

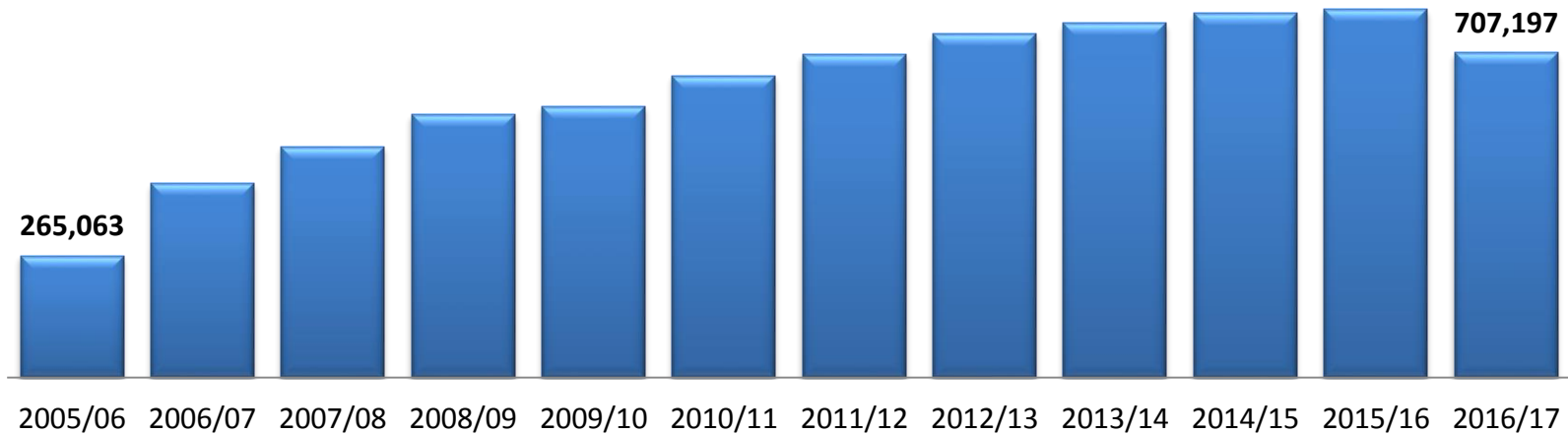
SCHOOL DISTRICT OF BENTON



FINANCIAL ACHIEVEMENTS

Fund Balance: 2006 Referendum Promise - To Rebuild and Sustain

History of Fund Balance



Cash Flow Borrowing:

- 2006 Referendum - Cash Flow Borrowed Up To 12 Times Per School Year
- Present Status - No Cash Flow Borrowing Last 9 School Years

Wisconsin Retirement System Unfunded Pension Liability:

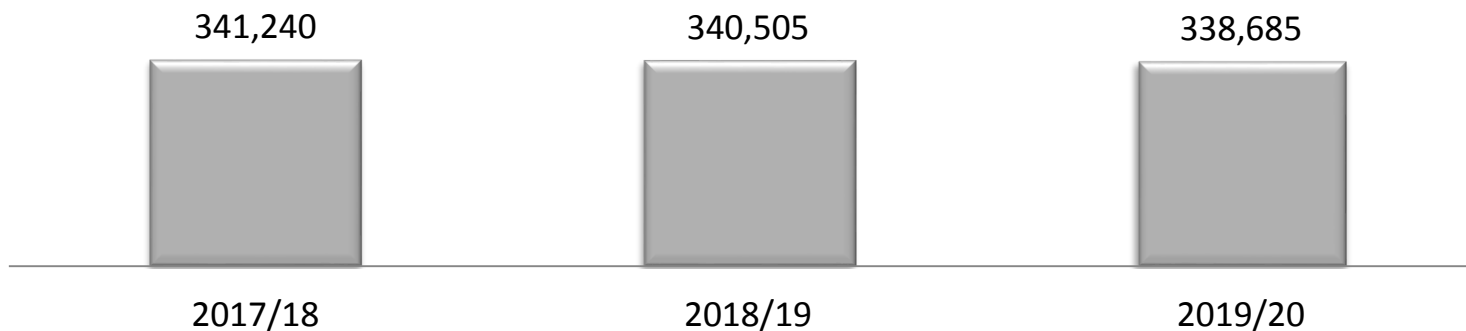
- State Liability Balance December 31, 2012 - \$611,452 (7.2% Interest Annually)
- State Liability Paid Off December 2013 - District Funds (\$186,000) and Borrowing \$425,000 State Trust Fund Loan (4.25% - 20 Yr)
- On-going Prepayment of State Trust Fund Loan With Available Funds
Current Balance - \$196,799 - Annual Payments - \$18,015

Refinanced School Building Debt in 2014 – Interest Saved - \$196,165

2000 Facility Referendum Last Payment in 2019-2020:

- On December 2020 Tax Bill, Tax Levy Must Decrease
- By Law, Debt Tax Levy Cannot be Used to Pay Operating Expenses

Existing Debt Service



SCHOOL DISTRICT OF BENTON

STATE AID AND PROPERTY TAXES



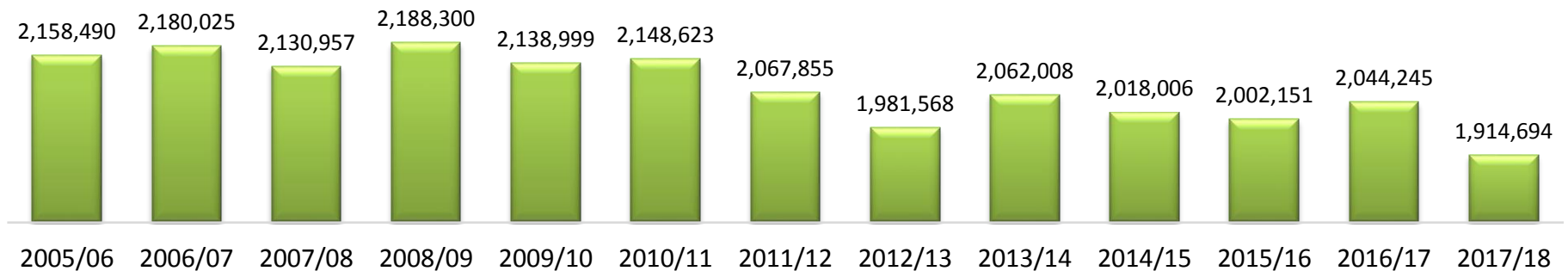
State Aid Formula

The current state aid formula was established in 1993. The amount of state aid available for all Wisconsin school districts is determined every two years as part of the State's biennial budget process. The state aid formula is a complicated, three-tier, formula which uses the last year's budget expenses, enrollment count and equalized value of property within the school district. State aid is property tax relief and not additional revenue. As enrollment declines and property values increase, a school district receives less state aid.

Each October, school districts receive State certification of the dollar amount of aid they will receive for the current budget year. This amount is subjected from the revenue limit calculation to determine the operating budget's tax levy.

For the 2017-18 budget, Benton School District received \$1,914,694 of state aid, which represents approximately 63% of the prior year's operating and debt payment expenses. This was the lowest amount of aid the District received over the past 13 years as shown on the graph below.

Historical State Aid



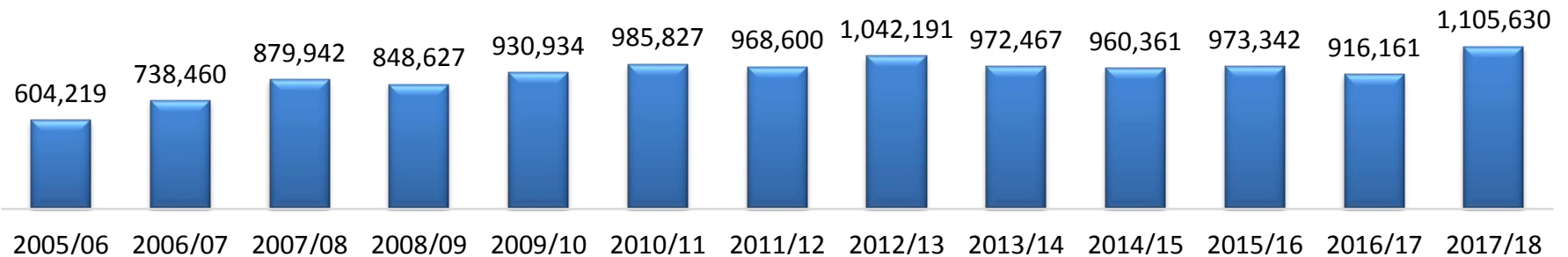
Historical Tax Levy

Step 1 – Calculated Revenue limit

Step 2 – Subtract State Aid

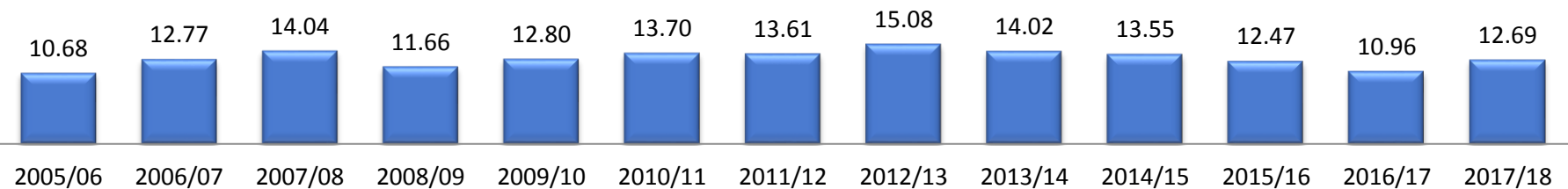
Equals - Tax levy for Operating Budget / Add Tax Levy for Debt

The graph below is the history of Benton School District's tax levy for the past 13 years. The highest tax levy was in 2017-18, which was the year the District received the least amount of state aid. The second highest tax levy was in 2012-13, which was also the year the District received the second lowest amount of state aid. This demonstrates the relationship of state aid to the tax levy.



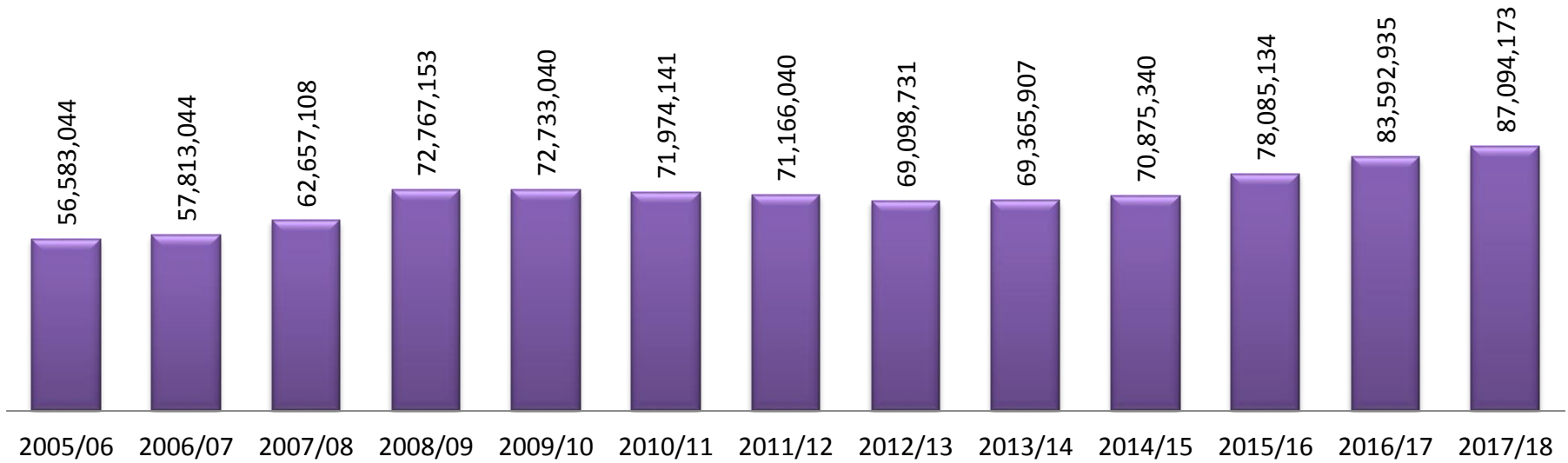
Historical Tax Rate (Mill Rate)

Each year, the dollar amount of the school district's tax levy is divided into the equalized value of taxable property within the district to calculate a tax rate or mill rate. Equalized values are determined by the Wisconsin Department of Revenue and are used by school districts, vocational districts and counties to allocate their tax levy amongst the municipalities within their borders. Growth in the equalized value reduces the impact on the tax rate. The graph below charts the tax rate (mill rate) for the last 13 years.



Historical Equalized Values

The graph below charts the equalized value of taxable property in the Benton School District for the past 13 years as determined by the Wisconsin Department of Revenue.



SCHOOL DISTRICT OF BENTON



THE REVENUE LIMIT

Historical and Projected

The revenue limit is a State Law (Wisconsin Statute Section 121.91) imposed on all school districts beginning in 1993 – 25 years ago. The revenue limit is subject to legislative changes by the State.

Calculating the Revenue Limit

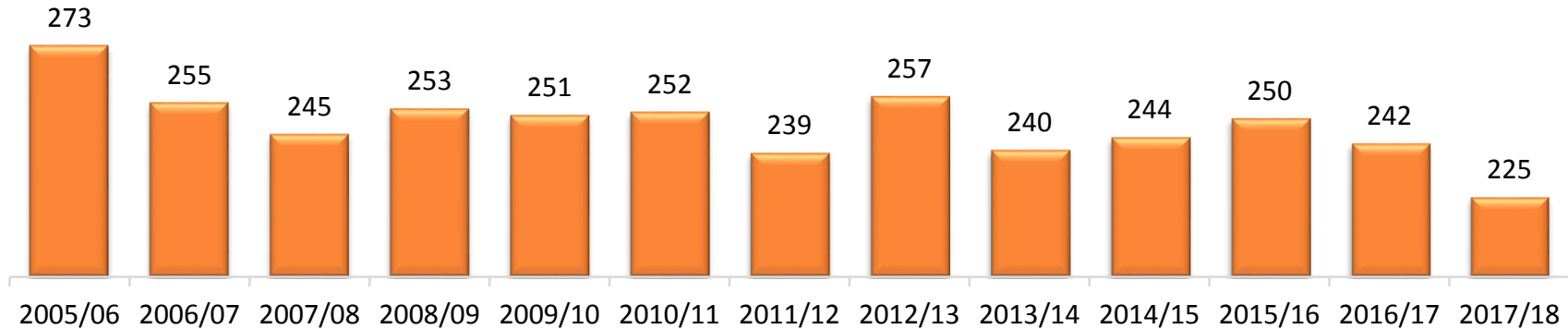
Every year, each Wisconsin school district calculates their revenue limit using a specific worksheet supplied by the Wisconsin Department of Public Instruction (“DPI”). The calculation uses the **school district’s enrollment** to arrive at the amount of revenue the district is allowed for the upcoming budget year. If enrollment declines, the amount of revenue the district is allowed also declines. Permission to exceed this “limit” requires voter approval.

The school district enters the current year’s enrollment information into the worksheet to calculate the amount of revenue the district is allowed. Next, the State informs the school district of how much of that revenue will come from “state aid” and the remaining balance comes from tax levy.

Note: State aid is for property tax relief. If a school district receives more state aid, property taxes decline. If a school district receives less state aid, property taxes increase. In 2017-18, Benton School District received \$129,551 less state aid than the previous year, which resulted in a greater tax levy than the previous year. State aid is determined by legislation as part of the State’s biennial budget process, and is not guaranteed. The current state aid formula was also implemented in 1993.

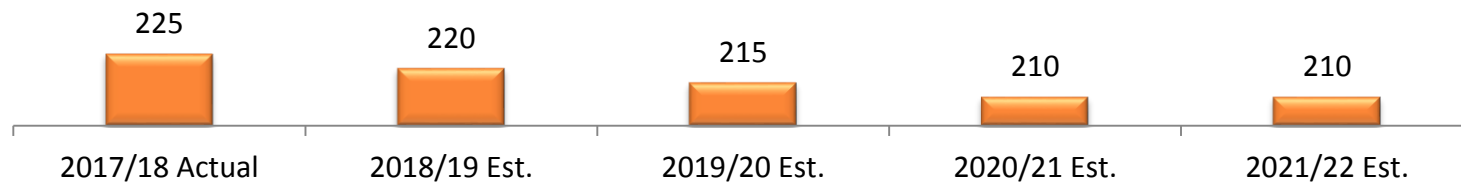
Benton School District's Historical Enrollment

The graph below shows Benton School District's enrollment from the 2005-06 school year through the current 2017-18 school year. Budget year 2005-06 was the year before the very first operational referendum was approved. Enrollment count is based on full-time equivalency, which is the method used for the revenue limit worksheet.



Benton School District Projected Enrollment

To study the potential impact of enrollment on the revenue limit worksheet calculation, the following enrollment projections are made for the next four budget years. The graph begins with the actual enrollment for the 2017-18 school year.



- Assumes 5 student decline for three years and stable thereafter

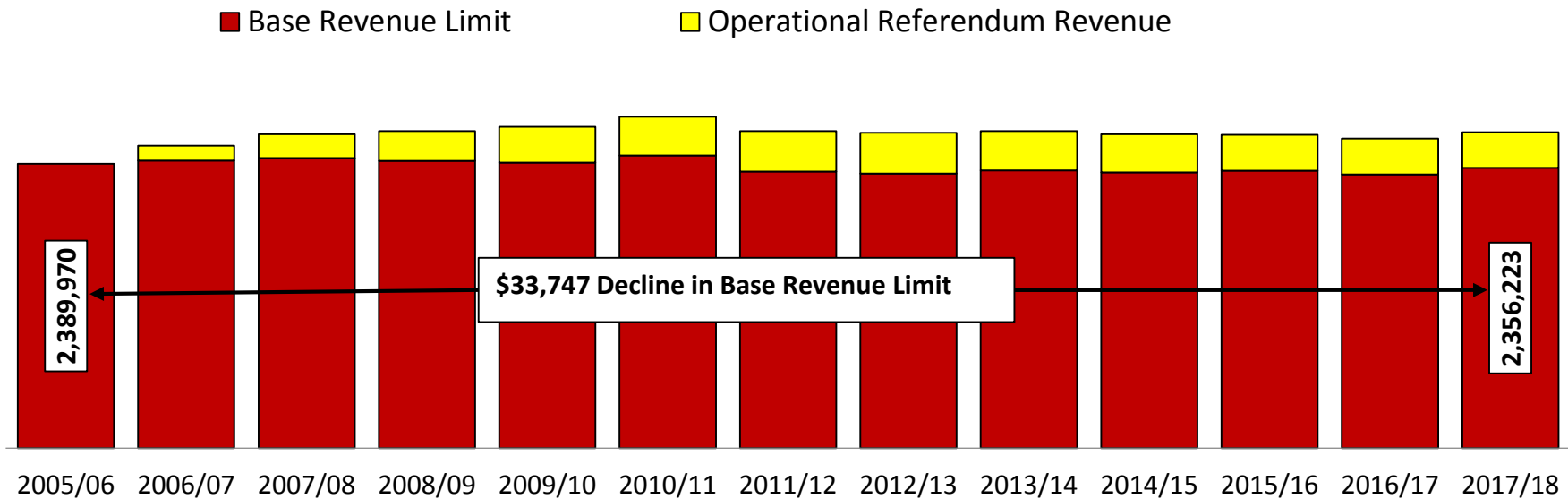
Historical Revenue Limit

The graph below shows Benton School District's revenue limit from the 2005-06 school year (the year before the District's first operational referendum) which was \$2,389,970, to the current 2017-18 school year. The "base revenue limit" is the annual calculation prepared on the DPI worksheet. All numbers are actual – no projections.

The Benton School District has successfully passed four operational referendums, each for three years, for a total of 12 years of operational referendum revenue. The graph below shows the "base revenue limit" calculation each year, and the referendum revenue added to the top of each bar. In 2017-18 school year, the "base revenue limit" is \$2,356,223, plus the final year of referendum revenue is \$300,000.

PLEASE NOTE:

1. THE BASE REVENUE LIMIT FOR 2017-18 IS **\$33,747 LESS THAN** IN 2005-06, 12 YEARS AGO.
2. DECLINING ENROLLMENT IS RESPONSIBLE FOR DECLINE IN THE BASE REVENUE LIMIT CALCULATION
3. THE DISTRICT HAS NO OPERATIONAL REFERENDUM REVENUE FOR THE 2018-19 SCHOOL YEAR AND BEYOND



SCHOOL DISTRICT OF BENTON

HISTORICAL REFERENDUMS - 2000 - 2015



Facility Referendum

2000 \$3,990,000 Referendum - Elementary Addition/High School Remodel

Borrowing Repaid Over 20 Years - Final Payment April 1, 2020

Operational Referendums (Non-Recurring)

2006 \$125,000 \$200,000 \$250,000

2006-07 2007-08 2008-09

2009 \$300,000 \$325,000 \$340,000

2009-10 2010-11 2011-12

2012 \$340,000 \$330,000 \$320,000

2012-13 2013-14 2014-15

2015 \$300,000 \$300,000 \$300,000

2015-16 2016-17 2017-18

Each operational referendum expired before next referendum was effective