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**NICOLET**

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**HIGH SCHOOL**

## **2019-20 Original Budget**

PREPARED BY DIRECTOR OF BUSINESS SERVICES, JEFF PRUEFER

PRESENTED TO THE NICOLET UNION HIGH SCHOOL DISTRICT BOARD OF EDUCATION ON

MONDAY OCTOBER 28, 2019

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**School Profile**

Nicolet Union High School District is an independent high school district encompassing the north Milwaukee suburbs of Bayside, Fox Point, Glendale, and River Hills. The geographic area is 16 square miles. Nicolet is a four-year public high school with an enrollment of approximately 1,100 students. Nicolet consistently ranks among the highest in Wisconsin in per-pupil expenditures. The school population is representative of a multicultural community. Eighty four percent of the graduates pursue post-secondary education and college preparatory curriculum is strongly emphasized.

**Board of Education**

**Term Expires**

Ellen Redeker, President	April, 2022
Libby Gutterman, Vice President	April, 2021
Teresa Seem, Treasurer	April, 2020
Leigh Wallace-Tabak, Clerk	April, 2020
Marilyn Franklin, Member	April, 2021

**Mission Statement**

Transforming knowledge into wisdom, the Nicolet High School District accelerates the achievement of every student, in every classroom, every day by promoting intellectual discovery, inspiring creativity, embracing diversity and encouraging students to become enlightened, humane, responsible citizens.

## Introduction

The school district budget is a financial plan designed to achieve the strategic goals of Nicolet High School. It is important that the budget be structured to meet the district’s objectives within the financial constraints of school funding in the state of Wisconsin. The budget is prepared with significant staff input regarding district needs and priorities. The budget is designed to be understandable by the Board of Education, administration, staff, parents and district taxpayers.

## Timeline

The budget process for the 2019-20 school year began in 2018 with the development of a budget timeline in December, 2018. Beginning in December, the building principal and director of business services met with the head of each department to review potential 2019-20 budget additions/reductions. Additionally, the District Leadership Team (DLT) was asked to develop budget requests to potentially implement in 2019-20.

The process progressed into 2019 with the development of 2019-20 budget assumptions. Based on the assumptions, a preliminary review of future revenue/expenses was explored with the DLT in February. Based on budgetary requests and approved budget assumptions, a preliminary budget projection was developed in March and presented at the April board workshop. This preliminary projection incorporated such assumptions as state budget impact, proposed legislative changes that impact school funding, personnel cost increases, department financial needs, shift in costs for services, etc. The intention of the preliminary review is to provide an early look at the financial situation of the District and set the stage for further budget development in late spring.

The Board of Education approved a preliminary budget in June. That budget was presented to the community at the District annual meeting in August. Between August and October the approved budget is updated based on changes related to membership, identification of voucher students, certification of equalized values, certified state aid allocation, employee benefit selections, etc. The Board of Education adopts the “Original Budget” and sets the tax levy at the October Board meeting.

## Executive Summary

In the State of Wisconsin, a school district’s budget is divided into various “funds.” The Department of Public Instruction (DPI) requires reporting of revenues and expenses within specified funds. The different “funds” and their descriptions utilized by Nicolet Union High School District are presented below:

<b>Fund</b>	<b>Description</b>
<b>10</b>	General Operating Fund
<b>21</b>	Special Revenue Trust Fund
<b>27</b>	Special Education Fund
<b>38</b>	Non-Referendum Debt Service Fund
<b>46</b>	Long-Term Capital Improvement Fund
<b>49</b>	Special Projects Fund (Athletic Fields)
<b>50</b>	Food Service Fund
<b>60</b>	Student Organization Fund
<b>73</b>	Employee Benefit Trust Fund
<b>80</b>	Community Services Fund
<b>97</b>	Transportation Cooperative Fund

### Enrollment (Students Attending Nicolet High School)

Student enrollment is a key component used to determine district revenue. It is also an important factor in determining appropriate staffing levels. The most recent three years of historical data, as well as the September 2019 student count are shown below.

Grade	2016-17	2017-18	2018-19	2019-20
Other*	15	21	15	20
9	244	260	280	283
10	310	253	270	279
11	285	311	246	264
12	250	280	295	242
<b>Total</b>	<b>1,104</b>	<b>1,125</b>	<b>1,106</b>	<b>1,088</b>

Source: Wisconsin School Financial Services Website

\*Table updated from spring to include 8<sup>th</sup> grade students attending Nicolet for Math

### Membership (Student FTE Calculation)

Enrollment is converted to membership or FTE. FTE provides a look at how many resident students are being educated via District funds. FTE is utilized for the revenue limit, state equalization aid, and per pupil categorical aid calculations.

In order to calculate FTE, enrollment is adjusted/updated for pro-rated students (i.e. 4K students count as .6 FTE, summer school FTE are equal to .4, etc.), tuition waivers, 220 enrollment, open enrollment, etc. Data from the last five years is shown below:

Year	Student FTE
2015-16	1,094
2016-17	1,057
2017-18	1,087
2018-19 (Updated in Spring, '19)	1,060
2019-20 (Updated after Sept. Count)	1,025

These FTE counts are then averaged over a three-year period. That average provides the actual FTE used for revenue related purposes. Data from the last five years is shown below:

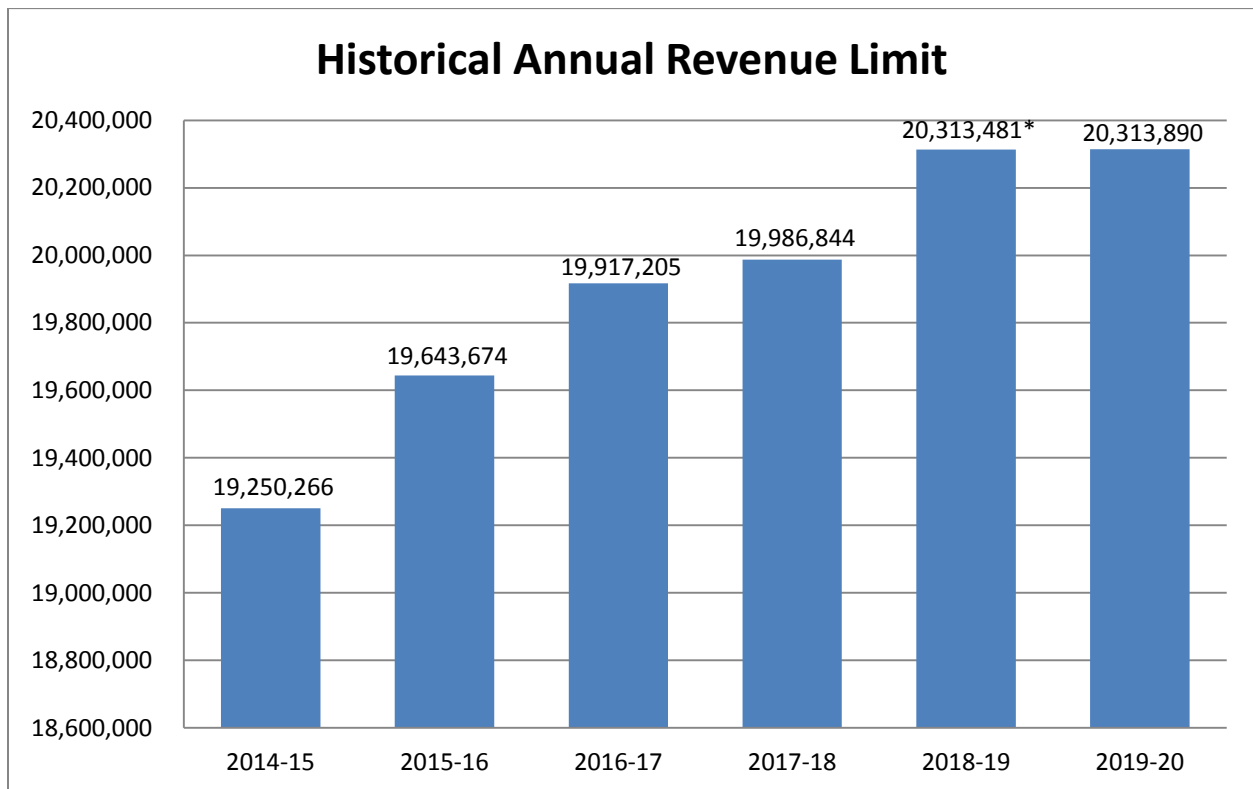
Three-Year Average	
Year	Student FTE
2015-16	1,083
2016-17	1,081
2017-18	1,079
2018-19 (Updated in Spring '19)	1,068
2019-20 (Updated after Sept. Count)	1,057

### Revenue Limit

The state revenue cap formula is a significant factor in the development of any school district budget. The revenue limit caps the amount of revenue available to school districts from the two main sources of revenue available for Wisconsin public schools: (1) Equalization Aid; and (2) Property Taxes. The revenue cap directly affects Funds 10 (General Fund) and 38 (Non-Referendum Debt Service Fund) and indirectly affects Fund 27 (Special Education Fund), since Fund 27 is funded primarily via a transfer from Fund 10.

The proposed 2019-21 state budget provides an increase of \$175/student on the revenue cap in 2019-20 and \$179 in 2020-21. The increase provided on the revenue cap within the proposed biennial state budget represents the majority of new funding for public schools over the next two years.

An illustrative representation of the changes in revenue limit authority over the past five years, as well as a projection for next year (2019-20), is shown below:



\*2018-19 revenue limit authority updated in Spring, 2019 / This is different from what was approved last October

Source: Baird Model

### Revenue Limit Changes

The 2019-21 State Budget currently provides an increase of \$175/pupil for the 2019-20 school year that will provide an additional \$184,975 in revenue limit authority based on the District's three-year membership average. Unfortunately, the additional authority is being negated by other factors driving down the revenue cap. The primary factors negatively affecting Nicolet's revenue authority relate to the loss of two non-recurring revenue limit exemptions (Declining Enrollment Exemption and Hold Harmless Exemption). These two exemptions provided an additional \$337,572 in cap authority in 2018-19 that is now removed.

Due to the decrease in FTE in 2019-20, the District qualifies for a new declining enrollment exemption of \$171,490. This exemption will fall off for 2020-21 as it is a non-recurring exemption. However for the current year this assists the District in offsetting the loss of non-recurring exemptions from the prior year. If Fund 38 debt were not a factor, you'd expect a fairly significant drop in cap authority.

Since the District has chosen to pay all current debt within the revenue cap, the Fund 10 operational levy is affected by Fund 38 debt. The true indication of revenue for Fund 10 as it relates to cap can be found by looking at the Fund 10 operational levy. The levy has decreased from \$18,011,798 in 2018-19 to \$17,860,681 in 2019-20. This is being caused by the Fund 38 levy rising over \$100k. Since the debt that is rising comes with an energy efficiency exemption, it provides the District with additional revenue limit authority. That authority was applied and is contributing to keeping the cap at a similar level to 2018-19 (otherwise it would have dropped more significantly). Unfortunately, this scenario highlights the fact that operational revenue from the cap is down \$100k+ from 18-19 to 19-20, despite the cap being relatively unchanged.

Finally, enrollment in the private school voucher program increased substantially (88%) from 2018-19 to 2019-20. We were not unique as many school districts statewide experienced a sharp increase in voucher school participation. As participation in the voucher program increases, the revenue cap increases to provide revenue to pay for this added expense. This increase is paid via an increase in property taxes for local residents.

As a result of these changes, the District is experiencing an increase of \$409 in revenue limit authority for the 2019-20 school year (when compared to the final 2018-19 spring revenue limit calculation).

#### **State Equalization and Integration (220) Aid**

In 2019-20, the district is experiencing a slight increase in equalization and integration aid. Aid increased from 1,040,907 (18-19) to \$1,074,941 (19-20). This is an increase of 3.27% over the prior fiscal year. The increase primarily relates to an increase in 220 enrollment from 37 (17-18) to 41 (18-19) students. (Note: Aid is based on information from the prior year.)

#### **Open Enrollment/Tuition Waivers/Alternative Applications**

Nicolet currently educates 26 open enrolled in/additional year tuition waiver non-resident students and has 18 resident open enrolled/additional year tuition waiver out students.

Funding for open enrollment is set on a per pupil basis and changes annually. The 2019-20 transfer rate for 2019-20 is \$7,771 for regular education and \$12,723 for students with disabilities. The financial impact can be found within the Fund 10 revenue and expenditure budgets (Pages 9 & 11).

**Tax Levy**

The 2019-20 district tax levy is slightly decreasing from the 2018-19 levy. Two years of historical information and the final October tax levy for the 2019-20 school year are shown below.

<b>PROPOSED PROPERTY TAX LEVY</b>			
<b>Fund</b>	<b>Audited 2017-18</b>	<b>Unaudited 2018-19</b>	<b>Final 2019-20</b>
General Fund (Fund 10)	17,990,955	18,015,581	17,862,072
Non-Ref Debt (Fund 38)	853,778	914,497	1,018,069
Comm. Svc. (Fund 80)	255,455	255,455	255,455
<b>Total School Levy</b>	<b>19,100,188</b>	<b>19,185,533</b>	<b>19,135,595</b>
% In/Decrease from prior year	1.08%	0.45%	(0.26%)

The certified 2019-20 tax base increased to \$4,320,904,500 or \$238,138,600 higher than 2018-19 (\$4,082,765,900). This is a 5.83% increase. The 2019-20 mill rate (tax levy/tax base) is decreasing to \$4.43 which is \$0.27 lower than 2018-19. This is a 5.76% decrease on the mill rate. The school tax on a \$200,000 home is estimated to decrease from \$940 to \$886 or \$54 lower (assuming home had assessment change of 0%) than 2018-19. An illustration of the shift in mill rate for the past three years is shown below.

<b>Proposed Mill Rate</b>			
	<b>Audited 2017-18</b>	<b>Unaudited 2018-19</b>	<b>Final 2019-20</b>
Mill Rate*	\$4.74	\$4.70	\$4.43
Percentage Decrease	(1.07%)	(0.85%)	(5.76%)

\*Tax rate per \$1,000 of equalized value



**General Fund – Fund 10**

**Purpose of Fund:** The purpose of the General Fund (Fund 10) is to account for the educational programs and operations of the school district, excluding special education programs. The majority of district financial activity falls within Fund 10.

<b>Fund 10 Revenue</b>	<b>2018-19 Budget</b>	<b>2019-20 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Property Taxes	18,015,581	17,862,072	(153,509)	(0.85%)
Student Fees	422,962	413,503	(9,459)	(2.24%)
Co-Curricular Admission Fees	52,375	64,650	12,275	23.44%
Interest Earnings	10,000	40,000	30,000	300.00%
Facility Rental	56,000	65,000	9,000	16.07%
Gifts/Contributions	---	39,000	39,000	100.00%
Non-Open Enrollment Tuition	10,000	19,983	9,983	99.83%
Open Enrollment	167,390	213,659	46,269	27.64%
Inter-district Payments for Services	245,411	200,000	(45,411)	(18.50%)
Inter-district Payment for Athletics	5,800	6,000	200	3.45%
220 Transportation Reimbursement	90,710	90,228	(482)	(0.53%)
Transportation Aid	30,000	24,865	(5,135)	(17.12%)
Library Aid	55,144	55,100	(44)	(0.08%)
Integration Aid (220)	662,572	721,510	58,938	8.90%
State Equalization Aid	378,335	353,431	(24,904)	(6.58%)
CTE Incentive Grant	---	10,000	10,000	100.00%
Educator Effectiveness Grant	7,600	7,600	---	---
Tax Exempt Computer/Prop Aid	361,624	360,200	(1,424)	(0.39%)
Per Pupil Categorical Aid	697,818	784,294	86,476	12.39%
Carl Perkins	16,947	16,157	(790)	(4.66%)
Title I-A	84,325	84,594	269	0.32%
Title II-A	25,684	29,156	3,472	13.52%
Title III-A	3,749	2,868	(881)	(23.50%)
Title IV-A	10,007	10,284	277	2.77%
Worker’s Compensation Dividend	---	25,000	25,000	100.00%
Refund of Prior Yr Expense	15,000	10,000	(5,000)	(33.33%)
Other	200	---	(200)	(100.00%)
Flow Through – CEIS	---	36,835	36,835	100.00%
Transfer from Fund 27 (Indirect Cost)	18,133	14,700	(3,433)	(18.93%)
<b>Total Revenue</b>	<b>21,443,367</b>	<b>21,560,689</b>	<b>117,322</b>	<b>0.55%</b>

**Revenue Notes:**

- Revenue Limit increased by \$175/student per 2019-21 State Budget
- Fund 10 property taxes down primarily due to loss of declining enrollment/Hold Harmless exemptions
- Student fees decreased slightly per trend
- Admissions revenue projected higher based on trend
- Budgeted interest earnings tripled to reflect new savings/investment strategy (conservative)
- Facility rental revenue increased per trend
- Open Enrollment (O.E.) In increased per September student count

- Inter-district payments decreased to reflect conclusion of shared services agreement for District Administrator with Fox Point/Bayside School District; however the District will still receive funds for a shared Building and Grounds Director, work performed for Fox Point/Bayside, and a portion of the German teacher cost (shared with Glendale/River Hills)
- Equalization and Integration Aid increased per October aid certification
- Personal computing grant removed from budget due to exclusion in final state budget
- Educator Effectiveness Grant included in budget
- Categorical Aid increased from \$654/FTE to \$742/FTE (\$88 increase) per state budget
- All grant budgets updated
- Worker's Compensation dividend budgeted per contract
- Portion of IDEA Flow-Through Grant must be utilized for CEIS
- Planned usage of Fund 27 Flow Through grant funds for indirect costs

<b>Fund 10 Expenses</b>	<b>2018-19 Budget</b>	<b>2019-20 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Personnel Costs	14,147,684	14,253,971	106,287	0.75%
Department Budgets	426,518	335,653	(90,865)	(21.30%)
High School Administration	92,031	98,700	6,669	7.25%
General Supplies/Paper/Discretionary	47,522	---	(47,522)	(100.00%)
Pupil Transportation	976,904	975,193	(1,711)	(0.18%)
Athletics/Activities	387,184	503,140	115,956	29.95%
Library	72,948	67,598	(5,350)	(7.33%)
Information Technology	619,099	578,590	(40,509)	(6.54%)
Teaching and Learning Budget	183,145	179,000	(4,145)	(2.26%)
Business Office	204,580	250,000	45,420	22.20%
Open Enrollment	187,200	160,000	(27,200)	(14.53%)
Property/Liab./Work. Comp. Insurance	230,000	250,703	20,703	9.00%
Student Services Department	89,221	88,421	(800)	(0.90%)
Special Education Transfer	1,934,839	1,754,374	(180,465)	(9.33%)
Utilities	493,600	528,527	34,927	7.08%
District Administration Budget	326,093	397,089	70,996	21.77%
Community Relations	94,800	100,000	5,200	5.49%
Staff Services	16,650	16,650	---	---
Building and Grounds	726,125	676,609	(49,516)	(6.82%)
Voucher Expense	66,862	125,719	58,857	88.03%
Contracted Instruction	98,030	162,732	64,702	66.00%
Title Grants (Non-personnel)	35,691	40,074	4,383	12.28%
Carl Perkins	16,947	16,157	(790)	(4.66%)
Ed. Effectiveness Grant	7,600	7,600	---	---
<b>Total Expenses</b>	<b>21,481,273</b>	<b>21,566,500</b>	<b>85,227</b>	<b>0.40%</b>
Rev-Exp	(37,906)	(5,811)	32,095	(84.67%)
Beg FB	6,421,853	6,383,947	(37,906)	(0.59%)
End FB	6,383,947	6,378,136	(5,811)	(0.09%)

### Expenditure Notes

- Personnel budget includes:
  - 2.44% base wage increase for teacher group
  - \$20,000 in supplemental wage increases approved for five teachers
  - 2.44% increase for all other staff (administration, supervisory/confidential, support staff, custodians)
  - 5% Health Insurance increase (Reminder: 2.5% approved last December for CY 2019)
  - No increases for dental, STD, LTD, and vision budgeted
- Department budgets reduced after removing one-time purchases made in 2018-19
- HS Administration budget increased due absorbing paper and supply budgets (\$17,500 savings)
- Pupil transportation updated to align with projected actual costs
- Athletics/Activities budget increased to better align with actual expenses and to account for travel/rental expenses associated with displaced activities (due to land sale across Hwy. 43)
- Library, Information Technology, Teaching and Learning, and Business Office budgets refined to locate cost savings

- Open Enrollment expense updated per September student count
- Cost for Voucher program nearly doubled
- PNC insurance increased due to rise in premiums
- Special Education transfer updated based on changes in Fund 27 budget
- District Administration budget increased primarily as a result of increase in legal costs
- Building and Grounds budget decreased per ten-year maintenance plan
- Additional funds allocated for post-secondary options, GPS, and DEA programs
- Educator Effectiveness grant budgeted in 2019-20

### **Overall Considerations**

Listed below are items to consider when analyzing the 2019-20 budget:

- Long-range projection (Spring, '19 presentation) anticipated deficit budget for 2019-20 (4<sup>th</sup> year of operational referendum)
  - Budget is balanced for the 2019-20 school year w/ the exception of a planned shelving installation in the Theatre Department
- Salaries/Benefits (except health insurance) settled for 2019-20
- Health insurance renewal will occur 1/1/20 (5% increase budgeted – 2.5% increase already realized)
- Equalization/220 Aid up 3.27%
- Property Taxes down 0.26% (Mill rate down 5.76%)

**Staffing Information**

<b>Department</b>	<b>2019-20</b>
Administration (Fund 10)	6.00 FTE
Administration (Fund 27)	1.00 FTE
Teaching Staff (Fund 10)	75.87 FTE*
Teaching Staff (Fund 27)	15.03 FTE
Confidential/Supervisory (Fund 10)	11.31 FTE**
Confidential/Supervisory (Fund 27)	0.29 FTE
Confidential/Supervisory (Fund 50)	1.00 FTE
Confidential/Supervisory (Fund 80)	3.20 FTE
Custodial/Maintenance (Fund 10)	14.365 FTE
Support Staff (Fund 10)	17.125 FTE
Support Staff (Fund 27)	9.00 FTE
Support Staff (Fund 80)	1.00 FTE
Food Service (Fund 50)	11.21 FTE
<b>Total</b>	<b>166.40 FTE</b>

*\*This total includes a deduction of 0.4 FTE which is billed to Glen./Riv. Hills for a 1.2 FTE German Teacher*

*\*This total includes an addition of 0.2 FTE for a Fox Point/Bayside French Teacher billed to Nicolet*

*\*\*This total includes 0.4 FTE reduction which is billed to Fox Point/Bayside for a 1.2 FTE Facilities Director*

**Special Revenue Trust – Fund 21**

**Purpose of Fund:** The purpose of the Special Revenue Trust Fund is to account for gifts specified by donors to be used for operating purposes.

<b>Fund 21 Revenue</b>	<b>2018-19</b>	<b>2019-20</b>	<b>\$ Change</b>	<b>% Change</b>
Fees/Fundraising/Gifts	90,000	90,000	---	---
<b>Total Revenue</b>	<b>90,000</b>	<b>90,000</b>	---	---
<b>Fund 21 Expenses</b>				
Purchased Services	---	45,000	45,000	100.00%
Repair/Maintenance	146,430	---	(146,430)	(100.00%)
Supplies	---	---	---	---
Capital Objects	90,000	45,000	(45,000)	(50.00%)
Other	---	---	---	---
<b>Total Expenses</b>	<b>236,430</b>	<b>90,000</b>	<b>(146,430)</b>	<b>(61.93%)</b>
Rev-Exp	(146,430)	---	(146,430)	(100.00%)
Beg. Fund Balance	257,559	111,129	(146,430)	(56.85%)
End. Fund Balance	111,129	111,129	----	----

**Notes:**

- The 2018-19 budget included a planned deficit related to the Gym 2 Floor capital project (Expense removed for 2019-20)
- The District is required to make a significant change to Fund 60 (Activity Accounts) during the 2019-20 school year
  - Most Fund 60 accounts will be relocated to Fund 21
  - This will alter the financial picture within Fund 21 this year
  - DPI will issue final guidance on this issue (GASB 84) during 2019-20 and as a result, the changes are not budgeted to begin the year

**Special Education – Fund 27**

**Purpose of Fund:** The purpose of the special education fund is to account for all of the special education programs and operations in the school district.

<b>Fund 27 Revenue</b>	<b>2018-19</b>	<b>2019-20</b>	<b>\$ Change</b>	<b>% Change</b>
Federal – Flow Through	236,701	261,346	24,645	10.41%
Federal – High Cost Special Ed. Aid	20,000	20,000	---	---
State – High Cost Special Ed. Aid	75,000	75,000	---	---
State – Aid	529,675	590,070	60,395	11.40%
State Aid Trans. Through CESA	12,000	12,000	---	---
Transfer from Fund 10	1,934,839	1,754,374	(180,465)	(9.33%)
Other	300	300	---	---
<b>Total Revenue</b>	<b>2,808,515</b>	<b>2,713,090</b>	<b>(95,425)</b>	<b>(3.40%)</b>
<b>Fund 27 Expenses</b>				
Personnel Costs	2,073,201	2,149,167	75,966	3.66%
Pupil Transportation	288,000	215,000	(73,000)	(25.35%)
CESA Costs	70,000	96,000	26,000	37.14%
Purchased Services	321,621	211,965	(109,656)	(34.09%)
Consumable Materials	28,082	20,463	(7,619)	(27.13%)
Capital Objects	3,978	---	(3,978)	(100.00%)
Transfer to Fund 10 (Indirect Cost)	18,133	14,700	(3,433)	(18.93%)
Other	5,500	5,795	295	5.36%
<b>Total Expenses</b>	<b>2,808,515</b>	<b>2,713,090</b>	<b>(95,425)</b>	<b>(3.40%)</b>
Rev-Exp	----	----	----	----
Beg. Fund Balance	----	----	----	----
End. Fund Balance	----	----	----	----

**Revenue Notes:**

- Flow-Through grant updated
- Aid amounts updated based on DPI certification
- High cost aids updated based on estimation
- Fund 10 Transfer decreased as a result of increased Fund 27 revenue and decreased Fund 27 expense

**Expenditure Notes:**

- Personnel changes include:
  - 2.44% base wage increase for teacher group
  - \$17,500 in supplemental wage increases approved for four teachers
  - 2.44% increase for all other staff (admin., superv./confide., support staff, custodians)
  - 5% Health Insurance increase (Reminder: 2.5% approved last December)
  - No increases for dental, STD, LTD, and vision budgeted
  - 1.0 FTE increase for a new teacher position which is included in staffing information on prior page (cost offset by decrease in DSAW expense)
  - 0.875 FTE Special Ed Assistant added in late fall to accommodate student needs
- Transportation budget updated to reflect trend
- CESA costs updated to reflect 2019-20 contract and needs
- Purchased services decreased as a result of discontinuation of DSAW program

**Non-Referendum Debt Service – Fund 38**

**Purpose of Fund:** The purpose of the debt service Fund 38 is to repay prior debts borrowed without the authority of an approved referendum. These debts are funded by a tax levy that falls within the revenue limit. Increases/decreases to the payment schedule can impact the Fund 10 levy (if no exception to the revenue limit is applicable). There are currently four debts being paid out of Fund 38 in 2019-20.

- 2010 QSCB (replaced 2010 BAN): \$1,510,000 (Building Renovations: Library, Community Room, ASC)
- 2013 GO Prom. Notes: \$1,975,000 (Parking Lot, Storm water System, Building Remodel)
- 2014 GO Prom. Notes: \$3,665,000 (Energy Efficiency Project – Windows and Wall Pack Lighting)
- 2016 Go Refunding Bonds: \$1,715,000 (Refinanced Bond Issuance and two state trust fund loans related to WRS liability payoff and pool dehumidification project)

<b>Fund 38 Revenue</b>	<b>2018-19</b>	<b>2019-20</b>	<b>\$ Change</b>	<b>% Change</b>
Tax Levy (Existing Debts)	914,497	1,018,071	103,574	11.33%
QSCB Refund	61,153	91,728*	30,575	50.00%
<b>Total Revenue</b>	<b>975,650</b>	<b>1,109,799</b>	<b>134,149</b>	<b>13.75%</b>
<b>Fund 38 Expenses</b>				
Principal Payments	695,000	805,000	110,000	15.83%
Sinking Fund Contribution**	135,000	130,000	(5,000)	(3.70%)
Interest Payments	157,856	143,443	(14,413)	(9.13%)
Paying Agent Fees	---	2,150	2,150	100.00%
<b>Total Contribution/Expense</b>	<b>987,856</b>	<b>1,080,593</b>	<b>92,737</b>	<b>9.39%</b>
Rev-Exp	122,794	159,206	36,412	29.65%
Beg. Fund Balance	593,296	716,090	122,794	20.70%
End. Fund Balance	716,090	875,296	159,206	22.23%

*\*Note: Late payment from Department of Treasury not realized during 2018-19. Revenue recognized during 2019-20 school year. Table above reflects adjusted amount.*

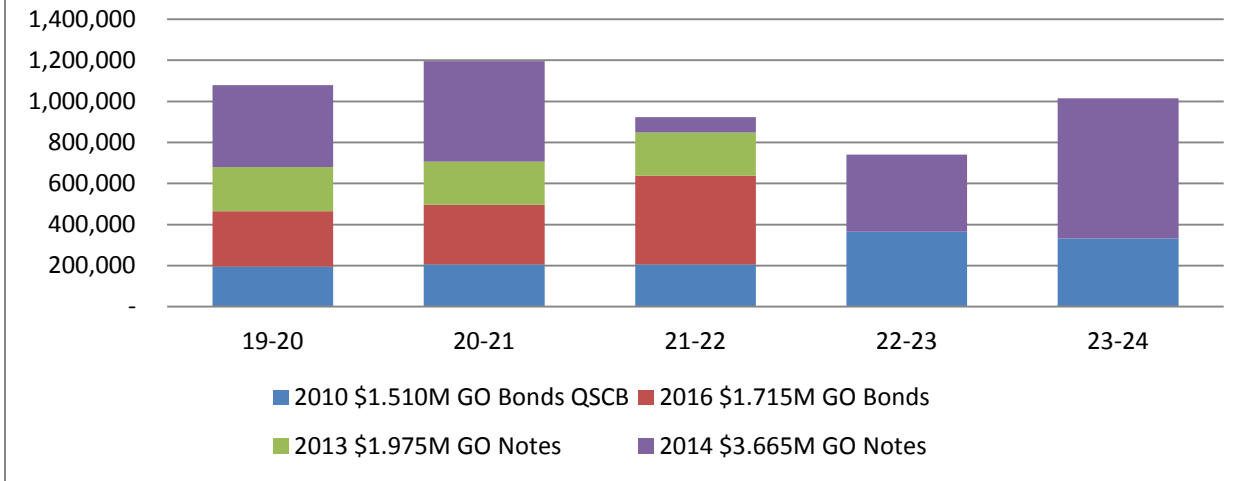
*\*\*Note: The sinking fund contribution does not represent an expense and thus does not decrease Fund 38 fund balance. This sinking fund will make a full payment for the entire principal outstanding when the debt expires in 2024.*

Shown below is a table that demonstrates principal/interest payments and sinking fund contributions left on four existing debt obligations. A portion of this expense is offset by a QSCB reimbursement from the Federal government. The QSCB reimbursement allows the district to decrease the Fund 38 tax levy associated with this expense. The numbers below represent the amounts that will be utilized during budget preparation.

<b>Fund 38 Debt Payments</b>	
2019-20	1,078,443
2020-21	1,195,001
2021-22	922,691
2022-23	739,853
2023-24	1,014,171
2024-25	---
<b>Total Debt Payments</b>	<b>4,950,159</b>



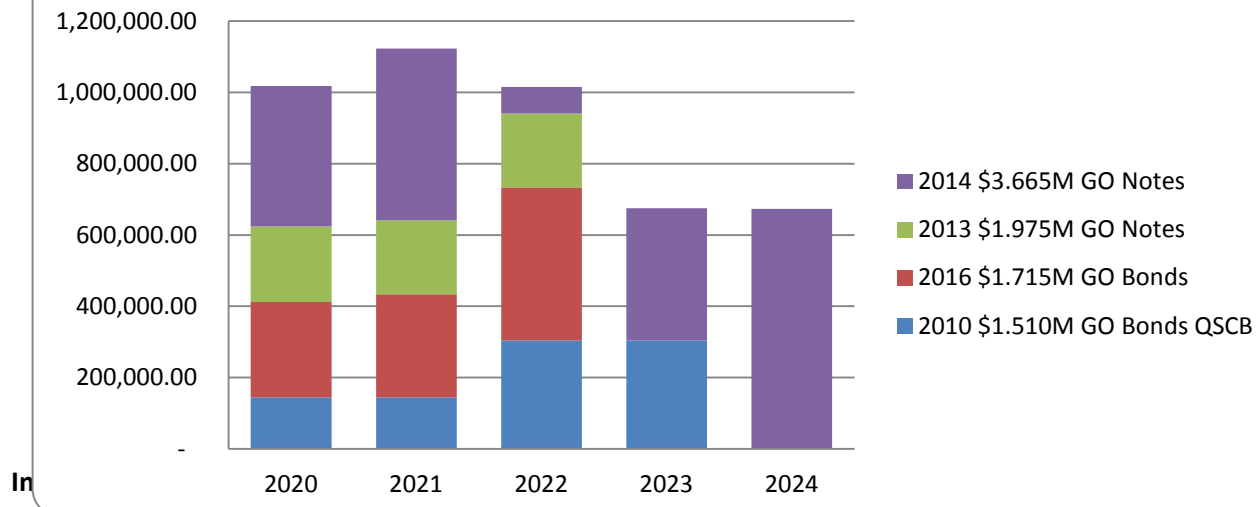
## Fund 38 Principal and Interest Payment Schedule



The following table demonstrates the tax levy associated with Fund 38 for the next five years. The levy is associated with a calendar year, while the budget (above) reflects the fiscal year.

Fund 38 Tax Levy	
2019-20	1,018,071
2020-21	1,122,695
2021-22	1,015,121
2022-23	674,764
2023-24	673,146

## Fund 38 Non-Referendum Debt Service Tax Levy



Payment for non-referendum debt typically has a direct impact on the Fund 10 operational levy (i.e. more debt = less funds for operations). This is true for three of the District’s four outstanding debts.

The District has one outstanding debt (2014 GO Prom. Notes: \$3,665,000) that originated as an energy efficiency project. As a result of that distinction, the District is able to exceed the revenue cap through an energy efficiency exemption for a majority of the annual obligation. This means that this specific debt’s payment schedule increasing/decreasing has no impact on operational expenses; rather, it has a direct impact only on the District’s tax levy. As payments increase, the District raises property taxes and if payments drop, the District reduces the levy to cover the debt obligation.

**Long-Term Capital Improvements Trust – Fund 46**

**Purpose of Fund:** Nicolet currently has an approved long-term (minimum of 10 years) capital improvement plan. As a result, the district was able to establish a “trust” with the intention of pre-funding capital improvement projects to occur in the future.

<b>Fund 46 Revenue</b>	<b>2018-19</b>	<b>2019-20</b>	<b>\$ Change</b>	<b>% Change</b>
Fund 10 Transfer	---	---	---	---
Interest Earnings	2,000	2,000	---	---
<b>Total Revenue</b>	<b>2,000</b>	<b>2,000</b>	<b>---</b>	<b>---</b>
<b>Fund 46 Expenses</b>				
N/A	---	---	---	---
<b>Total Expenses</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
Rev-Exp	---	---	---	---
Beg. Fund Balance	164,425	166,425	2,000	1.22%
End. Fund Balance	166,425	168,425	2,000	1.20%

**Fund Notes**

- The district cannot spend out of this account until the 2020-21 school year (5 year minimum from when the account was established).
- The district did not contribute to this fund during the 2017-18 or 2018-19 fiscal years due to budgetary constraints.
- If the District realizes a surplus during the 2019-20 school year, contributing to this fund is a potential solution for excess funds.

**Financed Capital Projects – Fund 49**

**Purpose of Fund:** The purpose of the capital projects fund is to account for non-referendum and referendum approved remodeling/maintenance projects. Beginning in 2019-20, Nicolet is utilizing Fund 49 to house revenues and expenses related to the athletic fields renovation project.

<b>Fund 49 Revenue</b>	<b>2018-19</b>	<b>2019-20</b>	<b>\$ Change</b>	<b>% Change</b>
Upper Fields Property Sale	3,786,136	---	(3,786,136)	(100.00%)
Investment Income	40,000	65,000	25,000	62.50%
<b>Total Revenue</b>	<b>3,826,136</b>	<b>65,000</b>	<b>(3,761,136)</b>	<b>(98.30%)</b>
<b>Fund 49 Expenses</b>				
Payment for Mas. Park Pavillion	920,000	---	(920,000)	(100.00%)
Roofing Project	308,259	---	(308,259)	(100.00%)
Design Costs	---	15,000	15,000	100.00%
Fundraising Expense	---	97,900	97,900	100.00%
<b>Total Expenses</b>	<b>1,228,259</b>	<b>112,900</b>	<b>(1,115,359)</b>	<b>(90.81%)</b>
Rev-Exp	2,597,877	(47,900)	(2,645,777)	(101.84%)
Beg. Fund Balance	618,906	3,216,783	2,597,877	419.75%
End. Fund Balance	3,216,783	3,168,883	(47,900)	(1.49%)

**Revenue/Expenditure Notes:**

- The District utilizes Fund 49 to record revenue related to the sale of the upper fields and to make payments related to the athletic fields project.
  - Fund 49 was utilized for a roofing project during 2018-19; however is solely being used for the athletics fields project at this time
- The District continues to fundraise in an effort to begin the athletic redevelopment project
  - The District hired a fundraising firm (McDonald Schaefer) in August of 2019 to begin the fundraising process
  - The fundraising team continues to make progress towards its stated \$10.5M fundraising goal
- The District continues to work with Rettler Corporation for design work related to the project
- The current revenue/expenditure budget reflects the unknown nature of fundraising and expenses

### Food Service – Fund 50

**Purpose of Fund:** The purpose of the food service fund is to account for the district food service program. The district operates a self-run food service program (versus contracting with a management company). The District also provides catering/lunch service for Whitefish Bay Middle School, Whitefish Bay High School, and Whitefish Bay Dominican.

<b>Fund 50 Revenue</b>	<b>2018-19</b>	<b>2019-20</b>	<b>\$ Change</b>	<b>% Change</b>
Pupil Sales - Nicolet	550,000	535,000	(15,000)	(2.73%)
Adult Sales – Nicolet	7,000	7,000	---	---
Milk Aid	10,000	10,000	---	---
Concession Sales	23,000	---	(23,000)	(100.00%)
Vending	37,000	37,000	---	---
Pupil Sales – Whitefish Bay	161,000	170,000	9,000	5.59%
Pupil Sales – St. Monica	106,000	---	(106,000)	(100.00%)
Pupil Sales – Dominican	131,000	131,000	---	---
<b>Total Revenue</b>	<b>1,025,000</b>	<b>890,000</b>	<b>(135,000)</b>	<b>(13.17%)</b>
<b>Fund 50 Expenses</b>				
Personnel Costs	625,708	525,444	(100,264)	(16.02%)
Purchased Services	29,375	21,000	(8,375)	(28.51%)
Food Costs	340,403	300,000	(40,403)	(11.87%)
Consumables	27,700	29,000	1,300	4.69%
Capital Objects	43,786	---	(43,786)	(100.00%)
Other	1,900	2,000	100	5.26%
<b>Total Expenses</b>	<b>1,068,872</b>	<b>877,444</b>	<b>(191,428)</b>	<b>(17.91%)</b>
Rev-Exp	(43,872)	12,556	56,428	100.00%
Beg. Fund Balance	241,363	197,491	(43,872)	(18.18%)
End. Fund Balance	197,491	210,047	12,556	6.36%

#### Revenue/Expenditure Notes

- Both revenue and expense are decreased due to St. Monica exiting the program
- All costs are adjusted due to operating a smaller program
- The District utilized a portion of the profit from 2017-18 to purchase a truck in 2018-19. The cost of truck is removed from the 2019-20 budget.
- The District provided a 2.44% wage increase to all food service employees

### Employee Benefit Trust – Fund 73

**Purpose of Fund:** This fund is used to pre-fund retirement health, dental, and life insurance benefits for staff eligible for a retirement benefit. Employees (most) hired prior to July 1, 2012 are eligible for some type of post-retirement insurance benefit. Most staff hired after July 1, 2012 are eligible for an actively funded benefit during employment.

The District makes an annual contribution to the fund in June. The contribution is an expense within our General and Special Education Funds. Also in June, the District expense related to retiree benefits is reimbursed from the fund. The difference (contribution less expenses) currently results in an increase to the balance within the trust. The funds held in the trust are invested and earns gains/interest on the various investments. The District continues to put in more than it takes out in an attempt to fully fund the post-retirement benefits due.

Fund 73 Revenue	2018-19	2019-20	\$ Change	% Change
Investment Earnings	75,000	65,000	(10,000)	(13.33%)
Trust Contribution	515,711	455,209	(60,502)	(11.73%)
Retiree’s Contribution	22,000	50,000	28,000	127.27%
Unrealized Gains	150,000	115,000	(35,000)	(23.33%)
<b>Total Revenue</b>	<b>762,711</b>	<b>685,209</b>	<b>(77,502)</b>	<b>(10.16%)</b>
<b>Fund 73 Expenses</b>				
Retiree Benefit Expenses	290,000	406,593	116,593	40.20%
Implicit Rate Subsidy	47,199	65,575	18,376	38.93%
Investment Expenses	20,000	20,000	---	---
<b>Total Expenses</b>	<b>357,199</b>	<b>492,168</b>	<b>134,969</b>	<b>37.79%</b>
Rev-Exp	405,512	193,041	(212,471)	(52.40%)
Beg. Fund Balance	3,113,031	3,518,543	405,512	13.03%
End. Fund Balance	3,518,543	3,711,584	193,041	5.49%

#### Revenue/Expenditure Notes

- An actuarial study was completed during the 2018-19 school year
  - The actuarial determined contribution (ADC) decreased from \$515,711 to \$455,206
    - By making the annual contribution the District receives special education aid for contributions made on behalf of special education teachers
  - Contributions to this fund will continue to decrease as it gets closer to being fully funded
    - As the contribution diminishes, there are more funds to be spent operationally
- Retiree benefit expenses rose to align with the retiree benefit schedule

**Community Services Fund – Fund 80**

**Purpose of Fund:** The Nicolet School District recreation department is the sole department housed within Fund 80. The recreation department runs a number of community based programs and has five employees (4.2 FTE) working administratively. All expenses are funded via participation fees, District tax levy, gifts, and advertising revenue.

<b>Fund 80 Revenue</b>	<b>2018-19</b>	<b>2019-20</b>	<b>\$ Change</b>	<b>% Change</b>
Tax Levy	255,455	255,455	---	---
Fees	615,000	625,000	10,000	1.63%
Gifts	1,400	900	(500)	(35.71%)
Summer Camp	51,000	43,000	(8,000)	(15.69%)
Softball	15,000	---	(15,000)	(100.00%)
WPRA Ticket Revenue	3,500	1,200	(2,300)	(65.71%)
Advertising	8,000	9,500	1,500	18.75%
<b>Total Revenue</b>	<b>949,355</b>	<b>935,055</b>	<b>(14,300)</b>	<b>(1.51%)</b>
<b>Fund 80 Expenses</b>				
General Programming	495,006	478,350	(16,656)	(3.36%)
Recreation Administration	395,637	420,538	24,901	6.29%
After Hours Supervision	34,284	28,580	(5,704)	(16.64%)
Summer Camp	37,395	37,395	---	---
Softball	17,328	---	(17,328)	(100.00%)
WPRA Tickets	3,500	1,125	(2,375)	(67.86%)
<b>Total Expenses</b>	<b>983,150</b>	<b>965,988</b>	<b>(17,162)</b>	<b>(1.75%)</b>
Rev-Exp	(33,795)	(30,933)	2,862	(8.47%)
Beg. Fund Balance	115,306	81,511	(33,795)	(29.31%)
End. Fund Balance	81,511	50,578	(30,933)	(37.95%)

**Revenue/Expenditure Notes**

- Tax levy is being held constant from 2018-19 to 2019-20 (\$255,455)
- Budget is planned as a deficit to continue to reduce fund balance in community services fund
  - Wisconsin DPI encourages Districts to carry a small fund balance within Fund 80
  - Beginning with 2020-21, the District will need address the annual planned deficit
- Personnel changes include:
  - 2.44% base wage increase for all staff
  - 5% Health Insurance increase (Reminder: 2.5% approved last December)
  - No increases for dental, STD, LTD, and vision budgeted
  - Administrative assistant position converted to a recreation supervisor role
- Softball revenue/expense moved to general programming
- Summer Camp, WPRA Tickets, gifts, fees, and advertising aligned to trend

**Transportation Cooperative Fund – Fund 97**

**Purpose of Fund:** This cooperative fund houses revenue and expenses related to private school transportation. Participants of the cooperative include Maple Dale/Indian Hill School District, Glendale/River Hills School District, and Fox Point/Bayside School District. All Districts in the cooperative are required to provide transportation for resident students (4K-12) who attend private school within five miles of the Nicolet boundaries. Nicolet acts as the fiscal agent for this cooperative.

As fiscal agent, the District pays all private transportation costs (Riteway bus bill and/or parent contracts) and invoices the participating Districts for their portion. The Fund 10 transfer amount shown below represents the budgeted Fund 10 expense for private school transportation.

<b>Fund 97 Revenue</b>	<b>2018-19</b>	<b>2019-20</b>	<b>\$ Change</b>	<b>% Change</b>
Fund 10 Transfer	116,315	96,530	(19,785)	(17.01%)
Payment from Coop Districts	373,426	365,780	(7,646)	(2.05%)
<b>Total Revenue</b>	<b>489,738</b>	<b>462,310</b>	<b>(27,428)</b>	<b>(5.60%)</b>
<b>Fund 97 Expenses</b>				
Pupil Transportation – Bus	463,068	435,000	(28,068)	(6.06%)
Pupil Transportation – Parent Contracts	26,670	27,310	640	2.40%
<b>Total Expenses</b>	<b>489,738</b>	<b>462,310</b>	<b>(27,428)</b>	<b>(5.60%)</b>
Rev-Exp	---	---	---	---
Beg. Fund Balance	---	---	---	---
End. Fund Balance	---	---	---	---

**Revenue/Expenditure Notes:**

- This fund cannot carry a fund balance (revenues must match expenses)
- The Nicolet portion of expense is funded via a Fund 10 transfer (Fund 10 expense)