

Interim Budget

Fiscal Year
2022-2023



Message from the Superintendent



Dear Racine Unified School District Community,

RUSD prioritizes the advancement of student achievement through the development and approval of an annual budget. Despite the challenges that we have worked to overcome these past few years, the District is committed to ensuring a sound financial plan that aligns to the strategic goals we have set. Further, this dedicated planning has earned the recognition from the Government Finance Officers Association (GFOA), who have awarded the District the Distinguished Budget Presentation Award for the second consecutive year.

The landscape of education nationally, statewide and locally has changed a great deal since we have experienced the impact of a world-wide pandemic. Continuously, our staff have stepped to the challenge of supporting and educating our students, families and community. In this budget we have worked to show our staff how much we value their tireless work and ensure successful outcomes for students. Highlights of this year's budget include dollars to support initiatives that address learning loss and priorities detailed in our strategic planning refresh such as:

- RUSD's early literacy initiative focuses on the reading proficiency of the Pre-Kindergarten through first-grade students.
- STEAM initiatives in RUSD will entail the creation of integrated curricular experiences rooted in the key elements found within project and inquiry-based learning.
- The District has affirmed its commitment to staff and will offer a 4.7% Consumer Price Index (CPI) increase to salaries.
- New school building and major improvements in line with our Long-Range Facilities Master Plan funded by our successful Spring 2020 referendum.
- RUSD Middle School Academies will help students find purpose and meaning in their middle school learning through project-based, hands-on experiences.
- Improving our students' SEL competencies to a level that is proficient or better is an absolute necessity.
- The District has focused on producing staffing efficiencies utilizing the closing of schools to keep our staffing level with our declining enrollment.
- Ensure students and educators have broadband access to the internet and adequate wireless connectivity, with a special focus on equity of access outside of school.
- Ensure that every student and educator has at least one internet access device and appropriate software and resources for research, communication, multimedia content creation, and collaboration for use in and out of school.

All of this and more is being done as RUSD leadership continues to develop and adopt fiscally sound, student-centered budgets that are closely aligned to the priorities and goals of our strategic plan, mission and vision. Thus ensuring Racine Unified Schools are the best educational choice in Southeastern Wisconsin. #ForwardTogether

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Gallien". The signature is fluid and cursive, written over a light blue wavy background element.

Eric Gallien, Ph.D.
Superintendent



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Racine Unified School District
Wisconsin**

For the Fiscal year Beginning

July 01, 2021

Christopher P. Morrill

Executive Director

Table of Contents

| | | | |
|--|----|---------------------------|----|
| Administration | 5 | Capital Projects | 34 |
| Summary Organizational Chart | 6 | Food Service Fund | 35 |
| Board of Education | 7 | Pension & OPEB Trust Fund | 36 |
| Governance – Budget Policies | 8 | Community Service Fund | 37 |
| Community At-A-Glance | 9 | ESSER | 38 |
| RUSD At-A-Glance | 11 | Budget Adoption Table | 39 |
| Schools | 12 | Addenda: Glossary Terms | 41 |
| Building the Budget - Calendar | 13 | | |
| Building the Budget – Basis of Budgeting | 14 | | |
| Building the Budget - Challenges | 15 | | |
| Building the Budget – Strategies | 16 | | |
| Building the Budget - Forecast | 17 | | |
| Building the Budget - Assumptions | 18 | | |
| Enrollment | 19 | | |
| Staffing | 20 | | |
| District Funds | 22 | | |
| District Fund Balance | 23 | | |
| Revenue | 24 | | |
| Revenue – Property Tax Information | 25 | | |
| Expenditures – All Governmental Funds | 26 | | |
| Expenditures – General & Special Education | 27 | | |
| General Fund | 28 | | |
| Special Revenue Fund | 29 | | |
| Special Education Fund | 30 | | |
| Other Special Projects | 31 | | |
| Debt Service | 32 | | |
| Outstanding Debt | 33 | | |

Administration



Dr. Eric Gallien,
Superintendent of Schools



Peter Reynolds,
Chief of Operations



Jeff Serak,
Chief Financial Officer



Jody Bloyer,
Chief of Schools



Soren Gajewski,
Chief Academic Officer



Stacy Tapp, Chief of
Communication &
Community Engagement



Tim Peltz, Chief
Information Officer



Kimberly Walker,
Chief Legal Officer



Emily DeBaker,
Chief of Staff

Summarized Organizational Chart



Chief Financial Office

- Finance
- Budgets & Grants
- Payroll
- Purchasing
- Food Service
- Human Resources

Chief Operations Office

- Facilities & Maintenance
- Capital Projects
- Safety & Security

Chief of Schools Office

- Safety & Security
- Student Services
- Transportation
- Assessment & Accountability
- Activities
- Health Services
- School Clusters 1,2,3
- Alternative Programs
- Extended Learning

Chief Academic Office

- Curriculum & Instruction
- Language Acquisition
- Federal & State Funded Programs
- Special education
- Early Learning
- Professional Learning
- Virtual Learning

Chief of Staff

- Executive Team Collaboration
- Superintendent Liaison
- Manages Special Assignments
- Strategic Communications Counsel

Chief of Communication & Community Engagement Office

- Communication
- News Media
- Website & Social Media
- Community & Family Engagement

Chief Information Office

- Technology
- Systems & Applications
- Network
- School Data
- Instructional Materials Center
- Warehouse

Chief Legal Office

- Employee Relations
- Legal Services
- Risk Management

Board of Education



Ms. Auntavia Jackson



Mr. Scott Coey
Board Clerk



Ms. Jane Barbian
Board President



Ms. Dulce Cervantes
Canteras



Ms. Julie McKenna
Board Vice President



Ms. Allyson Docksey
Board Treasurer



Mr. Brian O'Connell,



Mr. Matthew Hanser



Ms. Theresa Villar

Governance – Budget Policies

The Board of Education of the Racine Unified School District utilizes a Coherent Governance structure that enables the board to lead the organization through policies rather than by approving administrative recommendations. The Board of Education policies are done through enacting operational expectations (OE) of the administration. This model changes the focus of the board so instead of making operational decisions, they review and approve policy decisions as well as monitor how the administration meets their expectations as outlined in their Operational Expectations. The Board of Education's policies for budgeting and financial planning exist in **Operational Expectation 5 – Financial Planning**.

OE – 5 states the Superintendent will:

1. Develop an annual budget that:
 - a. Follows a systematic budget development process with regular updates to the Board;
 - b. Includes input from stakeholders;
 - c. Reflects the District's Strategic Plan and priorities; and
 - d. Maintains the General Fund (Fund 10) balance in a range of 15% to 20% of the annual General Fund (Fund 10) and Special Education Fund (Fund 27) budgeted expenditures.
2. Develop an annual budget document that:
 - a. Is in an understandable summary format and highlights the relationship between the budget and Strategic Plan goals;
 - b. Credibly describes revenues, expenditures and transfers between funds;
 - c. Shows the amount spent in each budget category for the most recently completed fiscal year and the amount budgeted for the next fiscal year;
 - d. Reports the anticipated impact on staffing allocations; and
 - e. Discloses budget planning assumptions.
3. Forecast fiscal conditions for future years.
4. Maintain a stable property tax rate for levies related to approved referenda, building construction and maintenance separate from the main budget.
 - a. The property tax mill rate for these expenditures was \$2.31 in the 2019-2020 budget.
 - b. The \$2.31 property tax mill rate will be the maximum for such levies during the term of the referendum approved by voters on April 7, 2020.
 - c. The Superintendent may propose an associated levy that is lower than the maximum but may not levy above the maximum.
 - d. If expenditures for scheduled projects would exceed the revenue from the maximum property tax mill rate, projects will be delayed or modified to meet the associated funding available.
 - e. Annual property tax levy rate approval by the Board under the Referendum approved on April 7, 2020, will be publicly noticed.
 - f. Annual property tax levy rates under the Referendum approved on April 7, 2020, will be approved by separate Board vote.
 - g. Any proposed modifications to (OE-5.4) must be announced at a Board meeting at least 4 weeks prior to the vote.
 - h. Any modifications to OE-5.4) require a three-fourth majority vote of the full Board.
 - i. The annual monitoring report for OE-5 must include the history of levies under the 2020 Referendum.

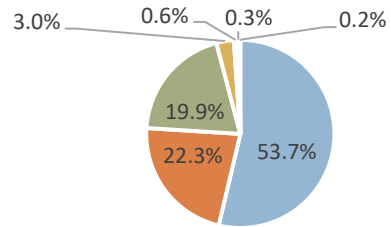
RUSD Community At-A-Glance

The Racine Unified School District serves and educates students from 7 surrounding municipalities with a combined total population of approximately 137,866.
Information sourced from census.gov & city-data.com.



Population: 77,127
 Median income: \$44,346

Racine Demographic Information

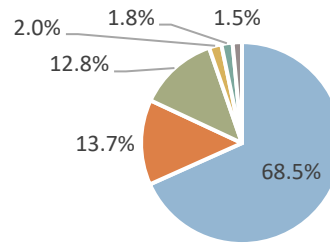


- White alone
- Black alone
- Hispanic
- Two or more races
- Asian alone
- American Indian alone
- Other race alone



Population: 6,995
 Median income: \$73,175

Sturtevant Race Demographics

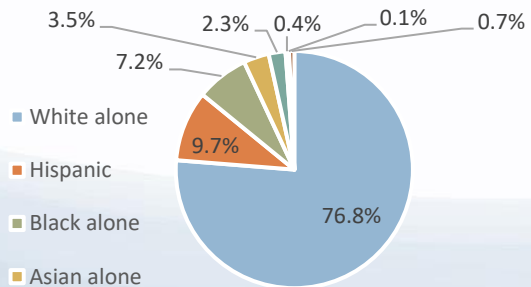


- White alone
- Black alone
- Hispanic
- Two or more races
- Asian alone
- American Indian alone



Population: 27,732
 Median income: \$72,309

Mount Pleasant Race Demographics



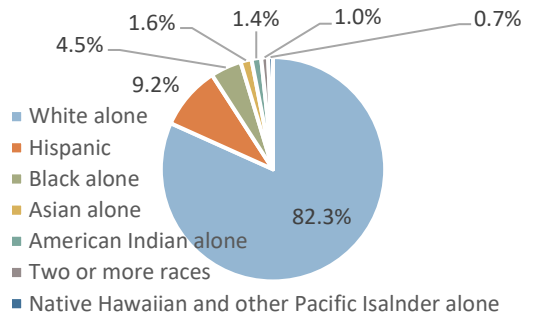
- White alone
- Hispanic
- Black alone
- Asian alone

RUSD Community At-A-Glance



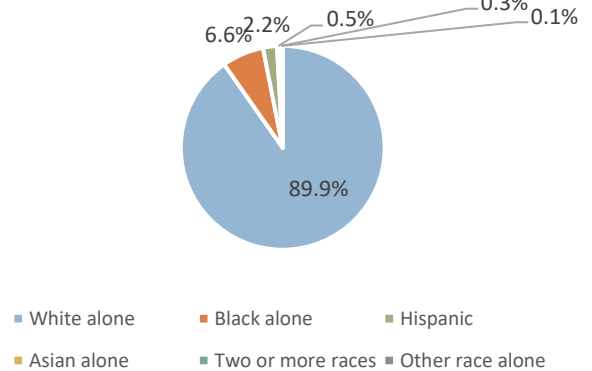
Population: 25,361
Median income: \$81,722

Caledonia Race Demographics



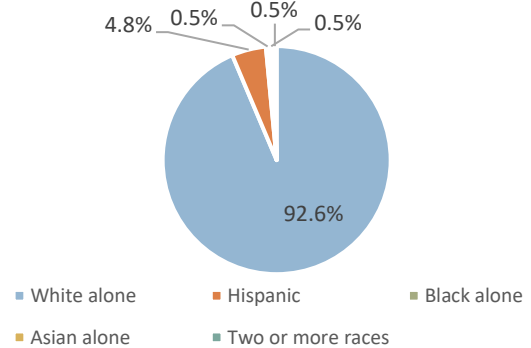
Population: 1,695
Median income: \$111,633

Wind Point Race Demographics



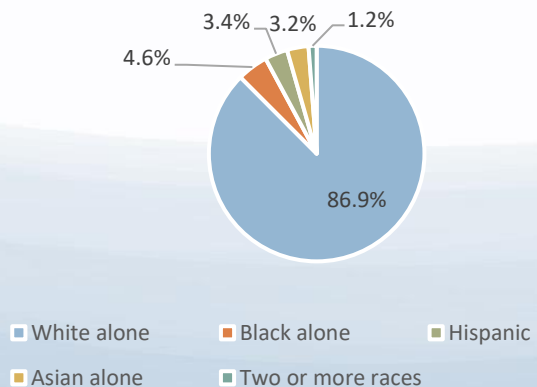
Population: 234
Median income: \$90,421

North Bay Race Demographics

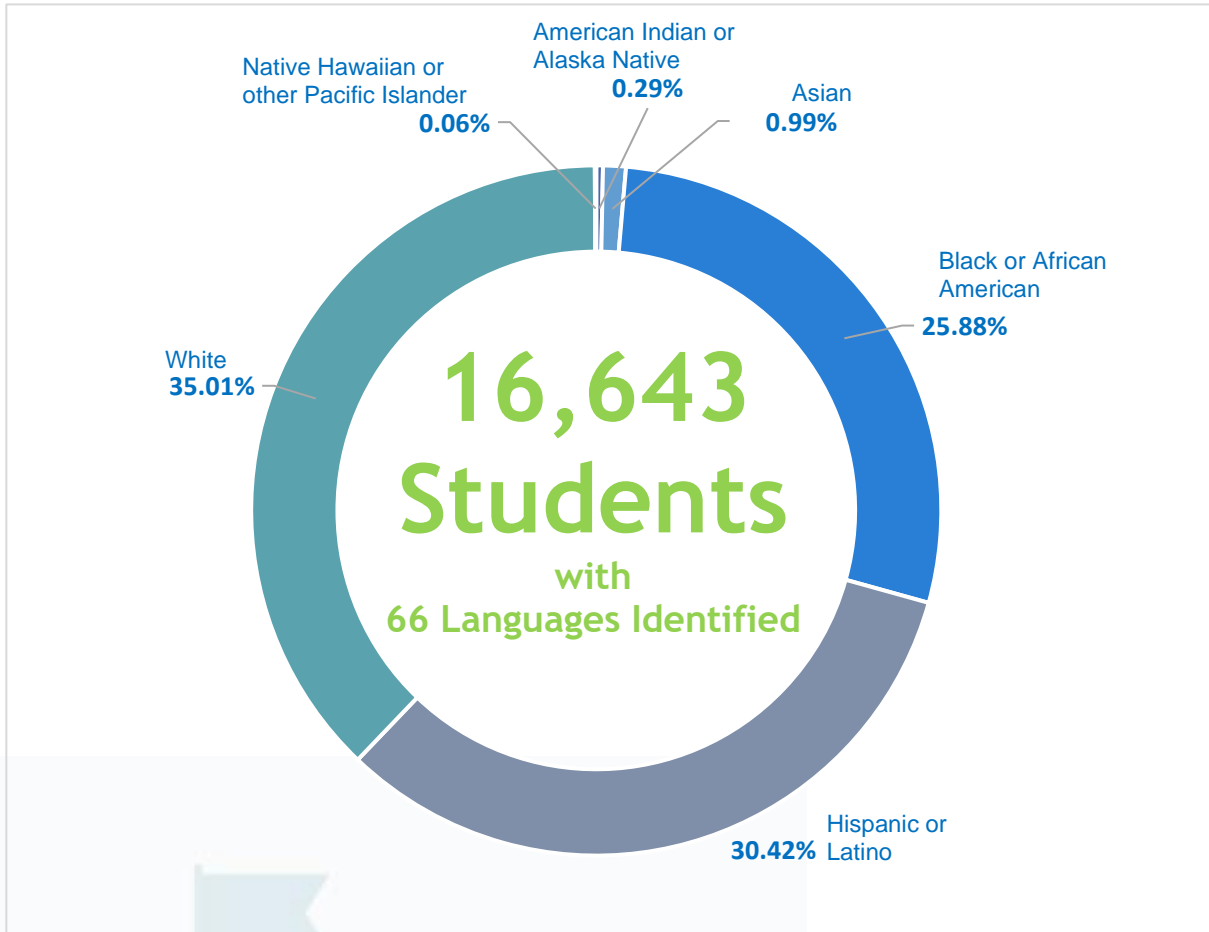


Population: 493
Median income: \$76,487

Elmwood Park Race Demographics



RUSD At-A-Glance



1 Early Learning Center

1 Montessori School

13 Elementary Schools

4 K-8 Campuses

1 Middle School

2 Middle/High School Campuses

3 High Schools

1 Alternative Learning Center

2,953 total staff members

1,529 teachers & professional staff

419 educational assistants

61% of teachers have advanced degrees

44% of educational support staff have advanced degrees

Schools

Specialty Schools

Racine Alternative Learning
Bull Early Education Center
Virtual Learning

Elementary Schools

Dr. Jones Elementary
Fratt Elementary
Jefferson Lighthouse Elementary
Julian Thomas Elementary
Knapp Elementary
Goodland Montessori School
Olympia Brown Elementary
Red Apple Elementary
Roosevelt Elementary
S.C. Johnson Elementary
Schulte Elementary
Wadewitz Elementary
West Ridge Elementary

K-8 Schools

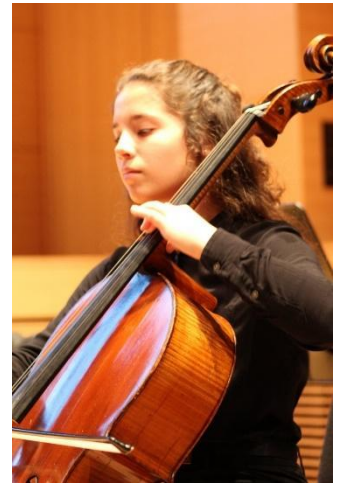
Gifford School
Gilmore Fine Arts
Jerstad-Agerholm School
Mitchell School

Middle Schools

Starbuck Middle School
The R.E.A.L. School (6-12)
Walden III (6-12)

High Schools

Case High School
Horlick High School
Park High School
The R.E.A.L. School (6-12)
Walden III (6-12)



Building the Budget – Calendar

2022-23 Racine Unified School District Budget Calendar

| Date Due | Budget Benchmarks | Key Tasks |
|------------|---|--|
| 11/30/2021 | Budget Planning Process (11/1/2021-11/30/2021) | <i>Development of Budget Calendar (11/12/2021) Evaluate Budget Process/Forms (11/30/2021) Update all budget worksheets (11/30/2021)</i> |
| 1/26/2022 | Financial Planning Forecast (12/1/2021-1/26/2022) | <i>Enrollment Projections (12/10/2021) Department Forecasts (1/14/2022) Projected Revenues/Expenditures (1/21/2022)</i> |
| 1/31/2022 | Present Financial Planning Forecast to Senior Leadership | |
| 2/7/2022 | Present Financial Planning Forecast to BOE | |
| 4/4/2022 | Present Updated Financial Planning Forecast to BOE | |
| 4/29/2022 | School & Department Budget Development (1/1/2022-4/29/2022) | <i>Set School & Department Allocations (1/21/2022) Distribute Budget Worksheets (2/14/2022) School & Department Budgets Due (4/15//2022)</i> |
| 4/29/2022 | School & Department Staffing (1/26/2022-4/29/2022) | <i>Distribute Staffing Rosters (1/26/2022) Staffing Meetings (2/1/2022-4/29/2022)</i> |
| 5/13/2022 | Staff presentations on budget (4/25/2022-5/13/2022) | |
| 5/27/2022 | 2022-23 Interim Budget Finalized (12/1/2021-5/27/2022) | <i>School & Department Budgets Finalized (5/20/2022) District Personnel Budget (5/1/2022-5/20/2022)</i> |
| 6/1/2022 | 2022-23 Interim Budget Book Completed (3/31-6/1) | |
| 6/6/2022 | Present Interim Budget to BOE | |
| 6/20/2022 | Interim Budget Approved by BOE | |
| 8/1/2022 | Present Updated Financial Planning Forecast to BOE | |
| 9/16/2022 | Third Friday September Student Count | |
| 9/26/2022 | Budget Hearing | <i>Publish Notice in Journal Times (at least 15 days prior)</i> |
| 9/30/2022 | Budget Updates for Adopted Budget (6/21/2022-9/30/2022) | <i>Department Budget Updates (9/1/2022) Staffing Roster Finalized (9/2/2022) Personnel Budget Completion (9/30/2022)</i> |
| 10/15/2022 | State equalization aid certification released | |
| 10/19/2022 | 2022-23 Adopted Budget Finalized (11/1/2021-10/19/2022) | |
| 10/21/2022 | 2022-23 Adopted Budget Book Completed (10/1-10/21) | |
| 10/24/2022 | BOE approve 2022-23 Budget and Tax Levy | <i>Budget Book to BOE (10/21/2022)</i> |
| 10/24/2022 | Certify Tax Levy | |
| 11/1/2022 | Begin 2023-24 Budget Planning Process | |
| 6/30/2023 | 2022-23 Budget adjustments/tracking (11/1/2022-6/30/2023) | <i>Budget tracking (monthly after 2/2022) Budget review w/schools & departments (1/31/2023) Adjusted Budget to BOE – if needed (5/2/2023)</i> |

Building the Budget – Basis of Budgeting

The budget is prepared in conformance with laws and regulations applicable to local governments within the State of Wisconsin. To develop the budget, Racine Unified School District uses several common methods seen in school business finance. Utilizing a combination of methods, provides RUSD the most efficient and accurate approach to developing the budget. These methods include:

Site Based (Incremental Budgeting) – Funds are distributed to each school and department through formula driven allocations.

Incremental Budgeting (or Roll-Over) – This method rolls over the prior year budget and adjusts amount based on proposed or necessary changes.

Function/Object Budgeting – The most common method of school district budgeting. This method organizes the budget by function and objects. Many of the financial reports are presented in this format.

Program and Planning Budgeting – Aligns the budget by the district's objectives.

Zero based – This approach builds the budget from the ground up each year. RUSD utilizes this method for the personnel budget.

Funding Allocations (Site based budgeting)

School Funding Allocations

Funding is allocated to schools on a per-pupil basis for general operational costs and staffing for certain position groups. Building principals are responsible for developing and maintaining their operating budget and meeting the staffing targets as assigned through the school staffing formula. Funding is broken out by building grade span. Schools also receive additional supplemental funds depending on programs within the building, such as Title I, Achievement Gap Reduction (AGR), International Baccalaureate etc.

Department Funding Allocations

Departments are allocated funds for operations, programming and staffing based on a percentage-based target in relation to their prior year budget.

District Wide Operational Allocations

District wide operating costs are budgeted by the finance department as these costs are usually non-negotiables. The finance department engages the necessary stakeholders to determine need and potential changes for the upcoming year. Examples include insurance, utilities, and debt payments.

Building the Budget – Challenges

As with most school districts in Wisconsin, Racine Unified School District has been faced with several fiscal challenges. Ultimately the District must work diligently to meet the many and diverse needs of the students, families, and the community while operating under Wisconsin's school finance system and utilizing all available funds as efficiently as possible.

Challenges That Shaped Budget Development

Almost every budget planning year begins with an assumed structural deficit. This year was no different as the initial District forecast projected a funding shortfall of \$18.5 million. As the District had planned to use \$10 million of Federal ESSER funds to cover any shortfall the initial deficit was projected at \$8.5 million. Working through the budgeting process the shortfall and deficit grew to \$21.8 and \$11.8 million respectively. Contributing factors to the funding challenges include:

- **Declining Enrollment** – District revenue is linked to the number of students residing in RUSD boundaries, while district costs are driven by the number of students attending. The District's declining enrollment trend requires reducing expenses by \$10,672 per student lost. Since 2017-18 school year, student enrollment has declined by 2,465 and enrollment in RUSD schools for 2022-23 is projected to decline by 236 students from 2021-22.
- **Staffing Costs** – Staff and benefit costs were expected to increase as the District works to maintain compensation levels that retain and recruit employees. With CPI at rates not seen in sometime staffing cost increases made up the largest portion of the cost increases to the district
- **Operational Cost Increases**- With inflation rates high and supply chain issues still affecting the markets costs were expected to increase for operational (utilities, gas) costs, pupil transportation and other expenses.
- **Academic Needs of Students** – The District continues to work to meet student learning goals, address student learning loss due to the pandemic and improve academic achievement in schools while meeting the special service needs of students.
- **Referendum Ruling** – With the delayed affirmation of the 2020 referendum, many changes have occurred that will impact the scope of the work. The Facility Master Plan will be updated to address these changes.
- **Uncertainty of Funds** – While the District has received federal CARES, GEER, and ESSER dollars to address learning loss, mental health, and school safety concerns, a significant portion of those funds are being used to cover operational expenses (\$21.8+ million projected for 2022-23). As those funds are spent down we continue to face uncertainty with the future sustainability of funds to cover operational expenditures.

Building the Budget – Strategies

With a significant funding shortfall, strategies were developed to move the District toward a balanced budget for 2022-23. To address structural deficits collaboration across all stakeholder groups is needed to find efficiencies while continuing to move the district forward towards achievement of its goals. Those budget strategies included:

- **Facilities Master Plan** – With the affirmation of the 2020 referendum, implementation of the Facility Master Plan can begin. This plan will help the District create schools that are more conducive to student learning and operate with greater efficiency.
- **Reduce & Right Size Staff** – Since staff costs make up around 70% of the operations budget, staffing efficiencies are needed. Strategic reductions in staff would be made by:
 - Implementation of School & Department staffing allocation formulas to help adjust staffing in alignment with enrollment patterns
 - Targeted reductions at schools that operate inefficiently
 - Evaluate all District programming and staffing for operational efficiencies
- **ESSER II & III Federal Funds**- With the current State budget awarding \$0 funding increase for schools all funding shortfalls need to be covered by Federal ESSER dollars. RUSD is projecting using over \$21.8 million in allocated ESSER dollars for 2022-23 to maintain operations and cover the cost increases of the district.
- **Department programming and operations budget reductions**– The district set forth a target for Departments to meet a 10% spending reduction within their programming and operational budgets.
- **ERP Upgrade**- \$1,000,000 of FY22 dedicated carryover will be utilized to fund a District initiative to upgrade our ERP software to a DPI approved system. This system will create efficiencies with district operations.

Building the Budget – Forecast

As part of the budget development process in meeting the Board of Education’s Operation Expectation 5. A five-year forecast is developed to provide a picture of the financial situation of the district and help guide administration. The following scenario as presented in May 2022 highlights what is the most likely scenario moving forward.

| Rolling Reducations Over 4 years (Est. \$6.9 million per year) | | | | | | | Scenario 2 |
|--|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| | Historical | Current Year | Budget Year | Forecast | | | |
| | 2020 - 2021 | 2021 - 2022 | 2022 - 2023 | 2023 - 2024 | 2024 - 2025 | 2025 - 2026 | 2026 - 2027 |
| Sept Membership (FTE) | 17,611 | 17,688 | 17,570 | 17,298 | 17,114 | 16,819 | 16,544 |
| Per Pupil Increase | \$179 | \$0 | \$0 | \$200 | \$200 | \$150 | \$150 |
| Per-Pupil Categorical Aid \$ | \$742 | \$742 | \$742 | \$742 | \$742 | \$742 | \$742 |
| TIF Out Equalized Valuation Growth | 7.27% | 6.65% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Fund 10 Revenues | \$291,806,072 | \$297,410,758 | \$296,920,053 | \$286,641,629 | \$284,872,650 | \$289,228,322 | \$290,334,908 |
| Fund 10 Expenditures | \$276,388,896 | \$303,601,477 | \$307,273,504 | \$303,546,838 | \$306,845,570 | \$309,779,374 | \$312,127,712 |
| Surplus (Deficit) | \$15,417,176 | (\$6,190,719) | (\$10,353,451) | (\$16,905,209) | (\$21,972,920) | (\$20,551,052) | (\$21,792,804) |
| Fund Balance | \$60,172,087 | \$53,981,368 | \$43,627,917 | \$26,722,709 | \$4,749,788 | (\$15,801,263) | (\$37,594,067) |
| Fund Balance as % of Expenditures | 21.77% | 17.78% | 14.20% | 8.80% | 1.55% | -5.10% | -12.04% |
| Total School-Based Tax Levy | \$100,256,011 | \$104,421,504 | \$86,696,323 | \$76,593,344 | \$76,237,927 | \$71,137,208 | \$68,333,065 |
| Mill Rate (per \$1,000 EQ Value) | \$9.49 | \$9.27 | \$7.55 | \$6.54 | \$6.38 | \$5.84 | \$5.50 |

*Please note this information is as presented in May 2022 and has not been updated to reflect the final numbers of the 2023 Interim Budget.

This scenario contained the following assumptions:

- Assumes CPI given each year (4.7%, 2022-23, 5% 2023-24, gradual rate decline from there)
- Estimating state per pupil funding increases of \$200 in next biennial budget (2023-24), followed by \$150 in subsequent biennial budget (2025-26).
- Current (2022-23) projected reductions moving forward (Est. @ \$6.9 million each year)
- Includes Operational (Utilities/Gas/Transportation/Health benefit) cost increases
- Assumes using \$8 million in ESSER to cover funding shortfall in 2023-24

Significant Fiscal Challenges in coming years

Declining enrollment requires continued reductions to meet balanced budget

- For every student lost \$10,672 must be reduced in the subsequent year

ESSER Expiration, September 2024, setting up significant fiscal cliff after funding expires

- Projected funding shortfalls exceed \$20 million in 3 years following expiration of ESSER funding unless action is taken.

State, federal and local revenue for school districts does not keep up with inflationary costs

- Finance initially requested to utilize \$26 million in ESSER funding to cover projected shortfalls (\$4 mil yr. 1, \$10 mil yr. 2, \$12 mil yr. 3). Of the \$12 million in ESSER funding to cover the projected shortfall in FY24, currently only \$8 million available as FY22 need was almost double the initial \$4 million requested.
- CPI increases continue to climb for next year, project a gradual realignment to the norm over following 3 years
- Utility, gas and health costs projected to increase over coming years

Building the Budget - Assumptions

Initial assumptions for building the 2022-23 budget projected cost increases and revenue adjustments to outweigh expected savings. The assumptions used to build the 2022-23 Interim Budget are as follows:

Cost Increases & Revenue Impact Assumptions:

- RUSD spending authority through the state revenue limit is expected to remain flat with a \$0 increase in per pupil spending.
- The District will use over \$21.8 million in Federal ESSER funds to cover the current funding shortfall.
- Enrollment for revenue limit purposes is expected to decline by 236 full time equivalency students which will require further reductions in subsequent fiscal years.
- Employee compensation was adjusted by the 4.7% consumer price index, as outlined by state law, as well as funding for staff rung advancement (est. at 2.15%).
- Health benefit costs are estimated to increase 5%
- The approved April 2020 referendum will provide \$10.8 million in funding for school improvements. The amount of funding is limited utilizing the Board of Education tax rate control policy.
- State equalization aid (general aid used to reduce property taxes) is projected to increase by \$12.1 million.
- One-time revenues received in 2021-22 for FEMA COVID Aid, Federal E-rate Technology Aid, Federal Unemployment Aid and Wisconsin Governor's CRF Aid are not expected to be continued (\$3.9 million)
- Private school vouchers and open enrollment expenses expected to increase by over \$3 million.
- Costs of goods and services, specifically utilities, gas and transportation are expected to increase.

Cost Savings & Revenue impact assumptions:

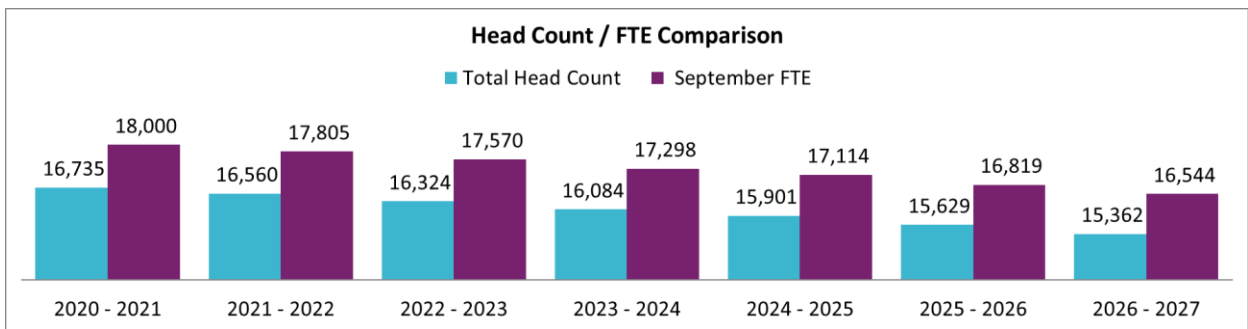
- Staffing targets of \$9.2 million in efficiencies, included the closure of Janes Elementary, School & Department formula-based targets. Realized efficiencies estimated at \$6.6 million.
- District department programming and operational budgets were to be reduced by 10%.
- Utilize \$10 million in Federal ESSER funds to cover projected shortfall, current amount being used in \$21.8 million.
- Utilize ESSER funding to cover cost of staff technology refresh.

Enrollment

Enrollment constitutes the beginning point for the calculation of budgets. School District revenues are directly related to the number of students residing within district boundaries, while the number of pupils attending the district drive the costing for staffing, curriculum and support programs offered as well as long-term facility planning. The enrollment calculation for revenues is demonstrated by the following chart:



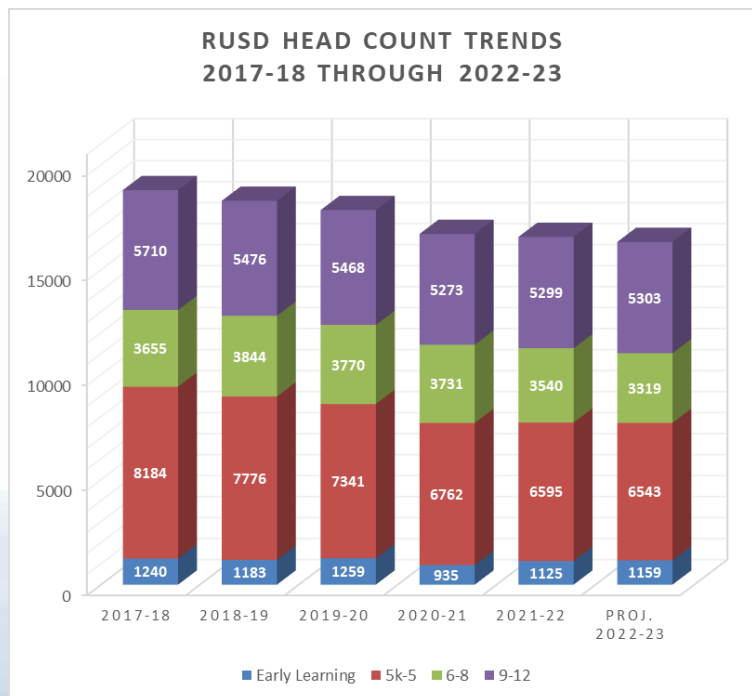
Racine Unified School District is projected to continue the trend of declining enrollment over the next several fiscal years. As part of the state revenue limit calculation for every student lost RUSD must reduce expenditures by over \$10,672. As our enrollment FTE drops, this is largely due to student enrollment in RUSD dropping, as voucher and open enrollment out of the district is expected to increase.



Enrollment in RUSD schools projected to decline by 236 students in 2022-23.

Students who open enrolled out of RUSD to other Districts projected to increase by 20 to 1,764.6 FTE.

2022-23 Enrollment decline/increase by grade level over last year:
 Early Learning: +34
 5K-5: -52
 6-8: -221
 9-12: +4



Staffing

Staffing makes up the largest percentage of RUSD expenditures, thus shifts in staffing costs significantly impact the district budget. Overall district General and Special Education funded staffing costs increased by over \$9.5 million dollars from the prior year. This was largely due to the elevated CPI rate of 4.7% and the rung advancement given to staff. The staffing process generated an overall decrease in FTE of 23.23. The decrease is largely in part due to the planned closure of Janes Elementary School after the 2021-22 school year as part of the Facility Master Plan.

The following table compares Full Time Equivalency (FTE) staff changes over the FTE levels reported in the original budget document last October. Staffing levels from prior years are also provided.

Federal funded staff FTE grew with continued implementation of ESSER funded strategies. This number will continue to rise as ESSER will have to cover \$21.8+ million funding shortfall

Reduction in Teaching staff in large due to planned closer of Janes Elementary.

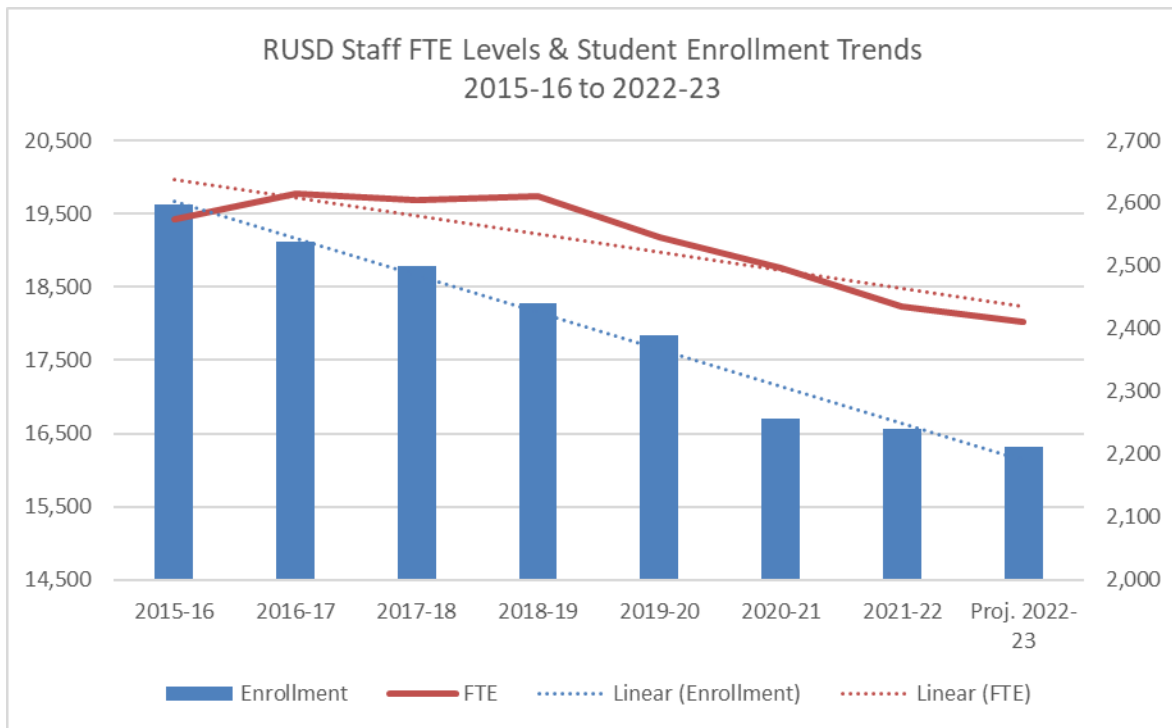
Increase in EA FTE due to added ESSER funded positions to target Early Literacy.

| Comparison of Staff by Employee Group | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------------|
| Fiscal Year 2019-20 through 2022-23 | | | | | |
| Employee Group | 2019-20 | 2020-21 | 2021-22 | 2022-23 | FY22-23 Change |
| Certified Administrators | | | | | |
| - Gen or Non-Grant Funds | 84.10 | 83.30 | 89.30 | 87.30 | -2.00 |
| - Federal Grant Funded | 11.70 | 10.50 | 7.70 | 7.70 | 0.00 |
| TOTAL | 95.80 | 93.80 | 97.00 | 95.00 | -2.00 |
| Teaching Staff | | | | | |
| - Gen or Non-Grant Funds | 1,551.62 | 1,528.18 | 1,462.66 | 1,429.82 | -32.84 |
| - Federal Grant Funded | 120.15 | 108.24 | 126.75 | 130.20 | 3.45 |
| TOTAL | 1,671.77 | 1,636.42 | 1,589.41 | 1,560.02 | -29.39 |
| Educational Assistants | | | | | |
| - Gen or Non-Grant Funds | 370.76 | 362.57 | 347.95 | 344.03 | -3.92 |
| - Federal Grant Funded | 11.00 | 8.00 | 13.00 | 39.94 | 26.94 |
| TOTAL | 381.76 | 370.57 | 360.95 | 383.97 | 23.02 |
| Secretaries & Clerical | | | | | |
| - Gen or Non-Grant Funds | 109.30 | 103.10 | 98.35 | 95.25 | -3.10 |
| - Federal Grant Funded | 6.60 | 7.60 | 5.60 | 3.60 | -2.00 |
| TOTAL | 115.90 | 110.70 | 103.95 | 98.85 | -5.10 |
| Buildings and Grounds | | | | | |
| - Gen or Non-Grant Funds | 187.18 | 187.46 | 185.08 | 177.57 | -7.51 |
| - Federal Grant Funded | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL | 187.18 | 187.46 | 185.08 | 177.57 | -7.51 |
| Professional Support | | | | | |
| - Gen or Non-Grant Funds | 87.35 | 90.13 | 92.66 | 86.64 | -6.02 |
| - Federal Grant Funded | 6.50 | 7.12 | 6.59 | 10.36 | 3.77 |
| TOTAL | 93.85 | 97.25 | 99.25 | 97.00 | -2.25 |
| GRAND TOTAL | 2,546.26 | 2,496.20 | 2,435.64 | 2,412.41 | -23.23 |

Staffing

As enrollment drives district revenues and expenditures, and staffing making up close to 70% of the districts operations costs the correlation between the two is a key factor in addressing the district deficit. With the current challenge declining enrollment presents at RUSD to maintain a balanced budget, adjustments to staffing need to reflect the changes in enrollment.

The chart below shows the relationship between student enrollment and staff FTE from 2015-16 through 2022-23. As it highlights the trend of student enrollment is declining at a much greater trend than staff FTE. This gap is one of the factors in the district's significant funding shortfall.



As staffing and benefit plan costs continue to climb, they make up the largest cost increase to the 2022-23 budget and are outpacing state and federal funding increases. State and Federal funding increases for schools have not kept up with the costs of inflation over the years, which in turn forces districts to continue to find additional efficiencies with how they operate.

District Funds

Wisconsin school finance practices and governmental accounting rules require that the school district segregate financial transactions into distinct accounting entities, called “funds”. Funds are used to report on-going annual costs of operating the district, to account for capital projects financed through borrowing, or to place revenues and record transactions in a trust. The funds used by RUSD include the following:

- General Fund (Fund 10)
- Special Education Fund (Fund 27)
- Special Revenue Fund (Funds 21 & 29)
- Debt Service Funds (Funds 38 & 39)
- Capital Project Funds (Funds 41, 42, 43, 44, 45, 46 & 49)
- Food Service Fund (Fund 50)
- Community Service Fund (Fund 80)

Debt service funds include all transactions related to the payment of general obligation debt and refinancing of debt. At times a refinancing of debt may inflate expenditure levels in the debt service funds.

Capital project funds are created whenever acquired resources are restricted for the acquisition or construction of specific capital projects or purchase of capital items. Racine Unified School District reports on six capital project funds.

The community service fund allows for the segregation of financial transactions related to community use of facilities and programs operated for the benefit of the entire community.

All revenues, expenditures and changes in fund balance for each fund are accounted for separately and reported to DPI.

The district also operates and manages the following two trust funds which are not included in total District expenditures:

- Private Purpose Trust Fund (Fund 72) - Intended to account for donations to benefit private individuals. Scholarships are accounted for in this fund.
- Employee Benefit Trust Fund (Fund 73) - The OPEB Trust Fund accounts for resources held in trust for post-employment benefit plans legally established as an irrevocable trust.



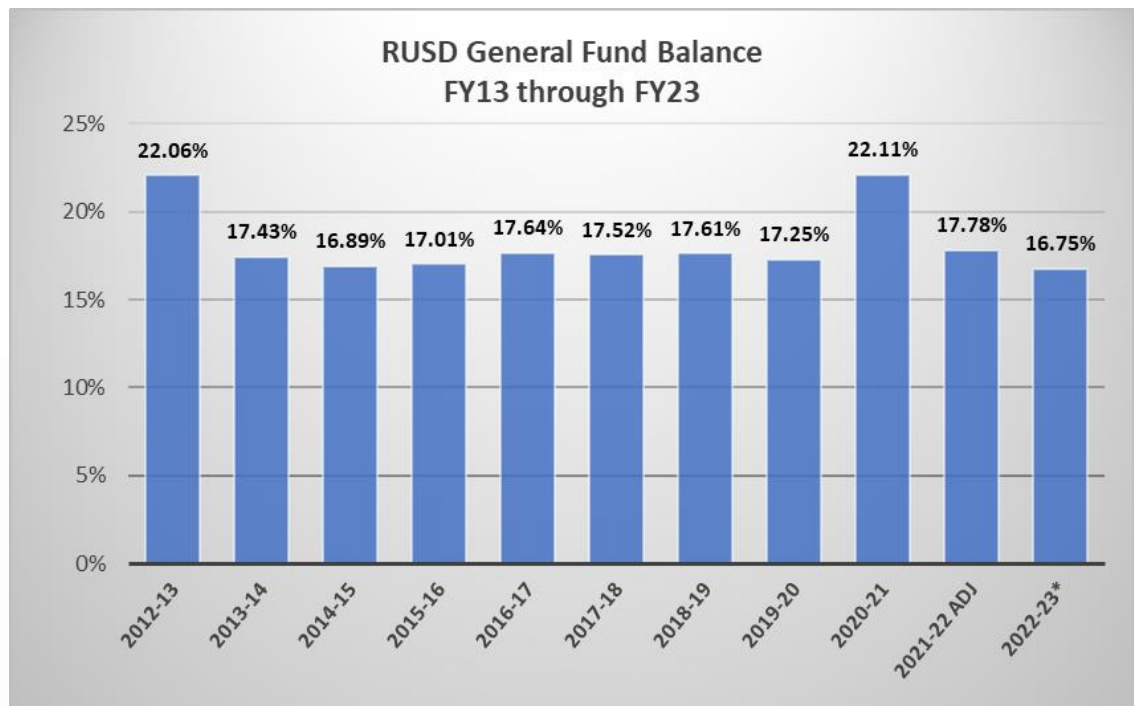
District Fund Balance

The following statement combines all funds, providing an overall picture of the District's financial operation in a single table. Overall, the District will have an increase of fund balance of approximately \$3.23 million, which is attributed to an increase in capital project funds.

| Change in Fund Balance For fiscal year 2022-23 | Revenues and Other Financing | | Expenditures and Other Financing | | Change | Ending |
|---|------------------------------------|--------------------|--|--------------------|-------------------|--------|
| | Beginning | Sources | Uses | | | |
| General fund | 53,612,641 | 315,241,762 | 316,241,762 | (1,000,000) | 52,612,641 | |
| Special revenue trust fund | 1,236,171 | 1,000,000 | 831,000 | 169,000 | 1,405,171 | |
| Special education fund | - | 56,321,571 | 56,321,571 | - | - | |
| Special revenue fund | 66,426 | 804,536 | 804,536 | - | 66,426 | |
| Debt service funds | 1,244,764 | 15,644,848 | 15,715,513 | (70,665) | 1,174,099 | |
| Capital projects funds | 19,486,371 | 8,529,743 | 2,000,000 | 6,529,743 | 26,016,114 | |
| Food service fund | 4,857,405 | 8,595,262 | 10,481,718 | (1,886,456) | 2,970,949 | |
| Community service fund | 1,272,604 | 6,015,476 | 6,526,388 | (510,912) | 761,692 | |
| Totals | 81,776,383 | 412,153,198 | 408,922,488 | 3,230,710 | 85,007,093 | |
| Overall change in fund balance | | | | 3,230,710 | | |
| Change in operating* fund balance | | | | (3,228,368) | | |

The projected 2022-23 ending balance for the General Fund (Fund 10) is projected to exceed 16% which is within the Board of Education guidelines.

The District has set aside \$1M in savings from FY22 for the implementation of a new ERP system.



Revenue

RUSD receives revenue through several different sources. Most revenues are assigned through the State Revenue Limit formula, which imposes limits on property taxes and determines the amount of the revenue limit that is to be funded with state equalization aid and other exemptions. Other revenues, which include federal grants such as Title I and the Individual with Disabilities Act (IDEA) exist outside the revenue limit formula. A listing of the types of revenue RUSD receives is below.

- **Property taxes:** Revenue from taxable property located within the bounds of the school district.
- **Local & intermediate sources:** Primarily student fees, earnings on investments, tuition for students from other districts, sales, donations and rental charges.
- **State sources:** Equalization aid used to reduce school property taxes and categorical aid for targeted school programs.
- **Federal sources:** Revenue for projects funded by the federal government, include federal grants and reimbursements for medical services provided to students.
- **Other revenue:** Miscellaneous revenues, including refunds, premiums, and sales of assets.

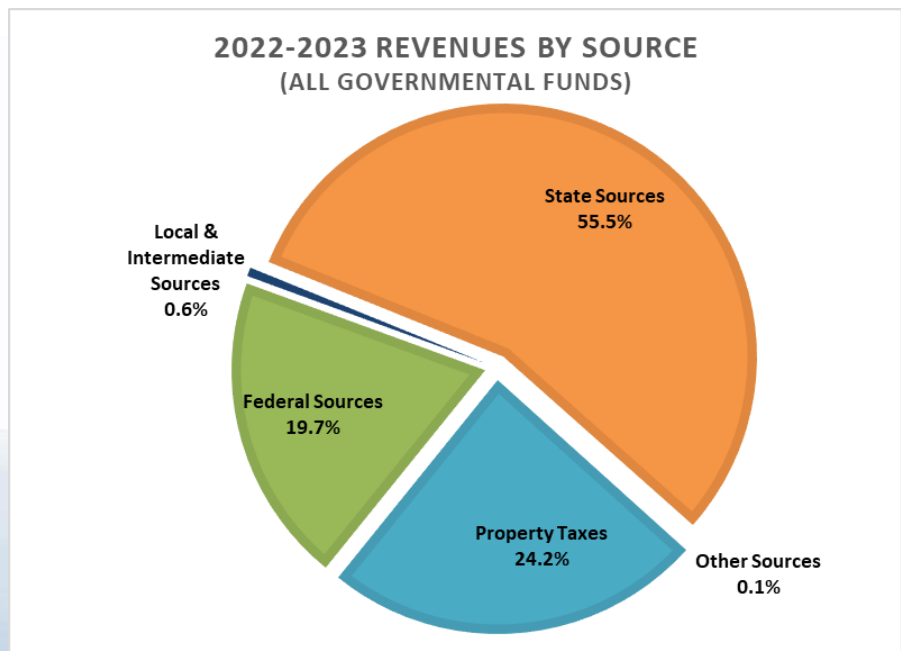
ALL GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
INTERIM BUDGET

| | 2019-20 ACTUAL | 2020-21 ACTUAL | 2021-22 ADJ BUDGET | 2022-23 INTERIM | Change | |
|------------------------------|--------------------|--------------------|-----------------------|--------------------|-------------------|-------------|
| | | | | | Amount | Percent |
| Revenues by Source | | | | | | |
| Property Taxes | 93,465,547 | 100,256,013 | 104,421,502 | 89,440,618 | (14,980,884) | -14.3% |
| Local & intermediate sources | 3,993,095 | 1,531,730 | 2,152,332 | 2,134,978 | (17,354) | -0.8% |
| State Sources | 189,813,254 | 192,843,168 | 192,453,927 | 204,673,753 | 12,219,826 | 6.3% |
| Federal Sources | 28,279,662 | 31,679,536 | 51,760,092 | 71,017,150 | 19,257,058 | 37.2% |
| Other Sources | 186,015 | 4,739,694 | 648,937 | 262,270 | (386,667) | -59.6% |
| Total Revenues | 315,737,573 | 331,050,141 | 351,436,790 | 367,528,769 | 16,091,979 | 4.6% |

Property tax rate will drop, while revenues will increase due to the increase in equalized value and federal revenues.

State funding increases include state equalization aid.

Federal revenue is higher due to the utilization of ESSER II & III dollars.



Revenue – Property Tax Information

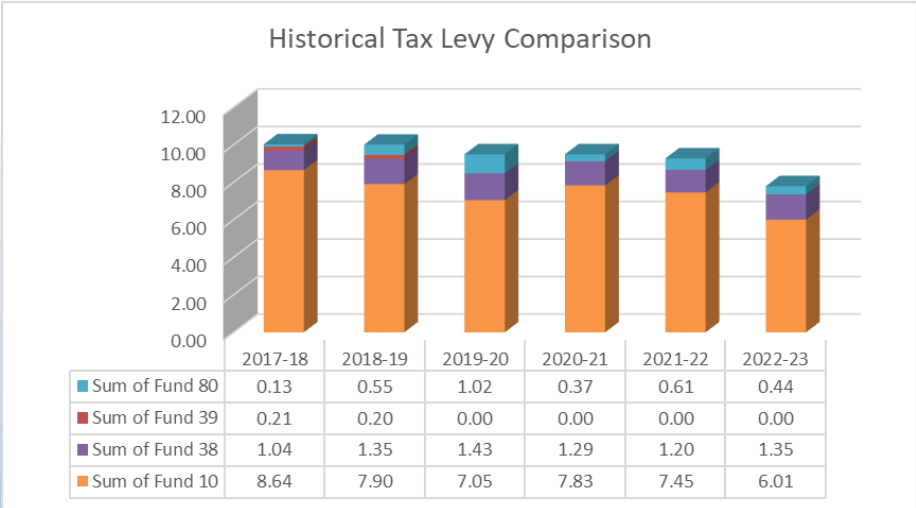
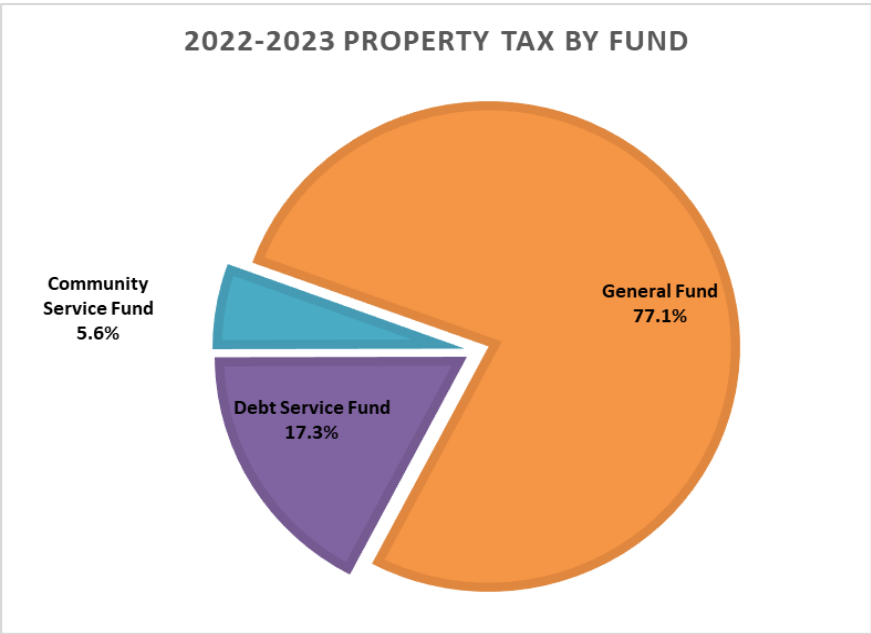
Property taxes are levied into the General Fund, Debt Service Funds, Capital Expansion Fund and Community Service Fund. The amount of property taxes a school district is permitted to raise in the general and debt service funds is controlled by state-imposed revenue limits. The total revenue limit authority highlighted by the chart below is the amount of revenue the district can receive through a combination of property taxes and state equalization aid.



The General Fund receives over 77% of all property tax levy funds. This includes the tax levy for the voucher program.

The estimated 2022-23 property tax rate of \$7.79 is lower than the 2021-22 rate and incorporates the Board of Education Tax Rate Control policy.

The Community Service levy decreased due to completion of Aquatic Center construction, but includes the levy for the debt from the project. This amount is included as part of meeting the BOE tax rate policy.



Expenditures – All Government Funds

Budgeted expenditures are driven by student enrollment, the district strategic plan and other operational needs. These expenditures are determined during the staffing and budget development process and are developed with input from both financial, academic and community stakeholders. All Government funds include all district operations and funds except those accounted for in Fund 73.

Common categories of expenditures include:

- **Instruction:** Costs for direct classroom instruction, broken out by regular, vocational, special education and other.
- **Pupil Services:** Costs for student support services, including social work, guidance counselor, nursing and psychological services.
- **Administration:** Broken out by general, which is for district administration (Superintendent level) costs and building, which include school principals and other clerical staff.
- **Business & Operations:** Includes costs for student transportation, facilities and maintenance (including capital projects) and finance administration
- **Non-program transactions:** Includes operating transfers between funds, i.e. the operating transfer from the General Fund to Special Education Fund needed to balance the Fund 27 to \$0.

ALL GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
INTERIM BUDGET

| | 2019-20 ACTUAL | 2020-21 ACTUAL | 2021-22 ADJ BUDGET | 2022-23 INTERIM | Change | |
|--|--------------------|--------------------|-----------------------|--------------------|--------------------|--------------|
| | | | | | Amount | Percent |
| Expenditures by Function | | | | | | |
| Instruction | | | | | | |
| Regular Instruction | 90,032,066 | 93,689,507 | 97,228,339 | 100,037,823 | 2,809,484 | 2.9% |
| Vocational Instruction | 4,780,419 | 4,800,678 | 5,112,061 | 6,746,203 | 1,634,142 | 32.0% |
| Special Instruction | 39,020,323 | 38,505,603 | 38,609,648 | 40,701,590 | 2,091,942 | 5.4% |
| Other Instruction | 7,559,172 | 6,974,821 | 8,181,790 | 8,558,435 | 376,645 | 4.6% |
| Total Instruction | 141,391,980 | 143,970,608 | 149,131,838 | 156,044,051 | 6,912,213 | 4.6% |
| Support Service | | | | | | |
| Pupil Services | 18,182,162 | 18,560,183 | 19,652,364 | 20,876,932 | 1,224,568 | 6.2% |
| Libraries & Instructional Support | 17,391,966 | 18,915,349 | 19,711,315 | 25,166,221 | 5,454,906 | 27.7% |
| General administration | 3,244,826 | 3,125,998 | 3,650,669 | 3,644,932 | (5,737) | -0.2% |
| Building administration | 12,256,522 | 12,301,043 | 12,685,910 | 13,444,187 | 758,277 | 6.0% |
| Business & operations | 38,256,270 | 56,899,509 | 55,207,674 | 48,006,010 | (7,201,664) | -13.0% |
| Central services | 4,499,655 | 3,224,911 | 3,395,366 | 3,509,448 | 114,082 | 3.4% |
| Insurance | 1,210,015 | 1,525,541 | 901,817 | 965,908 | 64,091 | 7.1% |
| Debt payments | 21,832,531 | 48,830,855 | 18,080,141 | 18,069,789 | (10,352) | -0.1% |
| Other support services | 4,411,023 | 6,997,577 | 6,709,630 | 8,392,726 | 1,683,096 | 25.1% |
| Food service | 7,575,797 | 5,051,153 | 8,784,676 | 10,481,718 | 1,697,042 | 19.3% |
| Community service | 6,438,359 | 4,820,297 | 12,430,889 | 6,526,388 | (5,904,501) | -47.5% |
| Total Support Services | 135,299,126 | 180,252,416 | 161,210,451 | 159,084,259 | (2,126,192) | -1.3% |
| Non-program transactions | 39,106,487 | 43,607,620 | 48,605,542 | 51,091,573 | 2,486,031 | 5.1% |
| Gross Total Expenditures | 315,797,593 | 367,830,644 | 358,947,831 | 366,219,883 | 7,272,052 | 2.0% |
| Difference of revenues over expenditures | (5,452,991) | (36,780,503) | (7,511,041) | 1,308,886 | 8,819,927 | |
| Other financing rev (exp) | 5,392,972 | 53,071,879 | 1,684,097 | 1,921,824 | 237,727 | 14.1% |
| Net change in fund balance | (60,019) | 16,291,375 | (5,826,944) | 3,230,710 | 9,057,654 | |
| Fund Balance Beginning of Year | 65,979,072 | 65,919,052 | 82,210,428 | 76,383,484 | (5,826,944) | -7.1% |
| Fund Balance End of Year | 65,919,052 | 82,210,428 | 76,383,484 | 79,614,194 | 3,230,710 | 4.2% |

Expenditures – General & Special Education Fund

The District general fund (fund 10) and special Education fund (fund 27) make up over 90% of the district operating budget. The charts below highlight the expenditures in those funds broken out by the function or area of expense and object, which is the type of expense. For a more detailed breakout of revenue and expenses for these funds see pages 28 and 30 respectively.

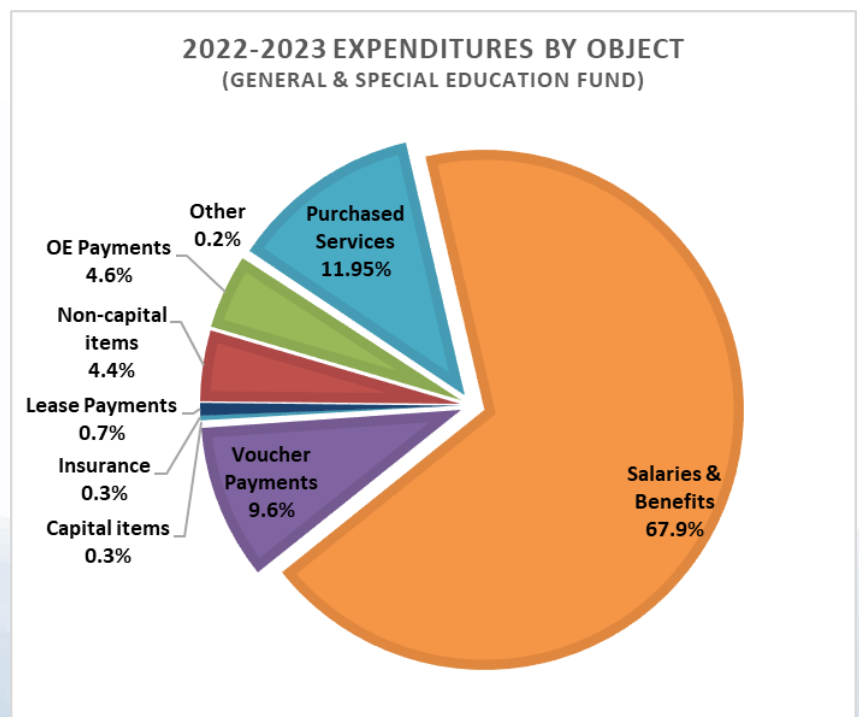
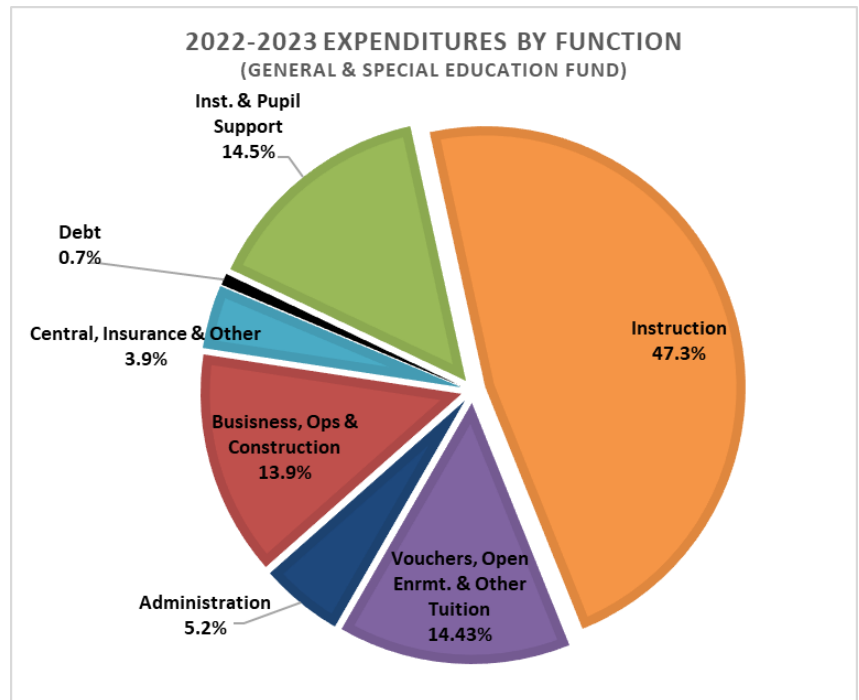
Instruction and Pupil Support make up almost 62% of funds expended in the General and Special Education Fund. Up from 60% in 2021-22

Business, operations, and construction make up 14% of all spending and is used to support students and schools through pupil transportation, school maintenance and improvements to buildings.

Vouchers, Open Enrollment & Other tuition make up 14.4% of expenditures.

Salaries and benefits make up 68% of budgeted expenditures in the General and Special Education budget. Up from 66% in 2021-22.

DPI reporting requires payments for private school vouchers to be recorded as an expense in the General Fund. They make up over 9% of general operating fund expenses, up from 8.6% in 2021-22.



General Fund

The general fund is used to account for all financial transactions relating to the District's operations, except for those required to be reported in other funds.

Property tax levy dropping due to decreased student enrollment and increases of \$12 million in state equalization aid.

Increase in Federal Fund attributed to covering \$21.8 million funding shortfall and additional ESSER expenses to target student instruction and support.

Budget includes CPI increase of 4.7% plus rung advancement for staff. Increases across all functional groups largely attributed to staff cost increases.

\$2.36M in technology leases is included for student technology and copy machines through a four-year lease.

Transfers to other funds include \$33.1 million to the special education fund and \$9.6 million of referendum for the Long-Term Capital Improvement Fund.

General Fund Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

| | 2019-20 ACTUAL | 2020-21 ACTUAL | 2021-22 ADJ BUDGET | 2022-23 INTERIM | PERCENT CHANGE |
|---|---------------------|---------------------|-----------------------|---------------------|-------------------|
| Revenues by source | | | | | |
| Property taxes | 69,398,082 | 82,729,239 | 83,973,943 | 70,788,890 | -15.70% |
| Local sources | 1,523,511 | 382,408 | 777,950 | 786,305 | 1.07% |
| Intermediate sources | 243,981 | 336,008 | 282,713 | 249,328 | -11.81% |
| State sources | 177,092,934 | 178,415,220 | 177,538,731 | 189,557,392 | 6.77% |
| Federal sources | 14,590,153 | 20,245,265 | 32,973,284 | 53,346,621 | 61.79% |
| Other sources | 80,970 | 3,825,128 | 589,212 | 202,000 | -65.72% |
| Total revenues | 262,929,631 | 285,933,268 | 296,135,833 | 314,930,536 | 6.35% |
| Expenditures by function | | | | | |
| Instruction | | | | | |
| Regular instruction | 89,962,466 | 93,635,961 | 97,062,982 | 99,937,823 | 2.96% |
| Vocational instruction | 4,747,671 | 4,790,185 | 5,012,797 | 6,633,444 | 32.33% |
| Special instruction | 330,917 | 374,243 | 277,133 | 375,974 | 35.67% |
| Other instruction | 6,797,177 | 6,577,590 | 7,258,970 | 7,632,177 | 5.14% |
| Total instruction | 101,838,231 | 105,377,979 | 109,611,882 | 114,579,418 | 4.53% |
| Support service | | | | | |
| Pupil services | 11,714,612 | 11,725,270 | 12,341,291 | 13,354,965 | 8.21% |
| Libraries & instructional support | 14,678,609 | 16,165,745 | 16,700,118 | 22,412,086 | 34.20% |
| General administration | 3,144,139 | 3,057,630 | 3,574,169 | 3,638,932 | 1.81% |
| Building administration | 12,220,072 | 12,279,137 | 12,638,648 | 13,394,187 | 5.98% |
| Business & operations | 32,174,167 | 35,075,920 | 44,949,666 | 41,426,248 | -7.84% |
| Central services | 4,465,797 | 3,220,543 | 3,384,466 | 3,496,248 | 3.30% |
| Insurance | 923,354 | 1,298,853 | 669,742 | 765,000 | 14.22% |
| Debt payments | 1,566,500 | 2,080,302 | 2,362,318 | 2,354,276 | -0.34% |
| Other support services | 4,406,817 | 6,993,286 | 6,704,595 | 8,388,696 | 25.12% |
| Total support services | 85,294,067 | 91,896,687 | 103,325,013 | 109,230,638 | 5.72% |
| Non-program transactions | 37,446,826 | 41,743,944 | 46,449,906 | 49,746,574 | 7.10% |
| Total expenditures | 224,579,124 | 239,018,609 | 259,386,801 | 273,556,630 | 5.46% |
| Excess (deficiency) of revenues over expenditures | 38,350,507 | 46,914,659 | 36,749,032 | 41,373,906 | 12.59% |
| Other financing sources (uses) | | | | | |
| Transfer from other funds | 28,949 | 212,281 | 162,221 | 296,226 | |
| Other financing sources | 2,972 | 5,660,523 | 0 | 15,000 | |
| Transfers to other funds | (38,813,649) | (37,370,287) | (43,470,699) | (42,685,132) | -1.81% |
| Total other financing sources (uses) | (38,781,728) | (31,497,483) | (43,308,478) | (42,373,906) | |
| Net change in fund balance | (431,222) | 15,417,176 | (6,559,446) | (1,000,000) | |
| Fund balance beginning of year | 45,186,133 | 44,754,911 | 60,172,087 | 53,612,641 | -10.90% |
| Fund balance end of year | 44,754,911 | 60,172,087 | 53,612,641 | 52,612,641 | -1.87% |

Special Revenue Fund

Fund 21: Special revenue trust funds hold revenues from sources like gifts, donations, or private groups like PTAs or booster clubs to be expended on District operations subject to the intent of the donation.

The local sources of revenue are funds from school fundraising and donations allocated to the special revenue trust fund. Revenue amounts are estimates.

Fund 21 revenues carryover from year to year so expenses are driven by when schools decide to utilize the funds. Expenditures for the interim budget are estimates.

Special Revenue Trust Fund Revenues by Source, Expenditures by Function INTERIM BUDGET

| | 2019-20 ACTUAL | 2020-21 ACTUAL | 2021-22 ADJ BUDGET* | 2022-23 INTERIM | PERCENT CHANGE |
|---|-------------------|-------------------|------------------------|--------------------|-------------------|
| Revenues by source | | | | | |
| Local & intermediate sources | 1,319,913 | 488,136 | 899,869 | 1,000,000 | 11.13% |
| Other sources | 0 | 212,269 | 0 | 0 | |
| Total revenues | 1,319,913 | 700,405 | 899,869 | 1,000,000 | 11.13% |
| Expenditures by function | | | | | |
| Regular instruction | 69,600 | 53,546 | 165,357 | 100,000 | -39.52% |
| Vocational instruction | 26,314 | 10,141 | 11,075 | 25,000 | 125.73% |
| Special Instruction | 0 | 96 | 0 | 1,500 | |
| Other instruction | 360,736 | 89,054 | 432,408 | 400,000 | -7.49% |
| Total Instruction | 456,650 | 152,837 | 608,840 | 526,500 | 100.00% |
| Pupil services | 36,819 | 30,821 | 116,305 | 100,000 | -14.02% |
| Libraries & Instructional support | 93,160 | 95,706 | 753 | 0 | -100.00% |
| General administration | 67,568 | 34,931 | 66,500 | 1,000 | -98.50% |
| Building Administration | 36,450 | 21,905 | 47,262 | 50,000 | 5.79% |
| Business & Operations | 70,720 | 2,767 | 55,366 | 75,000 | 35.46% |
| Central Services | 2,555 | 0 | 100 | 3,500 | 3400.00% |
| Total support services | 307,271 | 186,131 | 286,286 | 229,500 | -19.84% |
| Non-Program Transactions | 20,682 | 12,423 | 313,995 | 75,000 | -76.11% |
| Total expenditures | 784,603 | 351,391 | 1,209,121 | 831,000 | -31.27% |
| Excess (deficiency) of revenues over expenditures | 535,310 | 349,014 | (309,252) | 169,000 | |
| Transfer to other funds | 0 | (9,400) | 0 | 0 | |
| Total other financing sources (use) | 0 | (9,400) | 0 | 0 | |
| Net change in fund balance | 535,310 | 339,614 | (309,252) | 169,000 | |
| Fund balance beginning of year | 670,499 | 1,205,809 | 1,545,423 | 1,236,171 | -20.01% |
| Fund balance end of year | 1,205,809 | 1,545,423 | 1,236,171 | 1,405,171 | 13.67% |

Special Education Fund

This fund is used to account for special education and related services funded in part with state or federal special education aid. Fund transfers includes \$32.34 million from the general fund to the special education fund to cover expenses not funded by state or federal revenues. No fund balance or deficit can exist in this fund.

Special Education Fund Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

| | 2019-20 ACTUAL | 2020-21 ACTUAL | 2021-22 ADJ BUDGET | 2022-23 INTERIM | PERCENT CHANGE |
|---|-------------------|-------------------|-----------------------|--------------------|-------------------|
| Revenues by source | | | | | |
| Local & intermediate sources | 15,517 | 21,511 | 0 | 0 | |
| State sources | 12,554,147 | 14,288,585 | 14,924,414 | 14,934,361 | 0.07% |
| Federal sources | 6,148,770 | 5,817,048 | 7,297,640 | 7,529,100 | 3.17% |
| Total revenues | 18,718,434 | 20,127,144 | 22,222,054 | 22,463,461 | 1.09% |
| Expenditures by function | | | | | |
| Regular instruction | 0 | 0 | 0 | 0 | |
| Vocational instruction | 6,434 | 352 | 88,189 | 87,759 | -0.49% |
| Special instruction | 38,689,406 | 38,131,264 | 38,405,668 | 40,324,116 | 5.00% |
| Total Instruction | 38,695,840 | 38,131,615 | 38,493,857 | 40,411,875 | 4.98% |
| Pupil services | 6,430,731 | 6,804,092 | 7,155,442 | 7,217,815 | 0.87% |
| Instructional & staff support | 2,452,124 | 2,487,654 | 2,896,330 | 2,741,635 | -5.34% |
| General administration | 33,120 | 33,437 | 10,000 | 5,000 | -50.00% |
| Business & operations | 3,997,732 | 3,476,026 | 4,254,399 | 4,460,609 | 4.85% |
| Central services | 31,302 | 4,368 | 30,800 | 9,700 | -68.51% |
| Insurance | 286,661 | 226,688 | 232,075 | 200,908 | -13.43% |
| Other Support Services | 4,206 | 4,291 | 5,035 | 4,030 | -19.96% |
| Total support services | 13,235,875 | 13,036,555 | 14,584,081 | 14,639,697 | 0.38% |
| Non-program transactions | 1,638,979 | 1,851,253 | 1,841,641 | 1,269,999 | -31.04% |
| Total expenditures | 53,570,695 | 53,019,423 | 54,919,579 | 56,321,571 | 2.55% |
| Excess (deficiency) of revenues over expenditures | (34,852,261) | (32,892,280) | (32,697,525) | (33,858,110) | |
| Transfer from general fund | 34,852,261 | 33,075,958 | 32,850,229 | 34,038,389 | 3.62% |
| Transfers to other funds | 0 | (183,678) | (152,704) | (180,279) | |
| | 34,852,261 | 32,892,280 | 32,697,525 | 33,858,110 | 3.55% |
| Fund balance end of year | (0) | 0 | 0 | 0 | |

Federal revenue increased due to ESSER and IDEA grant funds received to support special education.

The increased expenses in instruction, pupil services and inst. support are attributed to increased staffing costs.

The increased cost for business and operations reflects assumed higher pupil transportation costs and gas costs.

Non-program transactions include the use of contracted special education instructional and support staff.

The increased transfer from the general fund is due to the increased costs for staffing outweighing state and federal revenue increases for special education.

Other Special Projects Fund

Special Revenue Fund is used at RUSD to track Federal grant revenues and expenditures related to the Extended Learning program. These 21st Century Learning Center grants are awarded to various program sites throughout the district. Sites for the 2022-23 school year include; Dr. Jones Elementary, Knapp Elementary, Mitchell K-8 Campus, Roosevelt Elementary, West Ridge Elementary and Starbuck Middle School. All other Extended Learning sites are included under the Community Services Fund (Fund 80).

Special Projects Fund Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

| | 2019-20 ACTUAL | 2020-21 ACTUAL | 2021-22 ADJ BUDGET | 2022-23 INTERIM | PERCENT CHANGE |
|---|-------------------|-------------------|-----------------------|--------------------|-------------------|
| Revenues by source | | | | | |
| Local & intermediate sources | 0 | 0 | 0 | 0 | |
| State sources | 0 | 0 | 0 | 0 | |
| Federal sources | 603,327 | 499,291 | 1,060,913 | 804,536 | -24.17% |
| Other sources | 0 | 0 | 0 | 0 | |
| Total revenues | 603,327 | 499,291 | 1,060,913 | 804,536 | -24.17% |
| Expenditures by function | | | | | |
| Regular instruction | 0 | 0 | 0 | 0 | |
| Other Instruction | 401,258 | 308,177 | 710,310 | 526,258 | -25.91% |
| Total Instruction | 401,258 | 308,177 | 710,310 | 526,258 | -25.91% |
| Pupil services | 0 | 0 | 55,328 | 204,152 | 268.98% |
| Instructional & staff support | 168,074 | 166,244 | 228,737 | 12,500 | -94.54% |
| General administration | 0 | 0 | 0 | 0 | |
| Building administration | 0 | 0 | 0 | 0 | |
| Business & operations | 5,046 | 5,667 | 43,705 | 44,153 | 1.03% |
| Central services | 0 | 0 | 0 | 0 | |
| Other support services | 0 | 0 | 0 | 0 | |
| Total support services | 173,120 | 171,911 | 327,770 | 260,805 | -20.43% |
| Non-program transactions | 0 | 0 | 0 | 0 | |
| Total expenditures | 574,378 | 480,088 | 1,038,080 | 787,063 | -24.18% |
| Excess (deficiency) of revenues over expenditures | 28,949 | 19,204 | 22,833 | 17,473 | -23.47% |
| Transfer to other funds | (28,949) | (19,204) | (22,833) | (17,473) | |
| Net change in fund balance | 0 | 0 | 0 | 0 | |
| Fund balance beginning of year | 66,426 | 66,426 | 66,426 | 66,426 | 0.00% |
| Fund balance end of year | 66,426 | 66,426 | 66,426 | 66,426 | 0.00% |

Decrease in federal revenues attributed to non-renewal of Janes Elementary grant and reduced carryover funds.

Reduction in spending for instruction related to non-renewal of Janes Elementary grant and reduced carryover funds.

Changes in pupil service and Inst. & Staff support expenditures due to DPI account code change implementation.

Debt Service Funds

Under Department of Public Instruction guidelines, two separate funds are used for reporting transactions related to repayment of the general obligation debt and refinancing of debt issues and other District obligations. One fund is for debt issuances that were not approved through a referendum and transactions are subject to state revenue limits. The other fund is for referendum approved debt which is exempt from state revenue limits.

Tax levies assessed for the repayment of long-term debt principal and interest must be recorded in these funds. These funds may not be used for other purposes if related debt remains. The debt payment amounts are established at the time the school board approves a resolution to borrow.

Revenues and expenditures remain stable in the debt service fund, but with implementation of Facility Master Plan and affirmation of 2020 referendum, debt is expected to increase in the coming years.

Transfer from other funds includes the Fund 80 levy for Aquatic Center debt.

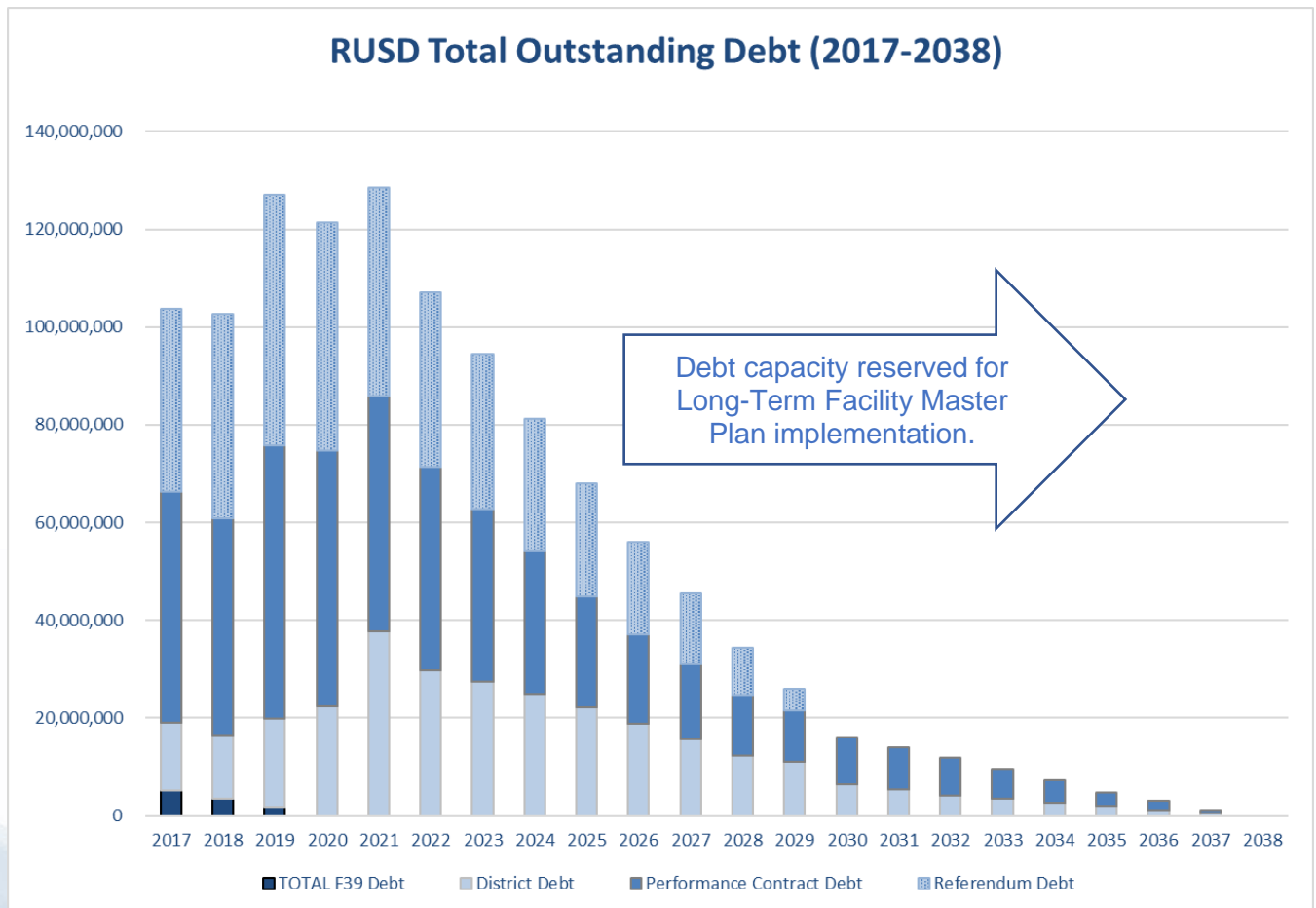
Debt Service Fund - Not Referendum Approved Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

| | 2019-20 ACTUAL | 2020-21 ACTUAL | 2021-22 ADJ BUDGET | 2022-23 INTERIM | PERCENT CHANGE |
|---|-------------------|-------------------|-----------------------|--------------------|-------------------|
| Revenues by source | | | | | |
| Property taxes | 14,067,465 | 13,626,774 | 13,539,573 | 13,651,728 | 0.83% |
| Earnings on investments | 37,461 | 7,917 | 1,000 | 7,500 | 650.00% |
| Other sources | 103,570 | 702,296 | 59,725 | 60,270 | 0.91% |
| Total revenues | 14,208,496 | 14,336,987 | 13,600,298 | 13,719,498 | 0.88% |
| Expenditures for debt payments | | | | | |
| Principal | 16,457,000 | 41,730,000 | 12,805,000 | 13,195,000 | 3.05% |
| Interest | 3,750,256 | 4,698,188 | 2,909,823 | 2,520,513 | -13.38% |
| Agent paying fees | 0 | 322,365 | 3,000 | 0 | -100.00% |
| Total expenditures | 20,207,256 | 46,750,552 | 15,717,823 | 15,715,513 | -0.01% |
| Excess (deficiency) of revenues over expenditures | (5,998,760) | (32,413,565) | (2,117,525) | (1,996,015) | |
| Transfers from other funds | 117,000 | 4,669,767 | 1,618,093 | 1,925,350 | |
| Other financing sources | 5,390,000 | 27,908,404 | 0 | 0 | |
| Total other financing sources | 5,507,000 | 32,578,171 | 1,618,093 | 1,925,350 | 18.99% |
| Net change in fund balance | (491,760) | 164,606 | (499,432) | (70,665) | |
| Fund balance beginning of year | 2,130,125 | 1,579,590 | 1,744,196 | 1,244,764 | -28.63% |
| Fund balance end of year | 1,638,365 | 1,744,196 | 1,244,764 | 1,174,099 | -5.68% |

Outstanding Debt

District debt is categorized by funds used to pay for principal and interest: 1) debt paid directly through referendum authorized funds; 2) debt paid with District funds; 3) authorized tax levy debt for Performance Contract projects; and 4) debt paid with funds authorized through referendum. The District's referendum debt, issued in 2008, was fully paid in 2019. Changes to outstanding debt depend upon principal amounts paid and whether additional debt is acquired. Outstanding debt amounts by category are as follows:

| | <u>Start of Fiscal Year</u> | <u>End of Fiscal Year</u> | <u>Change</u> |
|-------------------------------|-----------------------------|---------------------------|---------------------|
| District Debt | 29,810,000 | 27,380,000 | (2,430,000) |
| Performance Contract Debt | 41,580,000 | 35,465,000 | (6,115,000) |
| Referendum Debt | 35,805,000 | 31,545,000 | (4,260,000) |
| Total Outstanding Debt | 107,195,000 | 94,390,000 | (12,805,000) |



Note: This debt amount excludes lease financing of equipment.

Capital Projects

Capital Project Funds are used to segregate revenues and expenditures related to major capital projects. Typically, these projects are financed through borrowing approved by the Board of Education but may include resources from the sale or disposition of property. The use of segregated funds makes it easier to track expenditures utilizing dedicated financing sources.

Approximately \$9.1 million has been allocated for school improvements and maintenance projects to reflect initial implementation of the Long-Term Facility Master Plan.

Energy efficiency projects at schools have reduced utility costs that must be used to reduce property taxes.

With affirmation of the April 2020 referendum the district will begin work to update the Facility Master Plan and implement phase 1.

Building up of fund balance is part of fiscal strategy for execution of Facility Master Plan.

Capital Projects Funds Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

| | 2019-20 ACTUAL | 2020-21 ACTUAL | 2021-22 ACTUAL | 2022-23 INTERIM | PERCENT CHANGE |
|--|--------------------|---------------------|--------------------|--------------------|-------------------|
| Revenues by source | | | | | |
| Earnings on investments | 135,084 | 7,914 | 3,800 | 0 | -100.00% |
| Other | 0 | 0 | 0 | 0 | |
| Total revenues & financing | 135,084 | 7,914 | 3,800 | 0 | -100.00% |
| Expenditures by function | | | | | |
| Buildings & grounds | 2,008,605 | 18,339,130 | 5,937,756 | 2,000,000 | -66.32% |
| Central services | 0 | 0 | 0 | 0 | |
| Other | 0 | 0 | 0 | 0 | |
| Total capital project expenditures | 2,008,605 | 18,339,130 | 5,937,756 | 2,000,000 | -66.32% |
| Excess (deficiency) of revenues over expenditures | | | | | |
| | (1,873,521) | (18,331,216) | (5,933,956) | (2,000,000) | |
| Other financing sources | | | | | |
| Other financing sources | 3,844,388 | 19,127,514 | 10,686,474 | 8,529,743 | -20.18% |
| Other financing uses | 0 | 0 | 0 | 0 | |
| Total other financing sources | 3,844,388 | 19,127,514 | 10,686,474 | 8,529,743 | -20.18% |
| Net change in fund balance | 1,970,867 | 796,298 | 4,752,518 | 6,529,743 | 37.40% |
| Fund balance beginning of year | 11,966,688 | 13,937,555 | 14,733,853 | 19,486,371 | 32.26% |
| Fund balance end of year | 13,937,555 | 14,733,853 | 19,486,371 | 26,016,114 | 33.51% |

Food Service Fund

All revenues and expenditures related to pupil and elderly food service activities are recorded in the food service fund and operate separately from District general operating funds. The Food Service Fund is completely self-sufficient with all expenditures paid from revenues of the fund.

Food Services in the District, which includes meal production in District kitchen facilities, are largely operated through a contract with Aramark. District staff coordinate and support the food service program by delivering prepared meals to schools, cleaning, and providing lunchroom supervision.

RUSD will continue to participate in the Community Eligibility Provision (CEP) program for the 2022-23 school year. This will allow RUSD to continue to serve breakfast and lunch at no cost to all enrolled students, without the burden of establishing eligibility via an income application. The CEP program will provide us with full reimbursement for 87% of the meals served, and a partial reimbursement for 13% of the meals served. This is reflected in a slight decrease in revenues for the upcoming school year.

97% of the revenues are from federal funds through the National School Lunch and Breakfast Programs.

Payments to Aramark for food service management increased due to 7.7% CPI-food away from home cost as of 12/2021 and expected meal counts.

Decrease in fund balance planned to meet required amount as set by USDA. Funds will be used to purchase new trucks, kitchen equipment, serving lines and other upgrades.

912,818 breakfasts and 1,372,195 lunches were served during the 21-22 school year.

Food Service Fund Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

| | 2019-20 ACTUAL | 2020-21 ACTUAL | 2021-22 ADJ BUDGET | 2022-23 INTERIM | PERCENT CHANGE |
|---|-------------------|-------------------|-----------------------|--------------------|-------------------|
| Revenues by source | | | | | |
| Local sources | 615,366 | 32,803 | 127,000 | 64,000 | -49.61% |
| State sources | 166,173 | 139,364 | 0 | 182,000 | |
| Federal sources | 6,937,412 | 5,088,438 | 10,516,438 | 8,349,262 | -20.61% |
| Other revenues | 0 | 0 | 0 | 0 | |
| Total Revenues | 7,718,951 | 5,260,604 | 10,643,438 | 8,595,262 | -19.24% |
| Expenditures for food service | | | | | |
| Salaries & benefits | 1,008,008 | 1,011,714 | 1,063,140 | 1,113,303 | 4.72% |
| Purchased services | 5,322,268 | 2,979,327 | 6,604,560 | 7,536,905 | 14.12% |
| Food & supplies | 908,461 | 1,019,042 | 797,546 | 1,315,510 | 64.94% |
| Furniture & equipment | 306,121 | 30,141 | 300,000 | 500,000 | 66.67% |
| Other | 30,940 | 10,930 | 19,430 | 16,000 | -17.65% |
| Total expenditures | 7,575,797 | 5,051,153 | 8,784,676 | 10,481,718 | 19.32% |
| Excess (deficiency) of revenues over expenditures | 143,154 | 209,451 | 1,858,762 | (1,886,456) | -201.49% |
| Other financing sources | 0 | 0 | 0 | 0 | |
| Other financing uses | 0 | 0 | 0 | 0 | |
| Total other financing sources | 0 | 0 | 0 | 0 | |
| Net change in fund balance | 143,154 | 209,451 | 1,858,762 | (1,886,456) | |
| Fund balance beginning of year | 2,646,038 | 2,789,192 | 2,998,643 | 4,857,405 | 61.99% |
| Fund balance end of year | 2,789,192 | 2,998,643 | 4,857,405 | 2,970,949 | -38.84% |

Pension and OPEB Trust Fund

The Fund 73 OPEB Trust Fund is used to account for resources held in trust for formally established defined benefit pension plans, defined contribution plans or employee benefit plans. Such plans must be legally established in accordance with state statutes, federal laws and Internal Revenue Service requirements.

Specific requirements for use of this fund have been established by the Department of Public Instruction. This fund applies to all post-employment benefit plans where the District is providing such benefits by contribution to a legally established irrevocable trust.

For the Fund 73-Employee Benefit Trust Fund, estimated contribution amounts for RUSD are determined through an analysis performed by Brown & Brown Benefit Services. In order for the district to receive state or federal aid, on contributions to the fund, the District must allocate to the fund 105% of the actual expenses for post-employment benefits.

Pension & Empl Benefit Tr Fd
Combined Statement of Revenues, Expenditures and Changes Fund Balance
Revenues by Source, Expenditures by Object
INTERIM BUDGET

| | 2019-20 ACTUAL | 2020-21 ACTUAL | 2021-22 BUDGET | 2022-23 INTERIM | PERCENT CHANGE |
|---|-------------------|-------------------|-------------------|--------------------|-------------------|
| Revenues by source | | | | | |
| Local Sources | 136,771 | 65,816 | 66,000 | 10,000 | -84.85% |
| Other Sources | 4,984,682 | 5,130,909 | 5,651,901 | 5,254,277 | -7.04% |
| Total revenues | 5,121,453 | 5,196,725 | 5,717,901 | 5,264,277 | -7.93% |
| Expenditures for trust funds | 4,758,494 | 4,897,659 | 5,220,270 | 4,965,777 | -4.88% |
| Excess (deficiency) of revenues over expenditures | 362,959 | 299,066 | 497,631 | 298,500 | -40.02% |
| Fund balance beginning of year | 9,598,776 | 9,961,735 | 10,260,801 | 10,758,432 | 4.85% |
| Fund balance end of year | 9,961,735 | 10,260,801 | 10,758,432 | 11,056,932 | 2.77% |

The intention of building up funds in the OPEB trust allows the investment earnings and the balance to be used to pay for future retiree benefit costs.

Community Service Fund

This fund is used to account for activities that benefit the entire community, including community recreation programs, community use of facilities, non-special education preschool, day care services and non-educational after school programs.

RUSD programs funded through the community service fund include: Extended Learning, the Aquatic Center, PCOC and Montessori 3-year old programs, Community outreach programs, Lighthouse Brigade program support, community mental health clinic and County & Municipal recreational community program initiatives, including support for Pritchard Park and Horlick Field.

Change in property taxes due to reduction of levy for Aquatic Center construction.

Increase in federal funds due to utilizing federal ESSER dollars for the expansion of Extended Learning programs.

Salaries and benefits include funds for staff for community after-school programs. Increases due to expansion of programs plus CPI and rung advancement for Community Service funded RUSD staff

Purchased service change reflects the completion of the Aquatic Center construction in 2021-22

Community Service Fund Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

| | 2019-20 ACTUAL | 2020-21 ACTUAL | 2021-22 ADJ BUDGET | 2022-23 INTERIM | PERCENT CHANGE |
|---|-------------------|-------------------|-----------------------|--------------------|-------------------|
| Revenues by source | | | | | |
| Property taxes | 10,000,000 | 3,900,000 | 6,907,986 | 5,000,000 | -27.62% |
| Local sources | 102,262 | 254,960 | 60,000 | 27,845 | -53.59% |
| Federal revenues | 0 | 29,494 | 392,809 | 987,631 | 151.43% |
| Other revenues | 1,475 | 0 | 0 | 0 | |
| Total Revenues | 10,103,737 | 4,184,454 | 7,360,795 | 6,015,476 | -18.28% |
| Expenditures for community service | | | | | |
| Salaries & benefits | 1,751,138 | 1,433,798 | 2,363,388 | 3,249,237 | 37.48% |
| Purchased services | 4,604,625 | 1,811,004 | 8,246,276 | 1,011,065 | -87.74% |
| Non-capital objects | 56,845 | 17,422 | 252,132 | 317,087 | 25.76% |
| Capital objects | 14,600 | 0 | 52,000 | 20,000 | -61.54% |
| Other | 11,151 | 3,073 | 16,000 | 22,175 | 38.59% |
| Total expenditures | 6,438,359 | 3,265,297 | 10,929,796 | 4,619,564 | -57.73% |
| Excess (deficiency) of revenues over expenditures | 3,665,378 | (635,844) | (5,070,094) | (510,912) | |
| Transfer to other funds | 0 | 1,555,000 | 1,501,093 | 1,906,824 | 27.03% |
| Fund balance beginning of year | 3,313,164 | 6,978,542 | 6,342,698 | 1,272,604 | -79.94% |
| Fund balance end of year | 6,978,542 | 6,342,698 | 1,272,604 | 761,692 | -40.15% |

ESSER Funds

To date, congress has passed three stimulus bills that have provided nearly \$190.5 billion under the Elementary and Secondary School Emergency Relief (ESSER) Fund to local education agencies in Wisconsin. The funds provide emergency financial assistance to address the impact COVID-19 has had, and continues to have, on elementary and secondary schools. Here's what RUSD has received:

| ESSER I | ESSER II | ESSER III |
|-------------|--------------|--------------|
| \$4,896,135 | \$23,576,970 | \$52,950,525 |

How is RUSD Using ESSER Funds?

The District identified its preferred top priorities after getting input from thousands of families, community members and other stakeholders. This input continues to be used in all ESSER planning. Here are a few ways funding is being used:

- **ESSER I Funds** were invested to support immediate student, family and staff needs during the transition from in-person to remote and later hybrid learning. Funds were also invested to increase school safety protocols and provide personal protective equipment.
- **ESSER II & ESSER III Funds** are being used to maintain healthy learning environments for students and staff, address learning loss through a variety of additional programs, training, staff and mental health supports, education technology and outreach and services to special populations.

ESSER Funding moving forward

Entering the 2023 Fiscal year to date RUSD has spent the entirety of the ESSER I allocated funds.

As of the beginning of 2022-23 fiscal year RUSD will have spent an estimated \$13,184,210 of the ESSER II allocation. Currently the district is budgeting to spend \$40,386,860 of ESSER II & III for the 2022-23 fiscal year, which will utilize the remain \$10+ million of ESSER II and roughly \$30 million of ESSER III. Of the federal ESSER funds budgeted for 2022-23, approximately \$21.8 million will be used to cover the district's current funding shortfall. This will leave the district with an estimated \$23 million in ESSER funding remaining for the 2023-24 fiscal year. As these funds have already been allocated, the district is projected to have only \$8 million available to cover any funding shortfall for 2022-23.

Budget Adoption Table

DPI Format for Budget Adoption – The Department of Public Instruction provides a recommended budget format for adoption by the Board of Education. That format is included in this section.

RACINE UNIFIED SCHOOL DISTRICT
Budget Summary for the School Year 2022-23
INTERIM BUDGET

A budget hearing on the budget is scheduled for Monday, September 26, 2022 at 5:30 pm in the Board Room at the Administrative Service Center, 3109 Mount Pleasant Street.

| GENERAL FUND | 2020-21 Audited Actual | 2021-22 Budget | 2022-23 Proposed Budget |
|--|-------------------------------|-----------------------|--------------------------------|
| Beginning Fund Balance | 44,754,911 | 60,172,087 | 53,612,641 |
| Ending Fund Balance | 60,172,087 | 53,612,641 | 52,612,641 |
| REVENUES & OTHER FINANCING SOURCES | | | |
| Transfers-In (Source 100) | 5,872,804 | 162,221 | 311,226 |
| Local Sources (Source 200) | 83,111,647 | 84,751,893 | 71,575,195 |
| Inter-district Payments (Source 300 + 400) | 336,008 | 282,713 | 249,328 |
| Intermediate Sources (Source 500) | 0 | 0 | 0 |
| State Sources (Source 600) | 178,415,220 | 177,538,731 | 189,557,392 |
| Federal Sources (Source 700) | 20,245,265 | 32,973,284 | 53,346,621 |
| All Other Sources (Source 800 + 900) | 3,825,128 | 589,212 | 202,000 |
| TOTAL REVENUES & OTHER FINANCING SOURCES | 291,806,072 | 296,298,054 | 315,241,762 |
| EXPENDITURES & OTHER FINANCING USES | | | |
| Instruction (Function 100 000) | 105,377,979 | 109,611,882 | 114,579,418 |
| Support Services (Function 200 000) | 91,896,687 | 103,325,013 | 109,230,638 |
| Non-Program Transactions (Function 400 000) | 79,114,231 | 89,920,605 | 92,431,706 |
| TOTAL EXPENDITURES & OTHER FINANCING USES | 276,388,896 | 302,857,500 | 316,241,762 |

| SPECIAL PROJECTS FUND | 2020-21 Audited Actual | 2021-22 Budget | 2022-23 Proposed Budget |
|--|-------------------------------|-----------------------|--------------------------------|
| Beginning Fund Balance | 1,272,235.00 | 1,611,849 | 1,302,597 |
| Ending Fund Balance | 1,621,248.73 | 1,302,597 | 1,471,597 |
| REVENUES & OTHER FINANCING SOURCES | 54,402,798.45 | 57,033,065 | 58,306,386 |
| EXPENDITURES & OTHER FINANCING USES | 54,053,784.72 | 57,342,317 | 58,137,386 |

| DEBT SERVICE FUNDS | 2020-21 Audited Actual | 2021-22 Budget | 2022-23 Proposed Budget |
|--|-------------------------------|-----------------------|--------------------------------|
| Beginning Fund Balance | 1,638,365 | 1,802,971 | 1,303,539 |
| Ending Fund Balance | 1,802,971 | 1,303,539 | 1,232,874 |
| REVENUES & OTHER FINANCING SOURCES | 46,915,158 | 15,218,391 | 15,644,848 |
| EXPENDITURES & OTHER FINANCING USES | 46,750,552 | 15,717,823 | 15,715,513 |

| CAPITAL PROJECTS FUND | 2020-21 Audited Actual | 2021-22 Budget | 2022-23 Proposed Budget |
|--|-------------------------------|-----------------------|--------------------------------|
| Beginning Fund Balance | 13,937,555 | 14,733,853 | 19,486,371 |
| Ending Fund Balance | 14,733,853 | 19,486,371 | 26,016,114 |
| REVENUES & OTHER FINANCING SOURCES | 19,135,428 | 10,690,274 | 8,529,743 |
| EXPENDITURES & OTHER FINANCING USES | 18,339,130 | 5,937,756 | 2,000,000 |

Budget Adoption Table

| FOOD SERVICE FUND | 2020-21 Audited Actual | 2021-22 Budget | 2022-23 Proposed Budget |
|--|------------------------|-------------------|-------------------------|
| Beginning Fund Balance | 2,789,192 | 2,998,643 | 4,857,405 |
| Ending Fund Balance | 2,998,643 | 4,857,405 | 2,970,949 |
| REVENUES & OTHER FINANCING SOURCES | 5,260,604 | 10,643,438 | 8,595,262 |
| EXPENDITURES & OTHER FINANCING USES | 5,051,153 | 8,784,676 | 10,481,718 |

| COMMUNITY SERVICE FUND | 2020-21 Audited Actual | 2021-22 Budget | 2022-23 Proposed Budget |
|--|------------------------|-------------------|-------------------------|
| Beginning Fund Balance | 6,978,542 | 6,342,698 | 1,272,604 |
| Ending Fund Balance | 6,342,698 | 1,272,604 | 761,692 |
| REVENUES & OTHER FINANCING SOURCES | 4,184,454 | 7,360,795 | 6,015,476 |
| EXPENDITURES & OTHER FINANCING USES | 4,820,297 | 12,430,889 | 6,526,388 |

| Total Expenditures and Other Financing Uses | | | |
|--|------------------------|--------------------|-------------------------|
| ALL FUNDS | 2020-21 Audited Actual | 2021-22 Budget | 2022-23 Proposed Budget |
| GROSS TOTAL EXPENDITURES -- ALL FUNDS | 405,403,814 | 403,070,961 | 409,102,767 |
| Interfund Transfers (Source 100) - ALL FUNDS | (37,389,491) | (43,493,532) | (42,702,605) |
| Refinancing Expenditures (FUND 30) | 27,908,404 | 0 | 0 |
| NET TOTAL EXPENDITURES -- ALL FUNDS | 395,922,727 | 359,577,429 | 366,400,162 |
| PERCENTAGE INCREASE – NET TOTAL FUND EXPENDITURES FROM PRIOR YEAR | | -9.18% | 1.90% |

| PROPOSED PROPERTY TAX LEVY | | | |
|--|------------------------|--------------------|-------------------------|
| FUND | 2020-21 Audited Actual | 2021-22 Budget | 2022-23 Proposed Budget |
| General Fund | 82,729,239 | 83,973,943 | 70,788,890 |
| Non-Referendum Debt Service Fund | 13,626,774 | 13,539,573 | 13,651,728 |
| Referendum Debt Service Fund | 0 | 0 | 0 |
| Capital Expansion Fund | 0 | 0 | 0 |
| Community Service Fund | 3,900,000 | 6,907,986 | 5,000,000 |
| TOTAL SCHOOL LEVY | 100,256,013 | 104,421,502 | 89,440,618 |
| PERCENTAGE INCREASE -- TOTAL LEVY FROM PRIOR YEAR | | 4.15% | -14.35% |

The below listed new or discontinued programs have a financial impact on the proposed 2022-23 budget:

| DISCONTINUED PROGRAMS | FINANCIAL IMPACT |
|---|------------------|
| Savings from Staffing Efficiencies, includes closure of Janes Elementary | \$6,618,350 |
| Reduced Federal & State Revenues (Erate, FEMA Aid, State CRF, Federal Unemployment) | \$3,983,968 |
| NEW PROGRAMS | FINANCIAL IMPACT |
| Middle School Academy implementaiton | \$1,100,000 |
| Staff Technology Refresh | \$6,000,000 |
| Staffing cost increases (CPI, Rungs & Health/Dental Plan) | \$10,705,470 |
| Implementation of new ERP system | \$1,000,000 |

Addenda: Glossary of Terms

Acronyms

3K – Three-Year-Old Kindergarten
4K – Four-Year-Old Kindergarten
5K – Five-Year-Old Kindergarten
DPI – Department of Public Instruction
FTE – Full Time Equivalency
GASB – Governmental Accounting Standards Board
OPEB – Other Post-Employment Benefits
WUFAR – Wisconsin Uniform Financial Accounting Requirements

Definitions

Audit – An examination of records and documents, and the securing of other evidence, for one or more of the following purposes. (a) To attest to the fairness of management’s assertion in financial statements, (b) Evaluate whether management has efficiently and effectively carried out its responsibilities, (c) Determining the propriety of transactions, (d) ascertaining whether all transactions have been recorded, and € determining whether transactions are accurately recorded in the accounts and in the statements drawn from the accounts.

Budget – a plan of financial operation embodying an estimate of proposed revenues and expenditures for a given accounting period.

Categorical Aid – State or federal aid which is intended to finance or reimburse some specific category of instructional or supporting program or to aid a particular target group of pupils. The district may use the aid only for the purpose for which it is paid. (Also see general aid) Wisconsin categorical aids include special education, library (Common School Fund), driver education aid, integration aid, food service, bilingual/bicultural and other state aids. Federal categorical aids include No Child left Behind, IDEA (special education), vocational education, food service, and other programs.

Capital Projects – These funds are used to account for financial resources used for the acquisition or construction of capital facilities. These include land, improvements to land, buildings and building improvements and infrastructure.

Debt Service – Expenditures for the retirement of principal and payment of interest on a debt.

Deficit – Occurs when budgeted spending exceeds budgeted income.

DPI - Wisconsin Department of Public Instruction. This state agency oversees public education and libraries in Wisconsin, as prescribed by the state constitution and state law.

Equalization –

- The process by which the Wisconsin Department of Revenue converts all local assessor determined property values, by municipality, to a uniform level. (also see property valuation).
- The process of ensuring a minimum tax base (the guaranteed valuation) for the support of education for each pupil in Wisconsin, so that school districts which spend at the same level will tax at the same rate.

Addenda: Glossary of Terms

Equalized Aid – a component of general state aids distributed to school districts based on a formula that takes into consideration each individual district’s equalized valuation, membership ad costs.

Fiscal year – A 12-month accounting period at the end of which a school district determines its financial condition and the results of its operations and closes its books. Wisconsin school districts have a July 1 through June 30 fiscal year.

FTE (Full-Time Equivalency) – The number of total hours worked divided by the maximum number of compensable hours in a full-time schedule.

Fund Balance – Represents the cumulative of surpluses and deficits over the years. The fund balance is often equated with the financial condition of a school district, however, it does not take into consideration long-term obligations (see Net Assets). Fund Balance contracts with cash balance in that it includes certain amounts that are owed to or owed by the school district.

Levy – (verb) to impose taxes or special assessments. (noun) The total of taxes or special imposed by a governmental unit.

Levy Rate – In property taxation, the amount of tax to be raised divided by the value of property to be taxed; often expressed in mills of the tax per dollar of property value, hence the term ‘mill rate.” (also see Property Valuation)

Open Enrollment – A school enrollment program that allows parents to apply for their children to attend school in a school district other than the one in which they reside.

Other Post-Employment Benefits (OPEB)– Benefits that an employee will begin to receive at the start of retirement but excludes pension benefits paid to the retired employee. Examples of other post -employment benefits that a retiree can receive are health and dental insurance premiums, life insurance premiums and deferred compensation arrangements.

Property Valuation – The dollar value placed on land and buildings for purposes of administering property taxes. There are two commonly used methods of describing property valuation: assessed and equalized valuation may either include or exclude a TIF increment.

Revenue Limit – The maximum amount of revenue that may be raised through state general aid and property tax for the General, Non-Referendum Debt (authorized after August 12, 1993), and Capital Expansion funds, also referred to as Funds 10,38 and 41 respectively.

Addenda: Glossary of Terms

Wisconsin Uniform Financial Accounting Requirement (WUFAR) – A system of classification of financial transactions using uniform definitions and code numbers, as prescribed by the DPI for school districts under Statute 115.28 (13). The dimensions common to all school districts in Wisconsin are:

- Fund – An independent fiscal and accounting entity, with its own set of assets, liabilities, revenues and expenditures, used to account for financial transactions in accordance with laws, regulations, or restrictions. The DPI requires reporting of various revenues and expenditures within specified funds.
- Function – an account designation that categorizes a reason or purpose served by a particular expenditure or made possible by a particular receipt.
- Location – an account designation that categorizes financial transactions by the building, department or operating unit given cause for the transaction.
- Object – an account designation that categorizes an article or service obtained from a specific expenditure.
- Source – an account designation that classifies revenues and other receipts according to their origin, such as local, state, or federal.
- Project – An account designation that categorizes the funding source of an expenditure or receipt. This coding is most often associated with projects that are funded with state or federal grants.

References:

About.com

Public Business Consulting Group, LLC (January 2003)

Glossary of School Finance Terms: Wisconsin Association of School Business Officials (WASBO) and Wisconsin Association of School District Administrators (WASDA)

Wikipedia, The Free Encyclopedia, www.wikipedia.org

Wisconsin Association of School Business Officials, Accounting Committee

Wisconsin Department of Public Instruction, www.dpi.wi.gov