



WEST BEND
— SCHOOL DISTRICT —
EXCELLENCE FOR ALL

2021-2022 Budget Hearing

Andrew Sarnow
Assistant Superintendent of Business & Operations

September 27, 2021 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



- A. Call to Order: Mr. Chris Zwygart, Board President
- B. Approval of Agenda
- C. Presentation of Proposed Budget: Mr. Andrew Sarnow,
Assistant Superintendent of Business and Operations
- D. Hearing: Community Questions and Comments
- E. Adjourn

- The information provided at this meeting was current as of Thursday, September 9 due to timing of the budget publication
- There are still several assumptions and calculated estimates
- An updated and final budget will be brought to the School Board on October 25 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



- Handout “shell” contains:
 - Agenda for tonight’s two meetings
 - Information about the district
 - Financial graphs
 - A visual of the district’s Continuous Improvement Plan

- Inserts within the shell include:
 - Agenda for the Budget Hearing and Annual Meeting
 - Four resolutions included in the Annual Meeting @ 7:00 p.m.
 - Procedures for the Annual Meetings
 - Budget hearing publication (published 9/16 & 9/23)
 - Revenue limit calculation as of September 9, 2021



Mission: Preparing All Students for College Readiness
AND Career Success

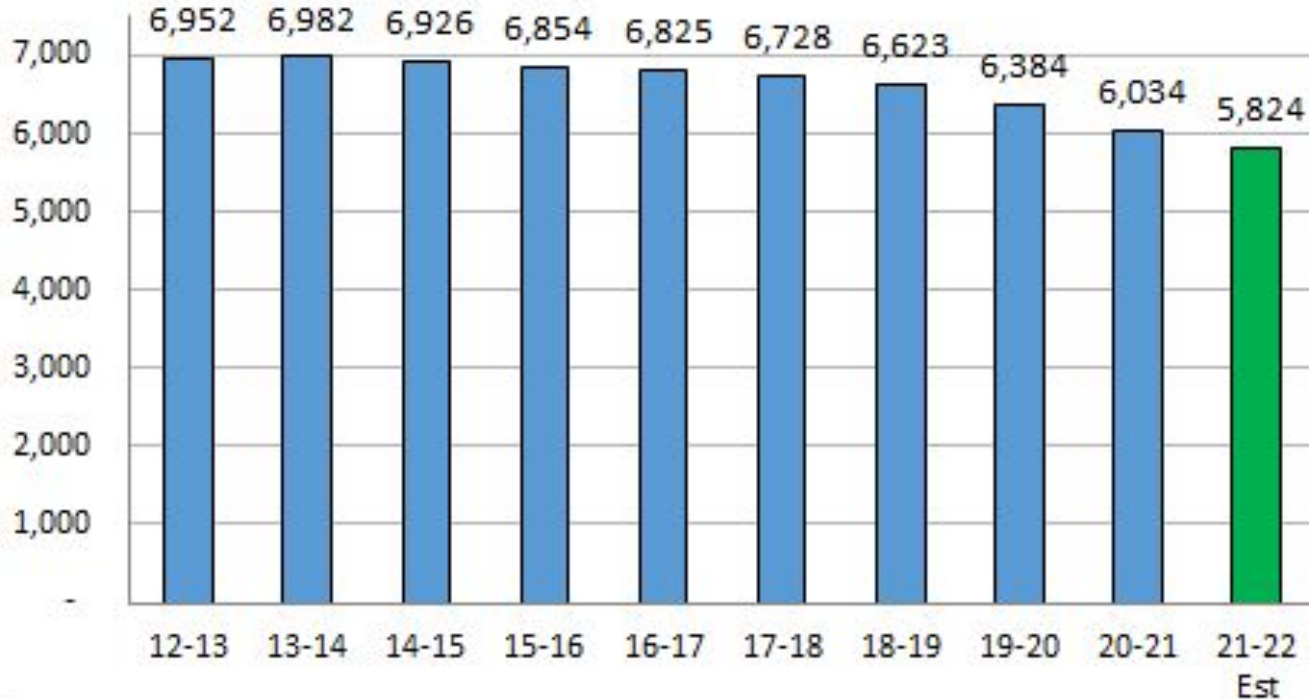
Vision: Excellence for All

- 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



September Membership FTE



Includes:

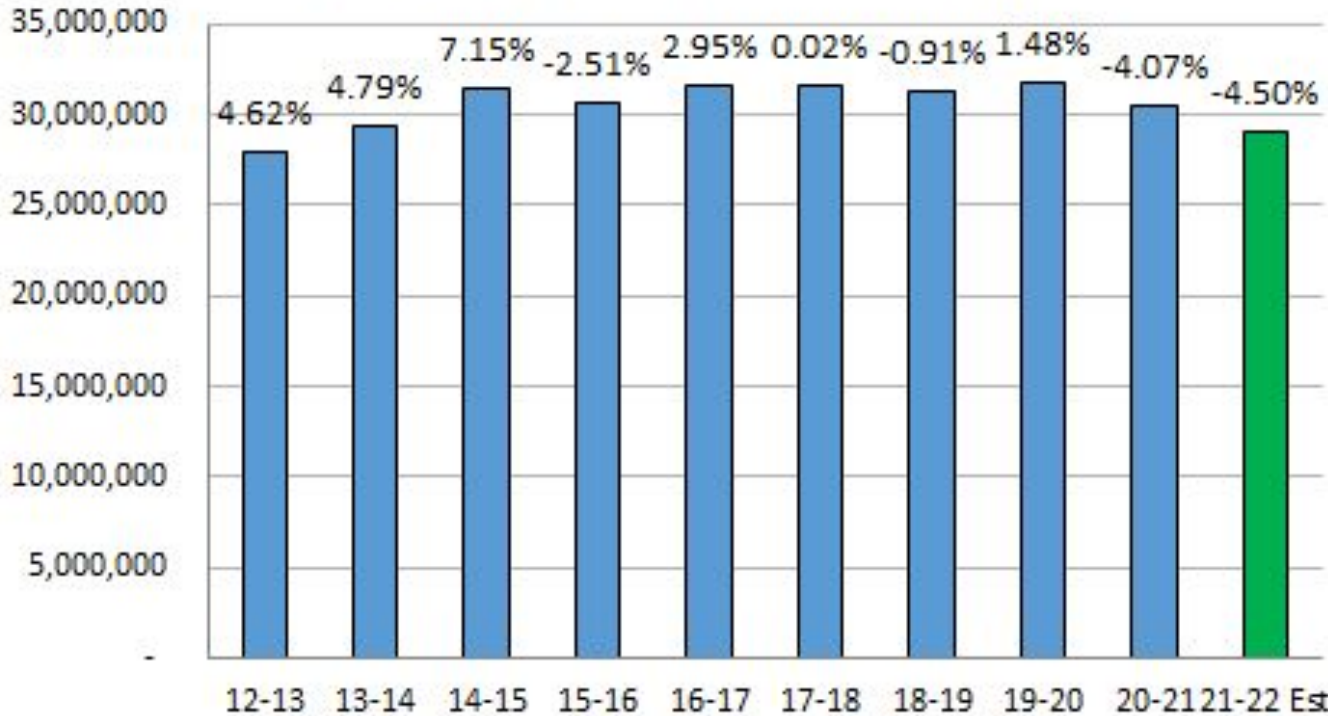
Estimated
3rd-Friday in
September
count

Summer school
from this past
summer
preceding this
school year

Funding from the State



General State Aid History

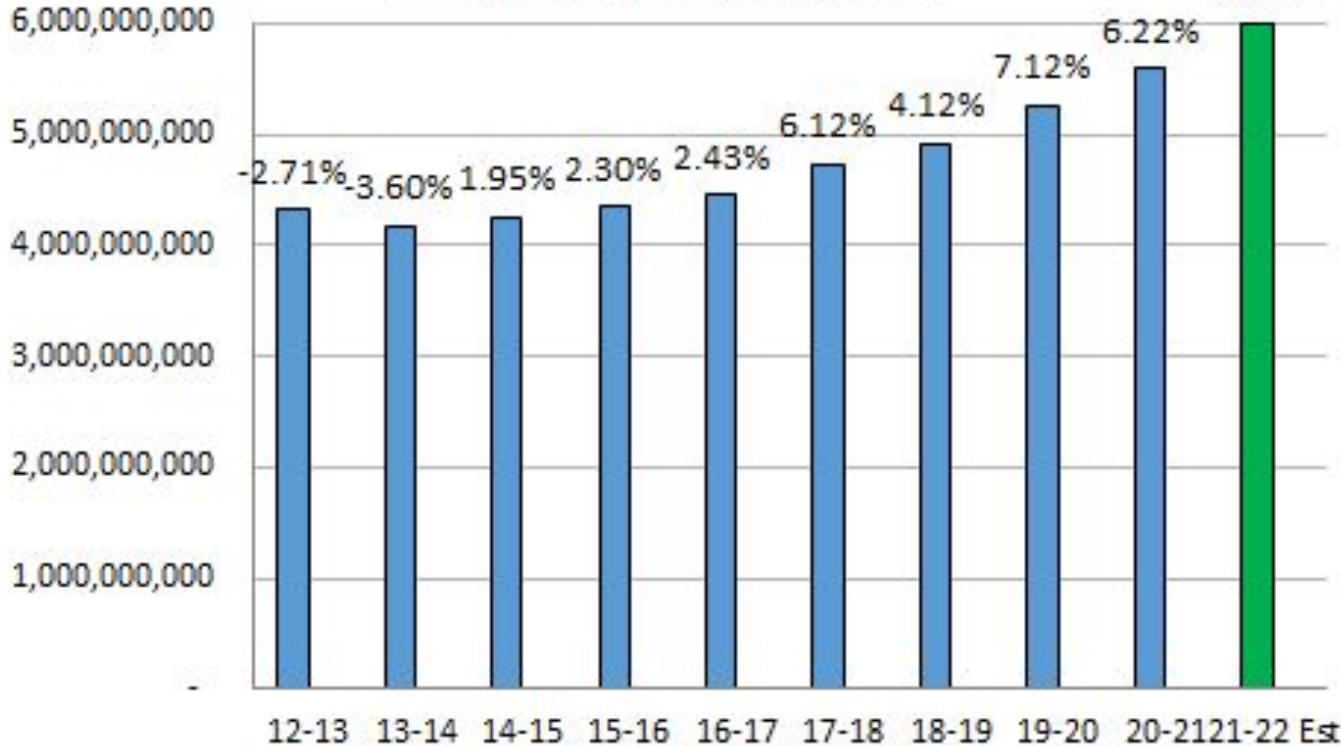


Determined by a 3-tier calculation based solely on the property value (high or low) of all school districts in the state with a defined pot to distribute

West Bend Property Valuation Impacting Taxes



Property Valuation

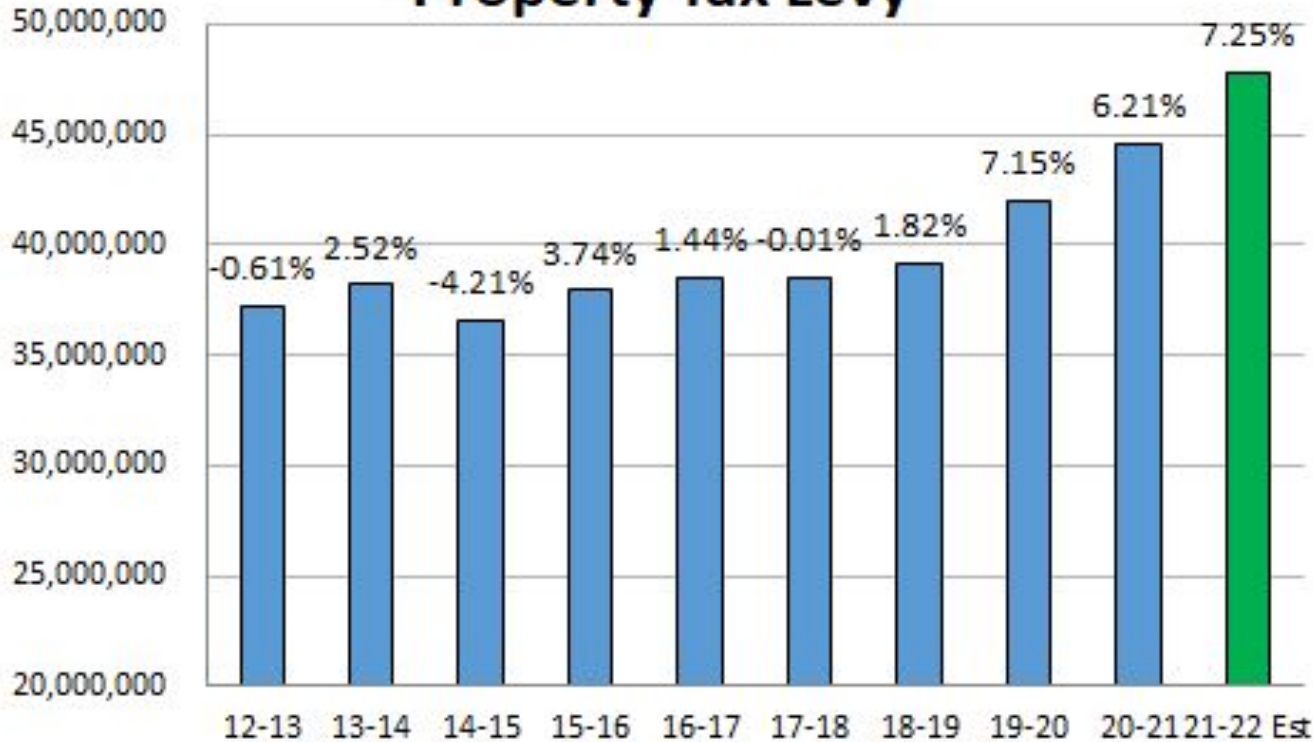


As property values increase while enrollment decreases, we are seen as a more property-rich district and aid decreases to reflect the equalization of this funding

Financial Support from our Communities



Property Tax Levy

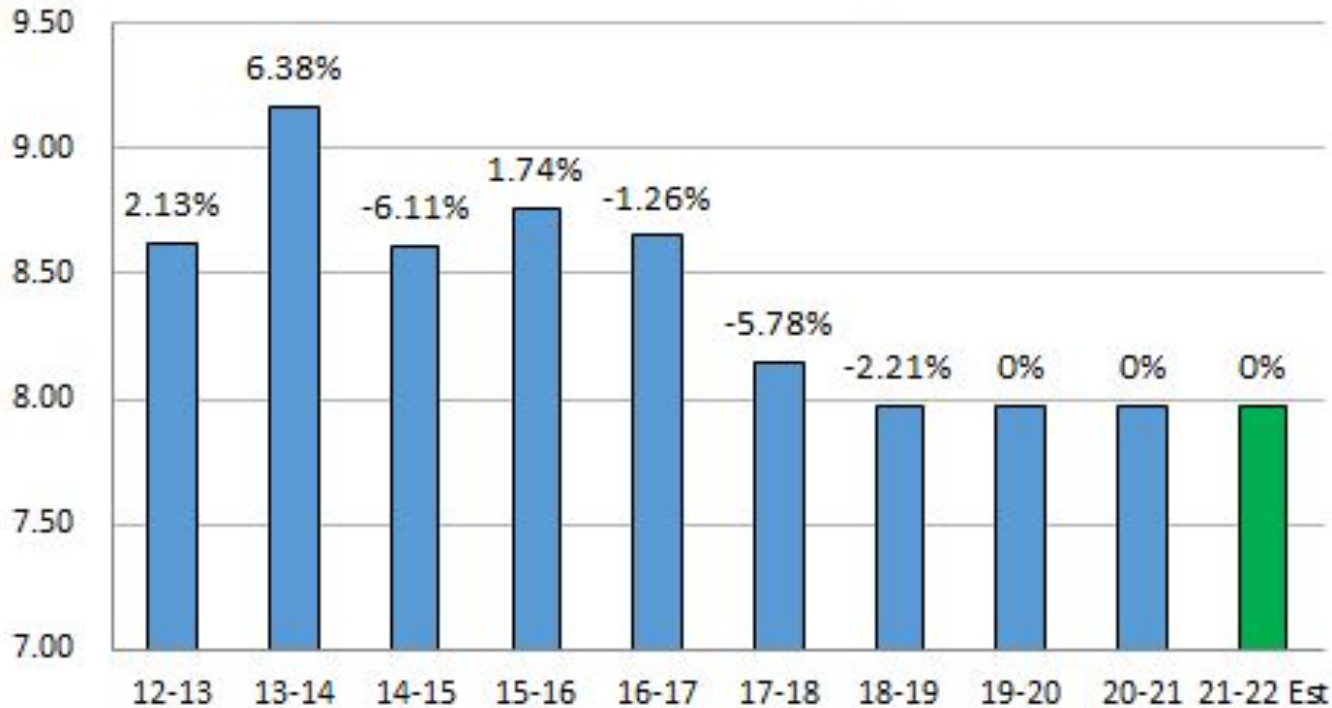


After calculating the revenue limit and receipting the state Aid, property taxes are the second remaining large source of revenue in the equation

Financial Support from our Communities



Mill Rate History



Dividing the levy (\$)
by the property value (\$),
a percentage (%) or a taxation rate is established or an average tax rate per \$1,000 of value to 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 26 Meeting

- Considered the district's cash equivalent assets minus liabilities
- Seen by debt agencies as a sign of financial health
- Allows for coverage of unexpected large costs
- Governed locally by [Board Policy 646](#)
 - Allows proper cash flow and self-funded health reserve
 - Policy recommends a range of 14-18% in total
- Cash flow over the last two years has improved where short-term borrowing is no longer needed with the most recent line of credit having been completed in November 2019

Fund Balance (cont.)



- Current fund balance is at 18.5% as of 6/30/2021
- Includes “Jackson Trust” of \$1.5M held in a committed account
- Includes a self-funded health insurance reserved amount of \$3.2M
- Updated fund balance classifications and amounts will be brought to the School Board for approval after completion of the 6/30/2021 audit anticipated to be in December

Our Standard & Poor's Rating



- Currently: AA- (as of July-2021 per recent refinance of \$10M)
- 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 6/30/2021



	Non-Referendum	Referendum	Total
Principal	\$2,595,000	\$23,285,000	\$25,880,000
Interest	\$63,548	\$2,579,959	\$2,643,507
Total P&I	\$2,658,548	\$25,864,959	\$28,523,507
Already Defeased	\$0	\$9,759,198	\$9,759,198
Outstanding P&I	\$2,658,548	\$16,105,761	\$18,764,309

- Budget proposal includes 2021-2022 defeasance of an additional \$3.7M
- 2021-2022 defeasance finalization and board approval at October 25 meeting
- After 2021-2022 payments, outstanding principal could be approaching \$12.3M
- Referendum debt is officially retired in April, 2028

- Total indebtedness of a public K-12 school may not exceed 10% of the equalized property value of the district per state statutes
- 2021-2022 WBSD property value est is \$ 5,997,682,223 (\$6.0B)
- 10% debt allowance/capacity is \$ 599,768,222 (\$600M)
- Current principle-only debt is \$ 25,880,000 (\$26M)
 - Represents 4.30% of authority
 - Represents 0.43% of actual property value ratio
(Well under the 10% capacity)
- Already defeased amount of \$9.75M and has not been included

Other Post-Employment Benefit Trust Disclosure



Beginning Fund Balance (Equity) as of 7/1/2020	\$3,766,030
2020-2021 Revenues into OPEB Trust	\$3,322,613
2020-2021 Expenditures out of OPEB Trust	\$1,254,531
Ending Fund Balance (Equity) as of 6/30/2021	\$5,834,112

- Fund balance in this trust fluctuates based on retiree health and dental insurance claims
- 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 & Services ~ Fund 80



Program	Proposed Budget
Badger Middle School Co-Curricular Offerings	\$82,640
School Resource Officers	\$180,000
Before & After School Offerings to Students	\$2,083
Facility Use Outside School Hours	\$70,577
Total Activity Outside of the Normal School Day:	\$335,300

- Middle School Co-Curricular activities have been & will continue be offered to homeschool and private school students
- School Resource Officers have & will extend learning opportunities to private schools₂₀



- A balanced General Fund (Fund 10) is being presented
- Other funds have fluctuations in surplus and deficit based on anticipated activity
- All identified and anticipated expenses, as of today, are included
- The September 3rd-Friday Count is well underway
- Department of Revenue information will be available October 15
- Department of Public Instruction information will be available October 15



- Chart of accounts reflects state and federal site-based requirements and accurately reflects segment descriptions
- Mill rate (%) is anticipated to be flat at \$7.97 (four-year trend)
- The 2022-2023 budgeting process will begin in November 2021 and will reflect year-two of the state biennial budget with some assumptions and estimates where required

Next: [Presentation of Budget](#), as was published
in the local newspaper

Then: Hearing - Community Questions &
Discussion by Electors

Finally: Motion to Adjourn

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