



BUDGET HEARING PRELIMINARY BUDGET

2021 - 2022

Original Budget

25 October 2021

Prepared 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. This is especially true at this time as the financial impact of COVID-19 is still unknown.

The preliminary budget is approved for the purpose of operating the district until the (original) budget is adopted in October. The preliminary budget establishes the intent of the Board of Education and sets fiscal priorities for the upcoming school year. In October, in conformance with state statutes, the district will modify the preliminary budget after actual enrollment, determined on the 3rd Friday in September, revenue limit and general state aids are known. Adjustments for the original budget may also include other changes, such as staffing costs, changes in program or support service levels, planned capital projects, or other economic factors.

New Berlin, like other school districts in Wisconsin, operates under a school finance system that limits the authority of the local Board of Education to levy property taxes. This limitation may cause program and support service reductions because general state aid and property taxes do not increase at the same pace as expenditures. Further, the ability of the district to generate other revenues to cover the variance is not readily available. Representative actions taken in past years include:

- Multi-year planning, particularly for equipment and facilities, to identify near and long-term needs,
- Investment in energy and operational efficiency projects to reduce future costs for utilities.
- Continuous adjustment to staffing levels to align with needs and available financial resources,
- Exploration of and application for non-traditional funding sources,
- Engagement of the broader community, formally and informally,
- Evaluate and implement, when appropriate, strategies and technologies that allow us to work with greater efficiency.

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 students entrusted to the district and to demonstrate compliance with statutes and regulations. The preliminary budget presented herein complies with current federal and state school finance regulations. The budget will provide funding for programming provided by highly qualified staff to ensure the district continues to be recognized in the state and nationally for both its educational excellence as well as effective management of resources.

Budget Summary

The budget summary provided in this preliminary budget looks at the budget through two lenses: the source of revenues and the object of expenses. Looking at the budget in this fashion allows the Board of Education and community to see where our funding comes from, and where we spend that revenue. This budget shows revenue source and expense object for the following funds:

1. Fund 10 – General Education Fund
2. Fund 27 – Special Education Fund
3. Fund 38 – Debt Service Fund
4. Fund 41 – Capital Projects Fund
5. Fund 50 – Food Service Fund
6. Fund 80 – Community Service Fund

There are two additional funds not included in the preliminary budget, Fund 21 – Special Projects Fund and Fund 60 – Student Activity Fund. These funds do not contain revenue from local, state or federal taxes. Rather, these are fiduciary funds, held by the district from donations for specific purposes and fundraising activity by student groups. As such, these funds do not have budgets, per se, rather the funds held in these accounts are reported to the groups for whom these funds are held and available for expenses based on the balance in the various accounts. An example of such a group would be a sports team that holds various fundraising events throughout the year, or a donation from an individual for equipment in a school fabrication lab.

The following report is a summary of the preliminary budget for these six funds.

Budget Summary

The Wisconsin Department of Public Instruction requires the school district to publish its budget using the format on the following page. This format does not segregate non-annual financial transactions, such as capital projects, 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 budget summaries beginning on page 6 are revenue summaries by source and expense summaries by object

The proposed preliminary budget will result in an estimated reduction of fund balance as the Board of Education addresses long range facilities improvements and repairs through the use of fund 41. This is being done in connection with a series of Board actions in the spring of 2021. Additionally, expenses for textbook replacement and computer replacement will exceed the budget in the amount of approximately \$1,000,000. Supply chain problems resulted in these orders being shipped and invoiced in the 2022 fiscal year. The District will use the fund balance created by these delays to cover the cost of the expense.

**BUDGET PUBLICATION, 2021-22
SCHOOL DISTRICT OF NEW BERLIN**

GENERAL FUND	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
Beginning Fund Balance	10,922,027.94	14,030,623.67	17,447,867.79
Ending Fund Balance	14,030,623.67	17,447,867.79	15,383,843.79
REVENUES & OTHER FINANCING SOURCES			
Transfers-In (Source 100)	64,458.39	46,340.11	48,800.00
Local Sources (Source 200)	44,701,647.99	41,124,524.15	39,120,873.00
Inter-district Payments (Source 300 + 400)	62,279.00	314,776.00	644,776.00
Intermediate Sources (Source 500)	28,420.90	34,560.45	27,721.00
State Sources (Source 600)	7,716,471.93	12,307,746.40	13,439,646.00
Federal Sources (Source 700)	487,843.18	603,950.71	1,112,119.00
All Other Sources (Source 800 + 900)	304,682.03	865,678.55	343,100.00
TOTAL REVENUES & OTHER FINANCING SOURCES	53,365,803.42	55,297,576.37	54,737,035.00
EXPENDITURES & OTHER FINANCING USES			
Instruction (Function 100 000)	21,741,325.55	23,239,106.49	25,404,980.30
Support Services (Function 200 000)	20,748,674.80	20,245,138.77	22,634,908.70
Non-Program Transactions (Function 400 000)	7,767,207.34	8,396,086.99	8,761,170.00
TOTAL EXPENDITURES & OTHER FINANCING USES	50,257,207.69	51,880,332.25	56,801,059.00
SPECIAL PROJECTS FUND	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
Beginning Fund Balance	879,273.43	640,599.79	1,173,220.63
Ending Fund Balance	640,599.79	1,173,220.63	0.63
REVENUES & OTHER FINANCING SOURCES	7,963,709.31	8,301,225.42	8,338,485.00
EXPENDITURES & OTHER FINANCING USES	8,202,382.95	7,768,604.58	9,511,705.00
DEBT SERVICE FUND	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
Beginning Fund Balance	772,761.11	734,070.36	688,541.97
Ending Fund Balance	734,070.36	688,541.97	688,541.97
REVENUES & OTHER FINANCING SOURCES	5,205,548.01	18,222,561.87	5,174,784.00
EXPENDITURES & OTHER FINANCING USES	5,244,238.76	18,268,090.26	5,174,784.00
CAPITAL PROJECTS FUND	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
Beginning Fund Balance	0.00	0.00	0.00
Ending Fund Balance	0.00	0.00	640,941.00
REVENUES & OTHER FINANCING SOURCES	0.00	0.00	1,850,000.00
EXPENDITURES & OTHER FINANCING USES	0.00	0.00	1,209,059.00
FOOD SERVICE FUND	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
Beginning Fund Balance	1,001,082.41	476,378.67	711,661.92
Ending Fund Balance	476,378.67	711,661.92	711,661.92
REVENUES & OTHER FINANCING SOURCES	1,230,984.30	1,616,996.19	1,650,000.00
EXPENDITURES & OTHER FINANCING USES	1,755,688.04	1,381,712.94	1,650,000.00
COMMUNITY SERVICE FUND	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
Beginning Fund Balance	739,529.36	845,252.87	1,085,386.30
Ending Fund Balance	845,252.87	1,085,386.30	1,085,386.30
REVENUES & OTHER FINANCING SOURCES	771,324.30	812,995.76	835,665.00
EXPENDITURES & OTHER FINANCING USES	665,600.79	572,862.33	835,665.00
PROPOSED PROPERTY TAX LEVY			
FUND	Audited 2019-20	Unaudited 2020-21	Budget 2021-22
General Fund	43,313,004.00	39,871,579.00	37,871,648.00
Referendum Debt Service Fund	5,198,517.00	5,245,944.00	5,174,784.00
Non-Referendum Debt Service Fund	0.00	0.00	0.00
Capital Expansion Fund	0.00	0.00	1,850,000.00
Community Service Fund	597,664.00	625,000.00	600,000.00
TOTAL SCHOOL LEVY	49,109,185.00	45,742,523.00	45,496,432.00
PERCENTAGE INCREASE -- TOTAL LEVY FROM PRIOR YEAR		-6.86%	-0.54%

General Fund

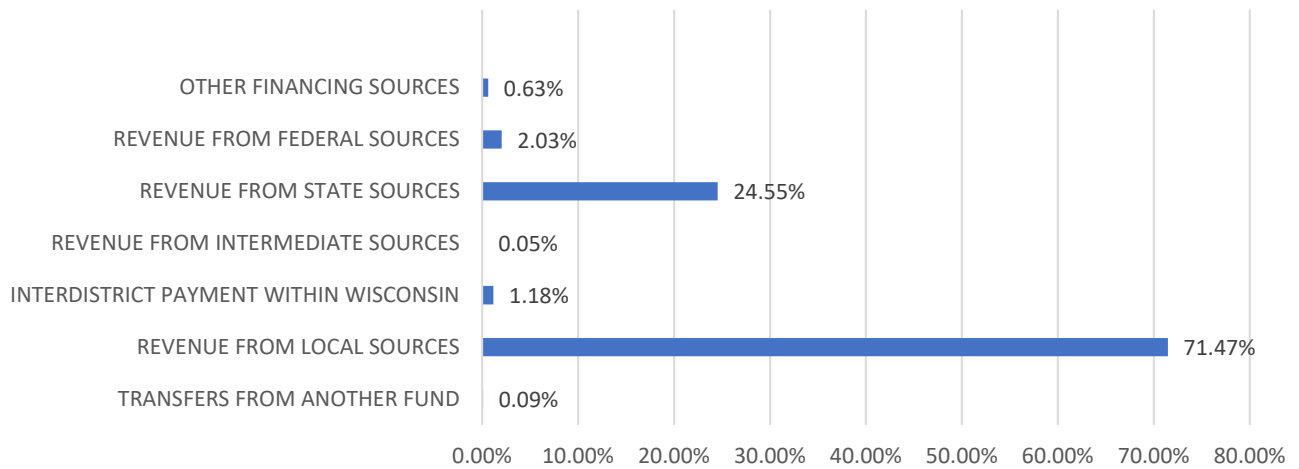
The general fund, the district's largest, accounts for all financial transactions not required to be recorded in a segregated fund. Most costs for educating students are recorded here.

Summary

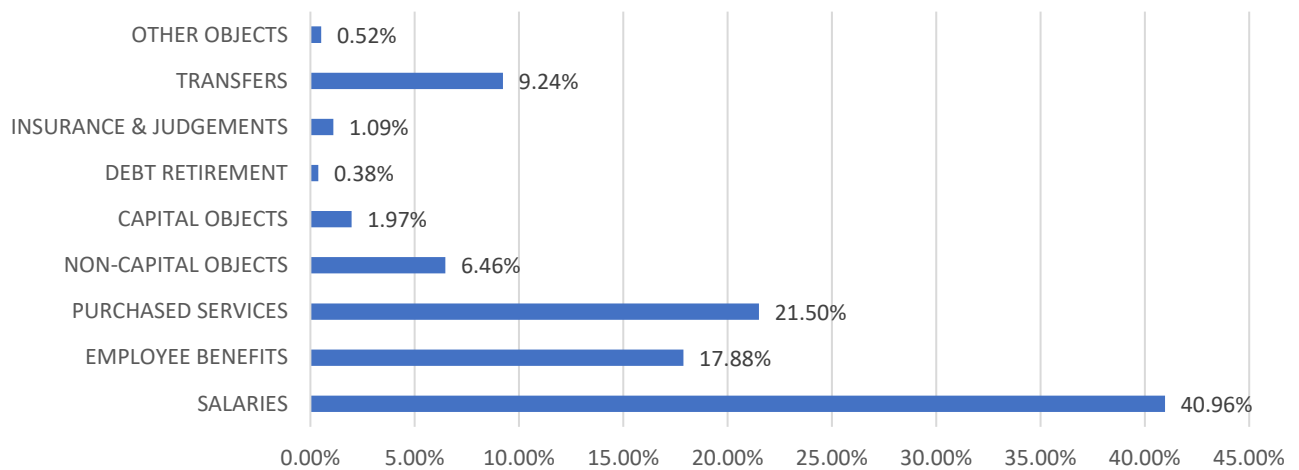
Source/Obj	Description	2020-2021 Budget	2021-2022 Proposed Budget	Variance	Percent Variance
1--	TRANSFERS FROM ANOTHER FUND	\$44,162	\$48,800	\$4,638	10.50%
2--	REVENUE FROM LOCAL SOURCES	\$41,176,620	\$39,120,873	\$2,055,747	-4.99%
3--	INTERDISTRICT PAYMENT WITHIN WISCONSIN	\$201,997	\$644,776	\$442,779	219.20%
5--	REVENUE FROM INTERMEDIATE SOURCES	\$27,721	\$27,721	\$0	0.00%
6--	REVENUE FROM STATE SOURCES	\$12,215,666	\$13,439,646	\$1,223,980	10.02%
7--	REVENUE FROM FEDERAL SOURCES	\$544,188	\$1,112,119	\$567,931	104.36%
8--/9--	OTHER FINANCING/REVENUE SOURCES	\$373,190	\$343,100	-\$30,090	-8.06%
Revenue		\$54,583,544	\$54,737,035	\$25,491	0.05%
1--	SALARIES	\$22,735,631	\$23,265,141	\$529,510	2.33%
2--	EMPLOYEE BENEFITS	\$9,808,838	\$10,156,132	\$347,294	3.54%
3--	PURCHASED SERVICES	\$11,893,158	\$12,211,152	\$317,994	2.67%
4--	NON-CAPITAL OBJECTS	\$3,216,470	\$3,670,989	\$454,519	14.13%
5--	CAPITAL OBJECTS	\$348,730	\$1,121,322	\$772,592	221.54%
6--	DEBT RETIREMENT	\$374,820	\$214,311	-\$160,509	-42.82%
7--	INSURANCE & JUDGEMENTS	\$594,328	\$621,884	\$27,556	4.64%
8--	TRANSFERS	\$5,445,112	\$5,245,671	-\$199,441	-3.66%
9--	OTHER OBJECTS	\$294,457	\$294,457	\$0	0.00%
Expenses		\$54,711,544	\$56,801,059	\$2,089,515	
Fund Balance		-\$128,000	-\$2,064,024		

Note: Fund balance expense is part of the board approved fund balance spend down for capital improvements and IT, Textbook and Facilities delayed expenses

Projected Revenue by Percent



Projected Expenses by Percent



General Fund Revenue Detail

Source	Description	2020-2021 Budget	2021-2022 Proposed Budget	Variance	Percent Variance
12-	INDIRECT COST TRANSFERS	\$44,162	\$48,800	\$4,638	10.50%
1--	TRANSFERS FROM ANOTHER FUND	\$44,162	\$48,800	\$4,638	10.50%
				-	
21-	TAXES	\$39,871,579	\$37,871,648	\$1,999,931	-5.02%
24-	PAYMENTS FOR SERVICES	\$0	\$0	\$0	0.00%
26-	NON-CAPITAL SALES	\$118,161	\$118,161	\$0	0.00%
27-	SCHOOL ACTIVITY INCOME	\$112,005	\$112,005	\$0	0.00%
28-	EARNINGS ON INVESTMENTS	\$31,329	\$31,329	\$0	0.00%
29-	OTHER REVENUE FROM LOCAL SOURCES	\$1,043,546	\$987,730	-\$55,816	-5.35%
				-	
2--	REVENUE FROM LOCAL SOURCES	\$41,176,620	\$39,120,873	\$2,055,747	-4.99%
31-	TRANSIT OF AIDS	\$0	\$0	\$0	0.00%
34-	PAYMENTS FOR SERVICES	\$201,997	\$644,776	\$442,779	219.20%
39-	OTHER PAYMENTS FROM WI SCHOOL DISTRICTS	\$0	\$0	\$0	0.00%
3--	INTERDISTRICT PAYMENT WITHIN WISCONSIN	\$201,997	\$644,776	\$442,779	219.20%
51-	TRANSIT OF AIDS	\$27,721	\$27,721	\$0	0.00%
5--	REVENUE FROM INTERMEDIATE SOURCES	\$27,721	\$27,721	\$0	0.00%
61-	STATE AID - CATEGORICAL	\$341,786	\$341,786	\$0	0.00%
62-	STATE AID - GENERAL	\$7,302,669	\$8,540,580	\$1,237,911	16.95%
63-	STATE SPECIAL PROJECT GRANTS	\$101,530	\$176,530	\$75,000	73.87%
69-	OTHER REVENUE FROM STATE SOURCES	\$4,469,681	\$4,380,750	-\$88,931	-1.99%
6--	REVENUE FROM STATE SOURCES	\$12,215,666	\$13,439,646	\$1,223,980	10.02%
73-	FEDERAL SPECIAL PROJECTS AID TRANSITED THROUGH DPI	\$424,719	\$992,650	\$567,931	133.72%
75-	ELEMENTARY & SECONDARY EDUCATION ACT (ESEA)	\$119,469	\$119,469	\$0	0.00%
78-	FEDERAL AID THROUGH STATE AGENCIES OTHER THAN DPI	\$0	\$0	\$0	0.00%
79-	OTHER REVENUE FROM FEDERAL SOURCES	\$0	\$0	\$0	0.00%
7--	REVENUE FROM FEDERAL SOURCES	\$544,188	\$1,112,119	\$567,931	104.36%
86-	COMPENSATION FOR SALE OR LOSS OF FIXED ASSETS	\$5,800	\$5,800	\$0	0.00%
87-	LONG-TERM DEBT PROCEEDS	\$367,390	\$209,300	-\$158,090	-43.03%
8--	OTHER FINANCING SOURCES	\$373,190	\$215,100	-\$158,090	-42.36%

96-	ADJUSTMENTS	\$5,000	\$5,000	\$0	0.00%
97-	REFUND OF DISBURSEMENTS	\$103,000	\$103,000	\$0	0.00%
	OTHER MISCELLANEOUS				
99-	REVENUES	\$20,000	\$20,000	\$0	0.00%
9--	OTHER REVENUES	\$128,000	\$128,000	\$0	0.00%
	Revenue	\$54,711,544	\$54,737,035	\$25,491	0.05%
	2022 Projected				
	Expense		\$56,801,059		
	2022 Projected Fund				
	Balance		-\$2,064,024		

VARIANCE NOTES

- 21- Projected decrease in property tax burden due to increased State aid
- 29- Reduction in student fees based on enrollment and adjustments from past shortfalls
- 62- State aid projected increase per July estimate
- 69- Reduction in State per pupil aid per enrollment decline
- 73- Increase in guaranteed ESSER II and reduction in Title funds
- 87- Reduction in proceeds from expired DELL lease

Note: Fund balance expense is part of the board approved fund balance spend down for capital improvements

General Fund Expense Detail

Obj	Description	2020-2021 Budget	2021-2022 Proposed Budget	Variance	Percent Variance
11-	REG WAGES	\$22,683,895	\$23,213,405	\$529,510	2.33%
13-	SUB. PAY	\$51,736	\$51,736	\$0	0.00%
14-	TEMP PAY	\$0	\$0	\$0	0.00%
1--	SALARIES	\$22,735,631	\$23,265,141	\$529,510	2.33%
21-	RETIREMENT	\$1,468,413	\$1,572,281	\$103,868	7.07%
22-	SOCIAL SECURITY	\$1,738,933	\$1,845,317	\$106,384	6.12%
23-	LIFE INSURANCE	\$34,120	\$34,120	\$0	0.00%
24-	HEALTH INSURANCE	\$5,481,688	\$5,618,730	\$137,042	2.50%
25-	OTHER EMPLOYEE INSURANCE	\$94,040	\$94,040	\$0	0.00%
29-	OTHER EMPLOYEE BENEFITS	\$991,644	\$991,644	\$0	0.00%
2--	EMPLOYEE BENEFITS	\$9,808,838	\$10,156,132	\$347,294	3.54%
31-	PERSONAL SERVICES	\$851,164	\$852,514	\$1,350	0.16%
32-	PROPERTY SERVICES	\$2,322,536	\$2,444,833	\$122,297	5.27%
33-	UTILITIES	\$1,201,000	\$1,286,000	\$85,000	7.08%
34-	TRAVEL	\$2,561,607	\$2,811,761	\$250,154	9.77%
35-	COMMUNICATIONS	\$294,472	\$294,472	\$0	0.00%
36-	TECHNOLOGY & SOFTWARE SERVICES	\$1,179,747	\$1,167,583	-\$12,164	-1.03%
37-	PAYMENT TO NON-GOVERNMENTAL AGENCIES & INDIVIDUALS	\$787,718	\$787,718	\$0	0.00%
38-	INTERGOVERNMENTAL PAYMENTS FOR SERVICES	\$2,694,914	\$2,566,271	-\$128,643	-4.77%
3--	PURCHASED SERVICES	\$11,893,158	\$12,211,152	\$317,994	2.67%
41-	SUPPLIES	\$869,914	\$869,058	-\$856	-0.10%
42-	APPAREL	\$58,238	\$55,124	-\$3,114	-5.35%
43-	INSTRUCTIONAL MEDIA	\$86,034	\$86,629	\$595	0.69%
44-	NON-CAPITAL EQUIPMENT	\$346,728	\$356,317	\$9,589	2.77%
45-	RESALE ITEMS	\$112,969	\$112,969	\$0	0.00%
46-	EQUIPMENT COMPONENTS	\$22,000	\$22,000	\$0	0.00%
47-	TEXTBOOKS & WORKBOOKS	\$392,245	\$692,245	\$300,000	76.48%
48-	NON-CAPITAL TECHNOLOGY	\$1,307,576	\$1,455,881	\$148,305	11.34%
49-	OTHER NON-CAPITAL ITEMS	\$20,766	\$20,766	\$0	0.00%
4--	NON-CAPITAL OBJECTS	\$3,216,470	\$3,670,989	\$454,519	14.13%
52-	SITE COMPONENTS	\$0	\$0	\$0	0.00%
55-	EQUIPMENT/VEHICLE - INITIAL PURCHASE	\$40,012	\$40,012	\$0	0.00%
56-	EQUIPMENT/VEHICLE - REPLACEMENT	\$20,000	\$20,000	\$0	0.00%
58-	TECHNOLOGY	\$288,718	\$1,061,310	\$772,592	267.59%
5--	CAPITAL OBJECTS	\$348,730	\$1,121,322	\$772,592	221.54%
67-	PRINCIPAL	\$367,390	\$209,300	-\$158,090	-43.03%
68-	INTEREST	\$7,430	\$5,011	-\$2,419	-32.56%
6--	DEBT RETIREMENT	\$374,820	\$214,311	-\$160,509	-42.82%

71-	DISTRICT INSURANCE	\$519,328	\$519,328	\$0	0.00%
72-	JUDGEMENTS & SETTLEMENTS	\$0	\$0	\$0	0.00%
73-	UNEMPLOYMENT COMPENSATION	\$75,000	\$102,556	\$27,556	36.74%
7--	INSURANCE & JUDGEMENTS	\$594,328	\$621,884	\$27,556	4.64%
82-	TRANSFERS TO SPECIAL PROJECTS	\$5,445,112	\$5,245,671	-\$199,441	-3.66%
89-	OTHER COOPERATIVES FUNDS	\$0	\$0	\$0	0.00%
8--	TRANSFERS	\$5,445,112	\$5,245,671	-\$199,441	-3.66%
94-	DUES & FEES	\$284,457	\$284,457	\$0	0.00%
96-	ADJUSTMENTS	\$0	\$0	\$0	0.00%
97-	REFUND OF REVENUE	\$10,000	\$10,000	\$0	0.00%
99-	MISCELLANEOUS	\$0	\$0	\$0	0.00%
9--	OTHER OBJECTS	\$294,457	\$294,457	\$0	0.00%
		\$54,711,544	\$56,801,059	\$2,089,515	3.82%

VARIANCE NOTES

- 11- Salary increase of 1.23% approved by the Board and additional staff
- 21- Retirement associated with salary increases
- 22- Social Security associated with salary increase
- 24- Recommended increase per our consultant
- 34- Increase of 13% contractual student transportation and a 30% increase in fuel costs
- 36- Efficiencies facilitated the reduction of 3rd party software
- 38- Reductions in payments for graduating open enrollment OUT students
- 42- Operations staff uniform reductions
- 48- Reallocation of budget for purchase of 1 to 1 student technology
- 58- Planned technology infrastructure improvements eligible for 40% Erate reimbursement
- 67- 1 to 1 technology purchased rather than leased
- 68- 1 to 1 technology purchased rather than leased
- 82- Increase in Special Education aid offsets the required transfer from the General Fund

Special Education Fund

Revenues and expenses for the purpose of providing special education services to students are recorded in a separate account since 37% of the funding for these services come from state and federal grants. Keep in mind, the dollars accounted for in Fund 27 provide required additional supports for students with disabilities. Students with disabilities also receive educational funding from the general fund as well.

You will notice that 63% of the funding for special services comes from the general fund. A common misconception regarding the funding of special education services is these services are funded 100% with state and federal funding. While the state is making strides to increase their support of special education funding, the overall support continues to be borne by the general education fund. Additionally, general education fund support of special education is also monitored by DPI through a process called maintenance of effort. Essentially, districts must maintain the level of support from the general education fund from year to year, unless reductions are a result of a loss of students or staff reductions through attrition. Currently, we are modeling a slight increase in general fund revenue, however, every effort will be made through the budgeting process to reduce this amount. The business office works closely with the teaching and learning department to provide the highest quality services to students with special needs while being conscious of budget restrictions and the requirement to provide services regardless of the cost.

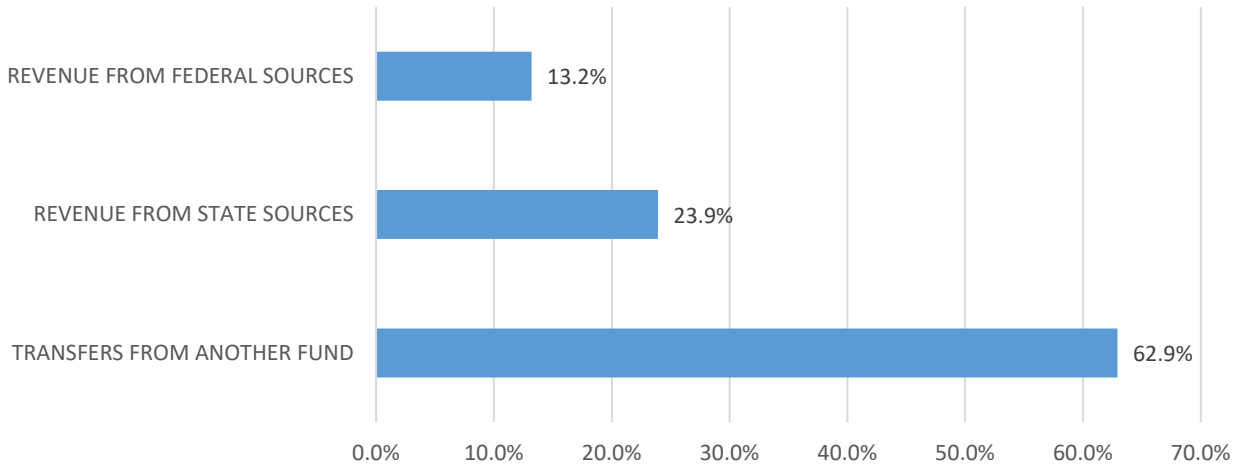
Fund 27 (Special Education) Revenue

Source	Description	2020-2021 Budget	2021-2022 Proposed Budget	Variance	Percent Variance
11-	OPERATING TRANSFERS	\$5,445,112	\$5,245,671	\$199,441	-3.66%
1--	TRANSFERS FROM ANOTHER FUND	\$5,445,112	\$5,245,671	\$199,441	-3.66%
31-	TRANSIT OF AIDS	\$0	\$0	\$0	0.00%
3--	INTERDISTRICT PAYMENT WITHIN WISCONSIN	\$0	\$0	\$0	0.00%
51-	TRANSIT OF AIDS	\$0	\$0	\$0	0.00%
5--	REVENUE FROM INTERMEDIATE SOURCES	\$0	\$0	\$0	0.00%
61-	STATE AID - CATEGORICAL	\$1,598,096	\$1,993,674	\$395,578	24.75%
69-	OTHER REVENUE FROM STATE SOURCES	\$0	\$0	\$0	0.00%
6--	REVENUE FROM STATE SOURCES	\$1,598,096	\$1,993,674	\$395,578	24.75%
73-	FEDERAL SPECIAL PROJECTS AID TRANSITED THROUGH DPI	\$951,202	\$951,531	\$329	0.03%
78-	FEDERAL AID THROUGH STATE AGENCIES OTHER THAN DPI	\$157,609	\$147,609	-\$10,000	-6.34%
7--	REVENUE FROM FEDERAL SOURCES	\$1,108,811	\$1,099,140	-\$9,671	-0.87%
97-	REFUND OF DISBURSEMENTS	\$0	\$0	\$0	0.00%
9--	OTHER REVENUES	\$0	\$0	\$0	0.00%
	Revenue	\$8,152,019	\$8,338,485	\$186,466	2.29%

REVENUE VARIANCE NOTES

11-	Reduction in operating transfer a result in increased State reimbursement
61-	Increase based on guidance from DPI and increased high cost aid

Special Education Revenue



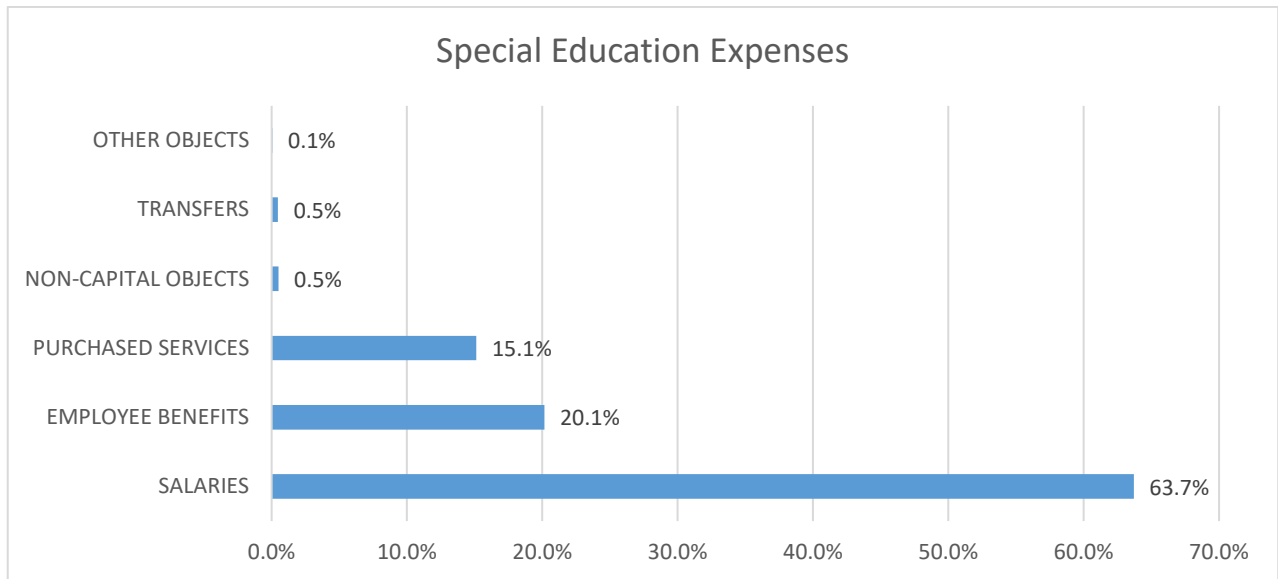
Fund 27 (Special Education) Expenses

Source	Description	2020-2021 Budget	2021-2022 Proposed Budget	Variance	Percent Variance
11-	REG WAGES	\$5,216,685	\$5,288,125	\$71,440	1.37%
13-	SUB. PAY	\$23,058	\$23,058	\$0	0.00%
1--	SALARIES	\$5,239,743	\$5,311,183	\$71,440	1.36%
21-	RETIREMENT	\$344,393	\$350,689	\$6,296	1.83%
22-	SOCIAL SECURITY	\$402,612	\$410,123	\$7,511	1.87%
23-	LIFE INSURANCE	\$9,048	\$9,069	\$21	0.23%
24-	HEALTH INSURANCE	\$871,673	\$875,934	\$4,261	0.49%
25-	OTHER EMPLOYEE INSURANCE	\$22,612	\$22,612	\$0	0.00%
29-	OTHER EMPLOYEE BENEFITS	\$11,700	\$11,700	\$0	0.00%
2--	EMPLOYEE BENEFITS	\$1,662,038	\$1,680,127	\$18,089	1.09%
31-	PERSONAL SERVICES	\$56,016	\$57,597	\$1,581	2.82%
32-	PROPERTY SERVICES	\$56,690	\$76,241	\$19,551	34.49%
33-	UTILITIES	\$2,500	\$2,500	\$0	0.00%
34-	TRAVEL	\$305,130	\$314,296	\$9,166	3.00%
35-	COMMUNICATIONS	\$5,125	\$5,625	\$500	9.76%
36-	TECHNOLOGY & SOFTWARE SERVICES	\$35,800	\$36,616	\$816	2.28%
37-	PAYMENT TO NON-GOVERNMENTAL AGENCIES & INDIVIDUALS	\$485,045	\$555,240	\$70,195	14.47%
38-	INTERGOVERNMENTAL PAYMENTS FOR SERVICES	\$212,765	\$213,122	\$357	0.17%
3--	PURCHASED SERVICES	\$1,159,071	\$1,261,237	\$102,166	8.81%
41-	SUPPLIES	\$16,945	\$18,585	\$1,640	9.68%
43-	INSTRUCTIONAL MEDIA	\$0	\$0	\$0	0.00%
44-	NON-CAPITAL EQUIPMENT	\$6,981	\$6,853	-\$128	-1.83%
46-	EQUIPMENT COMPONENTS	\$0	\$0	\$0	0.00%
47-	TEXTBOOKS & WORKBOOKS	\$750	\$750	\$0	0.00%
48-	NON-CAPITAL TECHNOLOGY	\$8,178	\$8,000	-\$178	-2.18%
49-	OTHER NON-CAPITAL ITEMS	\$6,394	\$8,050	\$1,656	25.89%
4--	NON-CAPITAL OBJECTS	\$39,248	\$42,238	\$2,990	7.62%
52-	SITE COMPONENTS	\$0	\$0	\$0	0.00%
55-	EQUIPMENT/VEHICLE - INITIAL PURCHASE	\$0	\$0	\$0	0.00%
5--	CAPITAL OBJECTS	\$0	\$0	\$0	0.00%
81-	TRANSFER TO GENERAL FUND	\$47,188	\$38,800	-\$8,388	-17.78%
8--	TRANSFERS	\$47,188	\$38,800	-\$8,388	-17.78%

94-	DUES & FEES	\$4,731	\$4,900	\$169	3.57%
96-	ADJUSTMENTS	\$0	\$0	\$0	0.00%
97-	REFUND OF REVENUE	\$0	\$0	\$0	0.00%
9--	OTHER OBJECTS	\$4,731	\$4,900	\$169	3.57%

Expenses	\$8,152,019	\$8,338,485	\$186,466
Revenue	\$8,152,019	\$8,338,485	\$186,466
Balance	\$0	\$0	\$0

EXPENSE VARIANCE NOTES	
11-	Salary increase approved by the Board
21-	Retirement associated with salary increases
22-	Social Security associated with salary increase
32-	Equipment rentals adjusted according to historic activity
34-	Increase in busing per contract



Non-Referendum Debt Service Fund

The School District of New Berlin is currently paying debt for projects undertaken by the district for capital projects, the refunding of our retirement system prior service obligation, and for performance contract services that are partially funded by utility savings (ESCOs). Some districts fund these type of projects through a referendum question, which if approved, allows the district to fund the principal and interest payments by exceeding the state mandated revenue limit. Other districts, like the School District of New Berlin, funded these projects without the referendum process, which means that the principal and interest payments are not outside of the state mandated revenue limits, and result in lower property taxes to fund debt. This does place a strain on the general education fund, as it reduces the dollars available for the support of education programming. Districts must weigh the pros and cons of each type of debt.

The district did refinance a portion of the non-referendum debt last year. This refinancing will bring cost savings to the general operations fund for the next 5 fiscal years, and provide tax relief for the next 9 fiscal years.

Since the details of this part of the budget are fairly simple, there is no graph included for Fund 38.

Fund 38 (Debt Service) Revenue

Source	Description	2020-2021 Budget	2021-2022 Proposed Budget	Variance	Percent Variance
21-	TAXES	\$5,245,944	\$5,174,784	-\$71,160	-1.36%
28-	EARNINGS ON INVESTMENTS	\$2,799	\$2,435	-\$364	-13.00%
2--	REVENUE FROM LOCAL SOURCES	\$5,248,743	\$5,174,784	-\$73,959	-1.41%
87-	LONG-TERM DEBT PROCEEDS	\$0	\$0	\$0	0.00%
8--	OTHER FINANCING SOURCES	\$0	\$0	\$0	0.00%
96-	ADJUSTMENTS	\$0	\$0	\$0	0.00%
97-	REFUND OF DISBURSEMENTS	\$0	\$0	\$0	0.00%
9--	OTHER REVENUES	\$0	\$0	\$0	0.00%
	Revenue	\$5,248,743	\$5,174,784	-\$73,959	

Fund 38 (Debt Service) Expense

Object	Description	2020-2021 Budget	2021-2022 Proposed Budget	Variance	Percent Variance
67-	PRINCIPAL	4,070,000.00	4,185,000.00	\$115,000	2.83%
68-	INTEREST	1,178,743.00	989,784.00	-\$188,959	-16.03%
69-	OTHER DEBT RETIREMENT	0	0	\$0	0.00%
6--	DEBT RETIREMENT	5,248,743.00	5,174,784.00	-\$73,959	-1.41%
96-	ADJUSTMENTS	0	0	\$0	0.00%
9--	OTHER OBJECTS	0	0	\$0	0.00%
	Expense	\$5,248,743	\$5,174,784	-\$73,959	
	Revenue	\$5,248,743	\$5,174,784	-\$73,959	
	Balance	\$0	\$0	\$0	

Capital Expansion Fund (Fund 41)

Projects financed with tax levy per Wis. Stats. 120.10(10m) are recorded in Fund 41. State statute restricts the use of this fund for capital expenditures related to buildings and sites. Equipment cannot be purchased using this fund. Districts like the SDNB which have higher than average property values benefit from using this fund as expenses are amortized over the number of years in the fund, thus reducing the shared costs expenses related to capital projects and helping the District mitigate reductions in state general aid. The use of this fund also shelters the revenue levied into the fund from being used for expenses outside of capital improvements.

The District must approve the revenue levied into Fund 41 at the annual meeting to be held in September 2021.

Fund 41 (Capital Maintenance) Revenue

Source	Description	2020-2021 Budget	2021-2022 Proposed Budget	Variance	Percent Variance
21-	TAXES	\$0	\$1,850,000	\$1,850,000	100%
28-	EARNINGS ON INVESTMENTS REVENUE FROM LOCAL	\$0	\$0	\$0	
2--	SOURCES	\$0	\$1,850,000	\$1,850,000	100%
	Revenue	\$0	\$1,850,000	\$1,850,000	100%

Fund 41 (Capital Maintenance) Expense

Object	Description	2020-2021 Budget	2021-2022 Proposed Budget	Variance	Percent Variance
31-	PERSONAL SERVICES	\$0	\$0	\$0	
32-	PROPERTY SERVICES	\$0	\$1,209,059	\$1,209,059	100%
3--	PURCHASED SERVICES	\$0	\$1,209,059	\$1,209,059	100%
41-	SUPPLIES	\$0	\$0	\$0	
44-	NON-CAPITAL EQUIPMENT	\$0	\$0	\$0	
4--	NON-CAPITAL OBJECTS	\$0	\$0	\$0	
94-	DUES & FEES	\$0	\$0	\$0	
9--=	OTHER OBJECTS	\$0	\$0	\$0	
	Expenses	\$0	\$1,209,059	\$1,209,059	
	Revenue	\$0	\$1,850,000	\$1,850,000	
	Balance	\$0	\$640,941	\$640,941	

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.

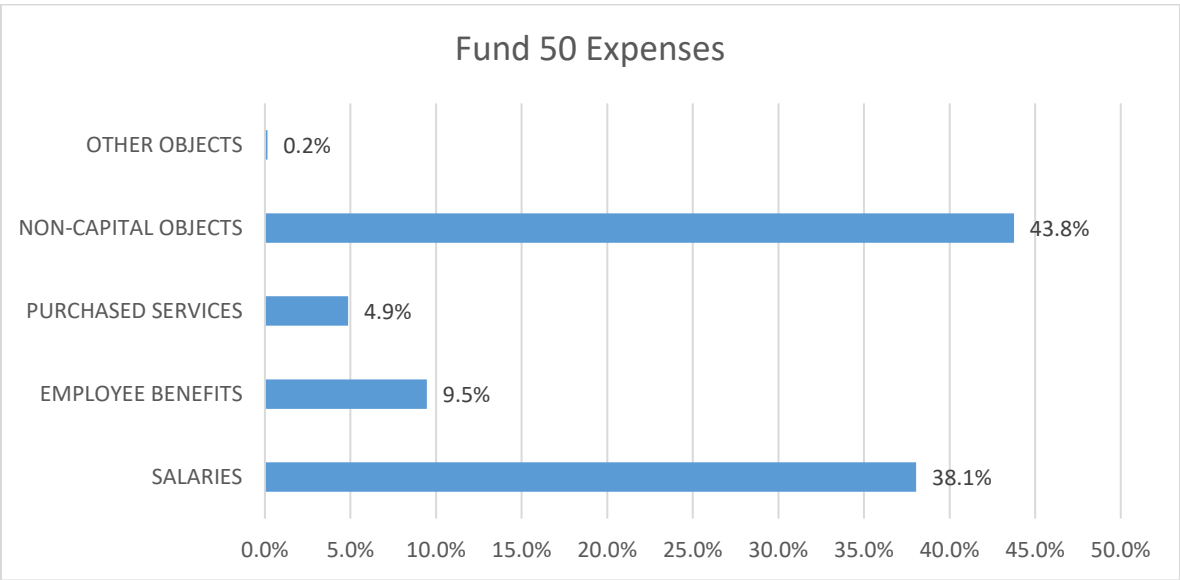
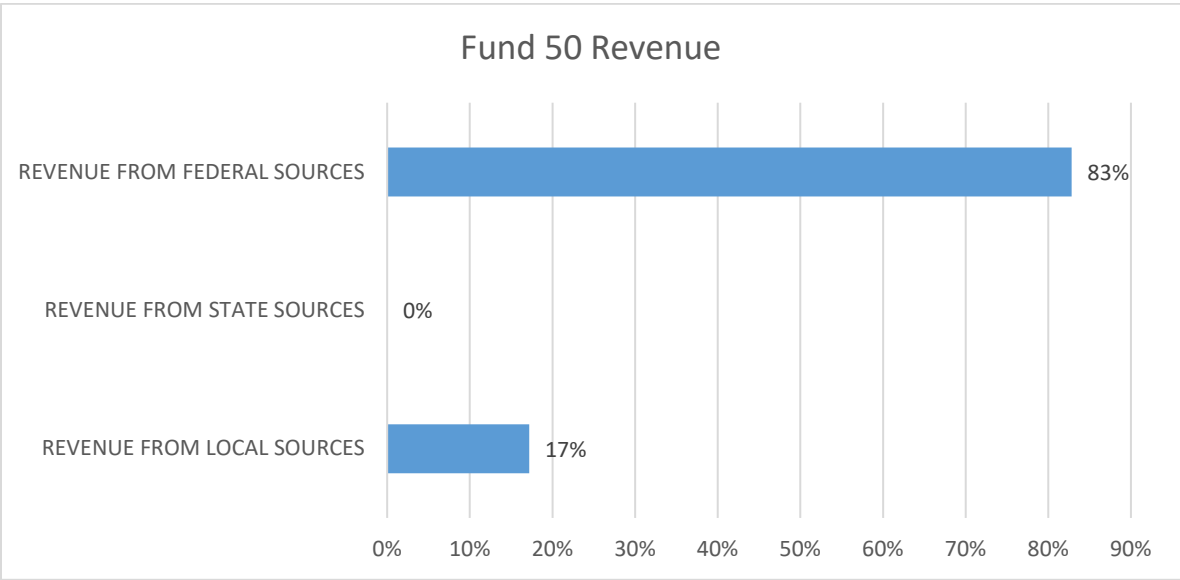
You will note that there are significant variances in the revenues for Fund 50. These variances are a result of the Federal Government approving full funding for all reimbursable meals for the 2022 fiscal year. This program started this past year as a response to the pandemic, and was extended for an additional year. The District expects this funding will not be approved for the 2023 fiscal year, and thus anticipates variances next year as a result.

Fund 50 (Food Service) Revenue

Source	Description	2020-2021 Budget	2021-2022 Proposed Budget	Variance	Percent Variance
				-	
25-	FOOD SERVICE SALES	\$1,210,101	\$283,409	\$926,692	-76.58%
29-	OTHER REVENUE FROM LOCAL SOURCES	\$5,500	\$0	-\$5,500	100.00%
2--	REVENUE FROM LOCAL SOURCES	\$1,215,601	\$283,409	\$932,192	-76.69%
61-	STATE AID - CATEGORICAL	\$11,335	\$0	-\$11,335	100.00%
6--	REVENUE FROM STATE SOURCES	\$11,335	\$0	-\$11,335	100.00%
71-	FEDERAL AID - CATEGORICAL	\$382,879	\$1,366,591	\$983,712	256.93%
7--	REVENUE FROM FEDERAL SOURCES	\$382,879	\$1,366,591	\$983,712	256.93%
97-	REFUND OF DISBURSEMENTS	\$0	\$0	\$0	0.00%
99-	OTHER MISCELLANEOUS REVENUES	\$0	\$0	\$0	0.00%
9--	OTHER REVENUES	\$0	\$0	\$0	0.00%
	Revenue	\$1,609,815	\$1,650,000	\$40,185	2.50%

Fund 50 (Food Service) Expense

Source	Description	2020-2021 Budget	2021-2022 Proposed Budget	Variance	Percent Variance
11-	REG WAGES	\$589,183	\$596,842	\$7,659	1.30%
13-	SUB. PAY	\$31,000	\$31,000	\$0	0.00%
1--	SALARIES	\$620,183	\$627,842	\$7,659	1.23%
21-	RETIREMENT	\$26,478	\$26,995	\$517	1.95%
22-	SOCIAL SECURITY	\$47,811	\$48,397	\$586	1.23%
23-	LIFE INSURANCE	\$748	\$748	\$0	0.00%
24-	HEALTH INSURANCE	\$77,718	\$77,718	\$0	0.00%
25-	OTHER EMPLOYEE INSURANCE	\$2,327	\$2,327	\$0	0.00%
29-	OTHER EMPLOYEE BENEFITS	\$0	\$0	\$0	0.00%
2--	EMPLOYEE BENEFITS	\$155,082	\$156,185	\$1,103	0.71%
31-	PERSONAL SERVICES	\$2,000	\$2,000	\$0	0.00%
32-	PROPERTY SERVICES	\$25,000	\$25,000	\$0	0.00%
33-	UTILITIES	\$24,000	\$24,000	\$0	0.00%
34-	TRAVEL	\$10,970	\$10,970	\$0	0.00%
35-	COMMUNICATIONS	\$1,665	\$1,665	\$0	0.00%
36-	TECHNOLOGY & SOFTWARE SERVICES	\$9,023	\$9,023	\$0	0.00%
38-	INTERGOVERNMENTAL PAYMENTS FOR SERVICES	\$7,477	\$7,477	\$0	0.00%
3--	PURCHASED SERVICES	\$80,135	\$80,135	\$0	0.00%
41-	SUPPLIES	\$680,115	\$711,538	\$31,423	4.62%
42-	APPAREL	\$2,000	\$2,000	\$0	0.00%
44-	NON-CAPITAL EQUIPMENT	\$7,864	\$7,864	\$0	0.00%
46-	EQUIPMENT COMPONENTS	\$0	\$0	\$0	0.00%
48-	NON-CAPITAL TECHNOLOGY	\$636	\$636	\$0	0.00%
4--	NON-CAPITAL OBJECTS	\$690,615	\$722,038	\$31,423	4.55%
54-	BUILDING COMPONENTS	\$0	\$0	\$0	0.00%
55-	EQUIPMENT/VEHICLE - INITIAL PURCHASE	\$20,000	\$20,000	\$0	0.00%
56-	EQUIPMENT/VEHICLE - REPLACEMENT	\$41,300	\$41,300	\$0	0.00%
5--	CAPITAL OBJECTS	\$61,300	\$61,300	\$0	0.00%
94-	DUES & FEES	\$2,500	\$2,500	\$0	0.00%
96-	ADJUSTMENTS	\$0	\$0	\$0	0.00%
97-	REFUND OF REVENUE	\$0	\$0	\$0	0.00%
9--	OTHER OBJECTS	\$2,500	\$2,500	\$0	0.00%
	Expense	\$1,609,815	\$1,650,000	\$40,185	2.50%
	Revenue	\$1,609,815	\$1,650,000	\$40,185	2.50%
	Balance	\$0	\$0	\$0	



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.
2. The change in wages and benefits reflects the Board approved increase in compensation as well as expected additional staffing costs for additional staff FTE to manage community rental and reservation of district facilities.

Fund 80 (Community Service) Revenue

Source	Description	2020- 2021 Budget	2021-2022 Proposed Budget	Variance	Percent Variance
21-	TAXES	\$625,000	\$600,000	-\$25,000	-4.00%
27-	SCHOOL ACTIVITY INCOME	\$131,000	\$160,665	\$29,665	22.65%
29-	OTHER REVENUE FROM LOCAL SOURCES	\$75,000	\$75,000	\$0	0.00%
2--	REVENUE FROM LOCAL SOURCES	\$831,000	\$835,665	\$4,665	0.56%
	Revenue	\$831,000	\$835,665	\$4,665	0.56%

Fund 50 (Food Service) Expense

Source	Description	2020- 2021 Budget	2021-2022 Proposed Budget	Variance	Percent Variance
11-	REG WAGES	\$394,270	\$398,348	\$4,078	1.03%
13-	SUB. PAY	\$0	\$0	\$0	0.00%
14-	TEMP PAY	\$0	\$0	\$0	0.00%
1--	SALARIES	\$394,270	\$398,348	\$4,078	1.03%
21-	RETIREMENT	\$20,394	\$20,669	\$275	1.35%
22-	SOCIAL SECURITY	\$30,163	\$30,475	\$312	1.03%
23-	LIFE INSURANCE	\$638	\$638	\$0	0.00%
24-	HEALTH INSURANCE	\$104,163	\$104,163	\$0	0.00%
25-	OTHER EMPLOYEE INSURANCE	\$1,222	\$1,222	\$0	0.00%
2--	EMPLOYEE BENEFITS	\$156,580	\$157,167	\$587	0.37%
31-	PERSONAL SERVICES	\$160,639	\$160,639	\$0	0.00%
32-	PROPERTY SERVICES	\$8,203	\$8,203	\$0	0.00%
34-	TRAVEL	\$2,900	\$2,900	\$0	0.00%
35-	COMMUNICATIONS	\$50,408	\$50,408	\$0	0.00%
36-	TECHNOLOGY & SOFTWARE SERVICES	\$8,500	\$8,500	\$0	0.00%
38-	INTERGOVERNMENTAL PAYMENTS FOR SERVICES	\$5,000	\$5,000	\$0	0.00%
3--	PURCHASED SERVICES	\$235,650	\$235,650	\$0	0.00%

41-	SUPPLIES	\$20,000	\$20,000	\$0	0.00%
42-	APPAREL	\$6,000	\$6,000	\$0	0.00%
44-	NON-CAPITAL EQUIPMENT	\$8,500	\$8,500	\$0	0.00%
48-	NON-CAPITAL TECHNOLOGY	\$0	\$0	\$0	0.00%
49-	OTHER NON-CAPITAL ITEMS	\$1,500	\$1,500	\$0	0.00%
4--	NON-CAPITAL OBJECTS	\$36,000	\$36,000	\$0	0.00%
55-	EQUIPMENT/VEHICLE - INITIAL PURCHASE	\$0	\$0	\$0	0.00%
5--	CAPITAL OBJECTS	\$0	\$0	\$0	0.00%
94-	DUES & FEES	\$8,500	\$8,500	\$0	0.00%
9--	OTHER OBJECTS	\$8,500	\$8,500	\$0	0.00%

Expense	\$831,000	\$835,665	\$4,665	0.56%
Revenue	\$831,000	\$835,665	\$4,665	
Balance	\$0	\$0	\$0	

Property Tax Information

Property taxes are the primary funding source for the District, accounting for 80% of operating revenue. The estimated property tax levy of \$45,496,432 is .54% less than the prior year. The decrease in the levy is due to an anticipated 15% increase in state general aid per the July Aid Estimate, resulting in a decrease in the taxpayers' portion of the revenue limit.

The district projects an increase in equalized property values of 2.58%, resulting in a property tax rate decrease of \$0.22 per \$1,000 of equalized value for an estimated tax rate for the budget year of \$8.31 compared to the current tax rate of \$8.53. The estimated gross school tax levy on a home valued at \$250,000 is \$2,077, a decrease of \$55 from the current school tax of \$2,132.

The following tables shows the levy history 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 9 of the last 11 years. The projected tax rate decrease is a direct result of the increase in State general aid.

TAX LEVY HISTORY

SCHOOL YEAR	EQUALIZED VALUE (Tid out)	CHANGE	TAX LEVY	CHANGE	TAX RATE per \$1000 EQUALIZE D	CHANGE
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%
2020-21	\$5,363,814,925	2.21%	\$45,742,523	-6.86%	\$8.53	-8.87%
2021-22 Estimate	\$5,474,845,894	2.07%	\$45,496,432	-0.54%	\$8.31	-2.58%

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. 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, improve cash flow minimizing the need to cash flow borrow, and to accumulate resources to fund identified facility needs.

The District fund balance increased to 25.22% at the close of the 2020 fiscal year. This large increase in fund balance was a result of lower than anticipated expenses during the pandemic shift to all virtual learning during the end of the second semester of the 19-20 school year. We anticipate that we will close the 2021 fiscal year at 30.31%. The anticipated 2022 fund balance reflects the approved capital improvements per board direction and deferred expenses in technology, building and grounds, and textbook supplies. The following chart shows the historical variance of School District of New Berlin's fund balance since 2009.

