



TO: Board of Education
Dr. Lisa Leali, Superintendent

FROM: Jay Kahn, Director of Finance and Operations/CSBO

DATE: April 23, 2024

RE: Tentative Budget 2024-25

Background

The annual budget adopted by all public school districts includes all funds, that when taken as a whole, set the plan for accomplishing the educational and financial goals of the school board. All budgets must be entered and adopted on the budget form prepared and provided by the Illinois State Board of Education (ISBE).

The Budget is designed to meet requirements imposed by Illinois law and applicable rules; provide expending and taxing authority; and satisfy a minimum level of financial information for state, local and federal governments.

The attached budget is a Tentative Budget and will be on display at the District Office and on the District website for public inspection for at least 30 days prior to the public hearing and the public meeting at which the final budget will be approved. Budgets are due to be filed by September 30 each year.

Current Situation

The 2024-2025 Tentative Budget is a *balanced* operating budget, but a *net deficit* budget due to the remaining capital investment out of fund balance. This year's budget faces significant constraints and lacks the usual level of conservatism. While there are line items subject to change before the final budget in September, the aim remains to achieve a balanced budget.

All comparisons are relative to the 2023-24 Budget

Total Revenue expected to increase (+4.3%) vs the prior year's budget

Local Property taxes are up +5.1% due to the CPI increase. There was a planned deficit and decreased levy in the Transportation Fund in the prior year to avoid tax objections.

Corporate tax revenues are expected to be about 25% lower than the prior year, however *interest earnings* remain a significant source of revenue.

State funding will remain flat and Federal revenue is up (+12%) due to increases in the Individuals with Disabilities Act (IDEA) allocation.

Operating Expenditures are budgeted to increase (+6.6%) vs the prior year's projected actual results

Expenditures for *operations* are projected to increase by 5.9% (+\$1.2 million) vs prior year largely due to increases in salaries due to the new CBA, added FTE, and salary driven increases in third party contracts.

- Salaries increase +6.3% (\$ 765 thousand) – The increase in salaries is driven by the new LBTC contract as well as large increases in support staff and guest teacher salaries to remain competitive. We have also added additional enrichment support.

- Benefits increase +4.6% (~\$125 thousand) – This increase is due to increases in health insurance costs net of plan change savings. Other pension and payroll tax benefits increase proportionally with salaries.
- Purchased services increase +8.2% (\$260 thousand) – The contract for night custodial services was rebid and increased by 18% due to minimum wage laws. The contracts for transportation is also increasing by more than 8% due to insurance increases and the Illinois Paid Leave for All act. Technology license increases are also averaging 5%.
- Supply expenses increase +3.8% (\$38 thousand) – Supply increases are resulting from the District getting on a consistent replacement cycle and regular inflationary increases.
- Capital expenditures (in operations) are budgeted to be flat – The total cost of the projects that need to be completed currently exceed the budget but may be started this fiscal year.
- Special Ed tuition expenses are slightly lower -11% (\$35 thousand) – due to fewer planned outplacements.

Non-operating funds

- Debt service is budgeted in accordance with scheduled payments.
- Capital spending will be much lower than in 2023-24. The only remaining project is the balance of the Middle School air handlers for \$451,000.

After doing significant capital work in 2023-24 out of fund balance reserves, the ending Fund Balance is projected to end the year at 30% of annual operating expenditures. The Fund Balance Board Policy target for fund balance is between 30% – 50%.

Lake Bluff Elementary School District 65
Statement of Revenue, Expenditures and Change in Fund Balance
2024-25 Budget Amount vs. 2023-24 Budget Amount
By Object

	Operating Funds											Total Governmental Funds	2023-24 Budget Amount 0	Δ PY
	General Fund		Special Revenue Funds											
	Education & Working Cash Funds	Δ PY	Operations & Maintenance Fund	Δ PY	Transportation Fund	Δ PY	Municipal Retirement / Social Security Fund	Δ PY	Debt Service Fund	Δ PY	Capital Projects Fund			
<u>Revenue:</u>														
Local Sources	\$ 16,784,408	3.9%	\$ 1,815,000	-2.5%	\$ 706,000	80%	\$ 524,000	5%	\$ 2,280,000	0%	\$ 2,000	\$ 22,111,408	\$ 21,207,250	4.3%
State Sources	565,850	0%	-		50,000	0%	-		-		-	615,850	615,750	0%
Federal Sources	381,122	12%	-		-		-		-		-	381,122	340,300	12%
Total Revenue	<u>\$ 17,731,380</u>	3.9%	<u>\$ 1,815,000</u>	-2.5%	<u>\$ 756,000</u>	71%	<u>\$ 524,000</u>	5%	<u>\$ 2,280,000</u>	0%	<u>\$ 2,000</u>	<u>\$ 23,108,380</u>	<u>\$ 22,163,300</u>	4.3%
<u>Expenditures:</u>														
Salaries	\$ 12,484,051	6.2%	\$ 466,242	8.2%	\$ -		\$ -		\$ -		\$ -	\$ 12,950,294	\$ 12,183,477	6.3%
Employee Benefits	2,286,311	6.0%	70,702	1.6%	-		495,089	-1%	-		-	2,852,102	2,726,426	4.6%
Purchased Services	1,744,194	0.2%	652,915	6.9%	1,028,050	26%	-		5,000	0%	-	3,430,159	3,169,578	8.2%
Supplies	641,050	-20%	409,000	2.3%	-		-		-		-	1,050,050	1,011,866	3.8%
Capital Outlay	-		250,000	0%	-		-		-		451,000	701,000	2,755,000	-75%
Tuition, Fees & Debt Service	298,275	-10.7%	500	0%	-		-		2,255,419	0%	-	2,554,194	2,582,640	-1%
Total Expenditures	<u>\$ 17,453,882</u>	4.0%	<u>\$ 1,849,359</u>	4%	<u>\$ 1,028,050</u>	26%	<u>\$ 495,089</u>	-1%	<u>\$ 2,260,419</u>	0%	<u>\$ 451,000</u>	<u>\$ 23,537,799</u>	<u>\$ 24,624,088</u>	-4.4%
Excess (Deficiency) of Revenue over (under) Expenditures	\$ 277,498		\$ (34,359)		\$ (272,050)		\$ 28,911		\$ 19,581		\$ (449,000)	\$ (429,419)	\$ (2,460,788)	
<u>Other Financing Sources/(Uses):</u>														
Other Sources of Funds	-		-		-		-		34,380		285,000	319,380	2,334,400	
Other Uses of Funds	(34,381)		(285,000)		-		-		-		-	(319,381)	(2,334,400)	
Change in Fund Balance	\$ 243,117		\$ (319,359)		\$ (272,050)		\$ 28,911		\$ 53,961		\$ (164,000)	\$ (429,420)	\$ (2,460,788)	
Beginning Fund Balance	\$ 4,883,169		\$ 1,032,083		\$ 362,934		\$ 182,746		\$ 382,612		\$ (5,843)	\$ 6,837,702		
Ending Fund Balance	<u>\$ 5,126,286</u>		<u>\$ 712,724</u>		<u>\$ 90,884</u>		<u>\$ 211,657</u>		<u>\$ 436,573</u>		<u>\$ (169,843)</u>	<u>\$ 6,408,282</u>		

Lake Bluff Elementary School District 65
Statement of Revenue, Expenditures and Change in Fund Balance
2024-25 Budget Amount vs. 2023-24 Budget Amount
By Function

	Operating Funds														
	General Fund		Special Revenue Funds										Total Governmental Funds	PY Actual	Δ PY Act
	Education & Working Cash Funds	Δ PY Act	Operations & Maintenance Fund	Δ PY Act	Transportation Fund	Δ PY Act	Municipal Retirement / Social Security Fund	Δ PY Act	Debt Service Fund	Δ PY Act	Capital Projects Fund				
Revenue:															
Local Sources															
Real Estate Taxes	\$ 15,565,258	4.8%	\$ 1,740,000	-2.6%	\$ 596,000	111%	\$ 511,000	5%	\$ 2,250,000	0%	\$ -	\$ 20,662,258	\$ 19,655,300	5.1%	
Replacement Taxes	300,000	-20.0%	-		-		5,000	0.0%	-		-	305,000	380,000	-19.7%	
Earnings on Investments	450,000	0%	55,000	0%	20,000	0%	8,000	0%	30,000	0%	2,000	565,000	565,000	0%	
Tuition	33,000	0%	-		-		-		-		-	33,000	33,000	0%	
Student Fees	216,000	0%	-		90,000	0%	-		-		-	306,000	216,350	41%	
Food Service	206,300	0%	-		-		-		-		-	206,300	207,000	0%	
Other Local	13,850		20,000		-		-		-		-	33,850	150,600	-78%	
Total Local Revenue	\$ 16,784,408	-1.6%	\$ 1,815,000	-2.5%	\$ 706,000	59%	\$ 524,000	5%	\$ 2,280,000	-1%	\$ 2,000	\$ 22,111,408	\$ 21,207,250	4.3%	
State Sources															
General State Aid	\$ 565,000	0%	\$ -		\$ -		\$ -		\$ -		\$ -	\$ 565,000	\$ 565,000	0%	
Special Education	-		-		-		-		-		-	-	-		
Transportation	-				50,000	0%	-		-		-	50,000	50,000	0%	
Other State	850	13%	-		-		-		-		-	850	750	13%	
Total State Sources	\$ 565,850	0%	\$ -		\$ 50,000	0%	\$ -		\$ -		\$ -	\$ 615,850	\$ 615,750	0%	
Federal Sources															
Special Ed	\$ 280,122	19%	\$ -		\$ -		\$ -		\$ -		\$ -	\$ 280,122	\$ 235,000	19%	
Milk	5,000	0%	-		-		-		-		-	5,000	5,000	0%	
Title I - Low Income	60,000	-6%	-		-		-		-		-	60,000	63,800	-6%	
Title II - Teacher Quality	16,000		-		-		-		-		-	16,000	16,500	-3%	
Other Federal	20,000	-45%	-		-		-		-		-	20,000	20,000	0%	
Total Federal Sources	\$ 381,122	12%	\$ -		\$ -		\$ -		\$ -		\$ -	\$ 381,122	\$ 340,300	12%	
Total Revenue	\$ 17,731,380	3.9%	\$ 1,815,000	-3%	\$ 756,000	71%	\$ 524,000	5%	\$ 2,280,000	0%	\$ 2,000	\$ 23,108,380	\$ 22,163,300	4.3%	
Expenditures:															
Instruction:															
Regular Programs	\$ 7,472,936	6.1%	\$ -		\$ -		\$ 84,708	5.1%	\$ -		\$ -	\$ 7,557,644	\$ 7,123,265	6.1%	
Private Tuition	34,000	6%	-		-		-		-		-	34,000	32,000	6%	
Special Education	2,374,875	3.9%	-		-		106,605	-5.7%	-		-	2,481,480	2,399,728	3.4%	
Remedial/Supplemental	487,161	0%	-		-		5,816	6.7%	-		-	492,977	490,356	1%	
Cocurricular/Athletics	169,848	-10%	-		-		2,043	-33.0%	-		-	171,891	191,095	-10%	
Gifted Programs	170,577		-		-		2,105		-		-	172,681	-		
Summer School	-	-100%	-		-		-	-100.0%	-		-	-	30,331	-100%	
Bilingual	387,375	-1%	-		-		8,550	0.3%	-		-	395,926	401,599	-1%	
Other	-		-		-		-		-		-	-	-		
Total Instruction	\$ 11,096,772	6.1%	\$ -		\$ -		\$ 209,827	-0.8%	\$ -		\$ -	\$ 11,306,599	\$ 10,668,374	6.0%	
Supporting Services															
Pupil Support	\$ 1,421,408	-2.3%	\$ -		\$ -		\$ 57,144	-16.4%	\$ -		\$ -	\$ 1,478,551	\$ 1,522,823	-2.9%	
Educational Staff Support	578,313	-11.2%	-		-		7,919	-6.3%	-		-	586,232	659,610	-11.1%	
General Administration	1,162,778	3.7%	-		-		31,653	1.8%	-		-	1,194,431	1,152,746	3.6%	
School Administration	961,486	3.6%	-		-		30,174	-0.1%	-		-	991,660	958,316	3.5%	
Business & Operations	551,578	7%	1,849,359	4%	1,028,050	26.4%	108,215	3%	-		451,000	3,988,202	5,712,624	-30%	
Food Service	303,700	0%	-		-		-		-		-	303,700	303,700	0%	
HR/Technology	643,200	-7%	-		-		50,157	9.6%	-		-	693,357	738,246	-6%	
Total Support Services	\$ 5,622,462	-0.8%	\$ 1,849,359	4%	\$ 1,028,050	26.4%	\$ 285,261	-1.2%	\$ -		\$ 451,000	\$ 9,236,133	\$ 11,048,065	-16.4%	
Community Services															
Nonprogrammed Charges	9,800		-		-		-		-		-	9,800	11,700	-16%	
Payments to other Districts	724,848	12.8%	-		-		-		-		-	724,848	642,711	13%	
Debt Service															
Principal	-		-		-		-		1,892,446	5%	-	1,892,446	1,810,700	5%	
Interest and Other Charges	-		-		-		-		367,973	-16.8%	-	367,973	442,538	-16.8%	
Contingency	-		-		-		-		-		-	-	-		
Total Expenditures	\$ 17,453,882	4.0%	\$ 1,849,359	4%	\$ 1,028,050	26.4%	\$ 495,089	-1%	\$ 2,260,419	0%	\$ 451,000	\$ 23,537,799	\$ 24,624,088	-4.4%	
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