

School District of Phillips
Phillips, Wisconsin

ANNUAL MEETING AND BUDGET REPORT
Monday, October 20, 2025

City of Phillips

Villages of: Kennan, Catawba

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

SCHOOL DISTRICT OF PHILLIPS MISSION

The mission of the School District of Phillips is to provide an appropriate educational program and learning environment which will effectively:

1. Meet The Educational Needs Of Its Students;
2. Help Its Students Accomplish Educational Goals Which Are:
 1. Significant,
 2. Durable,
 3. Transferable.

Approved September 2024

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>
2028	Britt Bilgrien - President	Elk	Phillips
2026	Evan Lund - Vice President	Worcester	Phillips
2027	Marty Krog - Clerk	Elk	Phillips
2027	Jon Pesko – Treasurer	Worcester	Phillips
2026	Amie Burnis	Elk	Phillips
2028	Kayla Bushman	Georgetown	Kennan
2027	Hailey Halmstad	Harmony	Catawba
2028	Justin Lindgren	Worcester	Phillips
2026	Kevin Rose	Harmony	Phillips

ADMINISTRATION/SUPERVISORY STAFF

Rachel Hoffman	Superintendent
Molly Lehman	Business Manager
Ericka Hutton-Parker	Grades PreK-5 Principal/Federal Grants Administrator
Vincent Ross	Grades 6-12 Principal
Katherine Peterson	Director of Pupil Services
Sara Huggard	Aquatic Director
Jason McMillan	Transportation Supervisor
Andrea Sippel	Food Service Director
Brad Zydzik	Building & Grounds Supervisor

Publish October 9, 2025 and October 16, 2025

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 20th day of October, 2025, 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 2025-2026 Budget
4. Adjourn the Budget Meeting

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

1. Call the Annual Meeting to Order
2. Opening Remarks - Rachel Hoffman, Superintendent
3. Elect a Chairperson
4. Reading of Minutes of Last Annual Meeting Held October 21, 2024
5. Treasurer's Report
6. Resolution A: Compensation for Board Members
7. Resolution B: Reimbursement of School Board Members
8. Resolution C: 2025-2026 Tax Levy
9. Resolution D: 2025-2026 Fund 80 Levy
10. Resolution E: Authorize for Defense or Legal Action
11. Resolution F: Establish Date and Time for 2026 Annual Meeting
12. Other Business Within the Powers of the Annual Meeting
13. Adjourn

Notices for this meeting were posted on October 2, 2025 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 21, 2024
Phillips High School Performing Arts Center

Present from Board of Education: Bilgrien, Halmstad, Hueckman, Lund, Pesko, Rose & Van De Voort. Absent from Board of Education: Denzine, Krog. Administration Present: Superintendent Hoffman; Finance Manager Lehman, Principals Ross and Parker, and three staff/student/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 Hoffman reviewed revenue limit composition, changes in enrollment, the tax levy and mill rate history, and expenditures, revenues and indebtedness in all funds. Total general fund revenues for 2024-2025 are estimated at \$10,451,530.62 and general fund expenditures for 2024-25 are estimated at \$10,949,222.95. The proposed mill rate for this year is estimated to be 5.97398 based on a levy of \$6,198,129.00 which is a decrease from 6.78125 the previous year. The mill rate is an estimate based on property value projection.
3. Motion (Kevin Rose - Town of Harmony/Joe Van De Voort - Town of Georgetown) to adjourn the budget hearing at 6:09 p.m. Motion carried with unanimous vote.

ANNUAL MEETING

1. President Pesko called the annual meeting to order at 6:09 p.m. Superintendent Hoffman explained the purpose and procedures for the annual meeting and the need to elect a chairperson for the annual meeting.
2. Britt Bilgrien - Town of Elk/Evan Lund, Town of Worcester nominated Jon Pesko as chairperson. There were no other nominations. Motion (Meredith Hueckman - City of Phillips/Joe Van De Voort - Town of Georgetown) to close nominations and have the secretary cast a unanimous ballot for Jon Pesko as chairperson. Motion carried with unanimous vote.
3. Motion (Kevin Rose - Town of Harmony/Hailey Halmstad/Town of Harmony) 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. Reference was made to the treasurer's report being printed in the booklet on page 6. Business Manager Lehman explained how four options would affect the mil rate if a defeasement payment was made on the referendum loan.

Motion (Jon Pesko - Town of Worcester/Kevin Rose - Town of Harmony) to approve the estimated tax levy of \$7,198,129.00 with a mil rate of \$6.94 including \$464,000 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.) Motion carried with unanimous vote.

5. Motion (Joe Van De Voort - Town of Harmony/Britt Bilgrien - Town of Elk) to continue current board salaries at \$25.00 per committee/board meeting and \$100.00 annual salary to officers. Motion carried with unanimous vote.

Motion (Jon Pesko - Town of Worcester/Meredith Hueckman/City of Phillips) to reimburse board members travel expenses at the federal rate per mile and other related travel costs as necessary. Motion carried with unanimous vote.

6. Motion (Britt Bilgrien - Town of Elk/Meredith Hueckman - 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.
7. Old business, new business and long-term planning were included in Superintendent Hoffman's report.
 - A. The major project in the past year was the adoption of NEOLA policies.
 - B. The administration's goals for this year are 1) safety and security, 2) culture and climate, and 3) student success. Decisions being made should fit into one of these three categories.
 - C. Work is beginning a facility review and a 10-year plan for large item issues that will impact the budget.
11. Motion (Meredith Hueckman-City of Phillips/Joe Van De Voort - Town of Harmony) to set the Annual Budget Hearing and Annual Meeting for October 20, 2025 at 6:00 p.m. prior to regular Board meeting. Motion carried with unanimous vote.
12. Motion (Hailey Halmstad - Town of Harmony/Britt Bilgrien - Town of Elk) to adjourn. Motion carried with unanimous vote. The annual meeting adjourned at 6:25 PM.

Respectfully submitted,

Marty Krog, Clerk
Board of Education

School District of Phillips

PK-12 Public Education



To inspire & empower
all students to reach
their greatest potential

Budget Hearing
October 20, 2025

Budget Report | Phillips School Business Office

TABLE OF CONTENTS

Board of Education	3
Introduction, Executive Summary	4
Enrollment.....	5
Revenue Limit Composition.....	6
Proposed Property Tax Levy	7, 8 & 9
Total Expenditures Summary	9
Revenues/Expenditures Summary	10
Fund 10	11
Fund 21 & 27	11& 12
Debt Service Funds	12 & 13
Fund 49... ..	13
Fund 50	14
Fund 80	14 & 15

Board of Education

<u>Name</u>	<u>Term Expires</u>
Britt Bilgrien (Area II) – President	Spring 2028
Amy Burnis (Area II)	Spring 2026
Kayla Bushman (Area III)	Spring 2028
Hailey Halmstad (Area III)	Spring 2027
Justin Lindgren (Area I)	Spring 2028
Evan Lund (Area I) Vice President	Spring 2026
Marty Krog (Area II) – Clerk	Spring 2027
Jon Pesko (Area I) – Treasurer	Spring 2027
Kevin Rose (Area III)	Spring 2026

Area I includes Emery, Flambeau, and Worcester Townships.

Area II includes the City of Phillips and the Town of Elk.

Area III includes the Villages of Catawba and Kennan, the 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. It must be accountable for meeting these educational objectives within the existing financial constraints. The budget also needs to be understandable to the Board of Education, administration, staff, parents, and district taxpayers.

Executive Summary

The Department of Public Instruction designates accounts used in school district budgeting and financial reporting. A uniform accounting system facilitates 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.

Enrollment

In Wisconsin’s school finance system, **enrollment equals revenue**.

Because the **state’s revenue limit and equalization aid** formulas are driven by pupil membership, maintaining stable enrollment is critical to sustaining district operations. The School District of Phillips closely monitors enrollment trends, birth rates, open enrollment activity, and housing growth to ensure long-term fiscal stability and strategic resource allocation.

The revenue limit is based on a three-year rolling average and includes resident students as well as certain open-enrolled and part-time students. Enrollment changes impact not only revenue but also **staffing, class sizes, and program offerings**.

- **Declining enrollment** may lead to the need for staff adjustments or program consolidation to align costs with available funding.
- **Increasing enrollment** can create pressure for additional staff, classroom space, or expanded programs.

Strategic enrollment projections allow the district to maintain a balanced budget while continuing to meet student needs effectively.

Currently, the Phillips School District is experiencing declining enrollment, with a three-year average of 665 students used in the revenue limit formula. This is primarily due to the graduating class being larger than the incoming 4k classes.

Grade	2021-22	2022-23	2023-24	2024-25	2025-26
Other	.5	.5	0	3	.5
4K	27	24.6	20.4	19.8	18
K	48	47	42	33	35
1	40	45	50	50	34
2	48	41	47	47	47
3	53	51	39	50	47
4	59	53	50	39	49
5	50	59	54	50	43
6	62	46	59	52	50
7	57	62	50	56	55
8	48	51	58	45	56
9	59	48	50	63	43
10	60	64	46	48	62
11	58	54	63	46	50
12	57	58	55	62	46
Year Totals	726.5	703.6	683.4	663.80	635.5
% Change		-3.15	-2.87	-2.87	-4.26

Revenue Limit Composition

The **revenue limit** is a state-imposed formula that determines the maximum amount of revenue the School District of Phillips may generate from **two primary sources**:

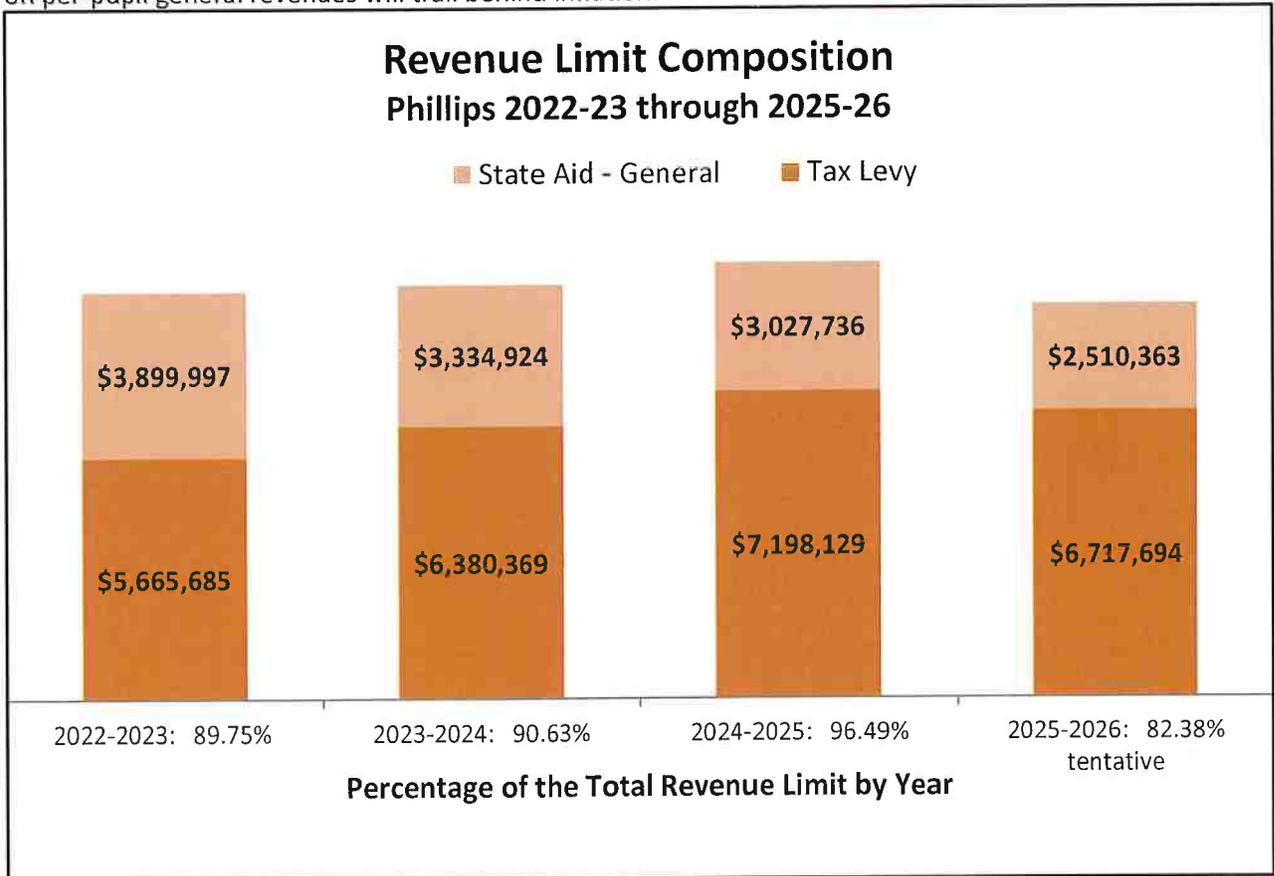
1. **Local property taxes**, and
2. **State equalization aid**.

This limitation, established under Wisconsin Statute §121.91, serves as the primary control on district revenue growth and is a central factor in the development of the District’s annual operating budget. The **revenue limit directly impacts Funds 10 (General Fund), 38 (Non-Referendum Debt), and 41 (Capital Expansion Fund)** and **indirectly impacts Fund 27 (Special Education Fund)** through interfund transfers from the General Fund.

Because the formula restricts how much revenue can be raised locally, changes to the state’s **per-pupil revenue cap** directly affect the District’s fiscal capacity.

2025–27 Biennial Budget Impact

Under the **2025–27 State Budget**, the per-pupil revenue cap increases by **\$325** in each of the fiscal years **2025-26** and **2026-27**. This follows the **\$200 per-pupil increases** authorized in both 2023-24 and 2024-25. However, the state provided no increase in general school aids in either year. In doing so, the state broke from its conventional role to share in local education costs to help offset the property tax impacts of providing public education. Even with the additional \$325 per pupil over the next two years, the state caps on per-pupil general revenues will trail behind inflation.



Tax Levy

The tentative 2025-2026 tax levy decreased to \$6,717,694, or \$480,435 less than in 2024-2025. This equates to a 6.67% decrease. Two years of historical information and the proposed tax levy for this year are shown below.

PROPOSED PROPERTY TAX LEVY			
FUND	Audited 2023-2024	Unaudited 2024-2025	Budget 2025-2026
General Fund	4,603,626.00	4,949,679.00	5,464,638.00
Referendum Debt Service Fund	267,243.00	270,500.00	271,431.00
Non-Referendum Debt Service Fund	0.00	0.00	0.00
Capital Expansion Fund	1,198,000.00	1,513,950.00	517,625.00
Community Service Fund	311,500.00	464,000.00	464,000.00
TOTAL SCHOOL LEVY	6,380,369.00	7,198,129.00	6,717,694.00
PERCENTAGE INCREASE -- TOTAL LEVY FROM PRIOR YEAR		12.82%	-6.67%

TAX LEVY EXPLANATION

The **tax levy** represents the portion of the School District of Phillips’ budget that is funded through **local property taxes**. Each year, the District certifies a levy amount based on the **state-imposed revenue limit, equalization aid received from the Wisconsin Department of Public Instruction (DPI), and the needs of specific funds**.

The total levy is distributed among several funds, each serving a distinct purpose:

- **Fund 10 – General Fund:** Supports the district’s day-to-day instructional and operational costs, including staffing, supplies, utilities, and maintenance.
- **Fund 38 – Non-Referendum Debt Service:** Covers debt payments for energy efficiency projects and other capital improvements not approved by referendum.
- **Fund 39 – Referendum-Approved Debt Service:** Pays principal and interest on bonds approved by district voters for major building projects.
- **Fund 41 – Capital Expansion Fund:** Finances long-term facility maintenance and improvements as part of the district’s capital planning strategy.
- **Fund 80 – Community Service Fund:** Supports community education and activities outside of the K–12 instructional program.

The **revenue limit formula** set by the State of Wisconsin determines how much the District may raise in combination with **state aid and local property taxes**. As equalization aid from the state changes, the **local levy adjusts inversely** — meaning that when state aid increases, the levy typically decreases, and vice versa.

Equalized valuation

The **equalized valuation** represents the **fair market value of all taxable properties** within the boundaries of the **School District of Phillips**, as determined annually by the **Wisconsin Department of Revenue (DOR)**. Equalization ensures that property values across the state are adjusted to a common level, so that each school district's tax levy is distributed equitably among taxpayers, regardless of local assessment practices.

In other words, while local assessors determine property values within each municipality, the DOR adjusts those figures to reflect **statewide market conditions**, creating an **"equalized" basis** for comparing and distributing school taxes.

The equalized valuation is a **key factor in calculating both the property tax rate (mill rate) and the district's state equalization aid**.

- When **property values increase**, the **tax rate of \$1,000 of value** generally decreases if the total levy remains stable.
- Conversely, if **property values decline**, the **mill rate** may rise to generate the same levy amount.
- In addition, districts with **higher equalized property values per pupil** typically receive **less state aid**. In contrast, those with **lower property wealth per pupil** receive **more**, as part of Wisconsin's school funding equalization formula.

For the **2025–26 fiscal year**, the School District of Phillips' total equalized valuation reflects updated property values across all municipalities served by the district. This change affects the **distribution of the tax burden** among local taxpayers but does not, by itself, increase the total revenue available to the district. The district's overall revenue remains governed by the **state-imposed revenue limit**.

The equalized value released on October 1, 2026, is \$1,135,222,110, used for the 2025-26 fiscal year. This reflects a 9.4% increase in equalized value over last year. Property values increased in the preceding 10 fiscal years 74%.

To calculate the school mill (tax) rate

The **mill rate** represents the **amount of property tax levied per \$1,000 of equalized property value** within the School District of Phillips. It is the rate applied to each property owner's taxable property value to generate the local share of the district's budgeted revenue. The mill rate is a key figure that connects the **school district's total tax levy** to the **equalized valuation** of all taxable property in the district.

The Board proposes a total tax levy of \$6,717,694 to fund the 2025-26 budget. To determine the rate per thousand, the district divides \$6,717,694 by the estimated equalized value of the district, \$1,135,222,110. This produces a projected mill (tax) rate of \$5.90. The Board is required to make any adjustments, if needed, to the levy on or before November 1, 2025.

LEVY HISTORY

<u>For School Year</u>	<u>Dollars</u>	<u>Mill Rate</u>
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
2023-2025	6,380,369	6.78125
2024-2025	7,198,129	6.93781
2025-2026	6,717,694	5.91752

Total Expenditures

Total Expenditures:

- Represent **all spending** by a school district or fund in a fiscal year.
- Include **personnel, services, supplies, capital costs, and transfers**.
- Are tracked using **WUFAR accounting codes** for DPI reporting.
- Directly impact the **financial position** and **fund balance** of the district.

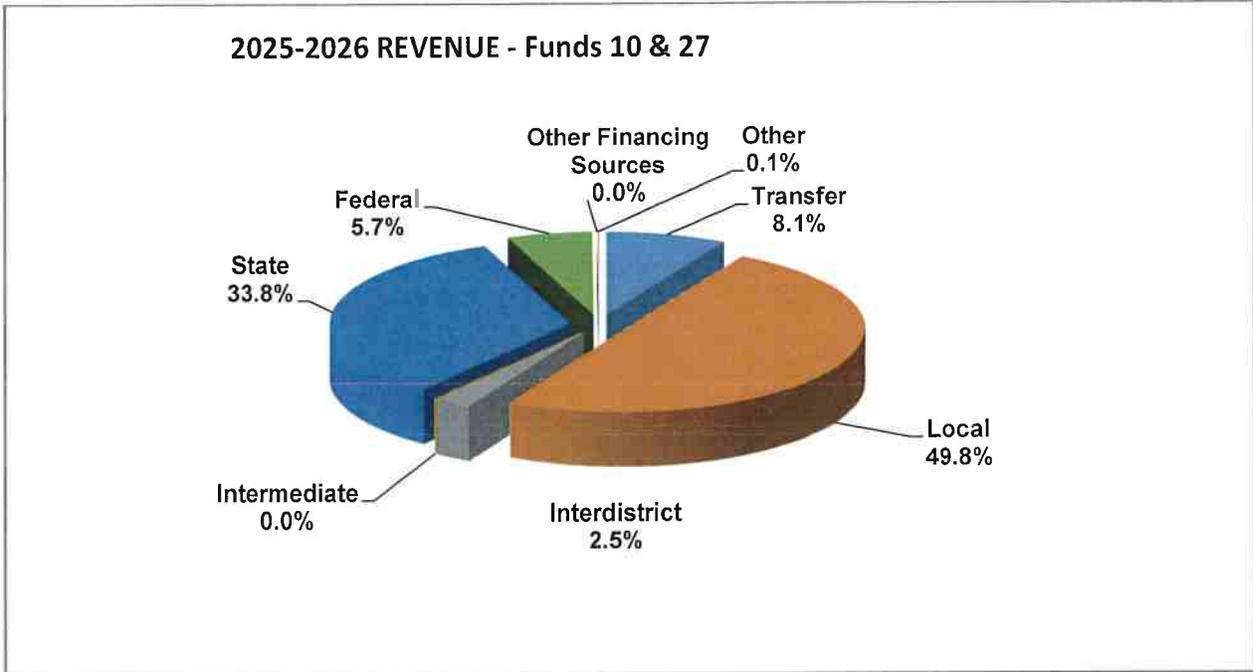
In short, **Total Expenditures = All Costs Incurred to Operate the District**, making it one of the most critical indicators of fiscal performance, accountability, and compliance in Wisconsin public school financial management.

A summary of the expenditure shows two years of historical information, and the proposed 2025- 2026 budget is below. The significant decrease in spending is due to the completion of one-time facility projects, instructional equipment, and strategic staffing adjustments.

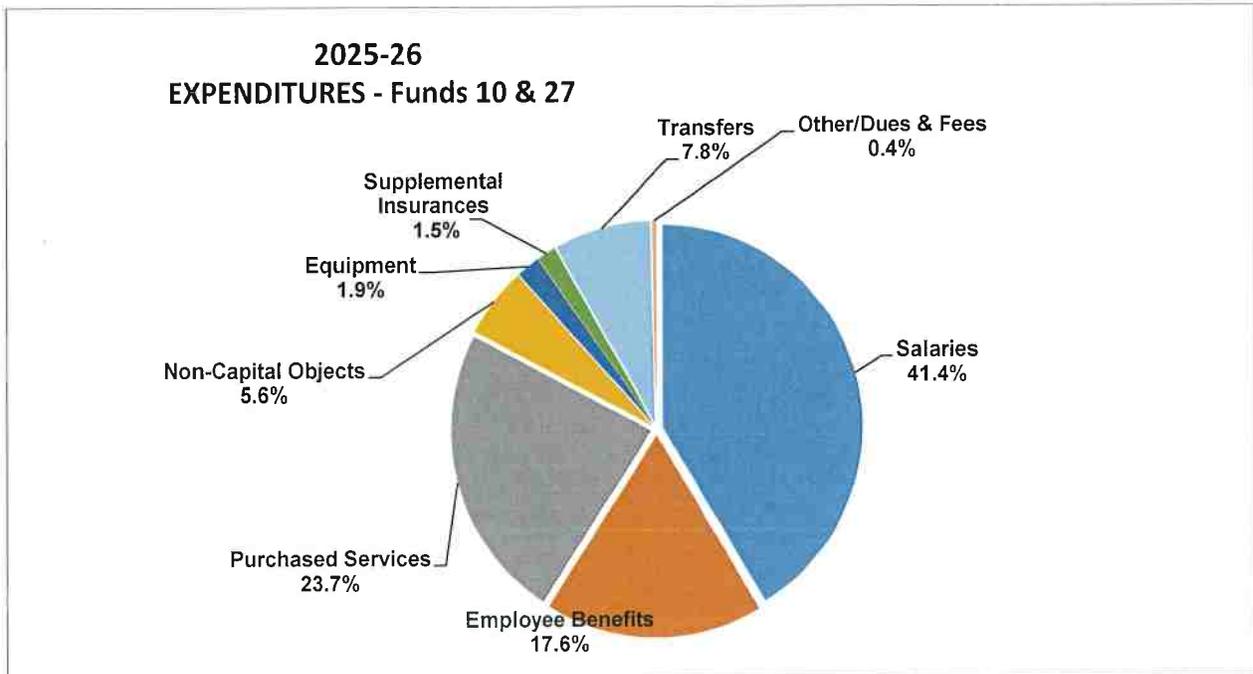
Total Expenditures and Other Financing Uses

ALL FUNDS	Audited 2023-2024	Unaudited 2024-2025	Budget 2025-2026
GROSS TOTAL EXPENDITURES -- ALL FUNDS	15,519,039.04	18,274,089.01	16,028,462.31
Interfund Transfers (Source 100) - ALL FUNDS	1,163,199.54	3,048,053.44	1,194,397.17
Refinancing Expenditures (FUND 30)	0.00	0.00	0.00
NET TOTAL EXPENDITURES -- ALL FUNDS	14,355,839.50	15,226,035.57	14,834,065.14
PERCENTAGE INCREASE – NET TOTAL FUND EXPENDITURES FROM PRIOR YEAR		6.06%	-2.57%

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 2023-2024	Unaudited 2024-2025	Budget 2025-2026
Beginning Fund Balance	3,142,176.71	3,106,272.98	3,015,319.93
Ending Fund Balance	3,106,272.98	3,015,319.83	2,560,685.49
REVENUES & OTHER FINANCING SOURCES			
Transfers-In (Source 100)	0.00	0.00	0.00
Local Sources (Source 200)	4,779,329.29	5,084,873.23	6,521,793.00
Inter-district Payments (Source 300 + 400)	372,850.00	359,044.00	336,320.00
Intermediate Sources (Source 500)	5,583.84	5,453.28	6,575.92
State Sources (Source 600)	4,722,545.85	4,365,957.47	3,781,168.48
Federal Sources (Source 700)	716,314.84	688,396.39	541,241.87
All Other Sources (Source 800 + 900)	122,649.87	94,047.15	15,000.00
TOTAL REVENUES & OTHER FINANCING SOURCES	10,719,273.69	10,597,771.52	11,202,099.27
EXPENDITURES & OTHER FINANCING USES			
Instruction (Function 100 000)	4,489,584.60	4,634,246.20	4,325,946.50
Support Services (Function 200 000)	4,365,511.20	4,049,462.14	5,442,779.28
Non-Program Transactions (Function 400 000)	1,900,081.62	2,005,016.33	1,931,884.26
TOTAL EXPENDITURES & OTHER FINANCING USES	10,755,177.42	10,688,724.67	11,700,610.04

Special Projects Funds

The special projects funds reported below include the combined budgets of the Special Revenue Trust Fund and Special Education Fund.

Fund 21 Special Revenue Trust Fund

This fund accounts 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 according 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 due to 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 2023-2024	Unaudited 2024-2025	Budget 2025-2026
Beginning Fund Balance	363,869.62	\$386,522.77	\$550,558.25
Ending Fund Balance	386,522.77	\$550,558.25	\$532,523.07
REVENUES & OTHER FINANCING SOURCES	2,289,142.61	\$2,444,634.07	\$2,460,631.55
EXPENDITURES & OTHER FINANCING USES	2,266,489.46	\$2,280,598.59	\$2,478,666.72

Debt Service Funds

These funds are used to record 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 if 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 either needed to be 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 provide 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 that uses statewide value and membership data. The district’s cumulative limit applies to bonds and promissory notes. Therefore, at any given time, the total debt issued by the district under this provision cannot exceed its 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 of \$900,000 in 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 (not presently assigned by DPI for reporting purposes) and 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 2023-2024	Unaudited 2024-2025	Budget 2025-2026
Beginning Fund Balance	284,406.26	268,820.95	1,255,276.00
Ending Fund Balance	268,820.95	1,255,276.25	1,247,877.00
REVENUES & OTHER FINANCING SOURCES	1,465,242.99	3,526,950.00	789,056.00
EXPENDITURES & OTHER FINANCING USES	1,480,828.30	2,540,494.70	796,455.00

DISTRICT INDEBTEDNESS

Fund 38

Taxable G.O.	2025-26 Principal Paid	\$ 129,000.00
Refunding Bonds	2025-26 Interest Paid	\$3,446.00
	Balance Due	\$130,000.00

Taxable G.O. Refunding	2025-26 Principal Paid	\$133,000.00
Bonds Energy Efficiency	2025-26 Interest Paid	\$7,610.00
	Balance Due	\$383,000.00

Fund 39

General Obligation	2025-26 Principal Paid	\$385,000.00
Refunding Bonds	2025-26 Interest Paid	\$138,400.00
	Balance Due	\$6,145,000.00

Fund 49 Other Capital Project Funds

Fund 49 is designed to account for **capital improvement projects** financed through sources **other than a dedicated tax levy**. These may include:

- **Bonds or promissory notes**
- **State trust fund loans**
- **Land contracts**
- **Federal or state grants**
- **Donations or gifts**
- **Proceeds from the sale of capital assets**

It provides flexibility for districts to record expenditures on **large-scale capital outlays** (e.g., building renovations, HVAC replacement, parking lot reconstruction) that are not financed through the **Fund 41 Capital Expansion Fund** or the **Fund 48 TIF Capital Improvement Levy Fund**

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 2023-2024	Unaudited 2024-2025	Budget 2025-2026
Beginning Fund Balance	387,181.98	2,063,756.07	261,238.87
Ending Fund Balance	2,063,756.07	261,238.87	237,478.87
REVENUES & OTHER FINANCING SOURCES	1,728,849.09	27,453.94	6,240.00
EXPENDITURES & OTHER FINANCING USES	52,275.00	1,829,971.14	30,000.00

Fund 50 Food Service Fund

Fund 50 is used to record **revenues and expenditures** associated with food service operations that are part of the **USDA Child Nutrition Programs**, such as:

- **National School Lunch Program (NSLP)**
- **School Breakfast Program (SBP)**
- **Afterschool Snack Program**
- **Summer Food Service Program (SFSP)**
- **Seamless Summer Option (SSO)**

The fund encompasses **all aspects of meal preparation and service** — food purchases, staff labor, supplies, and administrative expenses. Its purpose is to ensure **nutritious, affordable meals** are provided to students while maintaining financial accountability for federally reimbursed programs.

Revenue for Fund 50 typically comes from three primary sources:

1. **Federal and State Reimbursements** – DPI administers funds reimbursed through USDA programs for each qualifying meal served.
2. **Student and Adult Meal Sales** – Collected through deposits, point-of-sale transactions, and electronic fund transfers (eFunds)
3. **Ala Carte and Nonprogram Foods** – Revenue from snacks or beverages sold outside standard reimbursable meals.

If the food service program operates at a deficit, the **General Fund (Fund 10)** may transfer resources to cover shortfalls, but these transfers must be documented and justified within DPI reporting structures.

FOOD SERVICE FUND	Audited 2023-2024	Unaudited 2024-2025	Budget 2025-2026
Beginning Fund Balance	76,512.06	25,344.20	0.00
Ending Fund Balance	25,344.20	0.00	0.00
REVENUES & OTHER FINANCING SOURCES	416,855.81	444,160.87	450,383.51
EXPENDITURES & OTHER FINANCING USES	468,023.67	469,505.07	450,383.51

Fund 80 Community Service Fund

This fund accounts for activities such as adult education, community recreation programs, and other programs that 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. Academic subjects and extracurricular activities available only to district pupils are excluded from the Community Service Fund.

School District of Phillips | Budget Hearing 2025–2026

Direct district costs result from operating and maintaining the community pool, middle school sports, School Resource Officer, and other community programs. The Community Service Fund levy for the 2025-2026 school year will be \$464,000.

COMMUNITY SERVICE FUND	Audited 2023-2024	Unaudited 2024-2025	Budget 2025-2026
Beginning Fund Balance	336,670.43	182,962.40	218,383.68
Ending Fund Balance	182,962.40	218,383.68	167,536.64
REVENUES & OTHER FINANCING SOURCES	342,537.16	500,216.12	521,500.00
EXPENDITURES & OTHER FINANCING USES	496,245.19	464,794.84	572,347.04

