

To: Pembroke Taxpayers

From: Pembroke School Board and Patty Sherman, Superintendent of Schools

Date: November 13, 2017

Re: Tax Rate Increase

We are writing to make you aware of the circumstances that led to a higher tax rate increase than expected. We are estimating receiving \$977,000 less in revenue this year. While we gained a bit of excess revenue in some areas, the primary losses came from State Special Education Aid (\$18,165), State Adequacy Aid (\$99,799), Federal Medicaid Reimbursements (\$220,882), State Title 1 and Title II grant funding (\$36,019), and tuition to Pembroke Academy (\$737,018). Last year we were able to offset the tuition loss with excess funds from our budget, and while this helped to deal with the issue at the time, it meant that a smaller amount of funds were left in our budget to be returned to offset taxes this year. These issues, coupled with the reassessment of homes in Pembroke, resulted in a higher tax increase than estimated.

We would like to assure you that we have been very conservative with our revenue estimates this year in order to prevent this from happening in the future. We are also keeping a very tight line on spending. While it is nearly impossible to predict what future State and Federal funding may be cut, we have put new processes in place to closely monitor the anticipated revenue in tuition so that any issues that may arise can be identified, communicated and addressed in a prompt fashion. We certainly recognize and apologize for the impact this year on taxpayers and are working hard to avoid any similar issue in the future. Should you have any questions, feel free to contact the Superintendent's Office at 603-485-5187.