



NICOLET

HIGH SCHOOL

2020-21 Original Budget

PREPARED BY DIRECTOR OF BUSINESS SERVICES, JEFF PRUEFER

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

MONDAY OCTOBER 26, 2020

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School Profile

Nicolet Union High School District is an independent high school district encompassing the northeast Milwaukee County 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. The majority of Nicolet 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, 2023
Leigh Wallace-Tabak, Clerk	April, 2023
Marilyn Franklin, Member	April, 2021

District 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.

Facilities Vision Statement

Nicolet Union High School District strives to accelerate the achievement of every student. We believe our facilities should enhance learning and improve academic performance by:

- Providing a safe, well-maintained, sustainable and welcoming environment that promotes student and staff well-being
- Promoting a culture of inclusion, school pride, and community partnership
- Creating flexible spaces that support student and staff collaboration
- Ensuring opportunities for community education and recreation

Budget 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, students, parents and district taxpayers.

Timeline

The budget process for the 2020-21 school year began in 2019 with the development of a budget timeline in December, 2019. Based on that timeline, the business office solicited budgetary requests from staff from December-January from budget managers. Budget requests were reviewed, considered, and approved/denied during January.

The process progressed with the development of 2020-21 budget assumptions at the January Board Workshop. Based on those assumptions, a 2020-21 Budget Planning Guide was prepared and presented at the February Board meeting. The budget guide includes a look at enrollment changes and staffing. It also provides a preliminary financial projection incorporating 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 director of business services then builds a preliminary budget for approval in the spring (March, April, May) based off of the guidelines developed February. The preliminary budget was presented and approved by the Board of Education in June. That approved preliminary budget was then presented at the annual meeting/budget hearing in August. The community supported the budget by approving the tax levy at that meeting.

This current budget (Original Budget) is presented in October based on changes to items such as membership (enrollment), identification of voucher students, certification of equalized values, final state aid allocation and any other changes that may occur between June and October. The Board of Education will adopt the original version of the budget and set the tax levy at the October Board meeting. The last step to the budget process is to update the budget at the end of the year (June) if there are significant changes.

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 descriptions utilized by Nicolet High School 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. The most recent four years of historical data, as well as the actual September third Friday student count are shown below.

Grade	2016-17	2017-18	2018-19	2019-20	20-21 (Actual)
9	244	277	279	284	259
10	299	247	271	277	277
11	279	290	247	266	283
12	254	284	299	245	261
Total	1,076	1,098	1,096	1,072	1,080

Source: Wisconsin DPI WISEDash (2016-17 – 2017-18)

Source: Wisconsin DPI School Finance Portal September Student Count Data (2018-19, 2019-20, 2020-21 Actual)

Source: Internal Enrollment Projection (2020-21 Projection)

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 via the revenue limit calculation, which includes property taxes and state aid. In order to calculate FTE, enrollment is adjusted to determine the number of resident students being educated in public schools. Non-resident students (mainly 220 and Open Enrolled In) are removed from the resident student count and open enrolled out students are added in. There are also other situations that increase or decrease student FTE such as summer school, tuition waivers, outside age eligibility, etc.

Historical FTE numbers by year, 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	1,060
2019-20 (Final)	1,034
2020-21 (Actual)	1,045

These student FTE counts are then averaged over a three-year period which is used in the revenue cap calculation. The three-year average FTE over the last five years, as well as a projection for next school year, are illustrated below:

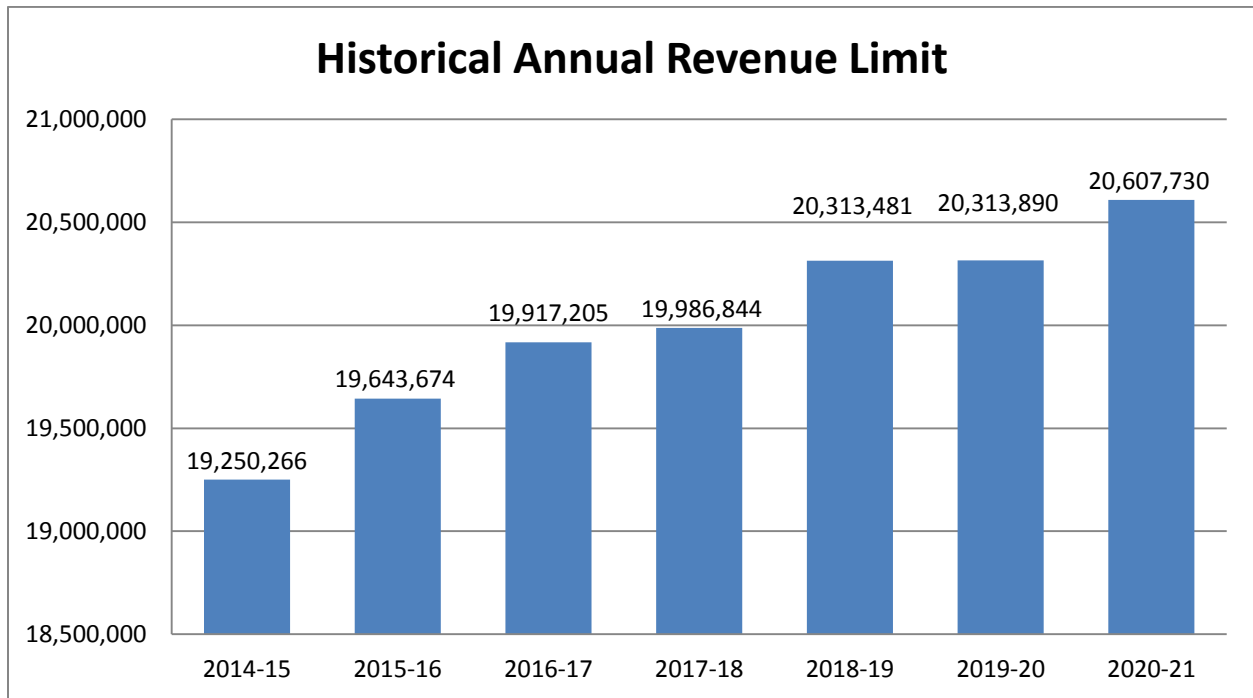
Three-Year Average	
Year	Student FTE
2015-16	1,083
2016-17	1,081
2017-18	1,079
2018-19	1,068
2019-20 (Final)	1,060
2020-21 (Actual)	1,047

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, therefore it is impacted by the amount of revenue available in Fund 10.

The 2019-21 state budget provided 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. The increase is included within the original budget.

An illustrative representation of the changes in revenue limit authority over the past six years, as well as the current year (2020-21), is shown below:



Impact of Debt on Revenue Limit: All of Nicolet’s debt falls within the revenue cap. This means that changes in debt payments directly impacts the amount of revenue for general operations. This is the result of borrowing as a result of a Board decision versus going to a capital referendum to exceed the revenue cap.

Energy Efficiency Debt: One of the District’s debts relates to an energy efficiency project that was undertaken to install new windows. This specific type of debt allows the District to exceed the revenue cap to make principal and interest payments. When that specific debt has any type of fluctuation with payment, it will impact the revenue cap and property taxes.

In 2020-21, the Fund 38 levy is increasing by approximately \$97k. That represents a portion of the increase (\$294k) shown in the above graph and doesn’t represent new dollars for general operations.

School Vouchers: The District also is experiencing an increase of \$29k (total of \$155k) being allocated to the private school voucher program.

Transfer of Service: The District qualified for a transfer of service to cover unexpected costs for the 2020-21 school year. The transfer of service amounted to an additional \$44k in revenue under the revenue limit.

Exempt Personal Property Aid: The District is experiencing a \$1,425 decrease in personal property aid in 2020-21.

Bottom Line: The District has approximately \$166k in additional funds (after planning for a reduction for added voucher expense) to spend as a result of the revenue limit per pupil increase.

How is the Revenue Limit Increasing if the Three-Year FTE Average is Decreasing?

The state legislature increased funding via the revenue cap by \$179/student. This means that the District will increase the amount of revenue per student from \$15,590/student to \$15,769/student. In addition, the State protects the financial well being of Districts with declining membership through exemptions to the revenue limit. Due to declining membership (i.e. student FTE), the District will qualify for both the hold harmless and declining enrollment exemptions within the revenue cap calculation.

Hold Harmless Provision: The hold harmless provision guarantees that the District will receive revenue from the cap of no less than that of the prior year (before exemptions). The District would have qualified for this last year (due to decreased FTE) had it not received the \$175/student increase from the state government. The District is experiencing a decrease of the three year average by 13 FTE. This loss of FTE, offset with an increase per pupil, qualify the District for a hold harmless exemption amount of \$15,256.

Declining Enrollment Exemption: Separate from the hold harmless provision is the declining enrollment exemption. Districts with declining enrollment from the prior year qualify for this exemption, regardless of a revenue comparison year over year. The District qualified for this exemption in 2019-20. The District also qualifies for this exemption this year in the amount of \$204,997. This is the fifth year in a row that the District has qualified for the declining enrollment exemption.

Exemptions: Between these two amounts, the District will receive an extra \$220,253 on the cap. This provides financial flexibility for 2020-21; however, this amount will fall off the cap in 2021-22. This is important to know for future financial planning.

State Equalization and Integration (220) Aid

In 2020-21, the District is experiencing a slight decrease in equalization and integration aid. As a reminder, aid is based on information from the prior year (spending, enrollment, etc). The original budget includes a decrease from \$1,074,941 (19-20) to \$998,243 (20-21). This is a decrease of 7.14% from the prior fiscal year and totals \$62,203. This is the result of a decrease in membership (i.e. resident students). Integration Aid (220) is down \$14,495 from 2019-20 to 2020-21.

Open Enrollment

The District did not approve any new seats for open enrollment at the January Board meeting. As a result, the planned revenue associated with open enrollment is less in 2020-21 than it was in 2019-20.

Funding for open enrollment changes on an annual basis. The projected transfer rate continues to increase for 2020-21. The rate is predicted to rise to \$8,125 for regular education and \$12,977 for students with disabilities.

The specific financial implication of open enrollment changes can be found in the Fund 10 revenue and expense budget.

Tax Levy

The total 2020-21 district tax levy is increasing 2.39% when compared to 2019-20. Two years of historical information and the tax levy for the 2020-21 school year are shown below.

PROPOSED PROPERTY TAX LEVY			
Fund	Audited 2018-19	Unaudited 2019-20	Proposed 2020-21
General Fund (Fund 10)	18,015,581	17,862,073	18,135,668
Non-Ref Debt (Fund 38)	914,497	1,018,069	1,115,447
Comm. Svc. (Fund 80)	255,455	255,455	342,000
Total School Levy	19,185,533	19,135,597	19,593,115
% In/Decrease from prior year	0.45%	(0.26%)	2.39%

The 2020-21 tax base is \$4,362,581,800 or \$41,677,300 higher than 2019-20 (\$4,320,904,500). This change equates to a 0.96% increase in equalized value. The 2020-21 mill rate (tax levy/tax base) is estimated to increase slightly from \$4.43/mill to \$4.49/mill. The average school tax on \$100,000 of home value is estimated to increase by \$6 (assuming no change in assessed value).

An illustration of the shift in mill rate for the past two years, and well as the final rate for 2020-21, are shown below.

Proposed Mill Rate			
	Audited 2018-19	Unaudited 2019-20	Proposed 2020-21
Mill Rate*	\$4.70	\$4.43	\$4.49
Percentage Decrease	(0.85%)	(5.76%)	1.41%

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

Note: The mill rate is still \$0.40 less than it was in 2015-16.

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. Haded cells represent amounts that have changed since the preliminary budget.

Fund 10 Revenue	2019-20 Actual	2020-21 Budget	\$ Change	% Change
Property Taxes	17,862,073	18,135,668	273,595	1.53%
TIF Fund Receipt	315,726	---	(315,726)	(100.00%)
Student Fees	345,165	279,180	(65,985)	(19.12%)
Admission Fees	57,625	25,000	(32,625)	(56.62%)
Interest Earnings	60,010	30,000	(30,010)	(50.01%)
Facility Rental	37,457	25,000	(12,457)	(33.26%)
Athletic Reimbursement	4,470	9,250	4,780	106.94%
FEAR Transfer	48,657	47,250	(1,407)	(2.89%)
Open Enrollment	222,540	170,625	(51,915)	(23.33%)
Interdistrict Payments for Services	199,691	202,000	2,309	1.16%
Interdistrict Payment for Athletics	4,715	6,815	2,100	44.54%
220 Transportation Reimb.	94,855	90,000	(4,855)	(5.12%)
Tuition Revenue (Math Offerings)	21,093	20,000	(1,093)	(5.18%)
Federal Aid Transit (Carl Perkins and Title III)	20,736	17,192	(3,544)	(17.09%)
Transportation Aid	26,113	25,000	(1,113)	(4.26%)
Library Aid	71,613	51,100	(20,513)	(28.64%)
Integration Aid (220)	721,510	707,015	(14,495)	(2.01%)
State Equalization Aid	353,431	291,228	(62,203)	(17.60%)
State Grants	21,195	8,500	(12,695)	(59.90%)
Tax Exempt Computer/Prop Aid	360,200	358,775	(1,425)	(0.40%)
Per Pupil Categorical Aid	786,520	776,874	(9,646)	(1.23%)
Title I-A	84,014	99,171	15,157	18.04%
Other Federal Grants (Title II, Title IV, and CEIS Flow Through)	70,375	75,881	5,506	7.82%
Other Revenue	74,843	35,000	(39,843)	(53.24%)
Transfer from Fund 27 (Indirect Cost)	9,414	14,700	5,286	56.15%
Miscellaneous Revenue	10,514	---	(10,514)	(100.00%)
CARES Act Funding	---	74,832	74,832	100.00%
Total Revenue	21,884,555	21,576,056	(308,499)	(1.41%)

Revenue Notes:

- Revenue Cap Revenues
 - Fund 10 (General Operations) Property Taxes: Increased \$273,595
 - State Aid: Decreased \$76,698
 - Computer/Property Aid: Decreased \$1,425
 - **Overall: Increased \$195,472**
- Student fees decreased as a result of the following:
 - Elimination of fees for most English courses

- Elimination of Semester One parking fees and significant reduction of projected Semester Two Parking Fees
- Reduction of other student fees as a result of virtual versus in-person instruction (as determined by individual departments)
- Decreased interest revenues due to economic factors
- Facility rental revenue and co-curricular admissions revenue decreased as a result of building and campus restrictions
- Open Enrollment (O.E.) In decreased to reflect less open enrolled in students (per January Board decision)
- Removed CTE incentive grant (both revenue and expense) revenue from budget due to unexpected receipts/expenses (change from 2019-20)
- Aids (Equalization and Integration) decreased primarily to due decreased FTE
- Per Pupil Categorical Aid decreased as a result of decreased FTE

Fund 10 Expenses	2019-20 Actual	2020-21 Budget	\$ Change	% Change
Personnel Costs	14,064,448	14,493,375	428,927	3.05%
Department Budgets	184,565	293,892	109,327	59.24%
High School Administration	80,867	83,150	2,283	2.82%
Pupil Transportation	645,219	838,606	193,387	29.97%
Athletics	213,648	285,290	71,642	33.53%
Co-Curricular Clubs	148,199	200,300	52,101	35.16%
Library	82,721	63,600	(19,121)	(23.11%)
Information Technology	561,034	551,603	(9,431)	(1.68%)
Teaching and Learning Budget	55,788	87,000	31,212	55.95%
Textbooks/Workbooks	6,407	103,000	96,593	1,507.71%
Business Office	286,355	276,621	(9,734)	(3.40%)
Open Enrollment	216,801	222,848	6,047	2.79%
Property/Liab/Work. Compensation Insurance	250,713	233,175	(17,538)	(7.00%)
Student Services Department	54,956	82,600	27,644	50.30%
Special Education Transfer	1,653,116	1,973,219	320,103	19.36%
Utilities	377,232	435,000	57,768	15.31%
District Administration Budget	146,010	213,000	66,990	45.88%
Communications	104,078	120,000	15,922	15.30%
Operational Referendum and Facility Planning	33,175	43,000	9,825	29.62%
Staff Services	16,607	16,650	43	0.26%
Building and Grounds	822,057	624,000	(198,057)	(24.09%)
Voucher Expense	121,373	154,603	33,230	27.38%
Youth Options (DEA, GPS, CESA HS, UW)	127,733	142,200	14,467	11.33%
Title Grants (Title I, II, IV) (Non-personnel Costs)	33,542	34,954	1,412	4.21%
Carl Perkins Grant	17,868	15,000	(2,868)	(16.05%)
Educator Effectiveness Grant	8,640	8,500	(140)	(1.62%)
CTE Grant	5,980	---	(5,980)	(100.00%)
Additional OPEB Trust Fund Contribution	411,438	---	(411,439)	(100.00%)
Debt Prepayment	425,000	---	(425,000)	(100.00%)
Contribution to Fund 46	250,000	---	(250,000)	(100.00%)
CARES Act (Nicolet) - Non-Personnel	---	21,678	21,678	100.00%
CARES Act (Private Schools) - Non-Personnel	---	14,192	14,192	100.00%
TOTAL	21,405,567	21,631,056	225,489	1.05%
Rev-Exp	478,987	(55,000)	(533,987)	(111.48%)
Beg FB	6,794,620	7,273,607	478,987	7.05%
End FB	7,273,607	7,218,607	(55,000)	(0.76%)

Expenditure Notes

- Personnel budget includes:
 - 1.81% base wage increase for teacher group
 - Supplemental wage increases approved per teacher compensation model
 - 1.81% increase for all other staff (administration, supervisory/confidential, support staff, custodians)
 - 3% Health Insurance increase

- Math reduction of 0.8 FTE part-time role for 2020-21
- Literacy Interventionist (1.0 FTE) added for 2020-21
- Full-Time Social Studies position (1.0 FTE) added for 2020-21
- Converted a full-time Social Studies position from 1.0 FTE in Social Studies to 0.5 FTE Social Studies and 0.5 FTE Equity Engagement Teacher
- Hallway supervisor role eliminated (1.0 FTE) for 2020-21
- Part-time administrative assistant position (0.688 FTE) added in HS Office
- Custodial position (0.875 FTE) added (shift from Food Service to Custodial)
- Additions to summer professional development work in preparation for virtual instruction
- Department budgets held fairly stable
 - English budget increased to purchase books (elimination of student fees for English)
- Pupil transportation cost estimated for 2020-21 school year
- Athletics/Activities budget increased to account for approved budget request (HUDL Package)
- IT budget decreased due to savings on copier lease and scanning software
- District Administration, Teaching and Learning, and Business Office budgets refined to locate cost savings
- Estimated legal costs significantly decreased
- Textbooks budget increased to account for World Languages textbook purchase
- Open Enrollment expense aligned with documented costs in Wisconsin DPI OPAL system
- Worker's compensation insurance decreased due to worker's compensation cost reduction
- Special Education transfer updated based on changes in Fund 27 budget
- Building and Grounds budget decreased due to a lower amount needed for special projects

Overall Considerations

Listed below are items to consider when analyzing the 2020-21 Original Budget

- 2020-21 is the fifth year of a six-year operational referendum
 - Expectation is that the budget should be a deficit budget (based on prior planning)
 - Instead, budget is balanced for the 2020-21 school year
 - \$55k deficit represents a planned purchase of English and World Language books utilizing savings (Fund Balance) from the 2019-20 fiscal year
- Administration continues to monitor school finance developments at the state and federal levels
 - School revenues could potentially change if the state legislature pursues a budget repair bill

Staffing Information

Department	2020-21
Administration (Fund 10)	6.000 FTE
Administration (Fund 27)	1.000 FTE
Teaching Staff (Fund 10)	76.170 FTE*
Teaching Staff (Fund 27)	15.030 FTE
Confidential/Supervisory (Fund 10)	11.230 FTE**
Confidential/Supervisory (Fund 27)	0.290 FTE
Confidential/Supervisory (Fund 50)	1.000 FTE
Confidential/Supervisory (Fund 80)	3.200 FTE
Custodial/Maintenance (Fund 10)	15.375 FTE
Support Staff (Fund 10)	17.063 FTE
Support Staff (Fund 27)	9.875 FTE
Support Staff (Fund 80)	1.000 FTE
Food Service (Fund 50)	2.000 FTE
Total	159.233 FTE

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

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

***This total includes a 0.48 FTE reduction 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	2019-20	2020-21	\$ Change	% Change
Fees/Fundraising/Gifts	111,347	90,000	(21,347)	(19.17%)
Transfer In from Fund 60	---	229,675	229,675	100.00%
Total Revenue	111,347	319,675	208,328	187.10%
Fund 21 Expenses				
Purchased Services	8,520	20,000	11,480	134.74%
Consumables	21,984	30,000	8,016	36.46%
Capital Objects	9,570	20,000	10,430	108.99%
Other	19,526	30,000	10,474	53.64%
New Spending (Prev. Fund 60)	---	100,000	100,000	100.00%
Total Expenses	59,600	200,000	140,400	235.57%
Rev-Exp	51,748	119,675	67,927	131.26%
Beg. Fund Balance	102,069	153,817	51,748	50.70%
End. Fund Balance	153,817	273,492	119,675	77.80%

Notes:

- Fund 21 is unpredictable and this revenue/expense is subject to change
- Significant increase in Fund 21 is misleading
 - GASB 84 implementation required that the majority of balances within Fund 60 be transferred to Fund 21
 - Transfer from Fund 60 is not new money, just a reclassification of funds

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	2019-20	2020-21	\$ Change	% Change
Federal – Flow Through	167,361	306,271	138,910	83.00%
Federal – High Cost Special Ed. Aid	---	---	---	0.00%
State – High Cost Special Ed. Aid	18,015	25,000	6,985	38.77%
State – Aid	571,142	535,596	(35,546)	(6.22%)
State Aid Trans. Through CESA	13,488	12,000	(1,488)	(11.03%)
Transfer from Fund 10	1,653,116	1,973,219	320,103	19.36%
Other	3,079	300	(2,779)	(90.26%)
Total Revenue	2,426,201	2,852,386	426,185	17.57%
Fund 27 Expenses				
Personnel Costs	2,112,341	2,335,451	223,110	10.56%
Pupil Transportation	66,924	125,000	58,076	86.78%
CESA Costs	70,397	103,980	33,583	47.71%
Purchased Services	151,892	192,400	40,508	26.67%
Consumable Materials	11,193	73,755	62,562	558.94%
Capital Objects	---	---	---	0.00%
Transfer to Fund 10 (Indirect Cost)	9,414	14,700	5,286	56.15%
Other	4,040	7,100	3,060	75.74%
Total Expenses	2,426,201	2,852,386	426,185	17.57%
Rev-Exp	----	----	----	----
Beg. Fund Balance	----	----	----	----
End. Fund Balance	----	----	----	----

Revenue Notes:

- Federal Flow-Through grant updated in October, '20
- State Aid based on 25% of 2019-20 aid eligible costs
- Federal High Cost Aid discontinued and removed from budget
- State High Cost Aid updated to reflect actual potential receipts
- Fund 10 Transfer increased to cover additional expenses and loss of revenue

Expenditure Notes:

- Personnel changes include:
 - 1.81% base wage increase for teacher group
 - Supplemental wage increases approved per teacher compensation model
 - 1.81% increase for all other special education staff
 - 3% Health Insurance increase
 - Special Education Paraprofessional position (0.875 FTE) added
- Transportation budget updated to reflect current transportation needs
- Significant rise in planned spending (revenue/expense) is a reflection of the following:
 - All positions currently filled (was not the case in 2019-20)
 - Added paraprofessional position
 - Significant rise in health insurance costs
 - Raises applied to all existing staff

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 2020-21.

- 2010 QSCB (replaced 2010 BAN): \$1,510,000 (Renovation: 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)

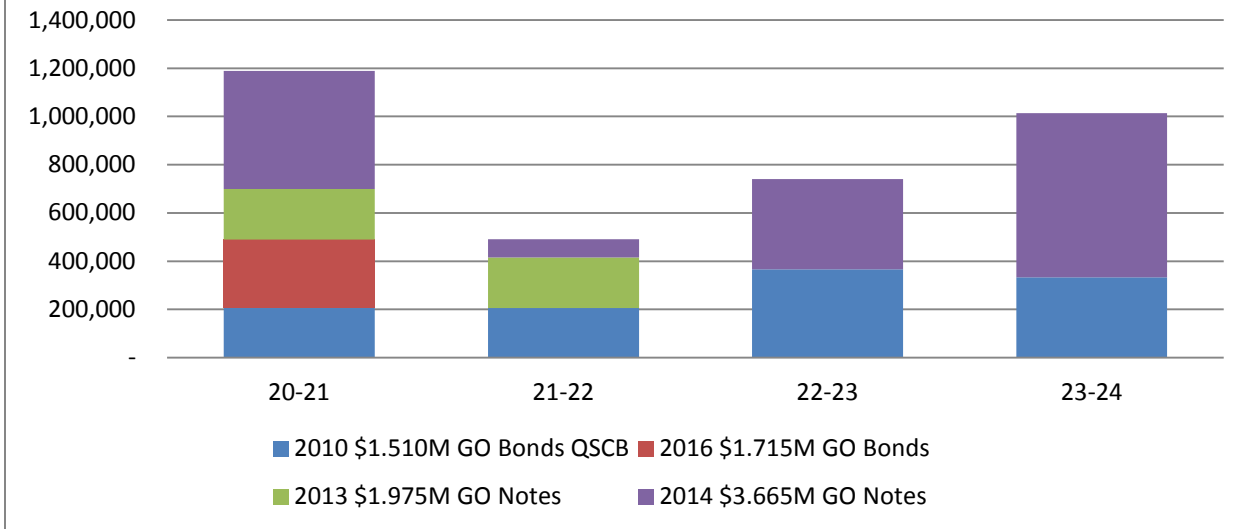
Fund 38 Revenue	2019-20	2020-21	\$ Change	% Change
Tax Levy (Existing Debts)	1,018,069	1,115,449	97,380	9.57%
Fund 10 to 38 Transfer	425,000	---	(425,000)	(100.00%)
Interest Earnings	16,278	5,000	(11,278)	(69.28%)
QSCB Refund	92,517	61,810	(30,707)	(33.19%)
Total Revenue	1,551,864	1,182,259	67,460	(24.14%)
Fund 38 Expenses				
Principal Payments	1,230,000	930,000	(300,000)	(24.39%)
Sinking Fund Contribution*	130,000	140,000	10,000	7.69%
Interest Payments	145,034	118,413	(26,621)	(18.36%)
Paying Agent Fees	2,900	2,900	---	---
Total Expenses	1,377,934	1,051,313	(316,621)	(22.98%)
Rev-Exp	173,930	125,946	(47,984)	(27.59%)
Beg. Fund Balance	684,421	858,351	173,930	25.41%
End. Fund Balance*	858,351	984,297	125,946	14.67%

**Note: Dollars are contributed annually to a sinking fund for the 2010 debt. This sinking fund will make a full payment for the entire principal outstanding when the debt is retired in 2024. The funds are held until that time and are represented as an increase to fund balance and are not included in total expenses.*

Below is a table that shows the principal, sinking fund contributions, and interest payments left on Nicolet’s four existing debt obligations.

	2020-21	2021-22	2022-23	2023-24
2010 \$1.510M GO Bonds (QSCB)	205,685	205,685	365,685	332,843
2016 \$1.715M GO Bonds	284,060	-	-	-
2013 \$1.975M GO Notes	209,876	210,126	-	-
2014 \$3.665M GO Notes (EEE)	488,792	75,292	374,168	681,328
Total	1,188,413	491,103	739,853	1,014,171

Fund 38 Principal and Interest Payment Schedule



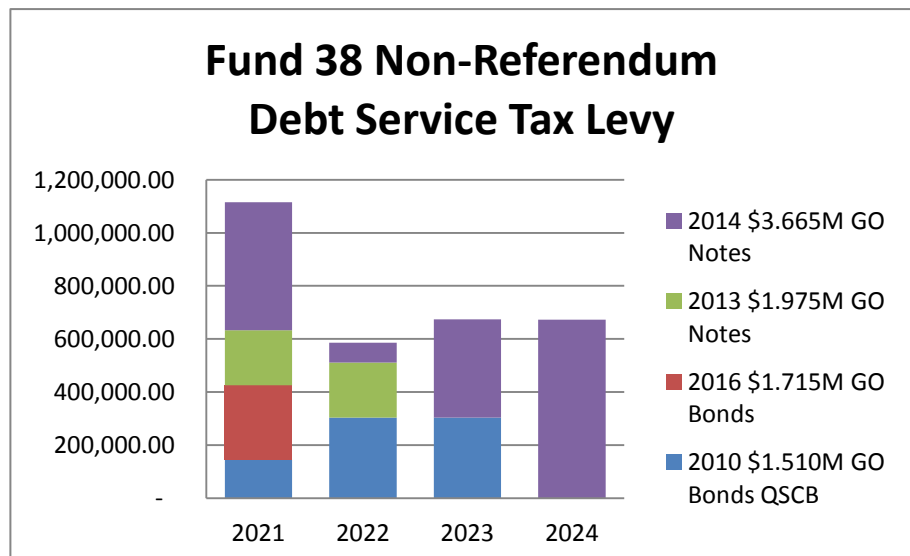
Notes

- Sharp decline in payments in 2021-22 due to prepayment of debt during spring, 2020
 - The 2021-22 school year, which is the last year of the 2016-2022 operational referendum, was projected to have a significant deficit and the 2019-20 prepayment was the first step towards closing that budget gap
- The increase in 2023-24 is offset with an energy efficiency exemption on the revenue cap and will have minimal impact on operational budget

Fund 38 Tax Levy

The following table/graph demonstrates the tax levy necessary for Fund 38 debt payments over the next four years. After the fourth year, the District is debt free. The levy is associated with a calendar year, while the budget in the preceding section reflects the fiscal year.

Fund 38 Tax Levy	
2020-21	1,115,449
2021-22	586,169
2022-23	674,106
2023-24	673,146



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. This is why there is no impact on the operational budget for the increased debt payments in 2023-24.

QSCB Reimbursement

The interest for the 2010 G.O. Bonds is paid and reimbursed by the Federal government. The QSCB reimbursement allows the district to decrease the Fund 38 tax levy associated with this expense. The reimbursement can fluctuate based on governmental authorization periodically.

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	2019-20	2020-21	\$ Change	% Change
Fund 10 Transfer	250,000	---	(250,000)	(100.00%)
Interest Earnings	2,482	1,000	(1,482)	(59.71%)
Total Revenue	252,482	1,000	(251,482)	(99.60%)
Fund 46 Expenses				
No Planned Expenses	---	---	---	---
Total Expenses	---	---	---	---
Rev-Exp	252,482	1,000	(251,482)	(99.60%)
Beg. Fund Balance	168,879	421,361	252,482	149.50%
End. Fund Balance	421,361	422,361	1,000	0.24%

Fund Notes

- The district can begin to spend from this fund beginning with the 2020-21 school year
- This fund is a great option for operational budget surpluses from year to year (if applicable)
- The District is currently updating its 10 year capital improvement plan
 - All expenditures from this fund must be included in the 10 year capital improvement plan
 - Administration will present the new plan to the Board during the 2020-21 school year

Athletic Fields Project – Fund 49

Purpose of Fund: The purpose of the capital projects fund is to account for non-referendum and referendum approved remodeling/maintenance projects. In 2019-20, Nicolet began utilizing Fund 49 to house both the revenue gained from fundraising and any expenses incurred related to the athletic fields project.

Fund 49 Revenue	2019-20	2020-21	\$ Change	% Change
Investment Income	44,565	10,000	(34,565)	(77.56%)
Fundraising Revenue	40,000	---	(40,000)	(100.00%)
Total Revenue	84,565	10,000	(74,565)	(88.17%)
Fund 49 Expenses				
Project Construction Cost (Maslowsky Park)	---	2,194,712	2,194,712	100.00%
Design Work/Construction Management	102,965	85,559	(17,406)	(16.90%)
Testing/Permits/Observation	34,905	87,844	52,939	151.67%
Owner Purchases (Moveable Fence, Signage, Furniture, Scoreboard, Miscellaneous)	---	70,780	70,780	100.00%
Legal	22,033	---	(22,033)	(100.00%)
Fundraising	83,899	---	(83,899)	(100.00%)
Total Expenses	243,802	2,438,895	2,195,093	900.36%
Rev-Exp	(159,237)	(2,428,895)	(2,269,658)	1,425.33%
Beg. Fund Balance	3,068,386	2,909,149	(159,237)	(5.19%)
End. Fund Balance	2,909,149	480,254	(2,428,895)	(83.49%)

Revenue/Expenditure Notes:

- Nicolet utilized Fund 49 to record revenue related to the sale of the upper fields and to record expenses associated with the Nicolet Athletic Facilities Master Plan
- The District is currently completing another phase of the Nicolet Athletic Facilities Master Plan which includes the construction of a competition softball field and a recreation multi-use baseball/softball field at Maslowsky Park
 - The District broke ground in summer, 2020
 - The District expects that construction will be completed in late fall, 2020
- Remaining funds in Fund 49 are intended for the final phase of the athletic facility plan on Nicolet’s main campus (tennis, stadium, practice fields)

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 Dominican and Holy Family. The District provides vending services for Whitefish Bay Dominican and Whitefish Bay School District. Whitefish Bay School District discontinued lunch service for the 2020-21 school year due to the ongoing COVID pandemic.

Fund 50 Revenue	2019-20	2020-21	\$ Change	% Change
Pupil/Adult Sales - Nicolet	357,338	118,000	(239,338)	(66.98%)
Catering – Nicolet	21,742	20,969	(773)	(3.56%)
Milk Aid	7,172	4,000	(3,172)	(44.23%)
Revtrak Fees	5,485	3,500	(1,985)	(36.19%)
Miscellaneous - Nicolet	1,013	-	(1,013)	(100.00%)
Management Agreements	9,000	6,000	(3,000)	(33.33%)
Vending	22,941	18,000	(4,941)	(21.54%)
Pupil Sales – Whitefish Bay	134,570	-	(134,570)	(100.00%)
Pupil Sales – Dominican	104,769	70,000	(34,769)	(33.19%)
Pupil Sales - Holy Family	-	43,500	43,500	100.00%
Miscellaneous – Other	515	-	(515)	(100.00%)
Total Revenue	664,545	283,969	(380,576)	(57.27%)
Fund 50 Expenses				
Personnel Costs	490,224	278,201	(212,023)	(43.25%)
Purchased Services	9,490	4,000	(5,490)	(57.85%)
Food Costs	241,698	75,000	(166,698)	(68.97%)
Consumables	15,933	5,000	(10,933)	(68.62%)
Revtrak Fees and Other	8,820	3,500	(5,320)	(60.32%)
Total Expenses	766,165	365,701	(400,464)	(52.27%)
Rev-Exp	(101,620)	(81,732)	19,888	19.57%
Beg. Fund Balance	183,352	81,732	(101,620)	(55.42%)
End. Fund Balance	81,732	---	(81,732)	(100.00%)

Revenue/Expenditure Notes

- The 2019-20 fiscal year ended with a significant loss (\$101,620)
- Beginning Fund Balance for 2020-21 is \$81,732
- Significant changes to the program for the 2020-21 school year
 - While Nicolet is educating students virtually, there are no pupil sales
 - The budget shown above assumes some type of return to in person instruction during the 2020-21 school year
 - Nicolet added Holy Family to the list of catering agreements for the 2020-21 school year
 - Whitefish Bay School District opted out of lunch service for the 2020-21 school year

Employee Benefit Trust – Fund 73

Purpose of Fund: This fund is used to pre-fund retirement health, dental, and life insurance benefits (non-403b) for staff that were hired prior to 2012 and retire from the Nicolet Union High School District. The funds held within the trust are invested and earn gains/interest on its investments. To manage this fund, the District makes an annual contribution to the fund in June. At that time, the District expense related to retiree benefits is allocated to the fund. The difference (contribution + earnings, less expenses) results in an increase to the balance within the trust. The District continues to work towards fully funding this benefit within the next 5-6 years, dependent on the market and benefit costs.

Fund 73 Revenue	2019-20	2020-21	\$ Change	% Change
Investment Earnings	338,059	200,000	(138,059)	(40.84%)
Trust Contribution	910,418	455,209	(455,209)	(50.00%)
Retiree’s Contribution	53,467	55,000	1,533	2.87%
Unrealized Gains	-	-	-	0.00%
Total Revenue	1,301,944	710,209	(591,735)	(45.45%)
Fund 73 Expenses				
Retiree Benefit Expenses	399,965	400,000	35	0.01%
Implicit Rate Subsidy	74,102	74,000	(102)	(0.14%)
Unrealized Loss	176,382	-	(176,382)	(100.00%)
Investment Expenses	23,924	24,000	76	0.32%
Total Expenses	674,373	498,000	(176,373)	(26.15%)
Rev-Exp	627,571	212,209	---	---
Beg. Fund Balance	3,344,478	3,972,049	193,041	5.77%
End. Fund Balance	3,972,049	4,184,258	193,041	5.46%

Revenue/Expenditure Notes

- The District made a considerable contribution to Fund 73 in spring, 2020 that lead to a sizable increase in fund balance (over \$600k)
 - This accelerates the District’s goal of prefunding OPEB benefits for staff who were hired prior to 2012
 - Once funded, the District will see a decrease to the operational budget for retiree benefits
- Revenues include operating transfers from Funds 10, 27, 50, and 80, retiree contributions for their portion of the premium, and investment earnings/gains
- Expenses include the cost of retiree benefits (health/dental/life only)
- The District completes an actuarial study every two years to determine the contribution level
 - The annual determined contribution (ADC) for 2019-20 was 455,209
 - The District is currently completing a new study
 - Study will dictate 2020-21 and 2021-22 contribution
 - By making the ADC, the District receives special education aid for contributions made on behalf of special education teachers who will retire in the future

Community Services Fund – Fund 80

Purpose of Fund: The Nicolet School District recreation department is the sole department accounted for 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, and advertising revenue.

Fund 80 Revenue	2019-20	2020-21	\$ Change	% Change
Tax Levy	255,455	342,000	86,545	33.88%
General Programming Fees	317,869	393,788	75,919	23.88%
Summer Camp	43,630	---	(43,630)	(100.00%)
WPRA Ticket Revenue	2,324	---	(2,324)	(100.00%)
Advertising	14,065	17,000	2,935	20.87%
Other	2,137	1,000	(1,137)	(53.21%)
Total Revenue	635,480	753,788	118,308	18.62%
Fund 80 Expenses				
General Programming	294,488	287,625	(6,863)	(2.33%)
Recreation Administration	419,934	402,184	(17,750)	(4.23%)
Summer Camp	30,538	---	(30,538)	(100.00%)
Facility/Supervision Costs	---	11,455	11,455	(100.00%)
WPRA Tickets	2,002	---	(2,002)	(100.00%)
Total Expenses	746,962	701,264	(45,698)	(6.12%)
Rev-Exp	(111,482)	52,524	164,006	147.11%
Beg. Fund Balance	58,958	(52,524)	(111,482)	(189.09%)
End. Fund Balance	(52,524)	---	52,524	(100.00%)

Revenue/Expenditure Notes

- Fund 80 History
 - Recreation Department experienced surplus budgets for many years
 - However, DPI encourages Districts to carry a small fund balance within Fund 80
 - As a result, the Recreation Department contributed \$300k to Fund 21 in the 2014-15 school year
 - Fund 21 funds were utilized for the Gym 2 Floor Removal/Installation Project
 - For a number of years the recreation budget has operated at a deficit to bring down fund balance
 - Unfortunately, the 2019-20 fiscal year accelerated the use of fund balance (\$111k deficit)
 - Since Fund 80 no longer has a fund balance, the revenue must support the expenses
 - During discussions with the director, a \$300k tax levy was requested to stabilize the budget moving forward
 - This levy will provide the support necessary for the department to operate at full capacity
 - The additional \$42k on the tax levy in 20-21 is a one-time increase to eliminate the fund’s negative fund balance

- Personnel changes include:
 - 1.81% base wage increase for full-time recreation staff
 - 3% increase on health insurance
- Summer Camp revenues/expenses removed due to cancellation of summer, 2020 program
- WPRA Ticket Program discontinued
- General programming revenue and expenses altered to reflect no summer programming
- After hours supervision is now segregated from recreation administration costs

Transportation Cooperative Fund – Fund 97

Purpose of Fund: This North Shore Area Transportation Cooperative (NATC) is required to provide private school transportation per WI law. The cooperative consists of Nicolet, Fox Point/Bayside, Glendale/River Hills, and Maple Dale/Indian Hill. Nicolet is required to provide transportation for resident students (9-12) who attend private school within five miles of the Nicolet boundaries. This fund houses revenue and expenses related to private school transportation for Nicolet and the partner schools.

As fiscal agent of the NATC, the District pays all of the bills (4K-12) for private transportation (Riteway bus bill and parent contracts) and that expense is shown below. Nicolet then invoices the participating Districts for their portion of the cost. The District then completes a Fund 10 transfer for the Nicolet portion of private school busing cost. The amount on the line notated as “Fund 10 Transfer” is the general fund cost for Nicolet for providing private school transportation for private schools.

Fund 97 Revenue	2019-20	2020-21	\$ Change	% Change
Fund 10 Transfer	43,102	96,530	---	---
Payment from Coop Districts	232,204	365,780	---	---
Total Revenue	275,306	462,310	---	---
Fund 97 Expenses				
Pupil Transportation – Bus	258,010	435,000	---	---
Pupil Transportation – Parent Contracts	17,296	27,310	---	---
Total Expenses	275,306	462,310	---	---
Rev-Exp	---	---	---	---
Beg. Fund Balance	---	---	---	---
End. Fund Balance	---	---	---	---

Revenue/Expenditure Notes:

- This fund cannot carry a fund balance (revenues must match expenses)
- Estimates for this budget are being based on costs from 2017-18 and 2018-19