



ANNUAL BUDGET

FISCAL YEAR 2027

PRESENTED BY: LORI NIEMEIER, CSBO, SFO



What is the foundation for the budget decisions?

▶ Vision

- ▶ New Berlin graduates strive to be the best, be engaged, ready to lead and serve future generations of Pretzels.

▶ Mission

- ▶ The mission of CUSD #16 is to serve our communities by equipping students with the skills and tools needed to achieve their personal best and demonstrate Pretzel PRIDE--
 - ▶ Perseverance
 - ▶ Respect
 - ▶ Integrity
 - ▶ Discipline
 - ▶ Empathy

▶ Belief Statements

- ▶ We believe all students have individual talents.
- ▶ We believe all students have an equitable opportunity to learn and achieve their academic and personal best.
- ▶ We believe in our teachers' passions.
- ▶ We believe learning extends beyond the classroom.
- ▶ We believe our schools serve as a safe and secure environment for all students.
- ▶ We believe in Pretzel Pride.
- ▶ We believe in the value of every person.
- ▶ We believe everyone working together will result in positive and collaborative working relationships that make the community stronger.
- ▶ We believe that character counts.
- ▶ We believe that Pretzels serve others and achieve their dreams.

What is the overall goal?



 New Berlin CUSD #16
STRATEGIC PLAN
2021-2024

GOAL AREA: FINANCE

GOAL: Conduct financial operations in an open and fiscally responsible manner to maintain the financial sustainability of the district that supports programming, services, and the learning environment for students to receive a quality education.

Why is this goal important to New Berlin CUSD #16? As the state of Illinois faces yet another financial challenge once the pandemic is over, fiscal responsibility will be more critical to our school district's success. It is the Board of Education's responsibility to respect taxpayer dollars by maximizing every dollar in effort to offer a great education to all New Berlin students.

STRATEGIES AND ACTION STEPS	MEASURES OF SUCCESS	PERSON RESPONSIBLE
Develop a 1-Year, 5-Year, and 10-Year Budget Plan	Annual Report to the Board of Education Monthly Board Book	CFO and Superintendent
Stay financially solvent	Annual review of the following: • # of days of cash on hand	CFO, Superintendent, and Board of Education
Balanced budget with existing and future debit	Annual Review of debt management Monthly Board Book	CFO, Superintendent, and Board of Education
Manage salary competitiveness taking into consideration state mandates	Annual Salary Surveys	CFO, Superintendent, and Board of Education
Maintain transparency in financial matters	Board Book	CFO and Superintendent

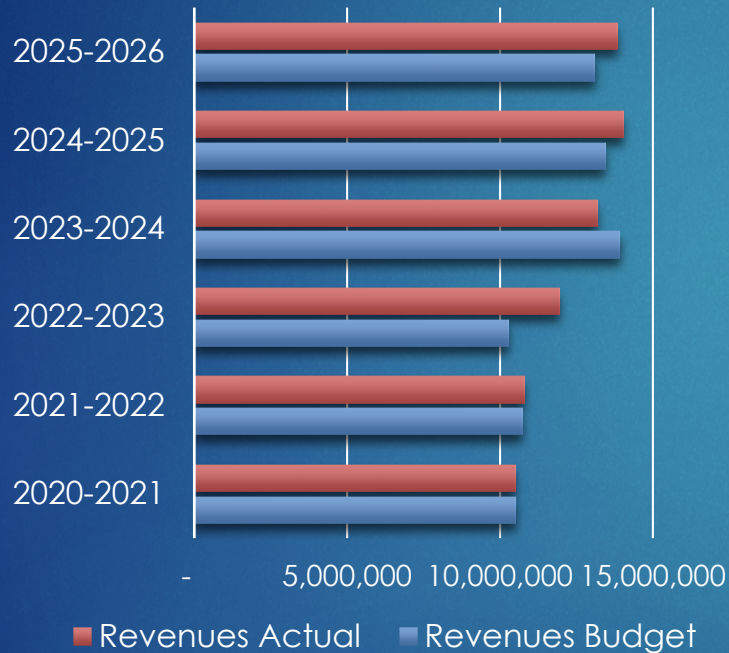
Budget Approach

- ▶ District Operates on Cash Basis Accounting Method
 - ▶ Revenues and Expenditures are recognized when received or paid
 - ▶ Alternatively...Accrual Accounting Method
 - ▶ Revenues and Expenditures are recognized when earned
- ▶ Conservative Budget Approach
 - ▶ Expecting the unforeseen...
 - ▶ Revenues are estimated low
 - ▶ Expenditures are estimated high
 - ▶ Expecting that we will strike a balance or a surplus
- ▶ Accepting when it is justified to use reserves but adhering to fund balance policies adopted by the Board of Education
 - ▶ Making adjustments to budgets as necessary and possible without detriment to programs and our students.

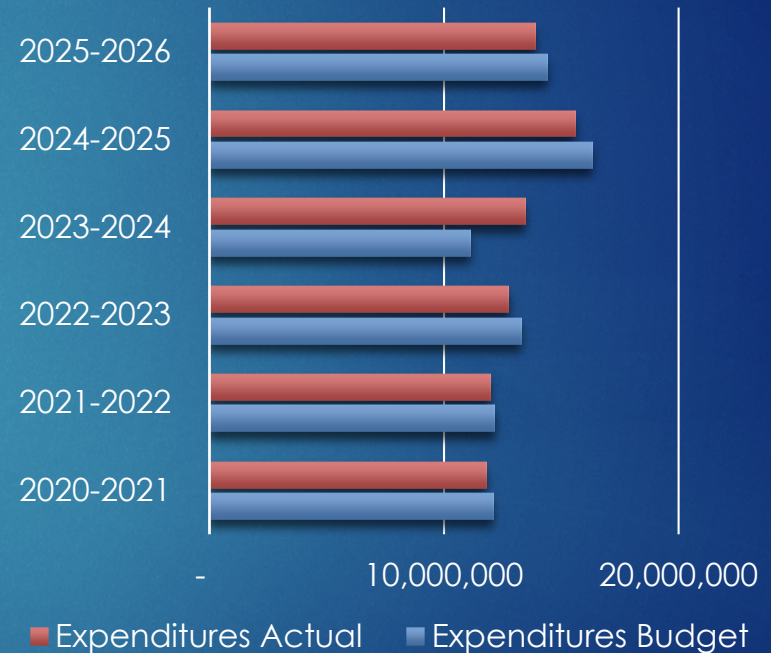


Budget vs. Actual

Revenues Budget vs. Actual



Expenditures Budget vs. Actual





Budget Summary

FUND	FY26 ENDING FUND BALANCE (Unaudited)	FY27 REVENUES (Proposed)	FY27 EXPENDITURES (Proposed)	SURPLUS/ (DEFICIT)	FY27 ENDING FUND BALANCE (Proposed)
EDUCATION *	\$ 523,651	10,928,775	11,250,489	(321,714)	\$ 201,937
OPERATIONS & MAINTENANCE *	\$ 2,168,098	2,554,579	3,548,570	(993,991)	\$ 1,174,107
DEBT SERVICE	\$ 424,139	2,333,295	2,323,650	9,645	\$ 433,784
TRANSPORTATION *	\$ 262,481	1,145,500	1,319,380	(173,880)	\$ 88,601
IMRF / SOCIAL SECURITY *	\$ 169,105	379,500	412,675	(33,175)	\$ 135,930
CAPITAL PROJECTS	\$ 54,444	306,100	360,440	(54,340)	\$ 104
SALES TAX	\$ 3,570,455	1,183,000	960,575	222,425	\$ 3,792,880
WORKING CASH	\$ 3,071,120	175,000	-	175,000	\$ 3,246,120
TORT	\$ (0)	371,500	358,500	13,000	\$ 13,000
FIRE PREVENTION & SAFETY	\$ 774,711	85,000	736,325	(651,325)	\$ 123,386
TOTAL	\$ 11,018,203	\$ 19,462,249	\$ 21,270,604	\$ (1,808,355)	\$ 9,209,848
* OPERATING FUNDS	\$ 6,025,350	\$ 14,803,854	\$ 16,118,439	(1,314,585)	\$ 4,710,765

Operating Funds = Ed, O & M, Transportation, IMRF & WC

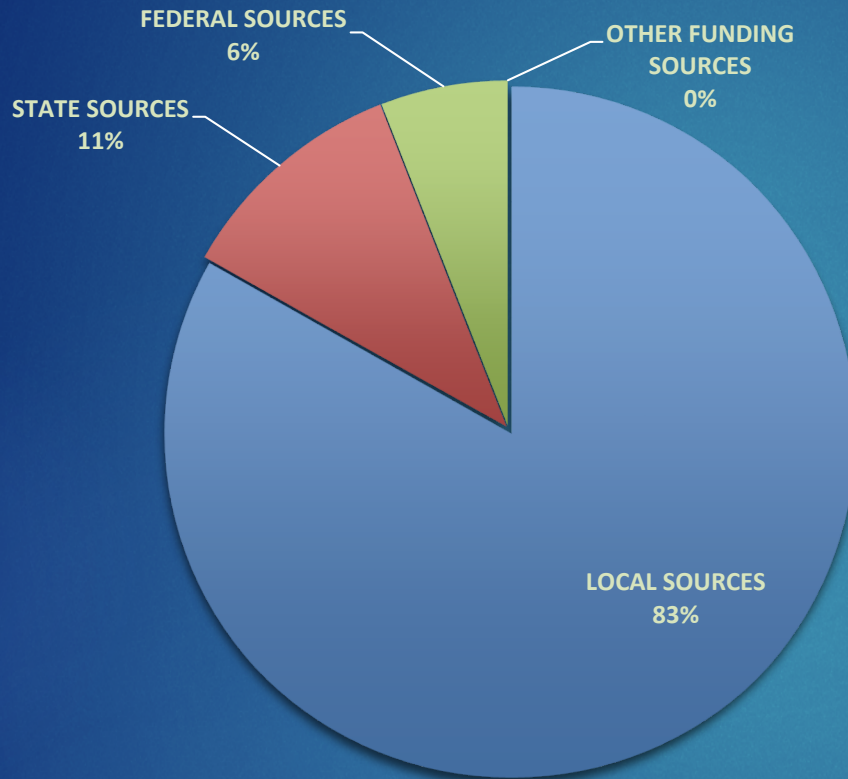
➤ Deficit = \$1.31M

REVENUES

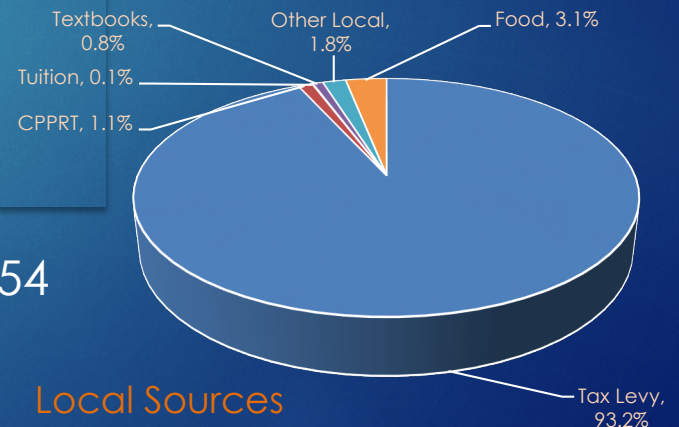




Revenues by Source – FY27



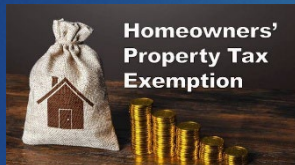
FY26 Total Operating Revenues = \$14,803,854
Represents 7% increase over FY25



What Impacts District Revenues?



Tax Levies



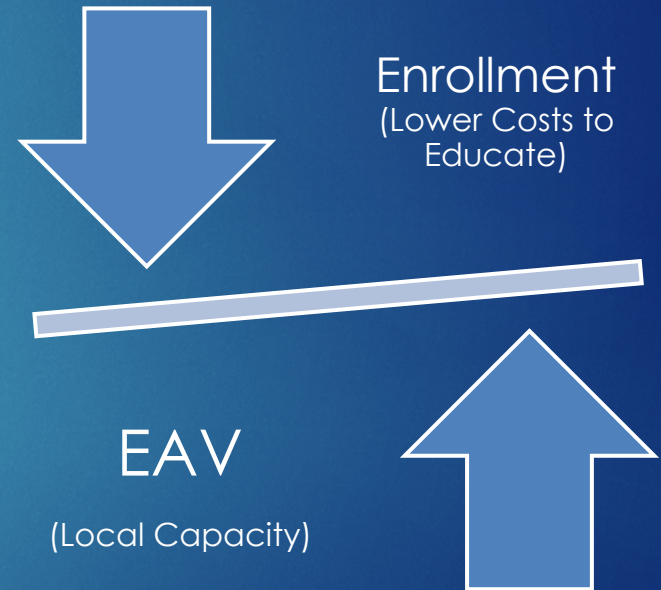
State & Federal Sources



Other Local Sources

Impacts on EBF (Evidence Based Funding)

- ▶ Components of EBF
 - ▶ Adequacy Target (Denominator)
 - ▶ The cost of educating all students
 - ▶ Local Capacity (Numerator)
 - ▶ Determines Percent of Adequacy
 - ▶ Adequacy – 100%
- ▶ Impacts for New Berlin
 - ▶ Increased EAV
 - ▶ Decreased Enrollment (FY21=874.71; FY26=775.50)
 - ▶ Percent of Adequacy = 3%
 - ▶ Moved from Tier 2 to Tier 3
 - ▶ Higher the Tier the less State Assistance





Impacts on Revenues

Revenues

- Increase Evidence Based Funding - \$13,243
- Increase CPPR Tax Revenue - \$0
- State/Federal Categorical
 - Special Education Funding (Part of EBF)
 - Early Childhood Funding Remained Level \$0
 - Title I Decreased \$85,766
 - Title II Decreased \$15,423
 - Disbursed as a Reimbursement

- Transfer \$100,000 EBF Revenue from Education to Tort
- Transfer \$306,000 from Education to Capital Projects

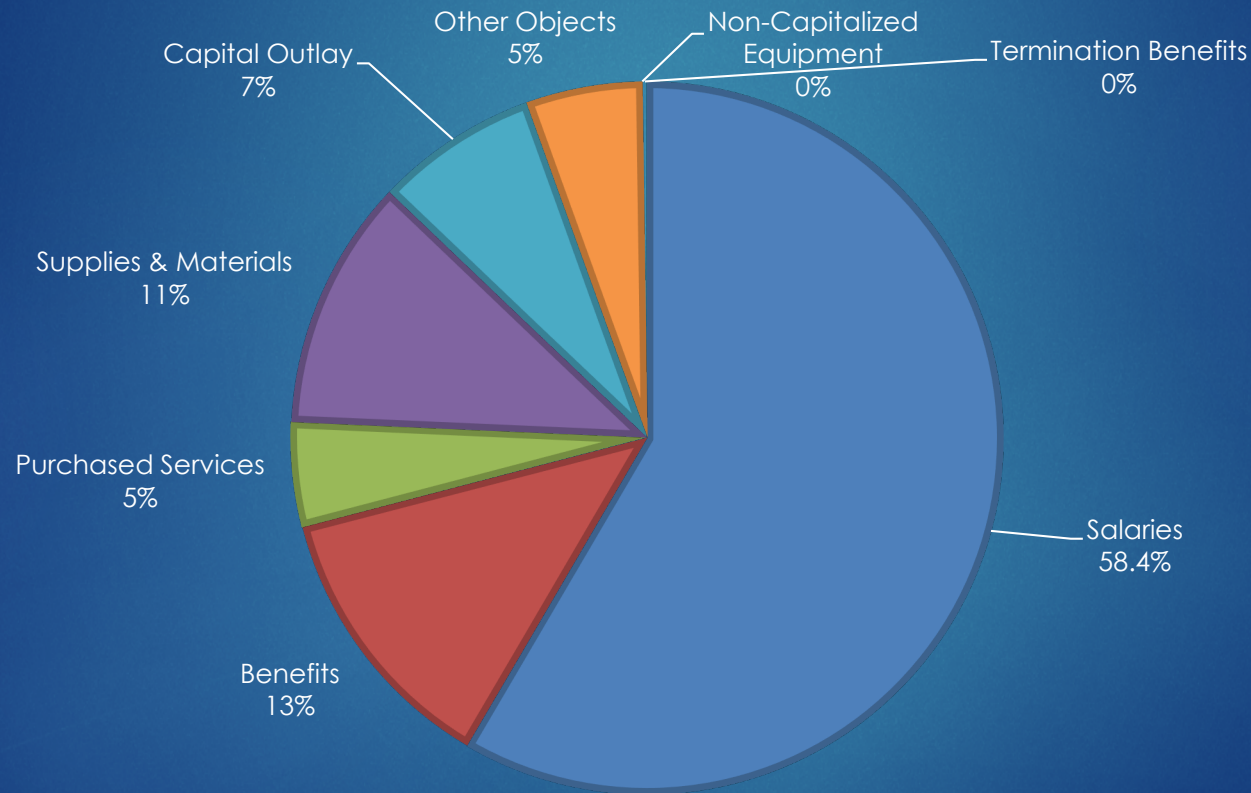
Transfers

EXPENSES





Expenses by Object – FY27



FY26 Total Operating Expenses = \$16,118,439
Represents 16% increase over FY25



Impacts on Expenses

Expenses

- Salary Increase (5%)
- Benefits Increase (10%)
- Addn'l Paraprofessionals based on need
- Maintain addn'l Special Education Staff
- Increased Premiums for Property Casualty Insurance (4%) - \$9,170
- Increased Premiums on Workers' Comp Insurance (5%) – (\$247.68)
- Increased Costs for SASSED & CACC
- Contingency



FUND BALANCE

Budget Summary

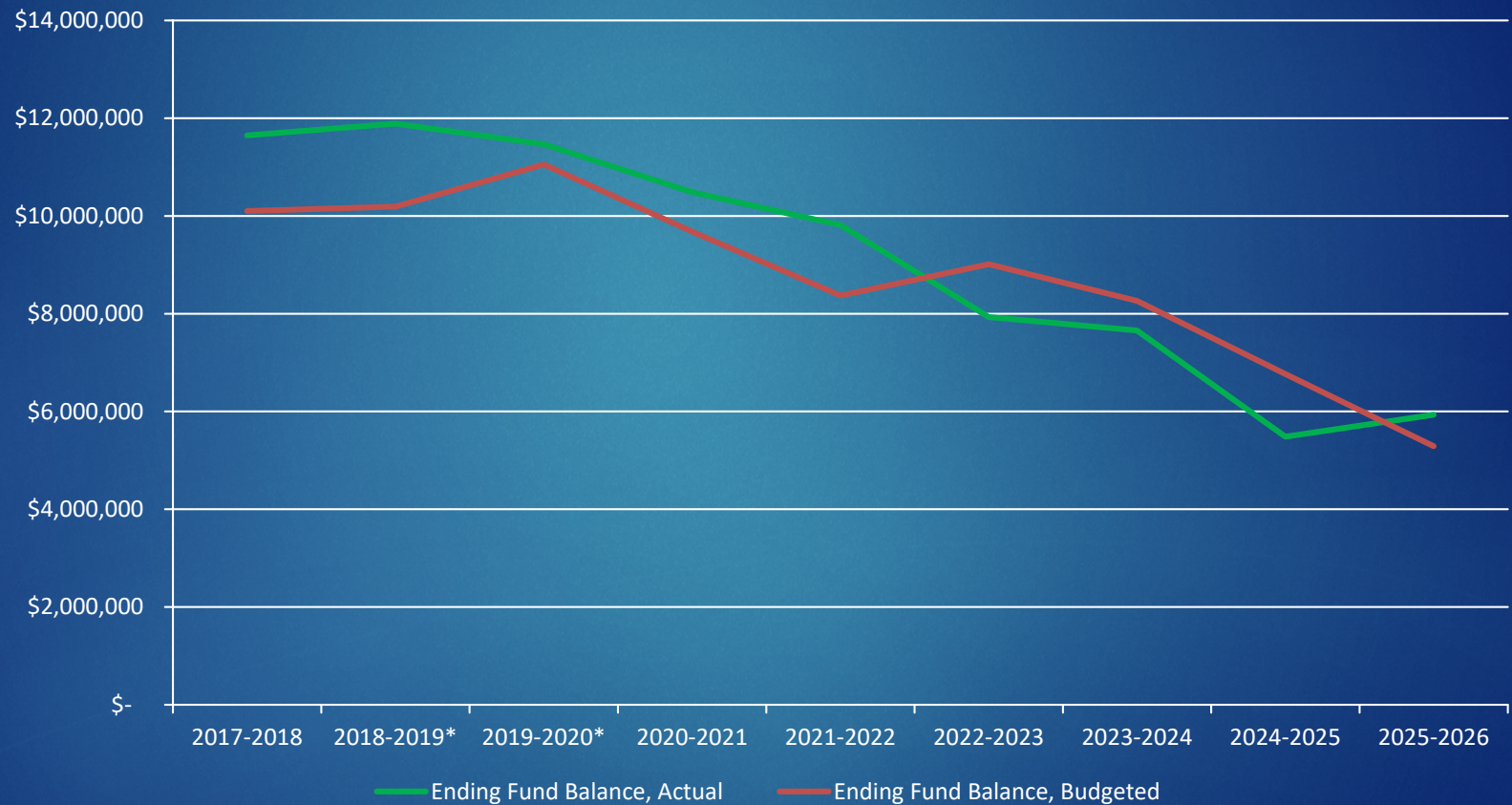


FUND	FY25 ENDING FUND BALANCE (Audited)	FY26 REVENUES (Unaudited)	FY26 EXPENDITURES (Unaudited)	SURPLUS/ (DEFICIT)	FY26 ENDING FUND BALANCE (Unaudited)	FY27 REVENUES (Proposed)	FY27 EXPENDITURES (Proposed)	SURPLUS/ (DEFICIT)	FY27 ENDING FUND BALANCE (Proposed)
EDUCATION *	\$ 1,130,111	10,167,552	10,774,012	(606,460)	\$ 523,651	10,928,775	11,250,489	(321,714)	\$ 201,937
OPERATIONS & MAINTENANCE *	\$ 1,741,093	2,388,152	1,961,148	427,004	\$ 2,168,098	2,554,579	3,548,570	(993,991)	\$ 1,174,107
DEBT SERVICE	\$ 465,000	2,258,024	2,298,886	(40,862)	\$ 424,139	2,333,295	2,323,650	9,645	\$ 433,784
TRANSPORTATION *	\$ 319,325	1,078,625	1,135,469	(56,844)	\$ 262,481	1,145,500	1,319,380	(173,880)	\$ 88,601
IMRF / SOCIAL SECURITY *	\$ 209,339	362,431	402,665	(40,234)	\$ 169,105	379,500	412,675	(33,175)	\$ 135,930
CAPITAL PROJECTS	\$ 3,532,068	136,802	3,614,426	(3,477,624)	\$ 54,444	306,100	360,440	(54,340)	\$ 104
SALES TAX	\$ 3,157,261	1,144,419	731,225	413,195	\$ 3,570,455	1,183,000	960,575	222,425	\$ 3,792,880
WORKING CASH	\$ 2,889,911	181,209	-	181,209	\$ 3,071,120	175,000	-	175,000	\$ 3,246,120
TORT	\$ -	341,734	341,734	(0)	\$ (0)	371,500	358,500	13,000	\$ 13,000
FIRE PREVENTION & SAFETY	\$ 896,318	58,818	180,425	(121,607)	\$ 774,711	85,000	736,325	(651,325)	\$ 123,386
TOTAL	\$ 14,340,427	\$ 18,117,766	\$ 21,439,989	\$ (3,322,224)	\$ 11,018,203	\$ 19,462,249	\$ 21,270,604	\$ (1,808,355)	\$ 9,209,848
* OPERATING FUNDS	\$ 6,080,440	\$ 13,815,538	\$ 13,870,629	(55,091)	\$ 6,025,350	\$ 14,803,854	\$ 16,118,439	\$ (1,314,585)	\$ 4,710,765

Operating Funds Balance History



Ending Fund Balance, June 30





How did we get here?

- ▶ Paid \$2.5M on outstanding debt from the Education Fund (2020)
- ▶ Hired additional staff (2020)
- ▶ Declining Enrollment / Decreased Funding
- ▶ Changes in Poverty Level with Federal Funds
- ▶ Salary Increases / Athletic Schedules
 - ▶ 2017-2021 – 2.5%
 - ▶ 2020-2021 – 3.25%
 - ▶ 2021-2027 – 5.0%
- ▶ Rising cost of Health Insurance
- ▶ Inflation – Affects food, utilities, transportation, etc

Moving Forward



Monthly Reporting

- Expand Budget vs Actual Monitoring
 - Highlighting areas of significant variances
- Dashboard

Quarterly Reporting

- Quarterly Budget Review
- Cash Flow Projection

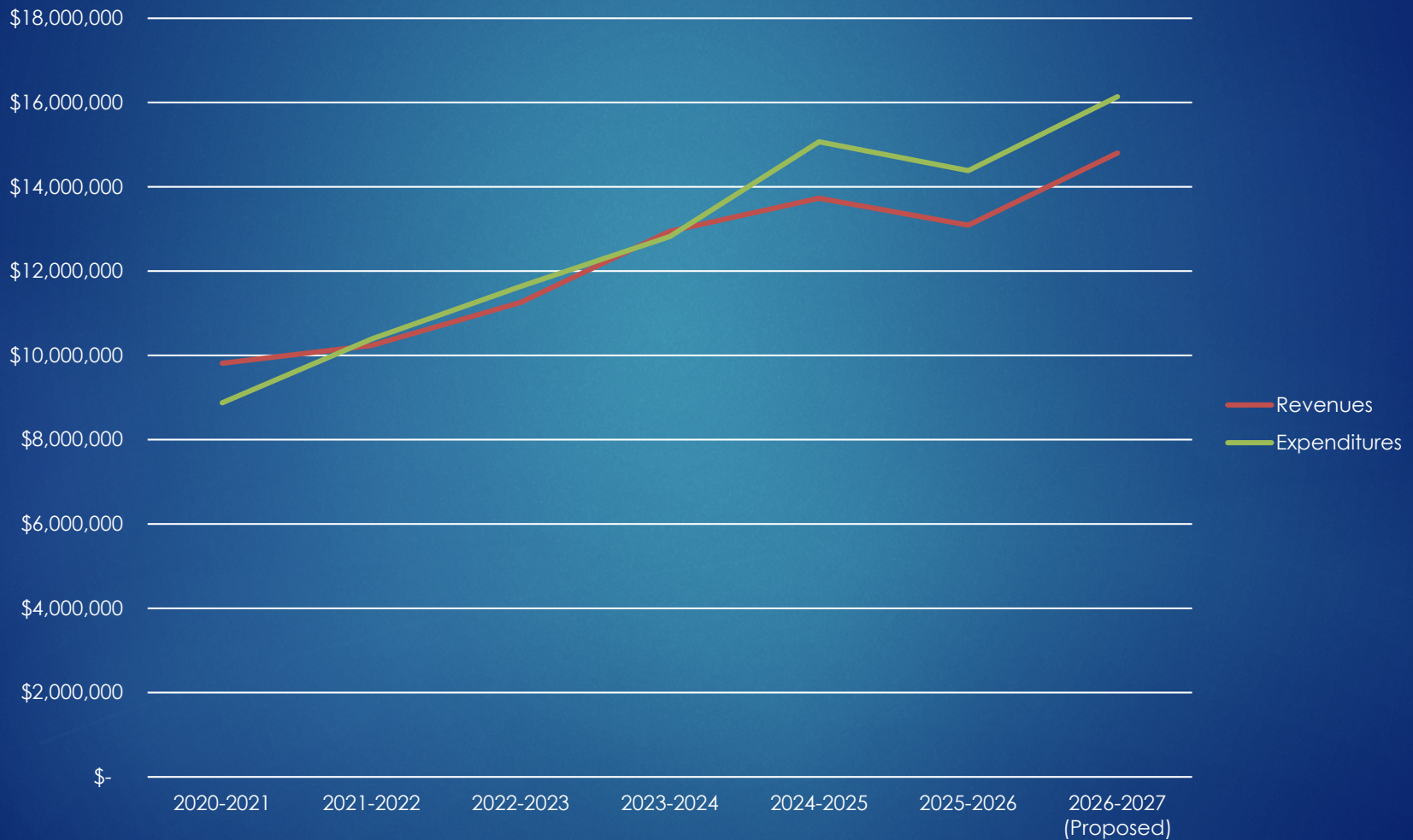
Annual Reporting

- Proposed Budget
- Tax Levy
- 3-5 year Budget Projections
- 3-5 year Enrollment Projections
- Capital Plans
- Policy review regarding Fund Balance Reserves

HISTORICAL DATA



Revenue to Expense Comparison



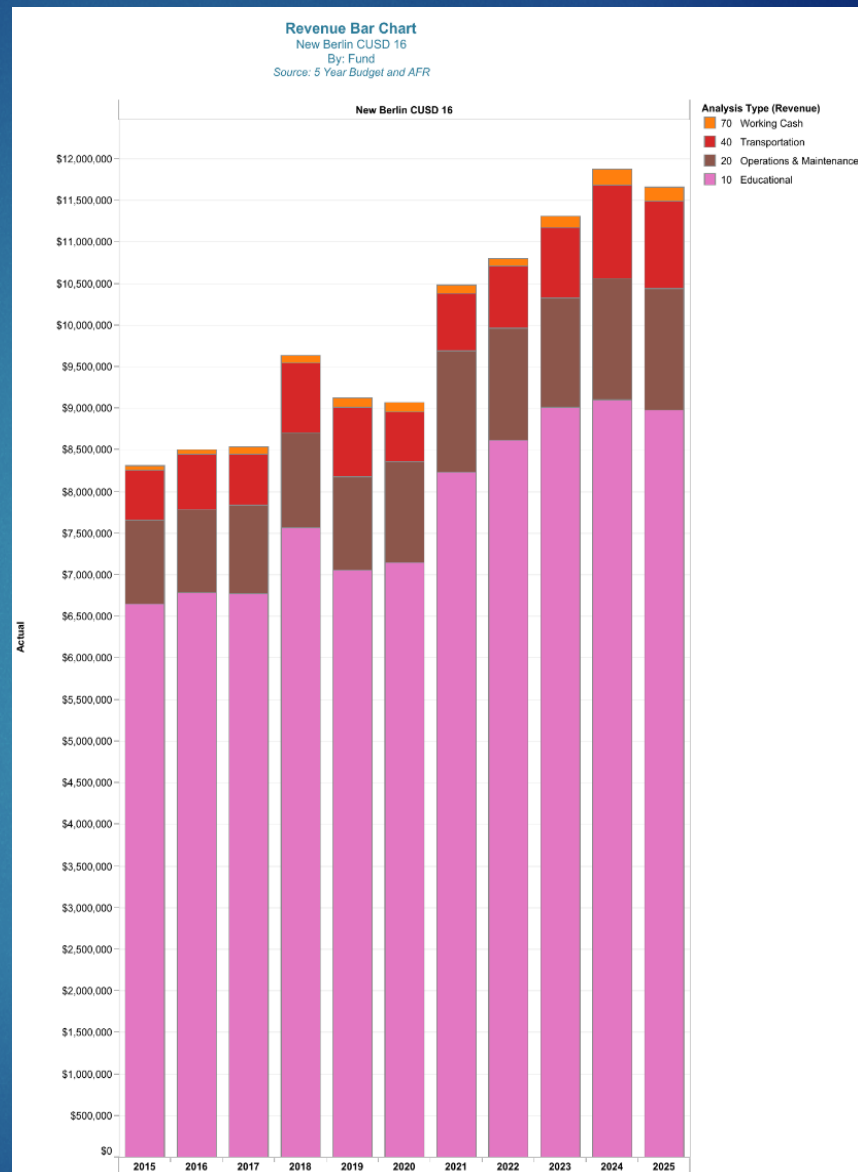


Revenues

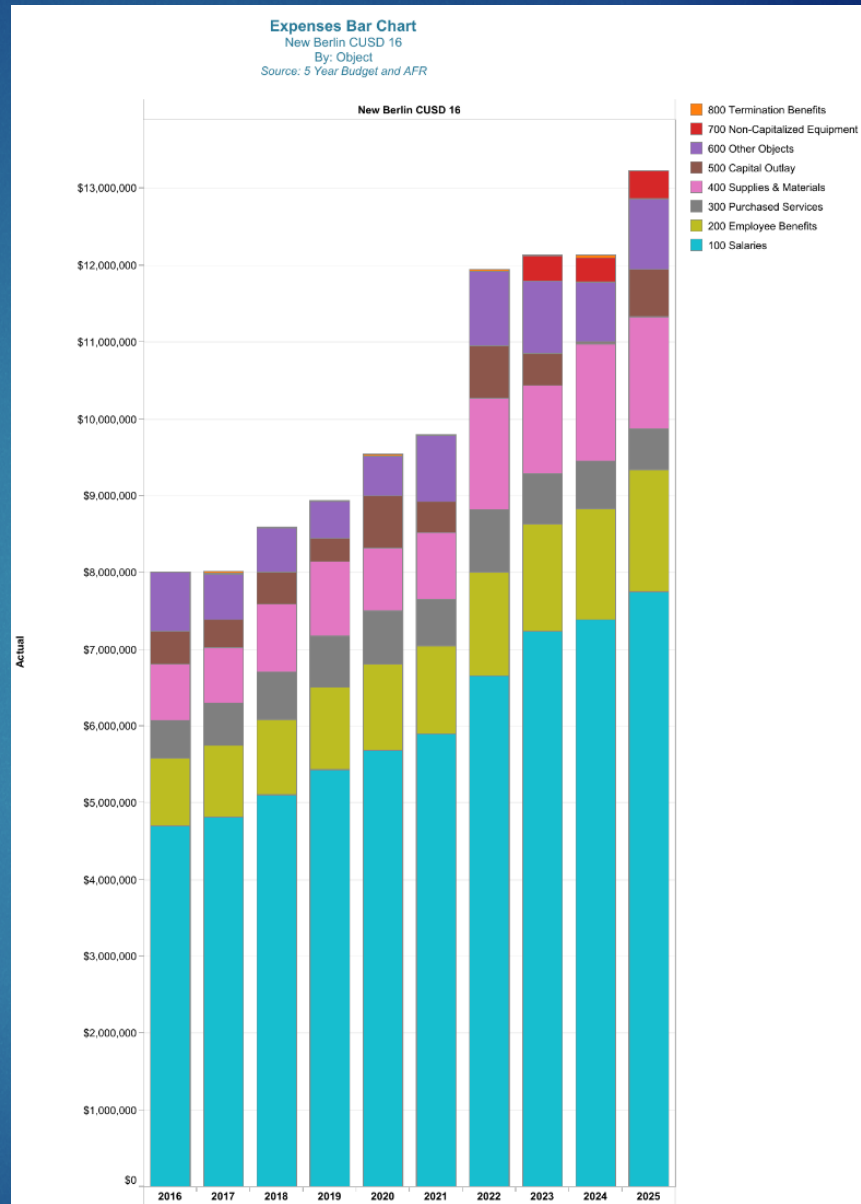
❖ Local Sources

Local property taxes continue to rise as Equalized Assessed Value (EAV) increases; however, the rate of increase is moderating due to the Property Tax Extension Limitation Law (PTELL)

❖ State/Federal Sources

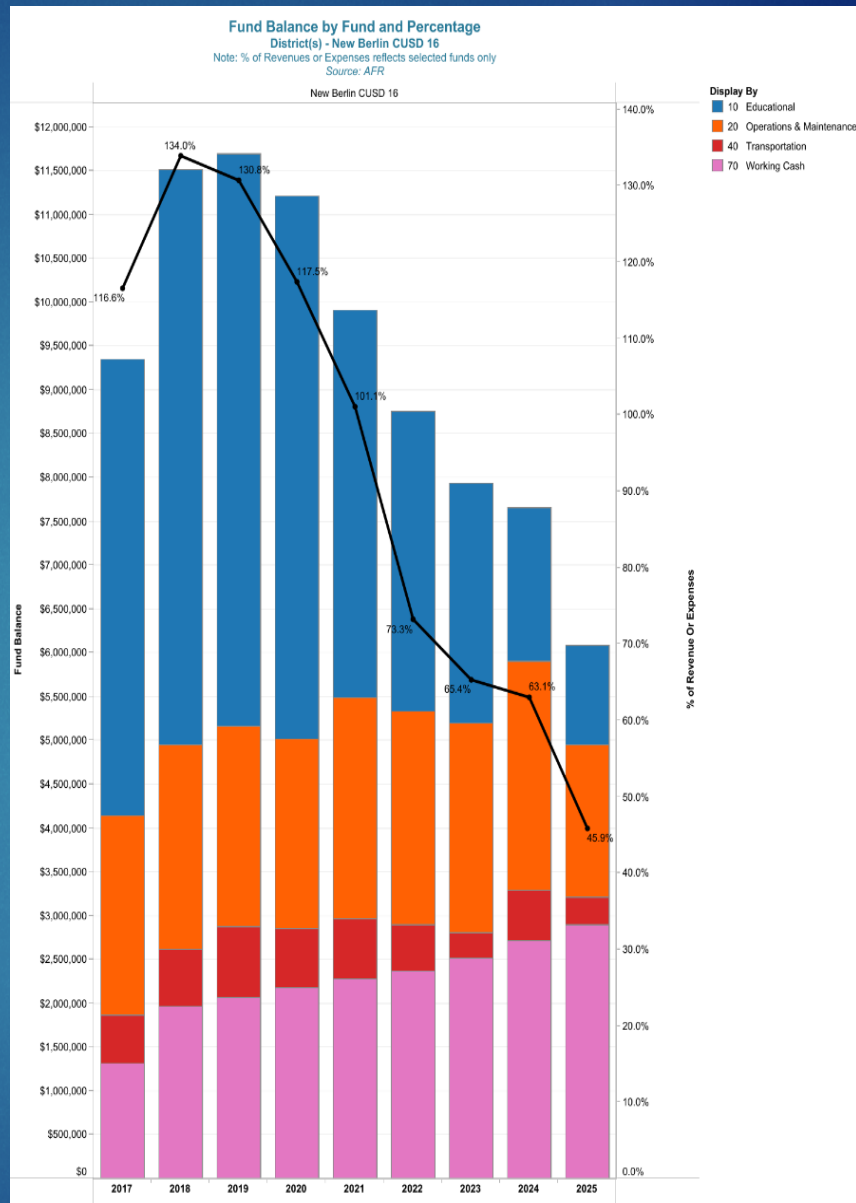


Expenses

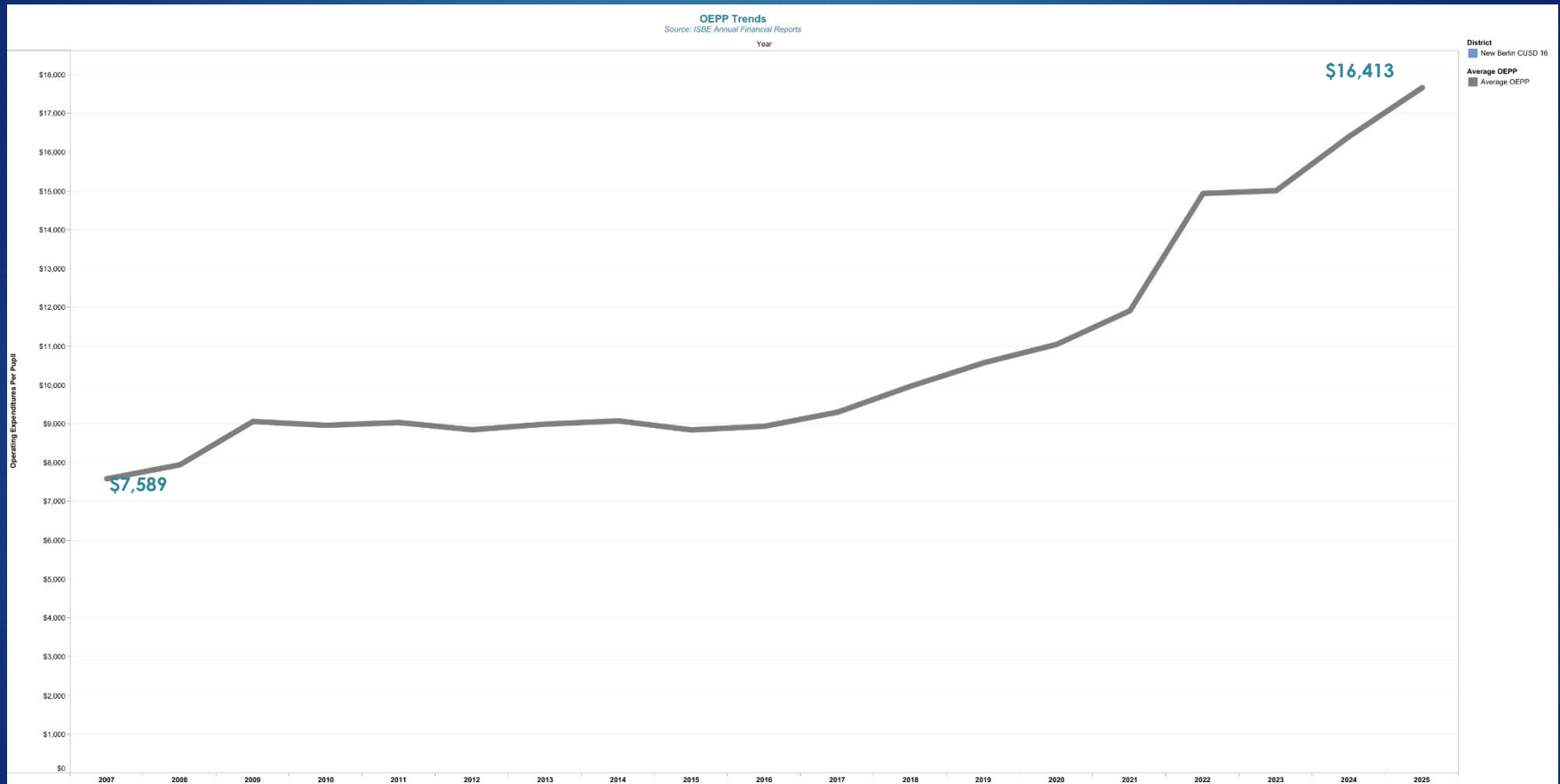


Fund Balance

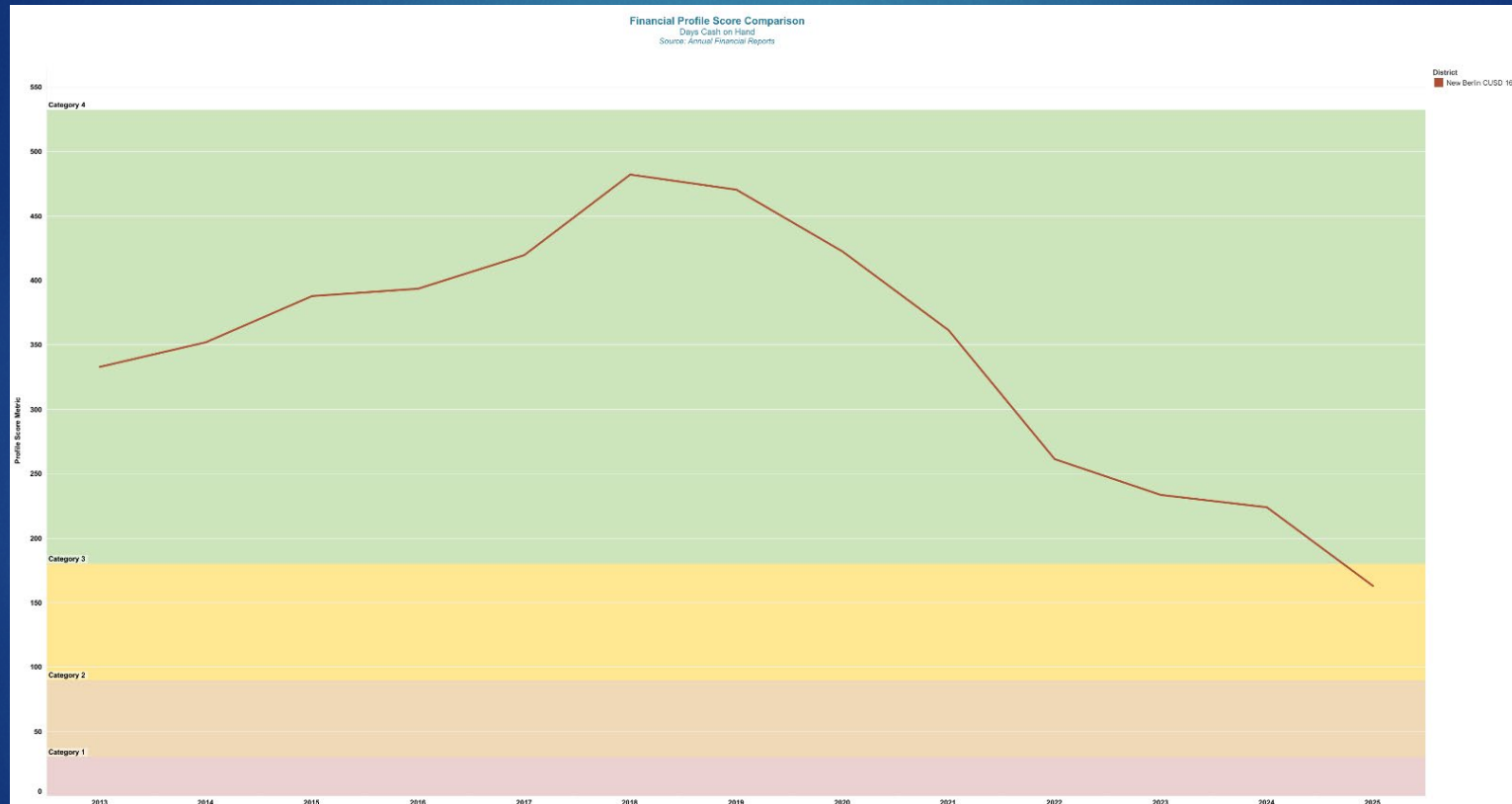
Fund Balance by Fund and Percentage of Expenses



Operating Expense Per Pupil



Financial Profile Score Comparison



FY25 Score = 3.25
Financial Review

FY25 Days Cash on
Hand = 163.27 days



Questions & Answers