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Every Child, Every Day.  
The Washington Way



School District of Washington  
Washington, MO 63090  
[www.washington.k12.mo.us](http://www.washington.k12.mo.us)

*Serving the Missouri counties of  
Franklin, St. Charles, and Warren*

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June 30, 2015

To the Attention of:  
The Honorable Board of Education  
School District of Washington  
220 Locust Street  
Washington, MO 63090

## EXECUTIVE SUMMARY

### Introduction

The School District of Washington's (hereinafter the "District") is committed to its motto, "Every Child, Every Day, The Washington Way" as well as the mission of ensuring that education meets the demands of the 21<sup>st</sup> Century. Our strategic plan is premised on six key elements: Increasing Student Engagement, Transforming Learning Environments, Supporting Innovation, Personalizing Professional Growth, Enhancing Communication, and Collaborating to Make Decisions. It is only fitting to prepare our students for life's endless challenges and opportunities. With strong financial backing and accountability, and a budget aligned with our strategic goals, we can ensure progress. We believe in the continual improvement of our students, staff, programs, and services. It should also be noted that our success is a direct result of the quality teachers, leaders, and support personnel that work diligently with our students each and every day. We understand adequate funding gives educators access to the resources they need to support students and the growing demands placed upon them. The FY16 budget keeps our mission, goals and priorities at the forefront. The budget recognizes that the educational needs of students today are much different than they were in the past. This budget is cognizant of our desires to prepare students for college and career opportunities that we can't even phathom yet.

The District can be proud of many accomplishments attained in the 2014-2015 school year. The FY15 budget played a part in the proactive, responsible, and focused approach to such success in our District. Washington has many things to be proud of as you can see from our list:

- The School District of Washington is proud to have received the Association of School Business Official International's Meritorious Award again for our FY15 annual budget.
- The District received the Excellence in Budgeting Award from the Governmental Finance Officers Association for the first time.
- Construction was completed in late July of our new early learning center and it opened to the public in August. This facility is home to all pre-kindergarten programs, including Parents as Teachers. Formerly, our early childhood special education program was housed in modular units and several pre-school rooms were located in elementary

buildings. Parents as Teachers staff worked from the Technology and Learning Center building, isolated from programs of transition. Because early intervention is a critical element to developing learners and future educational success, we are were excited to open this state of the art center for our pre-kindergarten students and community at large. A community engagement process initiated by the Board of Education called for the construction of the early learning center, and because of the passage of the no tax rate increase bond issue in April of 2013, the dream become a reality. The community feedback has been wonderful and we truly appreciate their support.

- Due to the April 2013 bond issue projects coming in under budget, and the District realizing \$2 million in bond proceeds with the issuance of the 2013 bonds, classroom addition of twelve classrooms at Washington West Elementary was approved by the Board of Education for substantial completion in July of 2015. This addition will alleviate overcrowding at West Elementary and will welcome students from Fifth Street Elementary School students in the fall. Fifth Street Elementary school will be retired and the school will be for sale or lease in the fall of 2015. The 116 students who attended Fifth Street Elementary School will now become part of the West Elementary family.
- Successful implementation of our elementary STEM Lab occurred in the 2013-2014 school year; however, it was expanded to include all students in grades 4-6 throughout the District in the 2014-2015 school year.
- The District partnered with Mooresville Graded School District in North Carolina. Mooresville is on the cutting edge in the area of educational technology integration. Two teams from the School District of Washington have visited Mooresville to learn of their success, and several Mooresville teachers and technology facilitators visited Washington to teach our grades 3-12 teachers about successful integration strategies. Additionally, the District began implementing Schoology as its Learning Management System and conducted a variety of professional learning sessions for teachers throughout the year.

Many other successes specific to employees and/or school buildings included:

- Washington High School (WHS) Broadcast instructor, Michelle Turner, was honored with an award from the Missouri Interscholastic Press Association as well as received the MIPA's Journalism Teacher of the Year Award and was named co-winner of the 2015 Taft Award.
- Connie Lutz, Washington High School math teacher, was selected as the Mathematics Educators of Greater St. Louis High School Teacher of the Year. She was also honored with the St. Louis Aspirations in Computing Educator Award by the National Center for Women in Information Technology.

- Washington High School business and marketing instructor, Katie Laurentius was named the Missouri Marketing and Cooperative Education Association New Educator of the Year.
- Elizabeth Hobbs, Washington High School science teacher was named the 2015 recipient of the Harold Austin Good Teaching Award, presented by the East Central MNEA-Retired Teachers
- Washington High School teacher and coach, Adam Fischer, was awarded as the 2014-2015 Gateway Athletic Conference Coach of the Year.
- Kerri Flynn, Washington High School Language Arts Teacher, and Amanda Schweissguth, Washington Middle School math teacher, both presented at national conferences.
- Washington High School Teacher, Ann Bolzenius was recognized at the National Conference on Student Activities in Scottsdale, Arizona.
- Shelley Kinder, Chief Financial Officer, was awarded the Frank Greathouse Scholarship through the Government Finance Officers Association.
- Washington Middle School Counselor, Shelly Struckhoff, was given the WINGS Foundation (Washington's Investment in Great Schools) Excellence in Teaching Award (Teacher of the Year).
- Angie Hopkins, Campbellton Elementary teacher, was named the Washington Missourian, Teacher of the Year.
- The class of 2015 consisted of 320 graduates, of which 175 earned A+ scholarships.
- All of the District's elementary schools have successfully implemented Positive Behavior Supports (PBS) seeing an improvement in building climate, discipline and character.
- All third and fourth grade classrooms transitioned to a 1:1 environment. Students received daily access to technology with the deployment of laptop carts for each classroom.

There are many more success stories from the past school year, but now our focus is on the year ahead. The educational needs of students is changing. With technological advancements and authentic opportunities for learning, our students are more and more eager to experience school in ways that most meet their individual needs. Our previous success and our anticipated future success can be attributed to our dedicated staff and our focus on continual improvement of instruction. The budget ensures, as indicative in the ASBR (Annual Secretary of the Board Report) that 80% of our spending is dedicated to instruction as defined by the Fiscal Instructional Ratio of Efficiency Calculation. This is evidence that our budget reflects alignment to our values. The School District of Washington, through its comprehensive 21st Century Learning Plan for Innovation and Change, is implementing steps that will enhance achievement and continue our successful path. The District's 21<sup>st</sup> Century Learning Plan can be found at [www.washington.k12.mo.us](http://www.washington.k12.mo.us) for public viewing. The plan outlines specific actions and strategies aligned with the components and goals below.

***MOTTO***

*Every Child, Every Day.  
The Washington Way.*

The 21<sup>st</sup> Century Components outlined in the District's Plan:

- Increase student engagement
- Transform learning environments
- Support innovators
- Personalize professional growth
- Enhance communication

Continuous improvement of teaching and learning remains our number one priority, and the above components provide for goals, action plans and strategies. The District goals include:

1. Pursue high achievement and graduation for all students, regardless of student circumstances and abilities.
2. Cultivate and grow staff into quality, dynamic team members through an effective evaluation and support system.
3. Develop and implement effective professional development that encompasses best practices and supports all staff.
4. Analyze and restructure the organization to become more efficient, effective, and accountable to support the goals of the District.
5. Foster and enhance staff, student, parent, business, and community involvement.

The 21<sup>st</sup> Century Learning Plan was developed collaboratively using a community engagement process called, "The Washington Way." Community engagement strategies have been executed over the past seven years with focus groups formed in the following areas: Budget and Financial Planning, Increasing Student Engagement, 21<sup>st</sup> Century Learning Environments & Facility Needs, and Transforming our Learning Environments in the Digital Age. The most recent focus group, Focus Group 4: Ensuring All Students Are College and Career Ready, Pathways to Success, launched in the fall of 2014 and met four times throughout the 2014-2015 school year. The conversations and feedback from our focus group work drives the actions and steps we employ to continue the realization of our District Plan and the budgeting that needs to occur to make it happen. The District's 21<sup>st</sup> Century Learning Plan was a result of all of this work, as input was provided, as well as goals, strategies, and action plans shaped.

Strategic planning and budget alignment are critical to the success of the School District. Budgetarily, there are always concerns. The economy is slowly on the rebound and although our FY16 reserve balance looks to land within the Board of Education's goal range, the revenue trend continues to struggle to keep pace with increases in expenditures. This very likely will mean that upon setting the tax levy in August, the District will need to levy more pennies in the



Incidental fund, moving five cents from Capital Projects. The budget at the time of this summary does reflect increases in revenue to the Incidental fund due to potential changes in the distribution of pennies within the existing tax levy. Specific changes are contingent upon the Board's decision during their tax rate hearing and will be noted and approved through the budget revision process.

The District continues to work toward improving salary schedules to ensure competitive compensation and benefit packages exist for the purposes of recruitment and sustainability of excellent staff. Additionally, the budget is reflective of some of our needs in terms of technology, instructional resources, and facilities. However, we will remain diligent as we monitor on-going costs and work toward a balanced budget while maintaining a reserve balance range of 22-27%, as Board policy indicates. It should be noted that the District continues to operate well despite receiving little state funding. Our tax levy remains one of the lowest of districts comparable in size, demographics, and as compared to the surrounding and metropolitan area schools.

The affect of the national recession, lagging state revenues, lower property values, and insignificant funding of ancillary programs causes conservative budgeting and extensive monitoring to occur. The fiscal environment is still unsettled. School Districts must be very careful as to ensure proper stewardship of taxpayer dollars. We believe our conservative budgeting over the last several years has served us well. Five years ago, major changes in processes and procedures, along with budgetary cuts, prevailed. Although we were happy to present the Board of Education with an FY15 budget they could be proud of, the District did deficit spend by approximately \$660,000, yet closed the 14-15 budget with a reserve balance of 31.31%. The FY16 budget also reflects a deficit and an approximate 24% ending reserve balance. This data assumes moving five cents from the capital projects fund to the Incidental fund upon setting the tax rate at the tax rate hearing in August. It should be noted that final assessed valuation data isn't yet available at the time of budget adoption, therefore changes in revenue projections will occur throughout the year.

Although deficit spending should not be the norm, our high reserve balance allowed the district to meet some goals, deficit spend, and still remain above our goal in terms of the end of the year reserves. As with all budget years, Franklin County superintendents and district finance leaders plan their budgets after seeking information from county, state, and federal officials. In preparation of the FY16 budget, county officials signaled their local school districts to expect flat to slight growth in assessed valuation due to slow growth in property values, personal property, and new construction. With that said, the FY16 budget assumes a 2% growth in assessed value. The final assessed values will not be fully known until after the budget is adopted and approved. Changes in local effort revenue due to assessed valuation data from the county assessors will be reflected in budget revisions throughout the year.

Because the School District of Washington is largely funded through the local tax effort, it is important to understand the importance of preserving healthy reserve balances. Schools in the state of Missouri are all funded differently, with some receiving more state foundation formula funds than others. In Washington, approximately 71.93 percent of our revenue comes from our local tax effort, while only 16.46 percent comes from the state through the foundation formula, 5.83 percent from federal sources, and 3.18 percent from the counties in which we reside. Lastly, 2.6 percent revenue is from other sources such as tuition to our career center.

Why is our reserve balance so important? Payroll and invoices exceed the monthly state payment to the District, so it is necessary for our District to maintain a healthy reserve to avoid the need to borrow money for these expenses during the months of July through December. Healthy reserve balances are also necessary to handle unforeseen circumstances such as disasters, poor economic conditions, and/or revenue stream instability. Additionally, the reserve plays a very important role in the District's bond rating. This particular rating is important to investors when school districts gain approval from the voters to issue bonds. It is important for the District to have investors who feel safe about their investments. Our bond rating continues to improve and with the April 2013 bond issue we fell just 40 points short of moving to the AAA rating.

The review and development of the 2015-2016 budget was completed after several meetings with all school leaders who influence the budget in one way or another. Following is a detailed budget development process, complete with a timeline and budget administrator responsibilities, which serves as the developmental framework of the annual budget. The School District of Washington is very strategic about accomplishing our mission, vision, and goals. Therefore, the process of alignment exists at all levels of the budget development process. We know that without adequate alignment of resources to priorities, our mission could not be realized.

### **The Budget Process and Financial Management**

Over the course of the last several years, the School District of Washington has worked to present a school budget that not only emulates financial policies but also serves as a comprehensive document that offers patrons a transparent, purposeful, user-friendly way to become familiar with school finance and specifically the budget of the District. The school budget is an instrument which provides a definite financial policy for the direction of business operations of the District. It provides an outline of the probable expenditures and the anticipated receipts during a specified period of time. The budget is one of the most important legal documents of a school district. It is not a static document but rather a working document that changes based on Board of Education approved budget amendments throughout the year as actual financial data changes.



The Board of Education adopted a series of policies that provide direction regarding the District's budget and financial affairs that reflect the educational philosophy of the District, and that provide a framework in which the District's administration can effectively operate. The budget and finance process conform to all state and local requirements as set forth by the state constitution, state statutes, the Department of Elementary and Secondary Education rules, and Board policies.

### **Budget Preparation, Implementation and Management**

Much forecasting and historical data must be reviewed prior to the budget's development. Annually, the Superintendent of Schools is required to submit the budget to the Board of Education for consideration and adoption. The annual budget provides detailed information regarding the estimates of income and expenditures for the ensuing fiscal year. Per statutory requirements, the Board of Education is required to adopt the budget by June 30 of each year. Prior to adoption, the Board of Education may accept, reject, modify, or request revisions of the budget.

The annual budget governs the expenditures and obligations of all funds for the District. No funds may be spent which are not authorized by the annual budget. However, in the event an unanticipated need arises, the Board may approve the Superintendent of School's recommendation to either appropriate an amount sufficient to cover the needed expenditure from the unencumbered budget surplus (made from the proper funds) or revise the budget to efficiently provide funding for the expenditure.

The Assistant Superintendent and Director of Accounting, in conjunction with the Superintendent of Schools, establishes regulations, prescribes written procedures and employs the appropriate forms for handling line item transfers of appropriations. This is necessary to ensure personnel compliance as well as to establish an audit trail of all such activities.

The Board of Education also participates in two Board Workshops each year, and holds special sessions as necessary to allocate time for budget discussions. These work sessions provide the Superintendent and her designees the time to educate the Board of Education regarding changes in law or philosophies pertaining to the scope of budget planning and its implementation. This is a good opportunity for the Board to tell the administration their preference in terms of monthly reports at regular Board meetings. In addition, the Board collaboratively sets goals with the administration so that budgetary obligations can be planned in advance of the final budget.

Managerial goals are presented to all budget administrators in the District by the Superintendent of Schools. The goals, along with the indicators found on each administrator's performance evaluation, outline the requirements of budget development, implementation,

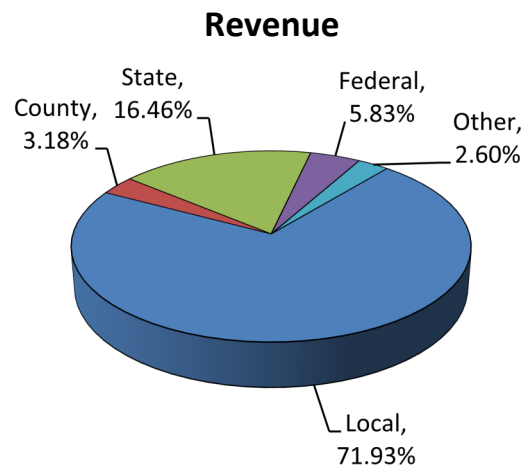
and management. Budget administrators work closely with the Finance Department throughout the course of the fiscal year as well as in preparation of the next budget year. The Organizational Section of the budget book further explains the management processes used to most thoroughly monitor revenue and expenditures, as well as purchasing controls the District has in place.

For further understanding as to the budget development, implementation, and management process, please review the following budget calendar which provides the approximate time frames and task description associated with much of the budgeting work.

DATE	Description
July	Board of Equalization Assessments are received for property values.
August	Annual Secretary of the Board Report is due to DESE by August 15 <sup>th</sup> . Final updated BOE numbers are received. Tax levy hearing notice is posted. Adoption of tax levy is approved by the board on August 30 <sup>th</sup> . The final approved tax levy and assessed values must be submitted to the county clerk by the last day of the month.
September	Final audit review.
October	The first budget revision with updated approved federal grants, tax levy and salaries.
November	Enrollment projections by building and grade are developed for the next school year. The final audit report is reviewed and approved by the Board of Education. The annual financial report is to be published in the newspaper within 30 days of approval of the audit.
December	First payment of taxes collected is realized on the 15 <sup>th</sup> of the month. Final approved audit must be submitted to DESE by December 31 <sup>st</sup> .
January	During the first couple week of January initial meetings with budget administrators occur. Budget administrators work with their staff to develop their budgets.
February	DESE releases updated information pertaining to state funded money for the current year and expectations for the following year. The Business Office reviews final budgets from the budget administrators. The Board approves the staffing levels for the next fiscal year.
March	The second budget revision is reviewed and approved by the Board of Education with the updated information from DESE.
April	The Director of Accounting and Assistant Superintendent submit initial budget numbers to the Board of Education for the upcoming school year.
May	Work sessions are held on the budget with the Board of Education. The third budget revision is reviewed. The initial audit process begins for the fiscal year.
June	The fourth budget revision is reviewed and approved as all expenses are finalized for the fiscal year. The new budget for the upcoming year is approved by the Board of Education by June 30 <sup>th</sup> .

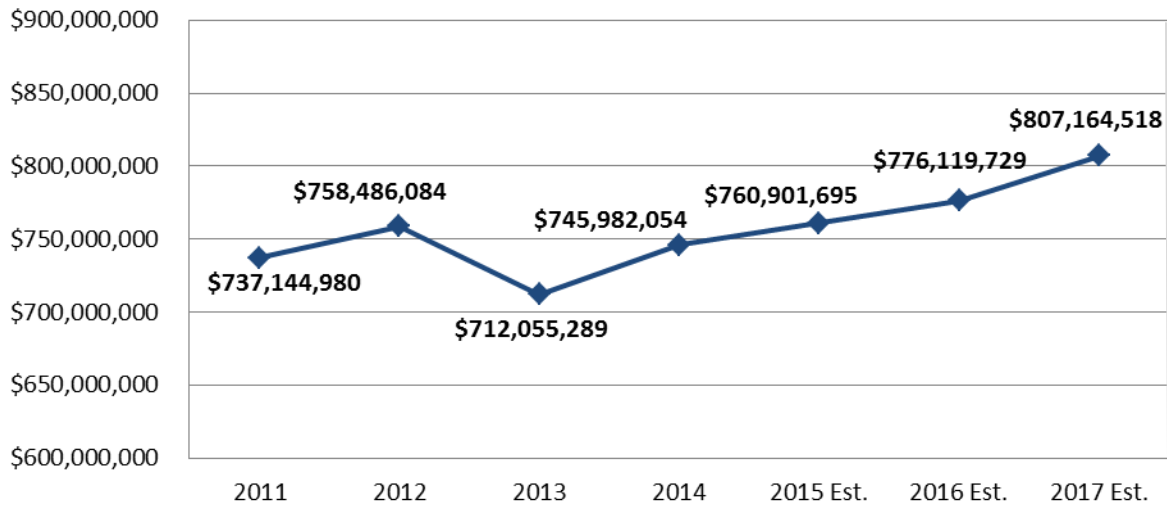
## Budgeted Revenue

Preparing and planning the 2015-2016 budget has come with some challenges. In the last legislative session, we waited patiently as the legislature battled over education funding. Revenues in the state budget fell short of projections. Educational reform theories, along with unfortunate situations within three unaccredited school districts in Missouri, caused funding discussions to shift. We held out hope that legislators would do the right thing and make reasonable strides toward prioritizing education for all students. The state foundation formula has not been funded as designed since the 2008-2009 school year. There continues to be concerns among school district and state officials as to the state's ability to fully fund the formula in upcoming years. The District's revenue from the state foundation formula is budgeted to increase by approximately \$450,000 (barring no state withholds throughout the fiscal year).



Local, state and national economic conditions play a major role in the budget development process. As local property taxes make up over 71.93 percent of the District's total revenue, unsettled real estate markets and changes in property assessments can significantly impact the budget. Preliminary assessed property values received to date show a slight increase of 2 percent. This is, of course, before the Board of Equalization decisions regarding protests and revisions. Final numbers will be received in the middle of August. Per Missouri law, the District tax levy will be officially set at a tax rate hearing on August 26, 2015. At this meeting the Board of Education will decide on the tax levy rate. As of now, the 2015-2016 has been prepared with no anticipated change in the tax levy of \$4.0510 per \$100 of assessed valuations. Changes will be determined once final numbers are received.

### Assessed Values

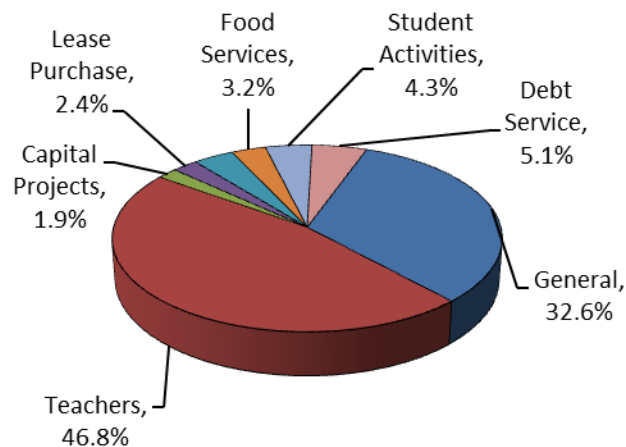


### Budgeted Expenditures

Each year the district examines efficiencies in all areas during the budget development process. Increases in the District's contribution to health insurance, fuel and energy costs, contracted increases in transportation costs, food supplies, and other budgeted areas have caused expenditure growth to outpace revenue growth.

Through a collaborative negotiations process with staff, the District has agreed to fund salary schedules that reflect an average 2.5 percent increase. Another increase we expect is in the area of health insurance. This increase is expected to be approximately 7 percent at this time; however rates are currently being negotiated and might be less detrimental. Transportation costs are expected to increase 2.5 percent.

### Expenditures



Capital projects financed through the District's Capital Fund have been budgeted, including the conclusion of construction projects, maintenance of facilities, repair and roof projects. The FY14 fiscal year marked the beginning of our digital conversion. All teaching staff received laptop computers. In FY15, we began a phased approach to students in particular grades. In FY16 we will be in a 1:1 (one laptop to every student) environment in grades 5, 6, 9, 10, 11, and 12. Over the next two years, we expect to be at 1:1 computer to student ratio in grades 3-12.

### Capital Projects Development Process

The School District of Washington encompasses approximately 257 square miles and operates more buildings than most Districts with similar enrollment. We take pride in our District buildings and wish to provide learning environments that are clean, safe and equipped.

The District has completed projects identified in the Long Range Facilities and Master Plan in collaboration with Hoener Associates, Inc. and our Small Facilities Review Team. A comprehensive prioritized list of facility needs is maintained, and the list includes projected improvements of existing facilities while strategically planning for long-range facilities programming. It is important to realize that our plan is a working document that provides for planning flexibility. It is designed to accommodate refinements due to maintenance requirements, educational program needs, district growth and feedback from key stakeholders.

Building and maintenance needs are numerically prioritized by each campus. A staff input evaluation form was developed and may be utilized to obtain a comprehensive scope of baseline information in nine categories for each facility. Building administration, along with staff supervisors for Food Service, Maintenance and Technology, facilitate a process to garner feedback from the respective staff members when appropriate. This information is then reviewed by District Administration and Hoener Associates Architects. The information may be reviewed and presented to the Small Facility Review Team, especially in times of significant change.

#### CORE VALUES

*The School District of Washington believes in educating all students in a safe, nurturing learning environment that promotes the following core values:*

- **RESPECT** – Respect yourself and others at all times.
- **OWNERSHIP** – Show ownership over your actions.
- **COMMITMENT** – See things through to completion.
- **KINDNESS** – Everyone deserves to be treated well.

The categories under review each year include: Site, Building Envelope, Mechanical Systems, Electrical Systems, Fire and Safety Systems, Equipment, ADA, and Long Range Master Planning. A category report by each school is then developed and used to culminate into a District-wide priority list. Bond issue projects may then be determined (if applicable), as well as capital projects to be completed by appropriate District staff. This process assists greatly in preparation of the annual budget.

In April 2013, Proposition R, a no tax increase bond issue passed with a 65 percent voter approval. The District has completed HVAC renovations, classroom additions at Marthasville Elementary, opened a new Early Childhood Center in August of 2014, and installed wireless infrastructure in all buildings throughout the District. The final project resulting from Proposition R is the addition of 14 classrooms at Washington West Elementary School. The new wing will open in the fall of 2015 as approximately 116 students from the retiring Fifth Street School will be incorporated into the Washington West attendance area. Fifth Street Elementary School will be placed up for sale in the fall of 2015. We sincerely appreciate the community's support in these building improvement endeavors.

Included in this document is the District's Five – Ten year Facility Plan. This plan serves as a guide to the District in the coming years as operation and management program needs are determined.

**PLANNED CAPITAL EXPENDITURES AS RESULT OF THE PLANNING PROCESSES MENTIONED ABOVE INCLUDE:**

- West Wing Upper and Lower Roof- \$497,000
- Washington West Addition (13 classrooms)- \$3,984,900
- Locker Room Renovation, Upper North- \$380,000
- Project Lead The Way Match- Room Renovations/Equipment- \$38,000
- High School Student IT Help Desk Renovation- \$30,000
- Data Closet Relocation- \$26,385
- Technology Equipment/Servers- \$206, 320
- Computer Devices for Student use- \$894, 342
- Access Controls- \$65,015.92
- West ELE HVAC/Office Floors/Playground/Electrical Renovation- \$235,848
- Roof coating- Central Warehous- \$21,839.94

**Budget Consideration for FY 2015-2016**

Many District stakeholders contributed to the development of this year's budget. Each stakeholder brought issues and considerations that impacted the final outcome. The business office staff tried to accommodate these requests while weighing the fiscal restraints created by a limited revenue stream. The following items were relevant to the process of meeting the District's vision of being an educational leader achieving academic excellence:

1. The District negotiated in good faith with the Salary and Benefit Committee to set wage increases and step advancements for all staff members, which will be used to establish personnel costs in this budget. The FY16 is considerate of new salary schedules or pay ranges, 2.5 percent increase.



2. The District is initiating the next phase of its technology plan (a part of the 21<sup>st</sup> Century Learning Plan). Washington High School will move to a 1:1 (one laptop to every student) environment as will grades 5-6 throughout the district.
3. A classroom addition at Washington West Elementary will be completed . Substantial completion will occur in July of 2015 and the final pay-outs will occur within the fiscal year. School District of Washington has budgeted just over \$3.9 million for this project.
4. The 2015-2016 school year marks the ninth year under the state's new foundation formula. However, since 2008-2009, the formula has not been fully funded as originally designed. Uncertainty exists due to a bill that could be signed into law that could cause changes to the SAT (State Adequacy Target) and the proration factor in the State Foundation Formula. For this purposes of building the budget now, the SAT is set at \$6131 and the proration factor at 100%, equating to an increase in estimated state formula revenue of \$417,753 as compared to the previous year. Should HB 42 get signed into law, state funding may be adjusted and may create a negative impact.
5. Assessed valuation has been a real roller coaster over the last few years. It is becoming increasingly more difficult to determine what assessed valuation will do, regardless of a reassessment year or not. With this in mind, we will continue to budget conservatively, and therefore plan for only a slight increase in revenue from this source.

#### **Reflection upon 2014-2015, Looking Ahead to the Current Fiscal Year**

Much occurred in the past year that will shape our strategic plan and approach to future budgets. Below is a list of some notable changes or initiatives from the past year:

1. During the initial phases of renegotiating health insurance for the School District of Washington, a 10 percent increase was proposed by the insurance carrier and utilized during budget projections for FY15. As negotiations continued and final terms are solidified, the District was able to secure an approximate 7 percent increase in premiums. The FY16 budgeted increase is also set at 7 percent; however the actual percentage increase for the plan year beginning October 1, 2015, although not finalized at the time of budget adoption, may be even less.
2. Talented groups of staff, including teachers and administrators researched digital resources and textbook options. After several meetings and some piloting of resources, collaborative decisions were made and proposals submitted to the Board of Education for purchase. New digital resources were approved by the Board of Education for classroom use on June 24, 2015. These resources will benefit elementary curriculum, Chemistry, Biology, Business Education, World Languages, Social Studies, Health, and English Language Arts.

3. Several building projects were accomplished in 2014-2015 that will lend to increases in efficiency and/or improved programming. Some of the projects include, as already mentioned, classroom additions at Marthasville Elementary and Washington West Elementary, roofing projects, a locker room renovation, and the renovation of a classroom for use as a Student IT Help Desk at Washington High School.
4. Teachers and District leaders developed and began implementing local curriculum. Countless hours have been devoted to the development of pacing guides, lesson development, activity alignment and assessments. The local curriculum is aligned to the Missouri Learning Standards. Teams of teachers developed standards based report cards for use in grades kindergarten and first grade.
5. The District safety teams and a community task force met frequently over the course of the school year. Safety walks and audits were conducted in all school buildings. Safety procedures and some safety enhancements have been completed district-wide, especially in the area of access controls and training. On-going discussion in this area is an expectation, as additional equipment and training will need to be planned and budgeted for each year.

It should also be noted that in order to sustain this high quality of service, resources must be available. Not only resources that support teaching and learning, the core of our mission but building improvements and potential new construction needs as well. Recommendations and ideas under advisement by focus group work, cannot be realized without budget reorganization or growth in revenue. We are running out of reorganization options and revenue growth is limited. It should also be clear that school districts only have three options when it comes to financing costly renovation and new construction needs. An understanding of the financing options is important to remember, especially as the District begins to embark on the strategies necessary to continue realizing a long range plan for facilities as aligned to the findings from the demographic study. The financing options available to districts in Missouri are as follows:

1. Pay cash. This mode of financing is most advantageous and typically can only be done when cash is on hand and project size is small.
2. Pursue leasehold certificates. This mode of financing does not require voter approval; however, payments can only be made from the operations budget which is also the side of the budget used to pay for staff salaries, educational supplies, equipment, repairs, etc. Projects typically financed this way are usually paid over a 5-10 year period.
3. Bond issues. This mode of financing requires the sale of bonds and payments must only be paid out of the debt service fund. This means that the pennies levied in the debt service levy are solely used to make principal and interest payments on bonded debt.

Currently, the School District of Washington is looking at strategies for early pay-off of lease type debt. Opportunities for refinancing are always explored, certificate call dates monitored and options revisited. The portion of the tax levy that would pay for bond payments, otherwise known as the debt service levy, is currently set at 37 cents per \$100 dollars of assessed valuation. The levy amount of 37 cents is extremely low and would not be enough to fund the facilities plan of magnitude. The District's only option to increase revenue for this purpose is to increase its tax rate, thus levying more pennies in debt service. Since assessed values show a slight rebound, the the debt service levy might be adequate if remaining unchanged upon setting the levy. The Board will participate in work session discussion to analyze bonding capacity, buildings needs, and debt service levy options prior to setting the tax rate at their August hearing. At this time of budget adoption, assessed valuation figures are not fully know, but will be updated and communicated prior to the hearing date. Consideration will also be given to the recommended reserve balance in the Debt Service Fund.

### **Summary of 2014-2015 Budget Contents**

The 2015-2016 budget book is very comprehensive. The District has worked hard to positively position itself financially, and evidence of such is included in this document. The budget is comprised of four main sections:

Introductory Section: This section includes the Superintendent's message in the Executive Summary report. This summary is designed to communicate the high points of the District. It also provides a summary of the issues surrounding the budget.

Organizational Section: This section outlines the mission, vision, beliefs, and structure of the District. In addition, key information that pertains to the accounting rules and systems associated with school budgeting is included.

Financial Section: This section provides a detailed account and description of all funds, historical data, and future projections. Building and department budgets are also included in this section. Adoption of the financials is required by the Board of Education by June 30 of each year.

Informational Section: This section provides detailed information about the District in the area of tax rates and historical trends, debt service and lease purchase schedules, financial forecasting, student membership, attendance calendar, and schedules. Supplemental information is also supplied in this section.

The School District of Washington has worked diligently to produce a comprehensive and transparent budget. Our budgets are posted on our District website each year at

[www.washington.k12.mo.us](http://www.washington.k12.mo.us) for patron viewing. Additionally, Board of Education work sessions, committee meetings, and regular Board meetings provide the Board of Education ample opportunity to understand the budget development process and the financials themselves. This process has helped our Superintendent determine the level of understanding, need, and clarification necessary prior to the budget adoption meeting. The annual budget document is also constructed for the purpose of providing quality information to our community. This level of transparency allows all stakeholders to develop an understanding of our mission, vision, and goals.

Each year, the budget allocation of revenues and expenditures is derived after careful consideration and thought. It represents a balance between the educational needs of students in our school systems and the ability of our local community, county, and state to provide the necessary financial support to most adequately serve them.

The District has realized both flat and slow student enrollment increases over the last several years and sometimes is only specific to certain school buildings. Interestingly enough; however, is the kindergarten class of 2014. This class is the largest enrollment of kindergarten students in the past several years. It will be interesting to see what the what 2015-2016 kindergarten enrollment looks like in the fall. Another big class could be an indication of new enrollment growth trends. Another statistic, the District's Free and Reduced Lunch percentage in 2014-2015 stood at 36.3% versus 35.5% the year prior. Another sign that families are struggling to make ends meet. Interestingly enough, it is also estimated that only 68 percent of school age children in our district boundaries actually attend our District. This means that approximately 5,000 students attend the private schools in our area. Typically, one would equate that statistic to a poor performing public school district, but here in Washington that is not the case. The School District of Washington is among the highest achieving districts in the state. We take pride in that fact. However, it should be noted that the District may realize additional enrollment from families who cannot afford private tuition or whom may have a renewed interest in our school district. These topics among many others have come up in our focus group meetings. All of the data plays a significant role in our planning decisions, from a budget and a facilities standpoint.

## **Conclusion**

Community engagement has become a way of life in our District. With the work of our latest focus group, research began as we explored the idea of career pathway opportunities for students. Business partnership opportunities and increased access to dual credit courses, as well as authentic learning opportunities for students through internship placements or project based learning, will continue to be studied as we head into the 2015-2016 school year. We very much look forward to shaping the future of our District with people who care deeply about the quality of education in their community. Although the economic climate continues to be of

concern due to it's slow recovery and unpredictable fluxuations, we believe our budget exemplifies our efforts. Continued monitoring of the state's budget will be a priority, so the School District of Washington can continue to monitor projections and remain proactive where possible. The careful monitoring of expenditures will also continue, expecially as we work to overcome a deficit and sustain a more balanced budgeting approach. Careful analysis of our tax levy and the methods in which we levy pennies to accommodate each fund will be critical in both FY16 and FY17 as well. We will remain focused on our efforts to communicate with the public on matters that impact the school community.

The 2015-2016 budget reflects total operating revenue projections of \$54,084,102 while operating expenditures total \$57,166,844. The operating budget projects \$2.758 million in deficit spending, and therefore an ending reserve balance of 24.15 percent. With that said, the District is negotiating benefit packages and preliminary data indicates no increase in expenses; however the budget reflects a 7% increase until final agreements are approved. Additionally, conservative budgeting and plans to monitor and control expenses will exist in an effort to end with a nearly balanced budget. As mentioned previously, the future carries a number of question marks, all of which we will diligently monitor.

The District will work to continue our lofty goals for the good of our students, regardless of continual challenges. Should trends continue as they have in recent years, the 2016-2017 budget as well as the 2017-2018 budget could require changes to the tax levy, particularly in the Incidental and Capital portions of the levy. Please know that our focus remains student centered. Ensuring that our students achieve success while under our care and upon their transition to college and career opportunities will remain our number one priority. In a school district with the motto of Every Child, Every Day, hard work is the name of the game. We will remain committed to our mission and the 2015-2016 budget presented in the pages that follow reflect that commitment.

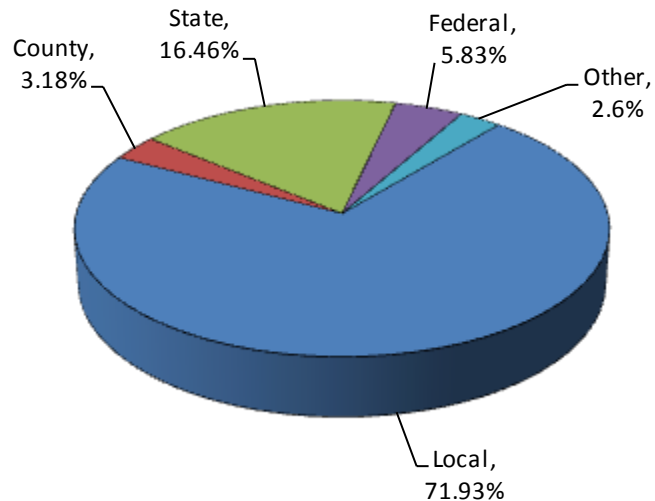
Sincerely,



Dr. Lori VanLeer

## REVENUE BUDGET

Total Revenue for FY2015-2016 is projected to be \$54,084,102. The chart to the right shows the distribution of the FY2015-2016 estimated revenue by source. The District relies heavily upon local property taxes to support its operations, as evidenced by the fact that 71.93% of its total revenue comes from local sources. The table below shows the history of the District's revenue budget. The major factor impacting the revenue increase in the budget is a two percent increase in assessed values. Total local revenues are expected to increase by \$1.6 million.



Revenue	2011/2012 Actual	2012/2013 Actual	2013/2014 Actual	2014/2015 Budget	2015/2016 Budget
Local	\$ 35,609,354	\$ 38,206,025	\$ 35,687,036	\$ 37,249,929	\$ 38,900,556
County	\$ 1,885,998	\$ 1,701,054	\$ 1,722,448	\$ 1,765,685	\$ 1,721,950
State	\$ 8,443,507	\$ 8,511,805	\$ 8,335,401	\$ 8,150,898	\$ 8,904,627
Federal	\$ 3,785,257	\$ 3,172,653	\$ 3,035,974	\$ 3,183,611	\$ 3,150,969
Other	\$ 1,285,305	\$ 10,425,267	\$ 1,431,547	\$ 1,260,200	\$ 1,406,000
<b>Total</b>	<b>\$ 51,009,420</b>	<b>\$ 62,016,804</b>	<b>\$ 50,212,405</b>	<b>\$ 51,610,323</b>	<b>\$ 54,084,102</b>

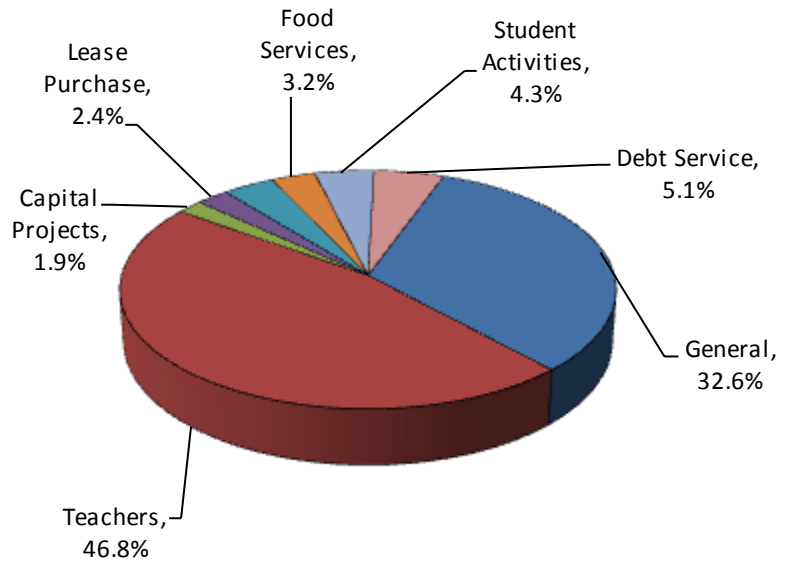


Budgeted Revenue Summary by Fund 2015/2016

Object Code / Description	General	Special	Debt Service	Capital	Total All
5111 Current Taxes	\$24,150,639	\$ -	\$ 2,674,570	\$ 2,457,712	\$ 29,282,921
5112 Delinquent Taxes	\$ 1,197,985	\$ -	\$ 132,671	\$ 121,914	\$ 1,452,570
5113 Sales Tax (Prop C)	\$ -	\$ 3,610,940	\$ -	\$ -	\$ 3,610,940
5114 Financial Institution Tax	\$ 37,500	\$ -	\$ 3,675	\$ 4,450	\$ 45,625
5115 M & M Surtax	\$ 427,000	\$ -	\$ -	\$ -	\$ 427,000
5116 In Lieu Of Tax	\$ -	\$ -	\$ -	\$ -	\$ -
5117 City Sales Tax	\$ 1,000	\$ -	\$ 100	\$ 100	\$ 1,200
5122 PreSchool Tuition	\$ -	\$ -	\$ -	\$ -	\$ -
5140 Earnings On Investments	\$ 198,000	\$ 6,600	\$ 282,000	\$ 30,000	\$ 516,600
5150-5164 Food Service Program	\$ 696,000	\$ -	\$ -	\$ -	\$ 696,000
5165 Food Service Non-Program	\$ 276,000	\$ -	\$ -	\$ -	\$ 276,000
5170 Student Activities	\$ 1,800,000	\$ -	\$ -	\$ -	\$ 1,800,000
5180 Community Services	\$ 19,500	\$ 450,000	\$ -	\$ -	\$ 469,500
5190 Other Local	\$ 157,200	\$ 125,000	\$ -	\$ 40,000	\$ 322,200
<b>5199 Local - Subtotal</b>	<b>\$28,960,824</b>	<b>\$ 4,192,540</b>	<b>\$ 3,093,016</b>	<b>\$ 2,654,176</b>	<b>\$ 38,900,556</b>
5211 Fines, Escheats, etc	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000
5221 State Assessed Utilities	\$ 1,187,600	\$ -	\$ 218,000	\$ 66,350	\$ 1,471,950
5237 Other - County	\$ -	\$ -	\$ -	\$ -	\$ -
<b>5299 County - Subtotal</b>	<b>\$ 1,187,600</b>	<b>\$ 250,000</b>	<b>\$ 218,000</b>	<b>\$ 66,350</b>	<b>\$ 1,721,950</b>
5311 Basic Formula - State Monies	\$ -	\$ 4,461,693	\$ -	\$ -	\$ 4,461,693
5312 Transportation	\$ 575,000	\$ -	\$ -	\$ -	\$ 575,000
5314 Early Childhood (3 & 4 Year Old) Special Educa	\$ 250,000	\$ 760,000	\$ -	\$ 225,705	\$ 1,235,705
5319 Classroom Trust Fund	\$ 600,045	\$ -	\$ 250,000	\$ 604,535	\$ 1,454,580
5322 Vocational / At Risk	\$ -	\$ -	\$ -	\$ -	\$ -
5324 Educational Screening Prog / Pat	\$ 74,680	\$ -	\$ -	\$ -	\$ 74,680
5332 Vocational/Technical Aid	\$ -	\$ 401,000	\$ -	\$ -	\$ 401,000
5333 Food Service - State	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000
5359 Voc/Tech Ed Enhancement Grant	\$ 30,658	\$ -	\$ -	\$ 119,311	\$ 149,969
5362 A+ Schools Grant	\$ -	\$ -	\$ -	\$ -	\$ -
5369 Residential Placement/Excess Cost	\$ -	\$ 35,000	\$ -	\$ -	\$ 35,000
5381 High Need Fund	\$ 200,000	\$ 280,000	\$ -	\$ -	\$ 480,000
5382 Missouri Preschool Project	\$ -	\$ -	\$ -	\$ -	\$ -
5397 Other - State	\$ 12,000	\$ 9,000	\$ -	\$ -	\$ 21,000
<b>5399 State - Subtotal</b>	<b>\$ 1,758,383</b>	<b>\$ 5,946,693</b>	<b>\$ 250,000</b>	<b>\$ 949,551</b>	<b>\$ 8,904,627</b>
5412 Medicaid	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000
5427 Vocational Education Act-Title I, Basic Grant	\$ 280,123	\$ -	\$ -	\$ -	\$ 280,123
5435 Workforce Investment Act (WIA) - Federal	\$ -	\$ -	\$ -	\$ -	\$ -
5437 IDEA Grants	\$ -	\$ 35,000	\$ -	\$ -	\$ 35,000
5439 Vocational Enhancement Grant	\$ -	\$ -	\$ -	\$ -	\$ -
5441 Ind With Disability Ed Act (IDEA)	\$ -	\$ -	\$ -	\$ -	\$ -
5442 Early Childhood Special Education - Federal	\$ 35,000	\$ 925,000	\$ -	\$ -	\$ 960,000
5445 School Lunch Program	\$ 575,000	\$ 150,000	\$ -	\$ -	\$ 725,000
5446 School Breakfast Program	\$ 115,000	\$ -	\$ -	\$ -	\$ 115,000
5447 Special Milk	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
5448 After School Snack Program	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000
5451 Title I, ESEA - Improving The Academic Achiev	\$ 100,000	\$ 353,893	\$ -	\$ -	\$ 453,893
5452 Title I, Part C - Migrant Education	\$ -	\$ -	\$ -	\$ -	\$ -
5461 Title IV Drug Free Schools	\$ -	\$ -	\$ -	\$ -	\$ -
5462 Title III, ESEA - English Language Acquisition Ar	\$ -	\$ -	\$ -	\$ -	\$ -
5463 Educ For Homeless Children & Youth	\$ -	\$ -	\$ -	\$ -	\$ -
5465 Title II, Part A, ESEA - Teacher And Principal Qu	\$ 125,953	\$ -	\$ -	\$ -	\$ 125,953
5466 Title II, Part D, ESEA - Enhancing Education Thr	\$ -	\$ -	\$ -	\$ -	\$ -
5472 Childcare Development Fund Grant	\$ -	\$ -	\$ -	\$ -	\$ -
5484 Pell Grants	\$ 212,000	\$ -	\$ -	\$ -	\$ 212,000
5497 Other - Federal	\$ 220,000	\$ -	\$ -	\$ -	\$ 220,000
<b>5499 Federal - Subtotal</b>	<b>\$ 1,667,076</b>	<b>\$ 1,483,893</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,150,969</b>
5611 Sale Of Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
5631 Net Insurance Recovery	\$ -	\$ -	\$ -	\$ -	\$ -
5651 Sale Of Other Property	\$ 5,000	\$ -	\$ -	\$ 16,000	\$ 21,000
5692 Refunding Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>5699 Other Revenue Subtotal</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,000</b>	<b>\$ 21,000</b>
5810 Tuition From Other Districts	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000
5820 Area Voc Fees From Other Leas	\$ -	\$ 1,250,000	\$ -	\$ -	\$ 1,250,000
5830 Contracted Educational Services	\$ -	\$ 35,000	\$ -	\$ -	\$ 35,000
<b>5898 Subtotal - Receipts Other</b>	<b>\$ -</b>	<b>\$ 1,385,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,385,000</b>
<b>5899 Total Revenues</b>	<b>\$33,578,883</b>	<b>\$ 13,258,126</b>	<b>\$ 3,561,016</b>	<b>\$ 3,686,077</b>	<b>\$ 54,084,102</b>

## EXPENDITURE BUDGET

The FY2015-2016 budget has estimated annual expenditures of \$57,166,844. The District recognizes that its teachers, principals, and support staff members are its most valuable resource. Accordingly, the major factor impacting increases in expenditures for next year are the salary increases for staff members. The chart to the right shows expenditures by fund. Below is a history of expenditures by fund.



Expenditures	2011/2012 Actual	2012/2013 Actual	2013/2014 Actual	2014/2015 Budget	2015-2016 Budget
General Fund	\$ 13,333,744	\$ 14,374,697	\$ 14,949,377	\$ 16,545,932	\$ 18,609,785
Teachers	\$ 23,794,804	\$ 24,745,057	\$ 25,165,626	\$ 25,907,628	\$ 26,730,945
Capital Projects Fund	\$ 1,070,745	\$ 621,771	\$ 1,529,053	\$ 1,428,589	\$ 1,075,075
<b>Total Operational</b>	<b>\$ 38,199,293</b>	<b>\$ 39,741,525</b>	<b>\$ 41,644,056</b>	<b>\$ 43,882,149</b>	<b>\$ 46,415,804</b>
			\$ -	\$ -	\$ -
Lease/Purchase Fund	\$ 1,236,198	\$ 1,334,700	\$ 1,239,929	\$ 1,292,188	\$ 1,360,600
Bond Issue Fund	\$ 11,279,789	\$ 6,879,452	\$ 9,497,320	\$ 6,967,526	\$ 2,164,000
Food Services Fund	\$ 1,569,678	\$ 1,679,790	\$ 1,722,471	\$ 1,789,057	\$ 1,833,743
Student Activities Fund	\$ 1,700,327	\$ 1,865,933	\$ 1,839,005	\$ 2,097,023	\$ 2,467,147
Debt Service Fund	\$ 5,669,875	\$ 2,826,050	\$ 9,882,150	\$ 2,853,170	\$ 2,925,550
<b>Total Other</b>	<b>\$ 21,455,866</b>	<b>\$ 14,585,925</b>	<b>\$ 24,180,875</b>	<b>\$ 14,998,965</b>	<b>\$ 10,751,039</b>
<b>Total Expenditures</b>	<b>\$ 59,655,159</b>	<b>\$ 54,327,451</b>	<b>\$ 65,824,931</b>	<b>\$ 58,881,114</b>	<b>\$ 57,166,844</b>

**BUDGETED EXPENDITURE SUMMARY BY FUND 2015-2016**

<b>Object Code / Description</b>	<b>General Fund</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total All Funds</b>
<b>Instruction</b>					
1110 Elementary	\$ 393,179	\$ 7,645,266	\$ -	\$ 19,536	\$ 8,057,980
1130 Middle/Junior High	\$ 272,861	\$ 2,120,126	\$ -	\$ 15,500	\$ 2,408,487
1150 Senior High	\$ 422,662	\$ 4,360,991	\$ -	\$ 76,994	\$ 4,860,646
1191 Summer School (Regular)	\$ -	\$ 151,895	\$ -	\$ -	\$ 151,895
1192 Juvenile Program	\$ 14,000	\$ 136,560	\$ -	\$ -	\$ 150,560
1210 Gifted	\$ 8,300	\$ 183,224	\$ -	\$ -	\$ 191,524
1220 Special Education	\$ 1,333,281	\$ 3,526,952	\$ -	\$ 10,000	\$ 4,870,233
1223 Coordinated Early Intervening Serv	\$ -	\$ 82,445	\$ -	\$ -	\$ 82,445
1224 Proportionate Share Services	\$ 146,435	\$ 114,791	\$ -	\$ -	\$ 261,226
1250 Culturally Different	\$ 663,088	\$ -	\$ -	\$ -	\$ 663,088
1271 Bilingual	\$ -	\$ 56,379	\$ -	\$ -	\$ 56,379
1280 Early Childhood Special Education	\$ 353,375	\$ 856,026	\$ -	\$ 1,800	\$ 1,211,201
1300 Vocational Instruction	\$ 332,721	\$ 1,694,943	\$ -	\$ 161,581	\$ 2,189,246
1400 Student Activities	\$ 2,038,650	\$ 422,597	\$ -	\$ 5,900	\$ 2,467,147
1920 Area Vocational School Fees	\$ -	\$ -	\$ -	\$ -	\$ -
1930 Tuition, Sev. Handicapped Program	\$ -	\$ 610,000	\$ -	\$ -	\$ 610,000
1940 Contracted Educational Services	\$ -	\$ -	\$ -	\$ -	\$ -
<b>1999 Total Instruction (K - 12 Only)</b>	<b>\$ 5,978,552</b>	<b>\$ 21,962,194</b>	<b>\$ -</b>	<b>\$ 291,310</b>	<b>\$ 28,232,056</b>
<b>Support Services</b>					
2110 Attendance	\$ 179,471	\$ 69,605	\$ -	\$ -	\$ 249,076
2120 Guidance	\$ 93,710	\$ 986,354	\$ -	\$ -	\$ 1,080,064
2130-90 Health, Psych Speech And Audio	\$ 659,042	\$ 372,384	\$ -	\$ 2,500	\$ 1,033,926
2210 Improvement Of Instruction	\$ 315,967	\$ 323,931	\$ -	\$ 35,000	\$ 674,897
2214 Professional Development	\$ 43,000	\$ 12,059	\$ -	\$ -	\$ 55,059
2220-90 Media Services	\$ 1,114,091	\$ 631,433	\$ -	\$ 138,000	\$ 1,883,524
2310 Board Of Education Services	\$ 185,075	\$ -	\$ -	\$ 2,000	\$ 187,075
2320 Executive Administration	\$ 2,008,308	\$ 354,071	\$ -	\$ 483,005	\$ 2,845,385
2400 Building Level Administration	\$ 654,504	\$ 1,784,766	\$ -	\$ -	\$ 2,439,270
2510 Business/Central Service	\$ 445,183	\$ -	\$ -	\$ 2,500	\$ 447,683
2540 Operation Of Plant	\$ 5,150,561	\$ -	\$ -	\$ 80,000	\$ 5,230,561
2546 Security Services	\$ 90,220	\$ 3,931	\$ -	\$ 35,360	\$ 129,510
2551 Pupil Transportation Contracted	\$ 1,765,735	\$ -	\$ -	\$ -	\$ 1,765,735
2553 Handicapped Transportation Contra	\$ 801,000	\$ -	\$ -	\$ -	\$ 801,000
2555 Payments To Other Districts For Non	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
2558 Nonallowable Transportation Expen	\$ -	\$ -	\$ -	\$ -	\$ -
2559 Early Childhood Special Education T	\$ 317,200	\$ -	\$ -	\$ -	\$ 317,200
2561 Food Services	\$ 1,793,743	\$ -	\$ -	\$ 40,000	\$ 1,833,743
2600 Central Office Support Services	\$ 87,789	\$ -	\$ -	\$ 3,000	\$ 90,789
2900 Other Supporting Services	\$ -	\$ -	\$ -	\$ -	\$ -
<b>2998 Total Support Services</b>	<b>\$ 15,709,598</b>	<b>\$ 4,538,534</b>	<b>\$ -</b>	<b>\$ 821,365</b>	<b>\$ 21,069,498</b>
<b>2999 Total Instruction &amp; Support</b>	<b>\$ 21,688,150</b>	<b>\$ 26,500,729</b>	<b>\$ -</b>	<b>\$ 1,112,675</b>	<b>\$ 49,301,554</b>
<b>Non-Instruction/Support</b>					
1600 Adult Continuing Education	\$ 222,282	\$ 237,853	\$ -	\$ -	\$ 460,135
3000 Community Services	\$ 531,745	\$ 414,960	\$ -	\$ -	\$ 946,705
4000 Facilities Acquisition And Constr	\$ -	\$ -	\$ -	\$ 2,172,300	\$ 2,172,300
5100 Principal (Exclude Debt Service Fund)	\$ -	\$ -	\$ 1,450,000	\$ 775,000	\$ 2,225,000
5200 Interest (Exclude Debt Service Fund)	\$ -	\$ -	\$ 1,470,550	\$ 580,600	\$ 2,051,150
5300 Other (Fin, Fees, Etc - Exclude Debt S	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 10,000
<b>9998 Subtotal Non-instructional /Support</b>	<b>\$ 754,027</b>	<b>\$ 652,813</b>	<b>\$ 2,925,550</b>	<b>\$ 3,532,900</b>	<b>\$ 7,865,290</b>
<b>9999 Grand Total Expenditures</b>	<b>\$ 22,442,177</b>	<b>\$ 27,153,541</b>	<b>\$ 2,925,550</b>	<b>\$ 4,645,575</b>	<b>\$ 57,166,844</b>

## Bonding Capacity

Missouri statutes allow school districts to have bonded debt obligations equal to 15% of their district's assessed property valuation. During 2013 the school district issued \$9,000,000 in new bonds.

The School District of Washington's projected assessed valuation for the FY2015-2016 school year is \$753,350,975. This gives the District total bonding capacity of \$85.1 million during FY2015-2016.

The fiscal year-end debt obligation will be approximately \$28.9 million. FY2015-2016 will be a reassessment year. A two percent growth in assessed value is projected for FY2015-2016 and a two percent growth in 2016/2017 and four percent growth in 2017-2018. The area is slowing realizing growth in the real estate market, along with an increase in Personal Property values with the current fuel prices. The consumer feels more comfort with purchasing vehicles. The table below shows the District's historical ability to borrow funds and is with the assumption of no future bond issues.

Fiscal Year	Total Assessed Value	Total Bonding Capacity	Total End-of-Year Debt	Available Capacity	Debt to Assessed Value
1999	\$388,049,326	\$58,207,399	\$10,500,891	\$47,706,508	2.71%
2000	\$413,416,790	\$62,012,519	\$9,503,745	\$52,508,774	2.30%
2001	\$455,758,771	\$68,363,816	\$8,601,941	\$59,761,875	1.89%
2002	\$473,290,713	\$70,993,607	\$8,458,860	\$62,534,747	1.79%
2003	\$513,281,164	\$76,992,175	\$17,191,729	\$59,800,446	3.35%
2004	\$526,145,663	\$78,921,849	\$16,673,217	\$62,248,632	3.17%
2005	\$614,337,206	\$92,150,581	\$15,196,631	\$76,953,950	2.47%
2006	\$630,035,040	\$94,505,256	\$17,170,000	\$82,168,905	2.73%
2007	\$689,237,748	\$103,385,662	\$23,160,000	\$90,271,530	3.36%
2008	\$718,761,321	\$107,814,198	\$20,695,000	\$87,119,198	2.88%
2009	\$722,085,544	\$108,312,832	\$20,095,000	\$88,217,832	2.78%
2010	\$743,594,360	\$111,539,154	\$19,395,000	\$92,144,154	2.61%
2011	\$740,141,088	\$111,021,163	\$36,145,000	\$74,876,163	4.88%
2012	\$737,144,980	\$110,571,747	\$32,095,000	\$78,476,747	4.35%
2013	\$758,486,084	\$113,772,913	\$40,095,000	\$73,677,913	5.29%
2014	\$712,055,289	\$106,808,293	\$31,995,000	\$74,813,293	4.49%
2015	\$745,892,054	\$111,883,808	\$30,395,000	\$81,488,808	4.07%
2016 Est	\$760,809,895	\$114,121,484	\$28,945,000	\$85,176,484	3.80%
2017 Est	\$776,026,093	\$116,403,914	\$28,205,000	\$88,198,914	3.63%
2018 Est	\$807,067,137	\$121,060,071	\$27,255,000	\$93,805,071	3.38%

## DEBT OBLIGATION

The School District of Washington's normal debt and interest obligations for FY2015-2016 total \$2,920,550 not including any fees budgeted. These obligations are comprised of \$1,450,000 in principal and \$1,147,550 in interest payments. The District has a designated debt service levy of \$.37 to provide the funds for the annual payment of principal and interest. The District needs to closely monitor the debt service levy to continue to ensure it generates enough revenue to meet its obligations and maintain a one-year reasonable reserve.

<u>Fiscal Year</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Payment</u>
2015/2016	\$ 1,450,000	\$ 1,147,550	\$ 2,920,550
2016/2017	\$ 740,000	\$ 1,421,925	\$ 2,161,925
2017/2018	\$ 950,000	\$ 1,394,175	\$ 2,344,175
2018/2019	\$ 1,000,000	\$ 1,358,075	\$ 2,358,075
2019/2020	\$ 1,130,000	\$ 1,319,575	\$ 2,449,575
2020/2021	\$ 1,125,000	\$ 1,274,375	\$ 2,399,375
2021/2022	\$ 1,250,000	\$ 1,229,375	\$ 2,479,375
2022/2023	\$ 1,250,000	\$ 1,173,125	\$ 2,423,125
2023/2024	\$ 1,250,000	\$ 1,114,375	\$ 2,364,375
2024/2025	\$ 1,500,000	\$ 1,053,125	\$ 2,553,125
2025/2026	\$ 1,500,000	\$ 978,125	\$ 2,478,125
2026/2027	\$ 1,750,000	\$ 900,875	\$ 2,650,875
2027/2028	\$ 1,750,000	\$ 808,125	\$ 2,558,125
2028/2029	\$ 2,000,000	\$ 713,625	\$ 2,713,625
2029/2030	\$ 2,750,000	\$ 602,625	\$ 3,352,625
2030/2031	\$ 2,800,000	\$ 450,000	\$ 3,250,000
2031/2032	\$ 3,000,000	\$ 310,000	\$ 3,310,000
2032/2033	\$ 3,200,000	\$ 160,000	\$ 3,360,000
Totals	\$ 31,195,000	\$ 19,253,000	\$ 51,248,000

Bonded Debt

Date	2004		2006		2010A		2010B		2013		Total Bond Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
9/1/2015		\$ 17,000		\$ 96,275		\$ 389,688		\$ 7,313		\$ 225,000	\$ -	\$ 735,275
3/1/2016	\$ 800,000	\$ 17,000		\$ 96,275		\$ 389,688	\$ 650,000	\$ 7,313		\$ 225,000	\$ 1,450,000	\$ 735,275
9/1/2016				\$ 96,275		\$ 389,688				\$ 225,000	\$ -	\$ 710,963
3/1/2017			\$ 740,000	\$ 96,275		\$ 389,688				\$ 225,000	\$ 740,000	\$ 710,963
9/1/2017				\$ 82,400		\$ 389,688				\$ 225,000	\$ -	\$ 697,088
3/1/2018			\$ 950,000	\$ 82,400		\$ 389,688				\$ 225,000	\$ 950,000	\$ 697,088
9/1/2018				\$ 64,350		\$ 389,688				\$ 225,000	\$ -	\$ 679,038
3/1/2019			\$ 1,000,000	\$ 64,350		\$ 389,688				\$ 225,000	\$ 1,000,000	\$ 679,038
9/1/2019				\$ 45,100		\$ 389,688				\$ 225,000	\$ -	\$ 659,788
3/1/2020			\$ 1,130,000	\$ 45,100		\$ 389,688				\$ 225,000	\$ 1,130,000	\$ 659,788
9/1/2020				\$ 22,500		\$ 389,688				\$ 225,000	\$ -	\$ 637,188
3/1/2021			\$ 1,125,000	\$ 22,500		\$ 389,688				\$ 225,000	\$ 1,125,000	\$ 637,188
9/1/2021						\$ 389,688				\$ 225,000	\$ -	\$ 614,688
3/1/2022					\$ 1,250,000	\$ 389,688				\$ 225,000	\$ 1,250,000	\$ 614,688
9/1/2022						\$ 361,563				\$ 225,000	\$ -	\$ 586,563
3/1/2023					\$ 1,250,000	\$ 361,563				\$ 225,000	\$ 1,250,000	\$ 586,563
9/1/2023						\$ 332,188				\$ 225,000	\$ -	\$ 557,188
3/1/2024					\$ 1,250,000	\$ 332,188				\$ 225,000	\$ 1,250,000	\$ 557,188
9/1/2024						\$ 301,563				\$ 225,000	\$ -	\$ 526,563
3/1/2025					\$ 1,500,000	\$ 301,563				\$ 225,000	\$ 1,500,000	\$ 526,563
9/1/2025						\$ 264,063				\$ 225,000	\$ -	\$ 489,063
3/1/2026					\$ 1,500,000	\$ 264,063				\$ 225,000	\$ 1,500,000	\$ 489,063
9/1/2026						\$ 225,438				\$ 225,000	\$ -	\$ 450,438
3/1/2027					\$ 1,750,000	\$ 225,438				\$ 225,000	\$ 1,750,000	\$ 450,438
9/1/2027						\$ 179,063				\$ 225,000	\$ -	\$ 404,063
3/1/2028					\$ 1,750,000	\$ 179,063				\$ 225,000	\$ 1,750,000	\$ 404,063
9/1/2028						\$ 131,813				\$ 225,000	\$ -	\$ 356,813
3/1/2029					\$ 2,000,000	\$ 131,813				\$ 225,000	\$ 2,000,000	\$ 356,813
9/1/2029						\$ 76,313				\$ 225,000	\$ -	\$ 301,313
3/1/2030					\$ 2,750,000	\$ 76,313				\$ 225,000	\$ 2,750,000	\$ 301,313
9/1/2030										\$ 225,000	\$ -	\$ 225,000
3/1/2031									\$ 2,800,000	\$ 225,000	\$ 2,800,000	\$ 225,000
9/1/2031										\$ 155,000	\$ -	\$ 155,000
3/1/2032									\$ 3,000,000	\$ 155,000	\$ 3,000,000	\$ 155,000
9/1/2032										\$ 80,000	\$ -	\$ 80,000
3/1/2033									\$ 3,200,000	\$ 80,000	\$ 3,200,000	\$ 80,000
Totals	\$ 800,000	\$ 34,000	\$ 4,945,000	\$ 813,800	\$ 15,000,000	\$ 9,199,625	\$ 650,000	\$ 14,625	\$ 9,000,000	\$ 7,670,000	\$ 30,395,000	\$ 17,732,050

Lease Participation Debt

Date	2007		2013		Total Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
9/1/2015		\$ 236,400		\$ 53,900	\$ -	\$ 290,300
3/1/2016	\$ 400,000	\$ 236,400	\$ 375,000	\$ 53,900	\$ 775,000	\$ 290,300
9/1/2016		\$ 228,000		\$ 50,150	\$ -	\$ 278,150
3/1/2017	\$ 425,000	\$ 228,000	\$ 425,000	\$ 50,150	\$ 850,000	\$ 278,150
9/1/2017		\$ 218,969		\$ 45,900	\$ -	\$ 264,869
3/1/2018	\$ 475,000	\$ 218,969	\$ 475,000	\$ 45,900	\$ 950,000	\$ 264,869
9/1/2018		\$ 208,875		\$ 41,150	\$ -	\$ 250,025
3/1/2019	\$ 525,000	\$ 208,875	\$ 510,000	\$ 41,150	\$ 1,035,000	\$ 250,025
9/1/2019		\$ 197,719		\$ 36,050	\$ -	\$ 233,769
3/1/2020	\$ 575,000	\$ 197,719	\$ 600,000	\$ 36,050	\$ 1,175,000	\$ 233,769
9/1/2020		\$ 184,781		\$ 30,050	\$ -	\$ 214,831
3/1/2021	\$ 625,000	\$ 184,781	\$ 690,000	\$ 30,050	\$ 1,315,000	\$ 214,831
9/1/2021		\$ 170,719		\$ 22,288	\$ -	\$ 193,006
3/1/2022	\$ 675,000	\$ 170,719	\$ 775,000	\$ 22,288	\$ 1,450,000	\$ 193,006
9/1/2022		\$ 155,109		\$ 12,600	\$ -	\$ 167,709
3/1/2023	\$ 750,000	\$ 155,109	\$ 960,000	\$ 12,600	\$ 1,710,000	\$ 167,709
9/1/2023		\$ 138,344			\$ -	\$ 138,344
3/1/2024	\$ 800,000	\$ 138,344			\$ 800,000	\$ 138,344
9/1/2024		\$ 119,344			\$ -	\$ 119,344
3/1/2025	\$ 875,000	\$ 119,344			\$ 875,000	\$ 119,344
9/1/2025		\$ 98,563			\$ -	\$ 98,563
3/1/2026	\$ 950,000	\$ 98,563			\$ 950,000	\$ 98,563
9/1/2026		\$ 76,000			\$ -	\$ 76,000
3/1/2027	\$ 1,000,000	\$ 76,000			\$ 1,000,000	\$ 76,000
9/1/2027		\$ 52,250			\$ -	\$ 52,250
3/1/2028	\$ 2,375,000	\$ 52,250			\$ 2,375,000	\$ 52,250
9/1/2028					\$ -	\$ -
3/1/2029					\$ -	\$ -
9/1/2029					\$ -	\$ -
3/1/2030					\$ -	\$ -
9/1/2030					\$ -	\$ -
3/1/2031					\$ -	\$ -
Totals	\$ 10,450,000	\$ 4,170,143	\$ 4,810,000	\$ 584,175	\$ 15,260,000	\$ 4,754,318



**SUMMARY OF TRANSPORTATION COSTS**

<b>Account Code</b>	<b>Account Description</b>	<b>14/15 Budgeted</b>	<b>14/15 Actual</b>	<b>15/16 Budget Requested</b>
<b>GRAND TOTAL</b>		<b>2,673,111.95</b>	<b>2,247,488.90</b>	<b>2,803,200.00</b>
100-2551-6341-000-000	CONTRACTED TRANSPORTATION	1,596,876.16	1,426,709.77	1,680,000.00
100-2553-6341-000-051	TRANS EXTENDED SCHOOL YEAR	37,656.30	37,656.30	51,000.00
100-2553-6341-000-430	PUPIL TRANSPORTATION - SECTION 504	1,511.25	1,511.25	50,000.00
100-2553-6341-000-502	CONT PUPIL TRANS--HANDICAPPED	700,035.00	594,303.96	700,000.00
100-2555-6341-000-000	Homeless Transportation	1,762.86	360.00	5,000.00
100-2559-6341-750-130	CONTRACTED TRANSPORTATION ECSE	150,518.73	93,247.63	317,200.00
100-2559-6341-750-133	ECSE TRANSPORTATION - FEDERAL FUNDS	94,000.00	93,699.99	0.00
<b>OBJECT 6341 TOTAL</b>	<b>Contracted Transportation</b>	<b>2,673,111.95</b>	<b>2,247,488.90</b>	<b>2,803,200.00</b>

**LOCAL TAX EFFORT SUMMARY**

*\*The following chart is based on the assumption the District will move \$0.05 from Capital Projects to Incidental at the August 2015 tax rate hearing.*

**Franklin County Taxes**

**Assessed value** **\$ 654,266,905.00**

<u>Fund</u>	<u>Tax rate</u>	<u>%</u>	<u>Current</u>	<u>Delinquent</u>	<u>Totals</u>
Incidental	3.341	82.4735%	\$ 20,766,104.43	\$ 990,015.58	\$ 21,756,120.01
Debt Service	0.37	9.1335%	\$ 2,299,748.17	\$ 109,639.56	\$ 2,409,387.73
Capital Projects	0.34	8.3930%	\$ 2,113,282.10	\$ 100,749.86	\$ 2,214,031.97
	4.051	100.0000%	\$ 25,179,134.71	\$ 1,200,405.00	\$ 26,379,539.71

**St. Charles County Taxes**

**Assessed value** **\$ 40,229,810.00**

<u>Fund</u>	<u>Tax rate</u>	<u>%</u>	<u>Current</u>	<u>Delinquent</u>	<u>Totals</u>
Incidental	3.341	82.4735%	\$ 1,276,874.05	\$ 106,065.00	\$ 1,382,939.05
Debt Service	0.37	9.1335%	\$ 141,407.78	\$ 11,746.20	\$ 153,153.98
Capital Projects	0.34	8.3930%	\$ 129,942.29	\$ 10,793.80	\$ 140,736.09
	4.051	100.0000%	\$ 1,548,224.12	\$ 128,605.00	\$ 1,676,829.12

**Warren County Taxes**

**Assessed value** **\$ 66,404,980.00**

<u>Fund</u>	<u>Tax rate</u>	<u>%</u>	<u>Current</u>	<u>Delinquent</u>	<u>Totals</u>
Incidental	3.341	82.4735%	\$ 2,107,660.86	\$ 101,904.21	\$ 2,209,565.07
Debt Service	0.37	9.1335%	\$ 233,413.50	\$ 11,285.41	\$ 244,698.92
Capital Projects	0.34	8.3930%	\$ 214,488.09	\$ 10,370.38	\$ 224,858.46
	4.051	100.0000%	\$ 2,555,562.45	\$ 123,560.00	\$ 2,679,122.45

**Total Taxes**

<u>Fund</u>	<u>Tax rate</u>	<u>%</u>	<u>Current</u>	<u>Delinquent</u>	<u>Totals</u>
Incidental	3.341	82.4735%	\$ 24,150,639.35	\$ 1,197,984.79	\$ 25,348,624.13
Debt Service	0.37	9.1335%	\$ 2,674,569.46	\$ 132,671.17	\$ 2,807,240.63
Capital Projects	0.34	8.3930%	\$ 2,457,712.47	\$ 121,914.05	\$ 2,579,626.52
	4.051	100.0000%	\$ 29,282,921.28	\$ 1,452,570.00	\$ 30,735,491.28

**SB 287 FORMULA CALCULATION ESTIMATE**

District Name: WASHINGTON District Code: 036-139 Date: 4/27/2015 No

LINE	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
1. Formula Payment Weighted ADA	3,946.9574	3,904.6988	3,934.2715	3,934.2715	3,934.2715	3,898.2005
2. State Adequacy Target (SAT)	\$6,131	\$6,131	\$6,131	\$6,131	\$6,131	\$6,131
3. Payment Weighted ADA x SAT = District Total	\$24,198,795.82	\$23,939,708.34	\$24,121,018.57	\$24,121,018.57	\$24,121,018.57	\$23,899,867.27
4. District Dollar Value Modifier (DVM)	1.0890	1.0910	1.0920	1.0920	1.0920	1.0920
5. District Total Modified	\$26,352,488.65	\$26,118,221.80	\$26,340,152.27	\$26,340,152.27	\$26,340,152.27	\$26,098,655.05
6. Local Effort (2004-05 or as Adjusted)	\$20,479,102.81	\$20,461,971.96	\$20,423,878.72	\$20,423,878.72	\$20,423,878.72	\$20,423,878.72
7. State Funding Estimate Before Phase-in or Hold Harmless	\$5,873,385.84	\$5,656,249.85	\$5,916,273.56	\$5,916,273.56	\$5,916,273.56	\$5,674,776.34
8. 2005-2006 State Funding Total	\$3,980,450	\$3,980,450	\$3,980,450	\$3,980,450	\$3,980,450	\$3,980,450
Phase-In Estimate:	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Phase-Out Estimate (2005-06):	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9. SB 287 Formula Phase Amount (Line 7 x %)	\$5,873,385.84	\$5,656,249.85	\$5,916,273.56	\$5,916,273.56	\$5,916,273.56	\$5,674,776.34
10. 2005-2006 State Funding Phase Amount (Line 8 x %)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Estimated Formula Phase Total (before Hold Harmless)	\$5,873,385.84	\$5,656,249.85	\$5,916,273.56	\$5,916,273.56	\$5,916,273.56	\$5,674,776.34
Hold Harmless Calculation (Prior Year ADA > 350)	Full DVM	Full DVM	Full DVM	Full DVM	Full DVM	Full DVM
12. DVM Calculation	1.0890	1.0910	1.0920	1.0920	1.0920	1.0920
13. 2005-2006 State Funding Modified by DVM	\$4,334,710.57	\$4,342,671.47	\$4,346,651.92	\$4,346,651.92	\$4,346,651.92	\$4,346,651.92
14. FY06 Modified (Line 13) Per 2005-06 Weighted ADA	\$1,095.8696	\$1,097.8822	\$1,098.8885	\$1,098.8885	\$1,098.8885	\$1,098.8885
15. Est. Total (Line 11) per Payment Weighted ADA (Line 1)	\$1,488.08	\$1,448.58	\$1,503.78	\$1,503.78	\$1,503.78	\$1,455.74
"On Formula/Hold Harmless" Determination	On Formula	On Formula	On Formula	On Formula	On Formula	On Formula
Hold Harmless Calculation (Prior Year ADA ≤ 350)	Full DVM	Full DVM	Full DVM	Full DVM	Full DVM	Full DVM
12A. DVM Calculation	N/A	N/A	N/A	N/A	N/A	N/A
13A. Greater of 2004-05 and 2005-06 State Funding	N/A	N/A	N/A	N/A	N/A	N/A
14A. State Funding Modified by DVM	N/A	N/A	N/A	N/A	N/A	N/A
"On Formula/Hold Harmless" Determination	N/A	N/A	N/A	N/A	N/A	N/A
16. ESTIMATED STATE FORMULA PAYMENT	\$5,873,386	\$5,656,250	\$5,916,274	\$5,916,274	\$5,916,274	\$5,674,776
APPROPRIATION ADJUSTMENT PERCENTAGE	93.28252300%	96.85809800%	100.00000000%	100.00000000%	100.00000000%	100.00000000%
ESTIMATED STATE FORMULA PAYMENT AFTER ADJUSTMENT	\$5,478,842	\$5,478,536	\$5,916,274	\$5,916,274	\$5,916,274	\$5,674,776
Revenue Sources:						
Classroom Trust Fund - Per ADA (DESE) *	413,5905	374,9600	380,0000	400,0000	400,0000	400,0000
Basic Formula - Classroom Trust Fund Total	\$1,568,154	\$1,434,578	\$1,454,580	\$1,534,000	\$1,534,000	\$1,534,000
Basic Formula - State Monies Total	\$3,910,688	\$4,043,958	\$4,461,693	\$4,382,274	\$4,382,274	\$4,140,776
17. Small School Allocation	\$0	\$0	\$0	\$0	\$0	\$0
Prop C Amount per WADA	\$884.49	\$916.00	\$930.00	\$930.00	\$930.00	\$930.00
Prop C Calculation	\$3,452,254.94	\$3,545,570.09	\$3,610,939.74	\$3,658,872.50	\$3,617,022.50	\$3,617,022.50

\*Per Section 163.043.5, RSMo, "For the 2010-2011 school year and for each subsequent year, all proceeds a school district receives from the classroom trust fund in excess of the amount the district received from the classroom trust fund in the 2009-2010 school year shall be placed to the credit of the district's teachers' and incidental funds."