



TO: Board of Education
Dr. Lisa Leali, Superintendent

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

DATE: September 30, 2025

RE: Final Budget 2025-26

Background

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

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

The Tentative Budget has been on display at the Administrative Office and on the District website for public inspection for the required 30 days prior to the public hearing and the public meeting at which the final budget will be approved. Budgets must be approved by September 30 each year and filed within 30 days.

Current Situation

The 2025-26 budget is *balanced*. Although there is a net deficiency of revenues under expenditures due to accounting rules related to the leasing of Apple devices and new printers, there is zero change in fund balance. **All comparisons are relative to unaudited 2024-25 actual results.**

Operating Revenue expected to increase (+1%) vs the prior year

Local Property taxes are up +3.3% due to the CPI increase. This increase is offset by reductions in interest income, corporate taxes and other local revenue.

State funding is expected to be down slightly (-6%) and Federal revenue is down (+15%) due to a reduction to our Title I allocation. Because we get so little federal revenue small changes can create large percentage swings from year to year.

Operating Expenditures are budgeted to increase (+4.4%) vs the prior year

Expenditures for *operations* are budgeted to increase by 4.4% (+\$0.9 million) vs prior year largely due to increases in salaries.

- **Salaries are up +3.4% (\$450 thousand)** – The increase in salaries is driven increases in the second year of the CBA, as well as significant support staff, admin, and guest teacher salary increases to remain competitive. The increases are tempered by a large number of retirements and other vacancies that were filled with early career staff.
- **Benefits increase +0.9% (\$25 thousand)** – This very small increase is due to a very favorable insurance renewal with lower premiums achieved through a competitive rebid of our cooperative's prescription benefit coverage. Other pension and payroll tax benefits increase proportionally with salaries.

- Purchased services increase +7.2% (\$250 thousand) – The biggest driver of the increase in purchased services is due an increase in services at True North, including additional 1:1 teaching assistants to support our students. We are also seeing software license increases consistently above the level of inflation.
- Supply expenses increase +6.0 % (\$37 thousand) – Supply increases are resulting from inflationary increases offset by cost saving reductions.
- Capital expenditures (in operations) are budgeted to increase by 10% (\$63,000) – Capital Spending in O&M is expected to decrease slightly, but be offset by the acquisition of new copiers and Apple 1:1 devices.
- Special Ed tuition expenses are slightly higher by 24% (\$85 thousand) – due to one extra outplacement.

Non-operating funds

- Debt service shows an increase of approximately \$500 thousand due to the debt service cleanout, in which the District will issue non-referendum Working Cash Bonds and pay them off right away with debt service fund balance. Through this process the District will be able to make use of the beginning debt service for capital projects.
- We are not projecting any activity in the Capital Projects Fund in 2025-26. The second half of the middle school Air Handler project was spent from this fund in 2024-25.

The 2025-26-year end fund balance is projected to be 38% of operating expenditures. The Fund Balance Board Policy target for fund balance is between 30% – 50%.

Lake Bluff Elementary School District 65
Statement of Revenue, Expenditures and Change in Fund Balance
2025-26 Original Budget vs. 2024-25 Unaudited Actuals
By Object

	Operating Funds															
	General Fund			Special Revenue Funds												
	Education & Working Cash Funds	Δ PY	Operations & Maintenance Fund	Δ PY	Transportation Fund	Δ PY	Municipal Retirement / Social Security Fund	Δ PY	Debt Service Fund	Δ PY	Capital Projects Fund	Total Governmental Funds	2024-25 Unaudited Actuals	Δ PY		
Revenue:																
Local Sources	\$ 16,914,235	-0.7%	\$ 1,966,000	6.7%	\$ 1,073,500	49%	\$ 531,400	0%	\$ 2,271,700	-1%	\$ 4,000	\$ 22,760,835	\$ 22,450,224	1.4%		
State Sources	568,200	0%	-	-100%	84,000	6%	-		-		-	652,200	696,382	-6%		
Federal Sources	431,702	-13%	-		-	-100%	-	-100%	-		-	431,702	512,820	-16%		
Total Revenue	\$ 17,914,137	-1.0%	\$ 1,966,000	3.9%	\$ 1,157,500	42%	\$ 531,400	0%	\$ 2,271,700	-1%	\$ 4,000	\$ 23,844,737	\$ 23,659,426	0.8%		
Expenditures:																
Salaries	\$ 12,936,859	3.3%	\$ 495,796	6.4%	\$ -		\$ -		\$ -		\$ -	\$ 13,432,655	\$ 12,986,024	3.4%		
Employee Benefits	2,170,710	-1.1%	68,786	1.4%	-		541,448	10%	-		-	2,780,944	2,756,088	0.9%		
Purchased Services	1,992,471	11.1%	759,450	6.2%	1,017,890	1%	-		10,000	-90%	-	3,779,811	3,619,401	4.4%		
Supplies	298,886	0%	352,000	11.5%	-		-		-		-	650,886	614,026	6.0%		
Capital Outlay	367,145	65%	315,500	-20%	-		-		-		-	682,645	1,059,646	-36%		
Tuition, Fees & Debt Service	448,233	23.8%	500	150%	-		-		2,897,253	26%	-	3,345,986	2,656,054	26%		
Total Expenditures	\$ 18,214,304	4.7%	\$ 1,992,032	2%	\$ 1,017,890	1%	\$ 541,448	10%	\$ 2,907,253	21%	\$ -	\$ 24,672,927	\$ 23,691,240	4.1%		
Excess (Deficiency) of Revenue over (under) Expenditures	\$ (300,167)		\$ (26,032)		\$ 139,610		\$ (10,048)		\$ (635,553)		\$ 4,000	\$ (828,190)	\$ (31,814)			
Other Financing Sources/(Uses):																
Other Sources of Funds	866,550		500,000		-		-		167,540		500,000	2,034,090	4,272,935			
Other Uses of Funds	(667,540)		(500,000)		-		-		-		-	(1,167,540)	(3,965,815)			
Change in Fund Balance	\$ (101,157)		\$ (26,032)		\$ 139,610		\$ (10,048)		\$ (468,013)		\$ 504,000	\$ 38,360	\$ 275,305			
Beginning Fund Balance	\$ 7,355,968		\$ 576,359		\$ 126,810		\$ 221,300		\$ 565,463		\$ 31,648	\$ 8,877,547				
Ending Fund Balance	\$ 7,254,811		\$ 550,327		\$ 266,420		\$ 211,252		\$ 97,450		\$ 535,648	\$ 8,915,907				

Lake Bluff Elementary School District 65
Statement of Revenue, Expenditures and Change in Fund Balance
2025-26 Original Budget vs. 2024-25 Unaudited Actuals
By Function

	Operating Funds																
	General Fund		Special Revenue Funds										Total Governmental Funds	PY Actual	Δ PY Act		
	Education & Working Cash Funds	Δ PY Act	Operations & Maintenance Fund	Δ PY Act	Transportation Fund	Δ PY Act	Municipal Retirement / Social Security Fund	Δ PY Act	Debt Service Fund	Δ PY Act	Capital Projects Fund						
Revenue:																	
Local Sources																	
Real Estate Taxes	\$ 15,474,250	-0.2%	\$ 1,886,000	8.8%	\$ 960,000	61%	\$ 521,400	2%	\$ 2,237,700	0%	\$ -	\$ 21,079,350	\$ 20,590,782	2.4%			
Replacement Taxes	210,000	-0.2%	-	-	-	-	-	-100.0%	-	-	-	210,000	215,419	-2.5%			
Earnings on Investments	620,000	-6%	60,000	-4%	18,000	-15%	10,000	-44%	34,000	-42%	4,000	746,000	825,390	-10%			
Tuition	43,000	-22%	-	-	-	-	-	-	-	-	-	43,000	55,061	-22%			
Student Fees	232,200	-5%	-	-	95,500	-10%	-	-	-	-	-	327,700	245,258	34%			
Food Service	282,000	-3%	-	-	-	-	-	-	-	-	-	282,000	289,266	-3%			
Other Local	52,785	-	20,000	-	-	-	-	-	-	-	-	72,785	229,049	-68%			
Total Local Revenue	\$ 16,914,235	-7.7%	\$ 1,966,000	3.9%	\$ 1,073,500	32%	\$ 531,400	0%	\$ 2,271,700	-63%	\$ 4,000	\$ 22,760,835	\$ 22,450,224	1.4%			
State Sources																	
General State Aid	\$ 567,350	0%	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 567,350	\$ 566,540	0%			
Special Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Transportation	-	-	-	-	84,000	6%	-	-	-	-	-	84,000	78,993	6%			
Other State	850	0%	-	-100%	-	-	-	-	-	-	-	850	50,850	-98%			
Total State Sources	\$ 568,200	0%	\$ -	-100%	\$ 84,000	6%	\$ -	-	\$ -	-	\$ -	\$ 652,200	\$ 696,382	-6%			
Federal Sources																	
Special Ed	\$ 276,985	-1%	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 276,985	\$ 279,736	-1%			
Milk	5,000	-2%	-	-	-	-	-	-	-	-	-	5,000	5,114	-2%			
Title I - Low Income	39,717	-50%	-	-	-	-100.0%	-	-100.0%	-	-	-	39,717	94,377	-58%			
Title II - Teacher Quality	15,000	-	-	-	-	-	-	-	-	-	-	15,000	12,748	18%			
Other Federal	95,000	-28%	-	-	-	-100.0%	-	-	-	-	-	95,000	120,845	-21%			
Total Federal Sources	\$ 431,702	-13%	\$ -	-100.0%	\$ -	-100.0%	\$ -	-100.0%	\$ -	-	\$ -	\$ 431,702	\$ 512,820	-16%			
Total Revenue	\$ 17,914,137	-1.0%	\$ 1,966,000	4%	\$ 1,157,500	42%	\$ 531,400	0%	\$ 2,271,700	-1%	\$ 4,000	\$ 23,844,737	\$ 23,659,426	0.8%			
Expenditures:																	
Instruction:																	
Regular Programs	\$ 7,291,661	-0.1%	\$ -	-	\$ -	-	\$ 84,811	1.3%	\$ -	-	\$ -	\$ 7,376,472	\$ 7,385,750	-0.1%			
Private Tuition	-	-100%	-	-	-	-	-	-	-	-	-	-	46,417	-100%			
Special Education	2,459,326	3.5%	-	-	-	-	122,371	15.5%	-	-	-	2,581,697	2,481,448	4.0%			
Remedial/Supplemental	422,335	-13%	-	-	-	-	5,221	2.6%	-	-	-	427,557	492,204	-13%			
Cocurricular/Athetics	192,783	5%	-	-	-	-	2,684	4.0%	-	-	-	195,467	185,541	5%			
Gifted Programs	79,774	-	-	-	-	-	1,001	-	-	-	-	80,775	-	-			
Summer School	32,394	23%	-	-	-	-	457	22.6%	-	-	-	32,851	26,714	23%			
Bilingual	472,320	8%	-	-	-	-	6,085	14.6%	-	-	-	478,405	443,282	8%			
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Instruction	\$ 10,950,593	0.9%	\$ -	-	\$ -	-	\$ 222,631	9.6%	\$ -	-	\$ -	\$ 11,173,224	\$ 11,061,355	1.0%			
Supporting Services																	
Pupil Support	\$ 1,603,136	3.3%	\$ -	-	\$ -	-	\$ 63,944	3.1%	\$ -	-	\$ -	\$ 1,667,079	\$ 1,613,761	3.3%			
Educational Staff Support	704,995	18.1%	-	-	-	-	9,326	-1.8%	-	-	-	714,321	606,689	17.7%			
General Administration	1,299,456	18.1%	-	-	-	-	34,587	10.4%	-	-	-	1,334,043	1,131,712	17.9%			
School Administration	985,648	3.4%	-	-	-	-	32,463	5.3%	-	-	-	1,018,111	983,792	3.5%			
Business & Operations	562,809	2%	1,992,032	2%	1,017,890	0.9%	119,884	12%	-	-	-	3,692,615	4,069,656	-9%			
Food Service	384,706	2%	-	-	-	-	5,483	9.5%	-	-	-	390,189	382,314	2%			
HR/Technology	685,596	0%	-	-	-	-	53,131	22.9%	-	-	-	738,727	729,342	1%			
Total Support Services	\$ 6,226,346	7.0%	\$ 1,992,032	2%	\$ 1,017,890	0.9%	\$ 318,817	10.2%	\$ -	-	\$ -	\$ 9,555,085	\$ 9,517,266	0.4%			
Community Services																	
Nonprogrammed Charges	10,000	-	-	-	-	-	-	-	-	-	-	10,000	11,334	-12%			
Payments to other Districts	1,027,365	45.6%	-	-	-	-100.0%	-	-	-	-	-	1,027,365	706,087	46%			
Debt Service																	
Principal	-	-	-	-	-	-	-	-	2,556,260	31%	-	2,556,260	1,952,711	31%			
Interest and Other Charges	-	-	-	-	-	-	-	-	350,993	-20.7%	-	350,993	442,486	-20.7%			
Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Expenditures	\$ 18,214,304	4.7%	\$ 1,992,032	2%	\$ 1,017,890	0.9%	\$ 541,448	10%	\$ 2,907,253	21%	\$ -	\$ 24,672,927	\$ 23,691,240	4.1%			
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Other Uses of Funds	(667,540)	-	(500,000)	-	-	-	-	-	-	-	-	(1,167,540)	(3,965,815)	-			
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