

Board of Education Working Meeting
Wednesday, July 6, 2022 6:00 PM
East Campus at Polk HS Boardroom
260 S Pine
Polk, NE 68654-0029

1. **Call Meeting to Order at _____**
 - 1.1. **Roll Call**
 - 1.2. **Recognize Nebraska Open Meetings Act Posted on the Wall**
2. **Matt Fisher- First National Capital Markets Presentation**



High Plains Community Schools

FINANCIAL PLANNING WORKSHOP

July 6, 2022

High Plains Financial Profile

- ❖ General Fund
 - Receipts
 - Expenses
 - Necessary Cash Reserve
- ❖ Depreciation Fund
- ❖ Special Building Fund
- ❖ Capital Replacement Schedule

Where Does the Money Come From?

Receipts

Valuations climbed almost \$500M from 2010-11 to 2016-17. After topping out at \$902M the valuation has settled back to around \$830M.



As district valuations climbed the district was able to lower the total levy from a high of a little over \$.98 to a levy around \$.65. Total levy has been near that level for the past 3 years.



Property taxes requested to operate the district have remained relatively stable during the past 6 years. The total tax asking has been around \$5.3 M during this time.



HISTORICAL TAXES COLLECTED

This chart illustrates the General fund taxes that have been received during the past eleven fiscal years. Collections have averaged right at 92%. Decline in recent years due to property tax credit payment from the state.

	2010-2011	2011-2012	2012-2013	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Received	\$3,426,456	\$3,577,017	\$3,549,590	\$3,646,251	\$3,787,579	\$4,110,832	\$4,353,550	\$3,905,796	\$3,924,042	\$4,198,745	\$4,163,018
Request	\$3,601,533	\$3,760,536	\$3,830,584	\$3,875,785	\$4,019,036	\$4,423,113	\$4,589,476	\$4,400,330	\$4,542,426	\$4,668,301	\$4,735,217
% Received	95.14%	95.12%	92.66%	94.08%	94.24%	92.94%	94.86%	88.76%	86.39%	89.94%	87.92%
										Average	92.00%

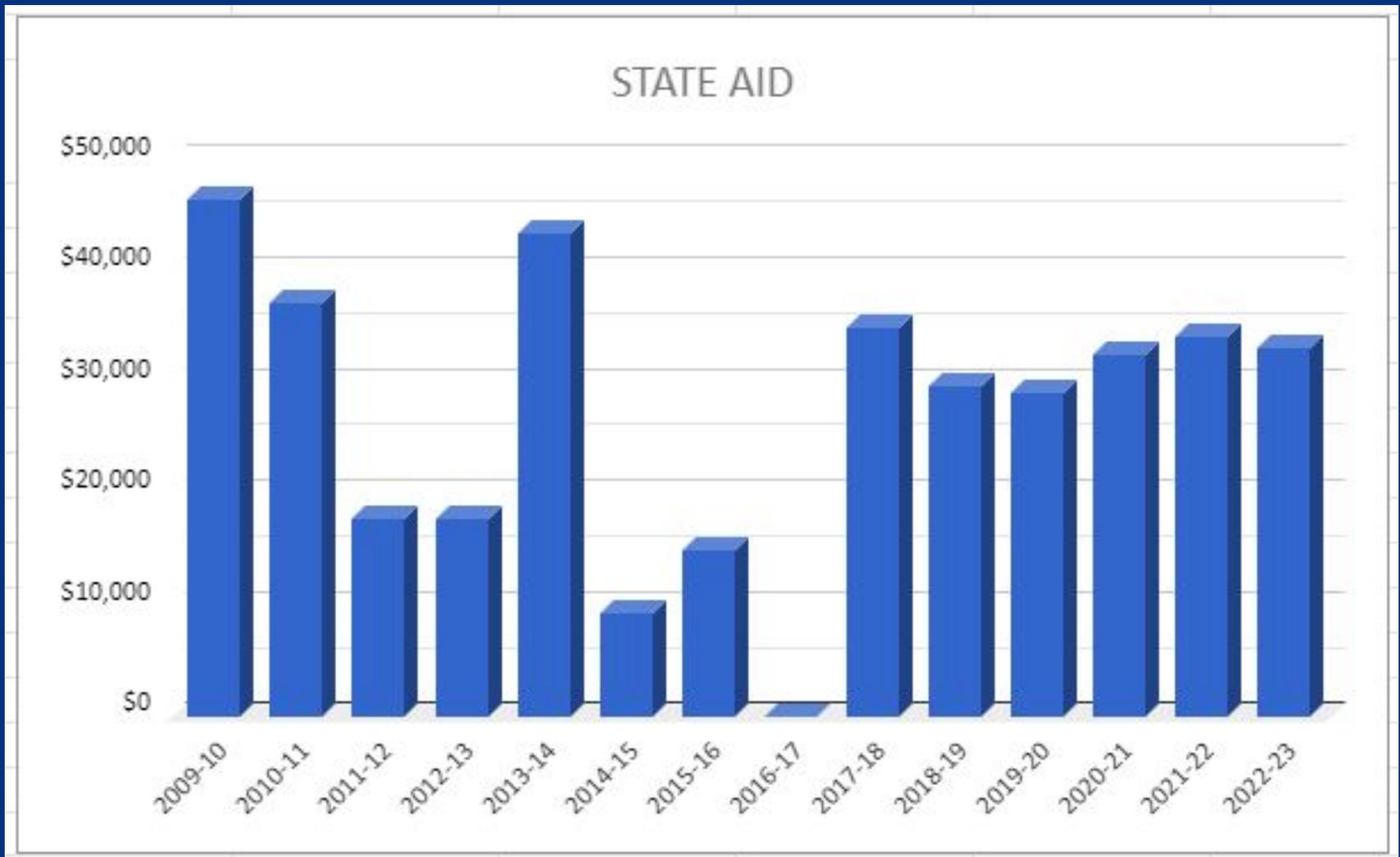
REVENUE BY CATEGORY

Like most districts, the majority of the funding for the High Plains district comes from local property taxes. This chart illustrates other funding sources which provide revenue to operate the district.

PERCENT OF TOTAL RECEIPTS												
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-21	2021-22
Taxes	80.53%	81.75%	80.12%	81.69%	79.27%	76.99%	78.08%	75.50%	76.57%	75.81%	76.35%	76.13%
Total Local	85.30%	87.16%	85.02%	86.72%	84.38%	81.55%	82.53%	79.94%	81.49%	80.52%	80.97%	80.23%
State	10.04%	9.67%	9.79%	10.42%	10.99%	14.87%	13.58%	16.52%	15.04%	16.22%	15.79%	16.39%
Federal	3.80%	2.25%	4.13%	2.13%	3.90%	2.82%	2.94%	2.31%	2.74%	2.78%	2.48%	2.56%
Other	0.86%	0.91%	1.07%	0.73%	0.73%	0.76%	0.95%	1.23%	0.72%	0.49%	0.76%	0.82%

STATE AID

The High Plains district has never received very much state aid. Currently the only aid the district gets is Allocated Income Tax rebate money. This amounts to roughly \$30,000 per year.



State Aid Calculation

	2021-22	2022-23	Difference
Formula Students	239.19	221.5	-17.69
Formula Needs			
Basic Funding	\$3,875,245	\$3,715,258	-\$159,987
Poverty	\$104,870	\$145,749	\$40,879
LEP	\$0	\$1,318	\$1,318
SPED	\$218,282	\$226,337	\$8,055
Transportation	\$217,237	\$215,701	-\$1,536
Distance Ed	\$15,307	\$23,845	\$8,538
Stabilization		\$102,160	\$102,160
Total Needs	\$4,430,941	\$4,430,368	-\$573
Formula Resources			
Local Effort	\$8,197,145	\$8,244,664	\$47,519
Net Option	\$0	\$0	\$0
Allocated Inc	\$34,109	\$32,988	-\$1,121
Other Receipts	\$528,931	\$525,639	-\$3,292
Total Resources	\$8,760,185	\$8,803,291	\$43,106
Needs - Res	-\$4,329,244	-\$4,372,923	-\$43,679
State Aid			
Equilization Aid	\$0	\$0	\$0
Net Option	\$0	\$0	\$0
Allocated Inc	\$34,109	\$32,988	-\$1,121
Prior Yr Correct	\$0	\$0	\$0
Total State Aid	\$34,109	\$32,988	-\$1,121

Comparison Schools for Calculating Basic Funding

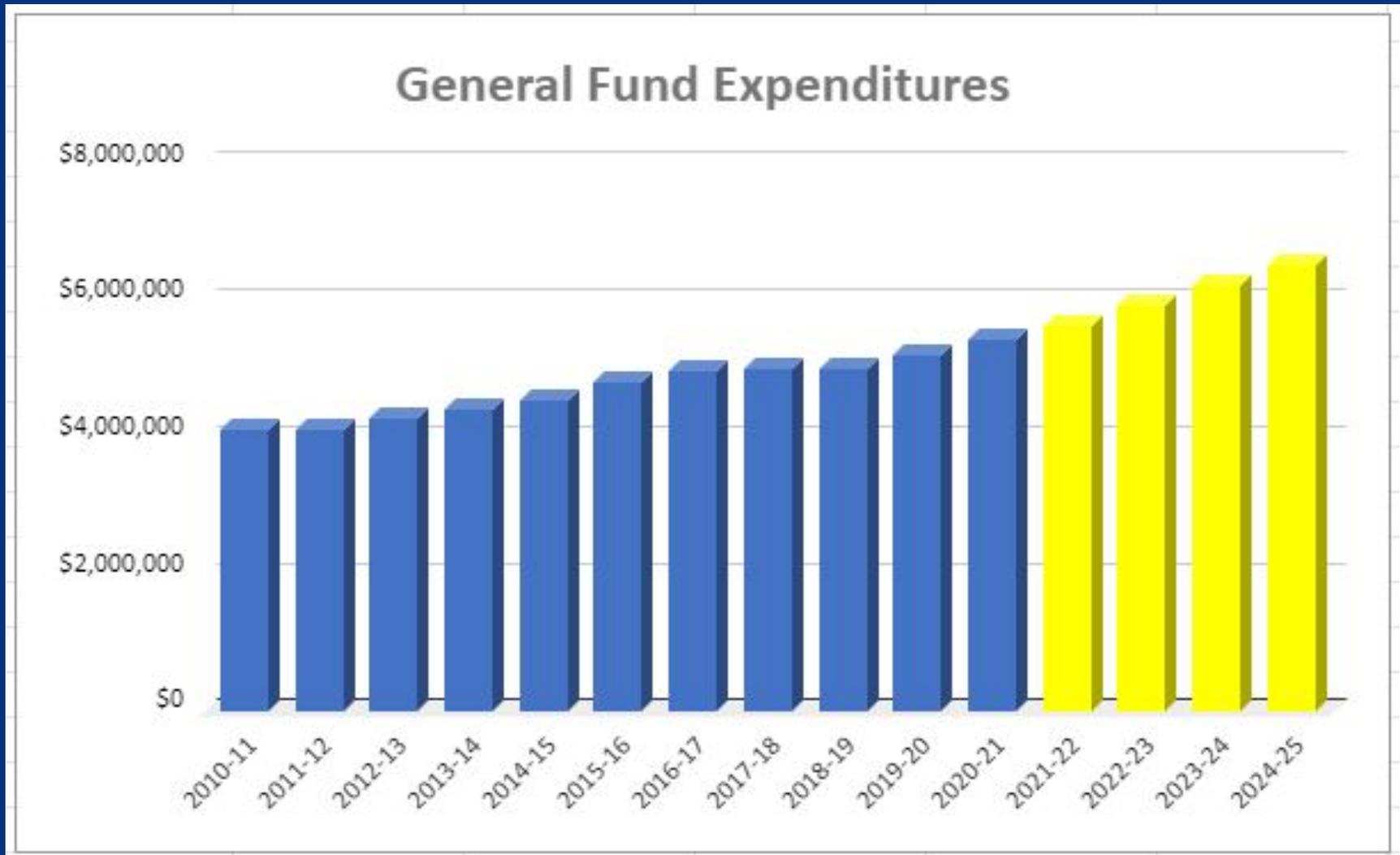
NAME	Formula Students	Adjusted GFOE	Adjusted GFOE per Formula Student
WILCOX-HILDRETH PUBLIC SCHOOLS	211.44	\$4,426,766	\$20,937
GARDEN COUNTY SCHOOLS	214.00	\$3,777,223	\$17,651
DORCHESTER PUBLIC SCHOOL	215.53	\$3,233,522	\$15,003
CLARKSON PUBLIC SCHOOLS	215.55	\$3,313,880	\$15,374
GILTNER PUBLIC SCHOOLS	215.57	\$3,399,037	\$15,767
ROCK COUNTY PUBLIC SCHOOLS	216.73	\$3,710,155	\$17,119
HARVARD PUBLIC SCHOOLS	217.60	\$3,770,555	\$17,328
SANTEE COMMUNITY SCHOOLS	218.20	\$2,737,757	\$12,547
RIVERSIDE PUBLIC SCHOOLS	219.50	\$4,196,201	\$19,117
WAUSA PUBLIC SCHOOLS	219.55	\$3,241,339	\$14,764
HIGH PLAINS COMMUNITY SCHOOLS	221.50	\$4,668,327	\$21,076
SILVER LAKE PUBLIC SCHOOLS	225.38	\$4,366,697	\$19,375
WINSIDE PUBLIC SCHOOLS	226.32	\$3,415,189	\$15,090
SOUTH PLATTE PUBLIC SCHOOLS	226.96	\$3,611,402	\$15,912
FRIEND PUBLIC SCHOOLS	227.72	\$3,911,896	\$17,179
EMERSON-HUBBARD PUBLIC SCHOOLS	230.11	\$3,780,449	\$16,429
WAUNETA-PALISADE PUBLIC SCHS	230.96	\$3,756,274	\$16,264
LEIGH COMMUNITY SCHOOLS	232.15	\$3,612,461	\$15,561
DILLER-ODELL PUBLIC SCHOOLS	232.46	\$4,052,725	\$17,434
RED CLOUD COMMUNITY SCHOOLS	233.20	\$3,329,046	\$14,275
BERTRAND PUBLIC SCHOOLS	233.99	\$3,914,864	\$16,731
Average	223.07	\$3,715,258	\$16,711

Where Does the Money Go?

Expenses

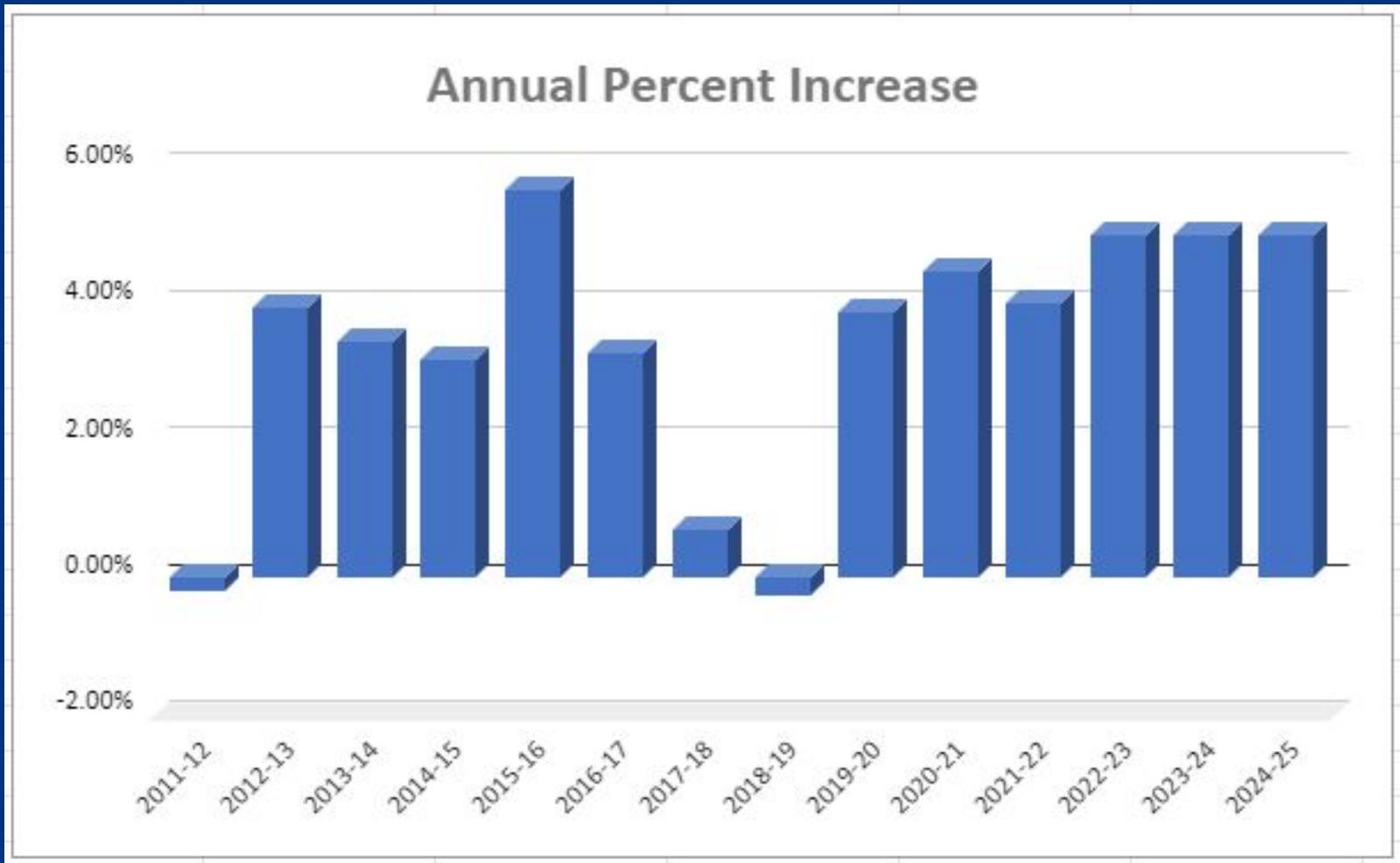
Annual Expenses

For 2021-22 the expenses are projected to be around \$5.5 M. During the past 5 years the annual increase in expenses has been about 2.5%. Yellow bars indicate a 5% annual increase in future years.



Annual Expenses

An ideal curve would be a gradual increase over time. Projecting future expenses and earmarking money to go into the Depreciation Fund will help to smooth this curve in the future.



Comparison of Receipts and Expenses with Future Projections

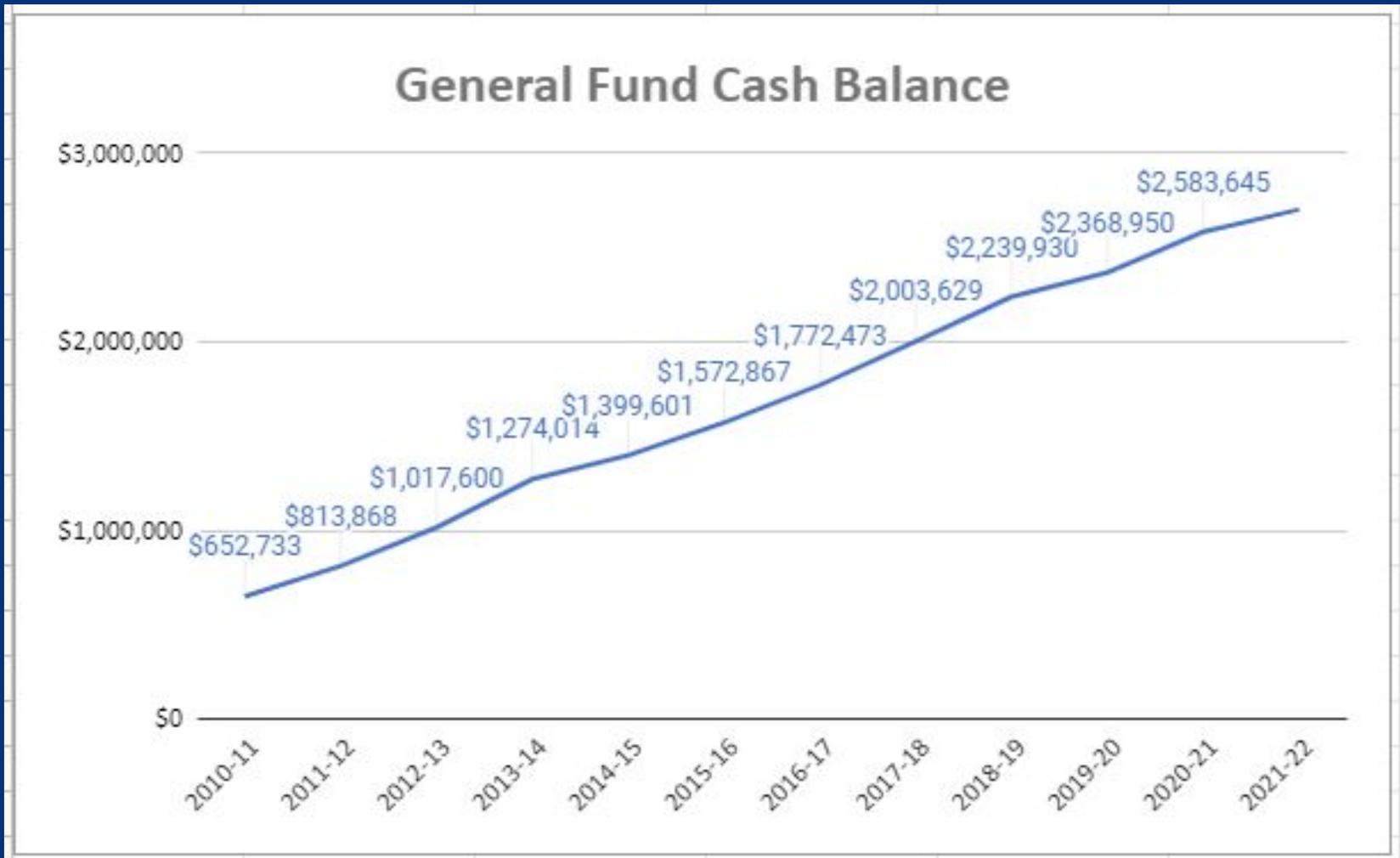
Annual Expenses and Receipts

During this ten year time frame receipts for the district have outpaced expenses every year. This has allowed the cash reserves in the general fund to grow.

	2011-2012	2012-2013	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Expenses	\$4,099,904	\$4,262,309	\$4,409,337	\$4,550,431	\$4,808,277	\$4,966,031	\$5,001,319	\$4,989,248	\$5,183,052	\$5,415,447
Percent chg.	-0.20%	3.96%	3.45%	3.20%	5.67%	3.28%	0.71%	-0.24%	3.88%	4.48%
Receipts	\$4,375,470	\$4,430,539	\$4,463,258	\$4,777,952	\$5,040,961	\$5,275,237	\$5,172,949	\$5,124,470	\$5,538,477	\$5,452,640
Percent chg.	2.83%	1.26%	0.74%	7.05%	5.50%	4.65%	-1.94%	-0.94%	8.08%	-1.55%
Difference	\$275,567	\$168,230	\$53,921	\$227,521	\$232,684	\$309,206	\$171,630	\$135,222	\$355,425	\$37,193

Cash Reserve

The recommended cash reserve is at least the equivalence of three months of expenses. For High Plains this would be about \$1.5 M.



Levy Setting

One of the challenges ahead for the district will be determining where the funds to operate the district will come from. Here is a historical review of levies and a look ahead if levies remain near the current level.

LEVY							
YEAR	VALUATIONS	GENERAL	BOND	BUILDING	QCPUF	TOTAL	Gen & Bld
2010-2011	\$393,610,155	\$0.9150		\$0.0683		\$0.9833	\$0.9833
2011-2012	\$442,415,946	\$0.8500		\$0.0616		\$0.9116	\$0.9116
2012-2013	\$498,613,554	\$0.7682		\$0.0707		\$0.8390	\$0.8390
2013-2014	\$611,792,539	\$0.6335		\$0.0808		\$0.7143	\$0.7143
2014-2015	\$751,686,702	\$0.5347		\$0.0672		\$0.6019	\$0.6019
2015-2016	\$859,263,957	\$0.5148		\$0.0749		\$0.5896	\$0.5896
2016-2017	\$902,663,609	\$0.5084		\$0.0810		\$0.5895	\$0.5895
2017-2018	\$895,715,977	\$0.4913		\$0.0846		\$0.5758	\$0.5758
2018-2019	\$875,238,433	\$0.5190		\$0.0836		\$0.6026	\$0.6026
2019-2020	\$840,326,931	\$0.5555		\$0.0841		\$0.6397	\$0.6397
2020-2021	\$826,201,476	\$0.5731		\$0.0856		\$0.6587	\$0.6587
2021-2022	\$830,261,178	\$0.4872		\$0.1198		\$0.6070	\$0.6070
2022-2023	\$830,000,000	\$0.5500		\$0.1200		\$0.6700	\$0.6700
2023-2024	\$830,000,000	\$0.5500		\$0.1200		\$0.6700	\$0.6700
2024-2025	\$830,000,000	\$0.5500		\$0.1200		\$0.6700	\$0.6700
2025-2026	\$830,000,000	\$0.5500		\$0.1200		\$0.6700	\$0.6700
2026-2027	\$830,000,000	\$0.5500		\$0.1200		\$0.6700	\$0.6700

Funds Generated by Property Taxes

Here are the revenues generated by historical property tax levies, and those that will be generated in the future if the valuation holds steady and levies remain near current levels.

YEAR	General Fund	Bond Fund	Building Fund	QCPUF	Total Tax Request
2010-2011	\$3,601,533	\$0	\$268,836	\$0	\$3,870,369
2011-2012	\$3,760,536	\$0	\$272,528	\$0	\$4,033,064
2012-2013	\$3,830,584	\$0	\$352,555	\$0	\$4,183,138
2013-2014	\$3,875,785	\$0	\$494,377	\$0	\$4,370,163
2014-2015	\$4,019,036	\$0	\$505,051	\$0	\$4,524,087
2015-2016	\$4,423,113	\$0	\$643,434	\$0	\$5,066,547
2016-2017	\$4,589,476	\$0	\$731,311	\$0	\$5,320,787
2017-2018	\$4,400,330	\$0	\$757,579	\$0	\$5,157,909
2018-2019	\$4,542,426	\$0	\$731,332	\$0	\$5,273,758
2019-2020	\$4,668,301	\$0	\$707,068	\$0	\$5,375,369
2020-2021	\$4,735,217	\$0	\$707,071	\$0	\$5,442,288
2021-2022	\$4,044,933	\$0	\$994,952	\$0	\$5,039,885
2022-2023	\$4,565,000	\$0	\$996,000	\$0	\$5,561,000
2023-2024	\$4,565,000	\$0	\$996,000	\$0	\$5,561,000
2024-2025	\$4,565,000	\$0	\$996,000	\$0	\$5,561,000
2025-2026	\$4,565,000	\$0	\$996,000	\$0	\$5,561,000
2026-2027	\$4,565,000	\$0	\$996,000	\$0	\$5,561,000

General Fund Revenue and Projection

Property tax dollars for the general fund were reduced for 2021-22 by about \$700,000. With rising costs, the taxing level in this fund will likely need to return to the previous level or higher to maintain adequate operational dollars.

2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
\$4,118,663	\$3,905,796	\$3,924,042	\$4,198,745	\$4,163,018	\$3,599,990	\$4,062,850	\$4,062,850	\$4,062,850	\$4,062,850
\$4,353,550	\$4,135,137	\$4,175,743	\$4,459,388	\$4,415,101	\$3,799,990	\$4,262,850	\$4,262,850	\$4,262,850	\$4,262,850
\$716,511	\$854,348	\$770,970	\$898,065	\$860,723	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
\$155,063	\$119,620	\$140,630	\$154,083	\$135,396	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
\$50,113	\$63,844	\$37,127	\$26,941	\$41,420	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
\$5,275,237	\$5,172,949	\$5,124,470	\$5,538,477	\$5,452,640	\$4,764,990	\$5,227,850	\$5,227,850	\$5,227,850	\$5,227,850
4.65%	-1.94%	-0.94%	8.08%	-1.55%	-12.61%	9.71%	0.00%	0.00%	0.00%

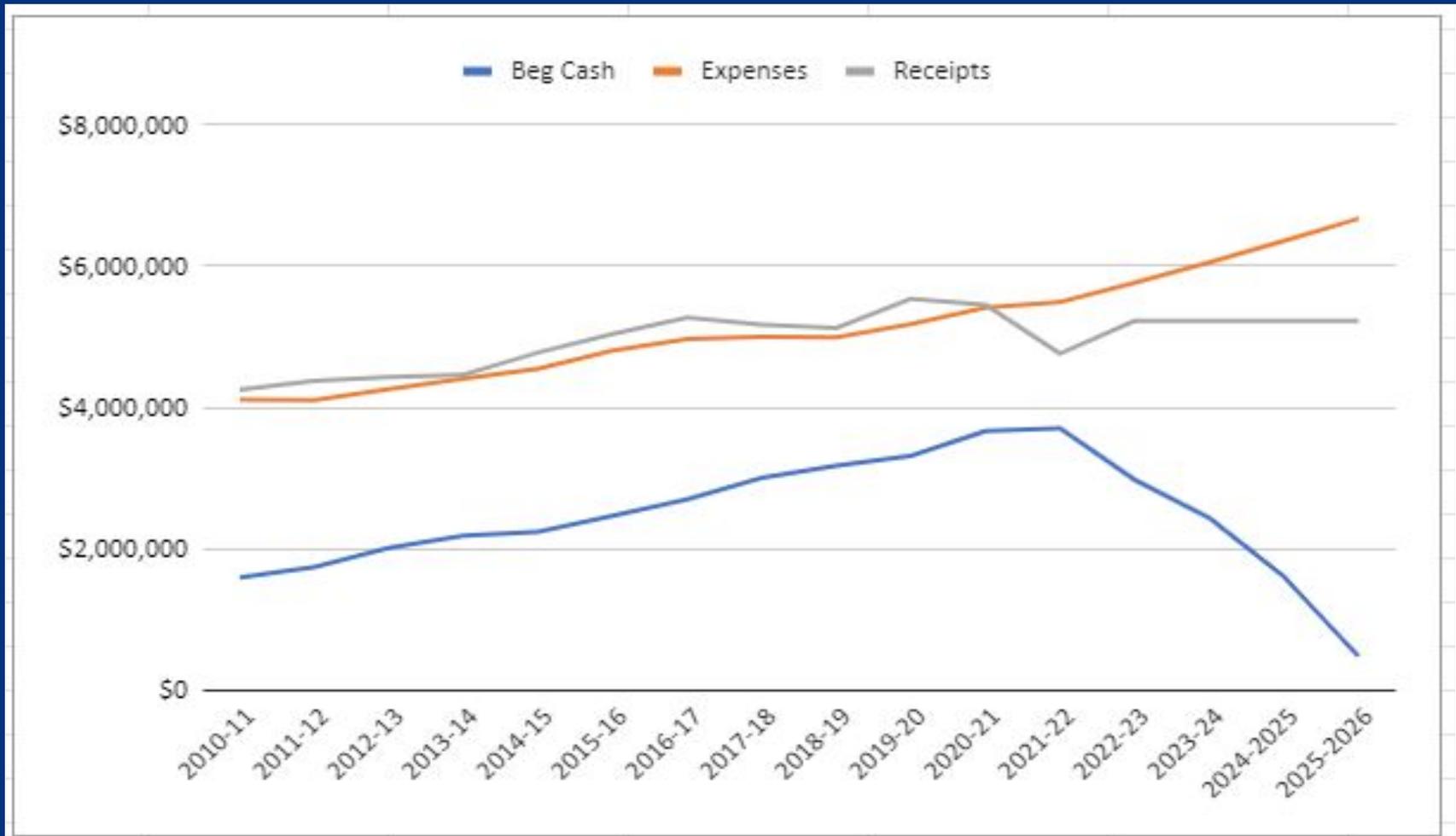
General Fund Expenses and Projection

For the current year expenses appear to be on track to see a relatively small increase. However, raising costs for materials and labor will likely cause significantly higher increases in the next several years.

2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
\$4,966,031	\$5,001,319	\$4,989,248	\$5,183,052	\$5,415,447	\$5,492,509	\$5,767,134	\$6,055,491	\$6,358,266	\$6,676,179
3.28%	0.71%	-0.24%	3.88%	4.48%	1.42%	5.00%	5.00%	5.00%	5.00%

Cash Balance/Projection

The chart below is based on a General Fund levy of .55 through 2025-26, no change in valuations and no change in state or federal receipts. It also accounts for an annual increase of 5.0% in expenses.



How Do We Deal With Funding Shortfall?

- Increase property taxes.
 - Still time for some incremental increases.
- Continue to spend down cash reserves.
 - Currently around \$2M - need \$1.5M
- Federal funding may continue to provide some enhanced support.

Planning for Capital Expenditures

- Understand your funding sources

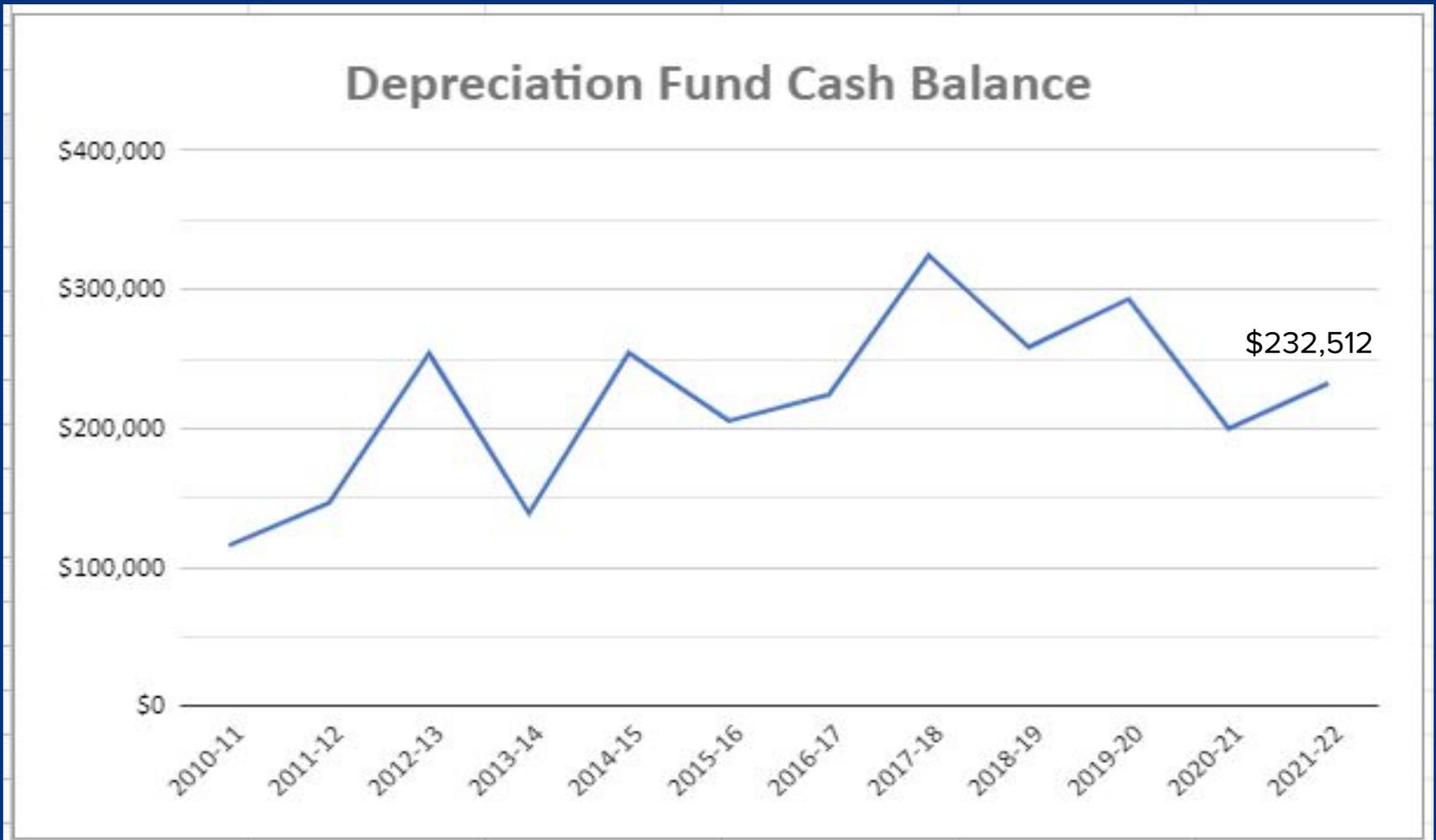
Depreciation Fund - Building Fund

- Capital Replacement Schedule

- Possible Scenarios

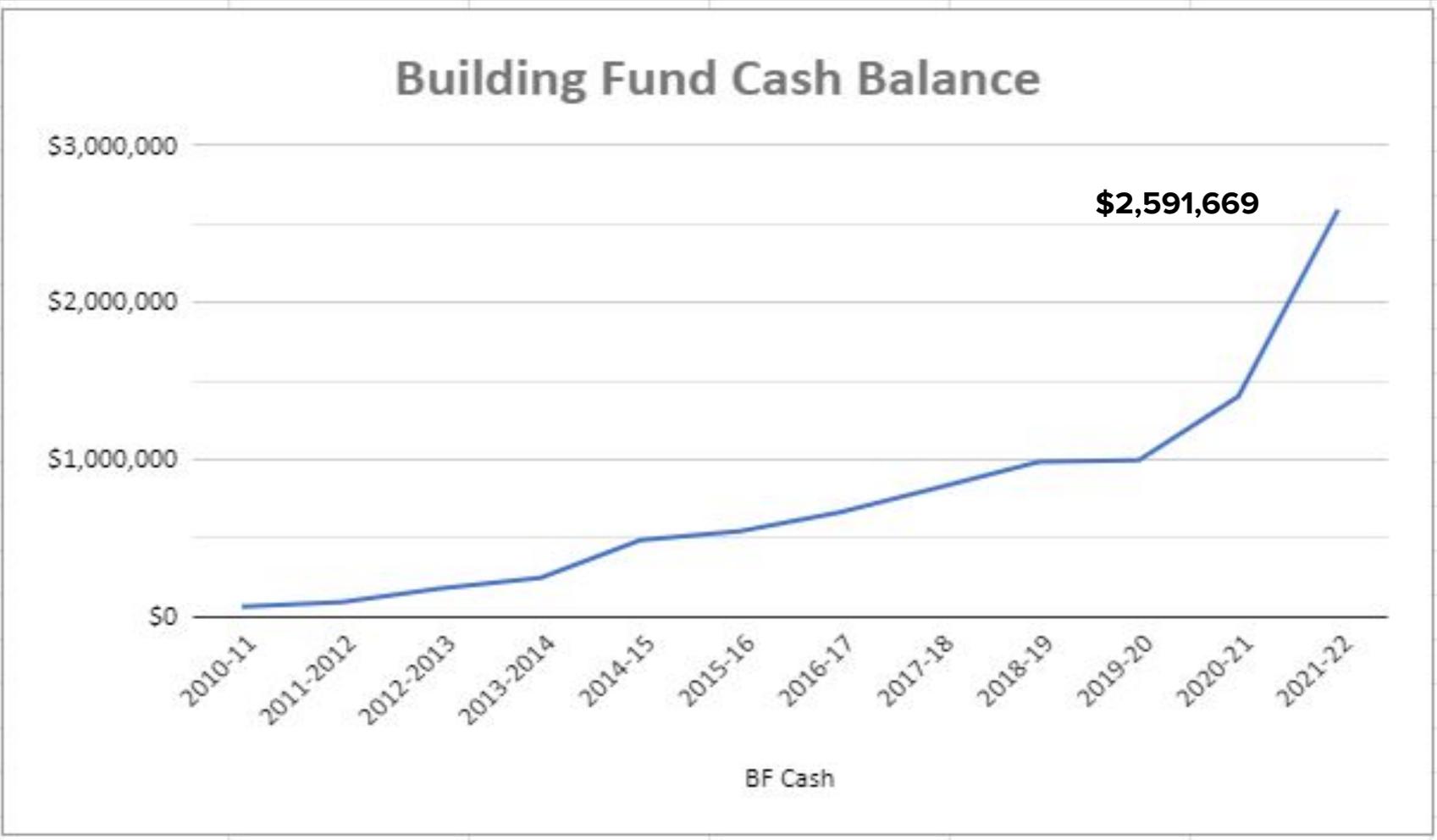
Depreciation Fund

This fund provides a means for addressing capital improvement needs that do not fit under the guidelines for Building Fund projects.



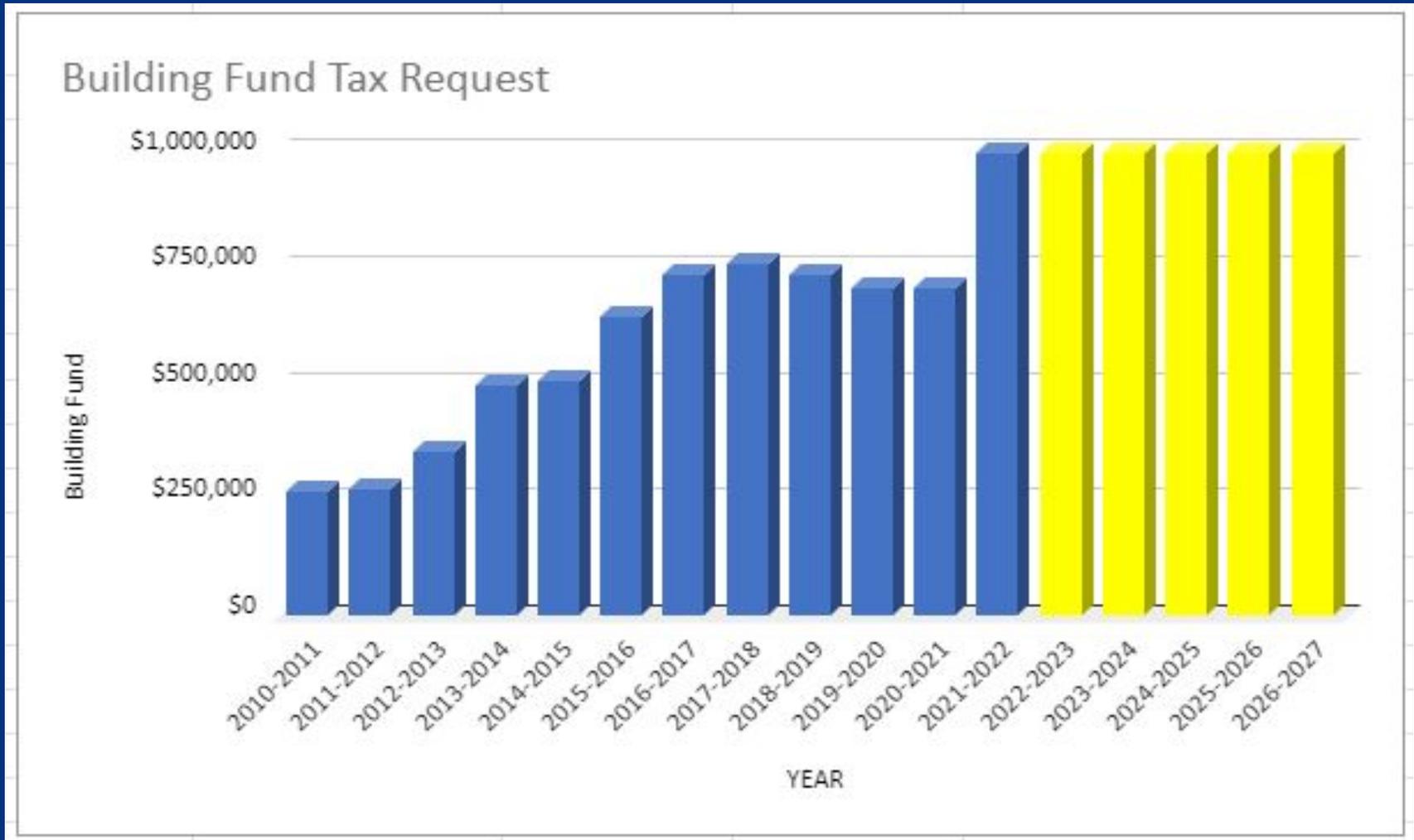
Building Fund Balance

Having a defined Capital Replacement schedule will help guide what dollars will be needed in this fund and when and how those funds will be spent.



Building Fund Tax Request and Projection

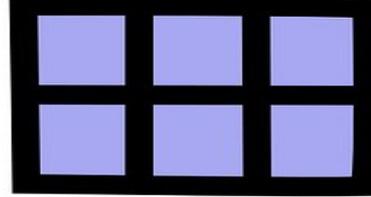
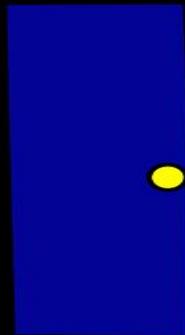
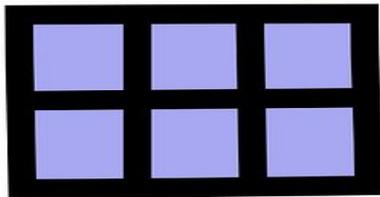
This chart illustrates a \$.12 levy for the next five years which will generate about \$1,000,000 annually. Most of these dollars will be needed to make lease purchase payment.



Capital
Improvement
Schedule



Overview of Facility Needs
Transportation Considerations



Fund Used to
Address Needs

[Capital Improvement Worksheets](#)

**Thank you for allowing us to be a part
of this important process!**

Carl Dietz
carldietz@fnni.com
(308) 289 - 3920

Matt Fisher
mfisher@fnni.com
(308) 380 - 3831

3. **Financial Discussion**

HPC Capital Improvement Schedule 2021-2022

BUILDING FUND	This year	2-4 Years	5-10 years	10+ Years		
HS/East Campus						
Roof Area #1/New Addition/2021-30 yr						
Roof Area #1A/Gym/2018-30yr						
Roof Area #2 / Behind Stage/ 2004-15 yr		\$75,000				
Roof Area #3 / Original Classrooms/ 2016-30yr						
Roof Area #4 / North Entrance/2016-30yr						
Update Camera & Door System	\$35,000			\$50,000	*In future use depreciation	
Update Intercom / Phone / Bells		\$65,000		\$50,000		
Landscaping	\$10,000	\$1,000	\$1,000	\$25,000		
Locker Room Floors		\$10,000		\$25,000		
Furniture	\$35,000	\$5,000	\$30,000			
Smart Boards (may use REAP)	\$6,000	\$20,000	\$20,000	\$40,000		
Paint Large Areas		\$20,000	\$20,000			
New Stage Curtains		\$10,000	\$10,000	\$15,000		
Paint Shop and Add Awning		\$10,000				
Outside Lights East Side of Building	\$20,000					
Classroom Refresh (paint, floor, ceiling)				\$100,000		
New Bleachers for Gym			\$100,000			
Glass Windows for the Shop	\$4,000				*Use Depreciation Fund	
New Lighting in the Shop		\$10,000				
HVAC new Addition				\$200,000		
HVAC Original			\$1,000,000			
Expand High School Parking & Resurface		\$35,000				
Add Wt Room - Shops to Main Building				\$3,000,000		
Add Gym				\$6,000,000		
Carpet & Counter (business room)	\$4,200		\$10,000	\$10,000	*Use Depreciation Fund	
Video Board		\$50,000		\$30,000		
Signage & Wraps	\$6,000		\$10,000			
Replace Gym Floor			\$150,000			

HPC Capital Improvement Schedule 2021-2022

BUILDING FUND	This year	2-4 Years	5-10 years	10+ Years	
Gym Floor Sand and Paint	\$25,000				*Use Depreciation Fund??
Move Sprinkler Line/Clock		\$5,000			
Classroom lights to LED		\$20,000			
New Flooring in Ag Classroom		\$15,000			
Shop restroom handicap accessible		\$7,000			
220 Outlet for the Birthing Lab (power washer)	\$2,000				
TOTAL	\$147,200	\$358,000	\$1,351,000	\$9,545,000	
<u>JH/West Campus</u>					
Roof Area #1 / Gym / 2018 - 30 yr					
Roof Area #2 / Clasrooms / 2017 - 30 yr					
Update Camera & Door System	\$35,000			\$50,000	
Update Intercom / Phone / Bells		\$65,000		\$35,000	
Underground Sprinklers		\$50,000		\$35,000	
Relocate or Tear Down Playground Equipment	\$5,000				
Landscaping	\$2,000	\$1,000	\$1,000	\$5,000	*Use Depreciation or General
Classroom Refresh (paint, floor, ceiling)	\$2,000	\$5,000	\$40,000	\$60,000	*Use Depreciation or General
Signage	\$6,000				
Furniture	\$500	\$10,000	\$5,000	\$10,000	*Use Depreciation or General
New Floor - Hallways and Restrooms		\$15,000		\$20,000	
Tree Removal & Clean Up	\$5,000	\$10,000	\$5,000	\$20,000	*Use Depreciation or General
Concrete work (side walks, etc.)		\$15,000		\$20,000	
Replace Cafeteria (gym) Floor				\$80,000	
Classroom lights to LED		\$20,000			
HVAC Original			\$1,000,000		
Resurface Parking Lot		\$35,000			
HVAC Cafeteria		\$250,000			
Bus Barn			\$400,000		

HPC Capital Improvement Schedule 2021-2022

BUILDING FUND	This year	2-4 Years	5-10 years	10+ Years		
TOTAL	\$55,500	\$476,000	\$1,451,000	\$335,000		
ELEMENTARY BUILDING						
Roof Area #1 / PreSchool / 2019 - 30 yr						
Roof Area #2 / K-3 / 2019 - 30 yr						
Roof Area #3 / 4-6 Hallway / 2019 - 30 yr						
Roof Area #4 / 4-6 Classrooms / Metal-Leaks		\$500,000				
Roof Area #5 / SPED / Metal-Leaks			\$300,000			
Roof Area #6 / Gym / Old		\$250,000				
Update Camera & Door System	\$35,000		\$35,000	\$65,000		
Update Intercom / Phone / Bells		\$65,000		\$50,000		
Install Front Sidewalk on West End	\$7,500					*Use General or Depreciation
Stair Railings	\$5,000.00					*Use General or Depreciation
Exterior Lighting	\$5,000.00	\$30,000				
Resurface Staff Parking Lot	\$1,000	\$25,000	\$5,000.00			*Use General or Depreciation
Remove Practice Baseball Field???		???				
Furniture	\$2,000.00	\$25,000	\$5,000.00	\$20,000.00		*Use General or Depreciation
Add Larger Hard Surface Playground		\$10,000				
Landscaping	\$500.00	\$10,000	\$500.00	\$10,000.00		*Use General or Depreciation
Remove Trees / Replace/Clean Up	\$1,000.00	\$50,000	\$20,000.00	\$10,000.00		*Use General or Depreciation
Add / Replace playground equip	\$1,000	\$3,000	\$100,000	\$100,000		*Use General or Depreciation
Underground Sprinklers		\$50,000	\$65,000			
HVAC the Gym & Cafeteria	\$500,000					
New Stage Curtains			\$30,000	\$30,000		
Paint Gym & Large Areas			\$25,000	\$25,000		
Replace Gym Bleachers				\$100,000		
Add Wall in Board Room	\$2,000					
Classroom lights to LED		\$20,000				
Replace Gutters		\$60,000		\$50,000		

HPC Capital Improvement Schedule 2021-2022

BUILDING FUND	This year	2-4 Years	5-10 years	10+ Years		
Replace Press Box	\$5,000	\$250,000		\$250,000		
Elementary Gym Floor Sand and Paint		\$35,000				
Replace Gym Floor				\$175,000		
Replace Cafeteria (gym) floor				\$100,000		
TOTAL	\$565,000	\$1,383,000	\$585,500	\$985,000		
<u>OTHER</u>						
Replace Track			\$800,000			
Football Bleachers				\$300,000		
Concession Stand / Press Box for Track			\$350,000			
Update Football Concession and Restrooms			\$200,000			
Bus Cameras (3)		\$60,000				
Riding Lawn Mowers (at least 2)	\$15,000	\$20,000				
<i>Lease Purchase Payments</i>		\$1,356,070	\$1,357,100			
TOTAL	\$15,000	\$1,436,070	\$2,707,100	\$300,000		ACTIVITIES FUN
						Uniforms
Totals for ALL Categories, NOT Including Vehicles	\$782,700	\$3,653,070	\$6,094,600	\$11,165,000		
<u>VEHICLES</u>	<u>Miles</u>	2-4 Years	5-10 years	10+ Years		
Bus #11	153,946.00			\$80,000		
Bus #14	172,802.00			\$80,000		
Bus #16	116,207.00			\$80,000		
Bus #17	89,073.00					
Bus #18	48,694.00					
Bus #19	21,550.00					
Bus #21	34,410.00					
Bus #22	7,666.00					
White Van Express #1	95,815.00		\$60,000			
T & C Van	147,983.00	\$35,000				

4. **Schedule Budget Workshop for early August**
5. **Reminder of Next Regular BOE Meeting (July 11th at 6:00 in Clarks BOE Room)**
6. **Motion to Adjourn**