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To: The Board of Education and Dr. Patrick Broncato, Superintendent
From: Curt Saindon, Assistant Superintendent for Business Services/CSBO
Date: September 19, 2025
Subject: Final Budget Presentation and Recommendation for Fiscal Year 2025-2026

The Tentative Budget for Fiscal Year 2025-2026 was presented for the Board's review and approval on July 21st at the Regular Board Meeting, and it has been on public display in the District Office during regular business hours and available on our website, since that time. A notice of its availability, and of the September 22nd Public Hearing on the Budget, to be held before the final budget is presented to the Board for consideration and approval, was posted in a local newspaper of general circulation (Naperville Sun) on July 27, 2025. Several changes to the tentative budget have been processed since July 21st. Some were highlighted at the August Board Meeting, and all will be summarized herein. Finalization of budgeted revenues and expenses, as well as fund transfers, occurred as additional data and updated information were received, grants were approved, staffing was finalized, and benefits were determined. We believe this budget represents a conservative and accurate estimate of our projected revenues, expenses, and the projected results of operations for all funds this fiscal year.

As you can see in the final budget being presented tonight, we are projecting initial deficits in the Education Fund (\$1,263,640...to be covered by interest earnings and fund balance transfers), the O&M Fund (\$277,681...to be covered by existing fund balance reserves) and the Capital Projects Fund (\$782,500...to be covered by existing fund balances reserves), and surpluses are expected in the Debt Service Fund (\$1,100 and due to minimal interest earned), the Transportation Fund (\$234,000, with \$100,000 to be transferred to the Education Fund to support that fund), the IMRF Fund (\$227,633, with \$85,000 in interest earnings transferred to the Education Fund and the remainder used to stabilize reserves at adequate and reasonable levels), the Working Cash Fund (\$685,000, with \$350,000 of interest earnings transferred to the Education Fund and the remainder used to build up that fund's reserve balance to targeted levels) and the Tort Fund (\$11,000, used to stabilize and maintain adequate reserves in that fund). After factoring in planned transfers of interest income (\$1,191,000) and available fund balances (\$100,000) to the Education fund we actually have a projected net positive result for the year of \$26,360. Overall, we also have projected results for this year in the O&M Fund (-\$477,681), the Debt Service Fund (+\$1,100), the Transportation Fund (+\$14,000), the IMRF Fund (+\$142,633),



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the Capital Projects Fund (-\$1,207,500), the Working Cash Fund (+\$335,000), and the Tort Fund (+\$1,000). Overall, net results from our Operating Funds are expected to be (-\$102,321) and from our Non-Operating Funds are expected to be (-\$1,062,767). We are working to maintain adequate, but not excessive, reserves in all funds at year's end. Ideally, that would be about one year's worth of normal expenses. Our goal is to maintain no more than two times the needed annual reserves heading into any given year (described as the Miller Ratio limit), if possible. We do have adequate reserves available to cover any actual shortfalls and a deficit reduction plan is not required by ISBE at this time.

Overall, we have about \$64.5M in planned spending (not including \$17.5M of State of Illinois "On Behalf Payments" to TRS) that will be covered by \$63.3M in expected revenues and \$1.2M in available fund balance reserves. This planned spend down of fund balances will help stabilize and maintain our reserves at adequate, but not excessive, levels as we work to maintain appropriate fund balances in order to avoid tax objection lawsuits and claims of excess fund balance accumulation. This budget is conservative in its approach and is based on recent operational results over the past five years. We realistically hope to come in at 95% to 98% of budgeted expenses and 98% to 102% of budgeted revenues, thereby balancing our actual results from operations and realizing modest fund balance growth in most funds. We are on very solid financial footing and again expect to earn a perfect 4.0 Financial Profile Score from ISBE and maintain a AAA credit rating from the Bond Rating Agencies. Major changes from the tentative budget for each fund are summarized below and are reflected in the final budget document:

****Beginning Fund Balances in the Tentative Budget, as of 7/1/25, may have been adjusted slightly, if needed, to reflect revised amounts based on initial/preliminary audit work. While these balances do not reflect finalized, audited fund balances (as the audit is not yet complete), they should be very close, based on the audit work completed to date. These figures reflect the best information available at the time of the final budget presentation.****

Education Fund

- Inserted \$17.5M for "On Behalf" Receipts/Revenues and Disbursements/Expenditures as an estimate of the amount to be paid by the State of Illinois to the Illinois Teachers' Retirement System on behalf of Woodridge School District #68.
- Adjusted EBF State Aid Revenues from \$4,700,000 to \$4,695,915 based on finalized estimates received from ISBE (decreased revenues by \$4,085).



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- Adjusted Other Tax Levies from \$110,000 to \$100,000 based on updated estimates from DuPage County for the Property Tax Recapture Levy (decreased revenues by \$10,000).
- Increased CCPRT Revenues from \$225,000 to \$231,808 based on updated estimates from the Illinois Department of Revenue (increased revenues by \$6,808).
- Increased Breakfast A-la-Carte Sales from \$10,000 to \$25,000 based on updated revenue projections from Quest Foods (increased revenues by \$15,000).
- Reduced the EC Block Grant from \$535,000 to \$525,000 based on updated estimates from ISBE (reduced revenues by \$10,000)
- Reduced the Mandated Categorical Transportation Reimbursements from \$1,400,000 to \$1,350,000 based on updated estimates from ISBE (reduced revenues by \$50,000).
- Inserted State Renewable Energy Credit revenues (\$200,000) and Federal IRA Tax Credit Revenues (\$250,000) related to our solar projects (increased revenues by \$450,000).
- Reinserted Title Grant Revenues once those amounts were released by the Department of Education (increased Title Grant revenues by \$200,000).
- Increased Medicaid Fee for Service revenue from \$350,000 to \$375,000 based on updated estimated payments from IDHS (increased revenues by \$25,000).
- Included E-Rate Revenues in the education fund budget based on the new capital allocation schedule (increased revenues by \$50,000).
- Collectively adjusted salaries and benefits for expenditure function codes 1100 (+\$54,994/+114,688), 1125 (+\$1,425/+72,000), 1200 (-\$142,359/+3,000), 1225 (\$0/-9,000), 1250 (\$0/-30,080), and 1800 (\$0/-32,200).
- Collectively adjusted salaries and benefits for expenditure function codes 2110 (\$0/+26,150), 2130 (+\$9,675/-8,550), 2150 (\$0/-7,000), 2210 (\$0/-10,000), 2220 (\$0/-23,400,) and 2410 (\$0/-42,000).
- Increased 2310-BoE expenses for the purchase of Crisis Go (+\$82,500), increased estimated 1912-SASED Tuition Expenses (+\$50,000), and reduced miscellaneous



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expenses for 1911-Private Facility Tuition (-\$2,000) and 2570-Internal Services (-\$2,000).

O&M Fund

- Removed \$50K from revenues and expenses for the Illinois School Maintenance Program Grant (it was not funded by the State in this year's State Budget).
- We did not adjust any salaries or benefit costs for staff in the O&M Fund since the budget was tentatively approved in July.

Transportation Fund

- We adjusted the fund balance transfer from \$120,000 to the Debt Service Fund down to \$100,000 to the Education Fund, as we are no longer required to expense the copier lease as a capital expense through the Debt Service Fund and can leave the expenses as an operating expense in the Education Fund.
- We adjusted the State Transportation Reimbursement Claim amounts for regular education transportation from \$500,000 (Regular) and \$800,000 (Special) down to \$500,000 (Regular) and \$750,000 (Special) based on the tentative claim prepared and submitted to ISBE in August and the project pro-rations for those two reimbursement formulas.

Debt Service

- We removed the \$120,000 in anticipated expense transfers from the Education Fund and the corresponding \$120,000 fund balance transfers from the Transportation Fund (to cover those expenses), as per our Auditors, the copier lease can now be treated as an operating lease and remain in the education fund. The only remaining activity in the Debt Service Fund will be a small accumulation of interest earnings during the year.

Capital Projects Fund

- We included both anticipated State/SREC revenues (\$200,000) and Federal/IRSTC revenues (\$250,000) in the Capital Projects Fund.

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IMRF Fund

- We reduced employee benefits costs for function codes 1100 (-\$14,080) and 3150 (-\$3,500) based on updated estimates (decreasing expenses by \$17,580).

Tort Fund / Working Cash Fund

- No changes were made to these funds since the tentative budget was approved.

We also are presenting during the public hearing and during the final budget presentation a fund balance adequacy summary that compares total resources (FY25 ending fund balances plus any remaining taxes to be collected from the CY25 tax levy in the fall of FY26) to the average expenditures for each fund over the past three years, to ensure that our Miller Ratio/Fund Balance Targets are at or below 2.0 (two times the average expenditures for the past three years), and definitely no greater than 2.5 (per Public Act 103-0394 we would have to file a plan if they were over 2.5), as required by law.

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

RECOMMENDATION

It is the recommendation of the Administration that the Board of Education approve the FY 2025-2026 final budget, as presented on the ISBE Form 50-36, as attached. Additionally, we would ask that the Board to approve the associated Resolutions, Certifications, Notices and other documents required as part of this process, and direct the Assistant Superintendent for Business Services to file signed copies of the budget and the associated documents in a timely manner with the proper Local, State and Federal authorities, as required by the Illinois School Code and other related laws, agreements, provisions and bond covenants, as applicable.