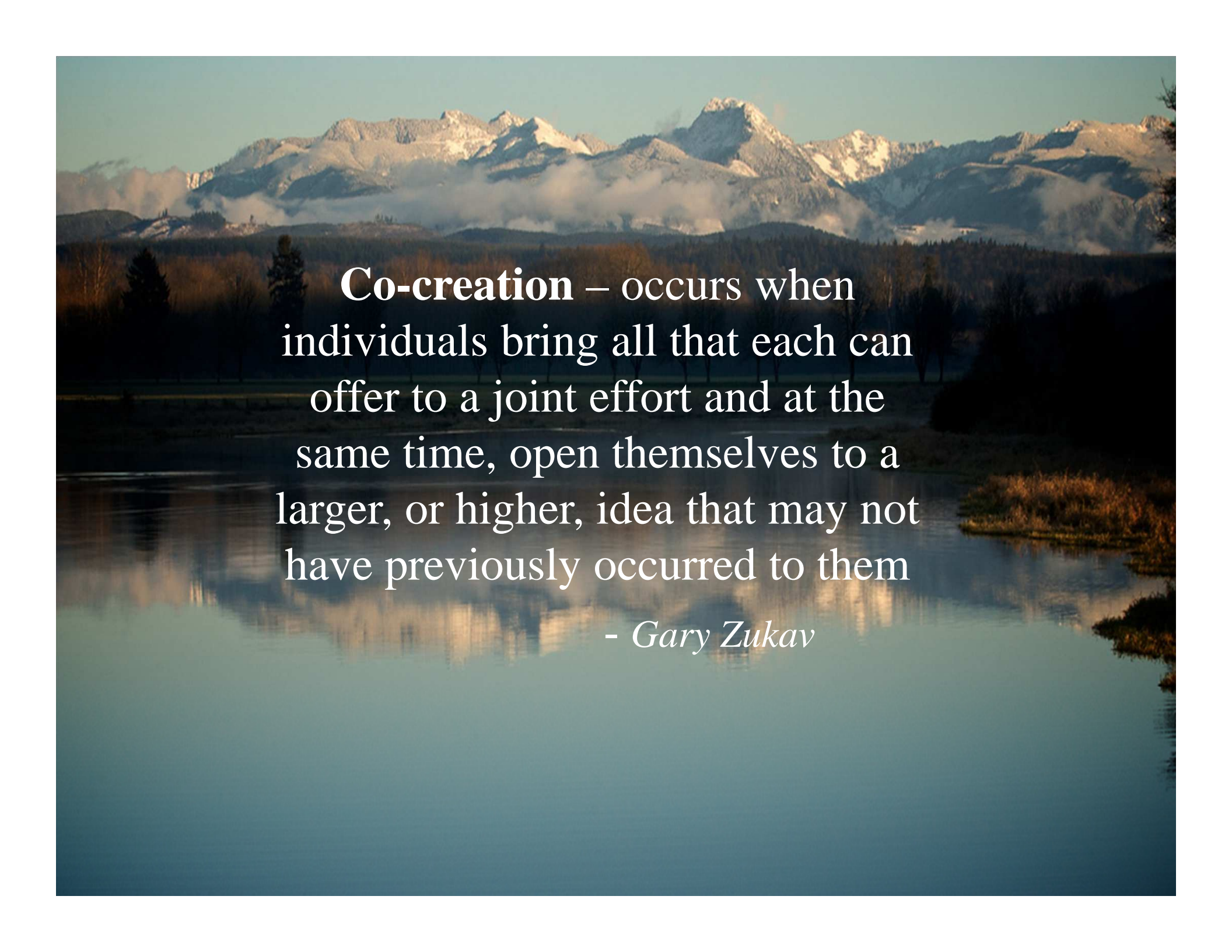


School District of Waupaca

Finance Meeting
February 9, 2015

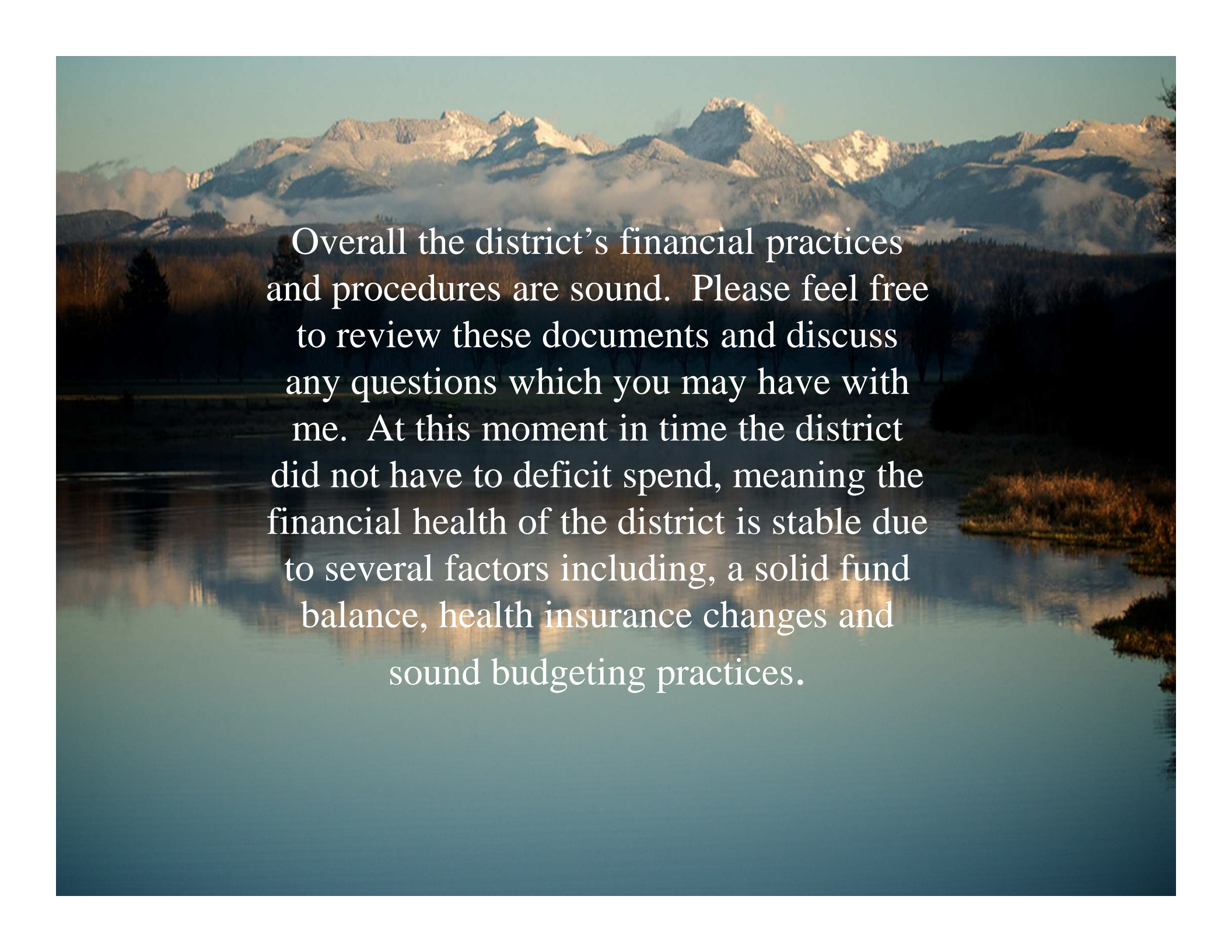
A scenic landscape featuring a range of snow-capped mountains in the background, a dense forest of trees in the middle ground, and a calm river in the foreground that reflects the mountains and sky. The lighting suggests a clear, bright day.

Co-creation – occurs when individuals bring all that each can offer to a joint effort and at the same time, open themselves to a larger, or higher, idea that may not have previously occurred to them

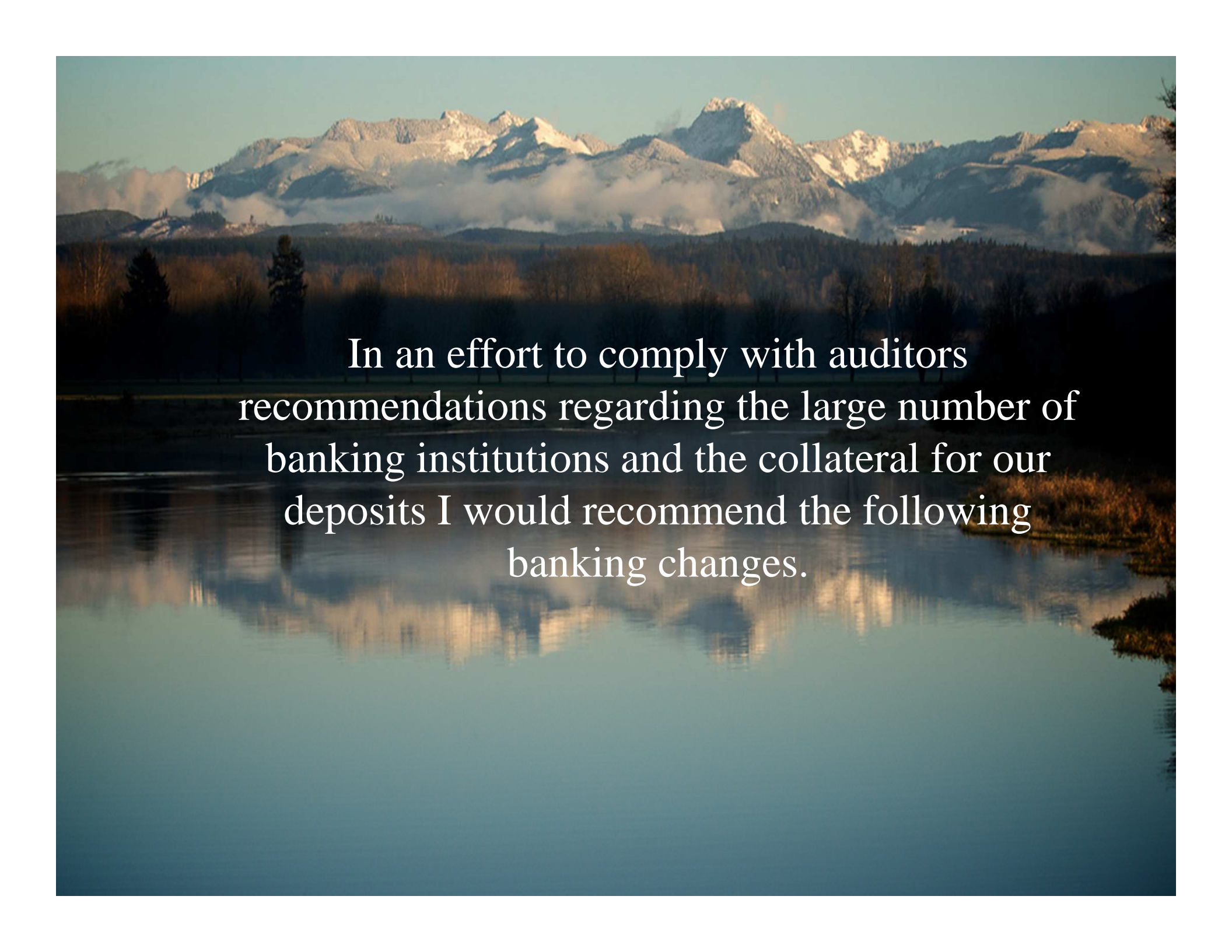
- *Gary Zukav*

A scenic landscape photograph of a river or lake reflecting a forest and snow-capped mountains under a clear sky. The mountains are in the background, with snow on their peaks and some clouds at their base. The forest is in the middle ground, and the water is in the foreground, reflecting the scene. The text is centered over the water.

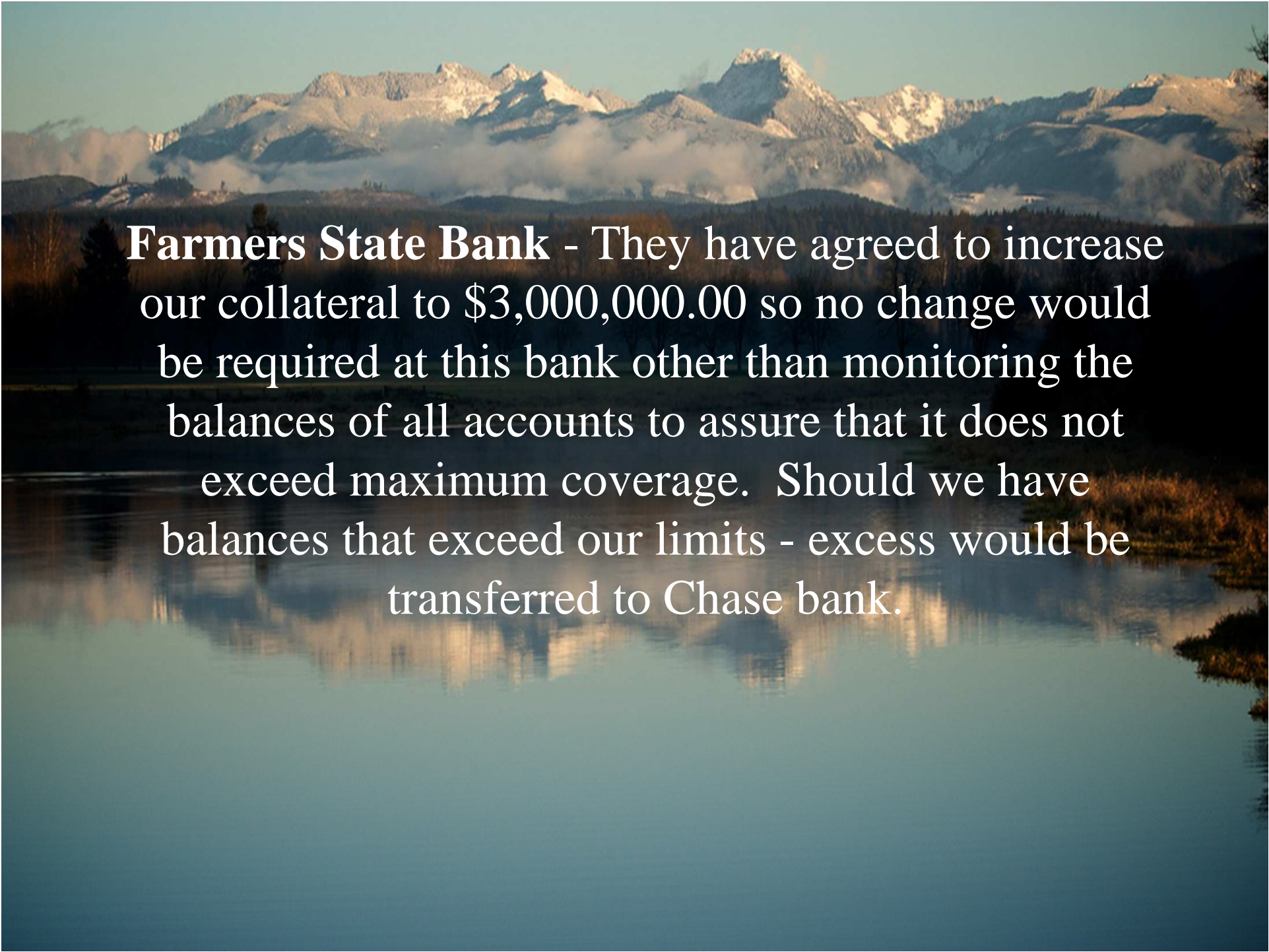
**2013-2014 Audited Financial
Statements**




Overall the district's financial practices and procedures are sound. Please feel free to review these documents and discuss any questions which you may have with me. At this moment in time the district did not have to deficit spend, meaning the financial health of the district is stable due to several factors including, a solid fund balance, health insurance changes and sound budgeting practices.

A scenic landscape photograph of a river or lake reflecting a forest and snow-capped mountains under a clear sky. The text is overlaid on the image.

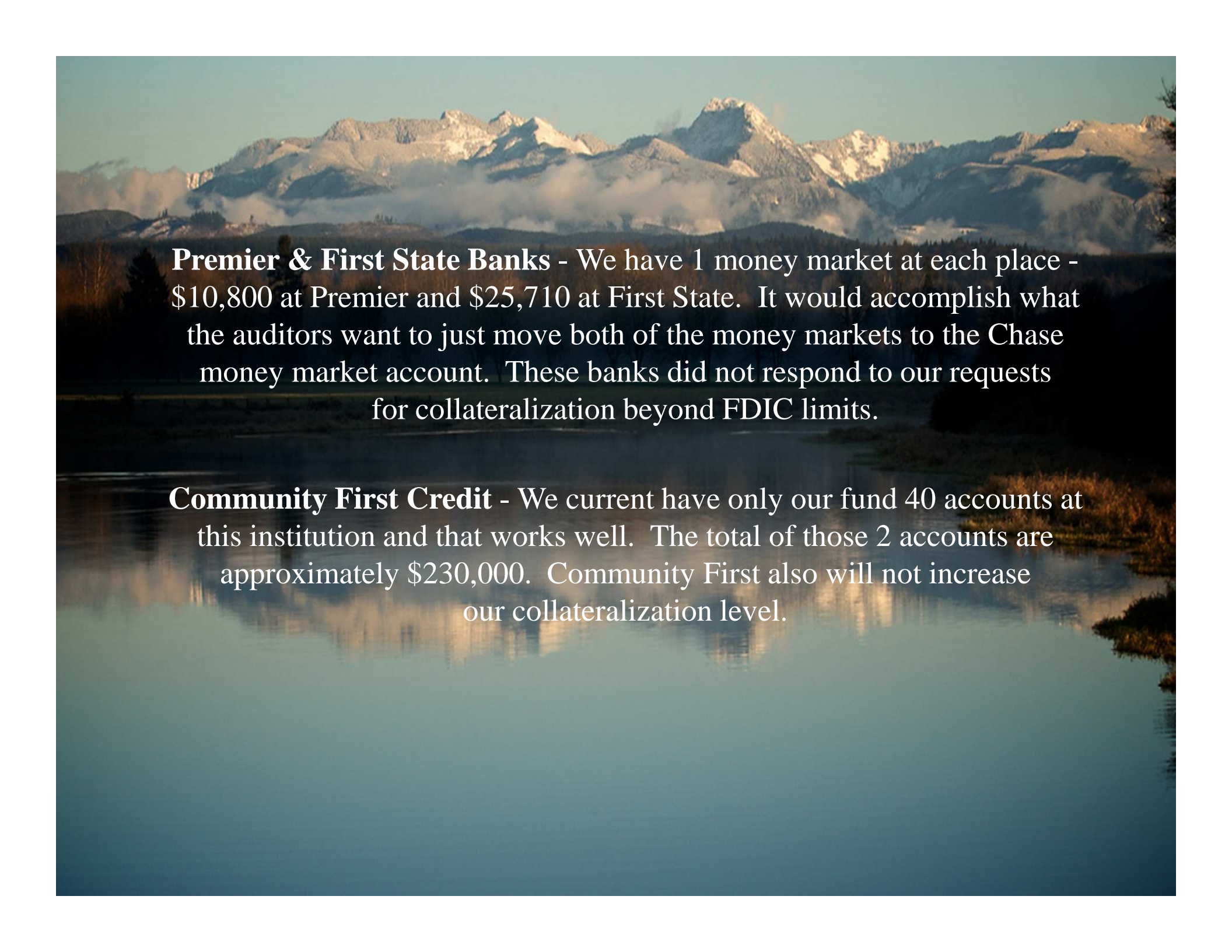
In an effort to comply with auditors recommendations regarding the large number of banking institutions and the collateral for our deposits I would recommend the following banking changes.



Farmers State Bank - They have agreed to increase our collateral to \$3,000,000.00 so no change would be required at this bank other than monitoring the balances of all accounts to assure that it does not exceed maximum coverage. Should we have balances that exceed our limits - excess would be transferred to Chase bank.

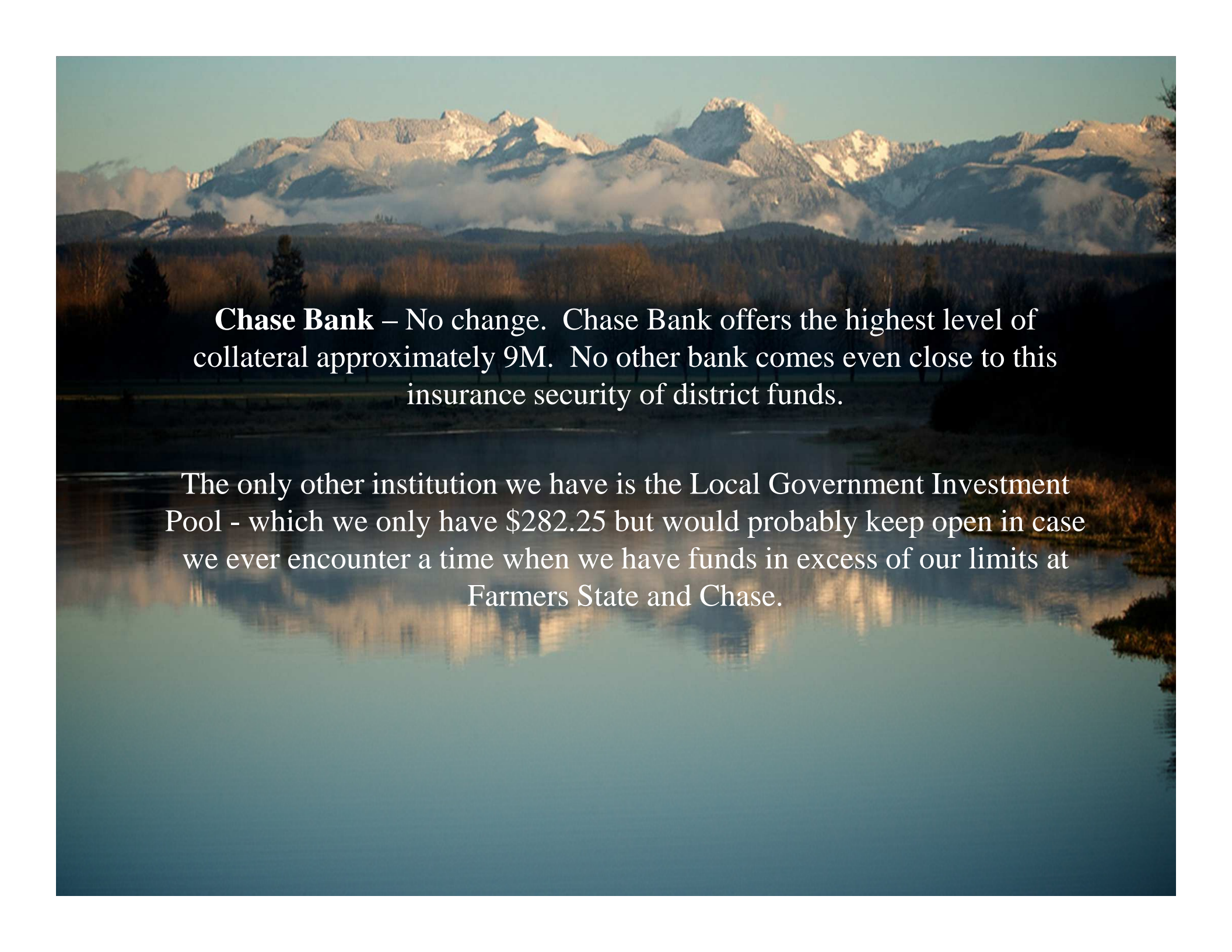


1st National Bank - We currently have a Money Market is \$25,537.13, Petty Cash with approximately \$500.00, Insurance Trust account with \$154,506.01 and the student activity Fund 60 funds which has approximately \$203,000.00 all located at this financial institution. This puts us over our protected level. It would seem appropriate to move the small Money Market account to our Chase Money Market account and move the Fund 60 student activity account to Chase where we have our largest collateralization. It would be easier to move the student activity account since the insurance trust account has automatic withdrawals set up with Delta Dental for paying insurance claims.



Premier & First State Banks - We have 1 money market at each place - \$10,800 at Premier and \$25,710 at First State. It would accomplish what the auditors want to just move both of the money markets to the Chase money market account. These banks did not respond to our requests for collateralization beyond FDIC limits.

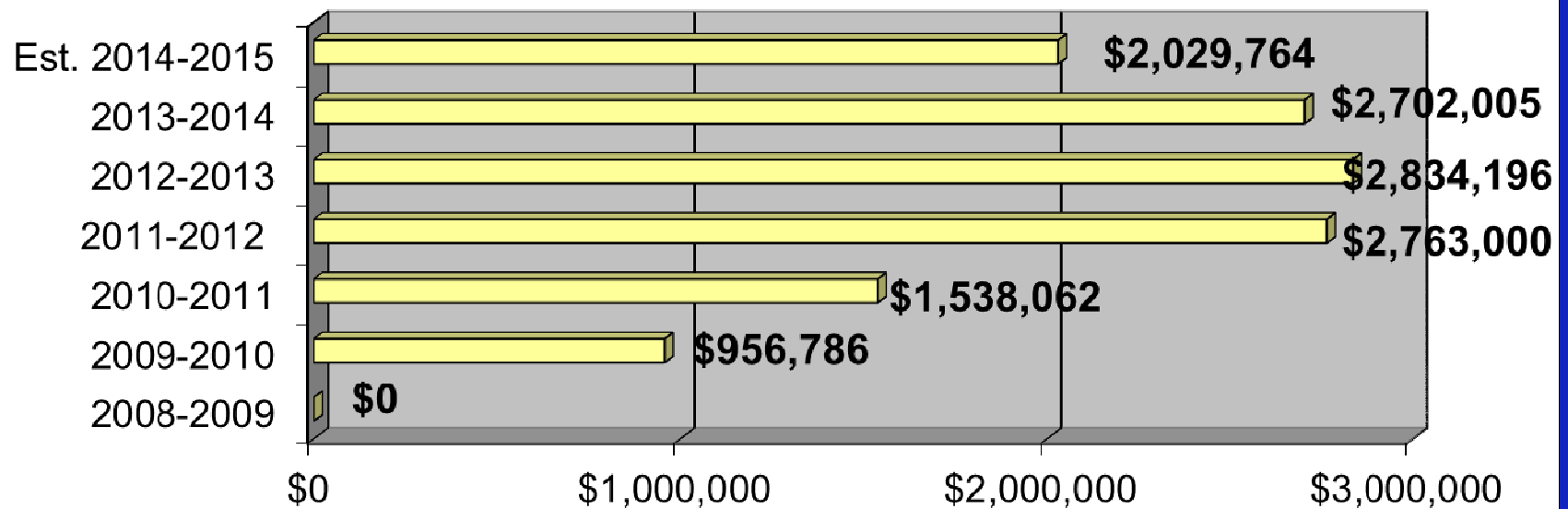
Community First Credit - We current have only our fund 40 accounts at this institution and that works well. The total of those 2 accounts are approximately \$230,000. Community First also will not increase our collateralization level.



Chase Bank – No change. Chase Bank offers the highest level of collateral approximately 9M. No other bank comes even close to this insurance security of district funds.

The only other institution we have is the Local Government Investment Pool - which we only have \$282.25 but would probably keep open in case we ever encounter a time when we have funds in excess of our limits at Farmers State and Chase.

School District of Waupaca Taxing Under the Allowable Revenue Limit



Percent Below Legal Allowable Tax Levy

- 2010-2011 ■ (14%) Below
- 2011-2012 ■ (22%) Below
- 2012-2013 ■ (21%) Below
- 2013-2014 ■ (19%) Below
- 2014-2015 ■ (15%) Below

What Happens When Debt Ends?

- If you continue to own your home through 2019 you may see tax relief
- If you bought your Waupaca home in 1970 and sell your home now, The value of your home has increased by 43% -*US Census Bureau*
- Future potential lower tax rates may attract new younger families with children

What Happens to The Next Generation

“Our buildings and Infrastructure aren’t new
born babies anymore ”



High School 15 Years Old Components 15 years old When Debt Drops off 20 years old

WAUPACA HIGH SCHOOL

E2325 KING ROAD, WAUPACA, WI 54981

YEAR BUILT 1999/2000

SQUARE FEET: 250,000

ADDITONS: NONE

EQUIPMENT:	LOCATION	AREA SERVES	INSTALLED	MAKE	MODEL #	SERIAL	EST REPLACEMENT COSTS:
ELECTRICAL							
GENERATOR							
1	MAIN ELE RM	BLDG	2000	CUMMINS ONAN	GGHD-3385200	A000044020	\$25,000.00
HVAC							
CHILLERS							
TOTAL=2							
1	ROOF	EAST/MAIN ST	2000	TRANE	RTAA2404XT01A3D6BQ	UC0B05814	\$150,000.00
1	ROOF	WEST/COMMONS	2000		RTAA215		\$150,000.00
DX UNITS							
TOTAL=1							
1		OFFICES	2000	TRANE	RAUCC254B		\$75,000.00
BOILERS							
TOTAL=4	LAST INPSECTION DATE ON BOILERS/SUMMER 2014						
1	MAINT RM		2000	HURST	S1-X-165-30W		\$250,000.00
1	MAINT RM		2000	HURST	S1-X-165-30W		\$250,000.00
1	MAINT RM		2000	HURST	S1-X-165-30W		\$250,000.00
1	MAINT RM		2010	CLEVER BROOKS	CFC-700-2500		\$25,000.00
Total							\$1,175,000.00

Middle School 43 Years Old (renovated 1989 & 2000 with debt \$)

Components 15 years old

When Debt Drops off 20 years old

WAUPACA MIDDLE SCHOOL
1149 SHOEMAKER RD WAUPACA, WI 54981
 BUILT: 1972
 SQUARE FEET: 125,628
 ADDITIONS/MAJOR ALTERATIONS: 1989, 2000 (ADDED 22,893 SQ FT)
 TOTAL SQ/FT AS OF 2014: 148,521

EQUIPMENT:	LOCATION	AREA SERVES	INSTALLED	MAKE	MODEL	SERIAL	EST REPLAMENT COST
ELECTRICAL							
GENERATOR							
1	MAIN ELE RM	BLDG	1972	ONAN	30.0 ER-15R 12403D	1072507573	\$20,000.00
HVAC							
CHILLERS							
1	ROOF		2000		30GXR225 A 64 0WZ	4300F39848	\$175,000.00
DX SYTEMS							
TOTAL=2							
1	ROOF		2012	AAON	CC-B-050-3-D-2	201209-CHCJ04902	\$50,000.00
1	ROOF	OFFICES	2000	CARRIER	38AKS016---610	4200F39037	\$20,000.00
BOILERS							
TOTAL=6							
1	BOILER RM	BLDG	2000	PATTERSON KELLY	CL35-00-12134	CRN L2849.51234T	\$18,000.00
1	BOILER RM	BLDG	2000	PATTERSON KELLY	CL35-00-12135		\$18,000.00
1	BOILER RM	BLDG	2000	PATTERSON KELLY	CL35-00-12136		\$18,000.00
1	BOILER RM	BLDG	2000	PATTERSON KELLY	CL35-00-12137		\$18,000.00
1	BOILER RM	BLDG	2000	PATTERSON KELLY	CL35-00-12138		\$18,000.00
1	BOILER RM	BLDG	2000	PATTERSON KELLY	CL35-00-12139		\$18,000.00
Total							\$373,000.00

WLC 25 Years Old

Components for the most part 25 years old

When Debt Drops off 30 years old

WAUPACA LEARNING CENTER
1515 SHOEMAKER RD, WAUPACA, WI 54981
 BUILT: 1990
 AREA SQ FT: 144,954

EQUIPMENT	LOCATION	AREA SERVES	INSTALLED	MAKE	MODEL	SERIAL	EST REPLACEMENT COST
ELECTRICAL							
GENERATOR							
1	UPSTAIRS/MAIN ELE	BLDG	1990				\$30,000.00
HVAC							
CHILLERS							
TOTAL =2							
1	ROOF	D-WING	1990	MQUAY	ALR065C	5VH0176900	\$70,000.00
1	ROOF	A-WING	2014		AGZ070EPMNN-ER00	STNU140200019	\$55,000.00
DX							
1	ROOF	LIBRARY	1990	MQUAY	ALP037C	5VB0500900	\$45,000.00
BOILERS							
TOTAL=2							
1	BLR ROOM	BLDG	1990	BUNHAM	45F563A40GGP		\$75,000.00
1	BLR ROOM	BLDG	1990	BUNHAM	45F563A40GGP		\$75,000.00
ELEVATORS							
1	CENTRAL	ALL	1990	DOVER/HYD	508442		
Total							\$350,000.00

Chain 57 Years Old

Components for the most part 15 years old

When Debt Drops off 20 years old

CHAIN SCHOOL

N3160 SILVER LAKE RD, WAUPACA, WI 54981

YEAR BUILT: 1957

ADDITIONS: GYM (1959), FRONT 2 FLOORS (1964), CAFFETERIA (1964)

GARAGE (SEPERATE STRUCTURE) 1964

SQ FT: MAIN BLDG 48,342

EQUIPMENT	LOCATION	AREA SERVES	INSTALLED	MAKE	MODEL	SERIAL	EST REPLACEMENT COSTS
<u>ELECTRICAL</u>							
HVAC							
CHILLERS							
1		BLDG	2000	CARRIER	30GTN060		\$60,000.00
BOILERS							
TOTAL=2							
1	BASEMENT	BLDG	2000	PK	72915		\$20,000.00
1	BASEMENT	BLDG	2000	PK	72915		\$20,000.00
ELEVATORS							
1	HALLWAY/OFFICES		?	SCHINDLER		508440	
FIRE ALARM SYSTEM	BASEMENT	BLDG	1990				\$7,500.00
Total							\$107,500.00

Other Future Expenses

- Haberkorn Field
- Athletic Fields
- Roofs
- Plumbing (pumps, pressure tanks, water softeners)
- Pavement Resealing & Replacement
- Servers, wiring, video upgrades
- One to One Technology for each student
- Flooring, window, locker replacement
- Affordable Care Act
- Etc...

Locker Repair/Replacement																			\$0	\$0
High School	20yr	\$20,000											\$26,160						\$26,160	\$1,744
Middle School	20yr	\$15,000											\$19,620						\$19,620	\$1,308
WLC Elementary	20yr	\$3,000						\$3,420											\$3,420	\$228
Chain Elementary	20yr	\$3,000						\$3,420											\$3,420	\$228
Transportation Buildings	20yr	\$3,000						\$3,420											\$3,420	\$228
Maintenance Buildings	20yr	\$3,000						\$3,420											\$3,420	\$228
District Office																				
																				\$0
Cleaning Equipment																				\$0
Floor Scrubbers	5	\$7,000				\$7,588					\$8,568				\$9,548				\$25,704	\$1,714
Vacuums	Annual	\$700	\$720	\$740	\$760	\$782	\$804	\$826	\$849	\$873	\$898	\$923	\$948	\$975	\$1,002	\$1,030	\$1,059		\$13,189	\$879
																				\$0
Building Exteriors	5yr	\$5,000			\$5,420			\$5,840			\$6,260			\$6,680			\$7,100		\$31,300	\$2,087
																				\$0
Utility Vehicle/Lawn Equipment	10yr	\$83,000			\$94,620												\$117,860		\$212,480	\$14,165
																			\$0	\$0
Projected Inflation on Utility Costs	Base 2005	\$424,000	\$63,600	\$73,140	\$84,111	\$96,728	\$111,237	\$127,922	\$147,111	\$169,177	\$194,554	\$223,737	\$257,297	\$295,892	\$340,276	\$391,317	\$450,015		\$3,026,114	\$201,741
Inflation assumed per year:		15%																	\$0	\$0
																			\$0	\$0
																			\$0	\$0
Annual Maintenance Contracts																				\$0
Due to projected budget deficit, funds unavailable for this portion of maintenance contracts	Annual	\$300,000	\$308,400	\$317,035	\$325,912	\$335,038	\$344,419	\$354,063	\$363,976	\$374,168	\$384,644	\$395,414	\$406,486	\$417,868	\$429,568	\$441,596	\$453,960		\$5,652,546	\$376,836
(This category covers all expenses for contracts for items such as lawn care, snowplow, HVAC, waste management, contracted custodial etc)																			\$0	\$0
(Inflation assumed at 3% per year)																			\$0	\$0
																			\$0	\$0
																			\$0	\$0
Annual Operations Maintenance																				\$0
Due to projected budget deficit, funds unavailable for this portion of maintenance contracts	Annual	\$153,000	\$157,284	\$161,688	\$166,215	\$170,869	\$175,654	\$180,572	\$185,628	\$190,825	\$196,169	\$201,661	\$207,308	\$213,112	\$219,080	\$225,214	\$231,520		\$2,882,799	\$192,187
(This category covers all non-salary expenses for items such as cleaning supplies, maintenance supplies, minor repairs & painting, floor refinishing, fire & safety equipment, etc.)																			\$0	\$0
(Inflation assumed at 3% per year)																			\$0	\$0
																			\$0	\$0
																			\$0	\$0
Property Insurance	Annual	\$65,767	\$67,608	\$69,502	\$71,448	\$73,448	\$75,505	\$77,619	\$79,792	\$82,026	\$84,323	\$86,684	\$89,111	\$91,606	\$94,171	\$96,808	\$99,519		\$1,239,170	\$82,611
Due to projected budget deficit, funds unavailable for this portion of maintenance contracts																			\$0	\$0
(Inflation assumed at 3% per year)																			\$0	\$0
																			\$0	\$0
TOTAL ALL ITEMS			\$790,568	\$1,562,172	\$971,269	\$1,013,331	\$925,050	\$4,024,007	\$992,997	\$1,046,526	\$1,075,566	\$1,142,059	\$1,259,284	\$1,252,458	\$1,346,602	\$1,414,978	\$1,764,756		\$20,581,622	\$1,372,108

Fund Balance Composition

Waupaca FY 2013-14 Annual Report

700000 Assets		
Cash		-\$1,074,316.25
Investments		\$5,644,319.25
Taxes Receivable		\$4,675,781.69
Accounts Receivable		\$1,505.25
Due from other Governments		\$308,086.99
Inventory		\$2,081.15
Prepaid Expense		\$169,420.00
Other Assets		\$24,000.00
Total Assets		\$9,750,878.08
800000 Liabilities		
Accounts Payable		\$14,296.01
Payroll Withholdings and Benefits Payable		\$1,105,272.99
Self Funded Insurance Premium Deposits		\$32,278.82
Other Defereed Revenue		\$0.00
Health Benefit Claims Payable		\$180,165.09
Total Liabilities		\$1,332,012.91
900000 Fund Equity		\$8,418,865.17

Fund Balance Designation

<u>2014-2015 Proposed Fund Balance Designation</u>						
<i>June 30, 2014</i>					<i>Oct. 14, 2014</i>	<i>Oct. 28, 2014</i>
\$1,175,488	OPEB Designated Fund Balance				\$1,175,488	\$1,175,488
\$289,363	Designated Debt Reduction				\$289,363	\$289,363
\$6,954,014	Designated Fund Balance				\$6,685,619	\$6,685,614
\$8,418,865	Total All Designated Fund Balances				\$8,150,470	\$8,150,465

Advance Refunding of 2006 Bond Using Debt Service Designation \$ Rather than Transfer - shown below

**Refinancing \$8,525,000
2005 Bond Tax Impact**

<u>Year Due</u>	<u>Board Approved Tax Mitigation Plan Former Debt Levy</u>	<u>Board Approved 2013 Refinancing New Debt Levy</u>	<u>Annual Debt Tax Levy Savings</u>	<u>Debt Service Designation Transfer</u>	<u>Annual Debt Service Tax Reduction</u>
2014	\$3,370,000	\$3,358,686	\$11,314	\$289,363	\$57,873
2015	\$3,461,550	\$3,354,829	\$106,721	\$57,873	\$3,296,956
2016	\$3,454,875	\$3,355,495	\$99,380	\$57,873	\$3,297,622
2017	\$3,472,460	\$3,372,168	\$100,292	\$57,873	\$3,314,295
2018	\$3,477,880	\$3,371,674	\$106,206	\$57,873	\$3,313,801
2019	\$3,099,200	\$2,994,502	\$104,698	\$57,873	\$2,936,629
	\$20,335,965	\$19,807,354	\$528,611	\$289,363	\$16,159,305

Affordable Care Act

The district has been tracking all employee hours in compliance with the Affordable Care Act. The district also knows that the onus is upon the employee rather than the district to show that a health plan is unaffordable according to their personal household income. Although the district will be meeting with M3 Health Insurance consultants in February to attain further understanding of the implications of this law to the district, a brief discussion of what we know will occur nevertheless.

Questions?

