



## LEMONT TOWNSHIP HIGH SCHOOL DISTRICT #210

To: Dr. Matt Maxwell

From: Ken Parchem, C.P.A.

Date: August 4, 2025

Re: 2025-2026 Budget

Below are revenue and expense highlights for the tentative 2025-2026 budget. Please reference the attached spreadsheet with the corresponding number below:

### 1. Real Estate Taxes

- **Budget:** \$30,189,051
- **Background:** Real estate tax revenue increases at the lesser of 5% or at the consumer price index, plus the value of new property. The consumer price index is 2.9% for 2025.
- **Trend/Outlook:** Due to the timing of Cook and DuPage tax bills we anticipate fluctuations in real estate tax revenue through fiscal year 2026. The budgeted decrease for fiscal year 2025-2026 is 1%.

### 2. Corporate Personal Property Replacement Tax

- **Budget:** \$576,349
- **Background:** In 1979, the State eliminated the taxation of personal property on Illinois businesses. To compensate, CPPRT imposes a state collected tax on the net income of businesses and distributes in proportion to our share prior to 1979.
- **Trend/Outlook:** CPPRT revenue spiked in fiscal year 2022-2023. The Illinois Department of Revenue stated that the increase was due to an increase in the economic condition of businesses that pay this tax and a billing error by the State of Illinois. We anticipate CPPRT to decrease to fiscal year 2020-2021 levels.

### 3. Investment Earnings

- **Budget:** \$1,657,900
- **Background:** Investments are limited by the Public Funds Investment Act of the Illinois School Code. In general, investments are limited to interest bearing savings accounts, federally insured certificates of deposits, and federally backed bonds, notes and treasury bills.
- **Trend/Outlook:** Investment earnings are expected to moderately decrease through fiscal year 2026. However, the district is potentially fiscally vulnerable to future market drops in interest rates.

#### 4. Food Service

- a. **Budget:** \$664,500
- b. **Background:** The district self-performs its food service program.
- c. **Trend/Outlook:** This item will fluctuate based upon food pricing, participation in the program and student enrolment. Revenue is expected to increase slightly at 1.3% due to food costs.

#### 5. Textbook Rental/Fees

- a. **Budget:** \$1,048,250
- b. **Background:** This item includes textbook rental fees, athletic & activity admissions and donations.
- c. **Trend/Outlook:** This item is expected to increase slightly through anticipated future enrollment growth.

#### 6. Other Revenue

- a. **Budget:** \$179,978
- b. **Background:** This item includes donations, facility rentals and impact fees from new housing and facility rentals.
- c. **Trend/Outlook:** In fiscal year 2024-2025 the District received a one-time donation to the special education department in the amount of \$280,000. In fiscal year 2025-2026, impact fees are anticipated to increase due to growing impact housing fees through the Glen Eagles development.

#### 7. Evidence-Based Funding

- a. **Budget:** \$892,000
- b. **Background:** The evidence-based funding formula is designed to allocate dollars to school districts based on a complex formula that compares the district's calculated available resources to its calculated targeted resources necessary to be adequately funded to support evidenced-based student needs. Districts are split into 4 tiers. Lemont High School is considered adequately funded and has been placed in tier 4.
- c. **Trend/Outlook:** Being a tier 4 district, evidence-based funding is anticipated to remain flat due to the fact that any new dollars allocated to the formula go to tiers 1, 2 and 3 districts first.

#### 8. Federal Impact Aid

- a. **Budget:** \$930,000
- b. **Background:** Lemont High School is a member of the Federal Lands Impacted School Association or FLISA. FLISA is an association of public school districts that are financially impacted, in a negative way, due to the presence of the Federal government. When the Federal government assumed ownership of the Argonne National Laboratory land, the district lost property tax revenue it once generated on that property. The Impact Aid Law was founded to make up for a small portion of lost revenue through the Elementary and Secondary Education Act.

- c. **Trend/Outlook:** The Impact Aid foundation payment is grandfathered. Any increases are due to the timing of payments or due to the district's share of any new money added to the program by the Federal government.

## 9. ARP/ESSER Grants

- a. **Budget:** \$0
- b. **Background:** The American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund which was enacted on May 11, 2021, provided a total of nearly \$122 billion to states and school districts to help reopen and sustain the safe operation of school and address the impact of the coronavirus pandemic on the nation's students.
- c. **Trend/Outlook:** All grant dollars were spent and completed in fiscal year 23-24. The anticipated revenue in fiscal year 24-25 is due timing of the fiscal year end and the district recording its financial statements on a cash basis. As of July 1, 2025 the ARP/ESSER program is completed.

## 10. Interfund Transfer

- a. **Budget:** \$5,000,000
- b. **Background:** This is for an interfund transfer from the Operations and Maintenance Fund to the Capital Projects Fund to track architectural and science lab capital improvements.
- c. **Trend/Outlook:** The Illinois State Board of Education requests that school districts utilize the Capital Projects Fund to track capital improvements and renovations. As capital projects progress, a transfer from operating funds to the Capital Projects Fund will be a regular occurrence.

## 11. Restricted State and Federal Grants

- a. **Budget:** \$1,641,769
- b. **Background:** This item includes grants related to IDEA, Title, National School Lunch, Transportation, Driver Education and Out-Placed Residential Students.
- c. **Trend/Outlook:** This item fluctuated greatly during the pandemic due to the National School Summer Food Service program. Since the expiration of that program, these grants are expected to remain fairly stable and may fluctuate due to enrollment, funding or timing of payments.

## 12. Salaries

- **Budget:** \$18,293,501
- **Background:** Salaries are driven by FTE and collectively bargained contracts
- **Trend/Outlook:** Salaries are budgeted to increase 6.81% in fiscal year 2025-2026 due to collectively bargained contracts, an increase in 1 FTE for a science teacher and 1 FTE for paraprofessional services. Future teacher retirements include 8 for 2025-2026 and 3 for 2026-2027.

### 13. Employee Benefits

- a. **Budget:** \$5,865,347
- b. **Background:** Employee benefits include health, dental, life, vision, Social Security, Medicare and IMRF & TRS contributions. In FY 2024 the district was assessed \$570,528 to its employee health insurance pool.
- c. **Trend/Outlook:** Overall health insurance is expected to grow at 8.81% due to a change in benefit structure in January of 2025.

### 14. Purchased Services

- a. **Budget:** \$2,886,052
- b. **Background:** Purchased services are amounts paid for personal services rendered by personnel who are not on payroll or services deemed necessary to purchase. They include services such as, audit, architect, legal, professional & technical, printing, water, sewer, software and travel.
- c. **Trend/Outlook:** This item has historically remained stable for the district. Expenditures can vary from year to year based upon building needs and essential professional services required by the district. The increase for fiscal year 2025-2026 is primarily due to inflation, official fees, computer leases and one-time bus lease payments.

### 15. Supplies and Material

- a. **Budget:** \$2,216,354
- b. **Background:** Supplies and materials are amounts paid for material items of an expendable nature that are consumed, worn out or deteriorate in use. They may include textbooks, uniforms, equipment, natural gas, electricity and other related consumable materials.
- c. **Trend/Outlook:** This item has historically remained stable for the district. Recent increases are due to inflation and computer licensing needs. Expenditures can vary from year to year based upon building needs and essential supplies required by the district. The increase for fiscal year 2025-2026 is primarily due to inflation, textbooks and utility expenditures.

### 16. Capital Equipment

- a. **Budget:** \$926,972
- b. **Background:** Capital outlay is the acquisition, addition or renovation of fixed assets.
- c. **Trend/Outlook:** This item has historically remained stable for the district over the last four fiscal years. This item is primarily made up of facility and infrastructure needs.

### 17. Out of District Tuition/Other

- a. **Budget:** \$2,377,496
- b. **Background:** This item is to cover tuition and other related services for students who are out-placed from Lemont High School.
- c. **Trend/Outlook:** This item has grown steadily since 2020 to meet the increasing number of students requiring services outside of the district.

## 18. Interfund Transfer

- a. **Budget:** \$5,000,000
- b. **Background:** This is for an interfund transfer from the Operations and Maintenance Fund to the Capital Projects Fund to track architectural and science lab capital improvements.
- c. **Trend/Outlook:** The Illinois State Board of Education requests that school districts utilize the Capital Projects Fund to track capital improvements and renovations. As capital projects progress, a transfer from operating funds to the Capital Projects Fund will be a regular occurrence.

## 19. Debt Payments

- a. **Budget:** \$4,662,670
- b. **Background:** This item represents principal and interest payments from prior voter-approved bond issuances.
- c. **Trend/Outlook:** The districts will make its final payment of the outstanding debt on 1/1/29 payable with the 2027 tax levy.

## 20. Revenues vs Expenses

- a. **Budget:** The total planned surplus for budgeted fiscal year is anticipated to be \$551,405. The surplus excludes major capital projects and accounts for the timing of DuPage County real estate taxes, decrease in investment earnings, CPPRT and ESSER funds, as well as contractual increases in salaries and benefits.

## 21. Construction Projects

- a. **Budget:** Major capital improvement expenditures include \$5 million in remaining contractual expenditures and potential future capital projects.

## 22. Fund Balance

- **Budget:** \$40,032,968
- **Background:** This amount includes all funds.
- **Trend/Outlook:** The district continues to remain fiscally responsible.

## 23. Months of Reserve

- **Budget:** 11.4 months of reserves
- **Background:** School Board Policy is to maintain at least 6 months in reserves
- **Trend/Outlook:** This district remains above the reserve threshold set forth in board policy.