



ORIGINAL BUDGET

2019 - 2020

**Adopted
October 28, 2019**

Prepared and Presented by:

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Chief Financial & Operations Officer

The budget is a technical document representing the financial plan for implementing programs and services required by federal and state law as well as those of the community. Interpretation of presentations made herein without a sound understanding of school finance regulations, general school law and the programs and services of the district could lead to erroneous conclusions. Readers are encouraged to contact the Superintendent with questions.

The budget uses conservative fiscal principles. Although every effort is made to be accurate in the estimate of revenues and expenditures, due to the nature of school funding, staff turnover, changing economic conditions and other factors outside the direct control of the District, when exactness of an estimate is not possible, revenues will be estimated on the low side and expenditures will be assumed otherwise.

EXECUTIVE SUMMARY

The annual budget is a financial plan to implement educational programs for the year. The budget is presented as a set of financial tables and charts, each of which represent underlying programs designed to meet the educational needs of the children entrusted to the district. Programming is provided by highly qualified staff and managed by careful allocation of resources determined by thoughtful analysis of current and long-term needs and trends. The district has been recognized in the state and nationally for both its educational excellence as well as effective management of resources.

New Berlin, like other school districts in Wisconsin, operates under a school finance system that limits revenues. In order to match expenditures with available revenue, this budget includes program reductions and adjustments, staffing cuts and continued elimination of funding for long-term facility maintenance and remodeling, equipment replacement, safety initiatives and identified technology updates.

As part of the budget development process, the district has and continues to intentionally challenge current program delivery and staffing models to identify options to maintain a quality education at a reasonable cost. This is not only necessary, but a vital part of the process of proactively addressing the challenge to use our limited resources to maintain instructional excellence. This multi-year endeavor to define process improvements and implement changes can be disruptive and, in some cases, result in short-term declines in productivity to achieve long-term goals.

The original budget is an adjustment to the previously approved preliminary budget that established the intent of the School Board and set fiscal priorities for the upcoming school year. This adjustment, in conformance with state statutes, will modify the preliminary budget for actual enrollment, determined on the 3rd Friday in September and revenue limit and general state aids, certified on Oct. 15. Other adjustments are made at this time to account for changes in staffing, planned capital projects, debt issuance or other items.

Material changes from the preliminary budget include:

1. Adjustments in staffing due to an increase of students with special needs.
2. Elimination of the projected deficit in the general fund through increases in revenues in the Wisconsin State Biennial Budget, reduction and adjustments in programs and positions and continued management of expenditures.
3. Recommended property tax levy is \$440,935 less than projected in the spring.
4. The growth in property values is 5.44% compared to an estimated growth of 3%.

5. Projected fund balance, at the end of the year, will be 18.37% of expenditures, versus the preliminary budget projection of 15.3%, due to the Eisenhower wall repairs being expensed in the 2020 fiscal year instead of the 2019 fiscal year. Once this expense is paid, the district fund balance is estimated to be slightly more than 17%, still in compliance with the current fund balance policy.

The budget presented herein complies with current federal and state school finance regulations and provides adequate resources to operate the district for the 2019-20 school year.

Budget Summary

The Wisconsin Department of Public Instruction requires the school district to publish its budget in the format shown on the following page. This format does not segregate non-annual capital projects and other extraordinary financial transactions, such as refinancing outstanding debt or accounting rule changes, that can make comparison from one year to the next difficult. Conducting analysis without knowledge of district programming, school finance regulations and governmental accounting rules may lead to erroneous conclusions. The following overview is provided to identify extraordinary transactions between the actual results of 2018-19 and the budget for 2019-20. More detailed information is provided in individual fund statements that follows the required published budget.

Item	As Reported in Conformance with the Prescribed Format	Adjusted for Extraordinary Transactions
Expenditures & other financing uses	Use of \$725,000 for the repair of portions of the North and East walls of Eisenhower Middle/High School.	This one-time expense will reduce the beginning fund balance for 2019-20, but will not have a negative impact on the overall fund balance as it will be offset by a reduction in expense for the 2020-21 budget.

**Statement of Revenues, Expenditures & Changes in Fund Balance
ORIGINAL 2019-2020 BUDGET**

	2016-17 ACTUAL	2017-18 ACTUAL	2018-19 UNAUDITED	2019-20 ORIGINAL
GENERAL & SPECIAL EDUCATION FUND				
Revenues & Other Financing Sources				
Local Sources	\$ 45,906,324	\$ 45,748,466	\$ 45,330,595	\$ 44,795,578
Intermediate Sources	318,534	273,426	170,072	197,467
State Sources	6,129,625	6,681,767	8,019,091	9,248,558
Federal Sources	1,657,835	1,551,773	1,873,117	1,804,390
Other Sources	635,531	393,474	62,753	201,473
Other financing sources	435,163	434,467	642,435	475,800
Total Sources	<u>55,083,012</u>	<u>55,083,373</u>	<u>56,098,063</u>	<u>56,723,266</u>
Expenditures & Other Uses				
Instruction	28,875,091	27,650,751	29,149,355	30,221,175
Support Services	25,233,106	23,130,700	22,776,743	23,974,831
Non-Program Transactions	2,613,076	2,651,279	3,096,346	2,955,820
Total Expenditures	<u>56,721,273</u>	<u>53,432,730</u>	<u>55,022,444</u>	<u>57,151,826</u>
<i>Excess (deficiency) of Revenues and Other Financing Sources Over (Under)</i>				
<i>Expenditures & Other Uses</i>	(1,638,261)	1,650,643	1,075,619	(428,560)
Fund Balance Beginning of Year	9,410,816	7,772,555	9,423,198	10,498,817
Fund Balance End of Year	<u>7,772,555</u>	<u>9,423,198</u>	<u>10,498,817</u>	<u>10,070,258</u>
SPECIAL REVENUE TRUST FUND				
Beginning Fund Balance	586,688	629,570	808,222	795,819
Ending Fund Balance	629,570	808,222	795,819	586,037
Revenues & Other Financing Sources	212,456	388,188	208,898	219,238
Expenditures & Other Financing Uses	169,574	209,536	221,301	429,020
DEBT SERVICE FUNDS				
Beginning Fund Balance	1,130,228	1,096,346	876,743	791,474
Ending Fund Balance	1,096,346	876,743	791,474	735,391
Revenues & Other Financing Sources	5,779,403	6,985,870	18,800,433	5,228,534
Expenditures & Other Financing Uses	5,813,285	7,205,473	18,885,702	5,284,617
CAPITAL PROJECT FUNDS				
Beginning Fund Balance	3,391,624	(0)	2,125,760	(0)
Ending Fund Balance	(0)	2,125,760	(0)	(0)
Revenues & Other Financing Sources	516,274	4,050,230	37,250	0
Expenditures & Other Financing Uses	3,907,898	1,887,073	2,163,010	0
FOOD SERVICE FUND				
Beginning Fund Balance	1,044,578	1,035,867	1,043,936	1,043,936
Ending Fund Balance	1,035,867	1,043,936	1,043,936	663,539
Revenues & Other Financing Sources	1,544,427	1,452,025	1,531,677	1,547,149
Expenditures & Other Financing Uses	1,553,138	1,443,956	1,531,677	1,927,546
COMMUNITY SERVICE FUND				
Beginning Fund Balance	320,552	397,264	392,828	392,828
Ending Fund Balance	397,264	392,828	392,828	507,616
Revenues & Other Financing Sources	365,635	703,750	1,024,776	809,164
Expenditures & Other Financing Uses	288,923	708,186	1,024,776	694,376
Total Expenditures and Other Financing Uses - All Funds	\$ 68,454,091	\$ 64,886,954	\$ 78,848,910	\$ 65,487,384
Percent Change from Prior Year		-5.21%	21.52%	-16.95%
PROPERTY TAX LEVY COMPARISON				
General Fund	\$ 44,659,454	\$ 44,404,278	\$ 43,863,060	\$ 43,313,004
Debt Service Funds	5,749,322	6,844,658	6,069,188	5,198,517
Capital Projects Fund	424,448	0	0	0
Community Services Fund	140,000	496,513	859,276	597,664
Total School Levy	\$ 50,973,224	\$ 51,745,449	\$ 50,791,524	\$ 49,109,185
% Change from Prior Year		1.51%	-1.84%	-3.31%

Revenue Limit Exemption

Wisc. Stats. 121.94 (4) (0) 1 requires the district provide the following information related to use of a revenue limit exemption for energy and operational purposes.

Revenue limit exemption for energy conservation (Wisc. Stats. 121.91(4)(0)1).				
The School District of New Berlin exercised its taxing authority to exceed the revenue limit on a non-recurring basis by \$0 on energy efficiency measures and renewable energy products for the 2019-20 school year. The district will expend this full amount on debt service payments for approved projects. As a result of these expenditures, the district has met the following performance indicators:				
Project	Cost (includes financing)	Payback Years	Utility Cost Savings	Non-Utility Cost Savings
HVAC upgrades West	\$4,852,422	10.0	\$30,082	\$506,354
HVAC upgrades Eisenhower	\$10,724,783	7.8	\$253,268	\$1,163,051
HVAC upgrades Orchard Lane	\$2,841,575	8.3	\$1,165	\$338,891
HVAC upgardes Poplar Creek	\$3,249,805	8.3	\$1,077	\$387,161

Property Tax Information

Property taxes are the primary funding source for the District, accounting for nearly 80% of operating revenue. The budgeted property tax levy of \$49,109,185 is 3.31% less than the prior year, over 4% below the rate of inflation. The decrease is a result of additional state funding.

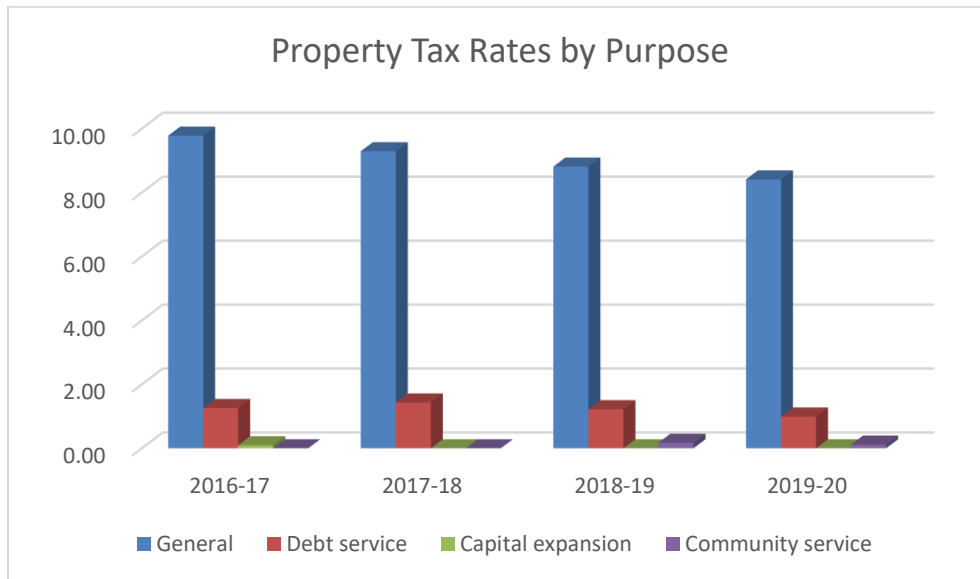
The district equalized property value increased by 5.437%, resulting in a property tax rate decrease of \$0.85 per \$1,000 of equalized value for an estimated tax rate for the budget year of \$9.36 compared to the current tax rate of \$10.21. The estimated gross school tax levy on a home valued at \$250,000 is \$2,340, a decrease of approximately \$212.

The following tables shows the levy history for the prior 10 years as well as the projected levy for the budget year. The percentage increase for the levy has been less than the rate of inflation in seven of the last 10 years. The projected tax rate will result in six straight years with a tax rate reduction.

10 YEAR TAX LEVY HISTORY

SCHOOL YEAR	EQUALIZED VALUE (Tid out)	CHANGE	TAX LEVY	CHANGE	TAX RATE per \$1000 EQUALIZED	CHANGE
2010-11	4,387,266,137	-2.03%	45,957,743	3.90%	\$10.48	6.06%
2011-12	4,360,177,398	-0.62%	45,278,754	-1.48%	\$10.38	(0.87%)
2012-13	4,212,589,405	-3.38%	46,356,030	2.38%	\$11.00	5.97%
2013-14	4,159,800,176	-1.25%	47,490,440	2.45%	\$11.42	3.75%
2014-15	4,328,411,397	4.05%	49,142,016	3.48%	\$11.35	(0.55%)
2015-16	4,428,088,120	2.30%	49,692,034	1.12%	\$11.22	(1.16%)
2016-17	4,566,665,526	3.13%	50,973,224	2.58%	\$11.16	(0.53%)
2017-18	4,779,770,578	4.67%	51,745,449	1.51%	\$10.83	(3.01%)
2018-19	4,977,053,088	4.13%	50,791,524	-1.84%	\$10.21	(5.73%)
2019-20	5,247,647,190	5.44%	49,109,185	-3.31%	\$9.36	(8.30%)

As shown in the chart below, the levy is used primarily for general operations. Other uses include repayment of debt, capital projects (in prior years) and community services. **The proposed levy is the maximum amount allowed under current school finance law.**

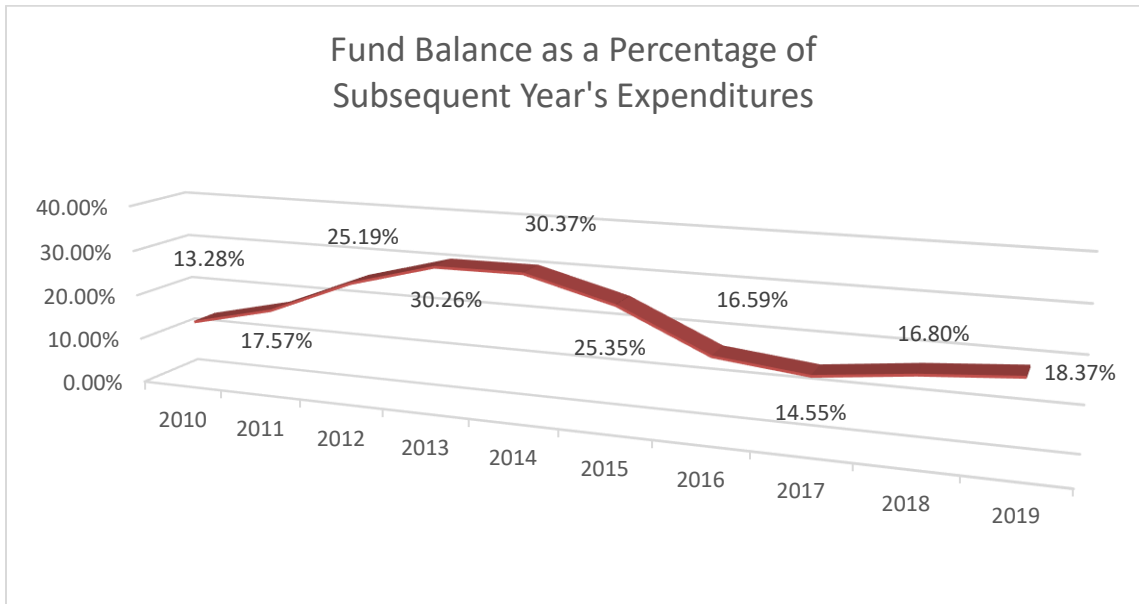


Fund Balance

One measure of a school district's financial condition applied by potential debtors is the credit rating. New Berlin's rating, by Moody's Investor Services, is Aa2. Lower credit ratings are typically associated with higher interest costs.

One of the measures used to determine a governmental body's credit rating is the fund balance, among other factors. Credit rating agencies consider the overall fund balance, but give greatest weight to the fund balance for the general fund as a percentage of subsequent year

expenditures. Credit agencies consider a fund balance of less than 10% as a negative and any amount over 20% as positive. In past years, the district has used conservative budgeting practices coupled with strategic management of expenditures to increase the fund balance. This increase allowed New Berlin to enhance its credit rating and to accumulate resources to fund identified facility needs.



While the current fund balance increased to slightly more than 18%, it should be noted that the cost of repairs to the Eisenhower walls will reduce this balance by \$725,000. The district will maintain a fund balance of approximately 17% after this expense is paid.

OPERATING BUDGET

The operating budget is an annual budget for general operations and is presented in compliance with industry standards. The presentation format is designed to provide readers with two years of history: the current budget and the projected budget.

Budget Assumptions

Budget assumptions establish the basis for making decisions regarding sources and uses of funding for program and support service priorities. Assumptions take into consideration known and anticipated changes, both within the control of the School Board and factors outside the District's direct control, based on short- and long-term projections. The following general assumptions were used in preparation of the preliminary budget:

Enrollment & staffing

- Revenue limit membership increased 16 students.
- Licensed educator staff to support classroom teachers reduced 4 full-time equivalent, or FTE.
- Classroom teachers reduced 2 FTE to align staffing with enrollment and available resources.
- General support staff in the business office reduced by 3 FTE.

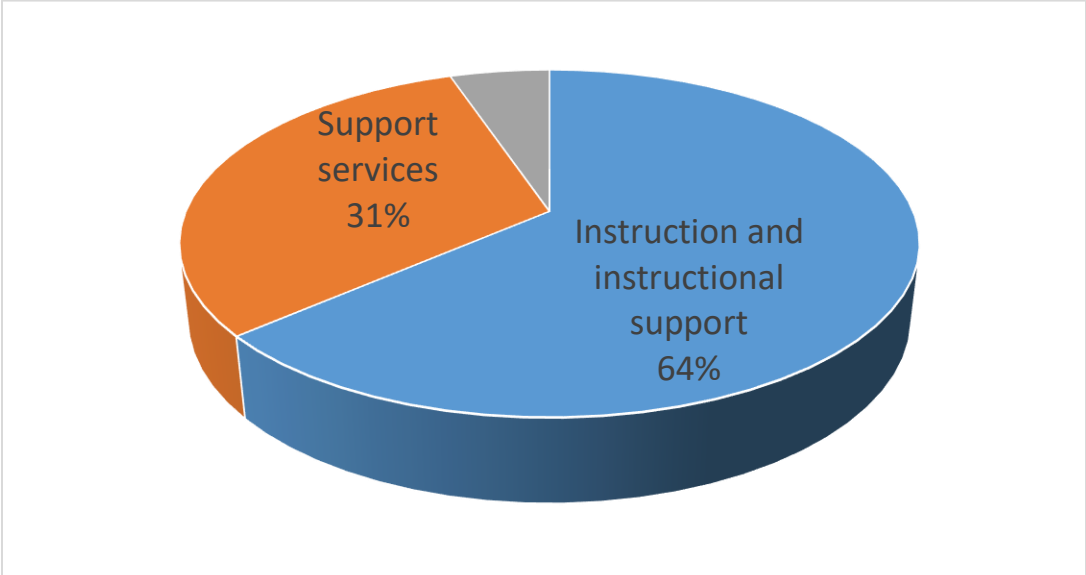
Revenues

- State increased the per pupil categorical aid by \$88 from \$654 to \$742, resulting in an increase of more than \$390,000.
- The state allowed for an increase in per pupil revenue limit authority of \$175.
- General aid increased \$818,000, reversing several years of decreases of 15% or greater.
- State special education aid will be funded at 26% of eligible aidable costs for an estimated increase of \$75,000.

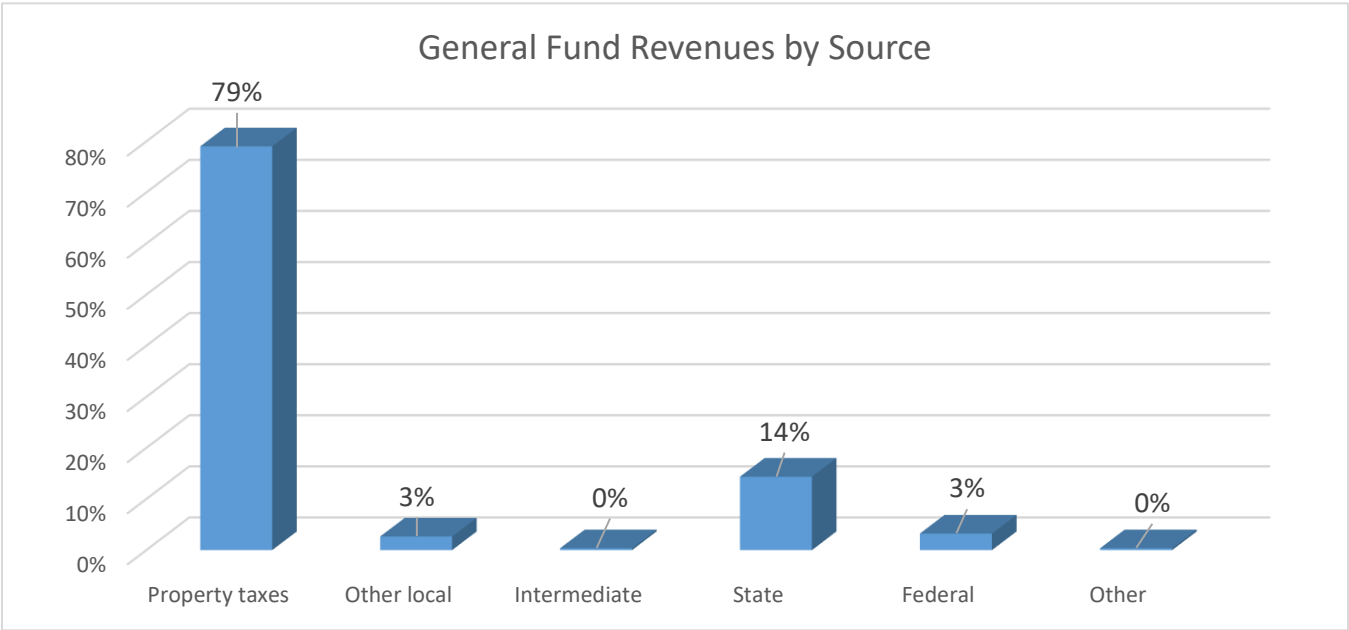
Expenditures

- The long-range facility maintenance and remodeling plan will receive no funding for the third year in a row, resulting in deferred maintenance.
- The long-range equipment replacement plan will receive no funding for the third year in a row, resulting in continued use of old or outdated equipment in instructional settings, with exception for equipment for digital learning.
- Employees received a 2% general wage increase plus additional compensation for merit and market.
- Costs for medical coverage will remain unchanged.
- The District will provide a donation to the New Berlin Education Foundation, Inc. Funds for this donation are provided from a segregated source and are not part of the general budget and do not impact structural deficits.
- The cost for temporary cash flow borrowing will increase as a result of higher short-term interest rates and an increase in the amount that will be borrowed due to the use of fund balance.
- Curriculum and instructional support is reduced by \$60,000, deferring opportunities for updates.
- Buildings and grounds will contract a larger portion of their staff due to the inability to hire directly in the current tight labor market.
- The District invested in an upgrade of the Enterprise Resource Program to allow for further staffing efficiencies in subsequent years. Funds for this upgrade are provided from a segregated source and do not impact structural deficits.
- Costs for business and community engagement programs will be reduced.

The district spends 64% of its budget on direct instruction and instructional support, 31% on support services (transportation, buildings & grounds, administration, insurance, principal and interest on leases, costs for post-employment benefits) and the remaining 5% in non-program charges, primarily contracted instructional service, such as tuition payments.



The district's primary funding source continues to be property taxes at 79% followed by state revenue at 14% and federal at 3%. Other sources account for the remaining 4% of total general fund revenue.



Non-Instructional Funds

Debt Service Fund

The district has two debt services funds used to record financial transactions related to repayment of principal and interest on long-term general obligation debt.

1. Property taxes for repayment of debt are established at the time debt is issued through the adoption of an irrevocable property tax levy. The amounts reported comply with the debt adoption resolutions. The reduction of \$870,000 is due to early re-payment in the prior year of the bonds for construction of Elmwood Elementary.
2. Because of pre-payment of long-term debt, the district will have less cash reserves for temporary investment, resulting in a decrease in investment income.
3. The large reduction in principal and interest payments is due to governmental accounting rules that consider refinancing of long-term debt an expenditure. The district refinanced debt in 2018-19.
4. The district paid more than \$200,000 to refinance debt in 2018-19, an expenditure that is not expected in the budget year.
5. Unlike other funds, which are based on the fiscal year, debt service revenues are set, in accordance with law, for principal and interest payments for the ensuing calendar year. This usually results in the fund balance for any given year either increasing in anticipation of expenditure needs for the subsequent year or decreasing because of changes in the debt payment schedule.

A measure of a school district's financial position is the amount of outstanding debt compared to the district's legal debt authority, called margin of debt. New Berlin has debt authority of \$497,705,309 (10% of equalized value). Outstanding debt as a percentage of debt authority is about 9%, down from 10% in the prior year, representing responsible debt authority.

Schedule of Outstanding General Obligation Debt Beginning of Fiscal Year

DESCRIPTION	ORIGINAL ISSUE AMOUNT	ISSUE DATE	MATURITY DATE	Balance 6/30/2019
West Sewer QSCB Bonds	715,000	16-Aug-10	1-Mar-20	365,000
WRS Prior Service Obligation G.O. Refunding Bc	11,995,000	16-Feb-11	1-Mar-29	140,000
Eisenhower Boiler / West Sewer G.O. Refunding	1,290,000	21-Feb-11	1-Mar-25	1,290,000
West & Ronald Reagan / 2nd refunding bonds	9,720,000	19-Jun-12	1-Mar-25	6,180,000
ESCO Bonds - 2013	8,200,000	15-Oct-13	1-Mar-28	7,255,000
West / RR Refunding bonds	9,995,000	24-Feb-14	1-Mar-25	6,905,000
Refunding (also ESCO, see below)	4,895,000	16-Nov-15	1-Mar-21	2,240,000
ESCO Bonds - 2015(also refunding, see above)	5,100,000	16-Nov-15	1-Mar-29	4,185,000
ESCO Bonds - 2017	4,000,000	10-Aug-17	1-Mar-32	3,500,000
WRS Prior Obligation Refunding Bond	12,680,000	16-Oct-18	1-Mar-29	12,680,000
				<u>44,740,000</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUNDS**

	<u>2016-17</u> <u>Actual</u>	<u>2017-18</u> <u>Actual</u>	<u>2018-19</u> <u>Budget</u>	<u>2019-20</u> <u>Proposed</u>	<u>Increase</u> <u>Decrease</u>	<u>%</u> <u>Change</u>	<u>Notes</u>
Revenues							
Property taxes	\$ 5,749,322	\$ 6,844,658	\$ 6,069,188	\$ 5,198,517	\$ (870,671)	-16.75%	1
Other local sources	2,095	33,217	21,200	2,000	(19,200)	-960.00%	2
Other sources	27,986	107,995	30,045	28,017	(2,028)	-7.24%	
Total revenues	5,779,403	6,985,870	6,120,433	5,228,534	(891,899)	-17.06%	
Expenditures							
Support services							
Principal	5,084,582	5,470,000	16,467,068	3,975,000	(12,492,068)	-314.27%	3
Interest	728,703	1,679,202	2,213,740	1,309,617	(904,123)	-69.04%	3
Debt issuance costs	-	56,151	204,894	-	(204,894)		3
Total support services	5,813,285	7,205,353	18,885,702	5,284,617	(13,601,085)	-257.37%	
Non-program							
Other non-program	-	120	-	-	-		
Total non-program	-	120	-	-	-		
Total expenditures	5,813,285	7,205,473	18,885,702	5,284,617	(13,601,085)	-257.37%	
Excess revenues over expenditures	(33,882)	(219,603)	(12,765,269)	(56,083)	12,709,186		
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-		
Transfers to other funds	-	-	-	-	-		
Borrowed amounts	-	-	12,680,000	-	(12,680,000)		3
Premium from debt financing	-	-	-	-	-		
Total other financing sources (uses)	-	-	12,680,000	-	(12,680,000)		
Net Change in Fund Balance	(33,882)	(219,603)	(85,269)	(56,083)	29,186	-52.04%	4
Fund balance, beginning of year	1,130,228	1,096,346	876,743	791,474	(85,269)	-10.77%	4
Fund balance, end of year	\$ 1,096,346	\$ 876,743	\$ 791,474	\$ 735,391	\$ (56,083)	-7.63%	
Supplemental information							
Expenditures by fund							
Non-referendum debt	5,143,760	5,523,547	5,642,410	5,284,617	(357,793)	-6.77%	1
Referendum debt	669,525	1,681,926	907,093	0	(907,093)		
Total expenditures by fund	5,813,285	7,205,473	6,549,503	5,284,617	(1,264,886)	-23.94%	

Food Service Fund

All revenue and expenditures related to the school food service operation are recorded in this fund. The district operates the food service program to be self-sufficient, meaning charges and direct aid should pay all costs. Financial transactions in support of the food service fund do not affect, positively or negatively, the structural deficit. Further, fund balance accrued in this fund cannot be used to help defray the structural deficit of other funds.

1. Wages and benefits increased the same as other employees, 2% plus merit and market. Certain anticipated staffing realignment may result in added costs in the budget year.
2. The food service program added a satellite kitchen / serving area to West.
3. The District assessed the school nutrition and food program actual utility costs based on separate metering. The first began in the 2017-18 school year with the first full year being 2018-19. The increase represents anticipated costs for a full year based on the current year trend to date.
4. The District will replace outdated equipment in one of the elementary schools.
5. Equipment purchased for new satellite kitchen / serving area at West.
6. The fund balance should be no more than three months operating expenses. The District is working with the Department of Public Instruction to develop plans for satellite serving areas to serve students, such costs paid by this fund.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOOD SERVICE FUND

	2016-17 <u>Actual</u>	2017-18 <u>Actual</u>	2018-19 <u>Budget</u>	2019-20 <u>Proposed</u>	Increase <u>Decrease</u>	% <u>Change</u>	<u>Notes</u>
Revenues							
Food sales	\$ 1,172,512	\$ 1,103,593	\$ 1,189,490	\$ 1,204,962	\$ 15,472	1.28%	
Other local sources	-	-	-	0	-	-	
State sources	13,339	13,117	11,335	11,335	-	0.00%	
Federal sources	358,576	335,315	330,852	330,852	0	0.00%	
Other sources	-	-	-	0	-	-	
Total revenues	1,544,427	1,452,025	1,531,677	1,547,149	15,472	1.00%	
Expenditures							
Support services							
Wages & benefits	630,709	664,184	681,756	707,760	26,004	3.67%	1
Purchased services	13,523	6,652	29,770	20,635	(9,135)	-44.27%	
Property services	124,811	19,742	24,800	274,800	250,000	90.98%	2
Utilities	-	20,761	39,201	63,201	24,000	37.97%	3
Supplies and food	759,773	644,704	630,150	660,150	30,000	4.54%	
Non-capital items	19,630	10,796	18,000	28,000	10,000	35.71%	4
Capital equipment	-	50,111	105,000	170,000	65,000	38.24%	5
Other	4,692	27,006	3,000	3,000	-	0.00%	
Total expenditures	1,553,138	1,443,956	1,531,677	1,927,546	395,869	20.54%	
Excess revenues over (under) expenditures	(8,711)	8,069	-	(380,397)	(380,397)		
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-		
Transfers to other funds	-	-	-	-	-		
Borrowed amounts	-	-	-	-	-		
Total other financing sources (uses)	-	-	-	-	-		
Net Change in Fund Balance	(8,711)	8,069	-	(380,397)	(380,397)		6
Fund balance, beginning of year	1,044,578	1,035,867	1,043,936	1,043,936	-	0.00%	
Fund balance, end of year	\$ 1,035,867	\$ 1,043,936	\$ 1,043,936	\$ 663,539	\$ (380,397)	-57.33%	

Community Service Fund

The community service fund is used to account for financial transactions related to programs offered to the entire community, without regard to enrollment in one of the district's schools, such as adult education and community recreation. Financial transactions in support of the community service fund do not affect, positively or negatively, the structural deficit. Further, fund balance accrued in this fund cannot be used to help defray the structural deficit of other funds.

1. The tax levy for this fund supports management of the West Performing Arts Center, the early learning program and community outreach and education activities. The significant reduction is due to elimination of certain community and business engagement programs.
2. The budget anticipates growth in the early learning program, with resulting fee income.
3. The change in wages and benefits reflects the Board approved increase in compensation as well as expected additional staffing costs for the growth of the early learning program.
4. Reduction of business and community engagement programs.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMMUNITY SERVICE FUND

	2016-17 <u>Actual</u>	2017-18 <u>Actual</u>	2018-19 <u>Budget</u>	2019-20 <u>Proposed</u>	Increase <u>Decrease</u>	% <u>Change</u>	<u>Notes</u>
Revenues							
Property taxes	\$ 140,000	\$ 496,513	\$ 859,276	\$ 597,664	\$ (261,612)	-43.77%	1
Other local sources	225,635	207,237	165,500	211,500	46,000	21.75%	2
Other sources	-	-	-	-	-	-	
Total revenues	365,635	703,750	1,024,776	809,164	(215,612)	-26.65%	
Expenditures							
Support services							
Wages & benefits	221,061	482,357	378,866	417,556	38,690	9.27%	3
Purchased services	12,840	73,447	610,310	241,620	(368,690)	-152.59%	4
Non-capital items	42,242	22,012	32,000	30,200	(1,800)	-5.96%	
Capital equipment	7,183	49,614	-	-	-	-	
Other	5,597	80,756	3,600	5,000	1,400	28.00%	
Total expenditures	288,923	708,186	1,024,776	694,376	(330,400)	-47.58%	
Excess revenues over expenditures	76,712	(4,436)	0	114,788	114,788	100.00%	
Net Change in Fund Balance	76,712	(4,436)	0	114,788	114,788		
Fund balance, beginning of year	320,552	397,264	392,828	392,828	0	0.00%	
Fund balance, end of year	\$ 397,264	\$ 392,828	\$ 392,828	\$ 507,616	\$ 114,788	22.61%	

The district operates the following community education, recreational, cultural and athletic programs, which are open to all community members regardless of enrollment in one of the district's regular school programs.

Community education - early learning program	155,820
Community & alumni engagement	443,204
Business engagement	4,885
Community theater	86,566
Community programs	3,900
Total	694,376

Special Revenue Trust Fund

The special revenue trust fund is used to record financial transactions related to donated amounts or special programs designed and operated by the district that are created with the intent to have excess revenues for the purpose of supporting primary purpose programs in the future. The district will operate concession stands and other fund-raising programs through this fund. Like the food service and community service funds, financial transactions segregated in this fund do not impact the structural deficit and residual fund balance cannot be used to defray such costs.

1. The acquisition of an upgraded Enterprise Resource Program will be paid from this fund.
2. Athletic programs have raised funds in prior years for equipment to be purchased in the budget year.
3. The planned use of fund balance was from the inception of the fund in 2014-15.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE SPECIAL REVENUE TRUST FUND

	2016-17 <u>Actual</u>	2017-18 <u>Actual</u>	2018-19 <u>Budget</u>	2019-20 <u>Proposed</u>	Increase <u>Decrease</u>	% <u>Change</u>	<u>Notes</u>
Revenues							
Fees and charges for programs	\$ -	\$ -	\$ -	\$ -	\$ -		
Other local sources	212,456	388,188	208,898	219,238	10,340	4.72%	
Other sources	-	-	-	-	-		
Total revenues	212,456	388,188	208,898	219,238	10,340	4.72%	
Expenditures							
Support services							
Wages & benefits	6,746	14,684	11,303	13,326	2,023	15.18%	
Purchased services	54,887	93,445	40,880	227,181	186,301	82.01%	1
Non-capital items	99,857	94,396	158,538	181,133	22,595	12.47%	2
Capital equipment	-	6,261	-	-	-		
Other	8,084	750	10,580	7,380	(3,200)	-43.36%	
Total expenditures	169,574	209,536	221,301	429,020	207,719	48.42%	
Excess revenues over expenditures	42,882	178,652	(12,403)	(209,782)	(197,379)	94.09%	
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-		
Transfers to other funds	-	-	-	-	-		
Borrowed amounts	-	-	-	-	-		
Total other financing sources (uses)	-	-	-	-	-		
Net Change in Fund Balance	42,882	178,652	(12,403)	(209,782)	(197,379)		
Fund balance, beginning of year	586,688	629,570	808,222	795,819	(12,403)		
Fund balance, end of year	\$ 629,570	\$ 808,222	\$ 795,819	\$ 586,037	\$ (209,782)	-35.80%	3

CAPITAL BUDGET

The operating budget, explained above, is the basis for appropriations for a single year. Capital budgets are used to record financial transactions for long-term projects and commitments. New Berlin documents its long-term capital planning in a long range facilities maintenance and remodeling plan.

Capital projects are typically funded with borrowed money or the sale of capital assets. Amounts expended in a capital budget for energy and operational efficiency projects or any project approved by the taxpayers in a referendum do not impact the structural deficit. The financial impact of capital projects financed within the operating funds, such as building of Ronald Reagan Elementary or the additions to New Berlin West, are reported above in the operating budget.

1. The district completed the final heating, ventilation and air conditioning project, primarily at New Berlin West, in the 2018-19 school year. The budget presented below is provided to demonstrate the use of the funds as planned. No additional projects are anticipated for 2019-20.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUNDS**

	2016-17	2017-18	2018-19	2019-20	Increase	%	Notes
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Proposed</u>	<u>Decrease</u>	<u>Change</u>	
Revenues							
Property taxes	\$ 424,448	\$ -	\$ -	\$ -	\$ -		
Other local sources	11,664	50,230	37,250	-	(37,250)		1
Other sources	80,162	-	-	-	-		
Total revenues	516,274	50,230	37,250	-	(37,250)		
Expenditures							
Wages & benefits	-	-	-	-	-		
Personal services	-	-	-	-	-		
Property services	3,907,898	1,264,232	2,163,010	-	(2,163,010)		1
Payments to other governments	-	-	-	-	-		
Supplies and materials	-	-	-	-	-		
Non-capital equipment	-	164,264	-	-	-		
Building improvements	-	-	-	-	-		
Capital equipment	-	458,577	-	-	-		
Insurance	-	-	-	-	-		
Total support services	3,907,898	1,887,073	2,163,010	-	(2,163,010)		
Non-program	-	37,397	-	-	-		
Total expenditures	3,907,898	1,924,470	2,163,010	-	(2,163,010)		
Excess revenues over expenditures	(3,391,624)	(1,874,240)	(2,125,760)	-	2,125,760		
Transfers to other funds	-	-	-	-	-		
Sales of real estate	-	-	-	-	-		
Borrowed amounts	-	4,000,000	-	-	-		
Total other financing sources (uses)	-	4,000,000	-	-	-		
Net Change in Fund Balance	(3,391,624)	2,125,760	(2,125,760)	-	2,125,760		
Fund balance, beginning of year	3,391,624	(0)	2,125,760	(0)	(2,125,760)		
Fund balance, end of year	\$ (0)	\$ 2,125,760	\$ (0)	\$ (0)	\$ -		1
Supplemental information							
Expenditures by fund							
Capital expansion fund	1,354,183	0	0	0	0		
Capital projects fund	2,553,715	1,924,470	2,163,010	0	(2,163,010)		
Total expenditures by fund	3,907,898	1,924,470	2,163,010	0	(2,163,010)		

ADDITIONAL DISCLOSURES

The District has used taxing authority to complete several energy and operational efficiency projects. In accordance with disclosure requirements, the projects are summarized below.

Revenue limit exemption for energy conservation (Wisc. Stats. 121.91(4)(01)).				
The School District of New Berlin exercised its taxing authority to exceed the revenue limit on a non-recurring basis by \$0 on energy efficiency measures and renewable energy products for the 2019-20 school year. The district will expend this full amount on debt service payments for approved projects. As a result of these expenditures, the district has met the following performance indicators:				
Project	Cost (includes financing)	Payback Years	Utility Cost Savings	Non-Utility Cost Savings
HVAC upgrades West	\$4,852,422	10.0	\$30,082	\$506,354
HVAC upgrades Eisenhower	\$10,724,783	7.8	\$253,268	\$1,163,051
HVAC upgrades Orchard Lane	\$2,841,575	8.3	\$1,165	\$338,891
HVAC upgardes Poplar Creek	\$3,249,805	8.3	\$1,077	\$387,161

In addition to the required disclosure above, the following tables provide additional information on the energy savings for each project guaranteed as compared to actual energy savings for each project since inception.

ESCO #1 - \$8,200,000; Completed 3/2015 Payback years 7.8	Annual Debt Payment (Rev Limit Exemption)	Guaranteed Energy Savings	Actual Energy Savings	Actual Over (Under) Guarantee	Cumm Actual Over (Under) Guarantee
2013-14	213,958				
2014-15	416,125	219,145	253,268	34,123	34,123
2015-16	415,800	219,145	273,903	54,758	88,881
2016-17	415,325	219,145	264,458	45,313	134,194
2017-18	424,550	219,145			134,194
2018-19	423,475	219,145			134,194
2019-20	417,325	219,145			134,194
2020-21	432,000	219,145			134,194
2021-22	1,081,400	219,145			134,194
2022-23	1,079,325	219,145			134,194
2023-24	1,081,425	219,145			134,194
2024-25	1,082,625				134,194
2025-26	1,078,000				134,194
2026-27	1,082,475				134,194
2027-28	1,080,975				134,194
	10,724,783	2,191,450	791,629	134,194	

ESCO #2 - \$5,100,000; Completed 10/2016 Payback years 8.3		Annual Debt Payment (Rev Limit Exemption)	Guaranteed Energy Savings	Actual Energy Savings	Actual Over (Under) Guarantee	Cumm Actual Over (Under) Guarantee
	2015-16	242,530	2,242	Incl above		
	2016-17	388,025	2,242	2,706	464	464
	2017-18	357,775	2,242			464
	2018-19	352,775	2,242			464
	2019-20	352,775	2,242			464
	2020-21	352,775	2,242			464
	2021-22	505,775	2,242			464
	2022-23	507,275	2,242			464
	2023-24	508,575	2,242			464
	2024-25	508,550	2,242			464
	2025-26	507,175	2,242			464
	2026-27	510,488	2,242			464
	2027-28	507,275	2,242			464
	2028-29	507,500	2,242			464
		6,109,268	29,146	2,706	464	

ESCO #3 - \$4,000,000; Completed 10/2018 Annual operational savings = \$506,354 Payback years 10.0		Annual Debt Payment (Rev Limit Exemption)	Guaranteed Energy Savings	Actual Energy Savings	Actual Over (Under) Guarantee	Cumm Actual Over (Under) Guarantee
	2017-18	326,798	30,082			
	2018-19	321,038	30,082			0
	2019-20	324,438	30,082			0
	2020-21	322,613	30,082			0
	2021-22	325,563	30,082			0
	2022-23	323,288	30,082			0
	2023-24	320,863	30,082			0
	2024-25	323,213	30,082			0
	2025-26	325,263	30,082			0
	2026-27	322,088	30,082			0
	2027-28	324,044	30,082			0
	2028-29	321,138	30,082			0
	2029-30	323,025	30,082			0
	2030-31	324,250	30,082			0
	2032-33	324,800	30,084			0
		4,852,422	451,232	0	0	