



WEST BEND
— SCHOOL DISTRICT —
EXCELLENCE FOR ALL

2024-2025 Budget Hearing

Andrew Sarnow
Assistant Superintendent of Business & Operations

September 23, 2024 at 6:30 p.m.

Why Are We Meeting Tonight?



Per Wisconsin Statute 65.90, staff and board shall formulate a proposed budget, hold a public hearing, and adopt a budget identifying expected revenues, expenditures, and fund balances.

Also, and just as importantly, this is a meeting for the people of the West Bend School District communities.

Budget Hearing Agenda




1. Call to Order: Mrs. Kelly Lang, Board Vice President
2. Approval of Agenda
3. Overview of Procedure
4. Presentation of Proposed Budget: Mr. Andrew Sarnow,
Assistant Superintendent of Business and Operations
5. Hearing: Community Questions and Comments
6. Adjourn

- The information provided at this meeting was current as of Wednesday, September 4 due to timing of the budget publication
- There are still assumptions and calculated estimates in the presented information
- An updated and final budget will be brought to the School Board on October 21 along with the recommended levy and mill rate
- A budget is a living document and is subject to change with a high probability that an amended budget will be needed in spring

Comprehensive Budget Book Contains



- District's Mission and Vision
- Agendas for the 6:30_{pm} Budget Hearing and 7:00_{pm} Annual Meeting
- Budget and financial highlights
- A QR code to the district's budget & finance website 
- The 2024-2025 Budget Publication from 9/13/2024 with notes
- Preliminary revenue limit worksheets with highlighted areas
- Five graphs that detail the revenue limit highlighted areas
- Listing of School Board members and district-level Administrators

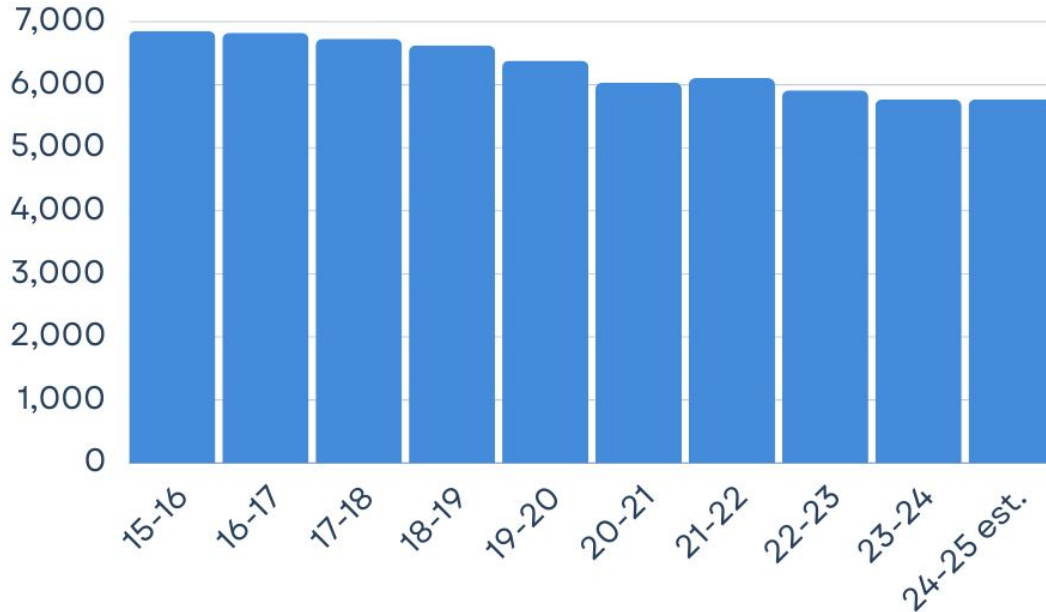


Mission: Preparing All Students for College Readiness
and Career Success

Vision: Excellence for All

- The district engages various stakeholders at different key points in time to help guide larger overarching financial strategies
- For decisions, the mission and vision are important to determine how spending aligns with our strategic plan

Students Drive our Revenue

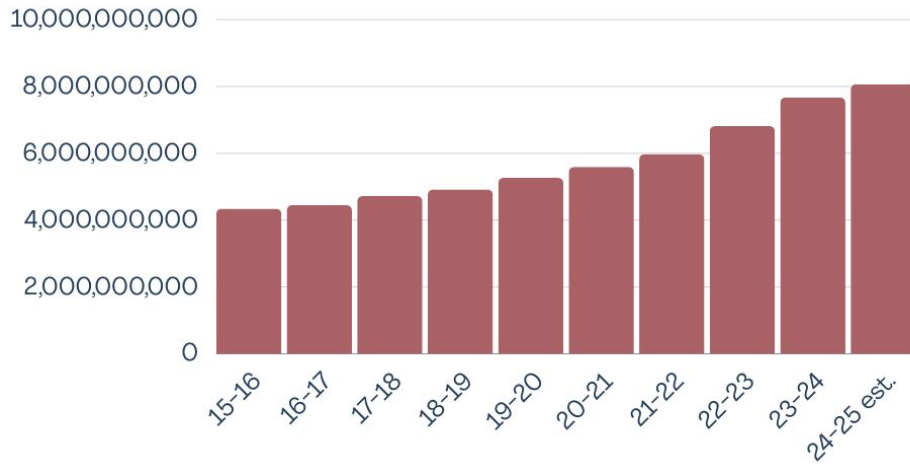


15-16	6,854
16-17	6,825
17-18	6,728
18-19	6,623
19-20	6,384
20-21	6,034
21-22	6,105
22-23	5,912
23-24	5,770
24-25 est.	5,689

Information is an estimate prior to the 3rd-Friday in September count and will be updated for the October 21 School Board meeting.

Membership is students residing in the district and count for revenue limit and state aid purposes versus enrollment, which are students in seats.

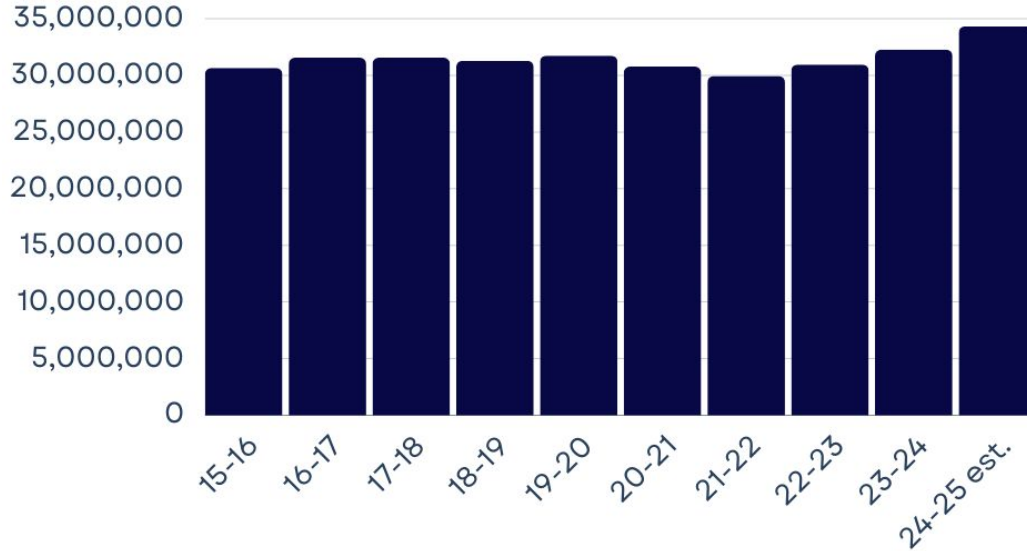
West Bend Property Valuation Impacting Taxes



15-16	\$4,342,707,701
16-17	4,448,041,893
17-18	4,720,140,099
18-19	4,914,474,473
19-20	5,264,605,159
20-21	5,592,121,959
21-22	5,969,875,166
22-23	6,812,790,161
23-24	7,671,694,978
24-25 est.	8,062,592,657 (+5.1%)

As property values increase while enrollment decreases, we are seen as a more property-rich district often adversely impacting general state aid.

Funding from the State



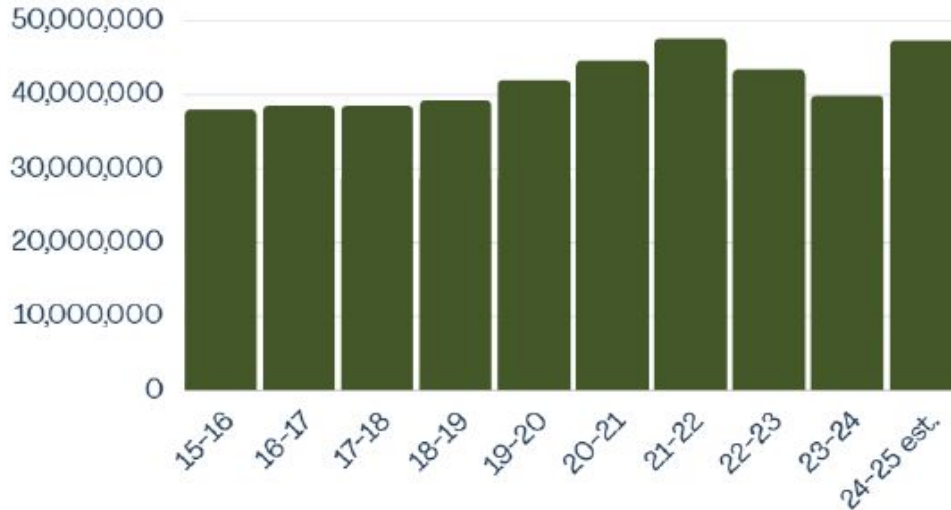
15-16	\$30,659,619
16-17	31,563,985
17-18	31,571,043
18-19	31,284,616
19-20	31,749,183
20-21	30,781,916
21-22	29,950,258
22-23	30,961,388
23-24	32,280,664
24-25 est.	34,325,375

Determined by a 3-tier calculation based solely on the property value of all school districts. Increase due to infusion of monies from the legislature.

Financial Support from our Communities



Property Tax Levy History and Estimate if Referendum Passes



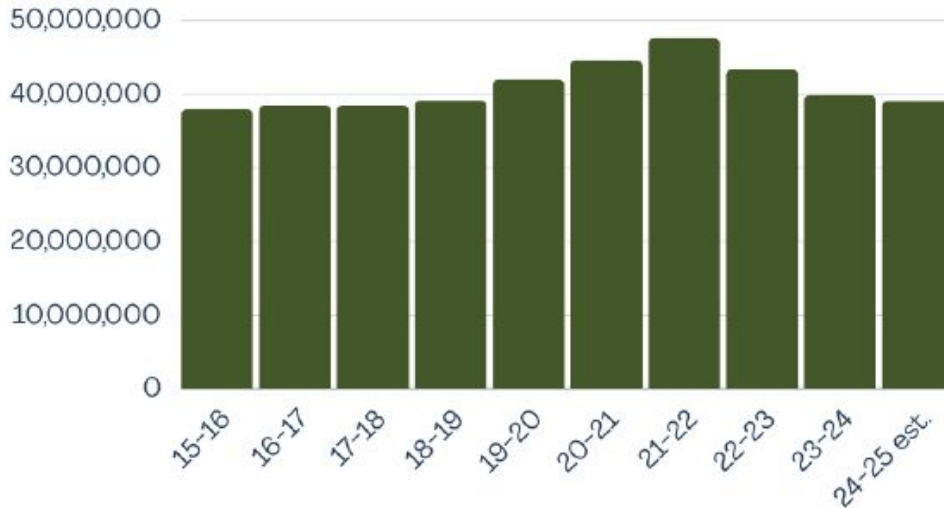
15-16	\$37,931,947
16-17	38,478,702
17-18	38,475,076
18-19	39,174,600
19-20	41,977,315
20-21	44,583,969
21-22	47,580,917
22-23	43,381,040
23-24	39,854,788
24-25 est. if referendum passes:	47,324,350

After calculating the revenue limit and recording the General State Aid, property taxes are the second remaining large source of revenue in the funding equation.

Financial Support from our Communities



Property Tax Levy History and Estimate if Referendum Fails



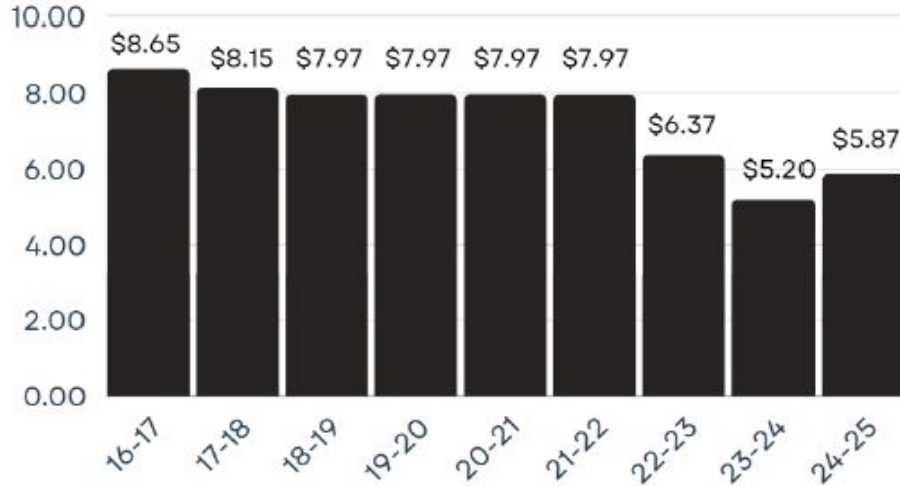
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21-22	47,580,917
22-23	43,381,040
23-24	39,854,788
24-25 est. if referendum fails:	39,074,350

After calculating the revenue limit and recording the General State Aid, property taxes are the second remaining large source of revenue in the funding equation.

Financial Support from our Communities



Mill Rate History and Estimate if Referendum Passes



To determine the mill rate, the total tax levy, the total equalized property values across all municipalities within the school district. The quotient is multiplied by \$1,000 to determine the mill rate.

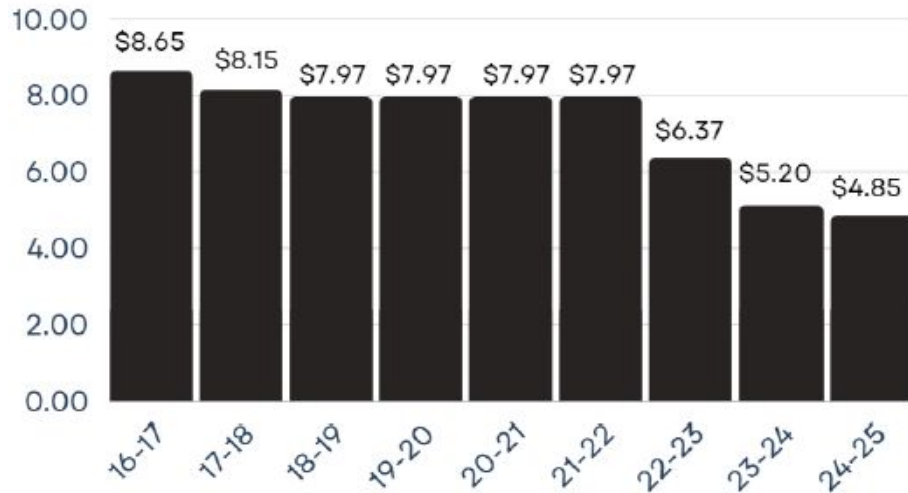
The estimated 24-25 mill rate is \$5.87 if the referendum passes.

Dividing the levy (\$) by the property value (\$), a percentage (%) results in a taxation rate -or- the average tax rate per \$1,000 of value on average across all property owners

Financial Support from our Communities



Mill Rate History and Estimate if Referendum Fails



The estimated 24-25 mill rate is \$4.85 if the referendum fails.

Dividing the levy (\$)
by the property value (\$), a percentage (%) results in a taxation rate -or- the average tax rate per \$1,000 of value on average across all property owners

- Fund Balance (Equity or Financial Position)
- Existing Debt and Statutory Debt Capacity
- Other Post-Employment Benefit (OPEB) Trust Disclosure
- Community Services Fund (Fund 80) Programs and Costs
- Estimates and Assumptions Leading into the October 21, 2024 School Board Meeting

- Considered the district's cash equivalent assets minus liabilities
- Seen by debt agencies as a sign of financial health
- Allows for coverage of large unexpected costs as a contingency
- Governed locally by [Board Policy 662.3](#)
 - Allows proper cash flow and self-funded health reserve
 - Policy recommends a range of 14-18% in total
- Cash flow over several years has been sufficient enough where short-term borrowing was last needed in Nov-2019 and is currently being estimated if needed for 2024-25

Fund Balance (cont.)



- Current Unassigned fund balance is projected to be 17.1% as of 6/30/2024 (unaudited) - up 2.6% from 6/30/2023 at 14.5% because of lower expenses tied to declining enrollment
- Includes “Jackson Trust” of \$1.5M held in a committed account
- Includes a self-funded health insurance reserve amount of \$3.3M unchanged from the 6/30/2023 audited restricted amount
- Updated fund balance classifications and amounts will be brought to the School Board for approval after completion of the 6/30/2024 audit anticipated to be this winter

Our Standard & Poor's Rating



- Currently: AA- (as of July-2021 awarded during the \$10M debt refinance)
- Top-tier of [S&P's rating matrix](#)
- Important to maintain continued financial health for a stable future rating when needed for lower interest rates
 - Not just based on school district finances
 - Local economics play a large role in our rating
 - Other governmental health and debt-ratio is also important

District Debt as of 6/30/2024



	Non-Referendum	Referendum	Total
Principal	\$0	\$4,375,000	\$4,375,000
Interest	\$0	\$178,175	\$178,175
Total P&I	\$0	\$4,553,175	\$4,553,175
Already Defeased	\$0	\$4,553,175	\$4,553,175
Outstanding P&I	\$0	\$0	\$0

- No further debt levy is anticipated to retire the 2009 & 2012 referendums
- Non-Referendum debt was fully satisfied in April-2024
- Referendum debt is officially retired in April-2026

- Total indebtedness of a public K-12 school may not exceed 10% of the equalized property value of the district per state statutes
- 2024-2025 WBSD property value estimate \$ 8,062,592,657 (\$8.1B)
- 10% debt allowance/capacity is \$ 806,259,926 (\$806M)
- Current principle-only debt is \$ 4,375,000 (\$4M)
 - Represents 0.54% of authority
 - Represents 0.054% of actual property value ratio

Other Post-Employment Benefit Trust Disclosure



Beginning Fund Balance (Equity) as of 7/1/2023	\$5,237,750
2023-2024 Contribution Revenues into OPEB Trust	\$1,641,829
2023-2024 Interest Revenue into OPEB Trust	\$305,125
2023-2024 Expenditures out of OPEB Trust	\$1,824,988
Ending Fund Balance (Equity) as of 6/30/2024	\$5,359,716

- Fund balance in this trust can fluctuate based on retiree health insurance claims
- The core purpose of this fund is to build fund balance to minimize future years' liability
- Financial standards & tests exist as a requirement ~ these standards are met
- A biennial actuarial study is required to determine liability ~ the study is current

Community Programs & Budgets ~ Fund 80



Badger Middle School Co-Curricular Offerings	\$137,000
Silverbrook Intermediate School Co-Curricular Offerings	\$45,000
Elementary School Co-Curricular Offerings	\$50,000
Early Learning Program Family Engagement	\$5,000
School Police Officers	\$200,000
Community Partnerships & Engagement	\$212,570
Facility Use Outside School Hours	\$135,000
Total Activity Outside of the Normal School Day:	\$784,570

- School Resource Officers have & will continue to extend learning opportunities to private schools
- Badger, Silverbrook, and Elementary co-curricular activities have been & will continue to be offered to homeschool and private school students



- A balanced General Fund (Fund 10) is being presented
- Other funds may have fluctuations in surplus and deficit based on anticipated activity
- All identified and anticipated expenses are included as of 9/4/2024 due to the timing of the budget publication on 9/13/2024
- The September 3rd-Friday Count is underway
- Department of Revenue and Department of Public Instruction information will be available on Tuesday, October 15



- Chart of accounts reflects state and federal site-based requirements and accurately reflects segment descriptions
- Levy estimates:
 - No debt levy - anticipated to decrease by 1.96%
 - Debt levy - anticipated to increase by 18.7% if the November 5 referendum passes
- Mill rate estimates:
 - No debt levy - anticipated to decrease to \$4.85 from \$5.20
 - Debt levy - anticipated to increase to \$5.87 if the November 5 referendum passes

2024-25 Proposed Budget Summary as of 9/23



- Federal ESSER funds were strategically claimed in 2023-2024 to address future deficits and financial priorities of the district
- The remainder of ESSER funds will be claimed in 2024-2025 by 9/30/2024 per statute restrictions, permitting the balanced budget
- Additional financial information, disaggregated by fund, was included in the 9/13/2024 West Bend Daily News [Budget Publication](#)
- The 2025-2026 budgeting process will cautiously begin in November 2024 as the State will begin the next [biennial budget process](#) in the spring

Next: Hearing - Community Questions & Discussion by Electors

Finally: Motion to Adjourn



Get more information about the budget including information on the different funds, revenue limit, revenues and expenditures, and more on the West Bend School District website. Scan the QR code below to go to the website.

Thank you for the opportunity to share this information and listen to your questions & comments.