Watertown School District

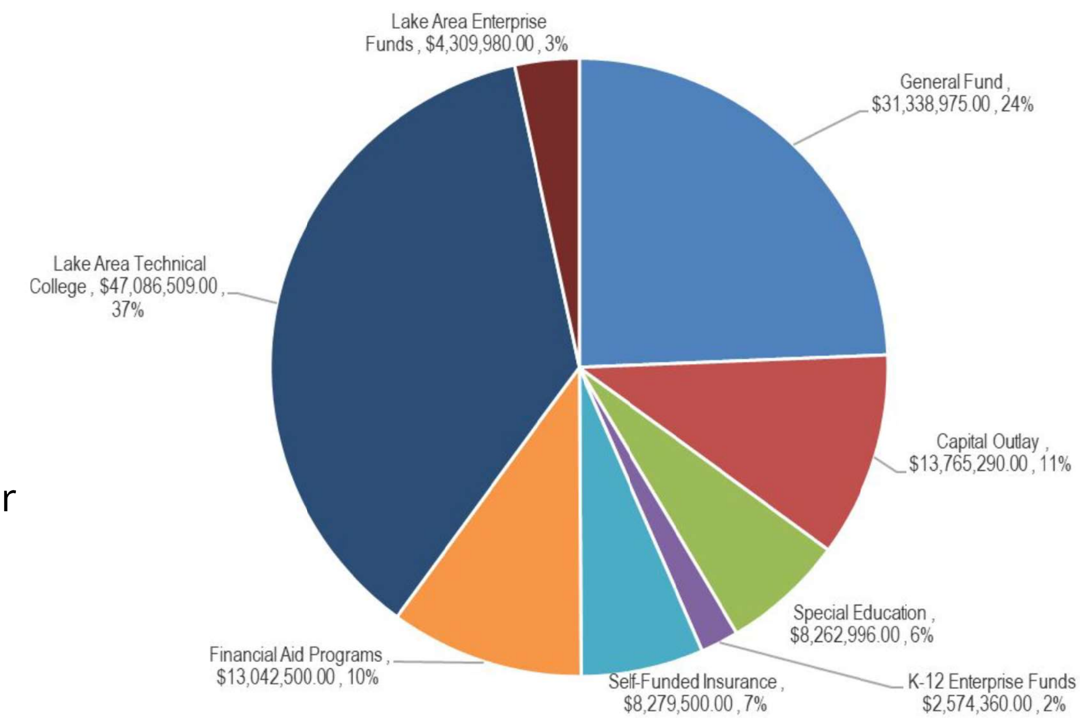
Preliminary Budget
2023-2024

2023-24 Budget

- The presented preliminary budget to operate the Watertown School District for the 2023-24 school year is in the amount of

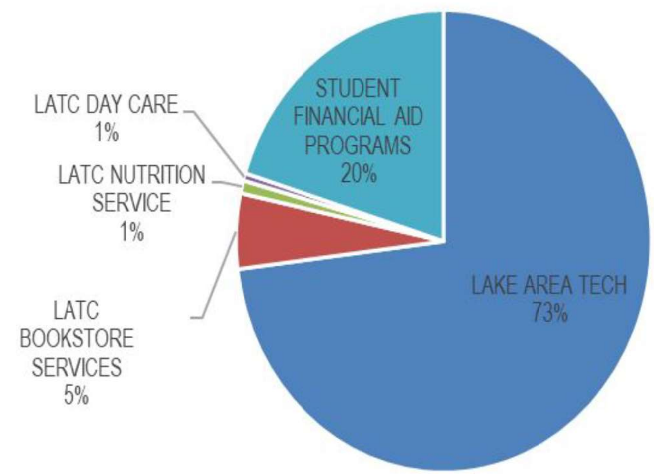
$128,660,110

- This is a 3.85% increase from the previous year
- K-12 making up 51% & LATC making up 49%
- 13 Operating Funds



Lake Area Tech College

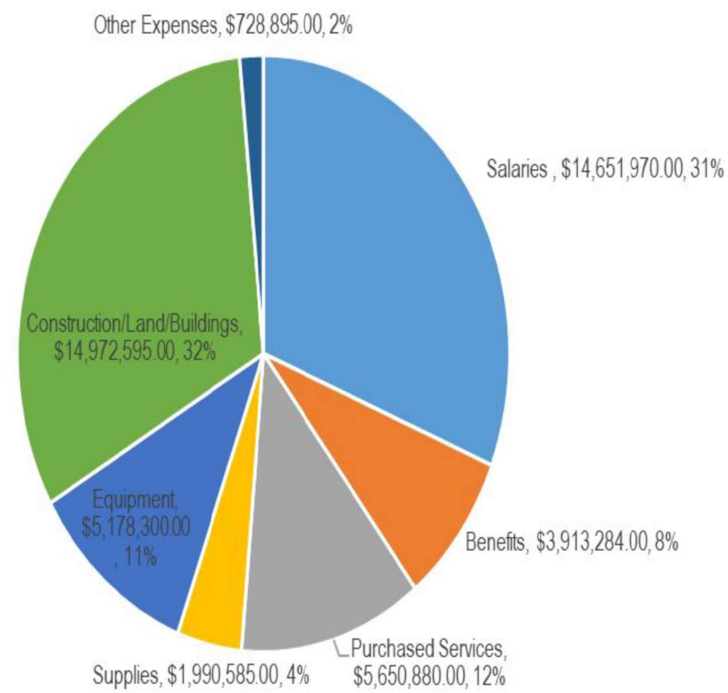
- LATC Funds make up for 49% of total budget
- Main operating fund at $47,086,509
- Student Financial Aid at $13,042,500
- Enterprise Funds
  - Bookstore at $3,396,140
  - Nutrition Services at $580,340
  - Educare at $333,500



LAKE AREA TECHNICAL COLLEGE

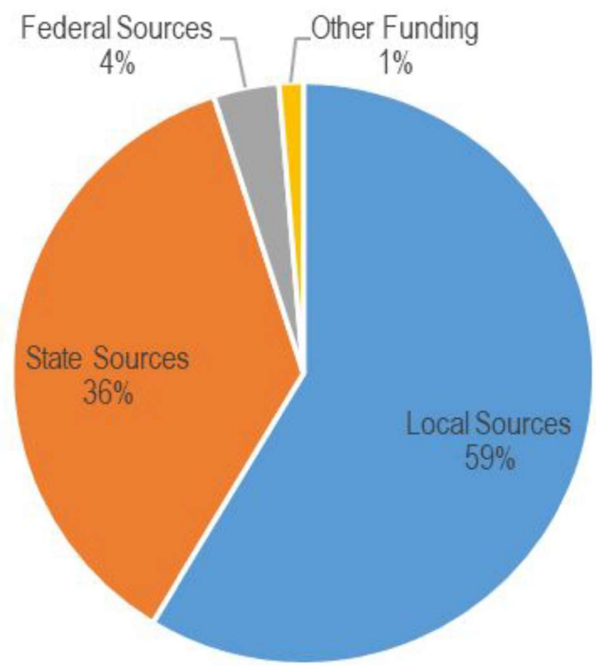
Lake Area Tech - Main Operating

- Total budget of $47,086,509
  - An increase of 3.42%
- Use of cash reserves in the amount of $684,074
- Major revenue identifications
  - No increase in tuition rate, flat FTE
  - 7% in funding
  - Equipment funds
  - $350,000 State match to MTS
- Major expenditure identifications
  - Construction in Progress
  - Land purchases of $1.4M
- Fund Balance projection at $8,102,462 or 23.15%



Lake Area Tech - Revenue

- Enrollment assumed at a student FTE of 2,000
- Tuition freeze
- Student fees to remain the same
- Foundation contribution to construction in progress
- State Funds - 7% increase, equipment funding, GOED funds
- Federal Grants - MTS, Title II - Perkins
- Financial Aid - Budget of $13,042,500

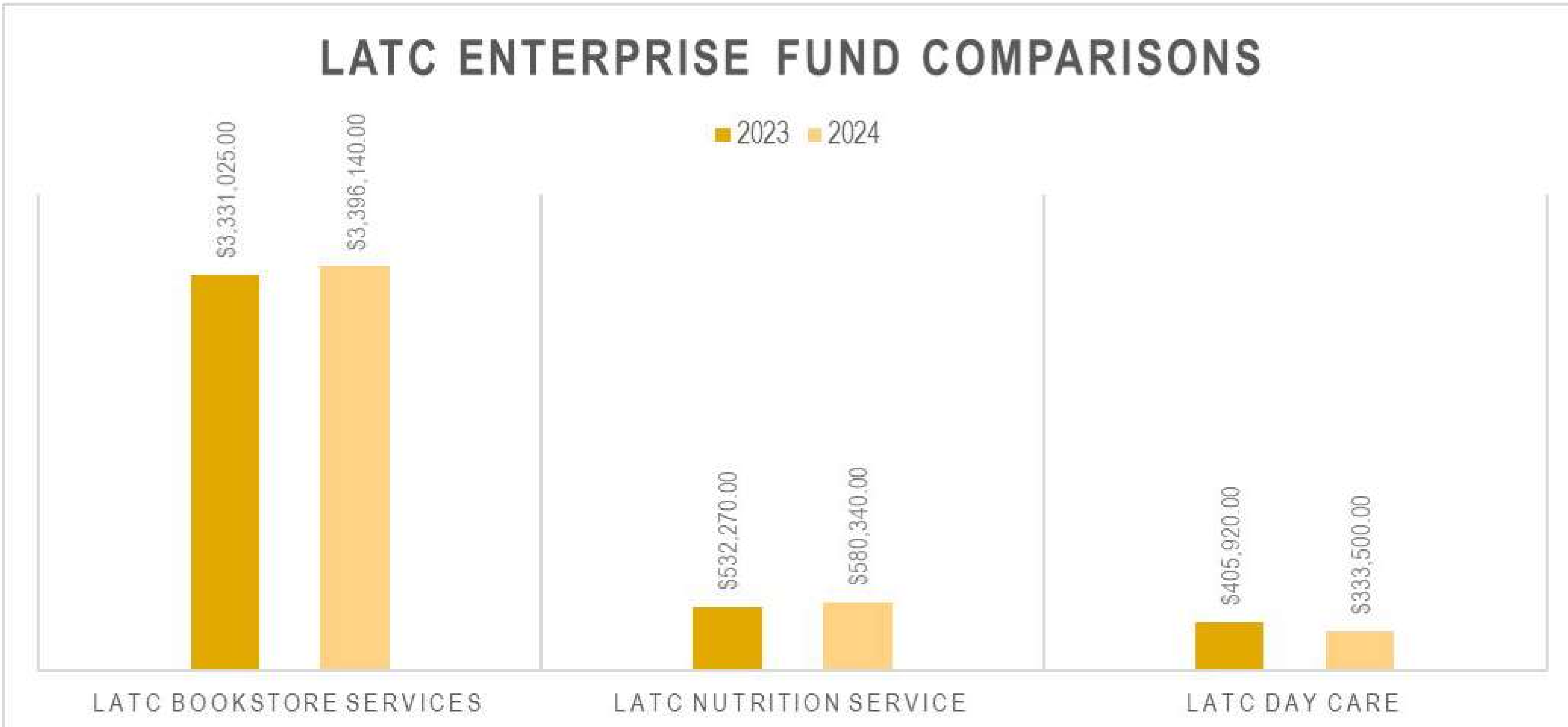


Construction Highlights

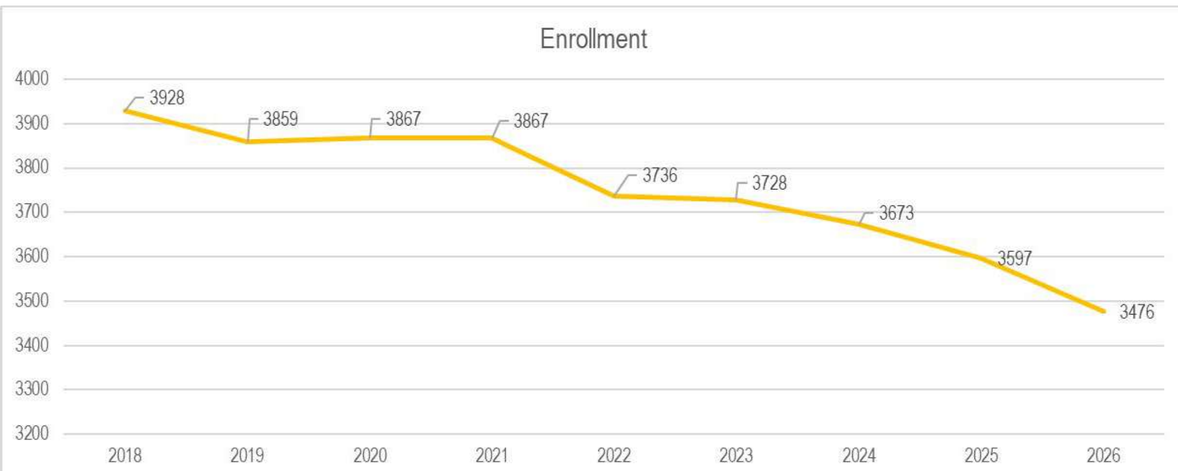
- Diesel Expansion
  - $8.1M
  - $240/Square Foot
  - Opening Fall 2023
- Dana J Dykhouse Business Center of Learning
  - $21.9M
  - $327/Square Foot ($313/Square Foot w/o sitework)
  - "The Archway"
  - Business & Advanced Manufacturing
  - Opening Fall 2024
- Total construction cost of $30M
- No burden on students

16%
square footage

Lake Area Tech - Enterprise Funds



Enrollment Projections

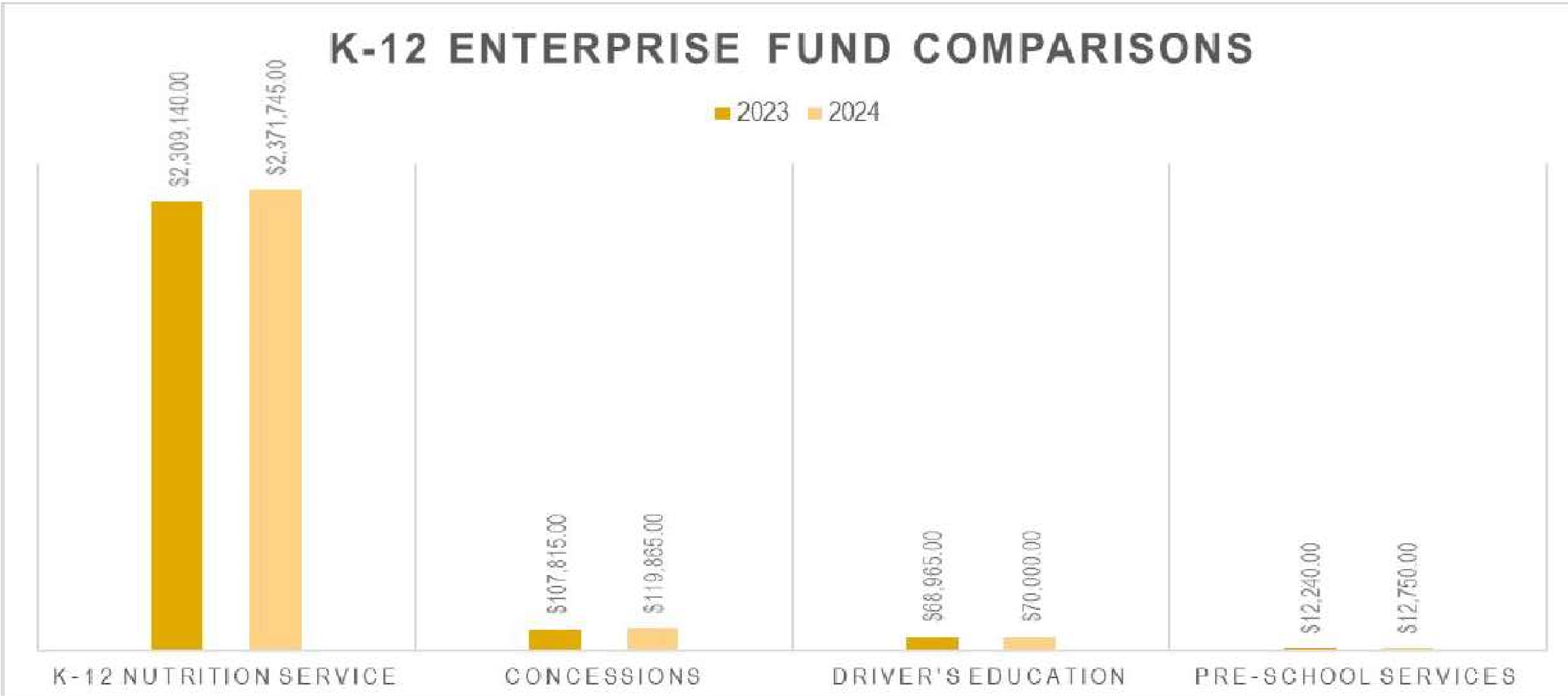


Grade Level	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Jr Kindergarten	18	20	20	20	20
Kindergarten	263	252	231	231	237
Grade 1	258	264	258	231	231
Grade 2	255	256	264	258	231
Grade 3	260	255	256	264	258
Grade 4	289	256	255	256	264
Grade 5	274	289	256	255	256
Grade 6	276	274	289	256	255
Grade 7	298	276	274	289	256
Grade 8	304	298	276	274	289
Grade 9	358	304	298	276	274
Grade 10	307	358	304	298	276
Grade 11	292	307	358	304	298
Grade 12	270	292	307	358	304
Misc Additions	14	27	27	27	27
Total	3,736	3,728	3,673	3,597	3,476

Curriculum, Staff Development & Summer Programs

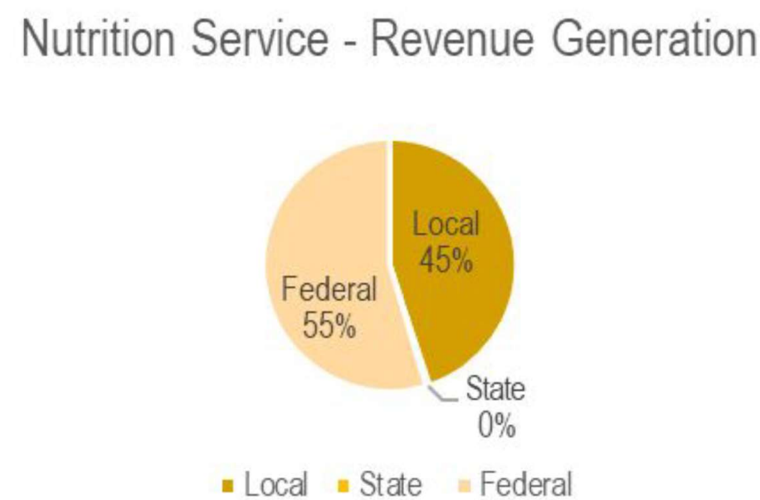
- Assistant Superintendent, Derek Barrios and Curriculum Director, Tricia Walker will provide information on programs
    - Handout of information

K-12 Enterprise Funds



K-12 Nutrition Services

- Budget anticipates a 8% increase to lunch and breakfast prices to maintain rate of inflation
- 55% of this program is funded by federal funds
- Free & Reduced Percents
    - District 30.08%
    - High School 21.32%
    - Middle School 29.70%
    - Lincoln 20.86%
    - McKinley 71.31%
    - Mellette 42.52%
    - Roosevelt 67.65%
    - Jefferson 20.28%
    - Intermediate 32.39%

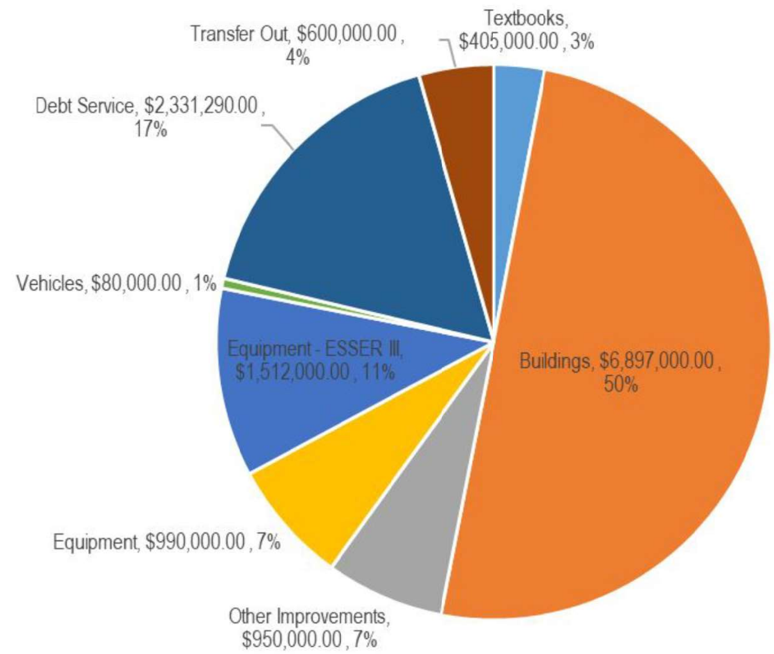


Self-Funded Insurance

SUPPORT INFORMATION:		New Rate	Board Contribution	2023-24 Employee Share	2022-23 Employee Share	Incr/Decr Employee Share
HEALTH						
	Lower Deductible Plan:					
	SINGLE	$750.00	$615.00	$135.00	$135.00	$0.00
	FAMILY	$1,520.00	$615.00	$905.00	$850.00	$55.00
	Higher Deductible Plan:					
	SINGLE	$615.00	$615.00	$0.00	$0.00	$0.00
	FAMILY	$1,300.00	$615.00	$685.00	$630.00	$55.00
DENTAL						
	SINGLE	$37.00	$37.00	$0.00	$0.00	$0.00
	FAMILY	$95.00	$37.00	$58.00	$58.00	$0.00

Capital Outlay Fund

- Total budget of $13,765,290
  - An increase of 6.35%
- Use of cash reserves in the amount of $4,499,690
- Major revenue identifications
  - Property tax levy
  - Subject to 3% + Growth Limitation
  - Growth of 1.5% in 2023
- Major expenditure identifications
  - Stadium Phase II at $6.5M
  - Laptops at $1.5M - ESSER III
  - Transfer out at $600,000
- Ending fund balance projection estimate at $1,548,525 or 20.76%

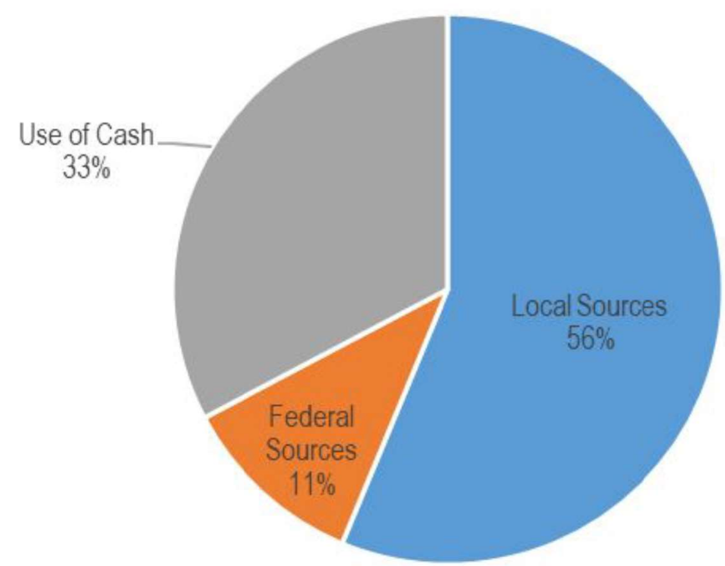


Capital Outlay - Transfer & Debt

- Allows for the transfer to General Fund of up to 45% of property taxes received.
  - Allowable transfer of $3.2M
  - Currently budgeting $600,000
  - Will increase back to $1.2M in FY25 as ESSER Funds drop off
  - District would only be able to sustain $1.5-$2M and dependent on 5 year plan
- Limited to issuing debt at 3% of total taxable valuation.
  - Allowable debt issuance of $75M
  - Current principal debt is at $35M or 1.42%
  - District would only be able to sustain an additional $500,000 annual payment
  - Estimated of debt issuance at $8M - $10M
    - McKinley - Annual Payment of $215,000 - Period ending 2027
    - Middle School - Annual Payment of $1,265,450 - Period ending 2034
    - High School Renovations - Annual Payment of $895,000 - Period ending 2041

Capital Outlay - Revenue

- 56% of revenue is from local tax sources
  - Levy is limited by 3% plus growth
  - Property tax levy at $2.522
  - Max is $3.00/1,000
- ESSER III Federal Funds
- Use of cash on hand to support stadium phase II
  - Fund Balance projection at 20.76%
  - Five Year Plan in support of growing fund balance for future years



Capital Outlay - 5 Year Plan

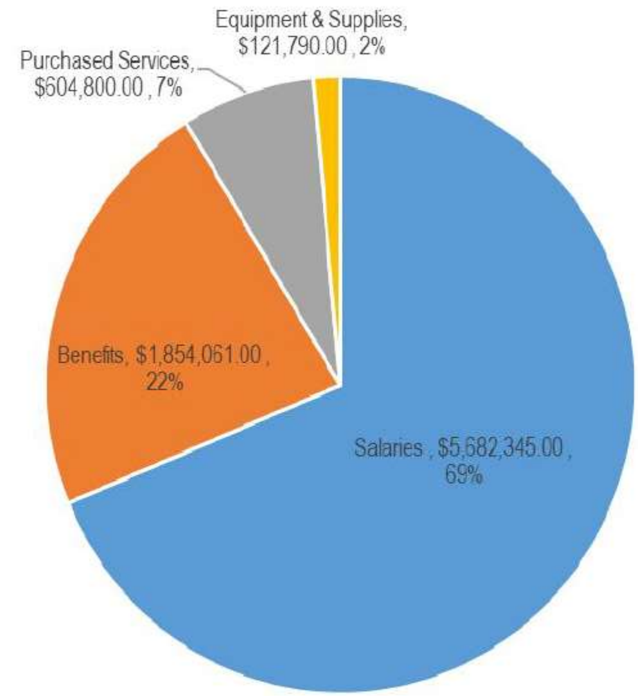
BUDGET DATA	BUDGET FY23	BUDGET FY24	PROJECTED FY25	PROJECTED FY26	PROJECTED FY27
Debt Service	$2,758,985.00	$2,331,290.00	$2,371,425.00	$2,372,525.00	$2,203,000.00
Remodel	$1,712,500.00	$0.00	$0.00	$0.00	$0.00
Roofing Projects	$0.00	$600,000.00	$200,000.00	$425,000.00	$965,000.00
Building Requests	$554,600.00	$395,500.00	$491,000.00	$478,000.00	$478,000.00
Library Books	$55,000.00	$55,000.00	$51,000.00	$51,000.00	$51,000.00
Curriculum	$350,000.00	$350,000.00	$350,000.00	$350,000.00	$350,000.00
Technology	$560,000.00	$365,000.00	$365,000.00	$385,000.00	$395,000.00
Land	$0.00	$0.00	$0.00	$0.00	$0.00
Buildings	$123,690.00	$35,000.00	$40,000.00	$55,000.00	$55,000.00
Identified Projects	$1,188,900.00	$714,000.00	$631,000.00	$513,000.00	$635,000.00
Elementary Remodels	$0.00	$0.00	$500,000.00	$575,000.00	$575,000.00
Stadium Development	$4,404,250.00	$6,500,000.00	$500,000.00	$0.00	$0.00
NTHS Remodel	$0.00	$0.00	$0.00	$0.00	$115,000.00
Other Improvements	$35,000.00	$35,000.00	$35,000.00	$45,000.00	$55,000.00
Equipment	$40,150.00	$92,500.00	$95,000.00	$95,000.00	$95,000.00
Equipment - ESSER II	$380,000.00	$0.00	$0.00	$0.00	$0.00
Equipment - ESSER III	$0.00	$1,512,000.00	$0.00	$0.00	$0.00
Vehicles	$80,000.00	$80,000.00	$500,000.00	$120,000.00	$120,000.00
NTHS Assessment	$100,000.00	$100,000.00	$100,000.00	$100,000.00	$100,000.00
Transfer Out	$600,000.00	$600,000.00	$1,200,000.00	$1,200,000.00	$1,200,000.00
Total	$12,943,075.00	$13,765,290.00	$7,429,425.00	$6,764,525.00	$7,392,000.00

Capital Outlay - 5 Year Plan - Fund Balance

CAPITAL OUTLAY FIVE YEAR PLAN					
Fund Balance Projections					
Beginning Fund Balance	$10,038,290.00	$6,048,215.00	$1,548,525.00	$1,850,380.00	$2,967,355.00
Increase/(Decrease)	($3,990,075.00)	($4,499,690.00)	$301,855.00	$1,116,975.00	$642,730.00
	$6,048,215.00	$1,548,525.00	$1,850,380.00	$2,967,355.00	$3,610,085.00
Fund Balance Percent	**83.77%**	**20.76%**	**24.63%**	**38.73%**	**46.20%**
15% Fund Balance	$1,083,000.00	$1,119,090.00	$1,126,692.00	$1,149,225.00	$1,172,209.50

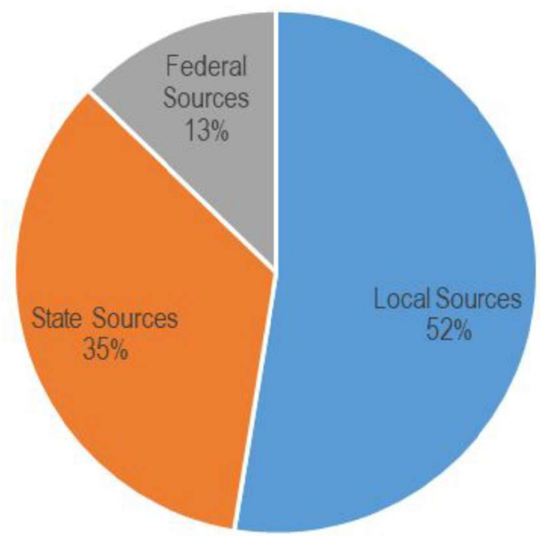
Special Education Fund

- Total budget of $8,262,996
  - An increase of 5.14%
- Use of cash reserves in the amount of $310,621
- Major revenue identifications
  - Property tax levy at $1.574
  - State Aid increase of 7%
  - Extraordinary Cost Fund
- Major expenditure identifications
  - Negotiated increases of 7% average
  - Reduction of 4 FTE - $185,000
- Ending fund balance projection estimate at $167,579 or 2.03%
  - Does not consider supplemental funding if ECF awarded



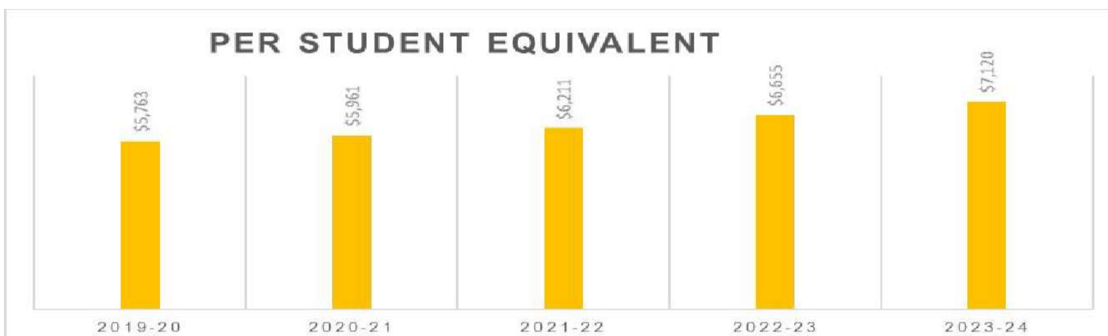
Special Education - Revenue

- Levy at $1.574/1,000
  - Taxes make up 52% of budget
- State Aid considers number of special need students in various categories
  - Extraordinary Cost Fund availability
    - 10% fund balance limitation
    - Considers Federal Funds available - MOE
    - Levy at full amount



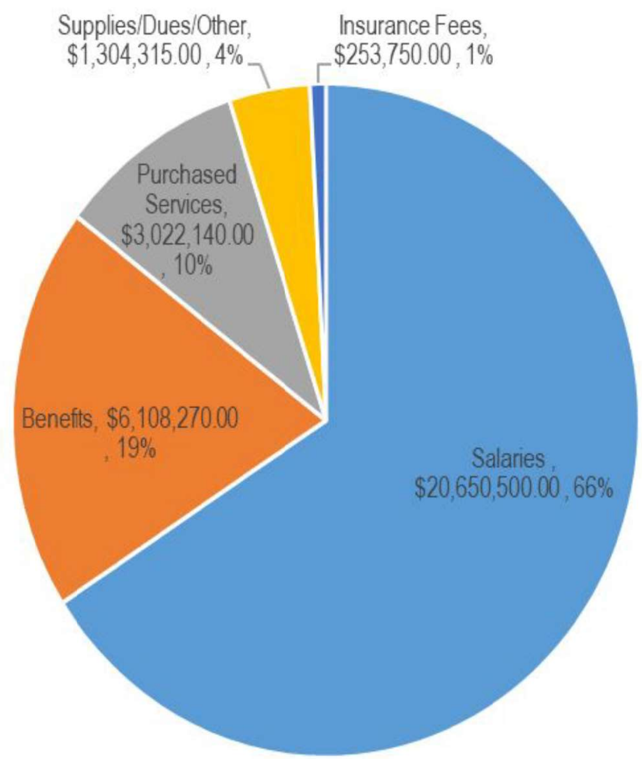
Property Tax & State Aid

Classification of Property	General Fund Levies 2019 Payable in 2020	2020 Payable in 2021	2021 Payable in 2022	2022 Payable in 2023	2023 Payable in 2024
Agriculture	$1.473	$1.443	$1.409	$1.362	$1.320
Owner-Occupied	$3.296	$3.229	$3.153	$3.048	$2.954
Non-Agricultural & Utilities	$6.821	$6.682	$6.525	$6.308	$6.113
	$11.590	$11.354	$11.087	$10.718	$10.387
Per Student Equivalent	$5,763	$5,961	$6,211	$6,655	$7,120



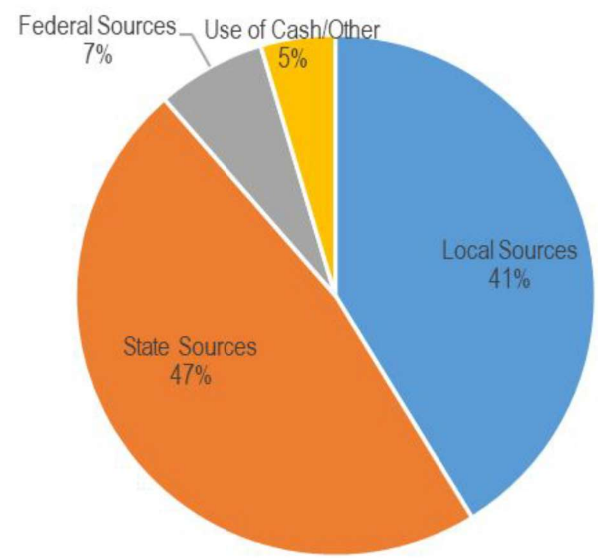
General Fund

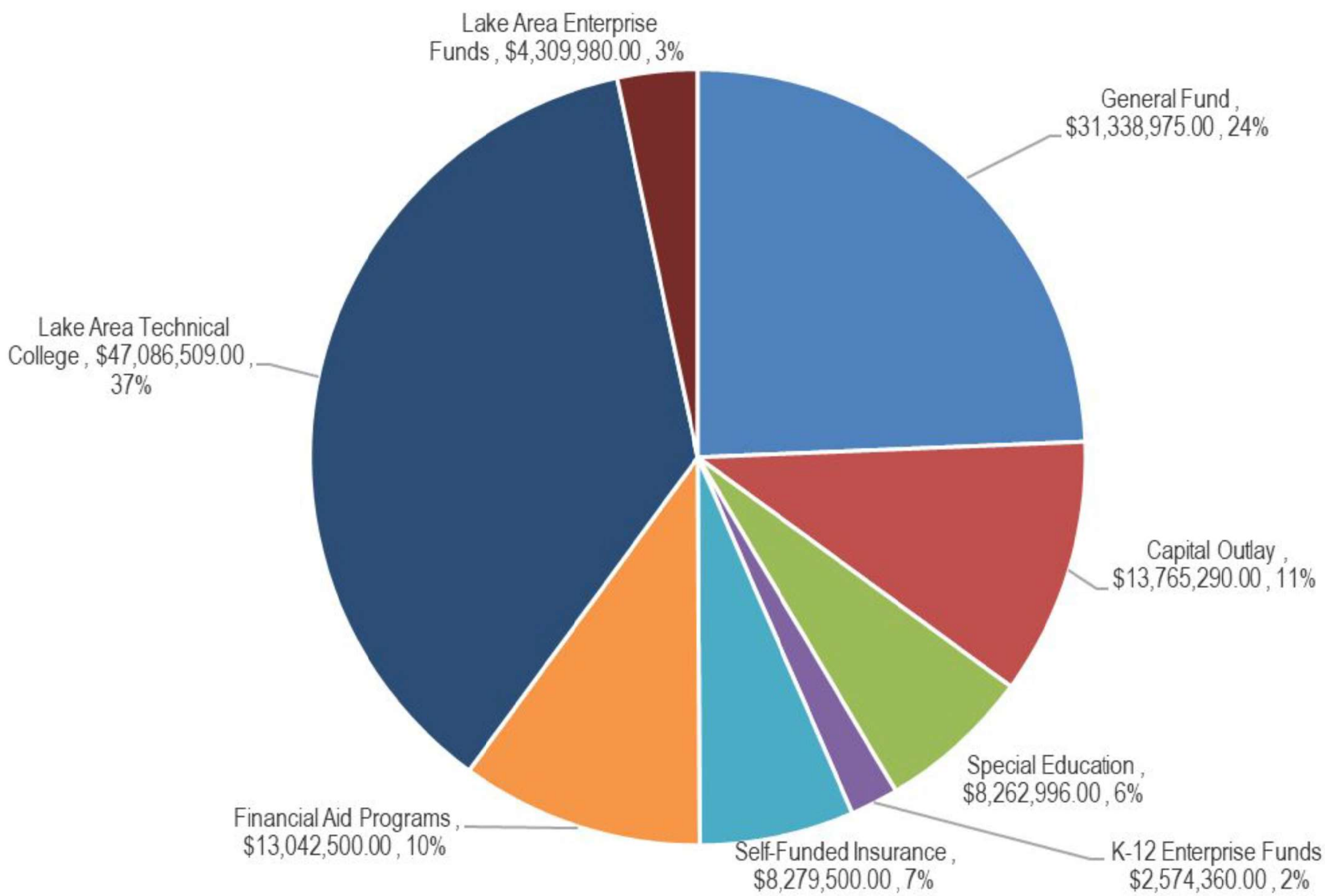
- Total budget of $31,338,975
  - An increase of 2.93%
- Use of cash reserves in the amount of $849,435
- Major revenue identifications
  - Property tax levy's
  - State Aid increase of 7%
  - Final FY of ESSER
- Major expenditure identifications
  - Negotiated increases of 7% average
  - Early retirement payment
- Ending fund balance projection estimate at $5,994,274 or 19.06%



General Fund - Revenue

- Enrollment estimated at 3,728
- Total Need Calculation
- State funding increase of 7%
  - 6.55% considering decrease in enrollment
- Federal Title Grants
- ESSER - final year
- Transfer in from Capital Outlay




Lake Area Enterprise Funds , $4,309,980.00 , 3%
General Fund , $31,338,975.00 , 24%
Lake Area Technical College , $47,086,509.00 , 37%
Capital Outlay , $13,765,290.00 , 11%
Special Education , $8,262,996.00 , 6%
Financial Aid Programs , $13,042,500.00 , 10%
Self-Funded Insurance , $8,279,500.00 , 7%
K-12 Enterprise Funds , $2,574,360.00 , 2%