

School District of Phillips  
Phillips, Wisconsin

**ANNUAL MEETING AND BUDGET REPORT**  
Monday, October 2, 2023

City of Phillips

Villages of: Kennan, Catawba

Towns of: Catawba, Elk, Emery, Hackett, Harmony, Flambeau, Georgetown, Kennan, Worcester

**SCHOOL DISTRICT OF PHILLIPS**

**Vision**

Preparing for Tomorrow

**Mission**

To inspire and empower all students to reach their greatest potential.

**Goals**

- \* Review and assess educational opportunities yearly throughout the district that enables each student to achieve their greatest academic and social growth
- \* Develop annual objectives and plans that will promote safety and security.
- \* To create added awareness of the District by implementing or expanding communication strategies that involve family and community members throughout the District.

*Approved April 20, 2009*

## SCHOOL DISTRICT OF PHILLIPS PHILOSOPHY

The School District of Phillips is committed to providing a quality education for all students. Recognizing that students have different abilities and learning styles, our goal is that all students develop to their fullest capacity as individuals and as productive and responsible citizens.

The District strives to nurture students to be: self-directed learners, civic-minded and ethical decision makers, skillful problem-solvers, and creative and critical thinkers.

Recognizing that education for the development of well rounded students does not end with core academics, the District supports a wide range of curricular and extracurricular opportunities.

The District acknowledges the family as the primary influence in the development of the individual and is committed to a partnership of school, family, and community.

The District, as an integral part of the community, promotes life-long learning and quality of life in the community.

*Approved April 20, 2009*

### **DIRECTORY** CURRENT SCHOOL BOARD AND ADMINISTRATION

<u>TERM EXPIRES</u>	<u>SCHOOL BOARD MEMBERS</u>	<u>RESIDENT OF TOWN VILLAGE, OR CITY</u>	<u>ADDRESS</u>
2024	Jon Pesko – President	Worcester	Phillips
2025	Britt Bilgrien - Vice President	Elk	Phillips
2024	Marty Krog - Clerk	Elk	Phillips
2025	Becky Denzine - Treasurer	Worcester	Phillips
2024	Hailey Halmstad	Harmony	Catawba
2026	Meredith Huckman	Phillips	Phillips
2026	Evan Lund	Worcester	Phillips
2023	Kevin Rose	Harmony	Phillips
2025	Joe Van De Voort	Georgetown	Kennan

#### ADMINISTRATION/SUPERVISORY STAFF

Rachel Hoffman	Superintendent
Molly Lehman	Business Manager
Dave Scholz	Grades PreK-5 Principal/Federal Grants Administrator
Kevin Wellman	Grades 6-12 Principal
Katherine Peterson	Director of Pupil Services
Roni Tobias	School Psychologist
Andrea Sippel	Food Service Supervisor
Hannah Larson	Aquatic Director
Jason McMillan	Transportation Manager

**Notice for Annual District Meeting (Section 120.08(1))**

Notice is hereby given to qualified electors of the School District of Phillips,  
that the annual meeting of said district for the transaction of business, will be held in  
Phillips High School Performing Arts Center, on the 2nd day of October, 2023, at 6:00 p.m.

Marty Krog, District Clerk

**AGENDA**

**BUDGET HEARING:**

1. INTRODUCTIONS
2. CALL THE BUDGET HEARING TO ORDER
3. PRESENT THE ESTIMATED 2023-2024 BUDGET
4. ADJOURN THE BUDGET MEETING

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**ANNUAL MEETING OF THE ELECTORATE OF THE SCHOOL DISTRICT OF PHILLIPS:**

1. CALL THE ANNUAL MEETING TO ORDER
2. ELECT A CHAIRPERSON
3. READING OF MINUTES OF LAST ANNUAL MEETING HELD OCTOBER 3, 2022
4. TREASURER'S REPORT
5. BOARD MEMBER SALARIES
6. LEVY TAX FOR THE 2023-2024 SCHOOL YEAR
7. MOTION TO APPROVE FUND 80 LEVY FOR 2023-2024
8. SALE/DONATION OF GENERAL SCHOOL PROPERTY
9. SALE OF REAL ESTATE PROPERTY - Lots Across from Old PES Building
10. OLD BUSINESS
11. NEW BUSINESS
12. LONG-TERM PLANNING REPORT
13. ESTABLISH DATE AND TIME FOR 2024 ANNUAL MEETING
14. ADJOURN ANNUAL MEETING

Notices for this meeting were posted on September 15, 2023 at: Phillips Elementary, Middle, and High School, Bus Garage, All-Staff Email, District Website, and Price Co. Review

SCHOOL DISTRICT OF PHILLIPS  
PHILLIPS, WISCONSIN  
MINUTES OF BUDGET HEARING and ANNUAL MEETING  
Monday, October 3, 2022  
Phillips High School Performing Arts Center

Present from Board of Education: Baxter, Bilgrien, Fox, Halmstad, and Pesko. Absent from Board of Education: Krog, Rose and Van De Voort. Administration Present: Superintendent Morgan; Finance Manager Lehman Principal Scholz, Pupil Services Director Peterson, and two staff/community members..

**BUDGET HEARING:**

1. The budget hearing was called to order at 6:00 p.m. by President Pesko followed by the Pledge of Allegiance.
2. Superintendent Morgan reviewed revenue limit composition from 2018-2023, changes in enrollment, the tax levy and mill rate history, and expenditures, revenues and indebtedness in all funds. Total general fund revenues for 2022-2023 are estimated at \$10,395,789.00 and general fund expenditures for 2022-23 are estimated at \$10,956,535.00. The proposed mill rate for this year is estimated to be 5.96922 based on a levy of \$4,743,397.00 which is a decrease from 7.82993 the previous year. The mill rate is an estimate based on property value projection. Actual figures will be available at the end of the month and will be approved by the Board prior to November 1st.
3. The budget hearing was adjourned at 6:11 p.m.

**ANNUAL MEETING**

1. President Pesko called the annual meeting to order at 6:11 p.m. Superintendent Morgan explained the purpose and procedures for the annual meeting and the need to elect a chairperson for the annual meeting.
2. Anne Baxter - City of Phillips nominated Jon Pesko as chairperson. There were no other nominations. Motion (Anne Baxter - City of Phillips/Dave Scholz - City of Phillips) to close nominations and have the secretary cast a unanimous ballot for Jon Pesko as chairperson. Motion carried with unanimous vote.
3. Motion (Anne Baxter - City of Phillips/Joe Perkins - City of Phillips) to waive the reading of the minutes from the last annual meeting and accept them as submitted on pages 4-5 in the Annual Meeting & Budget Report. Motion carried with unanimous vote.
4. Business Manager Lehman gave the treasurer's report. Fund 10 revenues for 2021-22 totaled \$10,498,552.09 and expenditures totaled \$10,643,325.89 for a net difference of \$144,773.83. Revenues for all funds for 2021-22 totaled \$14,302,281.10 and expenditures totaled \$20,513,530.07 for a net difference of \$6,211,248.90 (majority was referendum project funds). Final audited figures will be presented to the Board of Education by the district's financial auditor, Clifton Larson Allen. The ending fund balance is equal to 28% of the Fund 10 2022-2023 expenditure budget. The estimated tax levy for 2022-2023 is \$3,609,318.00 for operations, \$822,579.00 for debt services, and \$311,500.00 for community services.

5. Motion (Joe Perkins - City of Phillips/Anne Baxter - City of Phillips) to continue current board salaries to reimburse board members travel at the federal rate per mile and other related travel costs as necessary.. Motion carried with unanimous vote.
6. Motion (Dave Scholz - City of Phillips/Joe Perkins - City of Phillips) to accept the levy of \$4,743,397.00. Motion carried with unanimous vote.
7. Motion (Anne Baxter - City of Phillips/Dave Scholz - City of Phillips) to accept the levy for Fund 80. This fund is used to account for activities such as adult education, community recreation programs and other programs which are not elementary and secondary educational programs but have the primary function of serving the community. The district may adopt a separate tax levy for this Fund. Statute 120.13(19) permits a school board to establish and maintain community education, training, recreational, cultural or athletic programs and services, outside regular curricular and extracurricular programs for pupils, under such terms and conditions as the school board prescribes. The school board may establish and collect fees to cover all or part of the costs of such programs and services. Access to Community Service Fund activities cannot be limited to pupils enrolled in the district's K12 educational programs. Excluded from a Community Service Fund are any academic subjects and extra-curricular activities available only to pupils enrolled in the district. Direct costs to the District result from operating and maintaining the community pool, and community programs. The Community Service Fund levy for the 2020-2021 school year will be \$311,500.00. Motion carried with unanimous vote.
8. Motion (Joe Perkins - City of Phillips/Dave Scholz - City of Phillips) to authorize the sale of general school property belonging to, but not needed by the District not including real estate. Motion carried with unanimous vote.
9. Old business, new business and long-term planning were included in Mr. Morgan's report.
  - A. The refreshed performing arts center is almost complete. The glass doors will be installed tomorrow. The old high school block has had many refresh projects as well in preparation for the middle school students and the new construction is almost complete.
  - B. Future projects include an outdoor classroom at the school forest and an aquaponics/greenhouse attached to the high school science department. Both of these projects are in the fundraising stage.
  - C. The district will be looking at the long-term planning (5-10 year) to determine future expenditures needed in the district. The plan will be forwarded to the Board for review in December.
10. Motion (Dave Scholz - City of Phillips/Anne Baxter - City of Phillips) to set the Annual Budget Hearing and Annual Meeting for October 2, 2023 at 6:00 p.m. Motion carried with unanimous vote.
11. Motion (Joe Perkins - City of Phillips/Anne Baxter - City of Phillips) to adjourn. Motion carried with unanimous vote. The annual meeting adjourned at 6:23 p.m.

Respectfully submitted,

Anne Baxter, Clerk  
Board of Education

**School District of Phillips  
2023 Annual Meeting, October 2, 2023  
Treasurer's Report**

<u>FUND</u>	<u>DESCRIPTION</u>	<u>BEGINNING FUND BALANCE</u>	<u>2022-23 REVENUES</u>	<u>2022-23 EXPENSES</u>	<u>ENDING FUND BALANCE</u>	<u>CHANGE IN FUND BALANCE</u>
10	General Fund	3,072,421.34	10,657,716.44	10,609,195.46	3,120,942.32	48,520.98
20	Special Projects Funds	295,064.22	2,115,059.97	2,046,254.57	363,869.62	68,805.40
30	Debt Service Funds	308,279.65	1,732,329.00	1,756,202.39	284,406.26	(23,873.39)
40	Capital Projects Funds	1,149,700.03	72,355.10	834,873.15	387,181.98	(762,518.05)
50	Food Service Fund	100,123.28	459,845.73	483,456.95	76,512.06	(23,611.22)
80	Community Service Fund	388,506.36	343,826.27	395,662.20	336,670.43	(51,835.93)
	<b>TOTAL ALL FUNDS</b>	<b>5,314,094.88</b>	<b>15,381,132.51</b>	<b>16,125,644.72</b>	<b>4,569,582.67</b>	<b>(744,512.21)</b>

The above numbers are being audited by the district's financial auditor, Clifton Larson Allen and will be presented to the Board in more detail at a later date.

The ending fund balance for Fund 10 is equal to 29% of the Fund 10 2023-24 expenditure budget.

**Levy of School Tax**

Tax rates are tentative and subject to review later in October. Approval is requested for tentative tax levy of **\$4,351,572.00** for operations, **\$795,243.00** for debt services, and **\$311,500.00** for community services. For a total levy of **\$5,458,315** with a Mill Rate of \$5.80.

# School District of Phillips PK-12 Public Education



To inspire & empower  
all students to reach  
their greatest potential

Budget Hearing  
October 2, 2023

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**Board of Education**

<b><u>Name</u></b>	<b><u>Term Expires</u></b>
Britt Bilgrien (Area II) – Vice President	Spring 2025
Becky Denzine (Area I) - Treasurer	Spring 2025
Hailey Halmstad (Area III)	Spring 2024
Meredith Hueckman (Area II)	Spring 2026
Marty Krog (Area II) – Clerk	Spring 2024
Evan Lund (Area I)	Spring 2026
Jon Pesko (Area I) – President	Spring 2024
Kevin Rose (Area III)	Spring 2026
Joe Van De Voort (Area III)	Spring 2025

Area I includes Emery, Flambeau, and Worcester Townships

Area II includes City of Phillips and Town of Elk

Area III includes Villages of Catawba and Kennan, Township of Harmony and parts of the Townships of Catawba, Georgetown, Hackett and Kennan located within the School District of Phillips boundaries)

**Introduction**

A budget is a financial plan designed to achieve the educational objectives of the School District of Phillips. The budget needs to be accountable to meet these educational objectives with the financial constraints that exist. The budget needs to be understandable to the Board of Education, administration, staff, parents and the district taxpayers.

**Executive Summary**

Accounts used in school district budgeting and financial reporting are designated by the Department of Public Instruction. A uniform accounting system is essential for the facilitation of reporting, auditing, data processing, inter-district comparisons, and financial accounting for cooperative programs. A school district’s budget is divided into many “funds”. These “funds” are used to account for specific school district programs. The different “funds” and their descriptions are presented in the table below:

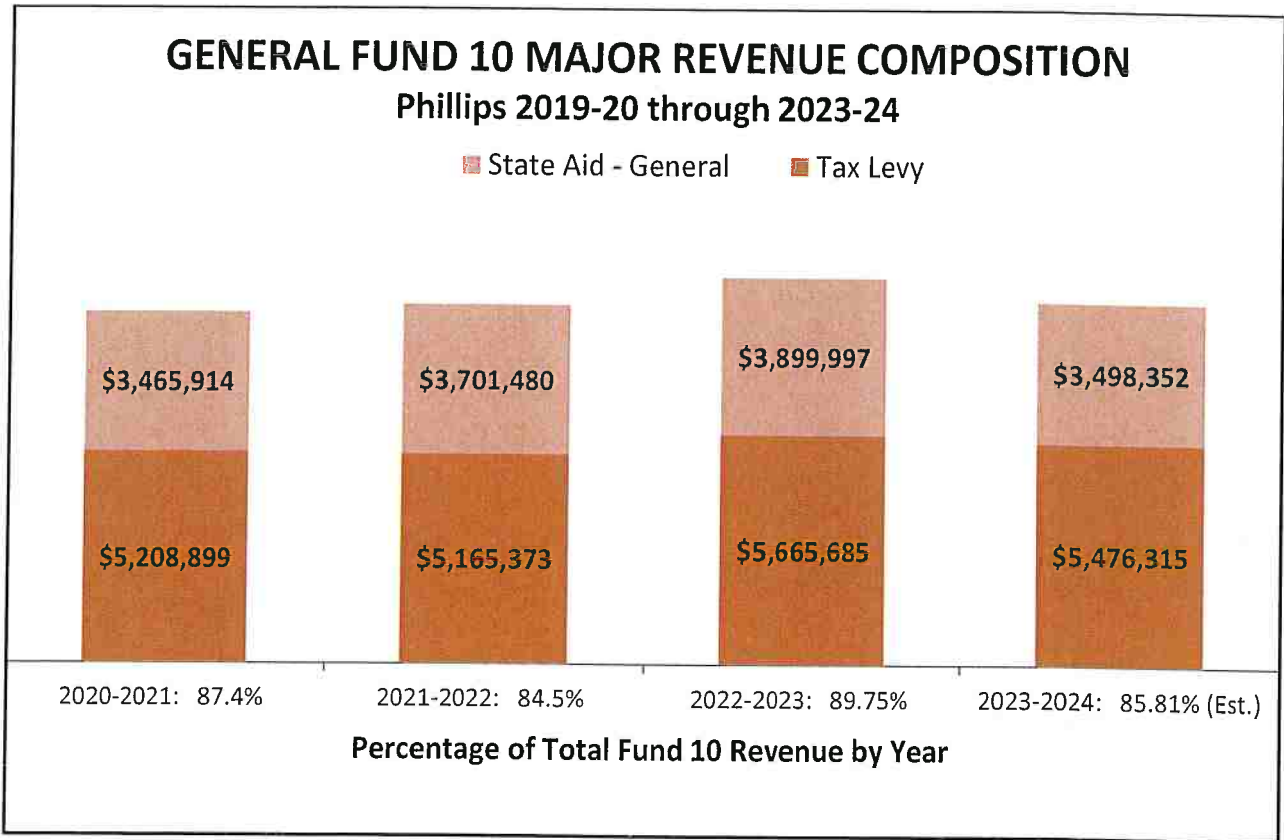
Fund	Description
10	General
21	Special Revenue Trust
27	Special Education
38	Non-Referendum Debt Service
39	Referendum Debt Service
41	Capital Expansion Fund
49	Capital Projects
50	Food Service
72	Private Benefit Trust
73	Employee Benefit Trust
80	Community Service
99	Other Cooperative Funds

Financial administration requires that each transaction is identified for administrative and accounting purposes. The first identification is by the fund which is an independent fiscal and accounting entity, requiring its own set of books, in accordance with special regulations, restrictions, and limitations that earmark each fund for a specific activity or for attaining specific objectives. Each fund must be so accounted for that the identity of its resources and obligations and its revenues and expenditures is continually maintained.

**Revenue Limit Composition**

A state revenue cap formula is a significant factor in the development of the budget. The revenue cap limits the amount of revenue available to school districts from the two main sources – property taxes and state equalization aid. The revenue cap directly affects Funds 10, 38, and 41, and indirectly affects Fund 27. Fund 27 is primarily funded from a transfer from Fund 10.

The 2023-25 State budget increases the revenue cap per student by \$325.00 during 2023-24 and \$325.00 during 2024-25. The budget includes a \$69 change in the per pupil categorical aid. The most recent four years of revenue limit composition and the estimated increase for 2023-24 is shown below:



Please note: the 2020-21 thru 2021-22 revenue limit increase is due to the April, 2020 capital referendum project question.

**Enrollment**

Equalization aid and revenue limit calculations use district pupil count data that is then converted to full time equivalency (FTE). The calculated FTE is referred to as membership. The most recent four years of historical numbers and the September 2023 numbers are shown below.

The historical student count shows a decrease in enrollment along with the September 2023 enrollment. This is due largely to our graduating classes being larger than our incoming Pre-kindergarten classes. Enrollment decreases result in the loss of additional revenues being available through the revenue limit formula.

<b>Grade</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Other	2	1.5	.5	.5	0
4K	25.2	29.4	27	24.6	20.4
K	46	42	48	47	42
1	52	44	40	45	50
2	56	54	48	41	47
3	49	58	53	51	39
4	58	52	59	53	50
5	53	59	50	59	54
6	41	55	62	46	59
7	63	46	57	62	50
8	59	65	48	51	58
9	62	55	59	48	50
10	57	59	60	64	46
11	66	52	58	54	63
12	60	65	57	58	55
<b>Year Totals</b>	<b>749</b>	<b>737.9</b>	<b>726.5</b>	<b>703.6</b>	<b>683.4</b>
<b>% Change</b>	<b>-1.83%</b>	<b>-1.48</b>	<b>-1.54</b>	<b>-3.15</b>	<b>-2.87</b>

**Tax Levy**

The 2023-2024 tax levy decreased to \$5,476,315.00 or \$189,370 less than 2022-2023. This equates to a 3.34% decrease. Two years of historical information and the proposed tax levy for this year is shown below.

PROPOSED PROPERTY TAX LEVY			
FUND	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
General Fund	3,840,476.00	3,621,856.00	4,351,572.00
Referendum Debt Service Fund	725,000.00	1,461,650.00	546,000.00
Non-Referendum Debt Service Fund	288,397.00	270,679.00	267,243.00
Capital Expansion Fund	0.00	0.00	0.00
Community Service Fund	311,500.00	311,500.00	311,500.00
<b>TOTAL SCHOOL LEVY</b>	<b>5,165,373.00</b>	<b>5,665,685.00</b>	<b>5,476,315.00</b>
PERCENTAGE INCREASE -- TOTAL LEVY FROM PRIOR YEAR		9.69%	-3.34%

**TAX LEVY EXPLANATION**

The school district tax levy is made up of several components. These include:

- Amount of operational dollars needed-General Fund, Capital Projects, Community Service levies
- Amount of debt service tax dollars needed-Debt Service Fund levy
- The equalized value of property in the school district
- Mill (tax) rate

The tax levy is the total amount of property taxes levied or assessed to municipalities in our school district to fund school operations. The maximum tax levy amount, other than referendum-approved long-term debt or long-term debt incurred prior to 1993, is determined through the state's revenue cap (limit) formula. Taxpayer approval, through the referendum process, is required if a school district wants to exceed the revenue limit. The tax levy approved at the Annual Meeting will be adjusted by the Board of Education in October when the Department of Public Instruction (DPI) has certified the district's state equalization aid amount for the 2022-2023 fiscal year which is received in 2023-2024.

**Equalized valuation** is the fair market value of all properties within a school district as determined by the Wisconsin Department of Revenue. The Wisconsin Department of Revenue uses property sales information to determine a municipality's equalized "fair market" valuation. This information is reported to the school district in October of each year.

The school district distributes the certified (approved) tax levy among the municipalities according to the proportion of equalized value each municipality has in comparison to the total equalized value of the school district. Each municipal treasurer distributes this levy among the various residents based on the assessed value of the property within the municipality.

Equalized valuation plays a very important role in determining the school mill (tax) rate. The equalized value released October 1, 2023 is \$940,883,748 which is used for the 2023-24 fiscal mil rate reflecting in a 18.5% increase in equalized value over last year. Property values increased in the last preceding fiscal year.

**To calculate the school mill (tax) rate**, the district uses the tax levy certified (approved) by the School Board in October and divides that amount by the total equalized value of the school district. The mill rate is defined as the rate one thousand dollars of equalized valuation will raise in property taxes. Property owners in a municipality having more than one school district, fire district, or other governmental entity may find that mill rates vary within the municipality. Property owners may realize different changes (typically increases) in their property assessments depending upon conditions within their community and surrounding communities.

The Board is proposing a total tax levy of \$5,476,315.00 to fund the 2023-24 budget. To determine the rate per thousand, the district divides \$5,476,315.00 by the estimated equalized value of the district, \$940,883,748.00. This produces a projected mill (tax) rate of \$5.80. The Board is required to make any adjustments, if needed, to the levy on or before November 1, 2023. The final determination of state aid will also modify the estimated mill rate.

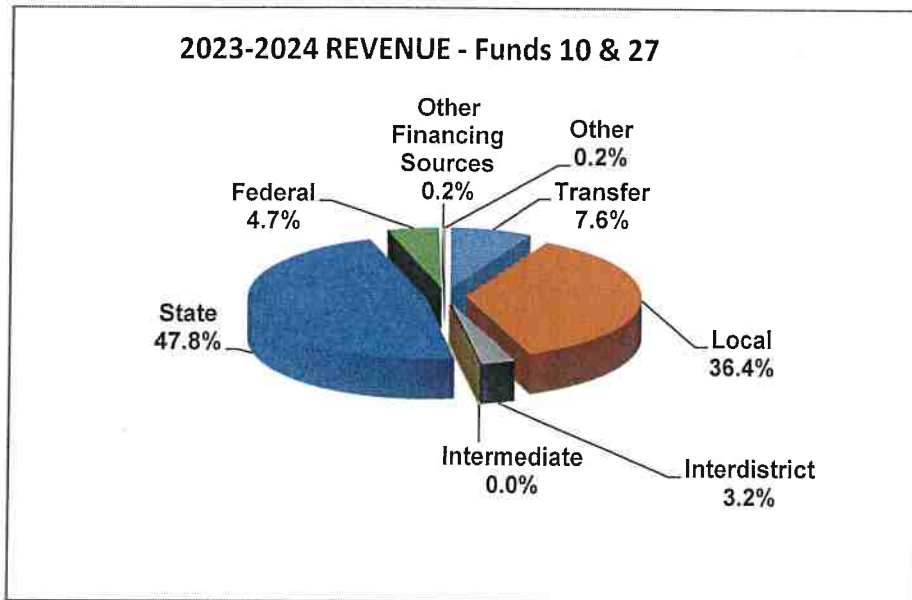
<b>LEVY HISTORY</b>		
<u>For School Year</u>	<u>Dollars</u>	<u>Mill Rate</u>
2013-2014	5,278,530	8.65706
2014-2015	5,497,150	8.88330
2015-2016	5,731,280	9.61172
2016-2017	5,154,449	8.68088
2017-2018	4,874,852	8.28270
2018-2019	4,552,268	7.71467
2019-2020	4,662,252	7.67397
2020-2021	5,208,899	8.17335
2021-2022	5,165,373	7.82993
2022-2023	5,665,685	7.13775
2023-2024	5,476,315	5.80126 (est.)

**Total Expenditures**

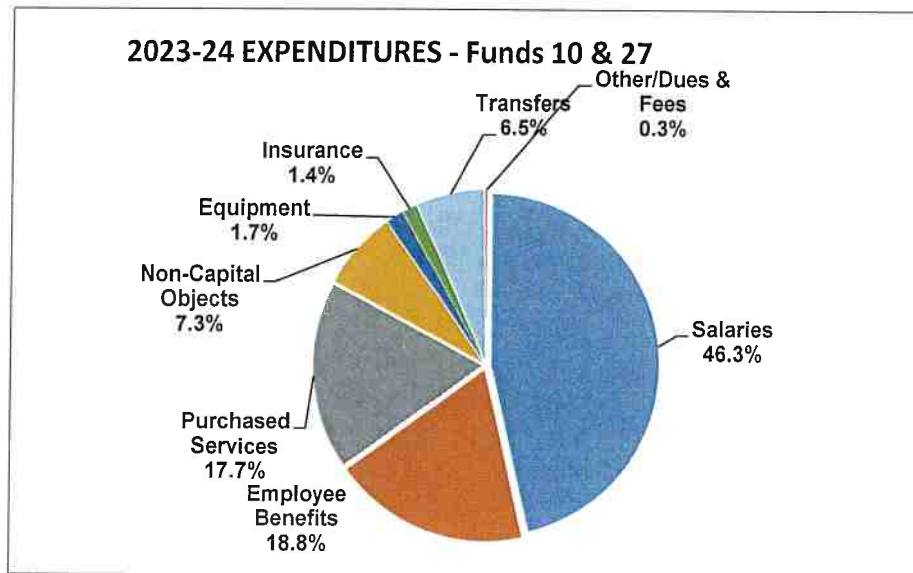
A summary of the expenditures showing two years of historical information and the proposed 2023-2024 budget is shown below. The large decrease in expenditures is due to the building project completion.

<b>Total Expenditures and Other Financing Uses</b>			
ALL FUNDS	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
<b>GROSS TOTAL EXPENDITURES -- ALL FUNDS</b>	20,513,530.07	16,125,644.72	14,855,240.91
Interfund Transfers (Source 100) - ALL FUNDS	901,954.72	826,910.93	1,062,411.71
Refinancing Expenditures (FUND 30)	0.00	0.00	0.00
<b>NET TOTAL EXPENDITURES -- ALL FUNDS</b>	<b>19,611,575.35</b>	<b>15,298,733.79</b>	<b>13,792,829.20</b>
<b>PERCENTAGE INCREASE – NET TOTAL FUND EXPENDITURES FROM PRIOR YEAR</b>		<b>-21.99%</b>	<b>-9.84%</b>

Where do the revenues come from? (Funds 10 and 27)



What are the expenditures spent on? (Funds 10 and 27)



**General Fund 10**

**Purpose of Fund:** The purpose of the general fund 10 is to account for the educational programs and operations of the school district, excluding special education programs.

GENERAL FUND	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
Beginning Fund Balance	3,217,195.14	3,072,421.34	3,120,942.32
<b>Ending Fund Balance</b>	<b>3,072,421.34</b>	<b>3,120,942.32</b>	<b>2,634,747.66</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>			
Transfers-In (Source 100)	0.00	0.00	0.00
Local Sources (Source 200)	3,899,760.14	3,889,792.97	4,126,613.00
Inter-district Payments (Source 300 + 400)	359,397.00	429,249.00	359,400.00
Intermediate Sources (Source 500)	4,827.19	1,248.80	4,830.00
State Sources (Source 600)	5,105,412.13	5,193,590.34	5,418,357.00
Federal Sources (Source 700)	1,103,358.16	1,118,900.94	529,655.00
All Other Sources (Source 800 + 900)	25,797.47	24,934.39	20,052.00
<b>TOTAL REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>10,498,552.09</b>	<b>10,657,716.44</b>	<b>10,458,907.00</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>			
Instruction (Function 100 000)	4,498,645.49	4,587,265.64	4,709,990.38
Support Services (Function 200 000)	4,537,684.01	4,502,320.75	4,682,413.57
Non-Program Transactions (Function 400 000)	1,606,996.39	1,519,609.07	1,552,697.71
<b>TOTAL EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>10,643,325.89</b>	<b>10,609,195.46</b>	<b>10,945,101.66</b>

**Special Projects Funds**

Special projects funds reported below include combined budgets for both the Special Revenue Trust Fund and Special Education Fund.

**Fund 21 Special Revenue Trust Fund**

This fund is used to account for trust funds that can be used for district operations. The source of such funds is gifts and donations. Cash and investments in this fund are expended pursuant to donor specifications. There may be a fund balance in this fund.

**Fund 27 Special Education Fund**

This fund is used to account for the excess cost of providing special education and related services for students with disabilities during the regular school year or extended school year. Also included are charges for services provided to other districts as a result of being a host district for a special education package or cooperative program. School Age Parent costs are also charged to this Fund. No fund balance or deficit can exist in this fund.

SPECIAL PROJECTS FUND	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
Beginning Fund Balance	234,977.46	295,064.22	363,869.62
<b>Ending Fund Balance</b>	<b>295,064.22</b>	<b>363,869.62</b>	<b>363,869.62</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>1,831,908.87</b>	<b>2,115,059.97</b>	<b>2,146,254.57</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>1,771,822.11</b>	<b>2,046,254.57</b>	<b>2,146,254.57</b>



**Debt Service Funds**

These funds are used for recording transactions related to repayment of the following debt service. Debt tax levies must be recorded in these funds. The resources in these funds may not be used for any other purpose as long as a related debt remains.

**Fund 38 Non-Referendum Debt Service Fund**

This fund is used to account for transactions for the repayment of debt issues that were either not authorized by school board resolution before August 12, 1993, or incurred without referendum approval after that date. A fund balance may exist in this fund. Sections 67.05(6a) (b) and 67.12(12(e)(2g)) of the Wisconsin Statutes provides authority for school districts to borrow up to \$1,000,000 without elector approval. The specific limit for each school district is the lesser of \$1,000,000 or a calculated amount which uses statewide value and membership data. The district's limit is cumulative and applies to both bonds and promissory notes. Therefore, at any given time the total debt issued by the district under this provision cannot exceed their calculated authority. If, for example, a district's authority is \$1,000,000, and they have already issued debt of \$900,000 they would only have authority available of \$100,000. However, every principal payment made on the \$900,000 borrowing would increase their available authority limit.

**Fund 39 Referendum Approved Debt Service Funds**

This fund is used to account for transactions for the repayment of debt issues that were either authorized by school board resolution before August 12, 1993, or approved by referendum. The district may account for referendum approved debt service transactions in Funds 31, 32, 33, 34, 36, 37 (which are not presently assigned by DPI for reporting purposes) and/or Fund 39. If the district uses funds other than Fund 39, the district must combine and report these funds as Fund 39. A fund balance may exist in this fund.

DEBT SERVICE FUND	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
Beginning Fund Balance	137,605.91	308,279.65	284,406.26
Ending Fund Balance	308,279.65	284,406.26	286,709.26
REVENUES & OTHER FINANCING SOURCES	1,013,397.00	1,732,329.00	813,243.00
EXPENDITURES & OTHER FINANCING USES	842,723.26	1,756,202.39	810,940.00

**DISTRICT INDEBTEDNESS**

Taxable G.O.	2023-24 Principal Paid	\$ 252,000.00
Refunding Bonds	2023-24 Interest Paid	\$16,540.00
	Balance Due	\$1,033,000.00
General Obligation	2023-24 Principal Paid	\$360,000.00
Refunding Bonds	2023-24 Interest Paid	\$168,000.00
	Balance Due	\$8,455,000.00

**Fund 49 Other Capital Project Funds**

As the result of a referendum election on April 7, 2020, the District has been authorized to issue general obligation bonds in an amount not to exceed \$9,860,000 for the public purpose of paying the cost of a school building and improvement program consisting of construction of an addition for classrooms and expansion and renovation of the Middle/High School building to create a single K-12 campus; upgrades and site improvements; potential demolition of a portion of Phillips Elementary School; and acquisition of furnishings, fixtures and equipment (the "Project"). A fund balance may exist in this fund.

CAPITAL PROJECTS FUND	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
Beginning Fund Balance	7,453,115.46	1,149,700.03	387,181.98
Ending Fund Balance	1,149,700.03	387,181.98	352,181.98
REVENUES & OTHER FINANCING SOURCES	32,519.84	72,355.10	15,000.00
EXPENDITURES & OTHER FINANCING USES	6,335,935.27	834,873.15	50,000.00

**Fund 50 Food Service Fund**

All revenues and expenditures related to pupil food service activities are recorded in this fund. A fund balance in the Food Service Fund is permitted. There may be no deficit in the Food Service Fund. Any food service fund deficit, resulting from student food services, must be eliminated by an operating transfer from the General Fund. In compliance with the federal requirements of the Healthy Hunger-Free Act, the District did not have to increase school lunch prices for 2023-24.

FOOD SERVICE FUND	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
Beginning Fund Balance	82,399.24	100,123.28	76,512.06
Ending Fund Balance	100,123.28	76,512.06	44,901.79
REVENUES & OTHER FINANCING SOURCES	582,233.42	459,845.73	459,845.73
EXPENDITURES & OTHER FINANCING USES	564,509.38	483,456.95	491,456.00

**Fund 80 Community Service Fund**

This fund is used to account for activities such as adult education, community recreation programs and other programs which are not elementary and secondary educational programs but have the primary function of serving the community. The district may adopt a separate tax levy for this Fund. Statute 120.13(19) permits a school board to establish and maintain community education, training, recreational, cultural or athletic programs and services, outside regular curricular and extracurricular programs for pupils, under such terms and conditions as the school board prescribes. The school board may establish and collect fees to cover all or part of the costs of such programs and services.

Access to Community Service Fund activities cannot be limited to pupils enrolled in the district's K-12 educational programs. Excluded from a Community Service Fund are any

academic subjects and extra-curricular activities available only to pupils enrolled in the district.

Direct costs to the District result from operating and maintaining the community pool, and community programs. The Community Service Fund levy for the 2023-2024 school year will be \$311,500.

COMMUNITY SERVICE FUND	Audited 2021-22	Unaudited 2022-23	Budget 2023-24
Beginning Fund Balance	400,050.52	388,506.36	336,670.43
Ending Fund Balance	388,506.36	336,670.43	269,008.02
REVENUES & OTHER FINANCING SOURCES	343,670.00	343,826.27	343,826.27
EXPENDITURES & OTHER FINANCING USES	355,214.16	395,662.20	411,488.68