



NICOLET

HIGH SCHOOL

2019-20 Preliminary Budget

PREPARED BY DIRECTOR OF BUSINESS SERVICES, JEFF PRUEFER

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

MONDAY JUNE 17, 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 Union High School District. It is imperative 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 to 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 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 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, shifts 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 director of business services builds a preliminary budget for approval at the June Board meeting. If approved, that budget will be presented to the community at the annual meeting in August. The budget will then be updated in October based on changes to items such as membership (enrollment), identification of voucher students, certification of equalized values and final state aid allocation. The Board of Education will adopt a final version of the budget and set the tax levy at the October Board meeting.

Executive Summary

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

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

Enrollment (Students Attending Nicolet High School)

Student enrollment is one of the key components tied to district revenues. It is also an important factor in determining appropriate staffing levels within district buildings for planning purposes. The most recent four years of historical data, as well as the projected September 2019 student count are shown below.

Grade	2015-16	2016-17	2017-18	2018-19	2019-20 (Proj)
9	296	244	260	280	286
10	284	310	253	270	277
11	248	285	311	246	278
12	287	250	280	295	248
Total	1,115	1,089	1,104	1,091	1,089

Source: Wisconsin DPI PEM Database (15-16) and September Student Count Data (16-17, 17-18, 18-19)

Membership (Student FTE Calculation)

Enrollment is converted to membership or FTE. FTE is what is used to calculate the amount of revenue the district can receive from its two primary funding sources (property taxes and state aid). In order to calculate FTE, enrollment (listed below and used for revenue limit purposes) 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.

Historical FTE numbers, as it relates to the revenue cap calculation, are shown below:

Year	Student FTE
2015-16	1,094
2016-17	1,057
2017-18	1,087
2018-19 (Updated in Spring, '19)	1,059
2019-20 (Projected)	1,055

These student FTE counts are then averaged over a three-year period. That average provides a total FTE for revenue limit purposes. The historical average (three year avg.) for the last three years, as well as a projection for next school year, is illustrated below:

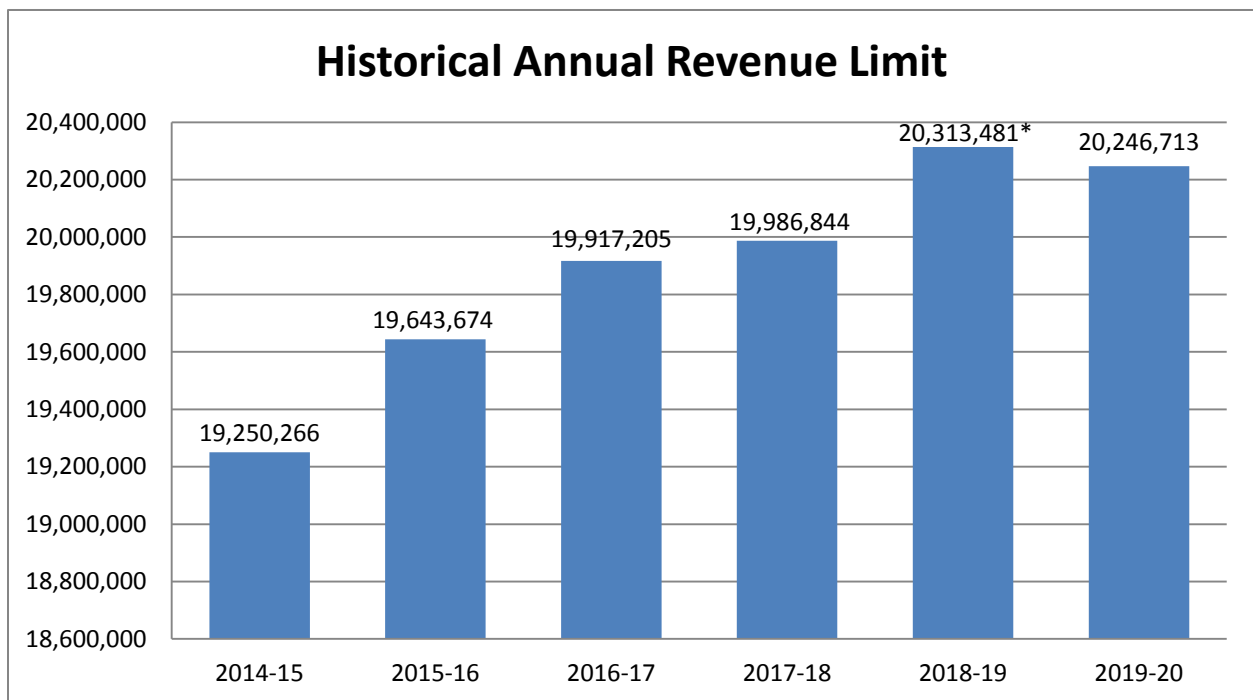
Three Year Average	
Year	Student FTE
2015-16	1,083
2016-17	1,081
2017-18	1,079
2018-19 (Updated in Spring '19)	1,068
2019-20 (Projected)	1,067

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). 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

Source: Baird Model

Revenue Limit Changes

The 2019-21 State budget proposal currently recommends an increase (\$175/pupil) that will provide an additional \$186,725 in revenue limit authority. Unfortunately, the additional authority is being negated by other factors driving down our revenue cap. The primary factors affecting our 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 \$338k in cap authority in 2018-19 that is now removed. The District is projecting that despite the increase per pupil, revenue limit authority for Nicolet will decrease by approximately \$67k for the 2019-20 school year. This projection is dependent on student enrollment.

State Equalization and Integration (220) Aid

In 2019-20, the district is projected to receive a slight increase in equalization and integration aid. The proposed budget estimates an increase from \$1,040,907 (18-19) to \$1,087,041 (19-20). This is an increase of 4.43% over the prior fiscal year. The increase primarily relates to an increase in 220 enrollment from 37 (17-18) to 41 (18-19) students. Aid is based on information from the prior year.

The district has not yet received the state equalization aid estimate from DPI. The aid estimate is released on July 1st each year. The district's financial projection model will be updated as information becomes available. *Note: The current estimate for equalization aid is based off of a projection from our Baird forecasting model.*

Open Enrollment/Tuition Waivers/Alternative Applications

The District is projecting a similar level of enrollment for open enrollment students given the limited amount of seats approved at the January Board meeting. Funding for open enrollment changes on an annual basis. The transfer rate for 2018-19 is \$7,379 for regular education and \$12,431 for students with disabilities. The District is projecting those rates at \$7,479 and \$12,431 for 2019-20, respectively. The net financial impact related to open enrollment will be minimal (less than \$15k) from 2018-19 to 2019-20.

Tax Levy

The total 2019-20 district tax levy is projected to slightly decrease from the 2018-19 levy. Two years of historical information and the projected tax levy for the 2019-20 school year are shown below.

PROPOSED PROPERTY TAX LEVY			
Fund	Audited 2017-18	Unaudited 2018-19	Proposed 2019-20
General Fund (Fund 10)	17,990,955	18,015,581	17,781,370
Non-Ref Debt (Fund 38)	853,778	914,497	1,018,069
Comm. Svc. (Fund 80)	255,455	255,455	255,455
Total School Levy	19,100,188	19,185,533	19,054,894
% In/Decrease from prior year	1.08%	0.45%	(0.68%)

The 2019-20 tax base is estimated to increase to \$4,123,593,559 or \$40,827,659 higher than 2018-19 (\$4,082,765,900). This change equates to a 1.00% increase (this will be updated as this amount becomes available – late summer). The 2019-20 mill rate (tax levy/tax base) is estimated to decrease to \$4.62 which is \$0.08 lower than 2018-19. This change equates to a 1.66% decrease in mill rate. The school tax on a \$250,000 home is estimated to decrease from \$1,175 to \$1,155 or \$20 lower (assuming home had assessment change of 0%). An illustration of the shift in mill rate for the past two years and well as a projection for next year is listed below.

Proposed Mill Rate			
	Audited 2017-18	Unaudited 2018-19	Proposed 2019-20
Mill Rate*	\$4.74	\$4.70	\$4.62
Percentage Decrease	(1.07%)	(0.85%)	(1.66%)

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

Total Expenditures

A summary of district expenditures showing two years of historical information and the proposed 2019-20 budget is shown below. Fund 60 (Student Activities Fund) and Fund 73 (OPEB Trust) are not included in the total expense numbers shown below.

Total Expenditures and Other Financing Uses

ALL FUNDS	Audited 2017-18	Unaudited 2018-19	Budget 2019-20
GROSS TOTAL EXPENDITURES -- ALL FUNDS	27,602,438.30	28,300,941.07	26,760,472.22
Interfund Transfers (Source 100) - ALL FUNDS	1,915,029.22	2,069,286.71	1,991,630.34
Refinancing Expenditures (FUND 30)	23,108.33	0.00	0.00
NET TOTAL EXPENDITURES -- ALL FUNDS	25,664,300.75	26,231,654.36	24,768,841.88
PERCENTAGE INCREASE – NET TOTAL FUND EXPENDITURES FROM PRIOR YEAR	---	2.21%	-5.58%

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.

Fund 10 Revenue	2018-19	2019-20	\$ Change	% Change
Property Taxes	18,015,581	17,781,371	(234,210)	(1.30%)
Student Fees	422,962	415,053	(7,909)	(1.87%)
Co-Curricular Admission Fees	46,250	46,250	---	---
Interest Earnings	10,000	33,531	23,531	235.31%
Facility Rental	56,000	60,000	4,000	7.14%
WIAA Reimbursement	6,125	6,125	---	---
Open Enrollment	167,390	157,059	(10,331)	(6.17%)
Interdistrict Payments for Services	245,411	171,880	(73,531)	(29.96%)
Interdistrict Payment for Athletics	5,800	5,800	---	---
220 Transportation Reimb.	90,710	90,710	---	---
Tuition Revenue	10,000	10,000	---	---
Transportation Aid	30,000	30,000	---	---
Library Aid	55,989	55,100	(889)	(1.59%)
Integration Aid (220)	662,572	735,380	72,808	10.99%
State Equalization Aid	378,335	351,661	(26,674)	(7.05%)
Personal Computing Grant	---	30,000	30,000	100.00%
Educator Effectiveness Grant	---	7,600	7,600	100.00%
Tax Exempt Computer/Prop Aid	361,624	361,624	---	---
Per Pupil Categorical Aid	697,818	724,493	26,675	3.82%
Carl Perkins	14,909	15,000	91	0.61%
Title I-A	84,325	87,037	2,712	3.22%
Title II-A	24,700	24,700	---	---
Title III-A	1,926	3,749	1,823	94.65%
Title IV-A	10,000	10,000	---	---
Worker's Compensation Dividend	---	25,000	25,000	100.00%
Refund of Prior Yr Expense	15,000	15,000	---	---
Other	200	200	---	---
Transfer from Fund 27	---	18,141	18,141	100.00%
Total Revenue	21,413,627	21,272,464	(141,163)	(0.66%)

Revenue Notes:

- Revenue cap decrease is estimated based on projected 1.0 FTE decrease in three year average (0.09% decrease) and a \$175/student increase
- Fund 10 property taxes projected to be slightly less due to decreased revenue cap and increased integration aid
- Student fees decreased slightly per trend
- Budgeted interest earnings tripled to reflect new savings/investment strategy (conservative)
- Facility rental revenue increased per trend
- Open Enrollment (O.E.) slightly decreased per enrollment projection
- Inter-district payments decreased to reflect conclusion of shared services agreement for District Administrator with Fox Point/Bayside School District

- Integration Aid increased per projection (primarily caused by slight increase in the # of students: 37 to 41 students)
- Equalization Aid
 - State equalization aid estimate has not yet been released
 - Aid will be adjusted when the estimate is released on July 1, 2019
 - Current projection is based on the Baird Financial Model
- Personal computing grant included in budget (\$125/student)
- Educator Effectiveness Grant included in budget
- Categorical Aid projected to increase from \$654/FTE to \$679/FTE (\$25 increase) per current state budget proposal
- Title grants to be updated this fall
- Worker's Compensation dividend budgeted per contract
- District budgeting for Indirect Costs being included in special education Federal Flow-Through Grant

Fund 10 Expenses	2018-19	2019-20	\$ Change	% Change
Personnel Costs	14,145,861	14,216,995	71,134	0.50%
Department Budgets	402,518	299,653	(102,865)	(25.56%)
High School Administration	95,031	126,731	31,700	33.36%
General Supplies/Paper/Discretionary	51,022	---	(51,022)	(100.00%)
Pupil Transportation	976,904	879,876	(97,028)	(9.93%)
Athletics/Activities	387,184	447,011	59,827	15.45%
Library	73,793	67,598	(6,195)	(8.40%)
Information Technology	619,099	578,590	(40,509)	(6.54%)
Teaching and Learning Budget	204,145	190,000	(14,145)	(6.93%)
Business Office	186,447	189,450	3,003	1.61%
Open Enrollment	187,200	184,448	(2,752)	(1.47%)
Property/Liab./Work. Comp. Insurance	230,000	239,018	9,018	3.92%
Student Services Department	85,721	84,821	(900)	(1.05%)
Special Education Transfer	1,934,839	1,857,174	(77,665)	(4.01%)
Utilities	493,600	493,600	---	---
District Administration Budget	326,093	406,200	80,107	24.57%
Community Relations	94,800	94,800	---	---
Staff Services	16,650	16,650	---	---
Building and Grounds	726,125	630,895	(95,230)	(13.11%)
Voucher Expense	66,862	66,862	---	---
Youth Options (DEA, GPS, CESA HS, UW Sys)	98,030	144,792	46,762	47.70%
Title Grants (Non-personnel)	34,700	34,700	---	---
Carl Perkins	14,909	15,000	91	0.61%
Ed. Effectiveness Grant	---	7,600	7,600	100.00%
Total Expenses	21,451,533	21,272,464	(179,069)	(0.83%)
Rev-Exp	(37,906)	---	(37,906)	(100.00%)
Beg FB	6,421,853	6,383,947	(37,906)	(0.59%)
End FB	6,383,947	6,383,947	---	---

Expenditure Notes

- Personnel budget includes:
 - 2.44% base wage increase for teacher group
 - \$15,000 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 significantly reduced after winter 2018 budget meetings
- HS Administration budget increased due to the paper and supply budgets being absorbed (\$17,500 savings)
- Pupil transportation updated to align with actual costs (budget will be updated prior to October certification after routing is complete)
- Athletics/Activities budget increased to account for travel and rental expenses for displaced activities

- Library, Information Technology, Teaching and Learning, and Business Office budgets refined to locate cost savings
- Open Enrollment updated per enrollment projection
- 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
- Post-Secondary options, GPS, and DEA enrollment programs approved by Board (Budgeted for 19-20 but current cost unknown)
- Educator Effectiveness grant budgeted in 2019-20

Overall Considerations

Listed below are items to consider when analyzing this budget draft

- Long-range projection (Spring, '19 presentation) anticipated deficit budget for 2019-20 (4th year of operational referendum)
 - Budget is balanced for the 2019-20 school year
 - If needs arise in summer the District has flexibility to trend towards long-range projection versus balanced budget
- Salaries/Benefits are settled for 2019-20
- Health insurance renewal will occur 1/1/20 (5% increase budgeted – 2.5% increase already realized)
- Revenue will adjust with FTE determination in fall
 - State equalization aid/property tax budgets will be revised in October
 - Overall taxable property value will change with expected Glendale TIF closure (this will affect mill rate in fall) – Projected mill rate does not include closure of TIF
- 2019-21 State budget not finalized
 - Significant changes to the proposal (\$175 increase to revenue limit and \$25 increase to per pupil categorical aid) would shift current budget
 - Administration will monitor state budget developments over the summer and into fall

Staffing Information

Department	2019-20
Administration (Fund 10)	6.00 FTE
Administration (Fund 27)	1.00 FTE
Teaching Staff (Fund 10)	75.17 FTE*
Teaching Staff (Fund 27)	15.03 FTE
Confidential/Supervisory (Fund 10)	9.71 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)	15.37 FTE
Support Staff (Fund 10)	18.13 FTE
Support Staff (Fund 27)	9.00 FTE
Support Staff (Fund 80)	1.00 FTE
Food Service (Fund 50)	14.38 FTE
Total	169.28 FTE

**This total includes 0.4 FTE billed to Glendale/River Hills for a 1.2 FTE German Teacher*

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

***This total includes 0.4 FTE 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.

Fund 21 Revenue	2018-19	2019-20	\$ Change	% Change
Fees/Fundraising/Gifts	90,000	90,000	---	---
Total Revenue	90,000	90,000	---	---
Fund 21 Expenses				
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	---	---	---	---
Total Expenses	236,430	90,000	(146,430)	(61.93%)
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 planned deficit related to the Gym 2 Floor capital project (Expense removed for 2019-20)

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.

Fund 27 Revenue	2018-19	2019-20	\$ Change	% Change
Federal – Flow Through	236,701	250,000	13,299	5.62%
Federal – High Cost Special Ed. Aid	20,000	20,000	---	---
State – High Cost Special Ed. Aid	75,000	75,000	---	---
State – Aid	529,675	575,000	45,325	8.56%
State Aid Trans. Through CESA	12,000	12,000	---	---
Transfer from Fund 10	1,934,839	1,857,174	(77,665)	(4.01%)
Other	300	300	---	---
Total Revenue	2,808,515	2,789,474	(19,041)	(0.68%)
Fund 27 Expenses				
Personnel Costs	2,061,444	2,244,183	182,739	8.86%
Pupil Transportation	288,000	215,000	(73,000)	(25.35%)
CESA Costs	73,506	89,507	16,000	21.77%
Purchased Services	336,587	153,150	(183,437)	(54.50%)
Consumable Materials	42,478	63,193	20,715	48.77%
Capital Objects	5,000	5,000	---	---
Transfer to Fund 10 (Indirect Cost)	---	18,141	18,141	100.00%
Other	1,500	1,300	(200)	(13.33%)
Total Expenses	2,808,515	2,789,474	(19,041)	(0.68%)
Rev-Exp	----	----	----	----
Beg. Fund Balance	----	----	----	----
End. Fund Balance	----	----	----	----

Revenue Notes:

- Flow-Through grant updated based on trend (will be updated in fall)
- All aid amounts represent an estimation (will be updated in fall)
- High cost aids will be reviewed over summer once final 2018-19 claims are known (will be updated in fall)
- Fund 10 Transfer slightly 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 (administration, supervisory/confidential, 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 (offset by decrease in DSAW expense)
- Transportation budget updated to reflect trend (will be reviewed over summer/fall)
- CESA costs updated to reflect trend

- Purchased services decreased as a result of discontinuation of DSAW program
- Grant budgets not available at the time of this draft but updated based on assumptions
- Introduction of Indirect Costs being allocated to Federal grant
- Consumables increased within grant (will be updated in fall)

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)

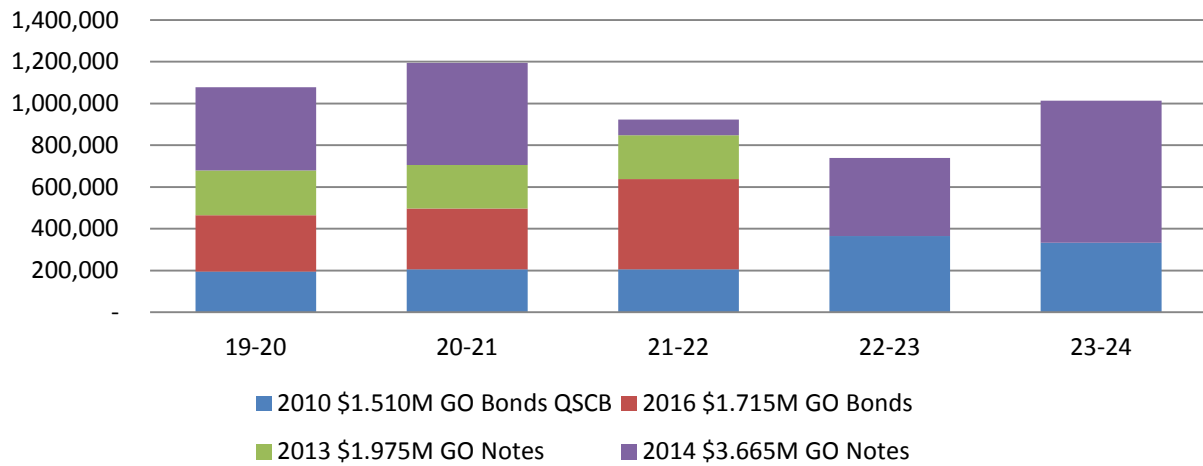
Fund 38 Revenue	2018-19	2019-20	\$ Change	% Change
Tax Levy (Existing Debts)	914,498	1,018,071	103,573	11.33%
QSCB Refund	61,152	61,152	---	---
Total Revenue	975,650	1,079,223	103,573	10.62%
Fund 38 Expenses				
Principal Payments	695,000	805,000	110,000	15.83%
Sinking Fund Contribution*	135,000	130,000	(5,000)	(3.70%)
Interest Payments	157,854	143,443	(14,411)	(9.13%)
Total Expenses	987,854	1,078,443	90,588	9.17%
Rev-Exp	(12,206)	780	12,986	100.00%
Beg. Fund Balance	593,296	716,090	122,794	20.70%
End. Fund Balance*	716,090	846,870	130,780	18.26%

**Note: An “expense” related to our debt is placed into a sinking fund. This sinking fund will make a full payment for the entire principal outstanding when the debt expires in 2024. This is the reason why fund balance is growing despite “expenses” exceeding revenue.*

Shown below is a table that demonstrates the principal and interest payments left on our 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 are the amounts that will be utilized during budget preparation.

Fund 38 Debt Payments	
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	---
Total Debt Payments	4,950,159

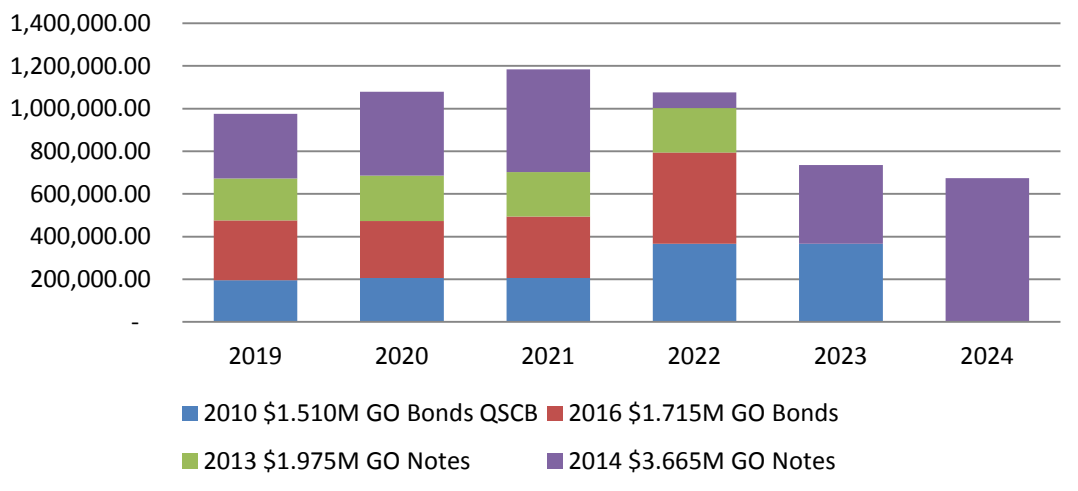
Fund 38 Principal and Interest Payment Schedule



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	735,916
2023-24	673,146

Fund 38 Non-Referendum Debt Service Levy



Impact of Fluctuating Revenue for Debt Obligations

As mentioned in the preceding paragraph, payments for non-referendum debt typically have 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 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 on the District’s tax levy. As payments increase, the District raises property taxes and if payments drop, the District reduces the levy. The District will see a sharp increase in the funds available for operations in the 2022-23 school year if all other variables are held constant.

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.

Fund 46 Revenue	2018-19	2019-20	\$ Change	% Change
Fund 10 Transfer	---	---	---	---
Interest Earnings	2,000	---	(2,000)	(100.00%)
Total Revenue	2,000	---	(2,000)	(100.00%)
Fund 46 Expenses				
N/A	---	---	---	---
Total Expenses	---	---	---	---
Rev-Exp	---	---	---	---
Beg. Fund Balance	164,425	166,425	2,000	100.00%
End. Fund Balance	166,425	166,425	---	---

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 both the revenue gain from fundraising and any expenses incurred related to the athletic fields project. This budget may change in October dependent on fundraising efforts and the project schedule.

Fund 49 Revenue	2018-19	2019-20	\$ Change	% Change
Upper Fields Property Sale	3,786,136	---	(3,786,136)	(100.00%)
Investment Income	40,000	50,000	10,000	25.00%
Total Revenue	3,826,136	50,000	(3,776,136)	(98.69%)
Fund 49 Expenses				
Payment for Mas. Park Pavillion	920,000	---	(920,000)	(100.00%)
Roofing Project	308,259	---	(308,259)	(100.00%)
Total Expenses	1,228,259	---	(1,228,259)	(100.00%)
Rev-Exp	2,597,877	50,000	(2,547,877)	(98.08%)
Beg. Fund Balance	618,906	3,216,783	2,597,877	419.75%
End. Fund Balance	3,216,783	3,266,783	50,000	1.55%

Revenue/Expenditure Notes:

- The District utilized Fund 49 to record revenue related to the sale of the upper fields and to make payments related to the athletic complex project.
- Fund 49 was also utilized for a roofing project during 2018-19.
- During the 2019-20 fiscal year, the District plans to utilize Fund 49 solely for the athletic complex project.

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, Whitefish Bay Dominican, and St. Monica’s.

Fund 50 Revenue	2018-19	2019-20	\$ Change	% Change
Pupil Sales - Nicolet	550,000	550,000	---	---
Adult Sales – Nicolet	7,000	7,000	---	---
Milk Aid	10,000	10,000	---	---
Concession Sales	23,000	23,000	---	---
Vending	37,000	37,000	---	---
Pupil Sales – Whitefish Bay	161,000	161,000	---	---
Pupil Sales – St. Monica	106,000	106,000	---	---
Pupil Sales – Dominican	131,000	131,000	---	---
Total Revenue	1,025,000	1,025,000	---	---
Fund 50 Expenses				
Personnel Costs	625,708	640,975	15,267	2.44%
Purchasing Services	29,375	29,375	---	---
Food Costs	340,403	340,403	---	---
Consumables	27,700	27,700	---	---
Capital Objects	43,786	---	(43,786)	(100.00%)
Other	1,900	1,900	---	---
Total Expenses	1,068,872	1,040,353	(28,519)	(2.67%)
Rev-Exp	(43,872)	(15,353)	28,519	65.01%
Beg. Fund Balance	241,363	197,491	(43,872)	(18.18%)
End. Fund Balance	197,491	182,138	(15,353)	(7.77%)

Revenue/Expenditure Notes

- The budget for 2019-20 is currently under review. This budget will be updated over the summer (after year end financials are completed for 2018-19) for final approval in October.
- 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 retired staff. The District makes an annual contribution to the fund in June. At that time, District expense related to retiree benefits is reimbursed from the fund. The difference (Contribution, less expenses) results in an increase to the balance within the trust. The trust is invested and earns gains/interest on its investments.

Fund 73 Revenue	2018-19	2019-20	\$ Change	% Change
Investment Earnings	75,000	25,000	(50,000)	(66.67%)
Trust Contribution	515,711	455,209	(60,502)	(11.73%)
Retiree’s Contribution	22,000	25,000	3,000	13.64%
Unrealized Gains	150,000	50,000	(100,000)	(66.67%)
Total Revenue	762,711	555,209	207,502	27.21%
Fund 73 Expenses				
Retiree Benefit Expenses	290,000	300,000	10,000	3.45%
Implicit Rate Subsidy	47,199	47,199	---	---
Investment Expenses	20,000	20,000	---	---
Total Expenses	357,199	367,199	10,000	2.80%
Rev-Exp	405,512	188,010	(217,502)	(53.64%)
Beg. Fund Balance	3,113,031	3,518,543	405,512	13.03%
End. Fund Balance	3,518,543	3,706,553	188,010	5.34%

Revenue/Expenditure Notes

- The District recently completed an actuarial study related to the OPEB Trust
- The annual required contribution 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 who will retire in the future.
 - This trend (decreasing contribution) will most likely continue as the fund becomes better funded
 - As this contribution diminishes, there are more funds to be spent operationally
- Due to recent returns on investments, the District is budgeting investment earnings more conservatively
- Retiree benefit expenses rose slightly with additional retirees coming on the plan
- Retiree benefit expenses will be updated prior to the October budget adoption

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 4.2 FTE working administratively. All expenses are funded by the district levy, participation fees, gifts, or advertising revenue.

Fund 80 Revenue	2018-19	2019-20	\$ Change	% Change
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%
Total Revenue	949,355	935,055	(14,300)	(1.51%)
Fund 80 Expenses				
General Programming	495,006	478,350	(16,656)	(3.36%)
Recreation Administration	395,637	415,878	20,241	5.12%
After Hours Supervision	34,284	28,570	(5,714)	(16.67%)
Summer Camp	37,395	37,395	---	---
Softball	17,328	---	(17,328)	(100.00%)
WPRA Tickets	3,500	1,125	(2,375)	(67.86%)
Total Expenses	983,150	961,318	(21,832)	(2.22%)
Rev-Exp	(33,795)	(26,263)	7,532	22.29%
Beg. Fund Balance	115,306	81,511	(33,795)	(29.31%)
End. Fund Balance	81,511	55,248	(26,263)	(32.22%)

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 want to re-address this 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. The District is required to provide transportation for resident students (9-12) 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 of the bills (4K-12) for private transportation (Riteway bus bill or parent contracts) and bills the participating Districts for their portion. This transportation cooperative consists of Fox Point/Bayside, Glendale/River Hills, and Maple Dale/Indian Hill.

Fund 97 Revenue	2018-19	2019-20	\$ Change	% Change
Fund 10 Transfer	116,315	116,315	---	---
Payment from Coop Districts	373,426	373,426	---	---
Total Revenue	489,738	489,738	---	---
Fund 97 Expenses				
Pupil Transportation – Bus	463,068	463,068	---	---
Pupil Transportation – Parent Contracts	26,670	26,670	---	---
Total Expenses	489,738	489,738	---	---
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)
- Riteway is currently working on routing for the 2019-20 school year. As a result this budget will be updated in late summer/early fall.