

2017-18 Budget Information **Tomahawk School Superintendent - Terry Reynolds**

On October 24 and 30, the School Board members approved the 2017-18 budget and tax levy. Our FTE enrollment, which is directly related to how much a school district may levy each year, decreased by 7 FTE students. However the revenue limits are based on a three year FTE average. Our FTE enrollment count (three yr. avg.) this year is **1228** (last year's three year average was **1240**). We continue to experience a decline in our FTE enrollment for revenue limit purposes.

To cover the total costs to educate our students this year a 2017-18 budget (All funds) of **\$23,521,475.00** was developed. This amount equates to an increase of **30.34%** from last year's budget. The District will have a decrease from State general aids of **\$182,986.00** which is a **-15%** decrease from last year. The increase in this year's budget is attributed to the addition of \$3,000,000 operational referendum which was passed in April of 2017. The referendum amount this year will be used to pay off the long term debt and maintain current educational programming.

The Board also approved the 2017-18 tax levy of **\$13,651,053**. The rate is a **20.9347%** increase over last year's levy. The District levy rate for 2017-18 is **\$9.53** per \$1000 (last year - **\$8.04**). The increase in the levy rate is attributed to the \$3,000,000 operational referendum which was passed in April of 2017, to pay off the long term debt and maintain educational programming.

Questions many will ask:

How many years do we have left to pay on our school building debt?

The District's debt service was scheduled to end in 2022. With the passage of the four year \$3,000,000 operational debt last spring a final payment of **\$2,680,000** will be made in January to close out this debt.

Was the District able to balance the budget for the 2017-18 School Year?

The District will not balance the budget this year and expect expenditures (due to the debt service payoff), to exceed revenues coming in by approximately **\$920,757.00**. The District will use fund 10 reserves to offset the projected negative balance. This will be the fourth year in a row the District has chosen to deficit spend in order to maintain current student programming and provide the necessary educational supports for students in the district. The ability to continue to use the Fund 10 reserves beyond 2017-18 has now reached the point that the reserves should no longer be used for budget deficit spending. Understanding this prompted the School Board last year to ask district residents to approve the April 2017 referendum question to exceed the state revenue levy limits for operational purposes. The passage of this referendum ensured we will be able to pay off our current debt service and maintain our current programming levels for the next four years.

Questions regarding this year's budget, please contact Terry Reynolds, Superintendent, School District of Tomahawk at 715-453-5555.