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Fiscal Year End Preparation: Exploring Options for a Budget Surplus

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Fiscal Year End Preparation

- ▶ As Fiscal Year End approaches, the Business Office projects potential surplus/deficit
- ▶ This is accomplished by:
 - ▶ Establishing purchasing deadlines
 - ▶ Working with accountant/payroll to determine end of year projection
 - ▶ Working with purchasing to determine year end needs
- ▶ When to do this?
 - ▶ Late winter/early spring or earlier if applicable
- ▶ Under spending/Over spending your projected budget
 - ▶ State aid can be affected
 - ▶ Need to analyze your individual District's situation



Fiscal Year End Preparation

- ▶ Knowing your District's position in the Aid Formula is very important when making year end decisions
 - ▶ Positively Aided Districts
 - ▶ Benefit from Overspending their Budget
 - ▶ Negatively Aided District
 - ▶ Benefit from Underspending their Budget
 - ▶ Districts that are not impacted (i.e. Nicolet)
 - ▶ Primary Aid only Districts have more flexibility



What are the appropriate options for a Positively Aided District?

- ▶ Spend Additional Funds on necessary items
 - ▶ Summer Custodial Projects
 - ▶ Curriculum Purchases
- ▶ Fund 38/39 Equity
 - ▶ Debt Defeasance
 - ▶ Debt Prepayment
- ▶ Fund 46 Transfer
 - ▶ Help to fund capital projects (increase shared cost)
- ▶ Fund 73 Transfer
 - ▶ Help to fund our OPEB Liability (increase shared cost)



What are the appropriate options for a Negatively Aided District?

- ▶ Retain end of year resources
 - ▶ Increase fund balance
 - ▶ Assign or designate fund balance for future priorities and needs
 - ▶ Determine if spending will actually affect you (primary aid only scenario)
- ▶ Primary Aid Only
 - ▶ Spending decision doesn't impact aid
 - ▶ Make the best decision for the District
- ▶ Evaluate the use of Fund 41 in future years
 - ▶ Plan for long-term capital needs
 - ▶ Decrease shared cost



Brown Deer School District (Positively Aided) - Example Nicolet Union High School (Primary Aid Only) - Examples

- ▶ Utilize opportunities to positively impact future
- ▶ 2016-17/2017-18 Surplus Use – Strike a balance
 - ▶ Summer Projects
 - ▶ Positively Aided (Debt Prepayment)
 - ▶ Build fund balance
- ▶ 2018-19/2019-20 Surplus Use
 - ▶ Summer Projects
 - ▶ Fund 38: Debt Pay down (Fix future structural deficit)
 - ▶ Fund 46: Contribution to fund (10 Year Capital Plan)
 - ▶ Fund 10: Fund balance contribution (Get back on 6 Year Track)
 - ▶ Fund 73: Accelerate OPEB funding
- ▶ 2020-21 Surplus Use
 - ▶ Summer Projects
 - ▶ Fund 46 Contribution (10 Year Capital Plan) – Alleviate future referendum needs (i.e. Athletic Fields)
- ▶ Be transparent with boss/board/community and demonstrate benefits of options



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