

EVANSVILLE COMMUNITY SCHOOL DISTRICT

Board of Education Special Meeting Agenda

Tuesday, July 28, 2015

5:00 p.m.

District Board and Training Center

340 Fair Street (Door 36)

Note, public notice of this meeting given by posting at the District Office, Levi Leonard Elementary School Office, Theodore Robinson Intermediate School Office, J.C. McKenna Middle School Office, High School Office, Evansville School District Web Site: Evansville.k12.wi.us, and by forwarding the agenda to the Evansville Review, Union Bank & Trust and Eager Free Public Library.

- I. Roll Call: Kathi Swanson Sandra Spanton Nelson Mason Braunschweig
 Eric Busse Melissa Hammann
 John Rasmussen Amanda Koenecke

- II. Information & Discussion:
 - A. Discussion on Fund 46 (Long Term Capital Improvement Trust Fund).

- III. Business (Action Items):
 - A. Approval to Transfer Additional Funds to Fund 46.

- IV. Adjourn.

The Evansville Community School District, in active partnership with families and the community, will provide a positive learning environment that challenges all students to achieve personal excellence and become contributing citizens of the world community.

Vision Statement:

Creating a culture of excellence in:

- *Academic achievement*
- *Character development*
- *Pursuit of arts, athletics, and other activities*
- *Community engagement*
- *Highly effective staff*

This notice may be supplemented with additions to the agenda that come to the attention of the Board prior to the meeting. A final agenda will be posted and provided to the media no later than 24 hours prior to the meeting or no later than 2 hours prior to the meeting in the event of an emergency.

Upon reasonable notice, effort will be made to accommodate the needs of people with disabilities through appropriate aids and services. For additional information or to request this service, contact the District Office at 340 Fair Street, 882-3387 or 882-3386. Persons needing more specific information about the agenda items should call 882-3387 or 882-3386 at least 24 hours prior to the meeting.

Posted: 7/27/15

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Tuesday, July 28, 2015
5:00 p.m.

District Board and Training Center
340 Fair Street (Door 36)

- I. Roll Call: Kathi Swanson Sandra Spanton Nelson Mason Braunschweig
Eric Busse Melissa Hammann
John Rasmussen Amanda Koenecke

II. Information & Discussion:

- A. Discussion on Fund 46 (Long Term Capital Improvement Trust Fund) – Business Manager, Ms. Treuden, has enclosed information.

III. Business (Action Items):

- A. Approval to Transfer Additional Funds to Fund 46.

Suggested Motion: I approve a transfer of _____% in addition to the approved 5% transfer of funds from the General Fund 10 Fund Balance to the Fund 46 Long-Term Capital Improvement Trust Fund equal to that amount that would increase the General Fund 10 Fund Balance at the end of the 2014-2015 fiscal year knowing that the funds transferred to Fund 46 are not accessible to be spent until July 1, 2020.

Roll Call Vote -

IV. Adjourn.

Suggested Motion: I move to adjourn the meeting.

Evansville

Community School District

MEMORANDUM

To: Evansville Board of Education
 From: Doreen Treuden, Business Manager
 Re: Fund 46
 Date: July 27, 2015

The District auditors concluded their on-site work on July 22. We believe that all year-end transactions are complete and the annual financial report is ready to submit to DPI. The final revenues over expenses at year-end resulted in a \$152,406.91 surplus for the General Fund 10. This is the amount that automatically increases the General Fund 10 Balance. At the July 15, 2015, Board meeting, a motion was approved to transfer 5% of this amount to Fund 46. The transfer amount of \$7,620.35 took place on July 23, 2015. Should the Board decide to commit additional funds to Fund 46, I will make an additional transfer on or before July 30, 2015, as required by DPI.

The amounts transferred to Fund 46 will be posted as a 2014-2015 expense to Fund 10 and will be used in the general school aid calculation resulting in a reduction in the tax levy for 2015-2016. Below is more information regarding the General Fund 10 Balance.

Suggested motion: I approve a transfer of _____% in addition to the approved 5% transfer of funds from the General Fund 10 Fund Balance to the Fund 46 Long-Term Capital Improvement Trust Fund equal to that amount that would increase the General Fund 10 Fund Balance at the end of the 2014-2015 fiscal year knowing that the funds transferred to Fund 46 are not accessible to be spent until July 1, 2020.

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>		
	<u>FY Activity</u>	<u>FY Activity</u>	<u>FY Activity</u>	<u>FY Activity</u>	<u>Revised Budget</u>		
Fund 10 Expenditures	18,592,432.26	17,929,491.92	18,979,364.22	19,208,289.04	20,015,497.64		
Referendum Funds				690,000.00	905,000.00		
Fund 10 Expenditures - Referendum Funds	18,592,432.26	17,929,491.92	18,979,364.22	18,518,289.04	19,110,497.64		
General Fund 10 Balance	2,162,992.30	2,507,926.58	2,578,322.49	2,730,729.40	2,329,954.20		
General Fund 10 Balance %	11.6%	14.0%	13.6%	14.7%	12.2%		
Budget Surplus/Deficit at Fiscal Year-end		344,934.28	70,395.91	152,406.91	(393,154.85)		
		<u>Potential Fnd.</u>	<u>General Fund</u>	<u>Potential Fnd.</u>	<u>General Fund</u>	<u>Inc.</u>	
		<u>10 Balance</u>	<u>10 Balance %</u>	<u>10 Balance</u>	<u>10 Balance %</u>	<u>Ref.</u>	
		<u>2014-2015</u>		<u>2015-2016</u>			
Transfer to Fund 46 - 5%	7,620.35	2,723,109.05	14.7%	2,329,954.20	12.2%	11.6%	
Transfer to Fund 46 - 50%	76,203.45	2,654,525.95	14.3%	2,261,371.10	11.8%	11.3%	
Transfer to Fund 46 - 100%	152,406.91	2,578,322.49	13.9%	2,185,167.64	11.4%	10.9%	

GENERAL FUND BALANCE

The Evansville Community School District Board of Education recognizes the need for carrying an operating reserve in the General Fund to:

1. Provide adequate working capital sufficient to meet the District's cash-flow requirements, thus minimizing any cash-flow (short-term) borrowing during the annual operating cycle;
2. Function as a safeguard to Fund unanticipated expenses that the District might incur; and
3. Demonstrate fiscal responsibility resulting in a higher credit rating, which will help to reduce District borrowing costs.

In recognition of these needs, the Board shall strive to develop a District budget which, will add sufficient Funds each year to the Fund 10 Fund Balance. The Board's goal for the unreserved designated Fund Balance shall be between 9-18% at fiscal year end.

The Fund Balance will consist of five components according to the Government Accounting Standards Board Statement 54 designed to indicate both:

- Constraints on how resources of the Fund can be spent; and
- The sources of those constraints.

Non-Spendable Fund Balance: The Non-Spendable Fund Balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale. However, if the use of the proceeds from the collection of those receivables or from the sale of those properties is Restricted, Committed, or assigned, then they should be included in the appropriate Fund Balance classification (Restricted, Committed, or assigned), rather than Non-Spendable Fund Balance.

Restricted Fund Balance: The Restricted Fund Balance classification should be reported as Restricted when constraints placed on the use of resources are either: a. externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b. Imposed by law through constitutional provisions or enabling legislation. Enabling legislation, as the term is used in this Statement, authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that a government can be compelled by an external party—such as citizens, public interest groups, or the judiciary—to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed Fund Balance: The Committed Fund Balance classification are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. Those Committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed Fund Balance also should incorporate contractual obligations to the extent that existing resources in the Fund have been specifically committed for use in satisfying those contractual requirements.

In contrast to Fund Balance that is restricted by enabling legislation, amounts in the Committed Fund Balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the government, separate from the authorization to raise the underlying revenue. Therefore, compliance with constraints imposed by the district that commit amounts to specific purposes is not considered to be legally enforceable. The formal action of the Board of Education that commits Fund Balance to a specific purpose should occur prior to the end of the reporting period, but the amount, if any, which will be subject to the constraint, may be determined in the subsequent period.

Assigned Fund Balance: The assigned Fund Balance classification are amounts that are constrained by the district's intent to be used for specific purposes, but are neither Restricted nor Committed, except for stabilization arrangements. Intent should be expressed by the Director of Business Services. Assigned Fund Balance includes (a) all remaining amounts (except for negative Balances) that are reported in governmental Funds, other than the General Fund, that are not classified as Non-Spendable and are neither Restricted nor Committed and (b) amounts in the General Fund that are intended to be used for a specific purpose. By reporting particular amounts that are not Restricted or Committed in a special revenue, capital projects, debt service, or permanent Fund, the district has assigned those amounts to the purposes of the respective Funds. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the district itself. An appropriation of existing Fund Balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of Fund Balance. Assignments should not cause a deficit in Unassigned Fund Balance to occur.

Unassigned Fund Balance: The Unassigned Fund Balance classification is the residual classification for the general Fund. This classification represents Fund Balance that has not been assigned to other Funds and that has not been Restricted, Committed, or assigned to specific purposes within the general Fund. The General Fund should be the only Fund that reports a positive Unassigned Fund Balance amount. In other governmental Funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative Unassigned Fund Balance.

To provide good fiscal management of any component of the Fund Balance, two separate motions shall be required to use any portion of these Funds for purposes other than meeting cash flow needs. The first motion must identify the amount of dollars to be transferred from any component of the Fund Balance to the operating budget. A second motion must identify the purpose of the expenditure(s). Both of these motions shall be approved by a minimum of five (5) Board members.

Legal Ref.: Section 65.90 Wisconsin Statutes (Municipal Budgets)

Local Ref.: Policy #662.31 - Committed Fund Balance