WOODRIDGE
SCHOOL DISTRICT 68

memo

To:	The Board of Education and Dr. Patrick Broncato, Superintendent
From:	Curt Saindon, Assistant Superintendent for Business Services/CSBO
Date:	September 18, 2026
Subject:	Final Budget Presentation and Recommendation for Fiscal Year 2026-2027

The Tentative Budget for Fiscal Year 2026-2027 was presented for the Board's review and approval on July 20th at the Regular Board Meeting, and it has been on public display in the District Office during regular business hours and available on our website since that time. A notice of its availability, and of the September 21st Public Hearing on the Budget, to be held before the final budget is presented to the Board for consideration and approval, was posted in a local newspaper of general circulation (Naperville Sun) on July 26, 2026. Several changes to the tentative budget have been processed since July 20th. Some were highlighted at the August Board Meeting and all will be summarized herein. We finalized budgeted revenues and expenses, as well as fund balance and interest transfers, as we received additional data and updated information, approved grants, finalized staffing, and determined benefits. We believe this budget represents a conservative and accurate estimate of our projected revenues, expenses and the projected results of operations for all funds this fiscal year.

As you can see in the final budget being presented tonight, we are projecting initial deficits in the Education Fund ($1,489,621…to be covered by interest income transfers and fund balance transfers from other funds) and IMRF Fund ($233,991…to be covered by existing fund balance reserves), while surpluses are expected in the O&M Fund ($313,874), the Debt Service Fund ($2,000), the Transportation Fund ($25,268), the Capital Projects Fund ($295,000), the Working Cash Fund ($903,653) and the Tort Fund ($50,153). <u>After factoring in planned transfers of interest income ($1,100,000) and available fund balances ($400,000) to the Education Fund (to cover the projected deficit), we will actually have a small net negative result of operations from all funds combined for the year of $133,664 (or .2% of projected operating revenues).</u> After interest transfers and fund balance transfers are processed, any net negative results in individual funds will be covered by existing fund balance reserves. We are working to maintain adequate, but not excessive, reserves in all funds (ideally that would be one year's worth of normal expenses in each fund) but that goal is becoming increasingly difficult as revenues are not able to keep pace with expenses due to a variety of factors. Our goal is to maintain no more than two times the anticipated annual expenditures heading into any given year from a combination of existing fund balance reserves and expected new-year revenues (described as the Miller Ratio limit). We do have adequate reserves available to cover any actual shortfalls and a deficit reduction plan is not required by ISBE at this time. However, continued erosion of these reserves might require a deficit reduction plan in the future, unless new revenues are identified or expenditure reductions are implemented.

Overall, we have about $65.90M in planned spending (not including $15M of State of Illinois “On Behalf Payments” to TRS) that will be covered by $65.80M in expected revenues and $59.45M in available fund balance reserves. This planned spend down of fund balances will help stabilize and maintain our reserves at adequate, but not excessive, levels as we work to maintain appropriate fund balances in order to avoid tax objection lawsuits and claims of excess fund balance accumulation. This budget is conservative in its approach and based on recent results from operations over the past five years. We realistically hope to come in at 94% to 97% of budgeted expenses and 98% to 100% of budgeted revenues, thereby balancing our actual results from operations and realizing small fund balance growth in most funds. We are on very solid financial footing and again expect to earn a perfect 4.0 Financial Profile Score from ISBE and maintain a AAA credit rating from Standard & Poor’s. Major changes from the tentative budget for each fund are summarized below and are reflected in the final budget document:

Beginning Fund Balances in the Tentative Budget, as of 7/1/26, have been adjusted to reflect revised amounts based on initial/preliminary audit preparation work. While these balances do not reflect finalized, audited fund balances (as the audit is not yet complete), they should be very close, based on the audit work completed to date. These figures reflect the best information available at the time of the final budget presentation.

<u>Education Fund</u>

- Inserted $15M for “On Behalf” Revenues and Expenditures, as an estimate of the amount to be paid by the State of Illinois to the Illinois Teacher’s Retirement System on behalf of Woodridge School District #68 (no impact on bottom line).

- Adjust CPPRT from $250,000 to $300,000 based on finalized estimates from the Illinois Department of Revenue (increased revenues by $50,000).

- Adjusted A La Carte Food Service Revenues from $10,000 to $25,000 based on finalized results from 2025-2026 (increased revenues by $15,000).

- Adjusted EBF State Aid Revenues from $4,750,000 to $4,777,292 based on finalized estimates received from ISBE (increased revenues by $27,292).

- Increased the EC Block Grant from $525,000 to $535,000 based on updated estimates from ISBE (increased revenues by $10,000)

- Reduced Title I Grant Revenues from $375,000 to $361,513 based on finalized estimates from ISBE/DOE (decreased Title I grant revenues by $13,487).

- Reduced Title IV Grant Revenues from $50,000 to $25,265 based on finalized estimates from ISBE/DOE (decreased Title IV grant revenues by $24,735).

- Increased Title III Grant Revenues from $45,000 to $50,000 based on finalized estimates from ISBE/DOE (increased Title III grant revenues by $5,000).

- Reduced Title II Grant Revenues from $75,000 to $55,545 based on finalized estimates from ISBE/DOE (decreased Title II grant revenues by $19,455).

- Split the Assistant Superintendent for Business Services salary and benefits evenly (25% to each area) between Fiscal Services, Food Services, Construction/Maintenance Services and Transportation Services to reflect the actual workload (moved 25% to the O&M Fund, 25% to the Transportation Fund and left 50% in the Education Fund).

- Collectively adjusted salaries and benefits for various 1100 expenditure function codes (instructional services) to reflect actual finalized salaries and benefits based on new hires approved by the Board of Education.

- Collectively adjusted salaries and benefits for various 2110 expenditure function codes (instructional support services) to reflect actual finalized salaries and benefits based on new hires approved by the Board of Education.

- Collectively adjusted salaries and benefits for various 2330 expenditure function codes (general administration support services) to reflect actual finalized salaries and benefits based on new hires approved by the Board of Education.

<u>O&M Fund</u>

- We adjusted the fund balance transfer to the Education Fund from $0 to $200,000 to help cover the projected deficit in the Education Fund (this will reduce the ending projected fund balance in the O&M Fund by $200,000).

Transportation Fund

- We adjusted the fund balance transfer to the Education Fund from $0 to $200,000 to help cover the projected deficit in the Education Fund (will reduce the ending projected fund balance in the Transportation Fund by $200,000).
- We reduced the State Transportation Reimbursements Claim Revenues for student transportation from $600,000 (Regular Ed) and $750,000 (Special Ed) down to $480,000 (Regular Ed) and $680,000 (Special Ed) based on the tentative claim prepared and submitted to ISBE in August and the project pro-rations for those two reimbursement formulas based on State Mandate Categorical Funding (reduced revenues by $190,000).

Capital Projects Fund

- We adjusted State/SREC revenues from $200,000 to $320,000 (an increase of $120,000 in revenues) and Federal/IRAFTC revenues from $1,300,000 to $1,325,000 (an increase of $25,000 in revenues) for the Capital Projects Fund.

Debt Service

- No changes were made to this fund's budget.

IMRF Fund

- No changes were made to this fund's budget.

Tort Fund

- No changes were made to this fund's budget.

Working Cash Fund

- No changes were made to this fund's budget.

We also are presenting during the public hearing and during the final budget presentation a fund balance adequacy summary that compares total resources (FY26 unaudited ending fund balances plus any remaining taxes to be collected from the CY25 tax levy in the fall of 2026) to the average expenditures for each operating fund over the past three years, to ensure that our Miller Ratio/Fund Balance Targets are at or below 2.0 (two times the average expenditures for the past three years), and definitely no greater than 2.5 (per Public Act 103-0394, we would have to file a plan if they were over 2.5), as required by law.

To summarize, we will ask after the public budget hearing and the final budget presentations are completed, that the final budget and all associated resolutions, certifications and documents be approved by the Board, so we can file everything with the appropriate Local, State and Federal agencies in accordance with the Illinois School Code, any existing Federal Laws, and any existing Bond Covenants, as needed.

RECOMMENDATION

It is the recommendation of the Administration that the Board of Education approve the FY 2026-2027 final budget, presented on the ISBE Form 50-36, as attached. Additionally, we would ask that the Board to approve the associated Resolutions, Certifications, Notices and other documents required as part of this process, and direct the Assistant Superintendent for Business Services to file signed copies of the budget and the associated documents in a timely manner with the proper Local, State and Federal authorities, as required by the Illinois School Code and other related laws, agreements, provisions and bond covenants, as applicable.