



## **INTERIM BUDGET**

**2016 - 2017**

June 15, 2016

Dr. Lolli Haws, Superintendent of Schools  
Racine Unified School District

Prepared by:  
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The interim budget is prepared in conformance with laws and regulations applicable to local governments within the State of Wisconsin. Interpretation of data without an understanding of programs, legal requirements for operation of the district, policies and rules of the School Board and practices of the district could lead to erroneous conclusions. This document is accurate as of the date of preparation. Minor differences may exist due to rounding and data discrepancies. The School Board or other regulatory agencies may take action that could render this document inaccurate or incomplete.

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**RACINE UNIFIED SCHOOL DISTRICT**  
**2016 – 2017 INTERIM BUDGET**  
**Fund Financial Statements**

School finance practices and governmental accounting rules require that the school district segregate financial transactions into distinct accounting entities, called funds. For purposes of analysis, funds are grouped as either operating or capital project.

Operating funds are used to report on-going annual costs of operating the district. The operating funds include the following:

- General Fund (Fund 10)
- Special Education Fund (Fund 27)
- Special Revenue Fund (Funds 21 & 29)
- Debt Service Funds (Funds 38 & 39)
- Capital Project Funds (Funds 41, 42, 43, 44, 45, 46 & 49)
- Food Service Fund (Fund 50)
- Community Service Fund (Fund 80)

The community service fund allows for the segregation of financial transactions related to community use of facilities and programs operated for the benefit of the entire community.

Capital project funds are created whenever acquired resources are restricted for the acquisition or construction of specific capital projects or purchase of capital items. Racine reports on seven capital project funds.

A separate financial statement showing revenues, expenditures and changes in fund balance is prepared for each fund. A combined statement showing revenues, expenditures and changes in fund balance for all funds is also provided. The combined statement removes inter-fund transactions to avoid overstating revenues or expenditures.

## BUDGET ASSUMPTIONS

The following assumptions were used to create the interim budget:

1. Changes to laws and regulations regarding school finance will not be adjusted in such a way as to have a material impact on the budget.
2. The \$1 million of additional savings or efficiencies are required to meet budget targets
3. Property values are expected to increase 2.54%.
4. It is assumed membership and enrollment will continue to be affected by the state program to allow an unlimited number of students to receive vouchers to attend private schools. However, we are assuming the district will experience an increase in enrollment in kindergarten and early childhood programs due to the introduction of the Montessori program to RUSD. Using the membership estimate for revenue limit calculations, the three year membership average for revenue limit purposes will decrease by 181 students.
5. After reviewing open enrollment application numbers, we are assuming the number of open enrollment students leaving the district will decrease from 1,249 to 1,099. Open enrollment tuition payments by RUSD are expected to decrease to just over \$7.5 million. The number of open enrollment students coming into the district will remain at 24.
6. General state aid is estimated to increase \$7.3 million which represents a 5.2% increase.
7. The District will experience stable funding in state categorical aid programs.
8. The District will receive a \$1.5 million one-time payment from the Village of Sturtevant due to the retirement of a TID District.
9. The state finance law allows the district a 1% increase per pupil spending as provided by the additional \$2 million of state per pupil categorical aid.
10. The state structure for financing private school vouchers in Racine will require the district to fund an estimated 1,138 students at a cost of \$8.3 million. The tax levy will increase by \$2.75 million as provided by state law as a revenue limit non-recurring exemption.
11. Federal funding is reduced by \$1.2 million due to reduced federal carryover funds for Title and IDEA programs. Title grant funds for the district's two priority schools will continue and will be used to add hours of instruction at Knapp and Goodland elementary schools and to fund the Lead Turn Around Partner.
12. An allowance is provided for labor costs for all employee groups to cover step adjustments and level changes for teaching and other staff.

13. The budget assumes District costs for health coverage will not increase over the prior year. Costs for Long Term Disability insurance will be lower by \$180,000.
14. Maximum use of vacancy allowance and health savings was utilized with little staffing contingency provided.
15. Academic and curricular programs include funds for \$1.2 million the elementary math curriculum/textbook adoption. Funds are also provided for textbook replacement, curricular materials, reading programming, curriculum writing and development, and Response to Intervention instructional programs to strengthen services to struggling students in the district.
16. Funding for staff development is provided, including training costs and materials, professional development systems; and substitute teacher coverage.
17. School funding includes furniture and equipment for newly constructed schools, continuation and expansion of Violence Free School Zones, and career pathways in high schools.
18. \$1 million of referendum funds are set aside for instructional technology initiatives.
19. Dedicated carryover funds of \$1,661,396 are provided for one-time costs related to: school furniture, library upgrades, dedicated substitutes, Violence Free School Zones, school furniture, musical instruments and technical education equipment at Gifford School, instructional equipment for Project Lead the Way classes in high schools, and initiatives at high schools. (see amounts on page 6)
20. Over \$5 million debt refinancing is budgeted for the purchase of the SportsPlex building.

The recommended interim budget complies with rules and regulations of the State of Wisconsin and federal government as well as policies of the Racine Unified School District. The budget will allow for sustaining existing programs but does not contribute to continued building of organizational capacity for future years nor address future facility needs.

# ENROLLMENT INFORMATION

School district revenues and costs are directly related to the number of pupils served as well as the curriculum and support programs offered. Long-term facility needs are based on projected enrollment. Consequently, enrollment projections constitute the beginning point for calculation of budgets. The District uses a modified cohort-survival enrollment projection methodology. The enrollment history for the last 5 years and projection for the next 5 years is shown below. The table does not reflect state changes to the way student enrollment is calculated for pupils attending voucher schools.

## RACINE UNIFIED SCHOOL DISTRICT Enrollment Projection District Summary

Enrollment projections are used to plan for staffing levels, facility space needs and quantities of supplies and materials.

	PRE - K	4K	5K	1 - 12	Total Enrolled	Enrolled Change	Non-Attending	Total Count	Total Change
<b>Historical Data</b>									
2011-12	311	940	1,524	17,941	20,716		866	21,582	
2012-13	332	1,029	1,640	17,640	20,641	(75)	1050	21,691	109
2013-14	121	1,139	1,533	17,412	20,205	(436)	1166	21,371	(320)
2014-15	121	1,131	1,435	17,164	19,851	(354)	1227	21,078	(293)
2015-16	121	1,179	1,329	16,989	19,618	(233)	1249	20,867	(211)
<b>Projection</b>									
2016-17*	179	1,204	1,367	16,774	19,524	(94)	1,099	20,623	(244)
2017-18*	173	1,204	1,374	16,591	19,342	(183)	1,099	20,440	(183)
2018-19*	173	1,204	1,372	16,352	19,101	(240)	1,099	20,200	(240)
2019-20*	173	1,204	1,375	16,193	18,945	(156)	1,097	20,043	(157)
2020-21*	173	1,204	1,370	16,046	18,793	(153)	1,096	19,889	(154)

Total enrolled includes pupils enrolled for attendance in one of the district's schools or sponsored programs (e. g. off-site 4 year old kindergarten) regardless of residence status. Projections for future years is based on a cohort survival method with greatest weight given to initial grade data (4 year old kindergarten). Non-attending represents resident pupils who attend school in another school district, mostly under the state's open enrollment law. Students age 3 in Montessori School do not count for revenue limit funding purposes.

Following the calculation of projected enrollment based on the cohort-survival methodology, manual adjustments are made to reflect changes not reflected in the calculations.

## PROPERTY TAX INFORMATION

Property taxes are levied in the following operating funds:

General Fund  
Debt Service Funds  
Capital Expansion Fund  
Community Service Fund

The amount of property taxes a school district is permitted to raise in the general and debt service funds is controlled by state imposed revenue limits.

Property taxes are estimated to decrease \$5,376,120 which is 6.28% lower than last year. The estimated property tax rate is projected to decrease 8.56%, or \$.91 per \$1,000 equalized value, for a total estimated property tax rate of \$9.72. The tax rate assumes a 2.54% increase in property value.

The following table shows the history of the district's equalized value, tax levies, and tax rates since the district was first formed in 1961-62. Changes to the tax levy will be impacted by changes in state general aids, student enrollment, as well as referendum approved expenditures.

### RACINE UNIFIED SCHOOL DISTRICT TAX LEVY HISTORY

(Amounts in Thousands)

SCHOOL YEAR	EQUALIZED VALUE (TID OUT)	% CHANGE	TAX LEVY	% CHANGE	TAX RATE per \$1000 EQUALIZED	TAX RATE CHANGE
61-62	610,437		7,576		\$12.41	
71-72	1,036,724		19,789		\$19.09	
81-82	2,789,838		31,340		\$11.23	
91-92	4,976,066		47,472		\$9.54	
01-02	6,037,440		53,182		\$8.81	
02-03	6,438,154	6.64%	48,475	(8.85%)	\$7.53	(14.52%)
03-04	6,874,804	6.78%	53,063	9.47%	\$7.72	2.51%
04-05	7,505,782	9.18%	57,163	7.73%	\$7.62	(1.33%)
05-06	8,243,327	9.83%	55,717	(2.53%)	\$6.76	(11.25%)
06-07	9,117,495	10.60%	62,299	11.81%	\$6.83	1.09%
07-08	9,541,307	4.65%	64,373	3.33%	\$6.75	(1.26%)
08-09	9,714,573	1.82%	70,101	8.90%	\$7.22	6.96%
09-10	9,677,597	-0.38%	75,939	8.33%	\$7.85	8.74%
10-11	9,289,465	-4.01%	78,110	2.86%	\$8.41	7.16%
11-12	9,127,326	-1.75%	79,280	1.50%	\$8.69	3.30%
12-13	8,392,856	-8.05%	81,875	3.27%	\$9.76	12.31%
13-14	7,908,573	-5.77%	78,760	(3.80%)	\$9.96	2.09%
14-15	8,041,489	1.58%	77,128	(6.03%)	\$9.59	(3.69%)
15-16	8,054,829	1.74%	85,619	8.71%	\$10.63	10.83%
16-17	8,259,125	2.54%	80,243	(6.28%)	\$9.72	(8.60%)

## General Fund Dedicated Fund Balance

The proposed budget utilizes dedicated carry over funds approved to fund district priorities. These dedicated reserves are allocated as follows:

### *Academic Achievement and School Climate Goals*

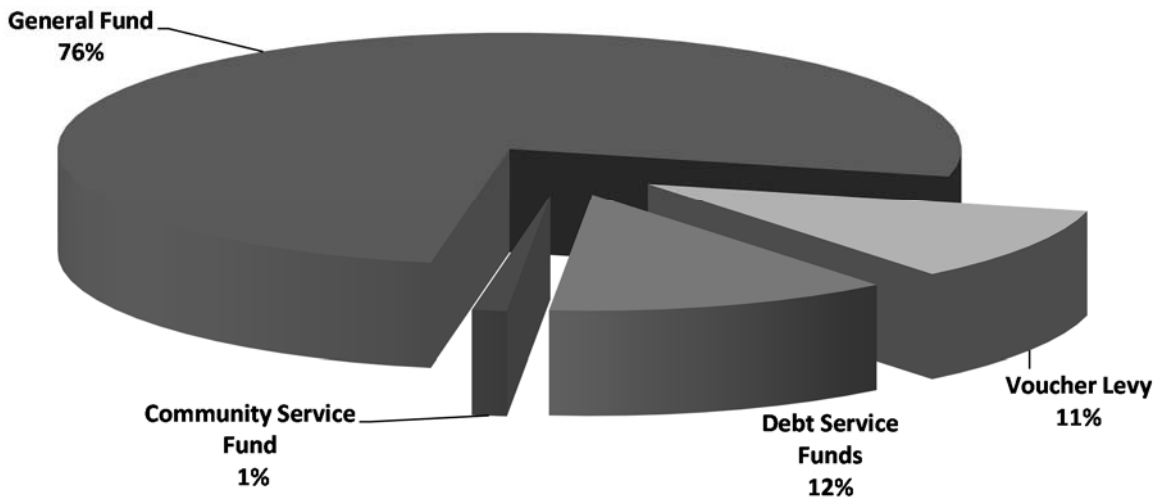
Classroom furniture for newly constructed schools	790,000
Gifford music and technical education equipment	165,963
High School Project Lead the Way equipment	291,403
Continued CTE grant funding	150,000

### *School Climate Goal*

High School carryover initiatives	164,000
Library upgrades	100,000
<b>TOTAL</b>	1,661,366

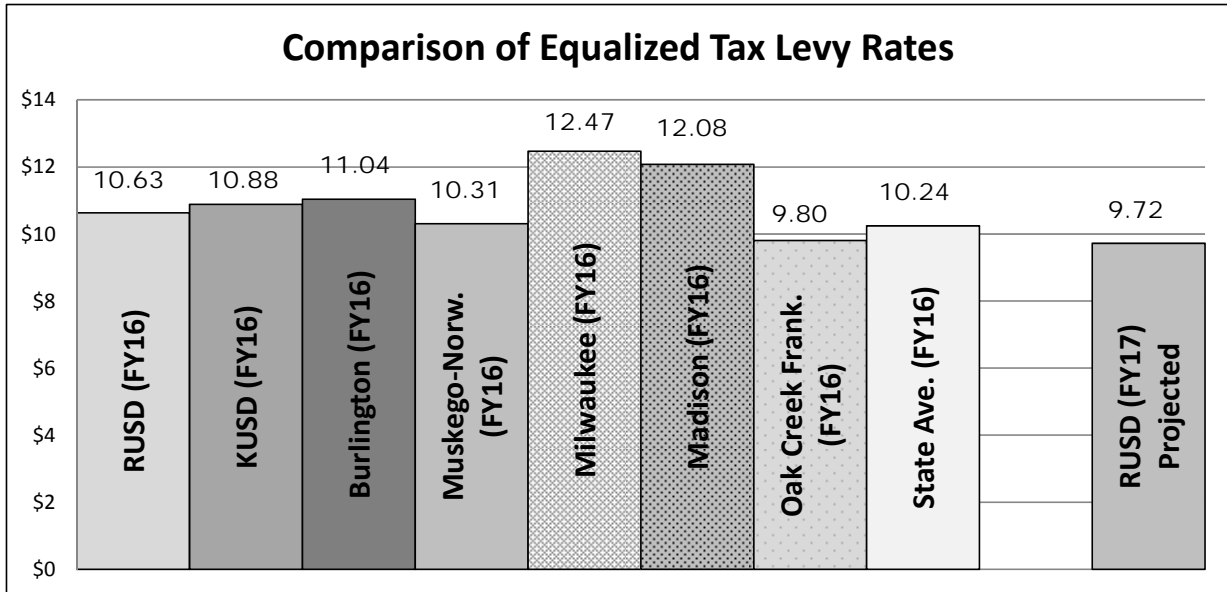
The pie chart below shows the distribution of the property tax levy and how 76% is for the General Fund, 12% is used for debt service, 1% for community programming, and 11% for private school vouchers. No funds were levied into the Capital Expansion Fund (Fund 41) at this time.

### FY17 Property Tax Levy by Fund





The graph below shows FY16 equalized tax levy rates and shows how the interim FY17 equalized tax rate for RUSD compares to peer or bordering school districts. The RUSD tax levy reduction would cause the rate to be lower than comparative districts and the state average.



## STAFFING INFORMATION

The following table compares Full Time Equivalency (FTE) staff changes over the FTE levels reported in the original budget document last October. Staffing levels from the 2012-13 original budget are also provided. The table breaks down the information by employee group, fund, and whether the position is federally funded. The table also includes overloads (OL) and contracted employees (PS). The costs associated with the staff are reflected in the budget.

The staffing process generated an overall increase in staff of .86 FTE. The table indicates that the number of certified administrators increased 9 FTE, some of which are grant funded positions. Teaching FTE was reduced 17.25 FTE while educational assistants increased 15.42 FTE. There were also reductions in clerical staff (10.61 FTE) and contracted positions. The FTE increased for positions in both Professional Support (2.8 FTE) and Building and Grounds (1.5 FTE). This table does not reflect dedicated substitute teachers that are also funded in the interim budget.

### Comparison of Staff by Employee Group Fiscal Year 2012-13 through 2016-17

	2012-13	2013-14	2014-15	2015-16	Interim 2016-17	FY15-FY16 Difference	Notes
<b>Certified Administrators</b>							
- General Fund (F10)	71.50	72.98	81.50	82.50	89.20	6.70	1
Federal Grant Funded	1.00	1.00	1.50	1.50	3.50	2.00	2
- Special Education (F27)	3.00	4.00	1.00	0.00	2.00	2.00	
Federal IDEA Grant Funded	3.50	2.50	7.00	9.00	7.00	-2.00	
- Community Services (F80)	0.00	0.00	0.00	0.00	0.30	0.30	
<b>Total Cert. Admin (AD)</b>	<b>79.00</b>	<b>80.48</b>	<b>91.00</b>	<b>93.00</b>	<b>102.00</b>	<b>9.00</b>	
<b>Teaching Staff</b>							
- General Fund (F10)	1150.56	1171.58	1164.98	1166.71	1161.24	-5.47	3
Federal Grant Funded	66.32	68.59	77.50	82.70	89.31	6.61	4
- Special Revenue Trust (F21)	0.64	0.00	0.00	0.00	0.00	0.00	
- Special Education (F27)	406.66	420.82	407.40	391.13	390.32	-0.81	
Federal IDEA Grant Funded	31.20	36.20	31.00	35.50	30.35	-5.15	5
- Community Services (F80)	1.00	0.00	0.00	0.00	0.00	0.00	
<b>Subtotal (T)</b>	<b>1656.38</b>	<b>1697.19</b>	<b>1680.88</b>	<b>1676.04</b>	<b>1671.23</b>	<b>-4.82</b>	
- General Fund (F10)	22.26	22.35	17.05	19.93	9.70	-10.23	6
Federal Grant Funded	0.00	0.00	0.40	0.20	0.00	-0.20	
- Special Education (F27)	1.80	0.00	0.00	0.00	0.00	0.00	
<b>Subtotal (OL)</b>	<b>24.06</b>	<b>22.35</b>	<b>17.45</b>	<b>20.13</b>	<b>9.70</b>	<b>-10.43</b>	
- General Fund (F10)	0.00	0.00	1.00	1.00	0.00	-1.00	
- Special Education (F27)	4.00	2.00	3.00	5.00	4.00	-1.00	
<b>Subtotal (PS)</b>	<b>4.00</b>	<b>2.00</b>	<b>4.00</b>	<b>6.00</b>	<b>4.00</b>	<b>-2.00</b>	
<b>Total Teaching Staff</b>	<b>1684.44</b>	<b>1721.54</b>	<b>1702.32</b>	<b>1702.17</b>	<b>1684.93</b>	<b>-17.25</b>	

<b>Educational Assistants</b>							
- General Fund (F10)	105.66	114.35	124.80	116.31	120.18	3.87	7
Federal Grant Funded	20.77	24.87	24.26	23.84	20.91	-2.93	8
- Special Education (F27)	217.37	229.58	212.10	226.30	241.15	14.85	9
Federal IDEA Grant Funded	2.30	0.50	0.50	0.00	0.00	0.00	
- Food Service (F50)	2.10	2.34	2.51	2.48	2.11	-0.37	
<b>Total Ed Asst Staff (EA)</b>	<b>348.20</b>	<b>371.64</b>	<b>364.17</b>	<b>368.93</b>	<b>384.35</b>	<b>15.42</b>	
<b>Secretaries &amp; Clerical</b>							
- General Fund (F10)	132.73	133.48	131.98	127.79	117.92	-9.87	10
Federal Grant Funded	3.14	3.34	3.84	3.54	2.80	-0.74	
- Special Education (F27)	0.00	0.00	0.00	0.00	0.00	0.00	
Federal IDEA Grant Funded	10.50	9.50	7.50	7.70	7.70	0.00	
- Special Projects Fund (F29)	0.70	0.30	0.30	0.65	0.65	0.00	
- Community Services (F80)	2.25	1.70	0.00	1.75	1.75	0.00	
<b>Subtotal (SC)</b>	<b>149.32</b>	<b>148.32</b>	<b>143.62</b>	<b>141.43</b>	<b>130.82</b>	<b>-10.61</b>	
- General Fund (F10)	0.00	0.00	0.00	0.00	0.00	0.00	
Federal Grant Funded	1.00	1.00	0.00	0.00	0.00	0.00	
<b>Subtotal (PS)</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total Secretarial Staff</b>	<b>150.32</b>	<b>149.32</b>	<b>143.62</b>	<b>141.43</b>	<b>130.82</b>	<b>-10.61</b>	
<b>Buildings and Grounds</b>							
- General Fund (F10)	185.64	181.80	172.92	174.71	176.81	2.10	11
Federal Grant Funded	0.00	0.00	0.40	0.40	0.40	0.00	
- Food Service (F50)	4.16	4.47	13.42	13.03	13.03	0.00	
<b>Total B&amp;G Staff (BG)</b>	<b>189.80</b>	<b>186.27</b>	<b>186.74</b>	<b>188.14</b>	<b>190.24</b>	<b>2.10</b>	
- General Fund (F10)	0.60	0.60	0.60	0.60	0.00	-0.60	
<b>Subtotal (PS)</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>	<b>0.60</b>	<b>0.00</b>	<b>-0.60</b>	
<b>Total Building &amp; Grounds Staff</b>	<b>190.40</b>	<b>186.87</b>	<b>187.34</b>	<b>188.74</b>	<b>190.24</b>	<b>1.50</b>	
<b>Professional Support</b>							
- General Fund (F10)	49.35	48.15	59.45	66.40	68.05	1.65	12
Federal Grant Funded	1.10	0.20	5.20	6.70	6.60	-0.10	
- Special Education (F27)	0.00	1.00	0.00	0.00	0.00	0.00	
Federal IDEA Grant Funded	1.50	0.00	0.00	0.00	0.00	0.00	
- Special Projects Fund (F29)	0.30	0.00	0.00	0.00	0.00	0.00	
- Food Service (F50)	0.75	0.75	0.75	0.75	0.75	0.00	
- Community Services (F80)	1.00	2.30	0.00	0.55	0.50	-0.05	
<b>Subtotal (AS)</b>	<b>54.00</b>	<b>52.40</b>	<b>65.40</b>	<b>74.40</b>	<b>75.90</b>	<b>1.50</b>	
- General Fund (F10)	0.00	1.00	1.00	1.00	1.50	0.50	13
Federal Grant Funded	1.24	1.24	1.00	1.00	1.00	0.00	
- Community Services (F80)	0.00	0.00	0.00	0.00	0.80	0.80	
<b>Subtotal (PS)</b>	<b>1.24</b>	<b>2.24</b>	<b>2.00</b>	<b>2.00</b>	<b>3.30</b>	<b>1.30</b>	
<b>Total Admin Support Staff</b>	<b>55.24</b>	<b>54.64</b>	<b>67.40</b>	<b>76.40</b>	<b>79.20</b>	<b>2.80</b>	
<b>Total</b>	<b>2507.60</b>	<b>2564.49</b>	<b>2555.85</b>	<b>2570.67</b>	<b>2571.54</b>	<b>0.86</b>	

1. Includes certified administrators for positions of High School Freshmen Academy Deans, Turning Point Academy Dean, Dean at Gifford School, and Assistant Principal at Fratt and West Ridge Elementary schools.

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2. Federal funding for Assistant Principal at Knapp and Assistant Director of Curriculum and Instruction.
3. Teaching staff reduced through staffing process and changing staffing and class size requirements for state SAGE/AGR program.
4. Title funded teachers added, including two using Priority School funds at Knapp and Goodland.
5. Fewer staff funded by federal IDEA funds due to reduced carryover allocation. FTE reduction utilized DPI Task Force recommendations on caseloads.
6. Reduced overload positions at high schools. This FTE area includes virtual learning teaching staff.
7. Additional educational assistants for Montessori and early learning programs.
8. Fewer educational assistants at schools funded using federal Title funds.
9. Addition of special education assistants during the 2016-17 school year as part of the staffing process and service delivery changes.
10. Clerical positions restructured and reduced at high schools.
11. Building service FTE added to cover SportsPlex building.
12. Professional support positions include Internal Communications position, substitute staff specialist, and other FTE adjustments.
13. Additional contracted position FTE for Director of Security through a contract arrangement with the City of Racine.

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

The following statement combines all funds, providing an overall picture of the district's financial operation in a single display.

Overall, the district will have a decrease of fund balance of approximately (\$5,324,759) which can be attributed to using dedicated fund balance to fund district priorities in the areas of school furniture and instructional materials. In addition, capital projects funds will expend balances on building construction and repair projects.

The projected change in fund balance by fund for the budget year is:

### Change in Fund Balance

	Beginning	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Ending	Difference
General fund	\$41,809,273	\$248,156,321	\$250,725,381	\$39,240,213	(\$2,569,060)
Special revenue trust fund	315,786	76,860	378,277	\$14,369	(\$301,417)
TEACH Fund	0	0	0	\$0	\$0
Special education fund	0	53,269,301	53,269,301	\$0	\$0
Special revenue fund	53,382	776,310	776,310	\$53,382	\$0
Debt service funds	1,298,530	15,312,123	15,351,676	\$1,258,977	(\$39,553)
Capital projects funds	2,843,158	150	2,317,720	\$525,588	(\$2,317,570)
Food service fund	2,060,095	10,068,191	10,413,962	\$1,714,324	(\$345,771)
Community service fund	186,671	1,040,000	1,091,388	\$135,283	(\$51,388)
Totals	<u>\$48,566,895</u>	<u>\$328,699,256</u>	<u>\$334,324,015</u>	<u>\$42,942,136</u>	<u>(\$5,624,759)</u>
<b>Overall change in fund balance</b>				<b>(\$5,624,759)</b>	
<b>Change in operating* fund balance</b>				<b>(\$3,267,636)</b>	

### General Fund Balance

The projected ending balance for the General fund (Fund 10) is projected to exceed 15% which is within the board guidelines under OE 5.7.

**ALL GOVERNMENTAL FUNDS**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**INTERIM BUDGET**

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADJ BUDGET	2016-17 INTERIM	Change		NOTES
					Amount	Percent	
<b>Revenues by Source</b>							
Property Taxes	\$78,759,519	\$77,128,036	\$85,619,044	\$80,242,999	(\$5,376,045)	-6.28%	1
Local & intermediate sources	3,292,481	2,907,175	3,298,818	4,605,040	\$1,306,222	39.60%	2
State Sources	150,592,581	162,337,312	163,128,378	172,629,175	\$9,500,797	5.82%	3
Federal Sources	30,914,827	30,472,098	33,217,463	32,001,006	(\$1,216,457)	-3.66%	4
Other Sources	4,142,366	8,415,639	1,538,357	156,522	(\$1,381,835)	-89.83%	5
<b>Total Revenues</b>	<b>267,701,774</b>	<b>281,260,260</b>	<b>286,802,060</b>	<b>289,634,742</b>	<b>\$2,832,682</b>	<b>0.99%</b>	
<b>Expenditures by Function</b>							
<b>Instruction</b>							
Regular Instruction	95,482,359	94,199,320	93,421,128	94,606,520	\$1,185,392	1.27%	6
Vocational Instruction	4,822,830	4,742,722	5,263,368	5,386,026	\$122,658	2.33%	7
Special Instruction	39,911,477	38,273,051	38,965,970	38,642,631	(\$323,339)	-0.83%	8
Other Instruction	6,696,635	7,412,210	7,044,620	7,047,418	\$2,798	0.04%	
<b>Total Instruction</b>	<b>146,913,301</b>	<b>144,627,303</b>	<b>144,695,086</b>	<b>145,682,595</b>	<b>\$987,509</b>	<b>0.68%</b>	
<b>Support Service</b>							
Pupil Services	15,280,837	16,204,534	17,379,499	17,489,625	\$110,126	0.63%	
Libraries & Instructional Support	14,402,406	17,294,477	19,701,976	20,311,954	\$609,978	3.10%	9
General administration	2,826,578	2,854,924	3,104,298	3,129,603	\$25,305	0.82%	
Building administration	10,952,694	12,231,339	12,371,894	13,107,782	\$735,888	5.95%	10
Business & operations	61,982,537	54,417,950	92,056,319	44,690,363	(\$47,365,956)	-51.45%	11
Central services	11,912,595	8,227,056	9,003,487	8,971,199	(\$32,288)	-0.36%	
Insurance	804,953	877,075	982,132	920,510	(\$61,622)	-6.27%	
Debt payments	22,402,387	21,143,788	7,480,186	16,000,664	\$8,520,478	113.91%	12
Other support services	363,771	364,690	403,336	470,884	\$67,548	16.75%	
Food service	8,043,849	9,176,039	10,803,870	10,413,962	(\$389,908)	-3.61%	13
Community service	1,054,822	132,069	912,872	1,091,388	\$178,516	19.56%	14
<b>Total Support Services</b>	<b>150,027,429</b>	<b>142,923,941</b>	<b>174,199,869</b>	<b>136,597,934</b>	<b>(\$37,601,935)</b>	<b>-21.59%</b>	
Non-program transactions	9,107,812	10,563,895	15,124,129	18,241,965	\$3,117,836	20.61%	15
<b>Total Expenditures</b>	<b>306,048,542</b>	<b>298,115,139</b>	<b>334,019,084</b>	<b>300,522,494</b>	<b>(\$33,496,590)</b>	<b>-10.03%</b>	
<b>Excess (deficiency) of</b>							
Revenues over Expenditures	(38,346,768)	(16,854,879)	(47,217,024)	(10,887,752)	\$36,329,272		
Other financing sources (uses)	479,604	23,534,972	43,041,652	5,263,000	(\$37,778,652)	-87.77%	16
Net change in fund balance	(37,867,164)	6,680,093	(4,175,372)	(5,624,752)	(\$1,449,380)		
Fund Balance Beginning of Year	83,844,357	45,977,194	52,657,287	48,481,915	(\$4,175,372)	-7.93%	
<b>Fund Balance End of Year</b>	<b>\$45,977,194</b>	<b>\$52,657,287</b>	<b>\$48,481,915</b>	<b>\$42,857,163</b>	<b>(\$5,624,752)</b>	<b>-11.60%</b>	

**Revenues**

- 1 See information beginning on page 6 regarding property taxes.
- 2 Increase includes the expected \$1.5 million to be received from the Village of Sturtevant due to a retired TID district.

- 3 Includes estimated increase in state general aid of \$7.5 million, \$2 million of per pupil aid, and adjustments to state categorical aids.
- 4 The reduction is due to lower amounts of carryover over federal funds for Title and IDEA programs. Some of the reduction is offset by an increase in projected additional revenues from Medicaid claims.
- 5 The lower amount for FY16 reflects a prior year insurance dividend received that will not be provided in the current fiscal year.

### **Expenditures**

- 6 Amount includes funds for new classroom furniture for the newly constructed schools and \$1 million of referendum funds set aside for instructional technology.
- 7 Includes materials, equipment, and fees to Project Lead the Way courses.
- 8 Reduced costs due to staffing adjustments made utilizing DPI Task Force recommendations for special education student caseloads.
- 9 Additional amount reflects addition of academy coach teachers as part of high school transformation.
- 10 Administrative and clerical staff role reassignments as part of implementing the high school academy model caused a reallocation of expenses to the building administration category. The increase also includes the addition of administrative staff at Gifford, Fratt, and West Ridge schools.
- 11 The decrease is due to the high level of prior year school construction expenditures.
- 12 The increase is due to an increase of debt costs related to financing for new school construction. In addition, the interim budget includes a refinancing of debt related to the purchase of the SportsPlex building.
- 13 Lower food service expenditures due to the prior year costs of building the central kitchen at the Administrative Service Center.
- 14 These additional costs reflect those related to instructional programs for three year old students as part of the Montessori program. As per the Department of Public Instruction, these expenses should be accounted for the Community Service Fund (Fund 80).
- 15 These amounts are the tuition costs related to \$8.3 million in payments for 1,138 private school voucher students as well as tuition payments for open enrollment students leaving the district. The amount assumes 150 fewer RUSD students open enrolling out of the district. However, tuition costs have also increase for special education open enrollment due to a change in state law.
- 16 The decrease involves transactions related to the refinancing of debt related to the SportsPlex purchase.

The following charts summarize revenues and expenditures into broad categories.

### **Revenues**

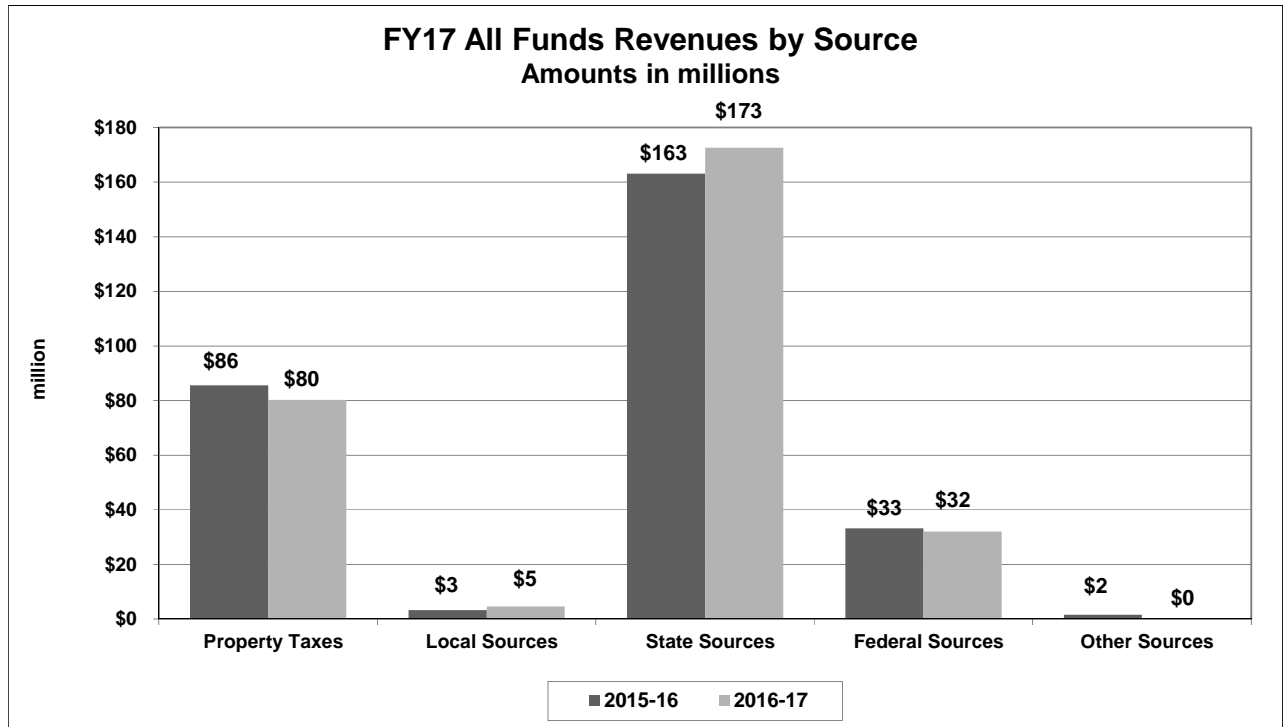
**Property taxes:** Revenue from taxable property located within the bounds of the school district.

**Local & intermediate sources:** Primarily fees, earnings on investments, tuition charges for students from other districts, sales, donations, and rental charges.

**State sources:** Equalization and categorical aid and proceeds for state sponsored projects.

**Federal sources:** Revenue for projects funded by the federal government.

**Other revenue:** Reimbursements from the federal government for medical services provided to low income students.





## Expenditures

**Instruction:** The direct cost of teaching students, including salaries and benefits, textbooks, teaching supplies, and equipment.

**Instructional & pupil support:** Costs, including salaries, benefits, services, supplies and equipment, related to libraries, instructional staff development, curriculum development, guidance, social work, nursing and therapy services.

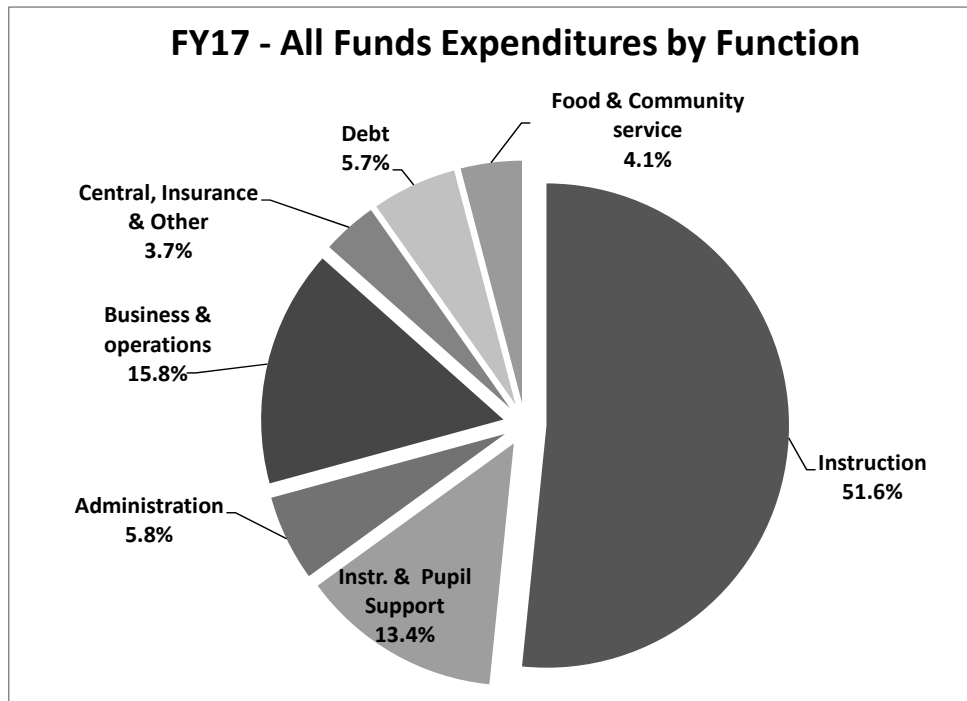
**Administration:** Involves the cost, including salaries, benefits, supplies and equipment, of administration for schools and the entire school system including administrators, central office staff, board of education, and legal services.

**Business, Facilities and Operations:** This includes the cost of the business and accounting department, operating, cleaning and maintaining the buildings, utilities, trash disposal, custodial services, repairs, and transportation of pupils.

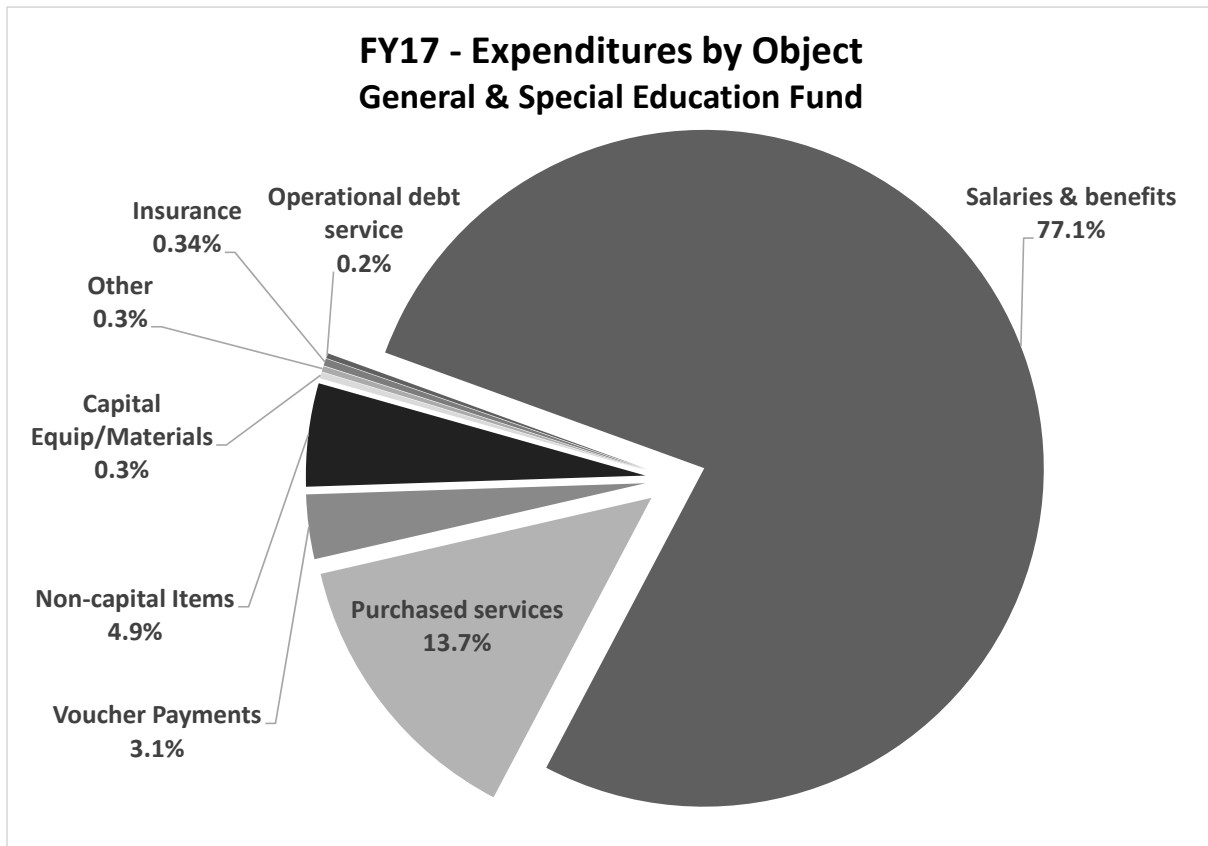
**Central, Insurance and Other:** Costs related to information systems, human services, insurance, copiers, printing, non-instructional staff training.

**Debt:** For repayment of principal and interest on long-term debt and interest costs on short-term debt of the district.

**Food and community service:** Costs related to food service operations, expenses related to community service, community use of facilities, and aspects of the Lighted Schoolhouse program.



The pie chart below shows how 77.1% of the 2016-17 interim budget is allocated for salaries and benefits in the General and Special Education funds. Purchased services, which includes pupil transportation, utilities, copy machines, and repair services, represents 13.7% of the district budget in these funds. The new state system of financing private school vouchers is projected to represent 3.1% of budgeted expenditures.



# GENERAL FUND

The general fund is used to account for all financial transactions relating to the district's operations, except for those required to be reported in other funds. Significant changes in amounts are described in the notes that follow the statement of revenues, expenditures and changes in fund balance.

## General Fund Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADJ BUDGET	2016-17 INTERIM	PERCENT CHANGE	NOTES
<b>Revenues by source</b>						
Property taxes	\$71,529,472	\$71,826,637	\$ 77,839,732	\$69,375,758	-10.87%	1
Local sources	1,113,144	909,121	1,226,788	2,785,203	127.03%	2
Intermediate sources	205,468	117,202	118,000	118,000	0.00%	
State sources	137,639,636	149,102,645	150,152,590	159,491,555	6.22%	3
Federal sources	16,336,544	15,855,545	16,951,857	16,030,314	-5.44%	4
Other sources	4,142,366	6,658,111	649,150	92,610	-85.73%	5
<b>Total revenues</b>	<b>230,966,630</b>	<b>244,469,261</b>	<b>246,938,117</b>	<b>247,893,440</b>	<b>0.39%</b>	
<b>Expenditures by function</b>						
Instruction						
Regular instruction	95,467,319	94,146,441	93,270,890	94,492,612	1.31%	6
Vocational instruction	4,765,727	4,685,358	5,209,341	5,326,999	2.26%	7
Special instruction	43,378	122,394	251,804	231,903	-7.90%	
Other instruction	6,246,895	6,751,004	6,424,120	6,520,396	1.50%	
<b>Total instruction</b>	<b>106,523,319</b>	<b>105,705,197</b>	<b>105,156,155</b>	<b>106,571,910</b>	<b>1.35%</b>	
Support service						
Pupil services	9,779,788	10,700,353	11,637,264	11,772,393	1.16%	
Libraries & instructional support	10,935,359	13,269,462	15,306,892	15,805,741	3.26%	8
General administration	2,748,553	2,819,835	3,087,298	3,112,603	0.82%	
Building administration	10,952,694	12,231,339	12,371,894	13,107,782	5.95%	9
Business & operations	38,957,763	41,834,053	40,202,117	38,206,561	-4.96%	10
Central services	11,865,572	8,144,876	8,962,882	8,947,659	-0.17%	
Insurance	600,444	669,010	763,318	719,003	-5.81%	
Debt payments	2,095,699	515,809	5,684	648,988	11317.80%	11
Other support services	363,771	364,690	403,336	470,884	16.75%	
<b>Total support services</b>	<b>88,299,643</b>	<b>90,549,428</b>	<b>92,740,685</b>	<b>92,791,614</b>	<b>0.05%</b>	
Non-program transactions	8,678,405	9,912,698	14,220,583	17,587,465	23.68%	12
<b>Total expenditures</b>	<b>203,501,367</b>	<b>206,167,323</b>	<b>212,117,423</b>	<b>216,950,989</b>	<b>2.28%</b>	
Excess (deficiency) of revenues over expenditures	27,465,263	38,301,938	34,820,694	30,942,451	-11.14%	
Other financing sources (uses)						
Transfer from other funds	110,899	96,212	71,487	257,881		
Other financing sources	477,095	11,625	5,000	5,000	0.00%	
Transfers to other funds	(33,525,218)	(39,030,762)	(33,792,456)	(33,774,392)	-0.05%	13
<b>Total other financing sources (uses)</b>	<b>(32,937,224)</b>	<b>(38,922,925)</b>	<b>(33,715,969)</b>	<b>(33,511,511)</b>		
Net change in fund balance	(5,471,961)	(620,987)	1,104,725	(2,569,060)	-332.55%	14
Fund balance beginning of year	46,797,496	41,325,535	40,704,548	41,809,273	2.71%	
<b>Fund balance end of year</b>	<b>\$41,325,535</b>	<b>\$40,704,548</b>	<b>\$41,809,273</b>	<b>\$39,240,213</b>	<b>-6.14%</b>	

## **Revenues**

- 1 Property taxes are reduced due to increase in state general aid, changes to state revenue limit laws. Under state school financing laws, state aid lowers local school property taxes. Also includes private school voucher levy of \$8.3 million.
- 2 Additional revenue includes \$1.5 million of proceeds from the expired Sturtevant TID and funds from the operation of the SportsPlex.
- 3 Includes estimated increase in state general aid of \$7.5 million, \$2 million of per pupil aid, and adjustments to state categorical aids.
- 4 The reduction is due to lower amounts of carryover over federal funds for Title programs. Some of the reduction is offset by an increase in projected additional revenues from Medicaid cost settlement claims from prior years.
- 5 The lower amount for FY16 reflects a prior year insurance dividend received that will not be provided in the current fiscal year.

## **Expenditures**

Most functional areas include costs for compensation (wages and benefits). Preliminary estimates for staff costs are consistent with district handbook policies, past practice, and agreements.

- 6 Amount includes funds for new classroom furniture for the newly constructed schools and \$1 million of referendum funds set aside for instructional technology.
- 7 Includes materials, equipment, and fees to Project Lead the Way courses.
- 8 Higher amount reflects addition of academy coach teachers as part of high school transformation.
- 9 Administrative and clerical staff role reassignments as part of implementing the high school academy model caused a reallocation of expenses to the building administration category. The increase also includes the addition of administrative staff at Gifford, Fratt, and West Ridge schools.
- 10 Includes projected reductions to pupil transportation costs and lower levels of expenditures for school construction when compared to prior year amounts.
- 11 Debt payment is due to the restoration of a lease for copy machine replacement.
- 12 These amounts are the tuition costs related to \$8.3 million in payments for 1,138 private school voucher students as well as tuition payments for open enrollment students leaving the district. The amount assumes 150 fewer RUSD students open enrolling out of the district. Tuition costs have

- also increase for special education open enrollment due to a change in state law.
- 13 This amount reflects the General Fund transfer to cover special education expenses.
  - 14 The net change in fund balance reflects the use of dedicated carryover funds and the \$1 million in additional efficiencies and savings needed to meet budget goals.

## OTHER SPECIAL REVENUE FUNDS TRUST & TEACH FUNDS

These funds (Funds 21 & 23) are used to account for trust funds received through gifts and donations from private parties which can be used for district operations. The TEACH Fund (Fund 23) is no longer used since all remaining funds were expended in FY09. The table below is for Fund 21.

Special Revenue Trust Fund Revenues by Source, Expenditures by Function INTERIM BUDGET						
	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADJ BUDGET	2016-17 INTERIM	PERCENT CHANGE	NOTES
<b>Revenues by source</b>						
Local & intermediate sources	\$151,435	\$99,828	\$511,622	\$76,860	100.00%	1
Other sources	0	0	0	0		
<b>Total revenues</b>	<b>151,435</b>	<b>99,828</b>	<b>511,622</b>	<b>76,860</b>	<b>100.00%</b>	
<b>Expenditures by function</b>						
Regular instruction	15,040	52,879	150,238	113,908	-24.18%	2
Vocational instruction	0	3,473	1,027	6,027	486.85%	
Other instruction	0	0	2,619	984	-62.43%	
<b>Total Instruction</b>	<b>15,040</b>	<b>56,352</b>	<b>153,884</b>	<b>120,919</b>	<b>100.00%</b>	
Pupil services	0	3,779	17,780	12,703	-28.55%	3
Instructional & staff support	37,269	78,898	132,345	243,815	84.23%	4
General administration	26,000	24,000	0	0		
Business & Operations	0	24,729	20,052	840	-95.81%	
Central services	17,000	55,000	0	0		
<b>Total support services</b>	<b>80,269</b>	<b>186,406</b>	<b>170,177</b>	<b>257,358</b>	51.23%	
Non-Program Transactions	52,121	0	0	0		
<b>Total expenditures</b>	<b>147,430</b>	<b>242,758</b>	<b>324,061</b>	<b>378,277</b>	16.73%	
Excess (deficiency) of revenues over expenditures	4,005	(142,930)	187,561	(301,417)	-260.70%	5
Transfer to other funds			(7,500)			
Total other financing sources (uses)	0	0	0	0		
Net change in fund balance	4,005	(142,930)	180,061	(301,417)	-267.40%	5
Fund balance beginning of year	184,665	188,670	45,740	315,786	590.39%	
<b>Fund balance end of year</b>	<b>\$188,670</b>	<b>\$45,740</b>	<b>\$225,801</b>	<b>\$14,369</b>	-93.64%	5
<b>Restated Fund Balance to Reflect Estimated Actual Balance</b>			<b>\$315,786</b>			6

## **Revenues & Expenditures**

- 1 Change reflects a one-time transaction in the prior year to properly account for gifts, grants and other revenues. Also \$200,000 Project Cape Grant received in FY16.
- 2 Reduction due to \$40,000 Johnson Grant for backpacks expended in FY16.
- 3 Funds for School Based Mental Health Pilot expenses reallocated to Instructional & Staff Support category.
- 4 Amount includes professional development for High School Transformation Project Cape Grant.
- 5 Reduction of fund balance reflects expenditures of in 2016-17 of revenues received in 2015-16. This includes the \$200,000 Project Cape High School Transformation Grant.
- 6 Fund Balance Adjustment indicates what the projected ending amount will be for 2015-16.

## SPECIAL EDUCATION FUND

This fund is used to account for special education and related services funded wholly or in part with state or federal special education aid or charges for services provided to other districts as a result of being a host district for a special education package or cooperative program. No fund balance or deficit can exist in this fund.

### Special Education Fund Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADJ BUDGET	2016-17 INTERIM	PERCENT CHANGE	NOTES
<b>Revenues by source</b>						
Local & intermediate sources	\$67,669	\$91,577	\$42,430	\$42,430	0.00%	
State sources	12,799,773	13,077,707	12,804,485	12,958,245	1.20%	1
Federal sources	7,012,347	5,940,089	7,096,684	6,841,986	-3.59%	2
Other sources	0	0	0	0		
<b>Total revenues</b>	<b>19,879,789</b>	<b>19,109,373</b>	<b>19,943,599</b>	<b>19,842,661</b>	<b>-0.51%</b>	
<b>Expenditures by function</b>						
Regular instruction	0	0	0	0		
Vocational instruction	57,103	53,891	53,000	53,000	0.00%	
Special instruction	39,868,099	38,150,657	38,714,166	38,410,728	-0.78%	3
<b>Total Instruction</b>	<b>39,925,202</b>	<b>38,204,548</b>	<b>38,767,166</b>	<b>38,463,728</b>	<b>-0.78%</b>	
Pupil services	5,498,840	5,489,388	5,718,532	5,701,429	-0.30%	
Instructional & staff support	3,304,001	3,769,723	4,083,134	4,073,902	-0.23%	
School administration	50,025	11,089	17,000	17,000	0.00%	
Business & operations	3,941,434	3,805,820	3,980,815	4,139,105	3.98%	4
Central services	4,312	16,765	24,130	18,130	-24.87%	5
Insurance	204,509	208,065	218,814	201,507	-7.91%	6
Debt Payments	0	0	0	0		
Other Support Services	0	0	0	0		
<b>Total support services</b>	<b>13,003,121</b>	<b>13,300,850</b>	<b>14,042,425</b>	<b>14,151,073</b>	<b>0.77%</b>	
Non-program transactions	377,286	636,197	903,546	654,500		
<b>Total expenditures</b>	<b>53,305,609</b>	<b>52,141,595</b>	<b>53,713,137</b>	<b>53,269,301</b>	<b>-0.83%</b>	
Excess (deficiency) of revenues over expenditures	(33,425,820)	(33,032,222)	(33,769,538)	(33,426,640)		
Transfer from general fund	33,525,092	33,125,762	33,792,456	33,657,392	-0.40%	
Transfers to other funds	(99,272)	(93,540)	(22,918)	(230,752)		7
	33,425,820	33,032,222	33,769,538	33,426,640	-1.02%	
<b>Fund balance end of year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		



### **Revenues**

- 1 Increase in State categorical special education aid due to higher costs in previous fiscal year.
- 2 Lower IDEA revenues due to spending down of IDEA carryover in FY16.

### **Expenditures by function**

- 3 Reduced costs due to staffing adjustments made utilizing DPI Task Force recommendations for special education student caseloads.
- 4 Amount assumes an increase in special education transportation costs.
- 5 Reduction due to lower non-instructional professional development costs
- 6 Amount reflects a reduction in projected staff worker's compensation insurance costs.
- 7 Increase in amount due to not claiming IDEA indirect cost in FY2015-16 to meet IDEA funding strategies.

# SPECIAL REVENUE FUND

This fund is used to account for federal resources dedicated to the Extended Day programming.

The budget assumes continuation of the program but revenues and costs will be divided between this fund, the General Fund, and the community services fund. The total cost of the program is estimated at approximately \$1,650,000 with an estimated \$750,000 being paid by federal funding and accounted for here.

## Special Projects Fund Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADJ BUDGET	2016-17 INTERIM	PERCENT CHANGE	NOTES
<b>Revenues by source</b>						
Local & intermediate sources	\$0	\$0	\$0	\$0		
State sources	0	0	0	0		
Federal sources	641,985	912,370	897,529	776,310	-13.51%	1
Other sources	0	0	0	0		
<b>Total revenues</b>	<b>641,985</b>	<b>912,370</b>	<b>897,529</b>	<b>776,310</b>	<b>-13.51%</b>	
<b>Expenditures by function</b>						
Regular instruction	0	0	0	0		
Other	449,740	661,206	617,881	526,038	-14.86%	2
<b>Total Instruction</b>	<b>449,740</b>	<b>661,206</b>	<b>617,881</b>	<b>526,038</b>	<b>-14.86%</b>	
Pupil services	2,209	11,014	5,923	3,100	-47.66%	3
Instructional & staff support	125,777	176,394	179,605	188,496	4.95%	4
General administration	2,000	0	0	0		
Building administration	0	0	0	0		
Business & operations	24,966	30,503	33,228	26,137	-21.34%	5
Central services	25,711	10,415	16,475	5,410	-67.16%	6
Other support services	0	0	0	0		
<b>Total support services</b>	<b>180,663</b>	<b>228,326</b>	<b>235,231</b>	<b>223,143</b>	<b>-5.14%</b>	
Non-program transactions	0	0	0	0		
<b>Total expenditures</b>	<b>630,403</b>	<b>889,532</b>	<b>853,112</b>	<b>749,181</b>	<b>-12.18%</b>	
Excess (deficiency) of revenues over expenditures	11,582	22,838	44,417	27,129		
Transfer to other funds	(11,332)	(2,672)	(44,417)	(27,129)		
Net change in fund balance	250	20,166	0	0		
Fund balance beginning of year	32,966	33,216	53,382	53,382		7
<b>Fund balance end of year</b>	<b>\$33,216</b>	<b>\$53,382</b>	<b>\$53,382</b>	<b>\$53,382</b>		

## **Revenues**

- 1 Federal grants for extended day programs at Julian Thomas & Starbuck schools expired. Revenues are also lower due to a reduced availability of federal carryover funds due to higher expenditures in FY2015-16.

## **Expenditures**

- 2 Amount reduced due to lower utilization of contracted staff for extended day programs.
- 3 Reduction in food expenditures for parent activities.
- 4 Additional staff costs due to reduction in the use of contracted staff for extended day programs.
- 5 Lower planned expenditures for pupil transportation.
- 6 Reduced cost of professional development for non-instructional staff.
- 7 Fund balance due to budget & data entry error carried from prior years. Actual balance should be zero and will be corrected for the final budget.

## DEBT SERVICE FUNDS

There are two separate funds for reporting transactions related to repayment of the general obligation debt and refinancing of debt issues and other district obligations. One fund, Debt Service Fund – Not Referendum Approved, is subject to revenue limits. The other fund, Debt Service Fund – Referendum Approved is exempt from state imposed revenue limits.

Tax levies assessed for the repayment of long-term debt, including interest costs, must be recorded in these funds. The assets in these funds may not be used for other purposes as long as related debt remains. The debt payment amounts are established at the time the school board approves a resolution to borrow.

### Debt Service Fund - Not Referendum Approved Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADJ BUDGET	2016-17 INTERIM	PERCENT CHANGE	NOTES
<b>Revenues by source</b>						
Property taxes	\$3,146,421	\$2,209,342	\$3,650,539	\$7,918,074	116.90%	1
Earnings on investments	0	0	1,340	4,617	244.55%	
Other sources	0	123,933	889,207	63,912	-92.81%	
<b>Total revenues</b>	<b>3,146,421</b>	<b>2,333,275</b>	<b>4,541,086</b>	<b>7,986,603</b>	<b>75.87%</b>	
<b>Expenditures for debt payments</b>						
Principal	15,988,586	15,965,322	2,187,061	11,024,846	404.09%	2
Interest	1,134,248	1,275,679	1,683,491	2,441,835	45.05%	2
Agent paying fees	0	195,416	246,785	0	-100.00%	
<b>Total expenditures</b>	<b>17,122,834</b>	<b>17,436,417</b>	<b>4,117,337</b>	<b>13,466,681</b>	<b>227.07%</b>	
Excess (deficiency) of revenues over expenditures	(13,976,413)	(15,103,142)	423,749	(5,480,078)	-1393.24%	
Other financing sources	0	5,900,000	0	150,000		3
Other financing uses	0	(9,323,347)	0	(5,225,000)		4
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>15,223,347</b>	<b>0</b>	<b>5,375,000</b>		
Net change in fund balance	(13,976,413)	120,205	423,749	(105,078)	-124.80%	
Fund balance beginning of year	14,722,011	745,598	865,803	1,289,552	48.94%	
<b>Fund balance end of year</b>	<b>\$745,598</b>	<b>\$865,803</b>	<b>\$1,289,552</b>	<b>\$1,184,474</b>	<b>-8.15%</b>	5

### Revenues, Expenditures and Fund Balance

- 1 Tax levy is higher using referendum funds for debt financing for the school construction.
- 2 Principal and interest payments increased for new school construction debt costs and refinancing SportsPlex/REAL School debt.

- 3 Transfer from the General Fund to cover SportsPlex related debt costs to avoid tax levy impact
- 4 Proceeds to refinance debt costs related to the SportPlex purchase and REAL School build out.
- 5 Fund balance to be maintained for debt payments in subsequent fiscal year as per state guidelines.

**Debt Service Fund - Referendum Approved**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**INTERIM BUDGET**

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADJ BUDGET	2016-17 INTERIM	PERCENT CHANGE	NOTES
<b>Revenues by source</b>						
Property taxes	\$3,233,626	\$3,092,057	\$3,278,773	\$1,949,167	-40.55%	
Earnings on investments	0	0	2,416	1,353	-44.00%	
<b>Total revenues</b>	<b>3,233,626</b>	<b>3,092,057</b>	<b>3,281,189</b>	<b>1,950,520</b>	<b>-40.55%</b>	
<b>Expenditures for debt payments</b>						
Principal	2,575,000	2,695,000	2,985,000	1,665,000	-44.22%	
Interest	607,765	494,255	369,858	219,995	-40.52%	
Agent paying fees	1,089	2,307	2,307	0	-100.00%	
<b>Total expenditures</b>	<b>3,183,854</b>	<b>3,191,562</b>	<b>3,357,165</b>	<b>1,884,995</b>	<b>-43.85%</b>	
Excess (deficiency) of revenues over expenditures	49,773	(99,505)	(75,976)	65,525		
Other financing sources	0	0	0	0		
Other financing uses	0	0	0	0		
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Net change in fund balance	49,773	(99,505)	(75,976)	65,525		
Fund balance beginning of year	134,686	184,459	84,954	8,978	-89.43%	
<b>Fund balance end of year</b>	<b>\$184,459</b>	<b>\$84,954</b>	<b>\$8,978</b>	<b>\$74,503</b>	<b>729.88%</b>	

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## CAPITAL EXPANSION FUND

This fund was created several years ago to allow flexibility in scheduling annual capital projects. State statute restricts the use of this fund to capital expenditures related to acquiring and remodeling buildings and sites, and maintenance or repair expenditures that extend or enhance the service life of buildings and building components, sites and site components. Expenditures from this fund are included in the calculation of equalization aid based on an amortization related to when resources are created in the fund.

Capital Expansion Fund						
Combined Statement of Revenues, Expenditures and Changes in Fund Balance						
INTERIM BUDGET						
	2013-14	2014-15	2015-16	2016-17	PERCENT	
	ACTUAL	ACTUAL	ADJ BUDGET	INTERIM	CHANGE	NOTES
<b>Revenues by source</b>						
Property taxes	\$0	\$0	\$0	\$0		
Earnings on investments	5,208	533	2	100		
Other	0	0	0	0		
<b>Total revenues</b>	<b>5,208</b>	<b>533</b>	<b>2</b>	<b>100</b>		
<b>Expenditures by function</b>						
Buildings & grounds	0	0	0	1,758,510		1
Central services	0	0	0	0		
Other	0	0	0	0		
<b>Total expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,758,510</b>		
Excess (deficiency) of revenues over expenditures	5,208	533	2	(1,758,410)		
Other financing sources	0	0	0	0		
Other financing uses	0	0	0	0		
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Net change in fund balance	5,208	533	2	(1,758,410)		
Fund balance beginning of year	1,752,667	1,757,875	1,758,408	1,758,410		
<b>Fund balance end of year</b>	<b>\$1,757,875</b>	<b>\$1,758,408</b>	<b>\$1,758,410</b>	<b>\$0</b>	<b>-100.00%</b>	

### Revenues, Expenditures and Fund Balance

- 1 Expenditures for facility maintenance, repairs, or needed building projects.

## CAPITAL PROJECT FUNDS

Capital project funds are used to segregate revenues and expenditures related to major capital projects. Typically these projects are financed through borrowing approved by the Board of Education, but may include resources from the sale or disposition of property. The use of segregated funds makes it easier to track expenditures from these financing sources.

The following are statements of four capital projects funds used by the district. The SportsPlex/REAL School project (Fund 42), the Referendum Funded New School Construction (Fund 45), Long Term Capital Improvement Fund (Fund 46), and the Other Capital Improvements from past proceeds (Fund 49).

**Capital Projects Fund - SportsPlex \ REAL**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**INTERIM BUDGET**

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADJ BUDGET	2016-17 INTERIM	PERCENT CHANGE	NOTES
<b>Revenues by source</b>						
Earnings on investments	0	0	0	0		
Other	0	0	0	0		
<b>Total revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Expenditures by function</b>						
Buildings & grounds	0	0	5,250,000	0		
Central services	0	0	0	0		
<b>Total expenditures</b>	<b>0</b>	<b>0</b>	<b>5,250,000</b>	<b>0</b>	<b>-100.00%</b>	
Excess (deficiency) of revenues over expenditures	0	0	(5,250,000)	0		
Other financing sources	0	0	5,250,000	0		
Other financing uses	0	0	0	0		
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>5,250,000</b>	<b>0</b>	<b>-100.00%</b>	
Net change in fund balance	0	0	0	0		
Fund balance beginning of year	0	0	0	0		
<b>Fund balance end of year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		

**Capital Project Funds - Ref Funded School Construction**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**INTERIM BUDGET**

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 BUDGET	2016-17 INTERIM	PERCENT CHANGE	NOTES
<b>Revenues by source</b>						
Earnings on investments	\$0	\$460	\$18,750	\$0	-100.00%	
Other	0	0	0	0		
<b>Total revenues</b>	<b>0</b>	<b>460</b>	<b>18,750</b>	<b>0</b>	<b>-100.00%</b>	
<b>Expenditures by function</b>						
Business & operations	0	0	42,250,000	559,210	-98.68%	1
Central services	0	0	0	0		
Other	0	0	0	0		
<b>Total expenditures</b>	<b>0</b>	<b>0</b>	<b>42,250,000</b>	<b>559,210</b>		
Excess (deficiency) of revenues over expenditures	0	460	(42,231,250)	(559,210)		
Other financing sources	0	5,000,000	37,790,000	0	-100.00%	
Other financing uses	0	0	0	0		
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>5,000,000</b>	<b>37,790,000</b>	<b>0</b>	<b>-100.00%</b>	
Net change in fund balance	0	5,000,460	(4,441,250)	(559,210)		
Fund balance beginning of year	0	0	5,000,460	559,210	-88.82%	
<b>Fund balance end of year</b>	<b>\$0</b>	<b>\$5,000,460</b>	<b>\$559,210</b>	<b>\$0</b>		

**Expenditures & Financing**

- 1 Estimated expenditures for final payments for new Olympia Brown, Knapp and Gifford school construction. This amount will likely change based on retainage and final cost reconciliation.



**Long Term Capital Improvement Fund**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**INTERIM BUDGET**

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 BUDGET	2016-17 INTERIM	PERCENT CHANGE	NOTES
<b>Revenues by source</b>						
Earnings on investments	\$0	\$0	\$7	\$7	0.00%	
Other	0	0	0	0		
<b>Total revenues</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>0.00%</b>	
<b>Expenditures by function</b>						
Business & operations	0	0	0	0		
Central services	0	0	0	0		
Other	0	0	0	0		
<b>Total expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Excess (deficiency) of revenues over expenditures	0	0	7	7	0.00%	
Other financing sources	0	5,000	0	0		
Other financing uses	0	0	0	0		
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>5,000</b>	<b>0</b>	<b>0</b>		
Net change in fund balance	0	5,000	7	7	0.00%	
Fund balance beginning of year	0	0	5,000	5,007		
<b>Fund balance end of year</b>	<b>\$0</b>	<b>\$5,000</b>	<b>\$5,007</b>	<b>\$5,014</b>		

**Capital Project Funds - Technology Equipment, Mitchell Fire, and Land Proceeds**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**INTERIM BUDGET**

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 BUDGET	2016-17 INTERIM	PERCENT CHANGE	NOTES
<b>Revenues by source</b>						
Earnings on investments	\$0	\$0	\$0	\$50		
Other	0	1,607,395	0	0		
<b>Total revenues</b>	<b>0</b>	<b>1,607,395</b>	<b>0</b>	<b>50</b>		
<b>Expenditures by function</b>						
Business & operations	0	1,607,395	320,107	0		
Central services	0	0	0	0		
Other	0	0	0	0		
Non-program transactions	0	15,000	0	0		
<b>Total expenditures</b>	<b>0</b>	<b>1,622,395</b>	<b>320,107</b>	<b>0</b>	<b>-100.00%</b>	
Excess (deficiency) of revenues over expenditures	0	(15,000)	(320,107)	50		
Other financing sources	2,340	0	0	0		
Other financing uses	0	0	0	0		
<b>Total other financing sources (uses)</b>	<b>2,340</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Net change in fund balance	2,340	(15,000)	(320,107)	50		
Fund balance beginning of year	858,305	860,645	845,645	525,538		
<b>Fund balance end of year</b>	<b>\$860,645</b>	<b>\$845,645</b>	<b>\$525,538</b>	<b>\$525,588</b>		

# FOOD SERVICE FUND

All revenues and expenditures related to pupil and elderly food service activities are recorded in this fund. The Food Service Fund is completely self-sufficient with all expenditures paid from revenues of the fund.

## Food Service Fund Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADJ BUDGET	2016-17 INTERIM	PERCENT CHANGE	NOTES
<b>Revenues by source</b>						
Local sources	\$1,614,513	\$1,456,634	\$1,337,463	\$1,536,420	14.88%	1
State sources	153,172	156,960	171,303	179,375	4.71%	
Federal sources	6,923,951	7,764,094	8,271,393	8,352,396	0.98%	
Other revenues	0	26,200	0	0		
<b>Total Revenues</b>	<b>8,691,636</b>	<b>9,403,888</b>	<b>9,780,159</b>	<b>10,068,191</b>	<b>2.95%</b>	
<b>Expenditures for food service</b>						
Salaries & benefits	529,262	1,100,270	1,155,301	1,146,773	-0.74%	
Purchased services	6,733,641	7,282,411	8,331,072	7,968,149	-4.36%	
Non-capital objects	744,363	666,448	798,457	847,000	6.08%	2
Capital objects	22,910	112,139	509,000	440,000	-13.56%	3
Other	13,673	14,771	10,040	12,040	19.92%	
<b>Total expenditures</b>	<b>8,043,849</b>	<b>9,176,039</b>	<b>10,803,870</b>	<b>10,413,962</b>	<b>-3.61%</b>	
Excess (deficiency) of revenues over expenditures	647,787	227,849	(1,023,711)	(345,771)		
Other financing sources	0	0	0	0		
Other financing uses	0	0	0	0		
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Net change in fund balance	647,787	227,849	(1,023,711)	(345,771)		
Fund balance beginning of year	2,208,168	2,855,955	3,083,806	2,060,095	-33.20%	4
<b>Fund balance end of year</b>	<b>\$2,855,955</b>	<b>\$3,083,804</b>	<b>\$2,060,095</b>	<b>\$1,714,324</b>	<b>-16.78%</b>	

### Revenue

- 1 Increase due to higher projected pupil lunch and breakfast sales and commodity rebates received.

### Expenditures

- 2 Increase due to food commodity costs and additional equipment purchases at kitchens for newly constructed schools.
- 3 Decrease due to prior year central kitchen construction costs.
- 4 Maintained lower breakfast and lunch fees as well as food service equipment costs allow for reduction to meet lower fund balance goals.

## COMMUNITY SERVICE FUND

This fund is used to account for activities that benefit the entire community, including community recreation programs, community use of facilities, elderly food service programs, non-special education preschool, day care services, and non-educational after school programs.

### Community Service Fund Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADJ BUDGET	2016-17 INTERIM	PERCENT CHANGE	NOTES
<b>Revenues by source</b>						
Property taxes	\$850,000	\$0	\$850,000	\$1,000,000	17.65%	1
Local sources	129,914	231,551	40,000	40,000	0.00%	
Other revenues	0	0	0	0		
<b>Total Revenues</b>	<b>979,914</b>	<b>231,551</b>	<b>890,000</b>	<b>1,040,000</b>	<b>16.85%</b>	
<b>Expenditures for community service</b>						
Salaries & benefits	767,574	56,622	611,774	830,578	35.77%	2
Purchased services	160,404	65,796	211,938	197,310	-6.90%	3
Non-capital objects	102,693	9,651	86,660	59,500	-31.34%	4
Capital objects	15,478	0	0	0		
Other	8,673	0	2,500	4,000	60.00%	
<b>Total expenditures</b>	<b>1,054,822</b>	<b>132,069</b>	<b>912,872</b>	<b>1,091,388</b>	<b>19.56%</b>	
Excess (deficiency) of revenues over expenditures	(74,908)	99,482	(22,872)	(51,388)		
Fund balance beginning of year	184,969	110,061	209,543	186,671	-10.92%	
<b>Fund balance end of year</b>	<b>\$110,061</b>	<b>\$209,543</b>	<b>\$186,671</b>	<b>\$135,283</b>	<b>-27.53%</b>	

### Revenue

1 The community service tax levy is dedicated for:

- a. The cost of utilities and custodial services related to community use of facilities and not paid by rental charges assessed to the user, such as scout troops, parent-teacher organizations, etc.
- b. Community information and outreach, including district televised services.
- c. Costs for the Extended Day programs not paid with federal funds.
- d. Some expenses related to the Lighthouse Brigade.
- e. Instructional expenses for 3 year olds in the Montessori program.

### Expenditures

2 Staff costs largely for Extended Day programs. Increase is due to teaching staff for 3 year olds in the Montessori program.

- 3 Funds allocated for community partnerships in for Extended Day Programs.
- 4 Funds allocated for materials used for Extended Day programs and community information and outreach.

**RACINE UNIFIED SCHOOL DISTRICT**  
**Budget Summary for the School Year 2016-17**  
**INTERIM BUDGET**

*A budget hearing on the budget is scheduled for Monday, August 15, 2016 at 6:00 pm in the Board Room at the Administrative Service Center, 3109 Mount Pleasant Street. Detailed copies of this budget are available at [www.rusd.org](http://www.rusd.org) or can be obtained at the Administrative Service Center.*

<b>GENERAL FUND</b>	<b>2014-15 Audited Actual</b>	<b>2015-16 Budget</b>	<b>2016-17 Proposed Budget</b>
Beginning Fund Balance	41,325,535	40,704,548	41,809,273
<b>Ending Fund Balance</b>	<b>40,704,548</b>	<b>41,809,273</b>	<b>39,240,213</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>			
Transfers-In (Source 100)	107,837	76,487	262,881
Local Sources (Source 200)	72,735,758	79,066,520	72,160,961
Inter-district Payments (Source 300 + 400)	117,202	118,000	118,000
Intermediate Sources (Source 500)	0	0	0
State Sources (Source 600)	149,102,645	150,152,590	159,491,555
Federal Sources (Source 700)	15,855,545	16,951,857	16,030,314
All Other Sources (Source 800 + 900)	6,658,111	649,150	92,610
<b>TOTAL REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>244,577,098</b>	<b>247,014,604</b>	<b>248,156,321</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>			
Instruction (Function 100 000)	105,705,197	105,156,155	106,571,910
Support Services (Function 200 000)	90,549,428	92,740,685	92,791,614
Non-Program Transactions (Function 400 000)	48,943,460	48,013,039	51,361,857
<b>TOTAL EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>245,198,085</b>	<b>245,909,879</b>	<b>250,725,381</b>

<b>SPECIAL PROJECTS FUND</b>	<b>2014-15 Audited Actual</b>	<b>2015-16 Budget</b>	<b>2016-17 Proposed Budget</b>
Beginning Fund Balance	221,886.00	99,122	369,168
<b>Ending Fund Balance</b>	<b>192,662.00</b>	<b>309,601</b>	<b>298,503</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>53,247,333.00</b>	<b>55,145,206</b>	<b>54,353,223</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>53,276,557.00</b>	<b>54,934,727</b>	<b>54,423,888</b>

<b>DEBT SERVICE FUNDS</b>	<b>2014-15 Audited Actual</b>	<b>2015-16 Budget</b>	<b>2016-17 Proposed Budget</b>
Beginning Fund Balance	930,057	950,757	1,298,530
<b>Ending Fund Balance</b>	<b>950,757</b>	<b>1,298,530</b>	<b>1,258,977</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>11,325,332</b>	<b>7,822,275</b>	<b>10,087,123</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>11,304,632</b>	<b>7,474,502</b>	<b>10,126,676</b>

<b>CAPITAL PROJECTS FUND</b>	<b>2014-15 Audited Actual</b>	<b>2015-16 Budget</b>	<b>2016-17 Proposed Budget</b>
Beginning Fund Balance	533,700	7,604,513	2,843,158
<b>Ending Fund Balance</b>	<b>7,604,513</b>	<b>2,843,158</b>	<b>525,588</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>15,808,657</b>	<b>43,058,752</b>	<b>150</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>8,737,845</b>	<b>47,820,107</b>	<b>2,317,720</b>

<b>FOOD SERVICE FUND</b>	<b>2014-15 Audited Actual</b>	<b>2015-16 Budget</b>	<b>2016-17 Proposed Budget</b>
Beginning Fund Balance	2,855,955	3,083,806	2,060,095
<b>Ending Fund Balance</b>	<b>3,083,804</b>	<b>2,060,095</b>	<b>1,714,324</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>9,403,888</b>	<b>9,780,159</b>	<b>10,068,191</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>9,176,039</b>	<b>10,803,870</b>	<b>10,413,962</b>

<b>COMMUNITY SERVICE FUND</b>	<b>2014-15 Audited Actual</b>	<b>2015-16 Budget</b>	<b>2016-17 Proposed Budget</b>
Beginning Fund Balance	110,061	209,543	186,671
<b>Ending Fund Balance</b>	<b>209,543</b>	<b>186,671</b>	<b>135,283</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>231,551</b>	<b>890,000</b>	<b>1,040,000</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>132,069</b>	<b>912,872</b>	<b>1,091,388</b>

<b>Total Expenditures and Other Financing Uses</b>			
<b>ALL FUNDS</b>	<b>2014-15 Audited Actual</b>	<b>2015-16 Budget</b>	<b>2016-17 Proposed Budget</b>
<b>GROSS TOTAL EXPENDITURES -- ALL FUNDS</b>	<b>327,825,226</b>	<b>367,855,957</b>	<b>329,099,015</b>
<b>Interfund Transfers (Source 100) - ALL FUNDS</b>	<b>(39,033,434)</b>	<b>(33,836,873)</b>	<b>(33,801,521)</b>
<b>Refinancing Expenditures (FUND 30)</b>	<b>(9,323,347)</b>	<b>0</b>	<b>(5,225,000)</b>
<b>NET TOTAL EXPENDITURES -- ALL FUNDS</b>	<b>279,468,445</b>	<b>334,019,084</b>	<b>290,072,494</b>
<b>PERCENTAGE INCREASE -- NET TOTAL FUND EXPENDITURES FROM PRIOR YEAR</b>		<b>19.52%</b>	<b>-13.16%</b>

<b>PROPOSED PROPERTY TAX LEVY</b>			
<b>FUND</b>	<b>2014-15 Audited Actual</b>	<b>2015-16 Budget</b>	<b>2016-17 Proposed Budget</b>
General Fund	71,826,637	77,839,732	69,375,758
Non-Referendum Debt Service Fund	2,209,342	3,650,539	7,918,074
Referendum Debt Service Fund	3,092,057	3,278,773	1,949,167
Capital Expansion Fund	0	0	0
Community Service Fund	0	850,000	1,000,000
<b>TOTAL SCHOOL LEVY</b>	<b>77,128,036</b>	<b>85,619,044</b>	<b>80,242,999</b>
<b>PERCENTAGE INCREASE -- TOTAL LEVY FROM PRIOR YEAR</b>		<b>11.01%</b>	<b>-6.28%</b>

The below listed new or discontinued programs have a financial impact on the proposed 2016-17 budget:

<b>DISCONTINUED PROGRAMS</b>	<b>FINANCIAL IMPACT</b>
Completed New School Construction	\$42 million
Reduced pupil transportation costs	\$700,000
Reduced textbook replacement costs	\$500,000
<b>NEW PROGRAMS</b>	<b>FINANCIAL IMPACT</b>
Copy Machine replacement (lease)	\$600,000
Montessori Program	\$250,000
Elementary School Math Curriculum	\$1.2 million
Project Lead the Way course expansion	\$165,000
School furniture replacement	\$770,000