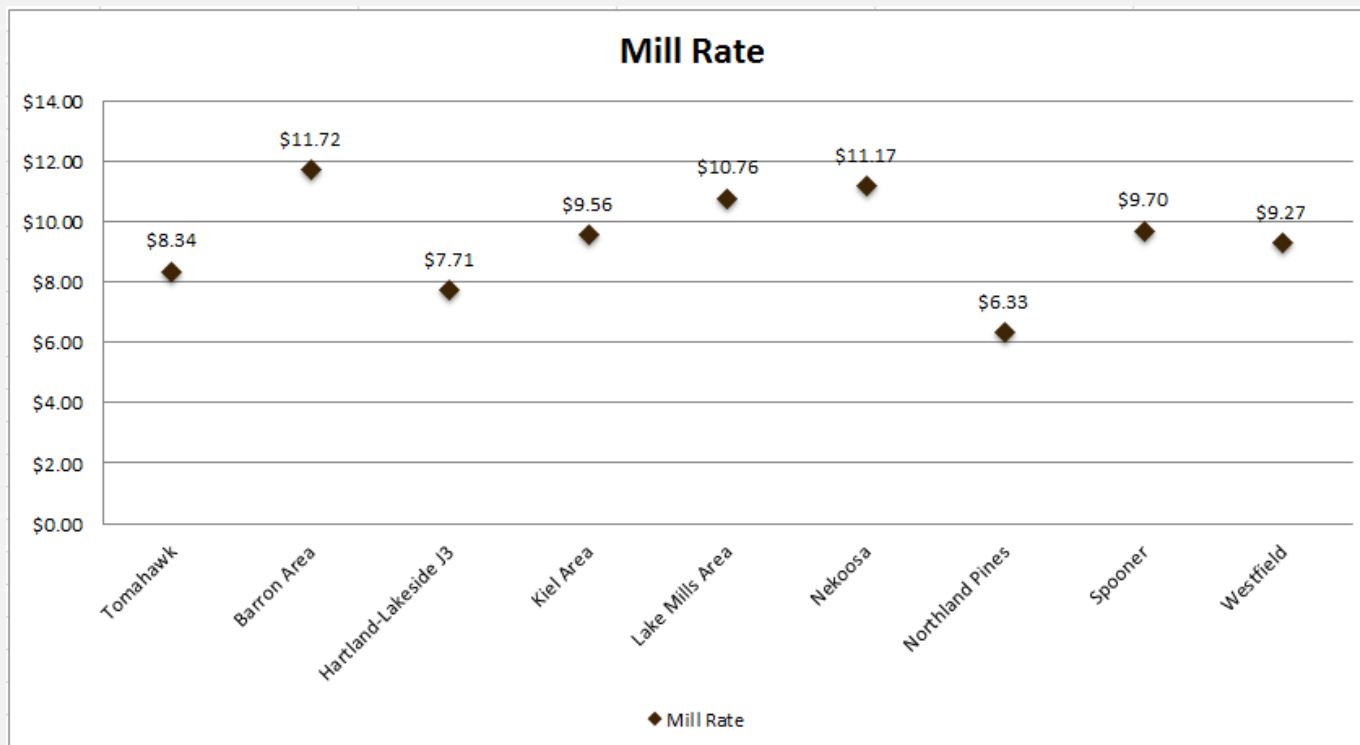
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COMPARABLE DATA

Baird Model Comparable Data



Baird Model Comparable Data



Thank you!
QUESTIONS?