

# 2020

## Cedarburg School District



### Annual Budget Hearing

6:00 p.m.  
October 28, 2020

Cedarburg Performing Arts Center  
W68 N611 Evergreen Boulevard  
Cedarburg, WI 53012

[www.cedarburg.k12.wi.us](http://www.cedarburg.k12.wi.us)

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# Introductory Section



**Board of Education**



**Mr. Chris Reimer**  
**School Board**  
**President**



**Mr. David O. Krier**  
**School Board Vice**  
**President**



**Dr. Brandon**  
**Goldbeck**  
**School Board**  
**Clerk**



**Mr. Rick Leach**  
**School Board**  
**Treasurer**



**Mr. Kevin**  
**Kennedy**  
**School Board**  
**Member**



**Dr. Samuel Cox**  
**School Board**  
**Member**



**Mrs. Kristin**  
**Padberg**  
**School Board**  
**Member**

## District Administration



**Todd Bugnacki**  
**Superintendent**



**Ben Irwin**  
**Director of Business Services**



**Conrad Farner**  
**Director of Human Resources**



**Alan Groth**  
**Director of Curriculum and Instruction**



**John Koster**  
**Director of Buildings and Grounds**



**Ted Noll**  
**Director of Student Services**



**Kirstin Rose**  
**Director of Technology and Assessment**

## Buildings and Administrators

### Elementary Schools



#### **Parkview Elementary School**

W72 N853 Harrison Ave  
Cedarburg, WI 53012  
262-376-6800  
Principal: Jayne Holck



#### **Thorson Elementary School**

W51 N932 Keup Rd  
Cedarburg, WI 53012  
262-376-6700  
Principal: Angela Little



#### **Westlawn Elementary School**

W64 N319 Madison Ave  
Cedarburg, WI 53012  
262-376-6900  
Principal: Katie Ramos

### Middle School and High School



#### **Webster Middle School**

W64 N624 Wauwatosa Ave  
Cedarburg, WI 53012  
262-376-6500  
Principal: Tony DeRosa  
Associate Principal: Dan Reinert



#### **Cedarburg High School**

W68 N611 Evergreen Blvd  
Cedarburg, WI 53012  
262-376-6200  
Principal: Adam Kurth  
Associate Principal: Carolyn Mc Nerney  
Associate Principal: Trent Berg  
Athletic and Activities Director: Jon Hannam

## Executive Summary

### Introduction

Dear Parents/Guardians/Community Members:

This document contains budget recommendations for the 2020-21 school year. Included are projections for revenues and expenditures necessary to carry out educational objectives for the upcoming school year. These recommendations have been formulated in conjunction with District staff, Board of Education members, Board of Education committees, and feedback provided by citizens of Cedarburg. The Cedarburg School District's proposed budget for 2020-21 has been prepared in accordance with District policy as set forth by Wisconsin statute and the Department of Public Instruction.

Public school district budgeting is a challenging process. It starts with a reliance on the state for timely information and includes legislated limits within which we must operate. Working within those limits, we must develop and fund programs that meet the diverse needs of students, support District initiatives, and comply with state and federal mandates. During the budget development process, every program and staffing position is carefully reviewed to ensure that financial resources are used wisely and in accordance with the District's mission and initiatives.

A focus on retaining high-quality programs and striving to be a destination district that will attract and retain the best employees is a goal of the District. Regardless of the difficult financial challenges the District has encountered, we continue to set high standards for academic performance. The Cedarburg School District continues to be recognized as one of the highest achieving school districts in the state. We are proud of our staff and students and their accomplishments. The on-going support from the Cedarburg community is unmatched, and the confidence the community places in its schools is ever present.

Presented in this document are the funds needed to meet the needs of our students and the goals of the District. Comments and/or suggestions are always welcomed. Please do not hesitate to contact one of us at 262-376-6100.

Thank you for your support.

Sincerely,

Ben Irwin, Director of Business Services



## Strategic Plan

Part of the District’s mission is to ensure our students achieve their goals and dreams, excel in and out of the classroom, and become lifelong learners. Cedarburg staff members take great pride in our vision to be “a premier school district in the country”, and to “dream big”, and be “goal driven”. Identified in our Strategic Plan, or our “Blueprint for Success”, are foundational components and core beliefs that guide our work. Our efforts continuously reflect our mission and core beliefs.



## Budget Process and Timeline

The development of the budget for each fiscal year is a multi-year process that involves many stakeholders. The preparation of the budget is structured within existing Board policies and administrative guidelines and every effort is made to ensure our educational program operates effectively and efficiently.

The budget planning calendar is a timeline for the District that is used to effectively build the budget for the upcoming fiscal year. The budget planning calendar for 2020-21 was reviewed by the Personnel and Finance Committee on January 8, 2020 before it was implemented.

### 2020-21 Budget Planning Calendar

<b>December 2019</b>		
6	Business	Baird Forecast Model workshop
<b>January 2020</b>		
8	P&F	Review budget planning calendar
10	Business	Second Friday pupil count
<b>February 2020</b>		
3	DLC	Memo requesting budget information from principals and department heads
<b>March 2020</b>		
20	DLC	School and department budgets due
<b>June 2020</b>		
17	Board	Preliminary budget approval
<b>September 2020</b>		
18	Business	Third Friday pupil count
<b>October 2020</b>		
1	Business	Fall equalized value certification
8	Business	Publish notice of Budget Hearing
15	Business	Equalization Aid certification
28	Board	Budget Hearing with Original Budget adoption and tax levy certification
<b>November 2020</b>		
10	Business	Certification of tax levy to municipal clerks
<b>June 2021</b>		
16	Board	Board approval of budget amendments
<b>July 2021</b>		
1	Business	Publish notice for budget amendments
TBD	Business	Fiscal audit
<b>January 2022</b>		
12	P&F	Audit presentation

## **Changes to the Budget Process or Policies**

No significant changes were made to budget process or to Board policy regarding the budget process.

## **Financial Summary**

For the 2019-20 fiscal year, the District had a surplus of \$552,736.90 with expenditures coming in lower than expected in the General Fund. The ending fund balance in the General Fund as of June 30, 2020 is \$8,228,316.08, which is 23.68% of General Fund expenses for 2019-20.

For the 2020-21 fiscal year, a budget deficit of \$350,925.99 is expected in the General Fund. This deficit is due primarily to the \$720,940.65 in costs budgeted as a result of the COVID-19 pandemic and an increase the number of open enrollment out students. Total revenues are anticipated to remain relatively flat 2020-21, while expenditures are expected to increase by 2.69% as a result of inflationary increases, COVID-19 equipment and staff costs and an increase in the open enrollment transfer amount.

The 2020-21 proposed tax rate for the Cedarburg School District is \$24,247,442.24 with an average mill rate of \$8.79. The proposed mill rate for 2020-21 would represent a .22 cent decrease from last year when it set at \$9.01.

In terms of membership, total FTE increased by nine compared to last year to bring the total FTE for membership to 2,991. An increase in summer school participation helped balance out a slight decline in resident enrollment provide an increase in total FTE for 2020-21. The amount of students open enrolling into the District decreased by 16 students compared to last year to bring the total number of open enrollment in students to 165, or 5.35% of enrollment. The number of students open enrolling out of the District increased by 41 students to bring the total to 92, or 2.98% of enrollment.

As the District continues to review and update its ten-year maintenance plan to account for equipment and other capital items that may be reaching the end of their life cycle, a Long Term Capital Improvement Trust (Fund 46) was established in 2017 to account for some these future expenditures. As a result of fiscal constraints this year, a deposit into Fund 46 has not been budgeted, but the balance in the account is expected to be over \$1,335,000 by the end of the fiscal year.

## Annual Budget Publication

The Cedarburg School District must create a proposed budget each year that identifies expected revenues, expenditures and fund balances for the budgeted year in addition to the two fiscal years preceding the budgeted fiscal year. Budget detail must be based on the Wisconsin Uniform Financial Reporting Requirements and a class 1 notice must be published which contains the summary of the proposed budget and the time and place of the public hearing.

### **BUDGET PUBLICATION, 2020-21 Required Published Budget Summary Format**

*A budget summary, notice of the place where the budget in detail may be examined, the time and place for a public hearing on the budget must be published or distributed under s. 65.90. The required minimum detail for the published summary is as follows:*

<b>GENERAL FUND</b>	<b>Audited 2018-19</b>	<b>Unaudited 2019-20</b>	<b>Budget 2020-21</b>
Beginning Fund Balance	7,676,338.73	7,675,579.18	8,228,316.08
<b>Ending Fund Balance</b>	<b>7,675,579.18</b>	<b>8,228,316.08</b>	<b>7,877,390.09</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>			
Transfers-In (Source 100)	10,659.72	18,716.16	26,000.00
Local Sources (Source 200)	20,206,789.13	20,347,634.17	18,888,300.00
Inter-district Payments (Source 300 + 400)	1,440,693.00	1,375,240.00	1,366,705.00
Intermediate Sources (Source 500)	12,856.15	10,840.95	11,383.50
State Sources (Source 600)	11,377,330.69	13,265,751.33	14,537,253.42
Federal Sources (Source 700)	202,973.58	207,716.09	334,629.73
All Other Sources (Source 800 + 900)	102,069.51	79,642.71	172,000.00
<b>TOTAL REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>33,353,371.78</b>	<b>35,305,541.41</b>	<b>35,336,271.65</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>			
Instruction (Function 100 000)	16,426,052.27	17,304,453.34	17,594,156.77
Support Services (Function 200 000)	12,195,671.80	12,960,446.62	13,243,862.35
Non-Program Transactions (Function 400 000)	4,732,407.26	4,487,904.55	4,849,178.52
<b>TOTAL EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>33,354,131.33</b>	<b>34,752,804.51</b>	<b>35,687,197.64</b>

<b>SPECIAL PROJECTS FUND</b>	<b>Audited 2018-19</b>	<b>Unaudited 2019-20</b>	<b>Budget 2020-21</b>
Beginning Fund Balance	96,796.69	125,685.34	554,947.42
<b>Ending Fund Balance</b>	<b>125,685.34</b>	<b>554,947.42</b>	<b>554,947.42</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>5,088,104.49</b>	<b>5,970,431.72</b>	<b>5,581,227.62</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>5,059,215.84</b>	<b>5,541,169.64</b>	<b>5,581,227.62</b>

<b>DEBT SERVICE FUND</b>	<b>Audited 2018-19</b>	<b>Unaudited 2019-20</b>	<b>Budget 2020-21</b>
Beginning Fund Balance	124,375.69	210,570.50	10,358,687.85
<b>Ending Fund Balance</b>	<b>210,570.50</b>	<b>10,358,687.85</b>	<b>1,868,988.38</b>

<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	42,316,455.43	14,606,422.78	5,877,383.53
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	42,230,260.62	4,458,305.43	14,367,083.00

<b>CAPITAL PROJECTS FUND</b>	<b>Audited 2018-19</b>	<b>Unaudited 2019-20</b>	<b>Budget 2020-21</b>
Beginning Fund Balance	3,181,483.70	38,705,763.36	23,672,627.09
<b>Ending Fund Balance</b>	<b>38,705,763.36</b>	<b>23,672,627.09</b>	<b>2,627,130.88</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>40,998,213.83</b>	<b>21,296,944.13</b>	<b>160,000.00</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>5,473,934.17</b>	<b>36,330,080.40</b>	<b>21,205,496.21</b>

<b>FOOD SERVICE FUND</b>	<b>Audited 2018-19</b>	<b>Unaudited 2019-20</b>	<b>Budget 2020-21</b>
Beginning Fund Balance	587,352.61	622,778.60	28,632.35
<b>Ending Fund Balance</b>	<b>622,778.60</b>	<b>28,632.35</b>	<b>28,632.35</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>995,487.67</b>	<b>872,729.39</b>	<b>576,300.00</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>960,061.68</b>	<b>1,466,875.64</b>	<b>576,300.00</b>

<b>COMMUNITY SERVICE FUND</b>	<b>Audited 2018-19</b>	<b>Unaudited 2019-20</b>	<b>Budget 2020-21</b>
Beginning Fund Balance	112,196.84	73,216.22	14,661.98
<b>Ending Fund Balance</b>	<b>73,216.22</b>	<b>14,661.98</b>	<b>21,743.99</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>148,736.68</b>	<b>186,910.79</b>	<b>279,306.00</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>187,717.30</b>	<b>245,465.03</b>	<b>272,223.99</b>

<b>PACKAGE &amp; COOPERATIVE PROGRAM FUND</b>	<b>Audited 2018-19</b>	<b>Unaudited 2019-20</b>	<b>Budget 2020-21</b>
Beginning Fund Balance	0.00	0.00	0.00
<b>Ending Fund Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Total Expenditures and Other Financing Uses**

<b>ALL FUNDS</b>	<b>Audited 2018-19</b>	<b>Unaudited 2019-20</b>	<b>Budget 2020-21</b>
<b>GROSS TOTAL EXPENDITURES -- ALL FUNDS</b>	87,265,320.94	82,794,700.65	77,689,528.46
<b>Interfund Transfers (Source 100) - ALL FUNDS</b>	3,843,607.86	3,673,219.08	3,578,519.81
<b>Refinancing Expenditures (FUND 30)</b>	39,557,143.12	56,677.33	9,036,225.00
<b>NET TOTAL EXPENDITURES -- ALL FUNDS</b>	<b>43,864,569.96</b>	<b>79,064,804.24</b>	<b>65,074,783.65</b>
<b>PERCENTAGE INCREASE – NET TOTAL FUND EXPENDITURES FROM PRIOR YEAR</b>		<b>80.25%</b>	<b>-17.69%</b>

**PROPOSED PROPERTY TAX LEVY**

<b>FUND</b>	<b>Audited 2018-19</b>	<b>Unaudited 2019-20</b>	<b>Budget 2020-21</b>
General Fund	19,489,234.00	18,456,752.00	18,209,993.00
Referendum Debt Service Fund	2,303,685.00	4,669,143.00	5,514,764.00

Non-Referendum Debt Service Fund	354,881.00	355,988.00	282,685.24
Capital Expansion Fund	0.00	0.00	0.00
Community Service Fund	80,000.00	150,000.00	240,000.00
<b>TOTAL SCHOOL LEVY</b>	<b>22,227,800.00</b>	<b>23,631,883.00</b>	<b>24,247,442.24</b>
<b>PERCENTAGE INCREASE -- TOTAL LEVY FROM PRIOR YEAR</b>		<b>6.32%</b>	<b>2.60%</b>

<b>ENERGY EFFICIENCY EXEMPTION</b>			
<b>§ 121.91 (4) (o) Revenue Limit Exemption for Energy Efficiencies-Evaluation of the Energy Performance Indicators</b>			
Name of Qualified Contractor	McKinstry Essention, LLC.		
Performance Contract Length (years)	Ten (10)		
Total Project Cost (including financing)	\$ 5,820,493.00		
Total Project Payback Period	Ten (10)		
Years of Debt Payments	Ten (10)		
Remaining Useful Life of the Facility	50		
Prior Year Resolution Expense Amount	\$ 118,050.00	2019	
Prior Year Related Expense Amount or CY debt levy	\$ 118,050.00	2019	
Utility Savings applied in Prior Year to Debt	\$ -	2019	
Sum of reported Utility Savings to be applied to Debt			\$ 30,712
		<b>Savings Reported for 2020</b>	
<b>Specific Energy Efficiency Measure or Products</b>	<b>Project Cost Including Financing</b>	<b>Utility Cost Savings</b>	<b>Non-Utility Cost Savings</b>
Debt payments for EEE as part of the financing plan	\$ 118,050		
2018-19 Utility Savings		\$ 15,356	
Measured Utility Savings Applied to 2020-21		\$ 15,356	
<b>Entire Energy Efficiency Project Totals</b>	<b>\$ 118,050</b>	<b>\$ 30,712</b>	<b>\$ -</b>

### Annual Budget Publication Revisions

Due to the timing of the required class 1 notice of the Annual Budget Publication and when the Annual Budget Hearing actually occurs, there are typically revisions that need to be made based on the final confirmation of Equalization Aid and property values. Once these numbers are finalized, the revenue limit and the tax levy can be set for the current fiscal year. The numbers above reflect the most current data to be proposed to the Board for the Annual Budget Hearing.

# Financial Section



## Summary of All Funds

School districts in Wisconsin use a common system for managing financial activity called the Wisconsin Uniform Financial Accounting Requirements, or WUFAR. Under the guidance of WUFAR, school districts categorize their financial activity into a series of identification codes starting with the use of funds. All financial activity in school districts must be recorded into one of nine “fund types” as listed by WUFAR. The major fund types are the General Fund, Special Projects Fund, Debt Service Fund, Capital Projects Fund, Food Service Fund, Agency Fund, Trust Fund, Community Service Fund, and the Package and Cooperative Program Fund. More information on these funds can be found in the Glossary section of this document.

The General Fund is used for all financial transactions that occur in a school district that do not need to be recorded elsewhere and, as a result, the majority of financial activity occurs in the General Fund.

<b>ALL FUNDS</b>	<b>Audited 2018-19</b>	<b>Unaudited 2019-20</b>	<b>Budget 2020-21</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>			
10 General Fund	33,353,371.78	35,305,541.41	35,336,271.65
20 Special Projects Fund	5,088,104.49	5,970,431.72	5,581,227.62
30 Debt Service Fund	42,316,455.43	14,606,422.78	5,877,383.53
40 Capital Project Fund	40,998,213.83	21,296,944.13	160,000.00
50 Food Service Fund	995,487.67	872,729.39	576,300.00
80 Community Service Fund	148,736.68	186,910.79	279,306.00
90 Package and Cooperative Program Fund	0.00	0.00	0.00
<b>TOTAL REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>122,900,369.88</b>	<b>78,238,980.22</b>	<b>47,810,488.80</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>			
10 General Fund	33,354,131.33	34,752,804.51	35,687,197.64
20 Special Projects Fund	5,059,215.84	5,541,169.64	5,581,227.62
30 Debt Service Fund	42,230,260.62	4,458,305.43	14,367,083.00
40 Capital Project Fund	5,473,934.17	36,330,080.40	21,205,496.21
50 Food Service Fund	960,061.68	1,446,875.64	576,300.00
80 Community Service Fund	187,717.30	245,465.03	272,223.99
90 Package and Cooperative Program Fund	0.00	0.00	0.00
<b>TOTAL EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>87,265,320.94</b>	<b>82,794,700.65</b>	<b>77,689,528.46</b>

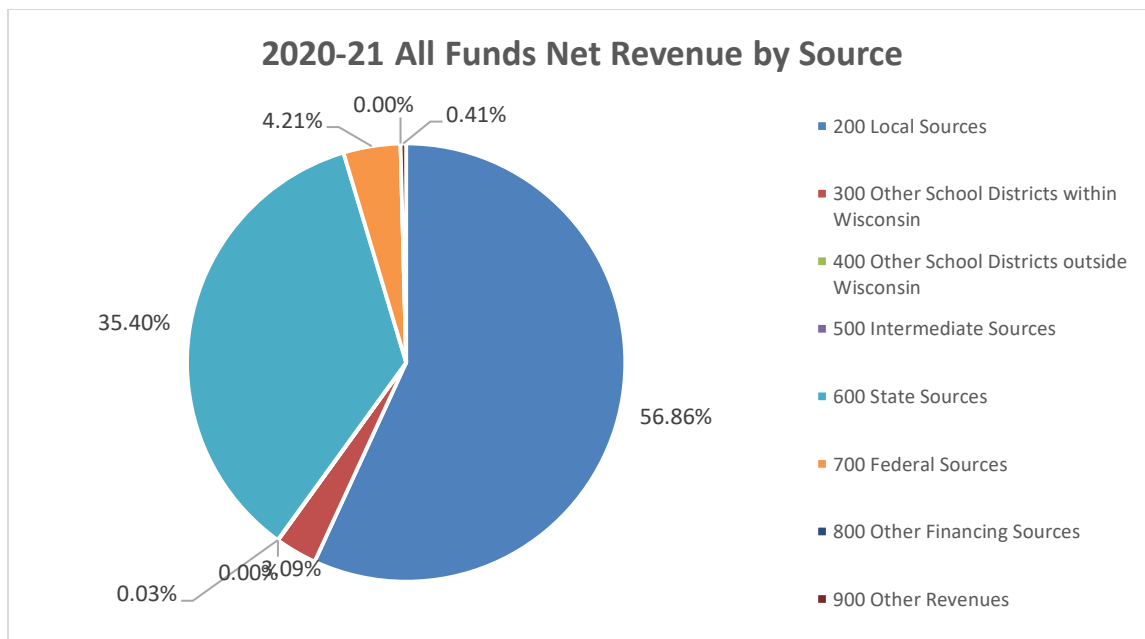


## Revenues by Source

Within each fund, revenue is broken down into different source codes. Revenue source codes indicate where funds are coming from each year. For a true breakdown of revenue in all funds, the interfund transfers are removed since those funds are coming from revenue generated from a different fund. For more information on revenue source codes, please see the Glossary section of this document.

REVENUE SOURCE	Audited 2018-19	Unaudited 2019-20	Budget 2020-21
100 Transfers-In	3,843,607.86	3,673,219.08	3,578,519.81
200 Local Sources	24,663,545.93	27,661,057.24	25,150,655.24
300 Other School Districts within Wisconsin	1,440,693.00	1,375,240.00	1,366,705.00
400 Other School Districts outside Wisconsin	0.00	0.00	0.00
500 Intermediate Sources	12,856.15	14,288.31	11,383.50
600 State Sources	12,492,086.53	14,433,134.01	15,659,308.19
700 Federal Sources	791,086.74	1,088,425.68	1,862,417.06
800 Other Financing Sources	79,358,001.72	29,076,467.50	0.00
900 Other Revenues	298,491.95	917,148.40	181,500.00
<b>TOTAL REVENUE – ALL FUNDS</b>	<b>122,900,369.88</b>	<b>78,238,980.22</b>	<b>47,810,488.80</b>
Minus Interfund Transfers	3,843,607.86	3,673,219.08	3,578,519.81
<b>NET TOTAL REVENUE – ALL FUNDS</b>	<b>119,056,762.02</b>	<b>74,565,761.14</b>	<b>44,231,968.99</b>

For the Cedarburg School District, the majority of revenue comes from local sources, which is usually comprised of local property taxes. After local sources, the next largest source of revenue for the District comes from state sources in the form of Equalization and other categorical aid.

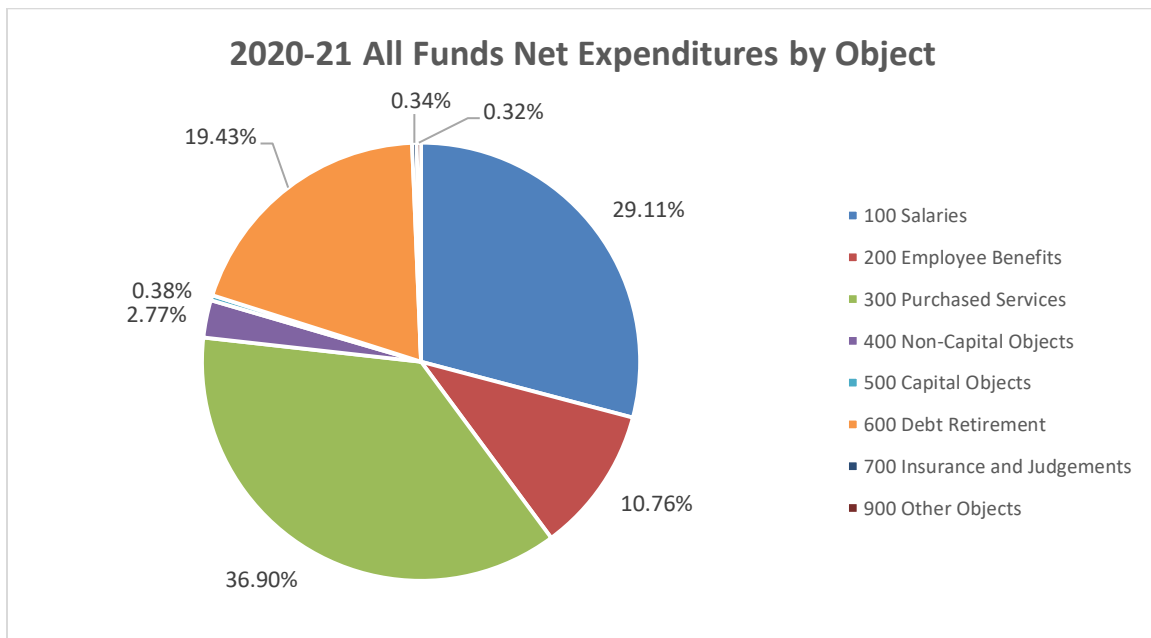


## Expenditures by Object

Object expenditures are used within funds just like revenue sources and they are used to categorize expenditures based on what is being purchased. Similar to revenue source codes, interfund transfers are removed in order to get a more accurate depiction of actual expenditure. For more information on expenditure object codes, please see the Glossary section of this document.

<b>EXPENDITURE OBJECT</b>	<b>Audited 2018-19</b>	<b>Unaudited 2019-20</b>	<b>Budget 2020-21</b>
100 Salaries	19,856,079.16	20,420,134.38	21,570,053.20
200 Employee Benefits	7,233,064.32	7,587,619.98	7,977,706.44
300 Purchased Services	11,260,794.08	40,087,726.69	27,344,828.09
400 Non-Capital Objects	1,913,241.92	3,854,059.39	2,050,101.92
500 Capital Objects	277,889.26	2,188,200.40	280,500.00
600 Debt Retirement	42,265,612.70	4,492,694.32	14,401,083.00
700 Insurance and Judgements	312,842.00	298,717.77	252,000.00
800 Transfers	3,843,607.86	3,673,219.08	3,578,519.81
900 Other Objects	302,189.64	192,328.64	234,736.00
<b>TOTAL EXPENDITURES – ALL FUNDS</b>	<b>87,265,320.94</b>	<b>82,794,700.65</b>	<b>77,689,528.46</b>
Minus Interfund Transfers	3,843,607.86	3,673,219.08	3,578,519.81
<b>NET TOTAL EXPENDITURES – ALL FUNDS</b>	<b>83,421,713.08</b>	<b>79,121,481.57</b>	<b>74,111,008.65</b>

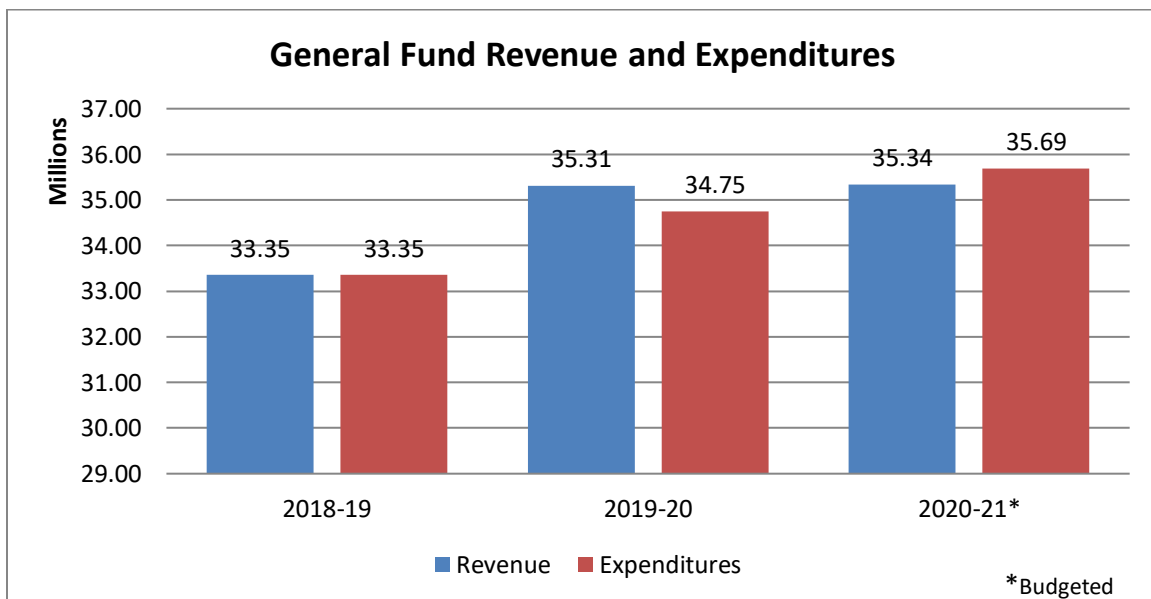
As with most school districts in Wisconsin, the majority of expenditures for the Cedarburg School District are for salaries and employee benefits. As a result of the 2018 referendum, some areas will be higher than normal as part of project expenses and financing.



## Summary Data for the General Fund

The General Fund, or Fund 10, is where most of the financial transactions occur for school districts in Wisconsin. Expenses for the basic instructional and operational costs for the District are recorded in the General Fund unless they are required to be recorded elsewhere.

GENERAL FUND	Audited 2018-19	Unaudited 2019-20	Budget 2020-21
Beginning Fund Balance	7,676,338.73	7,675,579.18	8,228,316.08
<b>Ending Fund Balance</b>	<b>7,675,579.18</b>	<b>8,228,316.08</b>	<b>7,877,390.09</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>			
Transfers-In (Source 100)	10,659.72	18,716.16	26,000.00
Local Sources (Source 200)	20,206,789.13	20,347,634.17	18,888,300.00
Inter-district Payments (Source 300 + 400)	1,440,693.00	1,375,240.00	1,366,705.00
Intermediate Sources (Source 500)	12,856.15	10,840.95	11,383.50
State Sources (Source 600)	11,377,330.69	13,265,751.33	14,537,253.42
Federal Sources (Source 700)	202,973.58	207,716.09	334,629.73
All Other Sources (Source 800 + 900)	102,069.51	79,642.71	172,000.00
<b>TOTAL REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>33,353,371.78</b>	<b>35,305,541.41</b>	<b>35,336,271.65</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>			
Instruction (Function 100 000)	16,426,052.27	17,304,453.34	17,594,156.77
Support Services (Function 200 000)	12,195,671.80	12,960,446.62	13,243,862.35
Non-Program Transactions (Function 400 000)	4,732,407.26	4,487,904.55	4,849,178.52
<b>TOTAL EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>33,354,131.33</b>	<b>34,752,804.51</b>	<b>35,687,197.64</b>

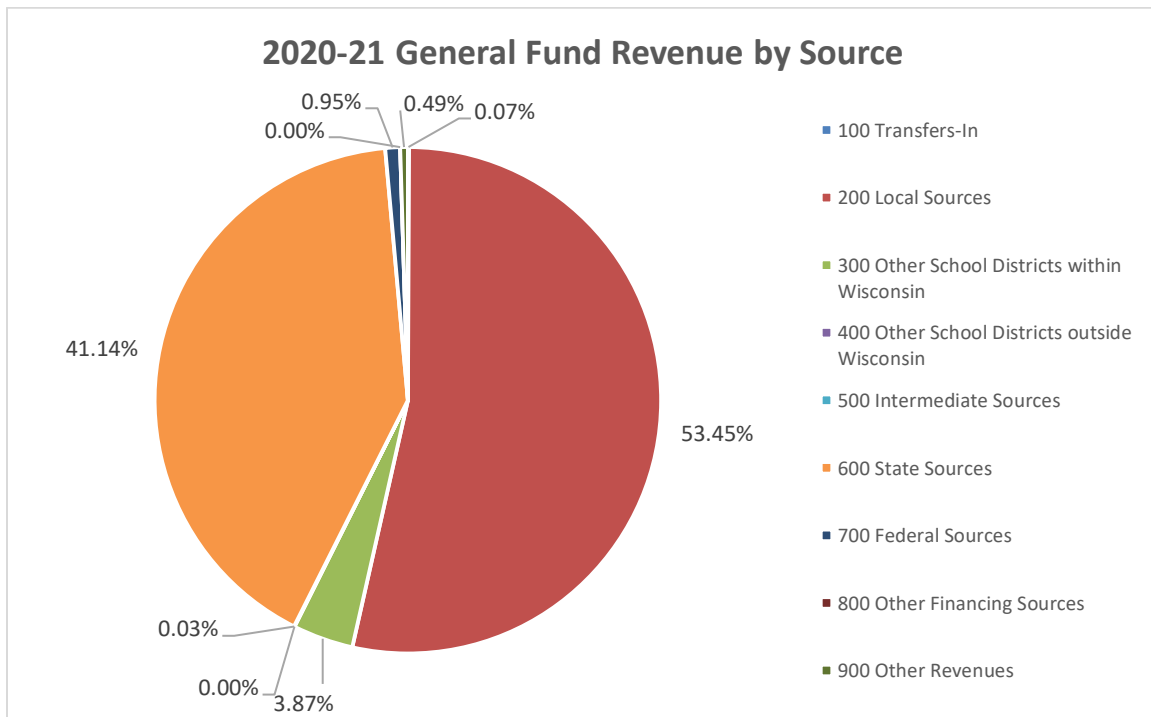


## Revenue by Source

Revenue for school districts in the State of Wisconsin is broken down into nine revenue source codes. These revenue source codes categorize all the revenue based on the source of the funds (i.e., the source of revenue).

REVENUE SOURCE	Audited 2018-19	Unaudited 2019-20	Budget 2020-21
100 Transfers-In	10,659.72	18,716.16	26,000.00
200 Local Sources	20,206,789.13	20,347,634.17	18,888,300.00
300 Other School Districts within Wisconsin	1,440,693.00	1,375,240.00	1,366,705.00
400 Other School Districts outside Wisconsin	0.00	0.00	0.00
500 Intermediate Sources	12,856.15	10,840.95	11,383.50
600 State Sources	11,377,330.69	13,265,751.33	14,537,253.42
700 Federal Sources	202,973.58	207,716.09	334,629.73
800 Other Financing Sources	781.27	0.00	0.00
900 Other Revenues	101,288.24	79,642.71	172,000.00
<b>TOTAL GENERAL FUND REVENUE</b>	<b>33,353,371.78</b>	<b>35,305,541.41</b>	<b>35,336,271.65</b>

Revenue for public school districts comes primarily from local and state sources. Due to the property values in Cedarburg relative to other communities in Wisconsin, most of the revenue for the District comes from the local tax levy. Conversely, school districts with lower property values likely have their main source of revenue come from the State of Wisconsin, as opposed to their local tax levy. Property values are a prominent factor in the Equalization Aid equation.

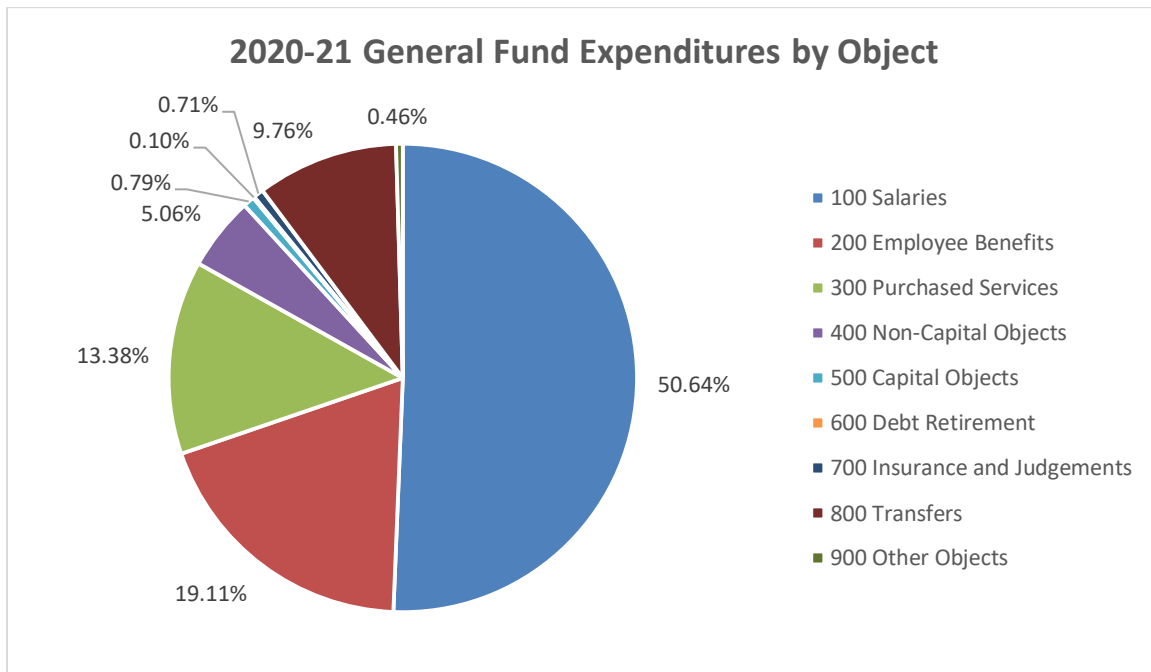


## Expenditures by Object

Similar to revenue source codes, expenditures are categorized into objects that indicate how the expenditure is being allocated.

EXPENDITURE OBJECT	Audited 2018-19	Unaudited 2019-20	Budget 2020-21
100 Salaries	16,703,193.60	17,159,405.39	18,073,586.72
200 Employee Benefits	6,162,234.98	6,487,391.48	6,819,344.31
300 Purchased Services	4,171,731.78	3,832,184.95	4,773,533.17
400 Non-Capital Objects	1,607,736.43	1,894,181.77	1,804,499.92
500 Capital Objects	272,311.26	1,239,052.36	280,500.00
600 Debt Retirement	35,352.08	34,388.89	34,000.00
700 Insurance and Judgements	312,842.00	298,717.77	252,000.00
800 Transfers	3,832,948.14	3,654,502.92	3,484,085.52
900 Other Objects	255,781.06	152,978.98	165,648.00
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>33,354,131.33</b>	<b>34,752,804.51</b>	<b>35,687,197.64</b>

In most Wisconsin school districts, salaries and benefits make up the majority of expenditures. In the Cedarburg School District, salaries and employee benefits represent over two-thirds of the expenses in the General Fund.



## Expenditures by Function

Another way that expenditures are categorized is through the use of expenditure function codes. These six digit codes will usually indicate in what department the expenditures are being made compared to expenditure objects which specify what the expenditure is being used for in a district.

Function codes are first categorized into three main areas that include instruction, support services, and then non-program transactions. Expenses can then be categorized even further within those three main functions with the use of sub-function codes. Sub-function codes are useful in identifying different programs within expenses such as co-curricular activities and school building administration.

<b>EXPENDITURE FUNCTION</b>	<b>Audited 2018-19</b>	<b>Unaudited 2019-20</b>	<b>Budget 2020-21</b>
110 000 Undifferentiated Curriculum	7,982,974.71	8,316,944.40	8,556,991.82
120 000 Regular Curriculum	6,149,386.32	6,700,033.33	6,603,204.85
130 000 Vocational Curriculum	812,837.19	826,237.95	847,671.51
140 000 Physical Curriculum	711,778.33	764,306.31	785,523.50
160 000 Co-Curricular Activities	607,441.23	525,229.99	624,344.46
170 000 Other Special Needs	161,634.49	171,701.36	176,420.63
<b>Subtotal Instruction</b>	<b>16,426,052.27</b>	<b>17,304,453.34</b>	<b>17,594,156.77</b>
210 000 Pupil Services	837,510.48	865,630.56	940,024.87
220 000 Instructional Staff Services	1,942,972.29	1,899,850.26	2,110,300.93
230 000 General Administration	788,207.91	796,394.94	853,558.30
240 000 School Building Administration	1,715,954.39	1,766,491.71	1,827,082.81
250 000 Business Administration	5,246,264.22	5,978,226.30	5,908,494.09
260 000 Central Services	342,573.69	321,895.56	353,066.16
270 000 Insurance & Judgments	368,709.00	366,414.77	320,000.00
280 000 Debt Services	35,352.08	34,388.89	34,000.00
290 000 Other Support Services	918,127.74	931,153.63	897,335.19
<b>Subtotal Support Services</b>	<b>12,195,671.80</b>	<b>12,960,446.62</b>	<b>13,243,862.35</b>
410 000 Inter-Fund Transfers	3,832,948.14	3,654,502.92	3,484,085.52
430 000 Instructional Service Payments	787,169.01	798,032.17	1,338,593.00
490 000 Other Non-Program Transactions	112,290.11	35,369.46	26,500.00
<b>Subtotal Non-Program Transactions</b>	<b>4,732,407.26</b>	<b>4,487,904.55</b>	<b>4,849,178.52</b>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>33,354,131.33</b>	<b>34,752,804.51</b>	<b>35,687,197.64</b>

## **Fund Reports for Other Funds**

### **Agency Fund Report**

The Agency Fund is used for student activity accounts to help student organizations manage the funds for their programs. The funds in these accounts are under the control of the School Board which has a fiduciary responsibility to establish and enforce policies and procedures to safeguard agency assets consistent with other assets in the District.

In June 2019, the Governmental Accounting Standards Board issued Statement #84 (GASB 84), which revised the definition of fiduciary activity. As a result, all accounts held in the Agency Fund were moved to the Special Revenue Fund leaving the number of active Agency Fund accounts for the Cedarburg School District at zero with a zero balance at the end of 2019-20.

### **Employee Benefit Trust Fund Report**

During the 2006-07 fiscal year, the Cedarburg School District established an Employee Benefit Trust Fund to account for costs related to Other Post Retirement Benefits (OPEB) for retired employees. Currently the District funds these expenses in the General Fund and completes a year-end transfer transaction to comply with the proper accounting requirements for the Benefit Trust Fund.

In 2019-20, the Benefit Trust recognized revenue (transfer from the General Fund, premium contributions and interest earned) of \$519,270.42 and expenses of \$630,638.02. The current balance in the fund is \$577,764.70.

### **Community Service Fund Report**

The Community Service Fund is used to account for activities that are outside the regular curricular and extracurricular programs for pupils and have the primary purpose of servicing the community. All activities are open to the public for participation or benefit the community as a whole in some way. Transactions are reported in Fund 80 and the District adopts a separate levy to support these activities.

The primary activities funded through Fund 80 are community performances at the Cedarburg Performing Arts Center (CPAC), crossing guard expenses, community communications, a police liaison for community events and various community recreational programs. The total budget for all of these programs in 2020-21 is \$279,306.00 with expenditures for compensation for staff to run these programs, minor utility costs, supplies and other equipment.

Expenditures for these community programs are supported through ticket sales, rental fees, interest earnings, program fees, and the local tax levy. The proposed 2020-21 Community Services Fund tax levy is \$240,000.00.

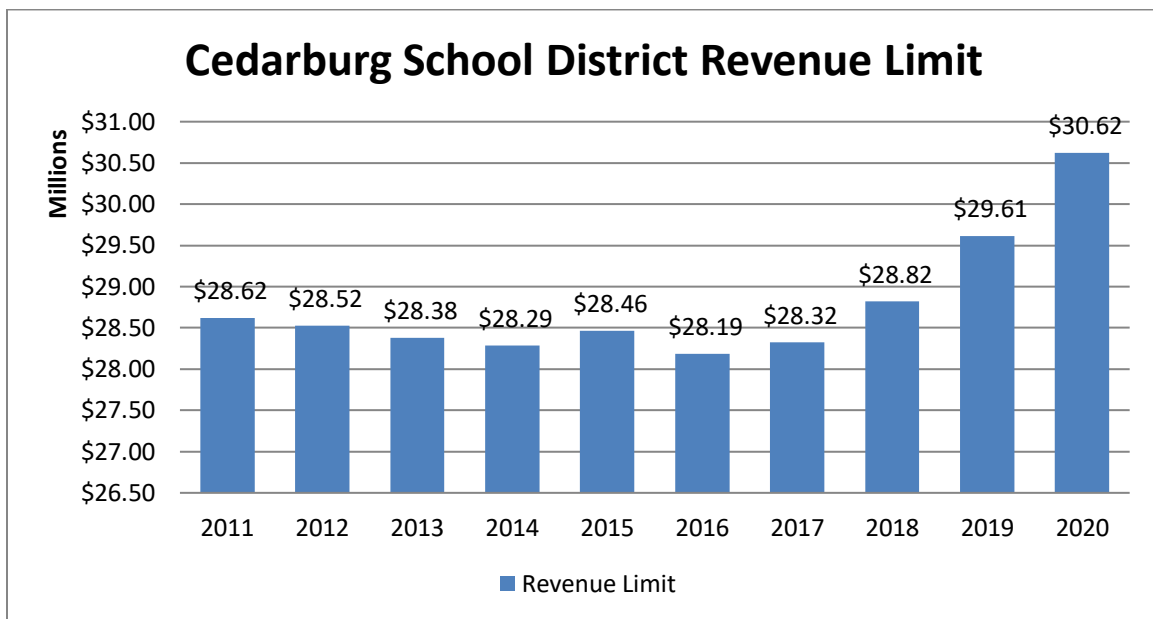
# Informational Section





## Revenue Limit

Since 1993, Wisconsin school districts have worked under revenue limits which cap the amount of revenue a district is allowed to collect each year. The two main factors that comprise the revenue limit are Equalization Aid and local property taxes. A district may only exceed the revenue limit under certain circumstances such as a referendum or an energy efficiency exemption.



The last section of the revenue limit worksheet breaks down the total revenue limit and how it is distributed between Equalization Aid and the local tax levy. The tax levy is then categorized into the levy for each fund. After the final tax levy has been determined, a levy rate can be set based on the property values for the current year.

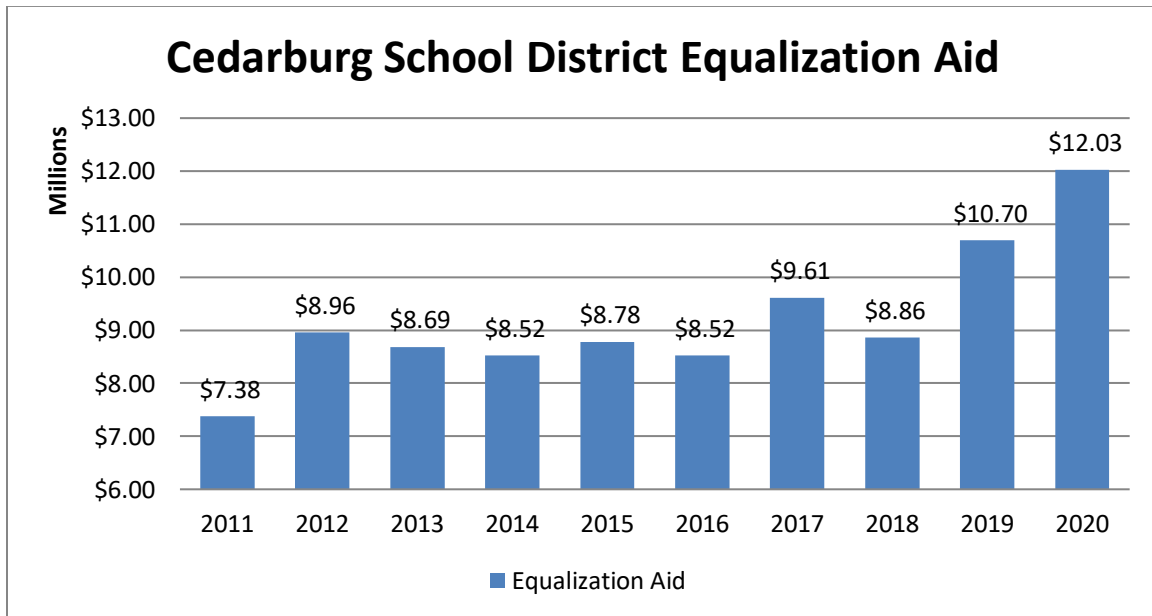
11. 2020-21 Revenue Limit With All Exemptions (Ln 9 + Ln 10)		30,620,543
12. Total Aid to be Used in Computation (12A + 12B + 12C + 12D)		12,127,865
A. 2020-21 <b>October 15 Certification of General Aid</b>	12,029,743	
B. State Aid to High Poverty Districts (not all districts)	0	
C. State Aid for Exempt Computers (Source 691)	35,334	
D. State Aid for Exempt Personal Property (Source 691)	62,788	
<b>REMEMBER TO USE THE OCTOBER 15 AID CERTIFICATION WHEN SETTING THE DISTRICT LEVY.</b>		
13. <b>Allowable Limited Revenue:</b> (Line 11 - Line 12) (10, 38, 41 Levies)		18,492,678
14. <b>Total Limited Revenue To Be Used (A+B+C)</b>	Not >line 13	18,492,678
<b>Entries Required Below:</b> Enter amnts needed by purpose and fund:		
A. Gen Operations: Fnd 10 Src 211	18,209,993	(Proposed Fund 10)
B. Non-Referendum Debt (inside limit) Fund 38 Src 211	282,685	(to Budget Rpt)
C. Capital Exp, Annual Meeting Approved: Fund 41 Src 211	0	(to Budget Rpt)
15. <b>Total Revenue from Other Levies (A+B+C+D)</b>		5,754,764
A. Referendum Apprvd Debt (Fund 39 Debt-Src 211)	5,514,764	
B. Community Services (Fund 80 Src 211)	240,000	(to Budget Rpt)
C. Prior Year Levy Chargeback for Uncollectible Taxes (Src 212)	0	(to Budget Rpt)
D. Other Levy Revenue - Milwaukee & Kenosha Only	0	(to Budget Rpt)
16. <b>Total Fall, 2020 ESTIMATED All Fund Tax Levy (14A + 14B + 14C + 15)</b>		24,247,442
Line 16 is the total levy to be apportioned in the PI-401.		Levy Rate = 0.00879613

## Equalization Aid

Equalization Aid, or General Aid, is the main source of revenue that a school district will typically receive from the state. Equalization Aid is calculated using an advanced, three-tier formula that includes membership changes, revenue and expenditures trends, and property values.

*** PART I: 2020-21 OCTOBER 15 CERT - SPECIAL ADJUSTMENT, INTER, AND INTRA AID SUMMARY ***		
I1	2020-21 SPECIAL ADJUSTMENT AID and/or CHAPTER 220 OCT 15 CERT	0.00
I2A	PARENTAL CHOICE DEDUCT, SPEC ADJ AID and/or CHAPTER 220 AID (MPS only)	0.00
I2B	MILW CHARTER DEDUCT, SPEC ADJ AID and/or CHAPTER 220 AID (Line I1 * -0.0161729997)	0.00
I2C	2019-20 OCT-TO-FINAL ADJUSTMENT, SPEC ADJ AID and/or CHAPTER 220 AID	0.00
I3	2020-21 SPEC ADJ AID and/or CHAP 220-OCT 15 CERT (ROUND) (I1+I2A+I2B+I2C)	0.00
<b>*15 2020-21 OCTOBER 15 CERTIFICATION GENERAL AID (H6+I3)</b>		<b>12,029,743</b>

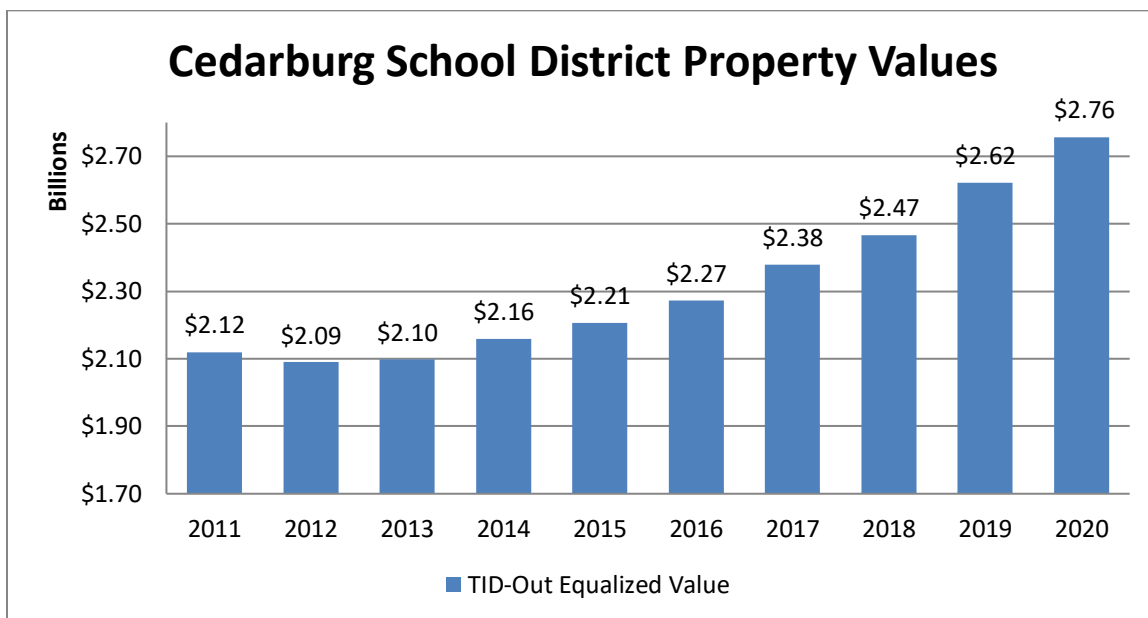
Usually a school district with higher property values will receive less Equalization Aid than a district with lower property values assuming they have similar membership and spending numbers. As a result, a district with higher property values will typically have more of their revenue come from the local tax levy than Equalization Aid and vice versa for a district with lower property values. For the Cedarburg School District, the majority of the revenue received comes from local property taxes.



## Property Values

Property taxes are administered based on the dollar value of land and buildings in the corresponding school district. These values are released every October by the Wisconsin Department of Revenue (DOR) so school districts across Wisconsin can set their levies. The DOR provides both a TID-In and TID-Out value based on the Tax Incremental Districts located in the school district. A school district will use the TID-Out value in order to set the tax levy.

Property values for the Cedarburg School District have seen a steady rise since the 2013-14 fiscal year and will increase again in 2020-21 by 5.13%. Increasing property values leads to a larger tax base for a school district to administer the tax levy each year, which usually results in a decrease in the mill rate.

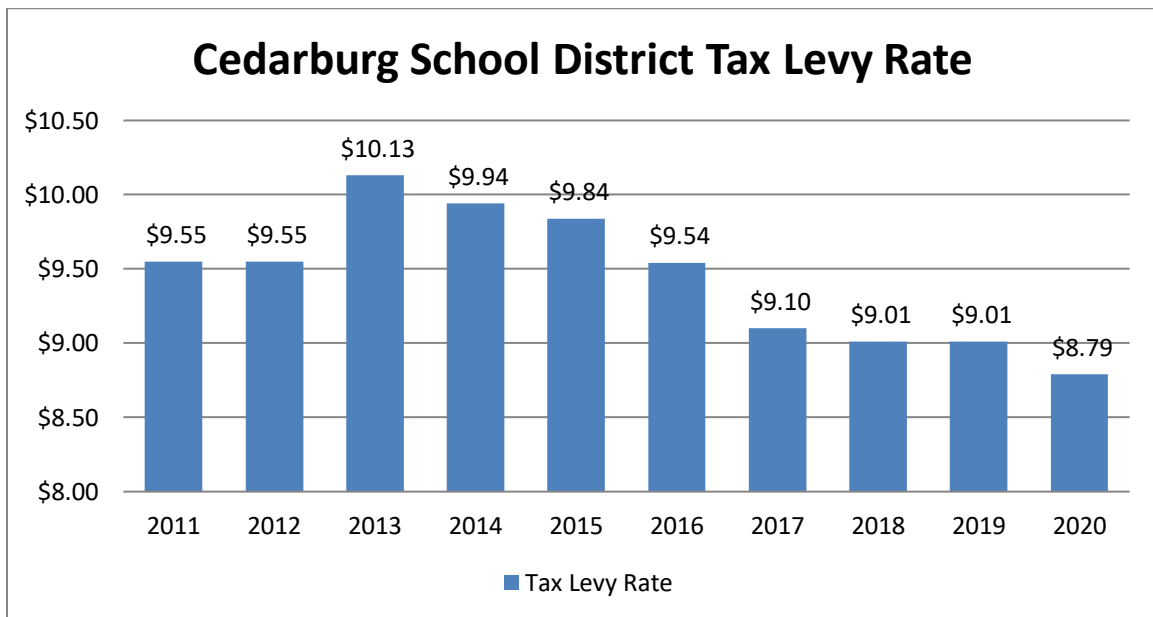


The Cedarburg School District is made up of six municipalities located in both Ozaukee and Washington Counties. The tax levy is allocated to each municipality based on their equalized valuation from the DOR. Out of the six municipalities, the City of Cedarburg and Town of Cedarburg make up over 90% of the property values for the Cedarburg School District.

Municipality	County	Oct 2020 TID-Out Eq. Value	Percent of Total
Town of Cedarburg	Ozaukee	979,295,681.00	35.53%
Town of Grafton	Ozaukee	2,598,652.00	0.09%
Village of Grafton	Ozaukee	154,670,648.00	5.61%
City of Cedarburg	Ozaukee	1,532,287,210.00	55.59%
City of Mequon	Ozaukee	25,402,043.00	0.92%
Town of Jackson	Washington	62,347,952.00	2.26%
<b>TOTALS</b>		<b>2,756,602,186.00</b>	<b>100.00%</b>

## Property Tax Levy

Each year, a public school district must determine the appropriate levy amount and rate. Determining the amount of the levy each year depends on many factors that are all part of the revenue limit computation. Typically the levy is set based on a district's revenue limit less the amount of Equalization Aid received. Once the total levy amount is determined, a tax levy rate, or mill rate, can be calculated based on the total property values for the area. The tax levy rate will be the average levy amount per \$1,000 of equalized value for property in the district. Since this is an average, actual amounts will vary, but it provides an indication of what a tax bill may look like for the upcoming year.

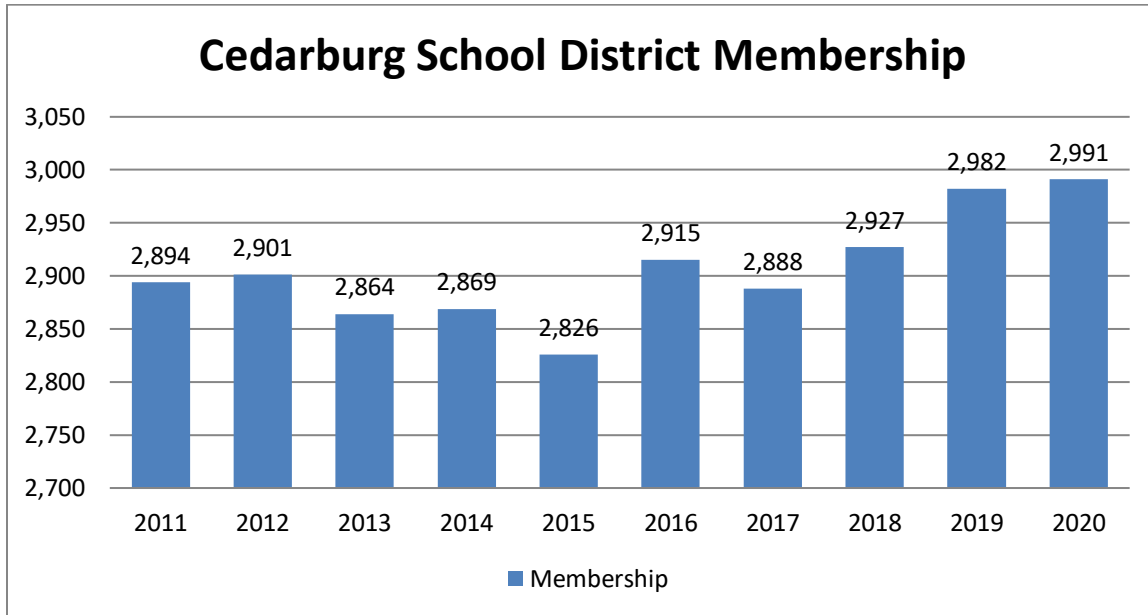


The tax levy rate for the Cedarburg School District has been decreasing over the last few years and is projected to decrease again in 2020-21. The proposed tax levy rate for 2020-21 is anticipated to be set at \$8.79, which would be a .22 cent decrease from last year. On average, most property owners in the Cedarburg School District will see a decrease in their tax bill to what they saw in 2019-20. Actual amounts will vary based on property values relative to the other changes in the area due to new property value assessments and additions.

Home Value	2019-20 Average Total Tax Levy Bill	2020-21 Average Total Tax Levy Bill	Average Annual Tax Levy Bill Decrease
100,000	901	879	22
200,000	1,802	1,802	44
276,000	2,487	2,487	61
300,000	2,703	2,703	66
400,000	3,604	3,604	88

## Membership

Membership for a school district is not the number of students attending the district, but the number of students who live in the area (i.e., resident students). Enrollment (students attending the district) and membership (resident students) typically do not match due to the open enrollment program. Membership is also based on prorating students who do not attend a full day of school such as four-year old kindergarten.



Membership is one of the most significant factors in determining Equalization Aid and the revenue limit for a school district. Membership is calculated using a three-year average that is then compared to the previous year's three-year average.

<b>September &amp; Summer FTE Membership Averages</b>				
Count Ch. 220 Inter-District Resident Transfer Pupils @ 75%				
<b>Line 2:</b>	Base Avg: $((17+.4ss)+(18+.4ss)+(19+.4ss)) / 3 =$			<b>2,932</b>
	<b>2017</b>	<b>2018</b>	<b>2019</b>	
Summer FTE:	41	45	51	
% (40,40,40)	16	18	20	
Sept FTE:	2,872	2,909	2,962	
New ICS - Independent	0	0	0	
Charter Schools FTE				
Total FTE	2,888	2,927	2,982	
<b>Line 6:</b>	Curr Avg: $((18+.4ss)+(19+.4ss)+(20+.4ss)) / 3 =$			<b>2,967</b>
	<b>2018</b>	<b>2019</b>	<b>2020</b>	
Summer FTE:	45	51	76	
% (40,40,40)	18	20	30	
Sept FTE:	2,909	2,962	2,961	
New ICS - Independent	0	0	0	
Charter Schools FTE				
Total FTE	2,927	2,982	2,991	
				<b>2,967</b>

The Line 6 "Current Average" shown above is used for Revenue Limits. The average used for Per Pupil Aid does not include "New ICS - Independent Charter Schools FTE." The PPA average appears below after data is entered for 2020:

## Glossary of Terms

### Definition of Funds

The implementation of fund accounting started in 1978-79 and has been revised annually. A fund is an independent accounting entity consisting of a self-balancing set of asset accounts, liability accounts, and equity accounts. Funds are established for the purpose of carrying on specific activities, or attaining certain objectives in accordance with laws, regulations, restrictions, or limitations.

- **10 General Fund**

The General Fund is used to account for district financial activities for current operations, except those required to be accounted for in separate fund (e.g. Debt Service).

- **20 Special Project Fund**

This fund is used to account for activities that are funded, in whole or in part, by federal or state programs which are designated for specific purposes and which require accounting in a segregated fund.

- **30 Debt Service Fund**

This fund is required by Section 67.11, Wisconsin Statutes. Irrepealable debt tax levy and related revenues are accounted for in this fund, along with expenditures for long-term debt retirement. A separate checking and/or investment account must be maintained by the district for this fund.

- **40 Capital Project Fund**

This fund is used to account for expenditures financed through the use of bonds, promissory notes issued per statute 67.12(12), state trust fund loans, land contracts, an expansion fund tax levy established per statute 120.10(10m) or projects funded with a TIF capital improvement levy (Kenosha School District only). As permitted a capital project fund may also be used to record capital lease transactions involving a "letter of credit" or where use of the lease proceeds extends beyond the fiscal year.

- **50 Food Service Fund**

Federal regulations require that the Food Service Fund be accounted for separately. All revenues and expenditures related to Food Service are recorded in this fund. The Food Service Fund may not transfer money to any other fund. Any fund deficit at the end of the year must be eliminated

through an operating transfer from the General Fund. Any fund balance must be retained for future use for Food Services.

- **60 Agency Fund**

The Agency Fund (formerly Pupil Activity Fund) is used to account for assets held by the district for pupil organizations. This fund is treated only as balance sheet accounts in the school district's accounting system. However, records of revenues and expenditures must be maintained in auxiliary accounts at locations administering the accounts.

- **70 Trust Fund**

Expendable Trust Fund - A Trust Fund from which all resources, including principal and interest, may be expended.

Non-Expendable Trust Fund - A Trust Fund in which the principal may not be expended. A corresponding Expendable Trust Fund must be established to disburse earnings from a Non-Expendable Trust fund.

- **80 Community Service Fund**

Sections 120.13 and 120.61, Wisconsin Statutes, allow a school board to permit use of the district's property for civic purposes. Should the board elect to provide services which have been classified as instructional or supporting services for school educational programs, such as adult education, community recreation, Day Care Center, this fund must be used.

- **90 Package and Cooperative Program Fund**

The Package and Cooperage Program Fund is used for all transactions that occur between two different entities, with one of those entities being the school district. A common use for this fund is when two school districts share an employee.

### **Definition of Revenue Sources**

A revenue "source" will indicate the origin of the revenue.

- **100 Transfers from Another Fund**

Revenue that is transferred in from another fund within the district is recorded here.

- **200 Revenue from Local Sources**

This revenue source includes all funding sources within the district and the community. Local property taxes and school fees are the most common sources of revenue from local sources.

- **300 Interdistrict Payments within Wisconsin**

Revenue received from the transit of aids and payments for services between Wisconsin school districts is recorded here.

- **400 Interdistrict Payments outside Wisconsin**

Revenue received from other districts from outside of Wisconsin for various services.

- **500 Revenue from Intermediate Sources**

When educational agencies such as a CESA act as a grant administrator for a district grant or if a district receives payment for services, revenue or grant payments are recorded here.

- **600 Revenue from State Sources**

Revenue from the State of Wisconsin such as Equalization Aid and various categorical aid are recorded here.

- **700 Revenue from Federal Sources**

Revenue received from the Federal Government, typically from grants, is recorded here.

- **800 Other Financing Sources**

Common sources of revenue within this revenue source code include sale of land or fixed assets and long-term debt proceeds.

- **900 Other Revenues**

Revenues within this source code typically do not fit into any other revenue source code listed and are usually adjustments or refunds that occur during the year.

### **Definition of Expense Objects**

"Object" can be defined as the category of what was purchased.



- **100 Salaries**

This object includes the expenditure for gross amounts paid to employees for services.

- **200 Employee Benefits**

Included here are payments for retirement, social security, health insurance, and life insurance, etc.

- **300 Purchased Services**

Services furnished to the district by non-district personnel are categorized here.

- **400 Non-Capital Objects**

This object includes payments for consumable items such as supplies, materials, and media.

- **500 Capital Objects**

Expenditures for items of a permanent or enduring nature are recorded here.

- **600 Debt Retirement**

Included here are the costs related to the use of borrowed money.

- **700 Insurance and Judgments**

Expenditures related to district liability and property insurance, worker's compensation payments, and judgements and settlements are recorded here.

- **800 Operating Transfers**

Transfers to other funds are categorized in this object.

- **900 Other Objects**

This object is used to record dues, fees, and miscellaneous items.

### **Definition of Functions**

The “function” of an item will specify how it is being used.

- **100 000 Instruction**

Any activities that directly involve students will be found in this function. Activities comprising of regular classroom instruction, special education programs, co-curricular activities and any gifted and talented programs will be recorded within this function.

- **200 000 Support Services**

Activities and departments related to the support of the instructional program in a district are recorded here. Typical support services programs include transportation, building maintenance, debt and financial management, administration, and staff training.

- **300 000 Community Services**

Programs that involve the community, such as adult education or a recreational program, are recorded in this function.

- **400 000 Non-Program Transactions**

Activity not related to any specific programs can be found in this function. Transfers between funds and tuition costs are the most common uses of this function.

- **500 000 District-Wide**

Any activity that is considered district-wide is categorized into this function. This function can only be used with a revenue source code.