Lake Bluff Elementary School District 65

Lake Bluff, Illinois

Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2026

Officials Issuing Report:
Dr. Lisa Leali – Superintendent of Schools
Jay Kahn – Chief School Business Official

Department Issuing Report:
Business Office

Annual Comprehensive Financial Report

of

Lake Bluff Elementary School District 65

Lake Bluff, Illinois

As of and for the Year Ended June 30, 2026

Officials Issuing Report

Dr. Lisa Leali, Superintendent of Schools
Jay Kahn, Chief School Business Official

Department Issuing Report

Business Office

Lake Bluff Elementary School District 65

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LAKE BLUFF SCHOOL DISTRICT 65

September 15, 2026

President, Members of the Board of Education, and Residents of
Lake Bluff Elementary School District 65
121 E. Sheridan Pl, Lake Bluff, IL 60044

The Annual Comprehensive Financial Report (ACFR) of Lake Bluff Elementary School District 65 (the District), for the fiscal year ended June 30, 2026, is attached. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District.

We believe the data, as presented, are accurate in all material aspects and represent the financial position and results of operations of the District as shown by the disclosure of all financial activity of its various funds; and that all disclosures necessary for public understanding of the District's financial status have been incorporated within this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter for transmittal and should be read in conjunction with it.

District Profile

Lake Bluff Elementary School District 65 is located in the northeastern part of Lake County, along Lake Michigan, and is approximately 35 miles north of Chicago, Illinois, and 60 miles south of Milwaukee, Wisconsin. The District encompasses approximately 5.1 square miles and serves residents of the Village of Lake Bluff and unincorporated Shields Township. The District belongs to United States Congressional District 10, Illinois State Representative District 58 and Illinois State Senate District 29.

Interstate highway access is available via Route 41 within the District and directly west of the District on Interstate 94, providing access for commuters to Chicago or Milwaukee. Commuting to downtown Chicago by train on Metra's Milwaukee District North Line takes approximately one hour.

The District educates approximately 861 students in pre-school through 8th grade at two facilities. It is characterized by high academic achievement, an involved community, extensive fine arts programs and small class sizes. For secondary education, District students attend Lake Forest Community High School District Number 115.

The District currently has 153 employees, of whom 105 are licensed and 48 are non-licensed. Of the total number, 97 are represented by the Illinois Education Association (IEA).

The District operates independently and is not considered a component unit of any other entity. The District levies its own local property tax, which is filed with the Lake County Clerk. Taxes collected by the County Clerk are extended and distributed directly to the District. The District has complete

responsibility for the preparation and modification of its annual budget and is solely accountable for its fiscal matters, including surpluses and deficits, designation of management, and issuance of debt.

The governing body is a Board whose seven members are elected for staggered four-year terms of office. The Board is a policy making body whose primary functions are to establish policies for the District, provide for the general operation and personnel of the District, and to oversee the property and facilities of the District. Based on the legislative authority in the Illinois School Code, the Board of Education has the power to sue and be sued in all courts; to levy and collect taxes and to issue bonds; and to contract for appointed administrators, teachers, and other personnel, as well as for goods and services. The Board elects a President, Vice President and Secretary from its membership. The Superintendent and staff report to the Board and run the day-to-day operations of the District.

History of the District

The District was established in 1869. The newly elected school trustees purchased a site at the northeast corner of Green Bay Road and Route 176 from Edward Mawman for $35, and a one-room schoolhouse, known officially as the Rockland School, was built in 1870.

In 1895, the brick, four-room Lake Bluff School was built on the east side of town to house students in Grades 1-8, with an additional seven classroom addition being added in 1923, the same year that Lake Bluff elected its first School Board. In 1934, voters approved a referendum to become part of the Deerfield-Shields High School District, allowing Lake Bluff 8th grade graduates to attend the, soon to be built, Lake Forest High School.

During the 1940's, 50's and 60's the District grew rapidly with the post-World War II population boom. Under the leadership of the District's first Superintendent, Orville Bright (1943-1959), three separate additions to East school were constructed more than doubling its size. In 1955, a new Junior High School was built to house grades 7 and 8, and it was expanded by six classrooms in 1960. It would receive a gymnasium addition in 1986.

During the following decade, enrollment sharply declined from a high of almost 1,300 students in 1969, to less than 700 in 1981. To adapt to the reduced enrollment, the Board of Education closed the aging East School in 1982 and used it to house the administrative offices. They divided the remaining schools by grade level:

- Central School served Kindergarten – 3rd grades;
- West School served 4th and 5th grades, and the
- Junior High served 6th – 8th grades.

School start times were staggered and students were bused to schools that were no longer within walking distance.

As enrollment rebounded in the 90's to around 1,000 students, a Facility Study and Strategic Plan were completed and the District was restructured. East School reopened as the K-2 building after extensive renovation and updating, West School was closed, and the Junior High was renamed Lake Bluff Middle School.

In spring 2007, voters narrowly approved the issuance of $24.4 million in bonds to fund the construction of a new K-5 school and to provide for a band room addition and renovations, including air conditioning, to the middle school. Construction of the new elementary school began on the site of Central School in

summer 2008 and was completed in September 2009. Leadership in Energy and Environmental Design (LEED) Silver certification was awarded to the school by the U.S. Green Building Council in spring 2012. East school was eventually razed in 2011 and the administrative offices moved to rented office space on the west side of town.

In 2016, the Lake Bluff Middle School underwent an extensive $10.5 million renovation funded with $5.7 million of new debt and $4.8 million of fund balance reserves. The aesthetics of the building were upgraded and the administrative offices moved back into the lower level of the building. The project encompassed both a classroom and fine arts addition, renovated the science labs and the front entrance, and reinvented the library/media center as the hub of the school. To preserve and honor the history of the District, the frontispiece from East School was preserved and erected in the new library/media center.

In 2018, after only 10 years, the rooftop evaporative cooling units installed at the elementary school building, for efficiency reasons, had fatal coil failures. The water-cooled units did not fare well in this climate and they were replaced with more traditional air conditioner units at a cost of approximately $1 million. A year later, in the summer of 2019, the District performed a scheduled replacement of the two aging boilers at the middle school.

The District held off on major capital projects during the pandemic due to the financial uncertainty and the excellent condition of our facilities. When the impact of the pandemic diminished, the District completed deferred projects and resumed the normal capital planning process. Fund balance was used to complete $2.4 million worth of projects in 2023-24. New classroom furniture was purchased for both schools and safety enhancements were made to parking lots at both schools. Traffic barriers were put in at the elementary school, and the middle school west parking lot was demolished and replaced to improve traffic flow. Permeable pavers were installed for their durability and environmental benefits, new lighting was added to enhance safety, and electric vehicle chargers were included for staff, visitor and community use. Additional projects at the middle school included resurfacing of the gymnasium roof and replacement of five (5) air handling units to improve comfort and air quality in 2024, and the installation of electronic locks at both schools in 2025 to enhance security through access control.

The District is well positioned for the future with two newly constructed or renovated facilities and adequate capacity to handle modest enrollment growth.

Fiscal Health

The District began running operating deficits in 1999 and was put on the State's financial watch list in 2001. In April 2003, the community approved a referendum by 103 votes (52:48) to increase the District's maximum annual educational fund tax rate by 34 cents to $2.34 per $100 of assessed property value. After the referendum, the District increased tax revenue and generated surpluses to bring fund balances up to healthy levels, receiving Recognition status from the State in 2006.

In the years that followed, the District continued to generate operating surpluses which grew to $2 million per year until fiscal year 2013 when the year-end fund balance stood at roughly $17 million or 116% of annual operating expenditures. Under pressure from the community, the newly elected Board of education slashed property taxes by $3 million and used an additional $6.8 million of cash reserves to pay down the principal balance of the 2008 Elementary School Building Bonds. The Board also adopted a formal fund balance policy prescribing an aggregate year-end fund balance within the range of 30-50 percent of the current annual operating expenditures.

The Board of Education took advantage of historically low interest rates to aggressively refinance outstanding debt. During the period 2013-2020, the Board refinanced or abated all of the District's debt, over $24 million in total, for an interest savings to taxpayers of $4.5 million. The debt issued for the construction of the elementary school will be retired in 2028.

The District received a AAA bond rating from S&P Global ratings in 2020 and this rating was reaffirmed in 2024. In issuing this rating S&P cited the strong tax base, consistently balanced budgets, adequate reserves, and moderate debt burden. Since 2006, the District has regularly received a financial profile score of "Recognition" from the Illinois State Board of Education.

Collective Bargaining

In 1984, the District 65 teachers formed the Lake Bluff Teacher's Council (LBTC), which allowed them to participate in salary negotiations with the Board of Education. Two years later, they voted to become part of the Illinois Education Association.

The relationship between the Board of Education and the Lake Bluff Teachers Council was acrimonious throughout the late 1980's and early 1990's, though there was never a teacher's strike. In 1994, the Board and the LBTC entered into a collective bargaining agreement containing a unique provision, the Selective Accounting of Various Expenditures (SAVE), in which the LBTC shared in the financial decision making and was responsible for all teacher salaries and benefits, professional development, travel, tuition reimbursement, substitute teacher pay and a portion of classroom supplies. Property tax revenue was allocated to the "Council Pool" based on a formula related to the number of full time equivalent teaching staff. The Board was responsible for determining staffing levels and for paying all other expenses from the "Board Pool." This cooperative structure improved the working relationship between the Board and the LBTC and was in place for fifteen years. However, the arrangement attracted scrutiny when the District and the Council Pool began to build large surpluses. The parties began negotiating, mid-contract, and established a more traditional collective bargaining agreement starting in the 2011-12 school year.

The District considers its current relationship with the LBTC to be positive and collaborative. In the spring of 2024, the LBTC and the Board approved a 5-year collective bargaining agreement that extends through June 30, 2029.

Strategic Plan Mission, Vision, and Goals

During the Spring of 2022, the District, together with Lake Forest Elementary District 67, High School District 115, and all our constituents, developed a *Portrait of a Learner*, which expresses six competencies identified by our community as essential.



With the core competencies defined and prioritized for our learners, the District embarked on a strategic planning process in the spring of 2023, with participation from parents, students, community members, and staff, culminating in a new Strategic Plan to guide the District for the next five years. During the 2023-24 school year, the District established key performance indicators (KPI) to measure success, and is on track to accomplishing the five goals.

LAKE BLUFF ESD 65 PREFERRED FUTURE STATEMENTS		
MISSION *What we do, how we do it*	**CORE VALUES** *What we believe in and value*	**VISION** *What we are working toward*
Ensure academic achievement and personal growth for all students through innovative and engaging educational opportunities	**Equity** **Empathy** **Growth Mindset** **Joy** **Kindness** **Perseverance** **Resilience** **Respect** **Responsibility**	**An inclusive community of motivated learners who are inspired to change the world through exploration and collaboration**

MOTTO

A short reminder of our purpose

Excellence in Education, Enthusiasm for Life, Every Student, Every Day

D65 PORTRAITS

Characteristics that our people and places will demonstrate as we work toward our vision

Learner Portrait	Adult Portrait	Classroom Portrait	System Portrait
Students possess the knowledge, skills, character, and mindsets that they need to thrive in life.	Adults use these attributes to assist all students to be successful.	Adults and learners work together to create classroom communities where all students are successful.	The District embraces these attributes in order to assist all students to be successful.
A D65 learner demonstrates: • Adaptability • Citizenship • Communication • Confidence • Critical Thinking • Empathy	A D65 employee/supporter is: • A Clear Communicator • A Critical Thinker • Accountable • Collaborative • Creative • Enthusiastic • Invested • Reflective • Trustworthy	A D65 classroom community is: • Active • Curious • Engaged • Enriching • Focused • Inclusive • Innovative • Student-Led	District 65 will be: • Adaptable • Collaborative • Community-Centered • Informed • Purposeful • Respectful • Student-Focused • Supportive

D65 GOALS

Big areas of focus that are critical to attaining our vision

Goal One: Student Achievement	Goal Two: Learning Environment	Goal Three: Community Partnerships	Goal Four: Staff and Educator Excellence	Goal Five: Fiscal Responsibility and Resources Management
Ensure every child has what they need to progress academically, achieve their goals, maintain their well being and develop their interests.	Establish and maintain safe, positive, rigorous, and engaging learning environments to meet the social, emotional, and academic needs of each student.	Cultivate partnerships with families and the community to build trust and commitment to support and expand learning opportunities for each student.	Select, develop, mentor, and retain high-quality staff and leaders to ensure each student is surrounded by excellence.	Align financial, physical, and human resources to ensure integrity and equity in resource planning and allocation through careful financial stewardship.

Long Term Financial Planning
The District maintains a 5-year financial plan as part of its strategic planning process. This plan is based on a comprehensive financial model that takes into account assumptions for key variables impacting the financial health of the District in order to guide the decision making process. This plan is updated at least once a year and informs the annual budget process.

Every ten (10) years all public school buildings must undergo a Health, Life & Safety survey performed by a licensed architect. The District completed its 10-year HLS survey and updated facility assessment in 2025. Based on these assessments, the District has identified and prioritized capital projects and has no plans to issue debt in the near future for capital needs. Facility, safety & security, technology infrastructure, and furniture needs comprise the capital component of the 5-year financial plan.

District spending is controlled via requisition and position control processes and finances are monitored through such means as monthly financial reports to the Board of Education, the annual budget process, and long-term financial projections. The District continually seeks to identify new revenue sources and areas of operations for improvements in efficiency, such as energy utilization and printing services. It is the intention of the District to continue to maintain balanced budgets in future years.

Economic Outlook and Conditions
The District is located in a small, affluent community with a stable population. Median income, home values, and level of education are well above that of the County and State. The District receives revenue from three main sources: local sources, state sources, and federal sources

Local Sources
Property taxes account for approximately 87% of District direct revenue (excluding payments made to the State retirement system on behalf of the District). The District's tax base is primarily comprised of residential property (87%) with the balance being largely commercial property (8%). The District has historically collected in excess of 99.5% of property taxes extended, however the collection rate has dipped to 98.5% in recent years due to a new online system for property tax appeals in Lake County which has increased the number of assessment appeals. In 2026, the District received distributions of 100% of the property taxes extended.

The Property Tax Extension Limitation Law (PTELL) limits local property taxes for the District. The Limitation Law restricts the annual growth in the amount of property taxes to be extended to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) during the calendar year preceding the levy year. Taxes can also be increased due to new construction and referendum approval of tax rate increases. In 2022, the State of Illinois passed a new law that allows districts who are subject to PTELL to recapture property taxes refunded in the prior year due to certificates of error, Property Tax Appeal Board decisions, and court orders.

Prior to 2021, the CPI growth had not exceeded the 5% limit since PTELL's inception in 1991, but post-pandemic the economy experienced a period of high inflation. The CPI in December 2021 was 7% (affecting property taxes extended in 2023) and the CPI in December of 2022 was 6.5% (affecting property taxes that were extended in 2024). In those years, inflationary costs increased by more than the District could increase tax revenue. Inflation has returned to a more moderate level; the annual CPI growth 2.9% in December of 2024 and 2.7% in December of 2025. The 12-month rolling CPI is 3.5% through July 2026.

Another source of local funding is *Corporate Personal Property Replacement Tax* (CPPRT). These are revenues collected by the state of Illinois and paid to local governments to replace money that was lost

by local governments when their power to impose personal property taxes on corporations, partnerships, and other business entities was revoked in the new Illinois Constitution in 1979. Corporations pay a 2.5% replacement tax and partnerships, trusts, and S corporations pay a 1.5% replacement tax on their net Illinois income. Public utilities pay a 0.8% tax on invested capital. Revenue from this source spiked post-pandemic as corporate profits increased, but it is on the decline and has returned to pre-pandemic levels.

Earnings on investments fluctuate with interest rates. The District receives most of its revenue through property taxes paid at the start of the fiscal year in June and September. These funds (in addition to fund balance reserves) are able to be invested until they are needed for operations. As short-term interest rates climbed to over 5% in 2024, the highest level in over a decade, interest income has become a significant, though temporary, source of revenue. Short term interest rates are still high by historical standards at about 4%, but are expected to continue to decline over the next several years.

The balance of local revenue are *student fees* and *foodservice* revenue.

State Sources

The State of Illinois uses an Evidenced Based Funding (EBF) formula for calculating *unrestricted state aid.* The formula takes into account 26 different elements to calculate an adequate level of funding for each district based on the number of students and their characteristics. The formula then compares the availability of local revenue with the adequacy target and attempts to fund the difference. The Base Funding Minimum ensures that no district receives less than it did in aid before the law was enacted in 2017. With the passage of the new EBF formula and the commitment of the legislature to boost education funding, the fiscal health of K-12 schools in the State of Illinois has improved. Due to the high level of available local resources, the District is in tier 4 (of four tiers) and receives the Base Funding Minimum.

In addition to EBF funding, the District receives *mandated categorical* reimbursements *(MCATs)* for prior year special education and transportation spending. As the State has increased funding to the EBF formula, it is not able to fully fund MCATs at the level needed to keep pace with rising costs. As a result, MCATs are being prorated, which disproportionately impacts tier 4 districts

The State also makes payments to the Teachers' Retirement System (TRS) on behalf of the District. The State's portion of teachers' pension funding is included in total District revenue; however, it flows directly to the pension system and not to the District. Excluding pension payments, total State funding accounts for approximately 3% of District revenue.

Federal Sources

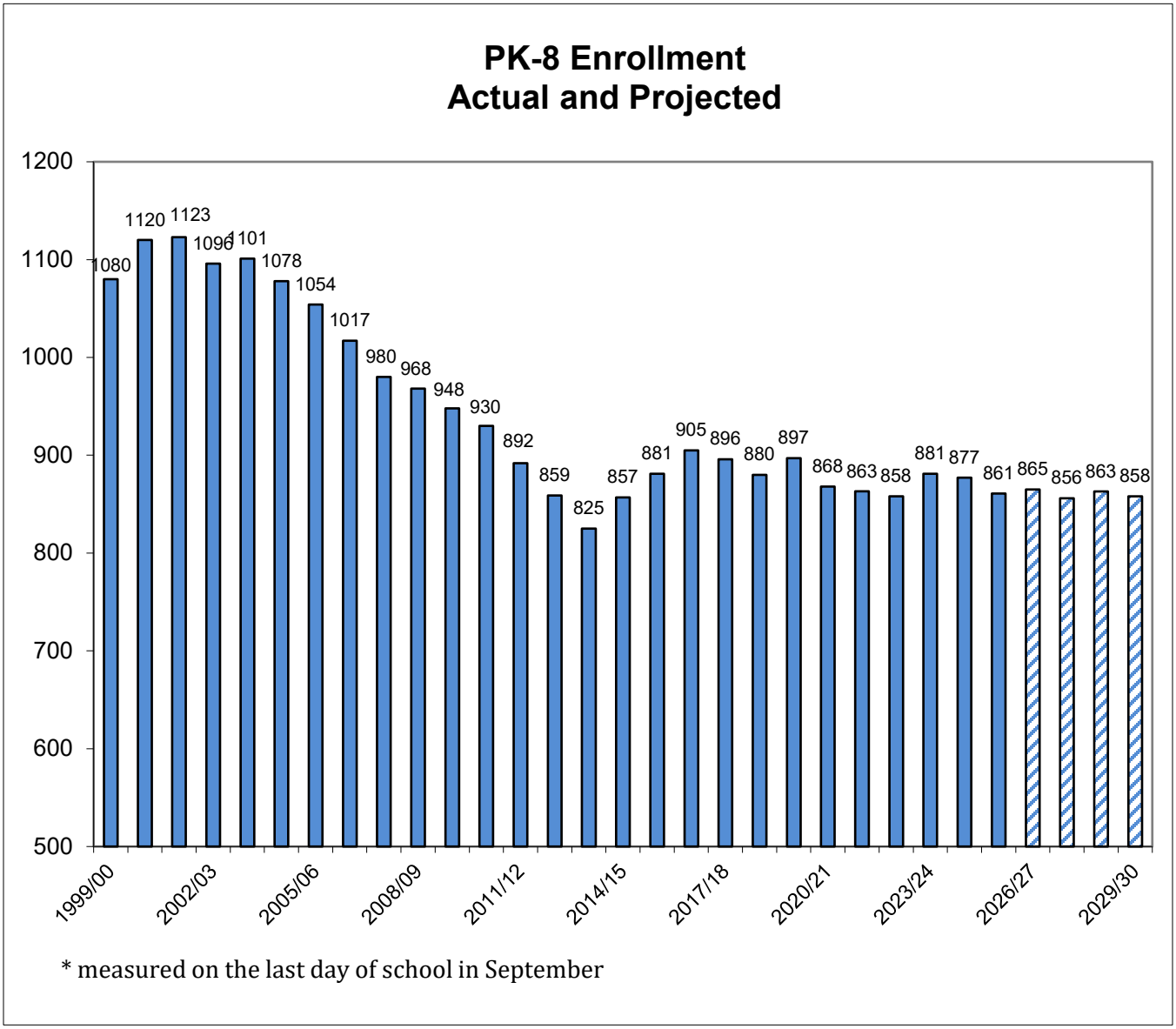
The District typically only receives only 1-2% of direct revenue from *federal grant awards* through the Every Child Succeeds Act (ESSA), the Individuals with Disabilities Education Act (IDEA), Medicaid reimbursements, and the Special Milk programs. The District expects federal funding to decline as the current administration has proposed cuts to ESSA and Medicaid.

Enrollment

The District does its own enrollment projections using the 3-year cohort survival method. Enrollments declined between 2000 and 2014 due to age and demographic shifts, and the reduction in the availability of affordable housing for young families. By adding Pre-K in 2014-15, the District increased enrollment and is working to improve long-term outcomes by providing early intervention services.

Enrollment has stabilized and steady levels are anticipated in the near future. Over half of the Village of Lake Bluff's households do not have children under the age of 18. As a result, the Village's comprehensive land use plan emphasizes increasing smaller housing options for empty nesters and older residents, which would have no effect on enrollment. However, there is a parcel of land within the Village that has remained undeveloped for many years. If single-family homes were to be built on this land, it could significantly affect enrollment.

The District also experienced a shift in demographics with an increase in the number of students who are Multilingual Learners and the percentage qualifying for free lunch, both at about 10% of enrollment.



Major Initiatives
Lake Bluff District 65 is now working in the fourth year of our five-year strategic plan. After three years of consistent growth and improvement efforts, we now have 93% of students in ELA and 88% of students in math demonstrating proficiency on the Illinois Assessment of Readiness (IAR) or the Northwest Evaluation Association's Measures of Academic Progress (NWEA MAP) assessments. Our vision of building "an inclusive community of motivated learners who are inspired to change the world through exploration and collaboration," has been the inspiration for new ways of thinking and planning for all students to succeed. The plan continues to utilize the Portrait of a Learner that we developed in cooperation with Lake Forest Districts 67 and 115 in the spring of 2022 as our north star.

Professional Collaboration and Guaranteed Results
We continue to work on building our culture of professional learning and collaboration for staff. Through our collective bargaining efforts three years ago, we were able to significantly restructure learning at the elementary level by hiring a team of enrichment specialists to begin teaching science and social studies to all students in K-5th grade. This year, we are adding two instructional support specialists with expertise in English language arts and math to support our teachers. These specialists will provide job embedded professional learning for our teams during both collaboration time and student contact time. Our focus this year is the continued implementation of highly effective instructional strategies to facilitate high levels of learning for all of our students. This continues the work on our Guaranteed, Viable and Transparent Curriculum that serves as the foundation of instructional decision making designed to ensure results for all of our students, and a more effective form of partnership for all of our families.

Science Backed Literacy Instruction
This year our kindergarten through 4th grade classrooms will be utilizing a new core resource, Core Knowledge Language Arts (CKLA) for literacy instruction. After a very successful pilot of these materials last year in 3rd grade, we are now transitioning these additional grades to the use of this new program. We have supplemented this resource with robust professional development opportunities focused on not only the use of the resource, but the essential components of the science of reading.

More Robust Support for all Students Through Inclusive Practices
We continue to invest in sustained professional development for all teachers, to design instruction for every student that we serve. We continue to be proud of our diverse student body and are working to celebrate all students and families and address whatever needs they have as they work to reach the goals that we have for all of our students.

Restructured Schedules in Elementary and Middle School
In both buildings this year, we are including intervention time built into the master schedules to support students who are struggling in math, English language arts and executive functioning. This time in the schedule is essential for supporting all students with their individual learning needs.

Technology
Over the last several years, the District has focused on improving our network, cyber security, and student device strategies. We have made significant improvements to our infrastructure which includes installations and upgrades such as replacing vital network equipment, a reliable power backup system, and redundant internet connections with failover between our two sites. Additionally, the district is now 100% cloud hosted for all essential services such as VOIP, financial, student information, website hosting, print management, and firewall management, which improves efficiency and security. Both account and device hardening has increased our cyber security posture. The

district has contracted with a managed service provider for 24/7 monitoring and alerting of our network, endpoint protection and Google Workspace.

The district has switched from a Chromebook environment to all Apple devices, which includes iPads with rugged keyboard cases for students and MacBook Airs and iPads for Staff. The iPads have proven to have much more creative capability and higher resale value than the Chromebooks. All of our equipment is on a 4-year life cycle to ensure we can continue providing quality, up to date devices and create more predictable long term budget projections for our technology expenditures.

There has been a growing concern among our community about the potential negative consequences of too much screen time and overreliance on technology. The District is making a deliberate effort to use technology with intention and in combination with more traditional paper-pencil practices. One to one device use does not start until first grade and devices do not go home with students until sixth grade.

Relevant Financial Policies

Internal Controls

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity used to maintain control over resources that have been segregated for specific activities. These funds focus on near term inflows and outflows of spendable resources and are maintained on a modified accrual basis.

Budgetary Controls

The District maintains budgetary controls at line item level, which are built into administrative responsibility cost centers before being combined to form totals by fund. All activity compared to budget is reported to the District's management and Board of Education in the form of a monthly Treasurer Report and other financial information including check registers, cash, and receivable summaries. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of all Governmental Fund types are included in the annual appropriated budget. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances lapse at year-end.

Internal Controls

District Administration is responsible for establishing and maintaining an internal control structure designed to ensure that District assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit by independent certified public accountants. The accounting firm of Baker Tilly US, LLP has served as the District's auditor since 2015. The auditors' report on the general purpose financial statements is included in the financial section of this report.

Acknowledgements

We wish to thank the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

The District's Annual Comprehensive Financial Report for the year ending June 30, 2025 received the Certificate of Excellence in Financial Reporting from both the Association of School Business Officials (ASBO) and the Government Finance Officers Association (GFOA). We could not have received these honors without the assistance of the dedicated Administrative Office Staff and the staff of Baker Tilly US, LLP, the District's auditors, whose professionalism and cooperation were instrumental in the production of the report. We greatly appreciate their hard work in the production of this year's report.

Respectfully Submitted,



Dr. Lisa Leali
Superintendent



Jay Kahn
Chief School Business Official, Treasurer

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Lake Bluff School District 65

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025.

The district report meets the criteria established for ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Lynn Knight
President

James M. Rowan, CAE, SFO
CEO/Executive Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lake Bluff School District No. 65
Illinois

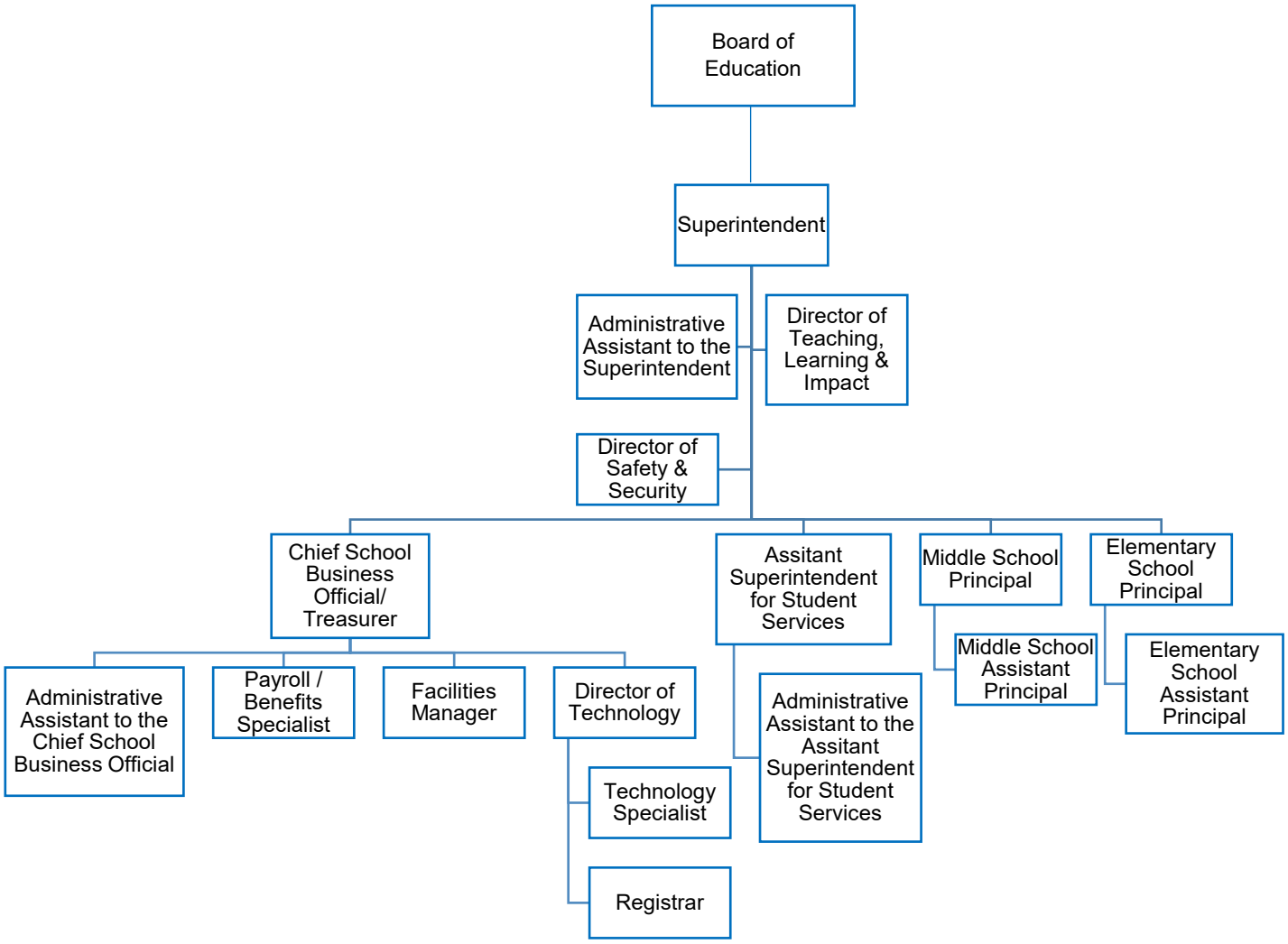
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

Christopher P. Morrill

Executive Director/CEO

Lake Bluff Elementary School District 65
2025-26 Organizational Chart



LAKE BLUFF ELEMENTARY SCHOOL DISTRICT 65

LAKE BLUFF, ILLINOIS

FOR THE FISCAL YEAR ENDED

JUNE 30, 2026

Board of Education

		First Elected	Term Expires
Carrie Steinbach	President	2021	2029
Tim Penich	Vice President	2021	2029
Lauren Hirsh	Secretary	2021	2029
Laura Breakstone		2023	2027
Andrew Carlson		2025	2029
Anne Hill		2019	2027
Richard Driver		2024*	2027

District Website: www.lb65.org

* Appointed

LAKE BLUFF ELEMENTARY SCHOOL DISTRICT 65

LAKE BLUFF, ILLINOIS

FOR THE FISCAL YEAR ENDED

JUNE 30, 2026

District Administration

Dr. Lisa Leali	Superintendent
Jay Kahn	Chief School Business Official / Treasurer
Tracy Roehrick	Assistant Superintendent for Student Services
Jaclyn Tivador	Director of Teaching, Learning, and Impact
Kevin Kolcz	Director of Technology
Austin Johnson	Director of Safety & Security
Kellie Bae	Lake Bluff Elementary School Principal
Kathleen Kwak	Lake Bluff Elementary School Assistant Principal
Nathan Blackmer	Lake Bluff Middle School Principal
Joseph Jakcsy	Lake Bluff Middle School Assistant Principal

Department Issuing Report

Business Office

Independent Auditors' Report

To the Board of Education of
Lake Bluff Elementary School District 65

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Lake Bluff Elementary School District 65 (the District), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of District as of June 30, 2026 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards).* Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3, District adopted the provisions of GASB Statement No. 103, effective July 1, 2025. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2026 was conducted for the purpose of forming opinions on the financial statements that collectively comprise District's basic financial statements. The supplementary information for the year ended June 30, 2026 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2026, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2026.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of District as of and for the year ended June 30, 2025 (not presented herein), and have issued our report thereon dated October 8, 2025, which contained unmodified opinions on the respective financial statements of the governmental activities and each major fund. The supplementary information for the year ended June 30, 2025 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2025 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2025 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2025.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections, as listed in the table of contents but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited District's 2025 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated October 8, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2026 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.



Chicago, Illinois
September 15, 2026

The management's discussion and analysis (MD&A) provides an overview and analysis of the financial activities of Lake Bluff Elementary School District 65 (the District) for the fiscal year ended June 30, 2026. This section is intended to assist readers in understanding the basic financial statements by offering a narrative explanation of the District's financial performance, condition and why amounts changed from the prior year. Readers are encouraged to consider the information presented here in conjunction with the accompanying financial statements and notes.

Overview of the Financial Statements

The District's financial report contains basic financial statements. Those financial statements present the District's finances at both an overall and a detailed level and are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

The government-wide financial statements provide a broad overview of the District's overall financial position and results of operations, similar in nature to private-sector financial statements. These statements are reported using the economic resources measurement focus and the accrual basis of accounting and consists of the following two statements:

- The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position.

- The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements cover the District's governmental activities comprising the District's most basic functions, such as instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services. Governmental activities are supported by taxes and intergovernmental revenues.

The fund financial statements provide more detailed information about the District's funds. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District's governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

The notes to the financial statements provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements.

Financial Summary and Detailed Analysis

Table 1
Condensed Statements of Net Position

	2026	2025
Assets		
Current and other assets	$ 33,107,754	$ 31,165,269
Capital assets, net	34,418,024	35,094,039
Total assets	67,525,778	66,259,308
Total deferred outflows of resources	1,620,118	1,293,716
Liabilities		
Current liabilities	836,633	856,334
Long-term liabilities	13,242,390	15,212,069
Total liabilities	14,079,023	16,068,403
Total deferred inflows of resources	27,557,817	27,247,076
Net Position		
Net investment in capital assets	25,676,088	24,613,171
Restricted	1,001,529	692,271
Unrestricted	831,439	(1,067,897)
Total net position	$ 27,509,056	$ 24,237,545

Net position increased by $3.3 million due to an operating surplus, driven by a high tax collection rate, and a reduction in long term debt due to regular debt service payments, offset by a decline in net capital assets as a result of depreciation outpacing capital investment. Capital additions included integrating classroom locks into the electronic access control system, and a minor expansion of security camera coverage. See footnotes 6 and 7 for detail on capital assets and long-term liabilities respectively.

Table 2
Changes in Net Position

	2026	2025
Revenues		
Program revenues:		
Charges for services	$ 835,262	$ 823,930
Operating grants and contributions	4,565,841	4,625,721
Capital grants and contributions	50,000	50,000
General revenues:		
Taxes	21,655,223	20,806,199
Evidence based funding	567,354	566,540
Other	894,281	896,452
Total revenues	28,567,961	27,768,842
Expenses		
Instruction	11,361,744	11,895,986
Pupil and instructional staff services	2,327,481	1,844,856
Administration and business	2,744,726	2,592,370
Transportation	861,577	1,008,344
Operations and maintenance	1,725,959	1,498,808
Intergovernmental	3,933,083	4,034,297
Interest and fees	300,307	260,388
Other	2,041,573	2,164,450
Total expenses	25,296,450	25,299,499
Change in net position	3,271,511	2,469,343
Net Position, Beginning	24,237,545	21,768,202
Net Position, Ending	$ 27,509,056	$ 24,237,545

The increase in the change in net position for 2026 vs 2025 is due primarily to an increase in tax revenue driven by a CPI increase in the tax extension under the Illinois Property Tax Extension Limitation Law (PTELL) coupled with an increase in the collection rate from 98% to 100%.

Detailed Analysis of the District's Funds

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds. Significant changes to the major funds are discussed in detail below.

General Fund

During the current fiscal year, fund balance of the General Fund increased by $0.9 million, or 12.2% on strong revenue growth. Property tax collections were atypically high at close to 100%, and there was new state reimbursement for public facility student outplacement costs and higher than expected interest earnings and fee revenue. Mid-year staff vacancies also contributed modestly to the surplus.

Transportation Fund

During the current fiscal year, fund balance of the Transportation Fund increased by $0.4 million due to lower costs. The District entered into a new five year contract with its transportation provider that included a 1% decrease in costs in year one. The number of routes shared with another local school district also increase from three routes to five generating additional savings. Special education and homeless transportation costs also decreased due to few students needing specialized transportation.

Debt Service Fund

During the current fiscal year, fund balance of the Debt Service Fund decreased by $0.4 million as the district used excess fund balance to pay the debt service on a working cash bond issued for capital projects. The excess fund balance in the debt service fund was comprised of the accumulation of both interest earnings and the 1% margin added to the annual tax extension to protect against a loss in collections.

Capital Projects Fund

During the current fiscal year, fund balance of the Capital Projects Fund increased by $0.5 million as a result of the proceeds of a working cash bond were transferred into the Fund.

Significant Capital Asset and Long-Term Financial Activity

Capital Assets

A number of safety and security projects were completed in 2026. The District replaced all interior key locks with electronic locks that integrate with our access control system. This enhances safety and security, by facilitating a locked door policy, enabling a one button lock down of all doors, keeping records of access to all areas of the building, and replacing onerous key management with a flexible and time-based access for different staff members. Security camera coverage was also expanded to minimize blind spots and intercom systems were upgraded. The District's multifunction copiers were also replaced in 2026. More detailed information about capital assets can be found in Note 6 of the basic financial statements.

Long-Term Debt

The District issued $0.5 million of non-referendum working cash bonds during the year to be used for capital projects. The debt was paid with existing debt service fund balance within the year. The District also financed new technology equipment as follows: • A 5-year lease for multifunction copier/printers was originated •A 4-year installment contract was initiated for the purchase of five (5) grade-level sets of one-to-one student tablets. The District is in year two (2) of a similar 4-year installment contract for staff computers. There are three years left on the District's 20-year debt that was issued for the construction of the Lake Bluff Elementary School in 2009. After this debt is retired the tax rate will drop significantly (approximately $0.20 per hundred dollars of EAV), as the only remaining debt will be the non-referendum bonds issue in 2015 for the additions and renovations to the Lake Bluff Middle School. The remaining bonds will be retired in 2035. More detailed information on long-term debt can be found in Note 7 of the basic financial statements.

Currently Known Facts, Decisions or Conditions

At the time these financial statements were prepared and audited, the District was aware of the following items that will significantly affect financial operations in the future:

- The District entered into a collective bargaining agreement with the Lake Bluff Teachers' Council extending from 2024 through June 2029. The agreement has significant wage increases in the first few years to bring salaries to a level that is competitive with surrounding districts. These increases are tempered by retirement incentives and insurance concessions. We are entering year three of the contract where salary increases begin to moderate.

- The District receives the bulk of its revenue through property taxes, which are limited by the Property Tax Extension Limitation Law (PTELL); there is a risk that the growth in revenues may not be able to keep pace with growth in expenditures.

- Earnings on investments have been a significant source of income in recent years due to the investment of tax proceeds at historically high interest rates. Many of these investments have matured and have been reinvested at lower rates. There is a risk that this revenue source may decline with a reduction in future short term interest rates.

- The District experiencing continued pressure from high prescription drug costs driven by new pharmaceutical treatments and weight loss drugs. The District is developing strategies through its health insurance cooperative to continue to offer access to these benefits while keeping health insurance costs affordable.

- A 1% County School Facility Occupation Tax will appear on the ballot in the November election in Lake County, IL, where the District is located. If this sales tax passes, the District would receive additional funding for school facility purposes starting in the fall of 2027 that would supplement its capital budget and accelerate the repayment of debt obligations issued for capital spending.

Lake Bluff Elementary School District 65

Statement of Net Position
June 30, 2026

	Governmental Activities
Assets and Deferred Outflows of Resources	
Assets	
Cash and investments	$ 21,232,755
Student activity cash	13,298
Receivables (net of allowance for uncollectibles):	
Property taxes	11,752,918
Replacement taxes	47,751
Intergovernmental	33,611
Other	5,270
Prepaid items:	22,151
Land	263,122
Construction in progress	49,074
Capital assets being depreciated, net of accumulated depreciation/amortization	34,105,828
Total assets	67,525,778
Deferred Outflows of Resources	
Deferred charge on refunding	190,056
Deferred outflows related to pensions	260,675
Deferred outflows related to OPEB	1,169,387
Total deferred outflows of resources	1,620,118
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	217,184
Salaries and wages payable	8,706
Payroll deductions payable	26,017
Other current liabilities	42,617
Unearned student fees	216,041
Health claims payable	326,068
Long-term liabilities:	
Other long-term liabilities, due within one year	2,076,917
Other long-term liabilities, due after one year	11,165,473
Total liabilities	14,079,023
Deferred Inflows of Resources	
Property taxes levied for a future period	21,956,302
Deferred inflows related to pensions	606,174
Deferred inflows related to OPEB	4,995,341
Total deferred inflows of resources	27,557,817
Net Position	
Net investment in capital assets	25,676,088
Restricted for:	
Student transportation	363,696
Debt service	137,833
Capital projects	500,000
Unrestricted	831,439
Total net position	$ 27,509,056

See notes to basic financial statements

Lake Bluff Elementary School District 65

Statement of Activities
Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction:					
Regular programs	$ 7,162,982	$ 351,169	$ 3,706	$ -	$ (6,808,107)
Special programs	3,441,834	-	465,679	-	(2,976,155)
Other instructional programs	694,875	16,666	6,400	-	(671,809)
Student activities	62,053	45,374	-	-	(16,679)
Support services:					
Pupils	1,634,713	-	13,347	-	(1,621,366)
Instructional staff	692,768	-	22,168	-	(670,600)
General administration	998,304	-	-	-	(998,304)
School administration	965,320	-	-	-	(965,320)
Business	781,102	298,260	6,158	-	(476,684)
Transportation	861,577	104,767	116,932	-	(639,878)
Operations and maintenance	1,725,959	19,026	-	50,000	(1,656,933)
Central	569,722	-	-	-	(569,722)
Other supporting services	291	-	-	-	(291)
Intergovernmental:					
State retirement contributions	3,931,451	-	3,931,451	-	-
Payments to other districts and government units, excluding special education	1,632	-	-	-	(1,632)
Other:					
Community services	9,750	-	-	-	(9,750)
Interest and fees	300,307	-	-	-	(300,307)
Unallocated depreciation/amortization	1,461,810	-	-	-	(1,461,810)
Total governmental activities	$ 25,296,450	$ 835,262	$ 4,565,841	$ 50,000	(19,845,347)
General Revenues					
Taxes:					
Real estate taxes, levied for general purposes					15,703,342
Real estate taxes, levied for specific purposes					3,441,235
Real estate taxes, levied for debt service					2,273,514
Intergovernmental, unrestricted:					
Personal property replacement taxes					237,132
State aid-formula grants					567,354
Investment income					810,407
Miscellaneous					83,874
Total general revenues					23,116,858
Change in net position					3,271,511
Net Position, Beginning					24,237,545
Net Position, Ending					$ 27,509,056

See notes to basic financial statements

Lake Bluff Elementary School District 65

Governmental Funds
Balance Sheet
June 30, 2026
With Comparative Totals as of June 30, 2025

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
Assets				
Cash and investments	$ 16,277,244	$ 1,668,871	$ 992,596	$ 539,062
Student activity cash	13,298	-	-	-
Receivables (net allowance for uncollectibles):				
Property taxes	8,650,083	1,144,263	465,811	279,452
Replacement taxes	47,751	-	-	-
Intergovernmental	26,972	-	6,608	31
Other	-	5,270	-	-
Prepaid items	22,151	-	-	-
Total assets	$ 25,037,499	$ 2,818,404	$ 1,465,015	$ 818,545
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts payable	$ 56,228	$ 131,772	$ 16,047	$ 13,137
Salaries and wages payable	8,633	23	-	50
Other current liabilities	42,617	-	-	-
Payroll deductions payable	9,429	-	-	16,588
Unearned student fees	144,266	-	71,775	-
Health claims payable	326,068	-	-	-
Total liabilities	587,241	131,795	87,822	29,775
Deferred Inflows of Resources				
Property taxes levied for a future period	16,159,767	2,137,859	870,059	522,037
Total deferred inflows of resources	16,159,767	2,137,859	870,059	522,037
Fund Balance				
Nonspendable	22,151	-	-	-
Restricted	-	-	363,696	266,733
Assigned	13,298	548,750	143,438	-
Unassigned	8,255,042	-	-	-
Total fund balance	8,290,491	548,750	507,134	266,733
Total liabilities, deferred inflows of resources and fund balance	$ 25,037,499	$ 2,818,404	$ 1,465,015	$ 818,545

See notes to basic financial statements

Debt Service Fund	Capital Projects Fund	Total 2026	Total 2025
$ 1,191,104	$ 563,878	$ 21,232,755	$ 20,355,615
-	-	13,298	29,977
1,213,309	-	11,752,918	10,672,985
-	-	47,751	37,147
-	-	33,611	51,410
-	-	5,270	-
-	-	22,151	18,135
$ 2,404,413	$ 563,878	$ 33,107,754	$ 31,165,269
$ -	$ -	$ 217,184	$ 186,374
-	-	8,706	19,550
-	-	42,617	34,559
-	-	26,017	25,384
-	-	216,041	236,051
-	-	326,068	354,416
-	-	836,633	856,334
2,266,580	-	21,956,302	21,401,413
2,266,580	-	21,956,302	21,401,413
-	-	22,151	18,135
137,833	500,000	1,268,262	913,571
-	63,878	769,364	637,983
-	-	8,255,042	7,337,833
137,833	563,878	10,314,819	8,907,522
$ 2,404,413	$ 563,878	$ 33,107,754	$ 31,165,269

See notes to basic financial statements

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2026

Total Fund Balances, Governmental Funds		$ 10,314,819
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.		34,418,024
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		260,675
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		1,169,387
Deferred charge on refunding included in the Statement of Net Position is not available to pay for current period expenditures and, therefore, is not included in the Governmental Funds Balance Sheet.		190,056
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(606,174)
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(4,995,341)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Balances at June 30, 2026 are:		
Bonds payable	$ (8,105,000)	
Unamortized bond premium	(431,868)	
Net OPEB liability	(3,154,443)	
Net pension liability	(1,155,955)	
Leases payable	(129,337)	
Installment contract payable	(265,787)	
		(13,242,390)
Net Position of Governmental Activities		$ 27,509,056

See notes to basic financial statements

Lake Bluff Elementary School District 65

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2026
With Comparative Totals for the Year Ended June 30, 2025

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund
Revenues				
Property taxes	$ 15,723,336	$ 1,916,471	$ 974,924	$ 529,846
Corporate personal property replacement taxes	232,132	-	-	5,000
State aid	5,901,421	50,000	116,932	-
Federal aid	477,883	-	6,608	2,662
Investment income	650,659	53,666	33,671	20,062
Student activities	45,374	-	-	-
Other	722,979	23,782	109,767	-
Total revenues	23,753,784	2,043,919	1,241,902	557,570
Expenditures				
Current:				
Instruction:				
Regular programs	7,107,837	-	-	84,674
Special programs	2,779,499	-	-	115,069
Other instructional programs	892,092	-	-	11,440
Student activities	62,053	-	-	-
Support services:				
Pupils	1,617,224	-	-	68,774
Instructional staff	670,749	-	-	8,543
General administration	1,061,512	-	-	33,192
School administration	987,971	-	-	31,189
Business	933,892	-	-	37,533
Transportation	-	-	861,577	-
Operations and maintenance	-	1,652,282	-	81,539
Central	583,713	-	-	40,184
Other supporting services	291	-	-	-
Community services	9,750	-	-	-
Intergovernmental:				
State retirement contributions	5,303,762	-	-	-
Payments to other districts and government units	671,600	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	366,550	419,245	-	-
Total expenditures	23,048,495	2,071,527	861,577	512,137
Excess (deficiency) of revenues over expenditures	705,289	(27,608)	380,325	45,433
Other Financing Sources (Uses)				
Transfers in	-	500,000	-	-
Transfers (out)	(667,393)	(500,000)	-	-
Principal on bonds sold	500,100	-	-	-
Premium on bonds sold	-	-	-	-
Installment contract payable and lease issuance	366,550	-	-	-
Payment to escrow agent	-	-	-	-
Total other financing sources (uses)	199,257	-	-	-
Net change in fund balance	904,546	(27,608)	380,325	45,433
Fund Balance, Beginning	7,385,945	576,358	126,809	221,300
Fund Balance, Ending	$ 8,290,491	$ 548,750	$ 507,134	$ 266,733

See notes to basic financial statements

Debt Service Fund	Capital Projects Fund	Total 2026	Total 2025
$ 2,273,514	$ -	$ 21,418,091	$ 20,590,780
-	-	237,132	215,419
-	-	6,068,353	5,993,055
-	-	487,153	512,820
37,353	14,996	810,407	825,402
-	-	45,374	76,346
-	17,234	873,762	818,634
2,310,867	32,230	29,940,272	29,032,456
-	-	7,192,511	7,052,547
-	-	2,894,568	3,020,069
-	-	903,532	765,669
-	-	62,053	55,775
-	-	1,685,998	1,613,766
-	-	679,292	606,692
-	-	1,094,704	1,131,712
-	-	1,019,160	983,794
-	-	971,425	964,956
-	-	861,577	1,008,344
-	-	1,733,821	1,642,094
-	-	623,897	729,004
-	-	291	338
-	-	9,750	11,335
-	-	5,303,762	5,296,673
-	-	671,600	706,088
2,562,245	-	2,562,245	1,952,712
349,644	-	349,644	442,487
-	-	785,795	1,059,646
2,911,889	-	29,405,625	29,043,701
(601,022)	32,230	534,647	(11,245)
167,393	500,000	1,167,393	319,646
-	-	(1,167,393)	(319,646)
6,000	-	506,100	3,305,000
-	-	-	425,219
-	-	366,550	223,071
-	-	-	(3,646,169)
173,393	500,000	872,650	307,121
(427,629)	532,230	1,407,297	295,876
565,462	31,648	8,907,522	8,611,646
$ 137,833	$ 563,878	$ 10,314,819	$ 8,907,522

See notes to basic financial statements

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2026

Net Change in Fund Balances, Total Governmental Funds		$ 1,407,297
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay is reported as an expenditure in the governmental funds but is capitalized in the Statement of Activities	$ 785,795	
Depreciation is reported in the Statement of Activities	(1,461,810)	
		(676,015)
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which current year principal repayments exceeded proceeds from current year long-term financing arrangements.		1,689,595
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:		
Premium on bonds	131,676	
Deferred charge on refunding bonds	(82,339)	
State on-behalf contribution revenue	(3,931,451)	
State on-behalf contribution expense	3,931,451	
Net OPEB liability	(525,006)	
Net pension liability	673,414	
Deferred inflows related to pensions	(501,597)	
Deferred outflows related to pensions	(123,755)	
Deferred inflows related to OPEB	745,745	
Deferred outflows related to OPEB	532,496	
		850,634
Change in Net Position of Governmental Activities		$ 3,271,511

See notes to basic financial statements

1. Summary of Significant Accounting Policies

Lake Bluff Elementary School District 65 (the District) operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

Major Governmental Funds

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

This fund also includes student activity funds held and controlled by the District, under the direction of district personnel, and administrative involvement of the board of education.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund or Capital Projects Funds.

Operations and Maintenance Fund - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

Debt Service Fund - accounts for the accumulation of resources that are restricted, committed or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service and transfers from other funds.

Capital Projects Fund - accounts for the financial resources that are restricted, committed or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Capital Projects Fund - accounts for construction projects and renovations financed through bond issuances and fund balance transfers from other funds.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2025 levy resolution was approved during the December 16, 2025 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt) PTELA limits the increase in total taxes billed to the lessor of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is “new growth” in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2025 and 2024 tax levies were 2.9% and 3.4%, respectively.

Property taxes are collected by the County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2025 property tax levy is recognized as a receivable in fiscal 2026, net of estimated uncollectible amounts approximately 2% and less amounts already received. The District considers that the 2025 levy is to be used to finance operations in fiscal 2027. Therefore, the entire 2025 levy, including amounts collected in fiscal 2026, has been recognized as a deferred inflow of resources, in the accompanying financial statements.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement / Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include land improvements, building and improvements, and equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20
Building and improvements	50
Equipment	10
Equipment-right-to-use lease asset	5

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

A deferred outflow of resources represents a acquisition of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Equity is classified as net position in the government-wide financial statements and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets less than any unspent debt proceeds.

Restricted Net Position - Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources.

Equity is classified as fund balance in the fund financial statements and displayed in five components:

Nonspendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarships).

Restricted - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

Committed - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

Assigned - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. No one has been designated by the Board of Education to assign amounts for a specific purpose. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Governmental fund balances reported on the fund financial statements at June 30, 2026 are as follows:

The nonspendable fund balance in the General Fund is comprised of $22,151 for prepaid items. The remaining restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section. The assigned fund balance in the General Fund of $13,298 is for student activity purposes. The remaining assigned fund balances are for the purpose of the respective fund as described above in the Major Governmental Funds section.

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2025, from which such summarized information was derived.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

2. Stewardship, Compliance and Accountability

Excess of Expenditures Over Budget

For the year ended June 30, 2026, expenditures exceeded budget in the Operations and Maintenance Fund and Debt Service Fund by $79,495, and $4,636, respectively. These excesses were funded by available fund balances.

3. Changes in Accounting Principles

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement improves key components of the financial reporting model to enhance the effectiveness of governmental financial reports, including requirements related to management's discussion and analysis, unusual or infrequent items, proprietary fund statements, major component units, and budgetary comparison information. This standard was implemented July 1, 2025.

4. Deposits and Investments

At year end, the District's cash and investments was comprised of the following:

	Carrying Value	Statement Balances
Deposits	$ 10,181,889	$ 10,249,385
ISDLAF+ term series	2,500,000	2,500,000
ISDLAF+	8,314,241	8,314,241
U.S. treasuries	249,923	249,923
Total	$ 21,246,053	$ 21,313,549

Reconciliation to financial statements	
Per statement of net position:	
Cash and investments	$ 21,232,755
Student activity cash	13,298
Total	$ 21,246,053

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments are measured using the market valuation method and valuation inputs as follows:

Investment Type	Level 1	Level 2	Level 3	Total
U.S. treasuries	$ 249,923	$ -	$ -	$ 249,923

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

At year end, the District had the following investments:

		Investment Maturity (in Years)			
Investment Type	Fair Value	Less Than One	1-5	6-10	More Than 10
U.S. treasuries	$ 249,923	$ 249,923	$ -	$ -	$ -

Redemption Notice Period - Investments in ISDLAF's Term Series may be redeemed upon seven days' advance notice. Redemption prior to maturity may result in the realization of a loss on the investment, including a penalty in an amount necessary to recoup the Term Series penalty charges, losses and other costs attributable to the early redemption.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAm and are valued at share price, which is the price for which the investment could be sold.

Custodial Credit Risk - Deposits - With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2026, the bank balance of the District's deposit with financial institutions totaled $10,249,385; of this amount, $0 was uncollateralized and uninsured.

Custodial Credit Risk - Investments - With respect to investments, custodial credit risk is the risk that, in the even of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments be secured by private insurance or collateral.

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

5. Interfund Transfers

During the year, the Board of Education transferred $167,393 from the General Fund (Educational Accounts) to the Debt Service Fund for payments of interest and principal on leases and installment contracts payable. The District also transferred $500,000 from the General Fund (Working Cash Accounts) to Operation and Maintenance Fund, and then from Operation and Maintenance Fund to Capital Project Fund to provide a funding source to pay for facility improvements at the District.

6. Capital Assets

Capital asset activity for the District for the year ended June 30, 2026 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated / amortized:				
Land	$ 263,122	$ -	$ -	$ 263,122
Construction in progress	-	49,074	-	49,074
Total capital assets not being depreciated / amortized	263,122	49,074	-	312,196
Capital assets being depreciated / amortized:				
Land improvements	1,523,099	58,561	-	1,581,660
Buildings	51,346,678	-	-	51,346,678
Equipment	7,606,924	523,515	-	8,130,439
Equipment, right-to-use lease asset	136,525	154,645	136,525	154,645
Total capital assets being depreciated / amortized	60,613,226	736,721	136,525	61,213,422
Less accumulated depreciation / amortization for:				
Land improvements	576,408	79,083	-	655,491
Buildings	19,708,577	1,026,934	-	20,735,511
Equipment	5,377,713	313,554	-	5,691,267
Equipment, right-to-use lease asset	119,611	42,239	136,525	25,325
Total accumulated depreciation / amortization	25,782,309	1,461,810	136,525	27,107,594
Net capital assets being depreciated / amortized	34,830,917	(725,089)	-	34,105,828
Net governmental activities capital assets	$ 35,094,039	$ (676,015)	$ -	$ 34,418,024

7. Long-Term Liabilities

Changes in General Long-Term Liabilities

The following is the long-term liability activity for the District for the year ended June 30, 2026:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General obligation bonds	$ 10,010,000	$ 506,100	$ 2,411,100	$ 8,105,000	$ 1,945,000
Unamortized premium	563,544	-	131,676	431,868	-
Total bonds payable	10,573,544	506,100	2,542,776	8,536,868	1,945,000
Lease liabilities	16,914	154,645	42,222	129,337	29,080
Installment contract payable	162,805	211,905	108,923	265,787	102,837
Net pension liability	1,829,369	65,710	739,124	1,155,955	-
Net OPEB liability	2,629,437	525,006	-	3,154,443	-
Total long-term liabilities - governmental activities	$ 15,212,069	$ 1,463,366	$ 3,433,045	$13,242,390	$ 2,076,917

The obligations for the net pension liability will be repaid from the General Fund and Municipal Retirement/Social Security Fund, respectively, and the obligations for the net OPEB liability will be repaid from the General Fund.

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Original Amount	Carrying Amount
Series 2016 General Obligation Refunding Bonds dated May 16, 2016 are due in annual installments through December 30, 2027	2.00-4.00%	$ 9,215,000	$ 3,435,000
Series 2020 General Obligation Refunding Bonds dated April 1, 2020 are due in annual installments through December 30, 2028	4.00%	1,600,000	1,600,000
Series 2024 General Obligation Refunding Bonds dated October 2, 2024 are due in annual installments through December 30, 2034	5.00%	3,305,000	3,070,000
Total		$ 14,120,000	$ 8,105,000

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2026, $3,120,000 of bonds outstanding are considered defeased.

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

Years	Principal	Interest	Total
2027	$ 1,945,000	$ 273,819	$ 2,218,819
2028	2,015,000	219,875	2,234,875
2029	1,895,000	151,875	2,046,875
2030	315,000	104,625	419,625
2031	340,000	88,250	428,250
2032-2036	1,595,000	166,125	1,761,125
Total	$ 8,105,000	$ 1,004,569	$ 9,109,569

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2026, the statutory debt limit for the District was $59,034,651, providing a debt margin of $50,534,527.

Leases

The District has entered into lease agreements as a lessee for financing the temporary acquisition of copiers. This agreement qualifies as a lease for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. The obligations for all leases will be repaid from the Debt Service Fund and funded by a transfer of resources from the General Fund (Educational Accounts).

Description	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance
Copier machine lease	8/1/2025	8/1/2030	5.43%	$ 154,645	$ 129,337

Annual debt service requirements to maturity for the lease liabilities are as follows:

Years	Principal	Interest	Total
2027	$ 29,080	$ 6,307	$ 35,387
2028	30,699	4,688	35,387
2029	32,409	2,978	35,387
2030	34,213	1,174	35,387
2031	2,936	13	2,949
Total	$ 129,337	$ 15,160	$ 144,497

Installment Contracts Payable

The District has entered into installment contracts to finance the acquisition of an Apple MacBooks and iPads. These agreements qualify as a financed purchase for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum payment as of the inception date. The obligations for the installment contract will be repaid from the Debt Service Fund and funded by a transfer of resources from the General Fund (Educational Accounts).

Description	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance
MacBooks and iPads	4/1/2025	4/1/2028	5.43%	$ 223,071	$ 111,380
MacBooks and iPads	1/1/2026	1/1/2029	5.75%	211,905	154,407
Total				$ 434,976	$ 265,787

Annual debt service requirements to maturity for installment contracts are as follows:

Years	Principal	Interest	Total
2027	$ 102,838	$ 14,927	$ 117,765
2028	108,577	9,187	117,764
2029	54,372	3,127	57,498
Total	$ 265,787	$ 27,241	$ 293,027

8. Risk Management

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pools: Collective Liability Insurance Cooperative (CLIC) and Northern Illinois Health Insurance Program (N.I.H.I.P.) The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

The District continues to carry commercial insurance for all other risks of loss. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

9. Joint Agreements

The District is a member of Northern Suburban Special Education District, a joint agreement that provides certain special education services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

10. Other Postemployment Benefits

Teachers' Health Insurance Security

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription and behavioral health benefits, but it does not provide vision, dental or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp. The current reports are listed under "Central Management Services."

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

On Behalf Contributions to THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.90% of pay during the year ended June 30, 2026. State of Illinois contributions of $101,072 were recognized as revenues and expenditures by the District during the year in the General Fund based on the current financial resources measurement basis. On the economic resources measurement basis, the District recognizes revenues and expenses of $(882,367) in Governmental Activities equal to the proportion of the State of Illinois's OPEB expense associated with the employer.

Contributions

The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.67% during the year ended June 30, 2026. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2026, the District paid $75,243 to the THIS Fund, respectively, which was 100% of the required contribution for the year.

THIS Fiduciary Net Position

Detailed information about the THIS Fund's fiduciary net position as of June 30, 2025 is available in the separately issued THIS Annual Financial Report.

Net OPEB Liability

At June 30, 2026, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for the state's retiree insurance support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collection net OPEB liability	$	3,154,443
State's proportionate share of the collective net OPEB liability associated with the District		4,279,189
Total	$	7,433,632

The net OPEB liability was measured as of June 30, 2025, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2025, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2025 and 2024, the District's proportion was 0.035104% and 0.033707%, respectively.

Actuarial Assumptions

The net OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	4.00% to 8.50%
Investment Rate of Return	2.75%
Healthcare Cost Trend Rates, Initial	8.00%
Healthcare Cost Trend Rates, Ultimate	4.25%
Fiscal Year the Ultimate Rate is Reached	2042

Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the PubNS-2010 Non-Safety Disabled Retiree Table. Mortality rates for pre-retirement were based on the PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2021.

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study for the period July 1, 2020 through June 30, 2023.

Discount Rate

At June 30, 2025, the discount rate used to measure the total OPEB liability was a blended rate of 5.20%, which was a change from the June 30, 2024 rate of 3.97%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	$ 3,524,330	$ 3,154,443	$ 2,834,481

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.00% decreasing to an ultimate rate of 3.25%) or 1-percentage-point higher (initial rate of 9.00% decreasing to an ultimate rate of 5.25%) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	$ 2,736,668	$ 3,154,443	$ 3,661,592

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2026, the District recognized OPEB expense of $(677,975) and on-behalf revenue and expense of $(882,367) for support provided by the state. At June 30, 2026, the District's deferred outflows of resources and deferred inflows of resources related to OPEBs were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 321,520	$ 946,647
Changes in assumptions	72,659	3,338,135
Net difference between projected and actual earnings on OPEB plan investments	-	5,073
Changes in proportion and differences between District contributions and proportionate share of contributions	699,965	705,486
District contributions subsequent to the measurement date	75,243	-
Total	$ 1,169,387	$ 4,995,341

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability for the year ending June 30, 2027. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB was $(3,901,197). Amounts will be recognized in OPEB expense as follows in these reporting years:

Years Ending June 30,	Amount
2027	$ (501,413)
2028	(501,413)
2029	(501,413)
2030	(501,414)
2031	(500,145)
Thereafter	(1,395,399)
Total	$ (3,901,197)

11. Retirement Systems

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

For the year ended June 30, 2026, the District recognized the following balances in the government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense/ (Income)
TRS	$ 856,845	$ 146,805	$ 49,187	$ 56,999
IMRF	299,110	113,870	556,987	153,332
Total	$ 1,155,955	$ 260,675	$ 606,174	$ 210,331

Teachers' Retirement System

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at https://www.trsil.org/financial/acfrs/fy2025; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability and death benefits. *Tier 1* members have TRS or reciprocal system service prior to January 1, 2011. *Tier 1* members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service.

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for *Tier 2* are identical to those of *Tier 1*. Death benefits are payable under a formula that is different from *Tier 1*.

Essentially all *Tier 1* retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. *Tier 2* annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional *Tier 3* hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring *Tier 1* members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested *Tier 1* and *2* members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

Contributions

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2025 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On Behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2026, State of Illinois contributions recognized by the District were based on the state's proportionate share of with the pension expense associated with the District, and the District recognized revenue and expense of $4,813,818 in governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of $5,202,690 in the General Fund based on the current financial resources measurement basis.

2.2 Formula Contributions

Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2026, were $65,136, and are deferred because they were paid after the June 30, 2025 measurement date.

Federal and Special Trust Fund Contributions

When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total District normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much more higher.

For the year ended June 30, 2026, the District pension contribution was 10.34% of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2026, were $348, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2025 measurement date.

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2025 is available in the separately issued TRS Annual Comprehensive Financial Report.

Net Pension Liability

At June 30, 2026, the District a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	$ 856,845
State's proportionate share of the collective net pension liability associated with the District	68,854,413
Total	$ 69,711,258

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024, and rolled forward to June 30, 2025. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2025, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2025 and 2024, the District's proportion was 0.00101101% and 0.00092136%, respectively.

Summary of Significant Accounting Policies

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The assumptions used to measure the total pension liability in the June 30, 2025 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 2.5%. These actuarial assumptions were based on an experience study dated August 16, 2024.

Mortality

In the June 30, 2025 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table 2024 Adjusted Scale MP-2021.

Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	37.00 %	4.59 %
Private equity	15.00	7.93
Public income	15.00	3.52
Private credit	8.00	6.70
Real estate	16.00	4.76
Infra/other real assets	2.00	5.38
Diversifying strategies	6.00	2.83
Cash equivalents	1.00	0.25

Discount Rate

At June 30, 2025, the discount rate used to measure the total pension liability was a blended rate of 7.00%, which was the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2025 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. *Tier 1*'s liability is partially funded by *Tier 2* members, as the *Tier 2* member contribution is higher than the cost of *Tier 2* benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	$ 1,065,927	$ 856,845	$ 683,352

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2026, the District recognized pension expense of $56,999 and on-behalf revenue of $4,813,818 for support provided by the state. At June 30, 2026, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,390	$ 1,373
Net difference between projected and actual earnings on pension plan investments	-	12,231
Assumption changes	8,892	165
Changes in proportion and differences between District contributions and proportionate share of contributions	70,039	35,418
District contributions subsequent to the measurement date	65,484	-
Total	$ 146,805	$ 49,187

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2027. The remaining amounts reported as deferred outflows and inflows of resources related to pensions was $32,135. Amounts will be recognized in pension expense as follows:

Years Ending June 30,	Amount
2027	$ 1,751
2028	5,632
2029	9,124
2030	9,726
2031	5,902
Total	$ 32,135

Illinois Municipal Retirement Fund

Plan Description

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer pension plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2.*

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual 2% for each year of service credit after 15 years to a maximum of 75% of their *Regular Tier 2,* final rate retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under *Regular Tier 2,* the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Plan Membership

At December 31, 2025, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	56
Inactive, nonretired members	102
Active members	50
Total	208

Contributions

As set by statute, District employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2025 was 8.71% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2025, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The assumptions used to measure the total pension liability in the December 31, 2025 annual actuarial valuation included (a) 7.25% investment rate of return, (b) projected salary increases from 2.85% to 13.75%, and (c) price inflation of 2.25%. The actuarial cost method was entry age normal and asset valuation method was market value. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

		Projected Returns/Risk	
Asset Class	Target Allocation	One Year Arithmetic	Ten Year Geometric
Equities	32.50 %	4.85 %	7.35 %
International equities	18.00	4.95	7.45
Fixed income	24.00	2.25	4.75
Real estate	10.50	3.75	6.25
Alternatives	14.00		
Private equity		6.00	8.50
Commodities		1.40	3.90
Cash equivalents	1.00	0.50	3.00

Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.25%, the same rate as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability/(asset)	$ 1,343,457	$ 299,110	$ (563,128)

Changes in Net Pension Liability/(Asset)

The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2025 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at December 31, 2024	$ 10,471,467	$ 9,433,233	$ 1,038,234
Service cost	185,902	-	185,902
Interest on total pension liability	743,358	-	743,358
Differences between expected and actual experience of the total pension liability	32,722	-	32,722
Benefit payments, including refunds of employee contributions	(622,411)	(622,411)	-
Contributions, employer	-	181,336	(181,336)
Contributions, employee	-	93,467	(93,467)
Net investment income	-	1,486,098	(1,486,098)
Other (net transfer)	-	(59,795)	59,795
Balances at December 31, 2025	$ 10,811,038	$ 10,511,928	$ 299,110

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2026, the District recognized pension expense of $153,332. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 14,801	$ -
Net difference between projected and actual earnings on pension plan investments	-	556,987
Contributions subsequent to the measurement date	99,069	-
Total	$ 113,870	$ 556,987

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2027. The remaining amounts reported as deferred outflows and inflows of resources related to pensions was $(542,186). Amounts will be recognized in pension expense as follows:

Years Ending June 30,	Amount
2027	$ 123,916
2028	(282,003)
2029	(220,706)
2030	(163,393)
Total	$ (542,186)

12. Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 105, *Subsequent Events*.

Lake Bluff Elementary School District 65

Schedule of Changes in the District's Net Pension Liability/(Asset) and Related Ratios
Illinois Municipal Retirement Fund
Ten Most Recent Fiscal Years

	2026	2025	2024
Total Pension Liability			
Service cost	$ 185,902	$ 181,341	$ 173,517
Interest	743,358	727,704	683,968
Changes of benefit terms	-	-	-
Differences between expected and actual experience	32,722	(72,366)	364,078
Changes of assumptions	-	-	(12,162)
Benefit payments, including refunds of member contributions	(622,411)	(623,685)	(596,424)
Net change in total pension liability	339,571	212,994	612,977
Total Pension Liability, Beginning	10,471,467	10,258,473	9,645,496
Total Pension Liability, Ending (a)	$ 10,811,038	$ 10,471,467	$ 10,258,473
Plan Fiduciary Net Position			
Employer contributions	$ 181,336	$ 171,856	$ 180,669
Employee contributions	93,467	88,484	85,217
Net investment income	1,486,098	925,747	903,832
Benefit payments, including refunds of member contributions	(622,411)	(623,685)	(596,424)
Other (net transfer)	(59,795)	(254,007)	294,221
Net change in plan fiduciary net position	1,078,695	308,395	867,515
Plan Fiduciary Net Position, Beginning	9,433,233	9,124,838	8,257,323
Plan Fiduciary Net Position, Ending (b)	$ 10,511,928	$ 9,433,233	$ 9,124,838
Employer's Net Pension Liability/(Asset), Ending (a) - (b)	$ 299,110	$ 1,038,234	$ 1,133,635
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.23%	90.09%	88.95%
Covered Payroll	$ 2,077,042	$ 1,966,308	$ 1,866,413
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	14.40%	52.80%	60.74%

Notes to Schedule:
Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

2023	2022	2021	2020	2019	2018	2017
$ 161,253	$ 158,042	$ 155,521	$ 172,770	$ 150,782	$ 156,884	$ 161,867
664,096	633,343	624,216	583,333	563,311	554,380	529,949
-	-	-	-	-	-	-
6,502	162,965	(87,134)	292,494	36,776	6,616	(37,419)
-	-	(54,160)	-	209,545	(215,758)	(48,362)
(531,339)	(532,214)	(495,426)	(456,699)	(415,803)	(344,182)	(325,374)
300,512	422,136	143,017	591,898	544,611	157,940	280,661
9,344,984	8,922,848	8,779,831	8,187,933	7,643,322	7,485,382	7,204,721
$ 9,645,496	$ 9,344,984	$ 8,922,848	$ 8,779,831	$ 8,187,933	$ 7,643,322	$ 7,485,382
$ 191,377	$ 232,512	$ 178,965	$ 171,601	$ 198,339	$ 188,944	$ 169,790
75,809	73,374	65,686	66,974	67,565	65,177	68,550
(1,257,454)	1,456,653	1,107,428	1,206,055	(360,170)	1,036,007	396,024
(531,339)	(532,214)	(495,426)	(456,699)	(415,803)	(344,182)	(325,374)
34,718	(40,923)	20,489	91,753	184,273	(63,190)	(30,848)
(1,486,889)	1,189,402	877,142	1,079,684	(325,796)	882,756	278,142
9,744,212	8,554,810	7,677,668	6,597,984	6,923,780	6,041,024	5,762,882
$ 8,257,323	$ 9,744,212	$ 8,554,810	$ 7,677,668	$ 6,597,984	$ 6,923,780	$ 6,041,024
$ 1,388,173	$ (399,228)	$ 368,038	$ 1,102,163	$ 1,589,949	$ 719,542	$ 1,444,358
85.61%	104.27%	95.88%	87.45%	80.58%	90.59%	80.70%
$ 1,684,649	$ 1,630,544	$ 1,460,780	$ 1,488,302	$ 1,501,436	$ 1,446,738	$ 1,388,306
82.40%	-24.48%	25.19%	74.06%	105.90%	49.74%	104.04%

See notes to required supplementary information

Illinois Municipal Retirement Fund
Schedule of District Contributions
Ten Most Recent Fiscal Years

	2026	2025	2024	2023	2022
Actuarially determined contribution	$ 197,942	$ 171,855	$ 180,669	$ 191,376	$ 232,512
Contributions in relation to the actuarially determined contribution	(181,336)	(171,856)	(180,669)	(191,377)	(232,512)
Contribution deficiency (excess)	$ 16,606	$ (1)	$ -	$ (1)	$ -
Covered payroll	$ 2,081,715	$ 2,030,386	$ 1,931,271	$ 1,741,292	$ 1,625,731
Contributions as a percentage of covered payroll	8.71%	8.46%	9.35%	10.99%	14.30%

	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 178,965	$ 171,601	$ 198,339	$ 188,944	$ 169,790
Contributions in relation to the actuarially determined contribution	(178,965)	(171,601)	(198,339)	(188,944)	(169,790)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,583,239	$ 1,450,269	$ 1,508,383	$ 1,455,068	$ 1,422,030
Contributions as a percentage of covered payroll	11.30%	11.83%	13.15%	12.99%	11.94%

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2021

Other information:

There were no benefit changes during the year.

See notes to required supplementary information

Lake Bluff Elementary School District 65

Teachers' Retirement System
Schedule of the District's Proportionate Share
of the Collective Net Pension Liability and Schedule of District Contributions
Ten Most Recent Fiscal Years

	2026	2025	2024	2023
District's proportion of the net pension liability	0.00101101%	0.00092136%	0.00094251%	0.00092290%
District's proportionate share of the net pension liability	$ 856,845	$ 791,135	$ 800,952	$ 773,763
State's proportionate share of the net pension liability	68,854,413	65,963,695	69,122,552	67,118,853
Total net pension liability	$ 69,711,258	$ 66,754,830	$ 69,923,504	$ 67,892,616
Covered payroll	$ 10,948,526	$ 10,042,148	$ 9,877,934	$ 9,443,114
District's proportionate share of the net pension liability as a percentage of covered payroll	7.83%	7.88%	8.11%	8.19%
Plan fiduciary net position as a percentage of the total pension liability	47.7%	45.4%	43.9%	42.8%
Contractually required contribution	$ 65,848	$ 64,162	$ 58,410	$ 64,430
Contributions in relation to the contractually required contribution	(65,848)	(64,161)	(58,423)	(62,962)
Contribution deficiency (excess)	$ -	$ 1	$ (13)	$ 1,468
Covered payroll	$ 11,230,245	$ 10,948,526	$ 10,042,148	$ 9,877,934
Contributions as a percentage of covered payroll	0.5863%	0.5860%	0.5818%	0.6374%

Notes to Schedule:
Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Key Assumptions:

Long-term expected rate of return	7.00%	7.00%	7.00%	7.00%
Municipal bond index	5.20%	3.93%	3.65%	3.54%
Single equivalent discount rate	7.00%	7.00%	7.00%	7.00%
Inflation rate	2.50%	2.50%	2.50%	2.50%
Projected salary increases	4.00% to 8.50% varying by service	4.00% to 8.50% varying by service	3.75% to 8.75% varying by service	3.75% to 8.75% varying by service

See notes to required supplementary information

2022	2021	2020	2019	2018	2017
0.00099699%	0.00108884%	0.00109750%	0.00117532%	0.00114576%	0.00119045%
$ 777,765	$ 938,744	$ 890,161	$ 916,099	$ 875,337	$ 939,697
65,184,945	73,527,311	63,351,758	62,756,642	60,259,978	63,092,969
$ 65,962,710	$ 74,466,055	$ 64,241,919	$ 63,672,741	$ 61,135,315	$ 64,032,666
$ 8,962,008	$ 9,130,651	$ 8,569,517	$ 8,418,848	$ 8,139,066	$ 7,948,568
8.68%	10.28%	10.39%	10.88%	10.75%	11.82%
45.1%	37.8%	39.6%	40.0%	39.3%	36.4%
$ 54,770	$ 54,947	$ 52,958	$ 49,703	$ 51,180	$ 47,207
(54,764)	(55,324)	(53,060)	(49,703)	(51,207)	(47,183)
$ 6	$ (377)	$ (102)	$ -	$ (27)	$ 24
$ 9,443,114	$ 8,962,008	$ 9,130,651	$ 8,569,517	$ 8,418,848	$ 8,139,066
0.5799%	0.6173%	0.5811%	0.5800%	0.6082%	0.5797%

7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
2.16%	2.21%	3.50%	3.87%	3.58%	2.85%
7.00%	7.00%	7.00%	7.00%	7.00%	6.83%
2.25%	2.50%	2.50%	2.50%	2.50%	2.50%
3.50% to 8.50%	4.00% to 9.50%	4.00% to 9.50%	4.00% to 9.50%	3.25% to 9.25%	3.25% to 9.25%
varying by service	varying by service	varying by service	varying by service	varying by service	varying by service

See notes to required supplementary information

Lake Bluff Elementary School District 65

Teachers' Health Insurance Security Fund
Schedule of the District's Proportionate Share
of the Collective Net OPEB Liability and Schedule of District Contributions
Nine Most Recent Fiscal Years

	2026	2025	2024	2023
District's proportion of the net OPEB liability	0.0351040000%	0.0337070000%	0.0353260000%	0.0342210000%
District's proportionate share of the net OPEB liability	$ 3,154,443	$ 2,629,437	$ 2,517,986	$ 2,342,301
State's proportionate share of the net OPEB liability	4,279,189	3,570,894	3,405,119	3,186,470
Total net OPEB liability	$ 7,433,632	$ 6,200,331	$ 5,923,105	$ 5,528,771
Covered payroll	$ 10,948,526	$ 10,042,148	$ 9,877,934	$ 9,443,114
District's proportionate share of the net OPEB liability as a percentage of covered payroll	28.81%	26.18%	25.49%	24.80%
Plan fiduciary net position as a percentage of the total pension liability	8.03%	7.43%	6.21%	5.24%
Contractually required contribution	$ 75,243	$ 73,355	$ 67,282	$ 66,182
Contributions in relation to the contractually required contribution	(75,243)	(73,355)	(67,282)	(66,182)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 11,230,245	$ 10,948,526	$ 10,042,148	$ 9,877,934
Contributions as a percentage of covered payroll	0.6700%	0.6700%	0.6700%	0.6700%

Notes to Schedule:
The District implemented GASB 75 in fiscal year 2018. Information for fiscal years prior to 2018 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Key Assumptions:

Long-term expected rate of return	2.75%	2.75%	2.75%	2.75%
Municipal bond index	5.20%	3.97%	3.86%	3.69%
Single equivalent discount rate	5.20%	3.97%	3.86%	3.69%
Inflation rate	2.25%	2.25%	2.25%	2.25%
Healthcare cost trend rates - initial	Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.00%
Healthcare cost trend rates - ultimate	4.25%	4.25%	4.25%	4.25%
Mortality	PubT-2010	PubT-2010	PubT-2010	PubT-2010

See notes to required supplementary information

2022	2021	2020	2019	2018
0.0345270000%	0.0361740000%	0.0348660000%	0.0355020000%	0.0353660000%
$ 7,597,291	$ 9,671,377	$ 9,649,486	$ 9,353,401	$ 9,177,262
10,300,818	13,102,082	13,066,635	12,559,600	12,052,025
$ 17,898,109	$ 22,773,459	$ 22,716,121	$ 21,913,001	$ 21,229,287
$ 8,962,008	$ 9,130,651	$ 8,569,517	$ 8,418,848	$ 8,139,066
84.77%	105.92%	112.60%	111.10%	112.76%
1.40%	0.70%	0.25%	-0.07%	-0.17%
$ 63,269	$ 82,450	$ 84,002	$ 78,840	$ 74,086
(63,269)	(82,450)	(84,002)	(78,840)	(74,086)
$ -	$ -	$ -	$ -	$ -
$ 9,443,114	$ 8,962,008	$ 9,130,651	$ 8,569,517	$ 8,418,848
0.6700%	0.9200%	0.9200%	0.9200%	0.8800%

2.75%	0.00%	0.00%	0.00%	0.00%
1.92%	2.45%	3.13%	3.62%	3.56%
1.92%	2.45%	3.13%	3.62%	3.56%
2.50%	2.50%	2.50%	2.75%	2.75%
Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.25%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%
4.25%	4.25%	4.50%	4.50%	4.50%
RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables

See notes to required supplementary information

Lake Bluff Elementary School District 65

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
General Fund - Non-GAAP Budgetary Basis
Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Property taxes	$ 15,474,250	$ 15,723,336	$ 249,086	$ 15,507,633
Corporate personal property replacement taxes	210,000	232,132	22,132	210,419
State aid	568,200	597,659	29,459	567,390
Federal aid	431,702	477,883	46,181	497,207
Investment income	620,000	650,659	30,659	661,716
Student activities	-	45,374	45,374	76,346
Other	609,985	722,979	112,994	655,322
Total revenues	17,914,137	18,450,022	535,885	18,176,033
Expenditures				
Current:				
Instruction:				
Regular programs	6,964,719	7,107,837	(143,118)	6,970,319
Special programs	2,881,661	2,779,499	102,162	2,909,019
Other instructional programs	891,712	892,092	(380)	755,874
Student activities	-	62,053	(62,053)	55,775
Support services:				
Pupils	1,603,136	1,617,224	(14,088)	1,551,717
Instructional staff	704,995	670,749	34,246	597,198
General administration	1,144,811	1,061,512	83,299	1,100,394
School administration	985,648	987,971	(2,323)	952,957
Business	947,515	933,892	13,623	929,401
Central	685,096	583,713	101,383	685,764
Other supporting services	500	291	209	338
Community services	10,000	9,750	250	11,335
Intergovernmental:				
Payments to other districts and government units	1,027,365	671,600	355,765	705,825
Capital outlay	367,145	366,550	595	223,070
Total expenditures	18,214,303	17,744,733	469,570	17,448,986
Excess (deficiency) of revenues over expenditures	(300,166)	705,289	1,005,455	727,047

See notes to required supplementary information

Lake Bluff Elementary School District 65

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual-
General Fund - Non-GAAP Budgetary Basis
Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Other Financing Sources (Uses)				
Transfers (out)	$ (667,540)	$ (667,393)	$ 147	$ (319,646)
Principal on bonds sold	500,000	500,100	100	-
Installment contract payable and lease issuance	366,550	366,550	-	223,071
Total other financing sources (uses)	199,010	199,257	247	(96,575)
Net change in fund balance	$ (101,156)	904,546	$ 1,005,702	630,472
Fund Balance, Beginning		7,385,945		6,755,473
Fund Balance, Ending		$ 8,290,491		$ 7,385,945

See notes to required supplementary information

Lake Bluff Elementary School District 65

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Operations and Maintenance Fund
Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Property taxes	$ 1,886,000	$ 1,916,471	$ 30,471	$ 1,733,004
State aid	-	50,000	50,000	50,000
Investment income	60,000	53,666	(6,334)	62,553
Other	20,000	23,782	3,782	47,065
Total revenues	1,966,000	2,043,919	77,919	1,892,622
Expenditures				
Current:				
Support services:				
Operations and maintenance	1,676,532	1,652,282	24,250	1,565,203
Capital outlay	315,500	419,245	(103,745)	396,464
Total expenditures	1,992,032	2,071,527	(79,495)	1,961,667
Excess (deficiency) of revenues over expenditures	(26,032)	(27,608)	(1,576)	(69,045)
Other Financing Sources (Uses)				
Transfers in	500,000	500,000	-	-
Transfers (out)	(500,000)	(500,000)	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ (26,032)	(27,608)	$ (1,576)	(69,045)
Fund Balance, Beginning		576,358		645,403
Fund Balance, Ending		$ 548,750		$ 576,358

See notes to required supplementary information

Lake Bluff Elementary School District 65

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual - Transportation Fund
Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Property taxes	$ 960,000	$ 974,924	$ 14,924	$ 594,967
State aid	84,000	116,932	32,932	78,992
Federal aid	-	6,608	6,608	15,524
Investment income	18,000	33,671	15,671	21,249
Other	95,500	109,767	14,267	105,581
Total revenues	1,157,500	1,241,902	84,402	816,313
Expenditures				
Current:				
Support services:				
Transportation	1,017,890	861,577	156,313	1,008,344
Intergovernmental:				
Payments to other districts and government units	-	-	-	263
Total expenditures	1,017,890	861,577	156,313	1,008,607
Excess (deficiency) of revenues over expenditures	139,610	380,325	240,715	(192,294)
Net change in fund balance	$ 139,610	380,325	$ 240,715	(192,294)
Fund Balance, Beginning		126,809		319,103
Fund Balance, Ending		$ 507,134		$ 126,809

See notes to required supplementary information

Lake Bluff Elementary School District 65

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Municipal Retirement/Social Security Fund
Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Property taxes	$ 521,400	$ 529,846	$ 8,446	$ 510,182
Corporate personal property replacement taxes	-	5,000	5,000	5,000
Federal aid	-	2,662	2,662	89
Investment income	10,000	20,062	10,062	17,727
Total revenues	531,400	557,570	26,170	532,998
Expenditures				
Current:				
Instruction:				
Regular programs	83,191	84,674	(1,483)	82,228
Special programs	127,592	115,069	12,523	111,050
Other instructional programs	11,848	11,440	408	9,795
Support services:				
Pupils	63,944	68,774	(4,830)	62,049
Instructional staff	9,326	8,543	783	9,494
General administration	34,587	33,192	1,395	31,318
School administration	32,463	31,189	1,274	30,837
Business	39,055	37,533	1,522	35,555
Operations and maintenance	86,312	81,539	4,773	76,891
Central	53,131	40,184	12,947	43,240
Total expenditures	541,449	512,137	29,312	492,457
Net change in fund balance	$ (10,049)	45,433	$ 55,482	40,541
Fund Balance, Beginning		221,300		180,759
Fund Balance, Ending		$ 266,733		$ 221,300

See notes to required supplementary information

Stewardship, Compliance and Accountability

Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.

3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.

4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.

5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.

6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers Retirement System pension. The District does not budget for these amounts in the Educational Accounts of the General Fund. The differences between the budget and GAAP basis are as follows:

	Revenues	Expenditures
General fund budgetary basis	$ 18,450,022	$ 17,744,733
To adjust for on-behalf payments received	5,303,762	-
To adjust for on-behalf payments made	-	5,303,762
General fund GAAP basis	$ 23,753,784	$ 23,048,495

Excess of Expenditures Over Budget

For the year ended June 30, 2026, expenditures exceeded budget in the Operations and Maintenance Fund by $79,495. This excess was funded by available fund balance.

Budgetary Highlights

For the year ended June 30, 2026, the most significant differences between final budgets and actual results for revenues, expenditures and other financing sources (uses) were as follows:

	Original and Final Budget	Actual	Actual Variance With Final Budget
General Fund			
Revenues			
Property taxes	$ 15,474,250	$ 15,723,336	$ 249,086
Federal aid	431,702	477,883	46,181
Other	609,985	722,979	112,994
Expenditures			
General administration	1,144,811	1,061,512	83,299
Central	685,096	583,713	101,383
Payments to other districts and government units	1,027,365	671,600	355,765

Much of the favorability to forecast in the General Fund was due to revenue. A key driver of this favorability was the higher than expected collection rate of property taxes, at 100% of the extension. The sale of computers and strong Medicaid reimbursements also contributed. Payments to other districts and government units for special education outplacement cost is always budget conservatively. Due to the size of our District, small changes in outplacement student enrollment during the year can have a significant financial impact. These payments were significantly lower than anticipated due to the need for fewer 1:1 Aides. The District was also able to return an outplaced student to one of our schools mid-year and we did not use the contingency outplacement that was budget for move-ins. There is also additional favorability in legal services and technology salaries and benefits with some unexpected mid-year staffing vacancies.

	Original and Final Budget	Actual	Actual Variance With Final Budget
Operations and Maintenance Fund			
Revenues			
State aid	-	50,000	50,000
Expenditures			
Capital outlay	315,500	419,245	(103,745)

The District applied for, and received, a State Project Maintenance grant during the year that was not anticipated in the budget. The increase in capital spending vs budget was due to the timing of summer maintenance projects which were completed in June, prior to the fiscal year end.

	Original and Final Budget	Actual	Actual Variance With Final Budget
Transportation Fund			
Revenues			
State aid	84,000	116,932	32,932
Expenditures			
Transportation	1,017,890	861,577	156,313

Due to funding challenges at the state level, Illinois prorates the reimbursement to districts for prior year transportation expenditures. Because this proration percentage is not known at the time of budgeting, State aid was underestimated generating a positive variance. The District shares a transportation company with Lake Forest High School District 115. Five (5) bus routes, instead of the budgeted three (3) routes, were able to be shared between the districts reducing our regular route costs. There were also fewer outplaced special education routes which provided additional transportation savings.

	Original and Final Budget	Actual	Actual Variance With Final Budget
IMRF Fund			
Revenues			
Investment income	10,000	20,062	10,062
Expenditures			
Central	53,131	40,184	12,947

Investment income favorability was due to interest rates declining less than expected. Central IMRF expenditure favorability can be attributed to the mid-year staffing vacancies in the Technology department.

Lake Bluff Elementary School District 65

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Debt Service Fund
Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Property taxes	$ 2,237,700	$ 2,273,514	$ 35,814	$ 2,244,994
Investment income	34,000	37,353	3,353	58,852
Total revenues	2,271,700	2,310,867	39,167	2,303,846
Expenditures				
Debt service:				
Principal	2,556,260	2,562,245	(5,985)	1,952,712
Interest and other	350,993	349,644	1,349	442,487
Total expenditures	2,907,253	2,911,889	(4,636)	2,395,199
Excess (deficiency) of revenues over expenditures	(635,553)	(601,022)	34,531	(91,353)
Other Financing Sources (Uses)				
Transfers in	167,540	167,393	(147)	94,646
Principal on bonds sold	-	6,000	6,000	3,305,000
Premium on bonds sold	-	-	-	425,219
Payment to escrow agent	-	-	-	(3,646,169)
Total other financing sources (uses)	167,540	173,393	5,853	178,696
Net change in fund balance	$ (468,013)	(427,629)	$ 40,384	87,343
Fund Balance, Beginning		565,462		478,119
Fund Balance, Ending		$ 137,833		$ 565,462

Lake Bluff Elementary School District 65

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Capital Projects Fund
Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Investment income	$ -	$ 14,996	$ 14,996	$ 3,305
Other	-	17,234	17,234	10,666
Total revenues	-	32,230	32,230	13,971
Expenditures				
Capital outlay	-	-	-	440,112
Total expenditures	-	-	-	440,112
Excess (deficiency) of revenues over expenditures	-	32,230	32,230	(426,141)
Other Financing Sources (Uses)				
Transfers in	500,000	500,000	-	225,000
Total other financing sources (uses)	500,000	500,000	-	225,000
Net change in fund balance	$ 500,000	532,230	$ 32,230	(201,141)
Fund Balance, Beginning		31,648		232,789
Fund Balance, Ending		$ 563,878		$ 31,648

Lake Bluff Elementary School District 65

Combining Balance Sheet -
General Fund
June 30, 2026

	Educational Accounts	Working Cash Accounts	Total
Assets			
Cash and investments	$ 15,176,762	$ 1,100,482	$ 16,277,244
Student activity cash	13,298	-	13,298
Receivables (net allowance for uncollectibles):			
Property taxes	8,639,435	10,648	8,650,083
Replacement taxes	47,751	-	47,751
Intergovernmental	26,972	-	26,972
Prepaid items	22,151	-	22,151
Total assets	$ 23,926,369	$ 1,111,130	$ 25,037,499
Liabilities, Deferred Inflows of Resources and Fund Balance			
Liabilities			
Accounts payable	$ 56,228	$ -	$ 56,228
Salaries and wages payable	8,633	-	8,633
Other current liabilities	42,617	-	42,617
Payroll deductions payable	9,429	-	9,429
Unearned student fees	144,266	-	144,266
Health claims payable	326,068	-	326,068
Total liabilities	587,241	-	587,241
Deferred Inflows of Resources			
Property taxes levied for a future period	16,139,876	19,891	16,159,767
Total deferred inflows of resources	16,139,876	19,891	16,159,767
Fund Balance			
Nonspendable	22,151	-	22,151
Assigned	13,298	-	13,298
Unassigned	7,163,803	1,091,239	8,255,042
Total fund balance	7,199,252	1,091,239	8,290,491
Total liabilities, deferred inflows of resources and fund balance	$ 23,926,369	$ 1,111,130	$ 25,037,499

Lake Bluff Elementary School District 65

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
General Fund
Year Ended June 30, 2026

	Educational Accounts	Working Cash Accounts	Total
Revenues			
Property taxes	$ 15,703,342	$ 19,994	$ 15,723,336
Corporate personal property replacement taxes	232,132	-	232,132
State aid	5,901,421	-	5,901,421
Federal aid	477,883	-	477,883
Investment income	603,953	46,706	650,659
Student activities	45,374	-	45,374
Other	722,979	-	722,979
Total revenues	23,687,084	66,700	23,753,784
Expenditures			
Current:			
Instruction:			
Regular programs	7,107,837	-	7,107,837
Special programs	2,779,499	-	2,779,499
Other instructional programs	892,092	-	892,092
Student activities	62,053	-	62,053
Support services:			
Pupils	1,617,224	-	1,617,224
Instructional staff	670,749	-	670,749
General administration	1,061,512	-	1,061,512
School administration	987,971	-	987,971
Business	933,892	-	933,892
Central	583,713	-	583,713
Other supporting services	291	-	291
Community services	9,750	-	9,750
Intergovernmental:			
State retirement contributions	5,303,762	-	5,303,762
Payments to other districts and government units	671,600	-	671,600
Capital outlay	366,550	-	366,550
Total expenditures	23,048,495	-	23,048,495
Excess (deficiency) of revenues over expenditures	638,589	66,700	705,289
Other Financing Sources (Uses)			
Transfers (out)	(167,393)	(500,000)	(667,393)
Principal on bonds sold	-	500,100	500,100
Installment contract payable and lease issuance	366,550	-	366,550
Total other financing sources (uses)	199,157	100	199,257
Net change in fund balance	837,746	66,800	904,546
Fund Balance, Beginning	6,361,506	1,024,439	7,385,945
Fund Balance, Ending	$ 7,199,252	$ 1,091,239	$ 8,290,491

Lake Bluff Elementary School District 65

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Educational Accounts - Non-GAAP Budgetary Basis
Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Property taxes	$ 15,454,600	$ 15,703,342	$ 248,742	$ 15,486,447
Corporate personal property replacement taxes	210,000	232,132	22,132	210,419
State aid	568,200	597,659	29,459	567,390
Federal aid	431,702	477,883	46,181	497,207
Investment income	590,000	603,953	13,953	618,319
Student activities	-	45,374	45,374	76,346
Other	609,985	722,979	112,994	655,322
Total revenues	17,864,487	18,383,322	518,835	18,111,450
Expenditures				
Current:				
Instruction:				
Regular programs	6,964,719	7,107,837	(143,118)	6,970,319
Special programs	2,881,661	2,779,499	102,162	2,909,019
Other instructional programs	891,712	892,092	(380)	755,874
Student activities	-	62,053	(62,053)	55,775
Support services:				
Pupils	1,603,136	1,617,224	(14,088)	1,551,717
Instructional staff	704,995	670,749	34,246	597,198
General administration	1,144,811	1,061,512	83,299	1,100,394
School administration	985,648	987,971	(2,323)	952,957
Business	947,515	933,892	13,623	929,401
Central	685,096	583,713	101,383	685,764
Other supporting services	500	291	209	338
Community services	10,000	9,750	250	11,335
Intergovernmental:				
Payments to other districts and government units	1,027,365	671,600	355,765	705,825
Capital outlay	367,145	366,550	595	223,070
Total expenditures	18,214,303	17,744,733	469,570	17,448,986
Excess (deficiency) of revenues over expenditures	(349,816)	638,589	988,405	662,464
Other Financing Sources (Uses)				
Transfers (out)	(167,540)	(167,393)	147	(319,646)
Installment contract payable and lease issuance	366,550	366,550	-	223,071
Total other financing sources (uses)	199,010	199,157	147	(96,575)
Net change in fund balance	$ (150,806)	837,746	$ 988,552	565,889
Fund Balance, Beginning		6,361,506		5,795,617
Fund Balance, Ending		$ 7,199,252		$ 6,361,506

Lake Bluff Elementary School District 65

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -
Working Cash Accounts
Year Ended June 30, 2026
With Comparative Actual Amounts for the Year Ended June 30, 2025

	2026			
	Original and Final Budget	Actual	Actual Variance With Final Budget	2025 Actual
Revenues				
Property taxes	$ 19,650	$ 19,994	$ 344	$ 21,186
Investment income	30,000	46,706	16,706	43,397
Total revenues	49,650	66,700	17,050	64,583
Expenditures				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	49,650	66,700	17,050	64,583
Other Financing Sources (Uses)				
Transfers (out)	(500,000)	(500,000)	-	-
Principal on bonds sold	500,000	500,100	100	-
Total other financing sources (uses)	-	100	100	-
Net change in fund balance	$ 49,650	66,800	$ 17,150	64,583
Fund Balance, Beginning		1,024,439		959,856
Fund Balance, Ending		$ 1,091,239		$ 1,024,439

Statistical Section

The part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents **Page**

Financial Trends 64

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity 78

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity 84

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information 88

These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.

Operating Information 92

These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Lake Bluff Elementary School District 65

Net Position by Component
Last Ten Fiscal Years

	2026	2025	2024	2023
Governmental Activities				
Net investment in capital assets	$ 25,676,088	$ 24,613,171	$ 23,095,105	$ 18,371,932
Restricted	1,001,529	692,271	929,013	1,410,244
Unrestricted	831,439	(1,067,897)	(2,255,916)	(855,855)
Total governmental activities net position	$ 27,509,056	$ 24,237,545	$ 21,768,202	$ 18,926,321

Note: The District adopted GASBs 68 and 71 as of June 30, 2015. The years of 2014 and prior were not restated.
The District adopted GASB Statement No. 75 as of June 30, 2018.
The District adopted GASB Statement No. 84 as of June 30, 2021.
The District adopted GASB Statement No. 87 as of June 30, 2022.

2022	2021	2020	2019	2018	2017
$ 18,484,918	$ 17,555,134	$ 17,065,188	$ 16,191,006	$ 14,226,429	$ 13,441,537
1,921,037	1,175,292	725,408	524,674	633,038	636,963
(4,917,666)	(6,179,380)	(6,902,704)	(6,525,108)	(5,058,443)	5,230,673
$ 15,488,289	$ 12,551,046	$ 10,887,892	$ 10,190,572	$ 9,801,024	$ 19,309,173

Lake Bluff Elementary School District 65

Changes in Net Position
Last Ten Fiscal Years

	2026	2025	2024	2023
Expenses				
Instruction:	$ 31,762,457	$ 31,396,824	$ 30,431,751	$ 27,913,135
Regular programs	7,162,982	7,222,503	6,427,171	5,607,826
Special programs	3,441,834	3,823,393	3,353,272	3,064,093
Other instructional programs	694,875	794,315	576,556	724,646
Student activities	62,053	55,775	7,705	5,064
Support services:	8,229,756	7,728,222	7,825,120	7,315,093
Pupils	1,634,713	1,644,758	1,435,041	1,410,941
Instructional staff	692,768	200,098	687,843	1,429,957
General administration	998,304	957,972	974,425	790,400
School administration	965,320	746,106	677,972	475,917
Business	781,102	888,292	840,961	621,873
Transportation	861,577	1,008,344	865,267	694,184
Operations and maintenance	1,725,959	1,498,808	1,634,959	1,561,104
Central	569,722	783,506	708,112	312,906
Other supporting services	291	338	540	17,811
Community services	9,750	11,335	11,453	12,169
Intergovernmental:				
State retirement contributions	3,931,451	4,033,059	4,405,354	3,869,151
Payments to other districts and gov't unites - excluding special education	1,632	1,238	-	95,410
Interest and fees	300,307	260,388	400,961	449,225
Unallocated depreciation	1,461,810	1,369,271	1,269,840	1,087,991
Total expenses	$ 25,296,450	$ 25,299,499	$ 24,277,432	$ 22,230,668
Program Revenues				
Charges for services:				
Instruction:				
Regular programs	$ 351,169	$ 318,689	$ 291,415	$ 295,367
Other instructional programs	62,040	90,212	22,579	17,421
Support services:				
Pupils	-	-	-	-
Business	298,260	289,266	222,162	224,201
Transportation	104,767	105,581	96,151	90,619
Operations and maintenance	19,026	20,182	19,910	17,510
Operating grants and contributions	4,565,841	4,625,721	4,949,739	4,444,119
Capital grants and contributions	50,000	50,000	50,000	100,000
Total program revenues	$ 5,451,103	$ 5,499,651	$ 5,651,956	$ 5,189,237
Net (expense)/revenue	$ (19,845,347)	$ (19,799,848)	$ (18,625,476)	$ (17,041,431)
General Revenues				
Taxes:				
Real estate taxes, levied for general purposes	$ 15,703,342	$ 15,486,447	$ 14,791,428	$ 13,898,561
Real estate taxes, levied for specific purposes	3,441,235	2,859,339	2,569,632	2,639,067
Real estate taxes, levied for debt service	2,273,514	2,244,994	2,243,626	2,218,034
Personal property replacement taxes	237,132	215,419	565,793	533,113
Federal and State aid-formula grants	567,354	566,540	321,243	565,077
Investment earnings	810,407	825,402	929,857	570,677
Miscellaneous	83,874	71,050	45,778	54,934
Total general revenues	$ 23,116,858	$ 22,269,191	$ 21,467,357	$ 20,479,463
Change in net position	$ 3,271,511	$ 2,469,343	$ 2,841,881	$ 3,438,032

Note: The District adopted GASBs 68 and 71 as of June 30, 2015. The years of 2014 and prior were not restated.
The District adopted GASB Statement No. 75 as of June 30, 2018. The District adopted GASB Statement No. 84 as of June 30, 2021.

2022	2021	2020	2019	2018	2017
$ 27,989,102	$ 31,936,293	$ 31,633,187	$ 31,317,446	$ 30,419,524	$ 29,699,462
6,018,070	6,417,013	6,483,931	5,874,283	5,988,809	5,737,580
2,753,470	3,084,553	2,914,277	2,505,772	2,319,336	2,420,636
633,554	598,668	586,835	819,722	639,793	718,172
3,034	5,332	-	-	-	-
7,023,454	6,773,537	7,091,158	7,765,460	7,718,373	7,265,401
1,383,804	1,269,289	1,400,537	1,278,069	1,152,052	1,260,191
452,877	284,591	756,251	934,831	1,172,820	816,983
1,075,618	1,152,745	1,002,088	1,535,399	992,605	890,579
795,244	936,792	771,157	849,395	863,782	730,489
803,440	933,568	811,226	687,310	606,818	624,919
642,250	394,688	532,132	689,664	678,391	594,700
1,542,566	1,469,075	1,451,952	1,387,467	1,837,283	1,951,735
320,260	332,789	365,815	403,325	414,622	395,232
7,395	-	-	-	-	573
9,282	14,013	1,000	6,000	5,000	5,000
4,524,784	8,269,640	7,464,828	6,580,749	6,029,840	6,287,272
115,358	9,310	12,026	3,470	10,893	3,765
487,312	517,519	662,865	673,376	711,194	898,756
938,228	1,248,142	1,137,102	1,072,362	1,481,162	1,474,612
$ 22,506,546	$ 26,937,727	$ 26,354,022	$ 25,301,194	$ 24,904,400	$ 24,811,194
$ 305,869	$ 520,387	$ 333,450	$ 371,385	$ 573,569	$ 536,913
2,000	-	5,100	7,799	20,809	32,586
3,246	3,525	-	-	-	-
218,549	6,411	125,433	108,107	114,391	104,024
82,738	22,601	68,249	69,154	10,830	6,284
15,942	-	12,495	14,841	22,039	22,864
5,259,586	9,138,453	7,885,787	6,884,072	6,341,531	6,992,018
-	-	-	-	-	-
$ 5,887,930	$ 9,691,377	$ 8,430,514	$ 7,455,358	$ 7,083,169	$ 7,694,689
$ (16,618,616)	$ (17,246,350)	$ (17,923,508)	$ (17,845,836)	$ (17,821,231)	$ (17,116,505)
$ 13,628,246	$ 13,259,592	$ 12,905,002	$ 12,352,170	$ 12,437,955	$ 12,398,054
2,610,040	2,512,914	2,502,259	2,655,639	2,201,855	1,979,090
2,200,945	2,191,070	2,167,483	2,137,323	2,113,449	2,216,966
510,820	236,252	169,564	156,816	140,921	190,903
564,242	563,397	563,397	562,448	561,509	202,791
13,019	23,695	272,739	326,477	193,675	82,608
28,547	107,880	40,384	44,511	64,294	333,599
$ 19,555,859	$ 18,894,800	$ 18,620,828	$ 18,235,384	$ 17,713,658	$ 17,404,011
$ 2,937,243	$ 1,648,450	$ 697,320	$ 389,548	$ (107,573)	$ 287,506

Lake Bluff Elementary School District 65

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2026	2025	2024	2023	2022
General Fund					
Nonspendable	$ 22,151	$ 18,135	$ 18,356	$ 8,095	$ 1,350
Assigned	13,298	29,977	9,406	12,266	13,109
Unassigned	8,255,042	7,337,833	6,727,711	8,172,475	6,935,517
Total general fund	$ 8,290,491	$ 7,385,945	$ 6,755,473	$ 8,192,836	$ 6,949,976
All Other Governmental Funds					
Restricted, reported in:					
Special revenue funds	$ 630,429	$ 348,109	$ 631,653	$ 1,192,554	$ 1,200,359
Debt service fund	137,833	565,462	478,119	389,999	321,450
Capital projects funds	500,000	-	-	-	-
Nonspendable	-	-	-	194,993	-
Assigned	756,066	608,006	746,401	451,819	839,814
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 2,024,328	$ 1,521,577	$ 1,856,173	$ 2,229,365	$ 2,361,623

2021	2020	2019	2018	2017
$ 17,015	$ 2,152	$ 13,200	$ 33,696	$ 7,795
12,897	-	-	-	-
5,841,132	5,089,577	5,114,529	5,696,140	5,203,867
$ 5,871,044	$ 5,091,729	$ 5,127,729	$ 5,729,836	$ 5,211,662
$ 1,107,061	$ 800,227	$ 651,522	$ 805,719	$ 953,899
271,532	209,747	153,123	100,492	82,374
-	-	-	-	22,605
-	756	-	-	-
747,153	644,168	459,815	895,860	405,706
-	-	(3,099)	(22,898)	-
$ 2,125,746	$ 1,654,898	$ 1,261,361	$ 1,779,173	$ 1,464,584

Lake Bluff Elementary School District 65

Governmental Funds Revenues
Last Ten Fiscal Years

	2026	2025	2024	2023
Local Sources				
Property taxes	$ 21,418,091	$ 20,590,780	$ 19,604,686	$ 18,755,662
Replacement taxes	237,132	215,419	321,243	533,113
Earnings on investments	810,407	825,402	929,857	570,677
Other local sources	919,136	894,980	697,995	700,052
Total local sources	23,384,766	22,526,581	21,553,781	20,559,504
State Sources	6,068,353	5,993,055	5,362,745	5,578,355
Federal Sources	487,153	512,820	498,493	517,617
Total	$ 29,940,272	$ 29,032,456	$ 27,415,019	$ 26,655,476

2022	2021	2020	2019	2018	2017
$ 18,439,231	$ 17,963,576	$ 17,574,744	$ 17,145,132	$ 16,753,259	$ 16,594,110
510,820	236,252	169,564	156,816	140,921	190,903
13,019	23,677	272,739	326,477	193,675	82,608
656,891	660,804	585,111	615,797	805,932	1,036,270
19,619,961	18,884,309	18,602,158	18,244,222	17,893,787	17,903,891
5,410,261	4,846,315	4,899,836	4,428,500	6,788,509	6,968,609
681,758	801,320	320,940	259,154	206,403	233,918
$ 25,711,980	$ 24,531,944	$ 23,822,934	$ 22,931,876	$ 24,888,699	$ 25,106,418

Lake Bluff Elementary School District 65

Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years

	2026	2025	2024	2023	2022
Current					
Instruction:					
Regular programs	$ 7,192,511	$ 7,052,547	$ 6,782,953	$ 6,188,894	$ 6,258,614
Special programs	2,894,568	3,020,069	2,809,771	2,649,307	2,510,025
Other instructional programs	903,532	765,669	688,649	790,843	743,026
Student activities	62,053	55,775	7,705	5,064	3,034
Total instruction	11,052,664	10,894,060	10,289,078	9,634,108	9,514,699
Supporting services:					
Pupils	1,685,998	1,613,766	1,517,906	1,488,202	1,445,926
Instructional staff	679,292	606,692	667,403	752,783	467,094
General administration	1,094,704	1,131,712	1,099,151	1,071,629	979,229
School administration	1,019,160	983,794	956,937	896,300	885,646
Business	971,425	964,956	973,548	792,119	803,570
Transportation	861,577	1,008,344	865,267	694,184	642,250
Operations and maintenance	1,733,821	1,642,094	1,669,693	1,546,218	1,487,172
Central	623,897	729,004	745,649	305,870	498,975
Other supporting services	291	338	540	17,888	7,395
Total supporting services	8,670,165	8,680,700	8,496,094	7,565,193	7,217,257
Intergovernmental:					
State retirement contributions	5,303,762	5,296,673	4,701,060	4,855,927	4,792,975
Payments to other districts and governmental units	671,600	706,088	722,088	657,132	507,634
Total intergovernmental	5,975,362	6,002,761	5,423,148	5,513,059	5,300,609
Community services	9,750	11,335	11,453	14,141	9,282
Total current	25,707,941	25,588,856	24,219,773	22,726,501	22,041,847
Other					
Debt service:					
Principal	2,562,245	1,952,712	1,810,688	1,704,025	1,607,452
Interest	349,644	442,487	440,930	511,693	578,801
Capital outlay	785,795	1,059,646	2,754,183	602,655	169,071
Total other	3,697,684	3,454,845	5,005,801	2,818,373	2,355,324
Total	$ 29,405,625	$ 29,043,701	$ 29,225,574	$ 25,544,874	$ 24,397,171
Debt Service as a Percentage of Noncapital Expenditures	10.17%	8.56%	8.51%	8.88%	9.02%

2021	2020	2019	2018	2017
$ 6,319,585	$ 6,110,127	$ 5,863,656	$ 5,814,948	$ 5,725,716
2,515,279	2,347,786	2,295,580	2,129,299	2,108,186
575,900	686,563	683,646	659,219	714,446
5,332	-	-	-	-
9,416,096	9,144,476	8,842,882	8,603,466	8,548,348
1,273,169	1,389,152	1,257,337	1,199,192	1,205,359
375,323	745,541	888,203	880,677	804,955
955,541	925,572	1,511,916	916,476	861,851
879,129	787,360	748,919	729,635	716,620
927,812	763,820	646,653	623,732	601,631
394,688	532,132	689,664	678,391	594,700
1,511,364	1,408,706	1,347,612	1,327,444	1,485,966
505,089	359,776	405,262	398,215	400,042
-	-	-	-	573
6,822,115	6,912,059	7,495,566	6,753,762	6,671,697
4,215,425	4,236,420	3,797,979	6,029,840	6,287,272
592,607	497,292	181,143	148,142	229,743
4,808,032	4,733,712	3,979,122	6,177,982	6,517,015
14,013	1,000	6,000	5,000	5,000
21,060,256	20,791,247	20,323,570	21,540,210	21,742,060
1,527,298	3,327,309	1,371,077	1,376,151	1,425,427
637,245	777,268	761,611	809,997	970,364
221,373	513,845	1,595,537	329,578	6,276,769
2,385,916	4,618,422	3,728,225	2,515,726	8,672,560
$ 23,446,172	$ 25,409,669	$ 24,051,795	$ 24,055,936	$ 30,414,620
9.32%	16.49%	9.50%	9.21%	9.93%

Lake Bluff Elementary School District 65

Other Financing Sources and Uses and Net Change in Fund Balances
Last Ten Fiscal Years

	2026	2025	2024	2023	2022
Excess of Revenues Over (Under) Expenditures	$ 534,647	$ (11,245)	$ (1,810,555)	$ 1,110,602	$ 1,314,809
Other Financing Sources (Uses)					
Principal on bonds sold	506,100	3,305,000	-	-	-
Premium on bonds sold	-	425,219	-	-	-
Payments to escrow agent	-	(3,646,169)	-	-	-
Installment contract payable and lease issuance	366,550	223,071	-	-	-
Transfers in	1,167,000	319,646	2,334,380	364,380	34,380
Transfers out	(1,167,000)	(319,646)	(2,334,380)	(364,380)	(34,380)
Total	872,650	307,121	-	-	-
Net change in fund balances	$ 1,407,297	$ 295,876	$ (1,810,555)	$ 1,110,602	$ 1,314,809

2021	2020	2019	2018	2017
$ 1,085,772	$ (1,586,735)	$ (1,119,919)	$ 832,763	$ (5,308,202)
-	1,600,000	-	-	5,690,000
-	344,272	-	-	463,222
-	-	-	-	(6,059,626)
149,687	-	-	-	131,672
31,964	407,147	1,354,547	276,008	8,493,728
(31,964)	(407,147)	(1,354,547)	(276,008)	(8,493,728)
149,687	1,944,272	-	-	225,268
$ 1,235,459	$ 357,537	$ (1,119,919)	$ 832,763	$ (5,082,934)

Lake Bluff Elementary School District 65

Equalized Assessed Valuations by Classification of Property
Last Ten Tax Levy Years

	2025	2024	2023	2022	2021
Residential	$ 748,121,804	$ 690,886,136	$ 625,775,214	$ 586,471,993	$ 583,166,873
Farm	5,180,276	4,044,905	4,514,370	4,985,971	4,784,761
Commercial	70,142,478	67,098,622	65,492,667	64,281,222	62,272,952
Industrial	30,472,187	27,012,854	25,467,909	24,098,863	23,611,277
Railroad	1,657,903	1,867,099	1,897,520	1,774,480	1,555,791
Total	$ 855,574,648	$ 790,909,616	$ 723,147,680	$ 681,612,529	$ 675,391,654
New Property	$ 3,046,383	$ 1,578,455	$ 1,681,037	$ 2,192,808	$ 2,318,628

Source: Lake County Clerk
Note: New property represents the value of property included in the total that was not taxed in the prior year.

2020	2019	2018	2017	2016
$ 591,695,063	$ 598,555,437	$ 595,067,862	$ 589,096,260	$ 568,428,747
4,853,547	4,649,671	4,999,001	4,944,314	4,713,634
62,165,120	63,462,053	55,815,541	52,617,439	50,357,067
23,392,700	24,374,722	19,846,154	18,295,077	17,591,957
1,555,791	1,508,228	1,404,817	1,313,329	1,352,964
$ 683,662,221	$ 692,550,111	$ 677,133,375	$ 666,266,419	$ 642,444,369
$ 3,226,690	$ 3,727,080	$ 2,645,664	$ 3,331,152	$ 7,887,712

Lake Bluff Elementary School District 65

Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Tax Levy Years

Tax Levy Year	Equalized Assessed Valuation	Amount of Change VS. Previous Year	Percentage Change VS. Previous Year	Exemption Value	Estimated Market Value
2025	$ 855,574,648	$ 64,665,032	8.2%	$ 34,772,587	$ 2,671,041,705
2024	790,909,616	67,761,936	9.4%	31,954,548	2,468,592,492
2023	723,147,680	41,535,151	6.1%	30,504,263	2,260,955,829
2022	681,612,529	6,220,875	0.9%	22,953,949	2,113,699,434
2021	675,391,654	(8,270,567)	-1.2%	23,658,724	2,097,151,134
2020	683,662,221	(8,887,890)	-1.3%	23,658,725	2,121,962,838
2019	692,550,111	15,416,736	2.3%	23,875,164	2,149,275,825
2018	677,133,375	10,866,956	1.6%	23,016,913	2,100,450,864
2017	666,266,419	23,822,050	3.7%	22,535,849	2,066,406,804
2016	642,444,369	34,699,892	6.2%	19,618,910	1,986,189,837

Note: Lake County assesses property at approximately 33.3% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by that percentage.
Source: Lake County Clerk

Lake Bluff Elementary School District 65

Property Tax Rates - All Direct and Overlapping Governments
Last Ten Tax Levy Years

	2025	2024	2023	2022	2021
District Direct Rates					
Educational	1.876374	1.965463	2.135204	2.174207	2.053715
PTAB/CE Recapture	0.010063	0.018500	0.024341	0.012248	0.013809
Operations and maintenance	0.249874	0.242116	0.241727	0.263541	0.251632
Bond and interest	0.264919	0.287237	0.313128	0.331706	0.329975
Transportation	0.101693	0.123142	0.082878	0.041728	0.075268
Working cash	0.002325	0.002526	0.002763	0.002929	0.002952
Illinois municipal retirement	0.024406	0.028418	0.030389	0.030747	0.024352
Social security	0.036610	0.038522	0.040748	0.040996	0.039110
Total direct	2.566264	2.705924	2.871178	2.898102	2.790813
Overlapping Rates					
Lake County	0.519692	0.551252	0.586254	0.588728	0.597747
Lake County Forest Preserve District	0.156802	0.161646	0.167961	0.173233	0.178905
Shields Township	0.045579	0.047390	0.049268	0.047887	0.037460
Shields Township Road & Bridge	0.020918	0.022565	0.025232	0.026429	0.033831
College of Lake County #532	0.268542	0.280239	0.294247	0.295800	0.293469
Lake Forest High School District #115	1.602319	1.687004	1.790408	1.535025	1.493935
North Shore Water Reclamation District	0.143690	0.149942	0.158695	0.159719	0.158336
Central Lake County JAWA	-	-	0.000001	-	0.000056
Village of Lake Bluff	0.762233	0.788280	0.831178	0.829387	0.797144
Lake Bluff Park District	0.464209	0.488114	0.511988	0.519804	0.506051
Lake Bluff Mosquito Abatement	-	-	-	-	0.000046
Total direct and overlapping rate	6.550248	6.882356	7.286410	7.074114	6.887793

Source: Lake County Clerk
Note: Tax rates are per $100 of assessed value.

In 2021 the property tax code was amended to implement a levy increase in the amount of aggregate refunds given during the prior year due to certificates of error, court orders in a valuation, tax objection complaints, and decisions of the Property Tax Appeal Board.

2020	2019	2018	2017	2016
1.993975	1.918277	1.907979	1.858945	1.939384
-	-	-	-	-
0.244146	0.234289	0.233910	0.230635	0.233112
0.322007	0.316984	0.320458	0.321657	0.329547
0.072880	0.073819	0.073696	0.106747	0.066232
0.002916	0.002884	0.003390	0.003444	0.003575
0.024050	0.020762	0.024320	0.024404	0.017096
0.037898	0.031791	0.034638	0.034435	0.023312
2.697872	2.598806	2.598391	2.580267	2.612258
0.598027	0.596778	0.611675	0.621751	0.632039
0.181818	0.179769	0.182036	0.187303	0.192905
0.036630	0.035970	0.035348	0.035367	0.035852
0.033370	0.031898	0.031256	0.030549	0.030968
0.289671	0.281521	0.281854	0.280640	0.285385
1.445384	1.375210	1.336484	1.313801	1.328671
0.157055	0.152986	0.153210	0.152663	0.156764
-	-	-	0.040806	0.045760
0.768240	0.751047	0.746993	0.737444	0.743199
0.492169	0.476770	0.476166	0.475170	0.481312
-	0.014005	0.013991	0.013873	0.013971
6.700236	6.494760	6.467404	6.469634	6.559084

Lake Bluff Elementary School District 65

Principal Property Taxpayers in the District
Current Year and Nine Years Ago

Taxpayer 2025/2016	Taxable Equalized Assessed Value	Rank	Percentage of Total 2025 Equalized Assessed Valuation[1]	Taxable Equalized Assessed Value	Rank	Percentage of Total 2016 Equalized Assessed Valuation[2]
Karl Knauz Motors Inc	$ 6,305,898	1	0.74%	4,390,670	2	0.68%
Globe Corporation/Cantera Investors	4,266,240	2	0.50%	2,141,405	10	0.33%
JEA Lake Bluff LLC/Frankin 101 Waukegan LLC	4,247,251	3	0.50%	1,533,180	14	0.24%
Carriage Way, LLC	3,242,234	4	0.38%	2,371,563	8	0.37%
Buehler Ltd	2,916,375	5	0.34%	2,030,498	12	0.32%
Knauz Factory Building Ltd Partners	2,644,897	6	0.31%	1,567,501	15	0.24%
Midwood, LLC	2,622,266	7	0.31%	2,381,505	7	0.37%
Donna J Shackleton Trustee	2,563,447	8	0.30%			
Big Sky Advisors LLC	2,465,000	9	0.29%			
Jeffrey & Marianne Silver	2,420,799	10	0.28%	1,478,746	23	0.23%
65 Waukegan LLC/Profile Plastics Building, LLC	2,385,492	11	0.28%	1,494,059	22	0.23%
One Sherwood Terrace,LLC	2,308,103	12	0.27%	1,500,810	21	0.23%
Target Corporation	2,097,882	18	0.25%	2,574,154	3	0.40%
Trust #RV011643				2,296,541	9	0.36%
Chicago Title Land Trust Co				5,171,516	1	0.80%
SB 2011, LLC				2,502,508	4	0.39%
Fank & Betty Reynolds				2,430,712	5	0.38%
John F Sandner				2,426,599	6	0.38%
Purnima Gaiha				2,077,125	11	0.32%
Total of top ten largest taxpayers	$ 33,694,407		3.94%	$ 28,687,173		4.47%

(1) Uses the District's 2025 Equalized Assessed Valuation of $855,574,648
(2) Uses the District's 2016 Equalized Assessed Valuation of $642,444,369

Source: Lake County Assessor

Lake Bluff Elementary School District 65

Property Tax Levies and Collections
Last Ten Tax Levy Years

	2025	2024	2023	2022	2021
Equalized Assessed Valuation	$ 855,574,648	$790,909,616	$ 723,147,680	$ 681,612,529	$ 675,391,654
Tax Rates					
Educational	1.876374	$ 1.965463	$ 2.135204	$ 2.174207	$ 2.053715
PTAB/CE Recapture	0.010063	0.018500	0.024341	0.012248	0.013809
Operations and maintenance	0.249874	0.242116	0.241727	0.263541	0.251632
Bond and interest	0.264919	0.287237	0.313128	0.331706	0.329975
Transportation	0.101693	0.123142	0.082878	0.041728	0.075268
Municipal retirement	0.024406	0.028418	0.030389	0.030747	0.024352
Social security	0.036610	0.038522	0.040748	0.040996	0.039110
Working cash	0.002325	0.002526	0.002763	0.002929	0.002952
	$ 2.566264	$ 2.705924	$ 2.871178	$ 2.898102	$ 2.790813
Tax Extensions					
Educational	$16,053,780	$15,545,036	$ 15,440,678	$ 14,819,667	$ 13,870,620
PTAB/CE Recapture	86,096	146,318	176,021	83,484	93,265
Operations and maintenance	2,137,859	1,914,919	1,748,043	1,796,328	1,699,502
Bond and interest	2,266,580	2,271,785	2,264,378	2,260,950	2,228,624
Transportation	870,059	973,942	599,330	284,423	508,354
Municipal retirement	208,812	224,761	219,757	209,575	164,471
Social security	313,226	304,674	294,668	279,434	264,146
Working cash	19,892	19,978	19,981	19,964	19,938
	$ 21,956,304	$ 21,401,413	$ 20,762,857	$ 19,753,826	$ 18,848,918
Taxes Collected	$ * 10,203,385	$ 21,417,109	$ 20,586,348	$ 19,599,561	$ 18,780,904
Taxes Collected in Subsequent Years	$ -	$ -	$ -	$ -	$ 1,537
Total taxes collected to date	$ 10,203,385	$ 21,417,109	$ 20,586,348	$ 19,599,561	$ 18,782,441
Percent Collected to Date	* 46.47%	100.07%	99.15%	99.22%	99.65%

Tax Rates are expressed per $100 of Assessed Value

* amount collected through June 30, 2026.

Source: Lake County Clerk, Lake County Treasurer

2020	2019	2018	2017	2016
$ 683,662,221	$ 692,550,111	$ 677,133,375	$ 666,266,419	$ 642,444,369
$ 1.993975	$ 1.918277	$ 1.907979	$ 1.858945	$ 1.939384
-	-	-	-	-
0.244146	0.234289	0.233910	0.230635	0.233112
0.322007	0.316984	0.320458	0.321657	0.329547
0.072880	0.073819	0.073696	0.106747	0.066232
0.024050	0.020762	0.024320	0.024404	0.017096
0.037898	0.031791	0.034638	0.034435	0.023312
0.002916	0.002884	0.003390	0.003444	0.003575
$ 2.697872	$ 2.598806	$ 2.598391	$ 2.580267	$ 2.612258
$ 13,632,054	$ 13,285,030	$ 12,919,563	$ 12,385,526	$ 12,459,463
-	-	-	-	-
1,669,134	1,622,569	1,583,883	1,536,644	1,497,615
2,201,440	2,195,273	2,169,928	2,143,093	2,117,156
498,253	511,234	499,020	711,219	425,504
164,421	143,787	164,679	162,596	109,832
259,094	220,169	234,545	229,429	149,767
19,936	19,973	22,955	22,946	22,967
$ 18,444,332	$ 17,998,034	$ 17,594,573	$ 17,191,453	$ 16,782,304
$ 18,389,593	$ 17,915,112	$ 17,573,936	$ 17,159,205	$ 16,752,229
$ 5,876	$ 46,279	$ 733	$ 1,359	$ 457
$ 18,395,469	$ 17,961,391	$ 17,574,668	$ 17,160,564	$ 16,752,686
99.74%	99.80%	99.89%	99.82%	99.82%

Lake Bluff Elementary School District 65

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds[1]	Installment Contracts Payable	Lease Liabilities	Total	Percentage of Personal Income	Outstanding Debt Per Capita
2026	$ 8,536,868	$ 265,787	$ 129,337	$ 8,931,992	1.50%	1,606
2025	10,573,544	-	179,719	10,753,263	1.73%	1,920
2024	12,613,932	-	49,360	12,663,292	2.18%	2,288
2023	14,516,240	-	80,047	14,596,287	2.75%	2,630
2022	16,336,047	-	109,072	16,445,119	3.38%	2,942
2021	18,089,875	-	136,525	18,226,400	3.97%	3,245
2020	19,791,958	-	33,496	19,825,454	4.30%	3,485
2019	21,344,428	-	60,805	21,405,233	5.08%	3,788
2018	22,888,357	-	86,882	22,975,239	5.79%	4,058
2017	24,397,854	-	163,033	24,560,887	6.16%	4,322

(1) net of related premiums, discounts, and adjustments

Note: See Demographic and Economic Statistics table for personal and population data.

Source: District Records

Lake Bluff Elementary School District 65

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt[(1)]	Less: Amounts Available to Repay Principal	Net General Bonded Debt	Percentage of Net General Bonded Debt to Estimated Market Valuation	Net General Bonded Debt Per Capita
2026	$ 8,536,868	$ 137,833	$ 8,399,035	0.3%	$ 1,510
2025	10,573,544	565,462	10,008,082	0.4%	1,787
2024	12,613,932	478,119	12,135,813	0.5%	2,193
2023	14,516,240	389,999	14,126,241	0.7%	2,546
2022	16,336,047	321,450	16,014,597	0.8%	2,865
2021	18,089,875	271,532	17,818,343	0.80%	3,173
2020	19,791,958	209,747	19,582,211	0.9%	3,443
2019	21,344,428	153,123	21,191,305	1.0%	3,750
2018	22,888,357	100,492	22,787,865	1.1%	4,025
2017	24,397,854	82,374	24,315,480	1.2%	4,279

(1) net of related premiums, discounts, and adjustments

Note: See Demographic and Economic Statistics table for personal and population data.

Lake Bluff Elementary School District 65

Computation of Direct and Overlapping Debt
June 30, 2026

Taxing Authority	Outstanding Debt[(1)(2)]	Applicable to District Percentage	Applicable to District Amount
Direct Debt			
Lake Bluff Elementary School District 65	$ 8,931,992	100.000%	$ 8,931,992
Overlapping General Obligation Bonded Debt			
Lake County Forest Preserve District	$156,220,000	2.379%	$ 3,716,143
Village of Lake Bluff	1,535,000	99.816%	1,532,173
City of North Chicago	6,510,000	0.553%	36,002
Foss Park District	0	5.157%	-
Lake Bluff Park District	4,292,000	98.603%	4,232,061
Lake Forest High School District 115	101,470,000	22.710%	23,043,990
Community College #532	2,070,000	2.493%	51,603
	$ 272,097,000		$ 32,611,972
Total direct and overlapping debt			$ 41,543,964

(1) Does not include alternate revenue bonds
(2) Direct Debt includes all long-term debt instruments including bonds, notes, certificates of participation, loans and capital leases net of related premiums, discounts and adjustments.

Source: Lake County Clerk

Note: Percent applicable to School District calculated using assessed valuation of the School District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit. Excludes railroad value.

Overlapping governments with no outstanding debt are not reflected.

Lake Bluff Elementary School District 65

Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Tax Year	Equalized Assessed Valuation	Statutory Debt Limitation* (6.9% of EAV)	Total Net Debt Applicable to the Limit	Total Net Debt Applicable to the limit as a Percentage of Statutory Debt Limit	Legal Debt Margin
2026	2025	$ 855,574,648	$ 59,034,651	$ 8,500,124	14.4%	$ 50,534,527
2025	2024	790,909,616	54,572,764	10,189,719	18.7%	44,383,045
2024	2023	723,147,680	49,897,190	10,189,708	20.4%	39,707,482
2023	2022	681,612,529	47,031,265	14,045,047	29.9%	32,986,218
2022	2021	675,391,654	46,602,024	15,749,072	33.8%	30,852,952
2021	2020	683,662,221	47,172,693	17,356,525	36.8%	29,816,168
2020	2019	692,550,111	47,785,958	18,753,496	39.2%	29,032,462
2019	2018	677,133,375	46,722,203	20,480,805	43.8%	26,241,398
2018	2017	666,266,419	45,972,383	21,851,882	47.5%	24,120,501
2017	2016	642,444,369	44,328,661	23,228,033	52.4%	21,100,628

Source: Lake County Clerk
District Records

Lake Bluff School District No. 65

Demographic and Economic Statistics
Last Ten Years

Year	Population[1]	Personal Income[2]	Per Capita Income[1]	Median Household Income[1]	Lake Bluff, IL Unemployment Rate[3][4]	Lake County, IL Unemployment Rate[3]
2025	5,563	$ 594,929,472	$ 106,944	$ 204,000	3.9%	4.7%
2024	5,600	622,703,200	111,197	205,735	4.2%	5.0%
2023	5,534	582,060,586	105,179	190,179	3.8%	5.0%
2022	5,549	530,573,184	95,616	173,667	3.1%	4.2%
2021	5,589	486,930,447	87,123	174,444	3.8%	5.3%
2020	5,616	458,658,720	81,670	164,421	7.4%	8.1%
2019	5,688	460,585,800	80,975	162,109	3.1%	4.1%
2018	5,651	421,756,734	74,634	160,417	3.5%	4.4%
2017	5,662	397,093,046	70,133	150,962	3.6%	4.5%
2016	5,683	398,565,839	70,133	150,962	4.4%	5.2%

Source of Information:
Information is for the Village of Lake Bluff, Illinois in which the District is located. The District is comprised of the Village of Lake Bluff and Unincorporated Shields Township.

(1) US Census Bureaus Quickfacts
(2) Personal Income = Population x Per Capita Income
(3) Illinois Department of Employment Security
(4) Estimated. There is no monthly data available for the Village since it is a community with a population of less than 25,000

Lake Bluff Elementary School District 65

Principal Employers
Current Year and Nine Years Ago

			2025			2016		
Employer	**Type of Business or Property**	**Location**	**Employees**	**Rank**	**%**	**Employees**	**Rank**	**%**
AbbVie, Inc	Contract pharmaceutical manufacturing	North Chicago	3,400	1	29.4%	3400	1	28.1%
W.W. Grainger Inc.	Corporate HQ & wholesaler of equipment & supplies	Lake Forest	2,500	2	21.6%	2091	2	17.3%
Northwestern Lake Forest Hospital	Community hospital, medical & surgical services	Lake Forest	1,523	3	13.2%	1600	3	13.2%
Hospira	Pharmaceuticals	Lake Forest			0.0%	1350	4	11.1%
Pfizer (acquired Hospira)	Pharmaceuticals	Lake Forest	1350	4	11.7%			0.0%
XPO Logistics, Inc	Long Distance Freight logistics services	Lake Forest			0.0%	1000	5	8.3%
Trustmark Companies	Health & life insurance, benefits administration	Lake Forest			0.0%	800	6	6.6%
Mariani Landscape	Landscape design & building maintenance	Lake Bluff	764	5	6.6%	250	11	2.1%
Abbott Laboratories	Medical diagnostic products	North Chicago	500	6	4.3%	500	7	4.1%
Pactive, LLC	Company HQ & foodservice/food packaging	Lake Forest	388	7	3.4%	300	8	2.5%
Knauz Autos, Inc	Imported automobile dealership & fleet sales	Lake Bluff	300	8	2.6%	300	8	2.5%
PCI Energy Services, LLC	Power plant service & repair	Lake Bluff	300	8	2.6%	300	8	2.5%
Reynolds Consumer Products, LLC	Company Headquarters; consumer household products	Lake Forest	277	10	2.4%			
EMCO Chemical Packaging	Liquid Chemical Blending and Packaging	North Chicago	250	11	2.2%			
Westrock CO.	Corrugated Shipping Containers	North Chicago				230	12	1.9%

Data Sources

2024 and 2016 Offering Statements of the District

Lake Bluff Elementary School District 65

Full Time Equivalent Employees by Type
Last Ten Fiscal Years

	2025 - 2026	2024 - 2025	2023 - 2024	2022 - 2023	2021 - 2022
Administration					
Superintendent	1.0	1.0	1.0	1.0	1.0
District administrators	4.0	4.0	4.0	3.0	2.0
Principals and assistants	4.0	4.0	4.0	4.0	4.0
Total administration	9.0	9.0	9.0	8.0	7.0
Teachers					
Elementary	31.0	31.0	33.0	30.0	31.5
Middle school	17.5	18.0	18.0	18.0	18.0
Specialists:	7.0	7.5	3.6	5.6	5.6
Enrichment	*4.0*	4.0	-	2.0	2.0
Remedial/Supplemental	*3.0*	3.5	3.6	3.6	3.6
Foreign language	3.6	3.6	4.5	4.1	4.1
Fine arts	7.5	7.0	8.0	7.0	7.0
Special education	15.0	14.0	12.0	13.0	13.0
Multilingual education	3.4	3.4	3.5	2.4	2.2
Total teachers	85.0	84.5	82.6	80.1	81.4
Pupil/Staff Support					
Speech Path and Occupational Therapist	3.7	3.6	3.6	3.6	3.3
Social Workers and Psychologists	5.0	6.0	6.0	6.0	5.0
Library Media Specialist	2.0	2.0	2.0	2.0	2.0
Total pupil staff support	10.7	11.6	11.6	11.6	10.3
Other Supporting Staff					
Clerical 10/12 Month	8.5	9.0	9.0	9.0	8.8
Teacher assistants	21.5	21.5	20.5	18.6	19.4
Technology	2.0	1.0	1.0	2.0	1.0
Maintenance and custodial	7.0	7.0	7.0	7.0	7.0
Nurses	2.0	2.0	2.0	2.0	2.0
Lunch/cafeteria	1.0	1.0	0.9	0.9	0.5
Total other support staff	42.0	41.5	40.4	39.5	38.7
Total staff	146.7	146.6	143.6	139.2	137.4

2020 - 2021	2019 - 2020	2018 - 2019	2017 - 2018	2016 - 2017
1.0	1.0	1.0	1.0	1.0
2.0	3.0	3.0	3.0	2.0
4.0	3.0	3.0	3.0	3.0
7.0	7.0	7.0	7.0	6.0
31.0	31.5	31.5	30.5	30.5
18.0	18.0	18.0	18.2	17.7
4.1	4.6	4.6	4.7	5.7
2.0	2.0	2.0	2.0	3.0
2.1	2.6	2.6	2.7	2.7
4.1	4.1	4.1	4.1	4.1
7.0	7.0	7.0	7.0	7.0
13.3	12.8	12.8	12.8	12.8
2.2	2.0	2.0	2.0	2.0
79.7	80.0	80.0	79.3	79.8
3.3	3.3	3.3	3.3	3.2
5.0	5.0	5.0	5.0	5.0
2.0	2.0	2.0	2.0	2.0
10.3	10.3	10.3	10.3	10.2
8.8	9.1	8.0	8.0	8.0
19.3	19.0	20.5	17.4	17.4
1.0	1.0	1.5	2.0	2.0
7.0	7.0	7.0	6.0	6.4
2.5	2.0	2.0	2.0	1.8
0.3	1.0	1.0	0.8	0.8
38.9	39.1	40.0	36.2	36.4
135.9	136.4	137.3	132.7	132.3

Lake Bluff Elementary School District 65

Operating Indicators by Function
Last Ten Fiscal Years

Fiscal Year	Average Daily Attendance	Operating Expenditures of Regular Programs[1]	Cost Per Pupil	Percentage Change
2026	794	$ 19,676,873	24,782	4%
2025	823	19,564,821	23,773	7%
2024	811	18,737,675	23,116	4%
2023	782	17,387,874	22,227	5%
2022	764	16,995,506	22,245	7%
2021	781	16,477,534	21,106	5%
2020	792	16,478,968	20,812	9%
2019	815	16,344,448	20,055	5%
2018	833	15,934,937	19,134	1%
2017	839	15,825,315	18,861	3%

Source: District records

(1) Operating Expenditures of Regular Programs includes all costs for overall K-8 operations in district schools. It excludes tuition for outplaced students, Pre-K programs, summer school, adult education, capital expenditures, long term debt payments, and pension contributions made by the State on behalf of the District.

Lake Bluff Elementary School District 65

Instructional Statistics
Last Ten Fiscal Years

School Year	PK - 8 Enrollment in District*	Total Teacher FTE	Pupil - Teacher Ratio	Percentage Low Income Students
2025-26	861	85	10.1	9%
2024-25	877	84.5	10.4	10%
2023-24	881	82.6	10.7	13%
2022-23	858	84.5	10.2	13%
2021-22	863	82.6	10.4	13%
2020-21	868	80.1	10.8	13%
2019-20	897	81.4	11.0	13%
2018-19	880	79.7	11.0	10%
2017-18	896	80.0	11.2	9%
2016-17	905	80.0	11.3	7%

*Total housed PK-8 school year enrollment, including special education students, on or about October 1st each school year.

Source: Enrollment/Low Income Statistics: Illinois State Board of Education Fall Enrollment and Housing Reports, 2016-2025
Staffing: District Records

Lake Bluff Elementary School District 65

Equalized Assessed Valuation and Enrollment
Last Ten Tax Levy Years

Tax Levy Year	School Year	PK - 8 Enrollment in District*	Equalized Assessed Valuation	Equalized Assessed Valuation Per Student
2025	2025-26	861	$ 855,574,648	$ 993,699
2024	2024-25	877	790,909,616	901,835
2023	2023-24	881	723,147,680	820,826
2022	2022-23	858	681,612,529	794,420
2021	2021-22	863	675,391,654	782,609
2020	2020-21	868	683,662,221	787,629
2019	2019-20	897	692,550,111	772,074
2018	2018-19	880	677,133,375	769,470
2017	2017-18	896	666,266,419	743,601

*Total housed PK-8 school year enrollment, including special education students, on or about October 1st each school year.

Source: Illinois State Board of Education Fall Enrollment and Housing Reports, 2017-2025
Lake County Clerk

Lake Bluff Elementary School District 65

School Building Information
Last Ten Fiscal Years

	2026	2025	2024	2023	2022
Lake Bluff Elementary School (2009)					
Square Feet	83,400	83,400	80,000	80,000	80,000
Capacity (Students)	800	800	800	800	800
Enrollment	570	572	592	570	546
Lake Bluff Middle School (1954)					
Square Feet	70,900	65,450	65,450	65,450	65,450
Capacity (Students)	450	450	450	450	450
Enrollment	291	289	289	288	317

2021	2020	2019	2018	2017
80,000	80,000	80,000	80,000	80,000
800	800	800	800	800
568	573	576	570	575
65,450	65,450	65,450	65,450	65,450
450	450	450	450	450
300	324	304	326	330

Lake Bluff Elementary School District 65

Miscellaneous Statistics
June 30, 2026

Location:	The District encompasses approximately 5.1 square miles in the northeastern part of Lake County, along Lake Michigan, approximately 35 miles north of Chicago, IL and 60 miles south of Milwaukee, WI.
Date of Organization:	1869
Number of Schools:	1 Elementary School, 1 Middle School
Area Served:	The Village of Lake Bluff and unincorporated Shields Township
[1] [3] **Population Served:**	7,684
Median Home Value:	
[1] **Lake Bluff**	$739,400
[2] **Zip code 60044**	$664,432
Student Enrollment:	861
Teaching Staff (FTE)	85.0
Average Class Size (K-8): (students per classroom teacher)	14.4
Pupil/Teacher Ratio:	10.1
Faculty Holding Master's Degree or Higher	80%

Note: Student enrollment and pupil teacher ratio includes special education students

Source:
District Records
Illinois State Board of Education Fall Enrollment and Housing Report 2025
(1) US Census Bureau QuickFacts 2025 - median value of owner occupied housing 2020-2024
(2) Zillow Home Value Index 06/30/2026
(3) US Census Bureau 2020 Census for Knollwood CDP, IL