

Adams-Friendship Area School District

Budget Hearing

Date: Monday, August 28, 2023
Time: 7:30 p.m.
Location: Adams-Friendship High School
Fine Arts Center
1109 E North St, Adams, WI 53910



Board of Education

<u>Name</u>	<u>Email</u>		<u>Term</u>
Jim Bays	bays_j@afasd.net	President	2023-2026
Lenna Hamilton	hamilton_l@afasd.net	Vice President	2021-2024
Mandy Stanley	stanley_m@afasd.net	Board Clerk	2021-2024
Jeff Presley	presley_j@afasd.net	Board Treasurer	2022-2025
Anne Blood	blood_a@afasd.net		2023-2024
Justin Allard	allard_j@afasd.net		2021-2024
Joni Anderson	anderson_j@afasd.net		2022-2025
Laura Gron	gron_l@afasd.net		2023-2026
Roberta Bobbi Pantaleo	pantaleo_r@afasd.net		2023-2026



<https://www.afasd.net/district/>



2023–2024 Budget Goals

- To present a budget that:
 - Is developed under the guiding principles as outlined in the [policies of the Adams-Friendship Area School District.](#)
 - Leverages resources for student success inside and outside the classroom.
 - Continues to move the District forward with current programming and offerings, while continuing to look for efficiencies.



Student Enrollment

Adams-Friendship Area School District

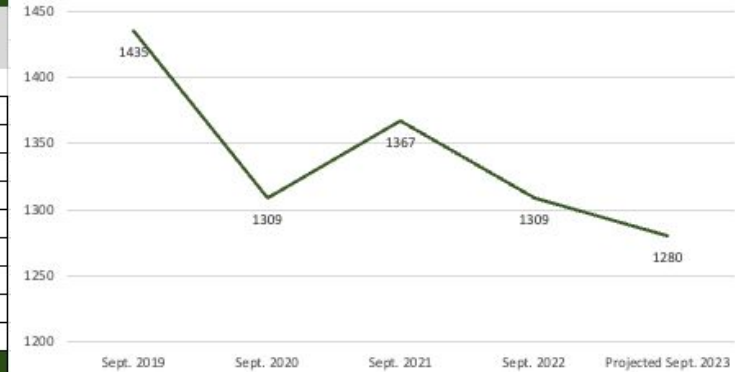
3rd Friday Headcount Comparison

Headcount = Actual Students in School

SCHOOL YEAR	Sept. 2021	Sept. 2022	Projected Sept. 2023	Cohort Change
Early Childhood	2	4	4	
4K	66	54	70	
5K	91	93	75	21
Grade 1	75	86	91	-2
Grade 2	83	75	86	0
Grade 3	96	81	74	-1
Grade 4	87	100	82	1
AFE Total	500	493	482	
Grade 5	76	91	99	-1
Grade 6	102	77	93	2
Grade 7	98	108	76	-1
Grade 8	119	102	106	-2
AFMS Total	395	378	374	
Grade 9	108	119	103	1
Grade 10	106	105	122	3
Grade 11	123	96	101	-4
Grade 12	135	118	98	2
AFHS Total	472	438	424	
TOTAL HEADCOUNT	1367	1309	1280	

**Cohort change is grade level in September 2022 compared to one grade later in projected class sizes for 2023.

STUDENTS IN SEATS "HEADCOUNT"



- Public school enrollment in the State has decreased by 3.8% since the fall of 2019.
- Midwestern states public school enrollment declined by 3.2% from 2016-2021.



Sources: [Wisconsin Department of Public Instruction](#) and [National Center for Education Statistics](#)

Referendum & State Budget

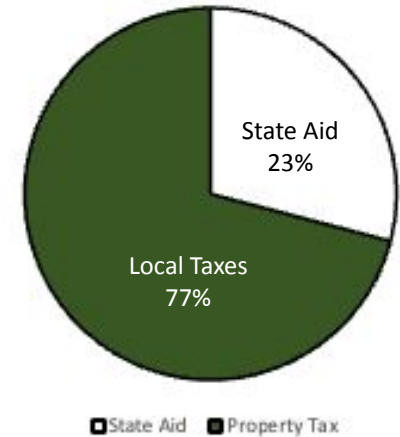
- If the April 2023 referendum had not passed, the District would have to address a budget deficit of ~\$1,900,000 in 2023-2024.
 - Approved April 2023 referendum provides funds necessary to continue with current programming while also utilizing fund balance.
- 2023-2025 State Budget
 - Raises Low revenue ceiling per member from \$10,000 to \$11,000 for A-F in 2023-2024.
 - Increases \$325 per pupil in 2024-2025.



2023-2024 Revenue Limit

- Revenue limit will increase to \$18,843,824 in 2023-2024.

	2021-2022	2022-2023	Projected 2023-2024
State Aid	4,533,279	6,397,552	5,480,006
Property Tax	11,844,940	9,541,180	13,363,818
Property Tax (All Funds & Exemptions)	16,378,219	15,938,732	18,843,824
State Aid Percentage	22%	29%	23%
Local Taxes Percentage	78%	71%	77%



- Increase from operational referendum and state budget.
- A-F has a high percentage of property tax compared to State aid due to the amount of land (equalized value) per student.



Historical Per Pupil Increases and Mill Rate

- This chart shows the percentage increase that is approved by our elected state officials during the biennial state budget compared to our annual mill rate.

	Per Pupil Annual Increase (Revenue Limit) from State	District Mill Rate	Mill Rate Increase/Decrease
2010-2011	2.10%	\$ 9.57	
2011-2012	-5.82%	\$ 9.48	-0.95%
2012-2013	0.55%	\$ 10.04	5.58%
2013-2014	0.82%	\$ 10.83	7.29%
2014-2015	0.82%	\$ 9.87	-9.73%
2015-2016	0.00%	\$ 10.00	1.30%
2016-2017	0.00%	\$ 9.24	-8.23%
2017-2018	0.00%	\$ 9.24	0.00%
2018-2019	0.00%	\$ 8.28	-11.59%
2019-2020	3.09%	\$ 7.50	-10.40%
2020-2021	3.09%	\$ 7.74	3.10%
2021-2022	0.00%	\$ 7.60	-1.84%
2022-2023	0.00%	\$ 5.33	-42.59%
2023-2024	9.09%	\$ 6.61	19.36%

- Primary reason why the District has need for ongoing operational referendums.
- Over 125 school districts have held an operational referendum since 2019.

- Projected 2nd lowest mill rate since 1984.
- Could be lower depending upon final equalized values (see detail from 8/14/2023 board meeting)

0.98%

-3.75%



Projected Mill Rate Impact School Portion Only

Property Value	2019-2020	2020-2021	2021-2022	2022-2023	Projected 2023-2024	Projected April 2023 Referendum	Projected Annual Impact 2023-2024
Mill Rate	\$ 7.50	\$ 7.74	\$ 7.60	\$ 5.33	\$ 6.61	6.58	
\$ 100,000.0	\$ 750	\$ 774	\$ 760	\$ 533	\$ 661	\$ 658	\$ 128
\$ 200,000.0	\$ 1,500	\$ 1,548	\$ 1,520	\$ 1,066	\$ 1,322	\$ 1,316	\$ 256
\$ 300,000.0	\$ 2,250	\$ 2,322	\$ 2,280	\$ 1,599	\$ 1,983	\$ 1,974	\$ 384

- Projected impact on taxpayers is \$128 more than last year per \$100,000 of value.
- April 2023 referendum campaign projected a mill rate of \$6.58 in 2023-2024.
- Projected equalized value increase of 13.0%.
 - 5 year average of equalized value is a 6.63% increase.
- https://sfs.dpi.wi.gov/safr_ro/all_mill_rate.asp?year=2023

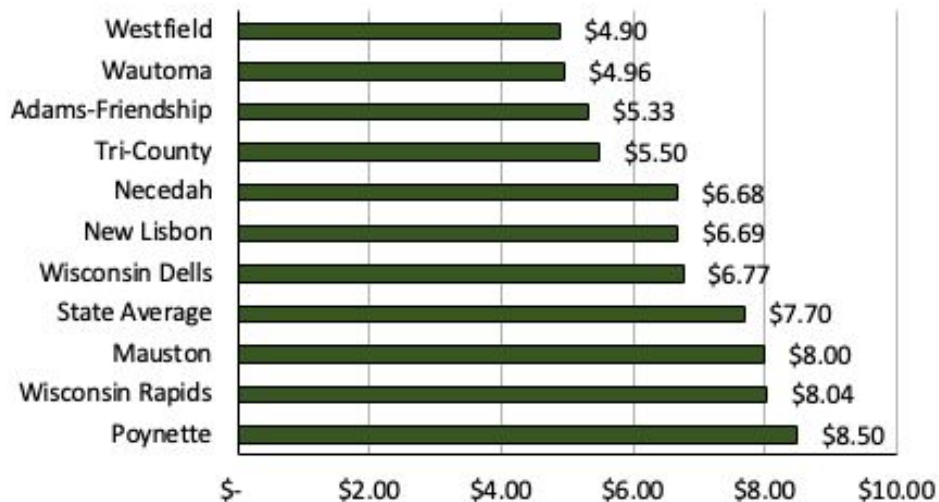


Mill Rate Comparison

Surrounding Districts (2022-2023)

Surrounding Districts	2022-2023
Westfield	\$ 4.90
Wautoma	\$ 4.96
Adams-Friendship	\$ 5.33
Tri-County	\$ 5.50
Necedah	\$ 6.68
New Lisbon	\$ 6.69
Wisconsin Dells	\$ 6.77
State Average	\$ 7.70
Mauston	\$ 8.00
Wisconsin Rapids	\$ 8.04
Poynette	\$ 8.50
Nekoosa	\$ 9.71

2022-2023 MILL RATES



- Adams-Friendship School District Projected Mill Rate for 2023-2024 ~\$6.61
- https://sfs.dpi.wi.gov/safr_ro/all_mill_rate.asp?year=2023



Fund Definitions

- Fund 10: General Fund
- Fund 21: Special Projects Fund - Gifts
- Fund 27: Special Education Fund
- Fund 38: Non-Referendum Debt Service Fund
- Fund 39: Debt Service Fund (*None at Adams-Friendship at this time*)
- Fund 50: Food Service Fund
- Fund 80: Community Service Fund
 - All funds are set by Wisconsin Uniform Financial Accounting Requirements (WUFAR) RVSD uses ~ 2,570 different accounts
 - Funds used to help in budgets and accountability

<https://dpi.wi.gov/sfs/finances/wufar/overview>



Fund 10 – General (Operating) Fund

- Purpose is to account for daily activities of the district business.

GENERAL FUND	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
Beginning Fund Balance	8,694,500.58	9,167,159.45	8,706,553.22
Ending Fund Balance	9,167,159.45	8,706,553.22	9,878,262.22
REVENUES & OTHER FINANCING SOURCES			
Transfers-In (Source 100)	0.00	0.00	0.00
Local Sources (Source 200)	11,936,043.09	9,730,699.47	13,937,981.00
Inter-district Payments (Source 300 + 400)	256,375.00	224,550.00	226,672.00
Intermediate Sources (Source 500)	86,489.96	85,226.28	70,000.00
State Sources (Source 600)	6,623,072.44	8,393,542.57	6,932,454.00
Federal Sources (Source 700)	2,278,912.29	2,351,626.24	2,452,720.00
All Other Sources (Source 800 + 900)	183,108.58	343,997.96	45,000.00
TOTAL REVENUES & OTHER FINANCING SOURCES	21,364,001.36	21,129,642.52	23,664,827.00
EXPENDITURES & OTHER FINANCING USES			
Instruction (Function 100 000)	8,711,516.66	8,723,532.20	9,594,526.00
Support Services (Function 200 000)	8,426,861.09	8,840,949.07	9,050,831.00
Non-Program Transactions (Function 400 000)	3,752,964.74	4,025,767.48	3,847,761.00
TOTAL EXPENDITURES & OTHER FINANCING USES	20,891,342.49	21,590,248.75	22,493,118.00

- Projected surplus of \$1,171,709.
- Recommending a full levy, [as surplus will offset the use of fund balance in 2024-2027 school years.](#)



Fund 10 – General Fund Revenues

- Purpose is to account for daily activities of the district business.

GENERAL FUND	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
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All Other Sources (Source 800 + 900)	183,108.58	343,997.96	45,000.00
TOTAL REVENUES & OTHER FINANCING SOURCES	21,364,001.36	21,129,642.52	23,664,827.00

- Overall, General Fund Revenues will increase by 12.0%
 - Increase a result of:
 - Operational Referendum (April 2023), \$3,000,000.
 - State Budget per pupil revenue limit increase.
 - Projected decrease in state equalization aid of ~15.0%



Fund 10 – General Fund Expenses

- 2023-2024
 - 4.18% increase
 - Base Wage increases of 3.75%
 - Step Increases & TSA increases raise salary increase to ~4.30%
 - Health Insurance Increases of 9.00%
 - Transportation capped at 4.00%

EXPENDITURES & OTHER FINANCING USES			
Instruction (Function 100 000)	8,711,516.66	8,723,532.20	9,594,526.00
Support Services (Function 200 000)	8,426,861.09	8,840,949.07	9,050,831.00
Non-Program Transactions (Function 400 000)	3,752,964.74	4,025,767.48	3,847,761.00
TOTAL EXPENDITURES & OTHER FINANCING USES	20,891,342.49	21,590,248.75	22,493,118.00



District Fund Balance

\$ 9,020,196.39	June 30, 2023 General Fund Balance
\$22,493,118.00	FY 24 Fund 10 Budget Expenditures
\$ 4,226,016.00	FY 24 Fund 27 Budget Expenditures
\$ 2,282,717.00	FY 24 Fund 27 Operating Transfer
36.91%	June 30, 2023 Fund Balance

- Fund balance represents the general fund's total assets minus its liabilities.
 - **This is not a cash balance** - please refer to School Board monthly financial report for actual cash balance.
- [Board Policy #6235](#) - Fund Balance
 - Maintained at a level sufficient to avoid short term borrowing for cash flow purposes.



Special Funds (21 & 27)

SPECIAL PROJECTS FUND	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
Beginning Fund Balance	0.00	4,962.28	18,843.67
Ending Fund Balance	4,962.28	18,843.67	56,535.67
REVENUES & OTHER FINANCING SOURCES	4,297,094.98	4,515,985.03	4,519,438.00
EXPENDITURES & OTHER FINANCING USES	4,292,132.70	4,502,103.64	4,481,746.00

- Fund 21
 - Purpose is to account for donor gifts for specified uses.
 - *Student Activity Accounts*
 - *Scholarships*
- Fund 27
 - Accounts for special education programs and operations.



Fund 27 – Special Education

- Accounts for special education programs and operations.
 - Note: this is part (combined with Fund 21) of “Special funds” on the required publishing document.

2023-2024 Budget Breakdown - Fund 27 - Expenditures		
	2023-2024	Detailed Description
150 000 Special Education Curriculum	\$ 3,068,676	Special Education Teacher & Assistant Salary and Benefits, Special Education Classroom Budgets.
210 000 Pupil Services	\$ 496,488	Counselors, Nursing, Social Worker, School Psychologists, Speech & Language, School Psychologist Salary and Benefits
220 000 Instructional Staff Services	\$ 236,340	Director of Special Education, Secretary, Professional Development, Summer School
250 000 Business Administration	\$ 220,679	Special Education Transportation
270 000 Insurance & Judgments	\$ 17,000	Worker's Compensation Insurance for Special Education Staff
430 000 Instructional Service Payments	\$ 186,833	Special Education Outside Placement/Tuition, Contracted CESA Services
TOTAL	\$ 4,226,016	Preliminary Budget August 2023

2023-2024 Budget Breakdown - Fund 27 - Revenues		
	2023-2024	Detailed Description
Transfers-In (Source 100)	\$ 2,282,717	Fund 10 Transfer
Local Sources (Source 200)	\$ -	
Inter-district Payments (Source 300 + 400)	\$ -	
Intermediate Sources (Source 500)	\$ 7,825	Aid through CESA
State Sources (Source 600)	\$ 1,015,000	Special Education State Aid (~30%)
Federal Sources (Source 700)	\$ 920,474	Flow Through Grants and Medicaid
All Other Sources (Source 800 + 900)	\$ -	
TOTAL	\$ 4,226,016	Preliminary Budget August 2023



Fund 38 – Non Referendum Debt

- Fund 38 Debt Balance
 - Energy exemption project for DDC Controls & HVAC.
 - Last payment scheduled for June 2026.

DEBT SERVICE FUND	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
Beginning Fund Balance	0.00	128.36	245.33
Ending Fund Balance	128.36	245.33	325.33
REVENUES & OTHER FINANCING SOURCES	97,647.96	97,636.57	97,600.00
EXPENDITURES & OTHER FINANCING USES	97,519.60	97,519.60	97,520.00



Fund 50 – Food Service

- Accounts for food service programs and operations.
- Cash Balance of \$492,844.23 as of July 1, 2023.

FOOD SERVICE FUND	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
Beginning Fund Balance	0.00	96,316.29	(45,493.51)
Ending Fund Balance	96,316.29	(45,493.51)	(328,278.51)
REVENUES & OTHER FINANCING SOURCES	1,305,642.53	1,149,574.05	1,055,824.00
EXPENDITURES & OTHER FINANCING USES	1,209,326.24	1,291,383.85	1,338,609.00



Fund 80 – Community Service

- Purpose is to account for activities related to community use.

COMMUNITY SERVICE FUND	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
Beginning Fund Balance	0.00	(8,066.73)	11,156.90
Ending Fund Balance	(8,066.73)	11,156.90	11,156.90
REVENUES & OTHER FINANCING SOURCES	201,450.96	200,000.00	200,000.00
EXPENDITURES & OTHER FINANCING USES	209,517.69	180,776.37	200,000.00

- Expenses related to:
 - Fine Arts Center Director & supplies, Summer Recreation Program, Weight Room Supervision, Custodial Staff & supplies related to community events, Library Consortium, After School Program, 2nd Police Liaison.



Thank You

- This information can be found on our website here:
<https://www.afasd.net/district/business-office.cfm>

