



## **Five-Year Financial Review and Forecast**

**April 27, 2026**

# EXECUTIVE SUMMARY

The following analysis reviews both the historical financial performance and projected financial condition of Lisle Community Unit School District 202. Preparing and evaluating this report annually enables the District to take a proactive approach to financial planning and decision-making. Because the resources available to public schools are finite, it is essential to identify and implement actions today that will help ensure adequate resources remain available to serve both current students and future generations of learners.

## REVIEW OF PAST PERFORMANCE

Lisle School District's financial position has remained stable over the past five years. During this period, total OPERATING FUND revenues increased at an average annual rate of more than 5%, reaching \$42,120,598 in FY2025. Property tax revenues, the District's largest revenue source, grew by approximately 4% annually over the same period, with the PTELL 5% cap limiting the 2022 and 2023 levy years. New property EAV growth has also contributed to revenue expansion, averaging approximately \$3.1 million annually. Investment earnings declined sharply during fiscal years 2021 and 2022 in the low-interest-rate environment before rebounding significantly over the past two fiscal years to \$2.1 million in FY2025. State revenues initially increased as transportation and special education reimbursements rose alongside higher post-pandemic costs; however, these revenues have recently moderated as flat state appropriations for mandated categorical programs have resulted in greater proration and lower reimbursement percentages. Federal revenues increased in recent years due to the availability of Elementary and Secondary School Emergency Relief (ESSER) and American Rescue Plan (ARP) funds in response to the COVID-19 pandemic, but have begun to decline as those one-time funding sources have been fully expended and phased out.

Total expenditures in the OPERATING FUNDS have increased by more than 6% annually since FY2021, which was modestly affected by temporary cost reductions associated with COVID-19 disruptions. Negotiated salary agreements have provided annual raises ranging from 3% to 6%; however, total salary expenditures increased by approximately 4% annually as staff changes, retirements, and position turnover moderated overall cost growth. Employee benefit costs have risen more rapidly, averaging 7% annually, driven largely by health insurance rate increases of approximately 6% per year despite the District's participation in a self-insured cooperative. Other significant cost drivers include purchased services, which have grown considerably since FY2021 due to inflationary pressure on contracted services, most notably student transportation. Special education and other tuition costs have fluctuated from year to year, but ended FY2025 approximately 50% higher than FY2021. Despite these expenditure pressures, the District has continued to generate annual operating surpluses and maintain overall financial stability.

## REVIEW OF PROJECTIONS

The net change in fund balances for the OPERATING FUNDS (Educational, Operations and Maintenance, Transportation, and Working Cash Funds) over the six-year projection period is estimated to be a deficit of approximately \$3,475,000, with ending fund balances projected at \$14,797,000 by June 30, 2031. The projection anticipates a surplus in FY2026 and a balanced budget in FY2027 before annual operating deficits begin to emerge in the later years of the forecast. By FY2031, annual expenditures in the OPERATING FUNDS are projected to exceed annual revenues by approximately \$1,984,000. In contrast to prior projections, the forecast does not include recurring transfers to the Capital Projects Fund, as available resources no longer appear adequate to both fund operations and continue reserving annual amounts for future capital improvements.

Compared with the prior projection presented in October 2025, the District's long-range outlook has improved in several areas. Property tax revenues have been revised upward to reflect the anticipated growth from the Arbor Station Townhome development and the intergovernmental agreement with the Village of Lisle to distribute surplus TIF revenues generated by the project. Once fully developed, these additional revenues are expected to add approximately \$500,000 annually to the tax base. Other local revenues also increased to reflect the assumed reimplementations of student fees beginning with the 2026-2027 school year. In addition, investment earnings remain stronger than previously projected as interest rates have stayed elevated longer than originally anticipated. Collectively, these factors have strengthened projected revenues when compared with the prior forecast.

On the expenditure side, projected salary growth has been moderated slightly in future years to better align with current long-term planning assumptions, while employee benefit costs have been adjusted upward to reflect recent health insurance renewals that have been significantly higher than previously forecasted. Purchased services projections have been reduced modestly, primarily due to transportation cost increases showing signs of stabilization after several years of elevated inflationary pressure. Even with these revisions, expenditure growth is still projected to outpace recurring revenue growth in the later years of the forecast, underscoring the importance of continued monitoring and disciplined financial planning.

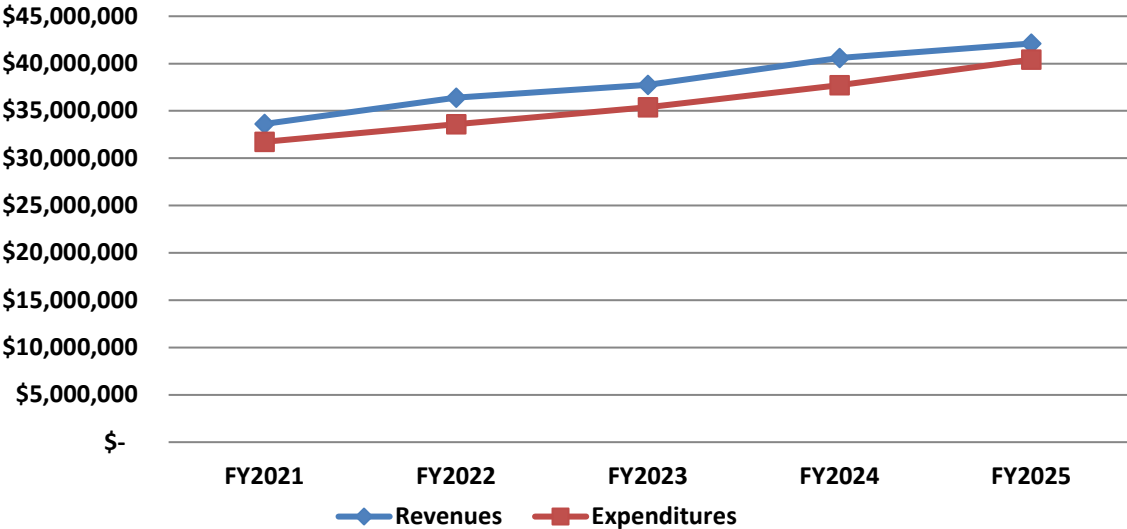
The District's projected fund balances appear sufficient to absorb the forecasted deficits based on current assumptions. However, long-range financial projections are inherently sensitive to changes in key variables such as CPI, EAV growth, collective bargaining outcomes, health insurance trends, student enrollment, special education tuition, transportation costs, and future State or Federal funding levels. Reviewing and updating this projection on a regular basis allows the District to evaluate the long-term impact of current decisions and respond proactively as conditions change. The ongoing challenge for the Board of Education will be to balance the educational priorities of the community with the financial resources available to sustain those priorities over time.

# HISTORICAL FINANCIAL REVIEW

In developing a long-term financial plan for a school district, it is critical to first review the historical trends in the District’s revenues and expenditures. The operating funds consist of the Educational Fund, Operations & Maintenance Fund, Transportation Fund, and Working Cash Fund. These funds are considered the core of the District’s operations and constitute the majority of activity occurring in the District.

Additional funds utilized by the District include the Debt Services, Municipal Retirement/Social Security Fund, Capital Projects, and Tort Funds. These funds are included in the financial projection to facilitate the reconciliation of figures in this report to the annual financial report filed with the Illinois State Board of Education.

The following chart reflects the trend in Lisle School District 202's revenues and expenditures in the OPERATING FUNDS over the past five fiscal years.

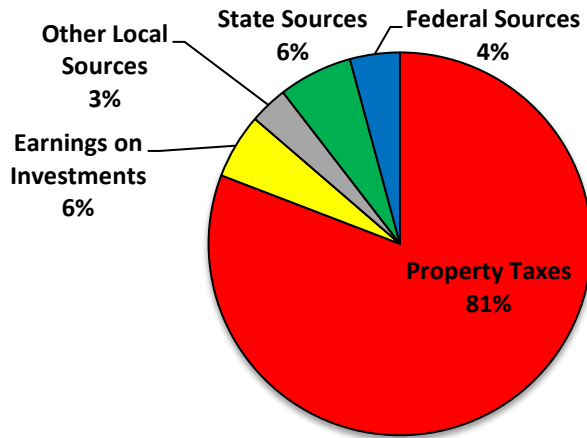


Note: A detailed breakdown of the revenues and expenditures is shown on the Historical Performance – Operating Funds statement at the back of this report

For the past five (5) years, revenues have exceeded expenditures in the OPERATING FUNDS annually by an average of approximately \$2.3 million. The net revenues are BEFORE transfers to the Capital Projects fund for current and future capital improvements at the District's facilities. The following discussion will look specifically at the trends in the District’s revenue and the costs associated with providing an education to approximately 1,500 students.

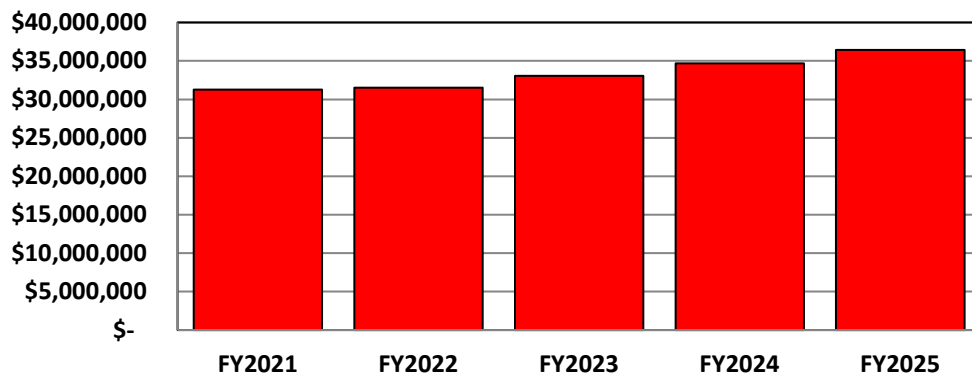
# REVENUE

The following pie chart illustrates the composition of Lisle School District’s revenue across ALL FUNDS for the fiscal year ended June 30, 2025. As evident in the chart below, Lisle School District relies almost exclusively on property taxes to fund the operations of the District.



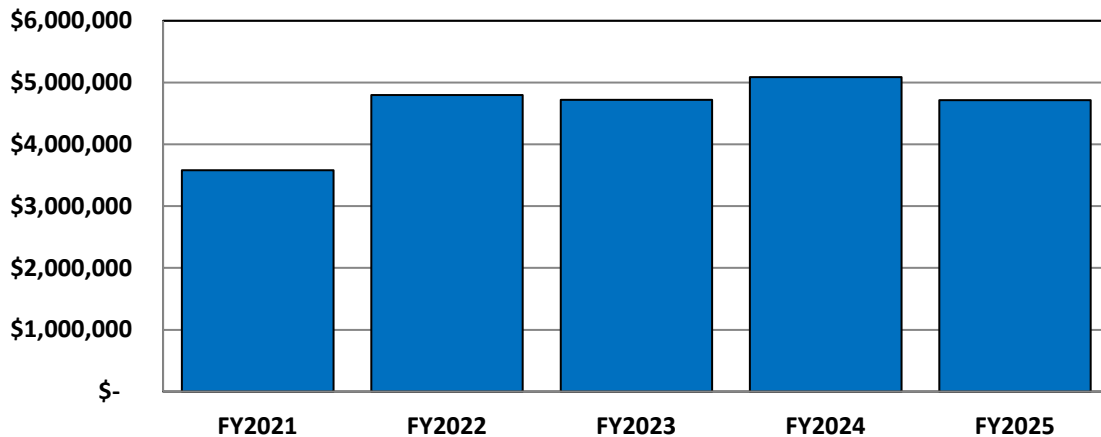
## PROPERTY TAX REVENUE

Property taxes currently account for 81% of the District’s revenue. The following chart reflects the growth pattern of property tax revenue over the past five years. On average, the property tax levy has increased 4% annually since FY2021. PTELL CPI has averaged 3.1% during this same time period, with the District abating more than \$1.3 million back to taxpayers from the debt service levy.



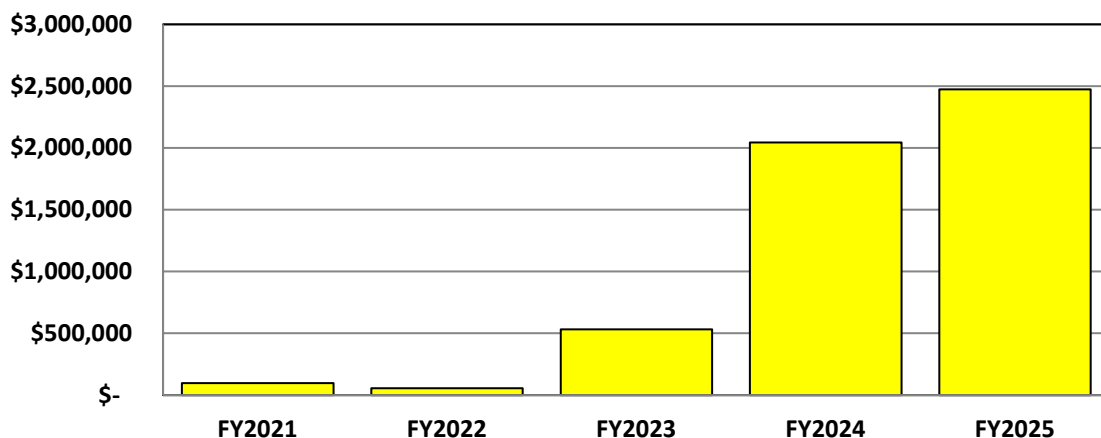
## STATE AND FEDERAL SOURCE REVENUE

State and Federal sources currently account for 10% of the District's total revenue. The following chart reflects the growth pattern of State and Federal sources over the past five years on the accrual basis of accounting. The significant increase in FY2022 is a result of the federal ESSER and ARP Funds received by the District in response to the COVID-19 pandemic. This federal funding source began to taper off in FY2023 and was fully exhausted by FY2025. With the ESSER and ARP funds included, total State and Federal sources have been approximately \$4.6 million annually over the past five years.



## EARNINGS ON INVESTMENTS REVENUE

Earnings on Investments have fluctuated significantly over the past five years in response to changing interest rate conditions. Investment income declined to \$97,165 in FY2021 and \$56,867 in FY2022 as rates fell during the pandemic-era low-interest-rate environment. As rates began to rise in FY2023, investment earnings rebounded substantially, totaling nearly \$2.5 million in the most recent fiscal year. As a result, investment income now represents approximately 6% of the District's total revenue, compared with less than 1% during FY2021 and FY2022.

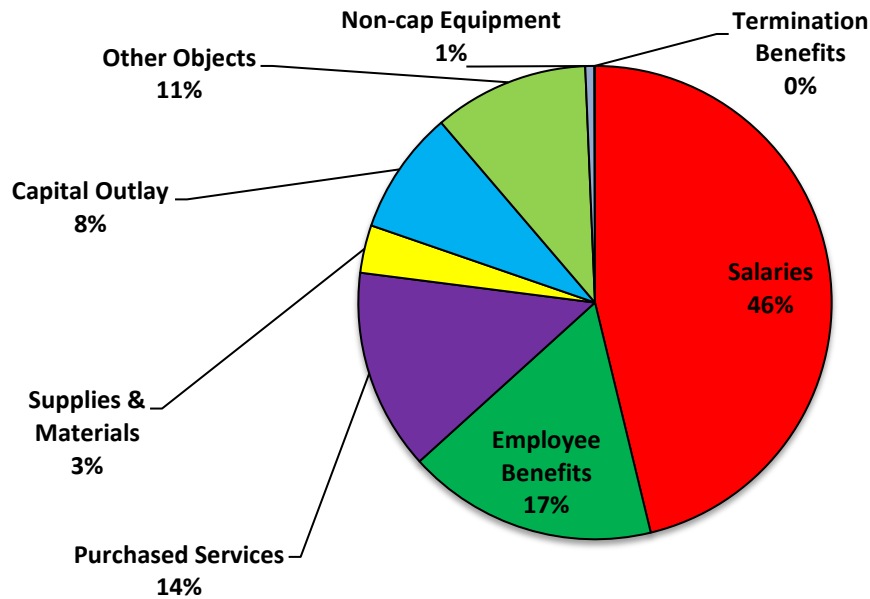


# EXPENDITURES

Lisle School District 202's expenditures can be broken down into eight (8) different categories. These categories and their descriptions are as follows:

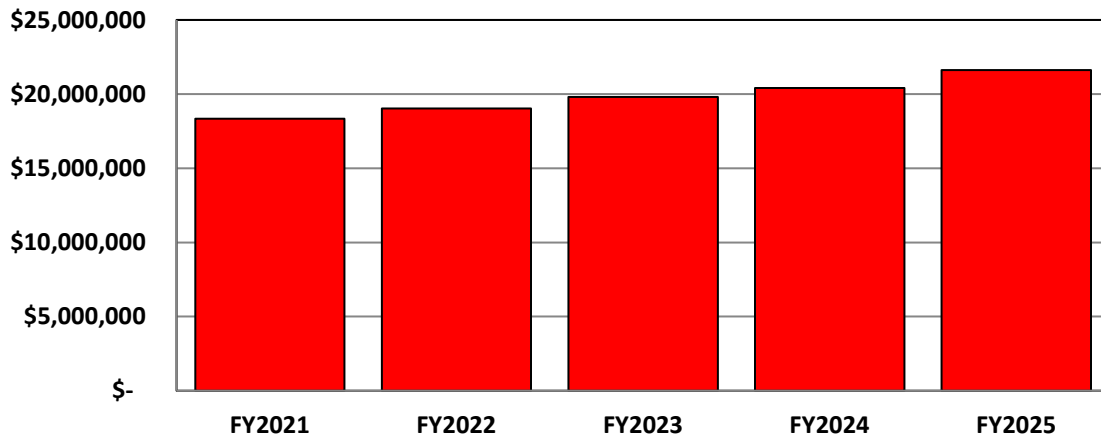
- 1. Salaries** - Amounts paid to permanent, temporary, or substitute employees of the District.
- 2. Employee Benefits** - Fringe benefits paid on behalf of the employees but not directly to the employees. This includes medical, dental, life, and disability insurance, Social Security contributions, Teachers Retirement System (TRS) contributions, the Illinois Municipal Retirement Fund (IMRF) contributions, and tuition reimbursements.
- 3. Purchased Services** - Amounts paid for personal services rendered by personnel who are not on the payroll of the District. Examples include, but are not limited to, legal services, audit services, telephone services, postage, property insurance, the cost of private contractors used to transport regular and special education students, contracts related to the upkeep of buildings and grounds and equipment, and any type of contractual services related to the enhancement of the teaching or instructional process.
- 4. Supplies and Materials** - Amounts paid for material items that are consumed, worn out, or deteriorated in use. These primarily include Chromebooks, textbooks, library books, and utilities.
- 5. Capital Outlay** - Expenditures for the acquisition of fixed assets or additions to fixed assets. These are expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, initial equipment, additional equipment, and replacement of equipment.
- 6. Other Objects** - Tuition paid to other educational facilities such as the Special Education Co-op for services rendered to students residing in the District. "Other Objects" also includes the repayment of debt in the Debt Services Fund.
- 7. Non-capitalized Equipment** - Items that would be classified as capital assets except that they cost less than the capitalization threshold, but more than the \$500 minimum value established by School Code.
- 8. Termination Benefits** - Payments made to terminated or retiring employees as compensation for unused sick or vacation days.

The following pie chart illustrates the composition of Lisle School District's expenditures across ALL FUNDS for the fiscal year ending June 30, 2025. Total expenditures for FY2025, including capital outlay costs of approximately \$4 million, were \$46,766,735. As evident in the chart below, salaries and employee benefits account for the majority of the cost of operating the school district.



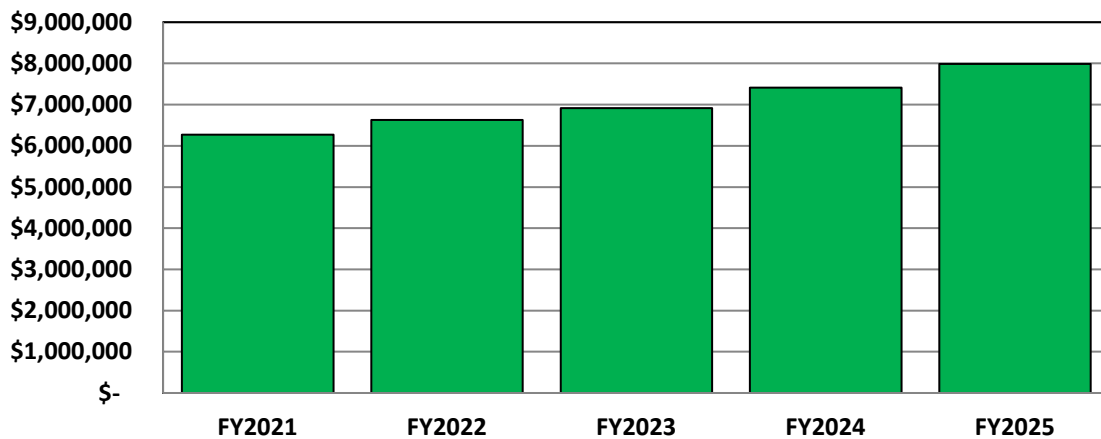
## SALARY EXPENDITURES

The largest operating expenditure of the District is the cost of salaries. Almost half of the District’s operating expenditures are attributed to this expense item. Salary expenditures have increased at an average rate of approximately 4% from FY2021 through FY2025. These increases are from annual salary increases, the change in the number of employees, and cost savings through retirements. The following chart reflects the growth pattern of salary expenditures in the District.



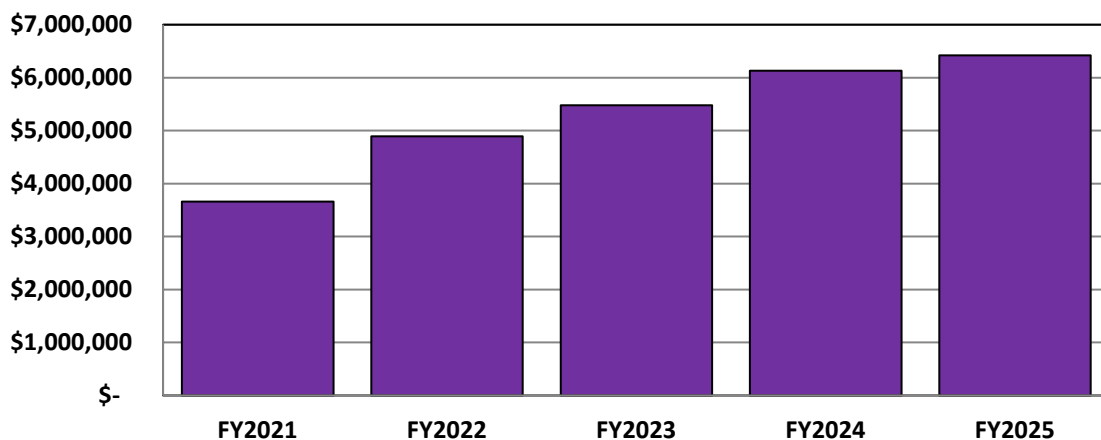
## EMPLOYEE BENEFIT EXPENDITURES

The cost of employee benefits represents approximately 17% of the District’s total expenditures. Benefit expenses increased at an average annual rate of approximately 6% from FY2021 through FY2025. A significant component of these costs is health insurance. To manage this expense, the District participates in the Educational Benefits Cooperative, a self-insured consortium of more than one hundred school districts that provides the advantages of pooled purchasing power and shared risk. While participation in the cooperative has provided long-term value and stability, recent renewals have reflected higher claims experience, resulting in larger premium increases than in prior years. The following chart illustrates the growth trend in employee benefit expenditures.



## PURCHASED SERVICE EXPENDITURES

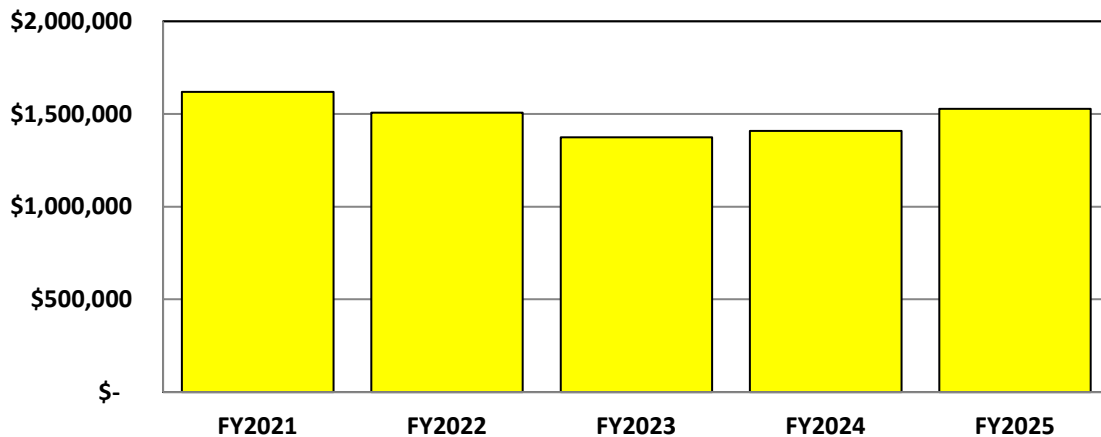
The cost of purchased services has increased approximately 42% since FY2019 when total expenditures were \$4.5 million. Expenditures declined in FY2020 and FY2021 due to reduced transportation and food service costs during the COVID-19 shutdown and hybrid learning period. In the years that followed, transportation costs experienced larger-than-normal increases, becoming a primary driver of growth in this category. Other purchased services include property/casualty, liability, and workers’ compensation insurance, all of which have also trended upward in a more challenging claims environment. To help manage these costs, the District participates in two self-insurance pools with more than sixty school districts, providing the benefits of shared risk and cooperative purchasing. The following chart illustrates the growth trend in purchased service expenditures.



## SUPPLIES & MATERIALS EXPENDITURES

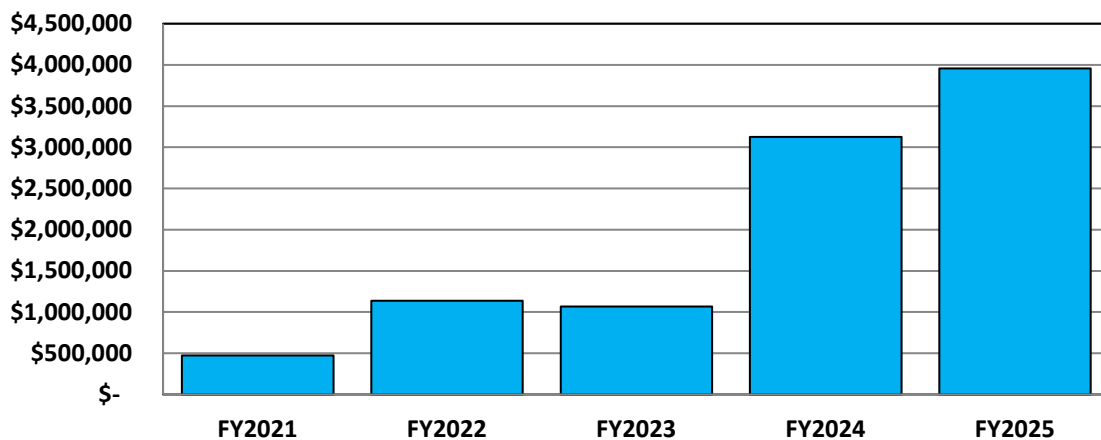
Supplies and materials expenditures have remained relatively stable in recent years despite ongoing inflationary pressures. Fiscal Year 2021 reflected elevated costs associated with personal protective equipment, cleaning supplies, and other pandemic-related items needed to implement health and safety protocols during the COVID-19 period. Although the cost of many routine supplies and technology items, including Chromebooks, staff laptops, and other equipment, has increased in subsequent years due to inflation, tariffs, and broader supply chain pressures, the District has largely offset these increases through careful purchasing practices and budget management. As a

result, FY2025 expenditures in this category are generally comparable to FY2021 levels. The following chart illustrates the recent trend in supplies and materials expenditures in the District.



## CAPITAL OUTLAY EXPENDITURES

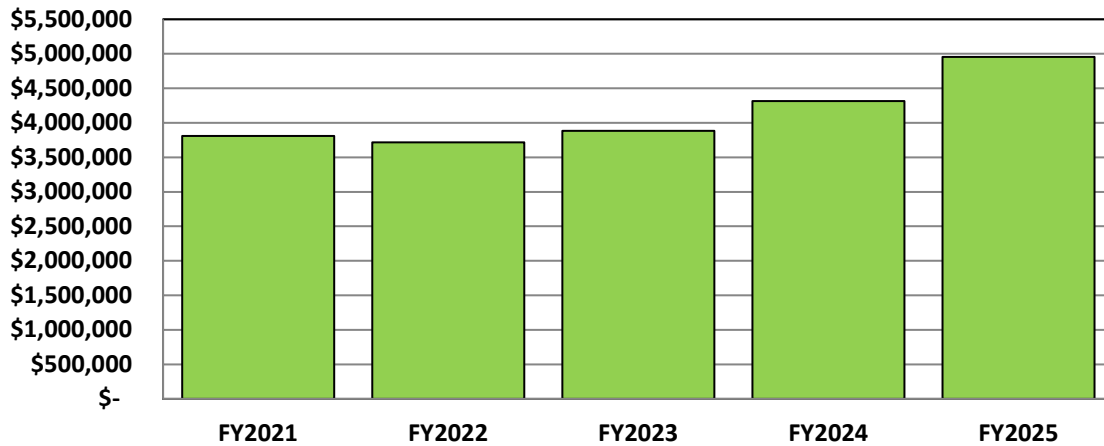
Capital outlay expenditures fluctuate from year to year based on the timing and scope of facility improvement projects. FY2021 included investments in new bleachers and HVAC units at Lisle Senior High School. Expenditures increased in FY2022 and FY2023 as roofing work at Lisle High School continued and planning, design, and programming began for the Junior High renovation project. The substantial increases in FY2024 and FY2025 primarily reflect construction costs associated with the Junior High renovation. Because capital projects do not occur evenly each year, spending in this category is expected to fluctuate based on the District’s long-term facilities plan. The following chart illustrates the recent pattern of capital outlay expenditures in the District.



## OTHER OBJECT EXPENDITURES

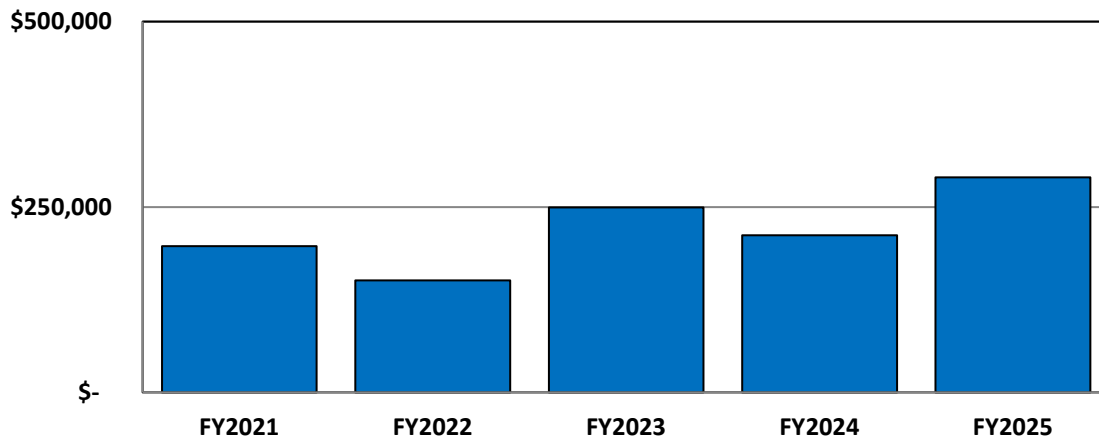
Other object expenditures consist primarily of annual debt service payments and tuition costs for students placed in specialized public and private programs outside the District. Debt service payments of approximately \$1.5 million per year have remained relatively stable during this period. Growth in this category has been driven largely by tuition expenditures, which increased from approximately \$2.3 million in FY2021 to \$3.4 million in FY2025, an average annual increase of more than 8%. While the number of outplaced students has remained relatively consistent, the cost of serving those students has risen significantly in recent years due to higher tuition rates and related

service costs. The following chart illustrates the recent trend in other object expenditures in the District.



## NON-CAPITALIZED EQUIPMENT EXPENDITURES

The School District typically spends, on average, approximately \$220,000 per year on non-capitalized equipment. The purchase of technology equipment, furniture, maintenance equipment, and other educational equipment with a unit cost of less than \$5,000, but greater than \$500, is a typical cost in this category. Also included are buildings and grounds improvements below the District's \$25,000 capitalization threshold. The following chart reflects the pattern of non-capitalized equipment expenditures in the District.



# CURRENT FUND CONDITION

The following summarizes the accrual basis fund balances, with early taxes deferred, as of June 30, 2025:

Educational Fund	\$14,282,456
Operations and Maintenance Fund	2,094,425
Debt Services Fund	265,754
Transportation Fund	1,064,245
Municipal Retirement & Social Security Fund	669,901
Capital Projects Fund	1,686,922
Working Cash Fund	830,433
Tort Fund	-
Fund Balance Available	\$20,894,136

# PROJECTIONS

The following six-year financial projection was derived by incorporating trends in the District’s revenue and expenditures with assumptions made on several critical issues that will determine the District’s future financial condition. Please note that all projections are based on assumptions and should be considered as such when making all financial decisions.

## ASSUMPTIONS USED IN MAKING THE PROJECTIONS

### REVENUES

**1. Property Taxes:**

**Consumer Price Index** - The Property Tax Extension Limitation Law (PTEL) caps property tax increases for current property owners at the lesser of the Consumer Price Index (CPI) or 5%. The following is the actual and projected CPI used to determine property taxes for the next six years.

Tax Levy Year	CPI	CPI Used for PTELL	
2025	2.9%	2.9%	Actual
2026	2.7%	2.7%	Actual
2027	3.3%	3.3%	Projected
2028	2.9%	2.9%	Projected
2029	2.9%	2.9%	Projected
2030	2.9%	2.9%	Projected
2031	2.9%	2.9%	Projected

The projected CPI of 3.3% for the tax levy year 2027 is based on year-to-date trends. The projected CPI of 2.9% for tax levy years 2029-2031 is based on the ten-year average CPI increase. A 1% difference in this estimate would have an impact of approximately \$370,000 on the District's annual property tax revenue. No bond abatements were assumed for future tax levy years.

**New Property** - The District receives approximately \$50,000 of additional property tax revenue for each \$1,000,000 of equalized assessed value (typically 1/3 of market value) of new property added to the tax rolls. Over the past five years, new property growth has averaged approximately \$1,300,000 annually. A significant variable in the current projection is the Arbor Station Townhomes development, which is anticipated to begin impacting the tax rolls in the 2027 and 2028 levy years. While a portion of the development is located within the Downtown TIF District, the District and Village have conceptually agreed to an intergovernmental agreement that would distribute as surplus the property taxes generated by the Arbor Station property within the TIF. Based on estimates provided by the Village's consultants, the development is expected to generate nearly \$12 million of additional equalized assessed value and approximately \$500,000 of annual property tax revenue to the District once fully reflected on the tax rolls. The following schedule summarizes the projected equalized assessed value of new property in the District and the associated property tax revenue.

Tax Levy Year	New EAV	New Taxes	
2025	\$2,109,939	\$94,107	Actual
2026	\$1,295,077	\$57,763	Projected
2027	\$7,119,077	\$317,525	Projected
2028	\$7,119,077	\$317,525	Projected
2029	\$1,295,077	\$57,763	Projected
2030	\$1,295,077	\$57,763	Projected
2031	\$1,295,077	\$57,763	Projected

The projected new EAV for the 2026 through 2031 levy years is based on the five-year average of new property growth, with the anticipated impact of the Arbor Station Townhome development included in the 2027 and 2028 levy years.

- 2. Earnings on Investment and Other Local Sources** - Earnings on investments are projected using an estimated average yield of 3.6% in FY2027, declining to 3.5% in FY2028, 3.25% in FY2029, and leveling at 3.0% for the final two years of the projection period. These assumptions reflect the expectation that investment returns will remain favorable in the near term before gradually normalizing. The reinstatement of the books and supplies fee has been included beginning in FY2027 and is carried throughout the projection period. Rental income from the SASSED lease is projected for one additional year, while revenue from the Chesterton lease is assumed to continue through FY2031. All other local source revenues, including Corporate Personal Property Replacement Taxes (CPPRT), are projected to increase annually at the assumed inflation rate of 3.2%.
- 3. State Sources** - Revenues under the Evidence-Based Funding (EBF) model are projected to remain flat throughout the projection period. Pupil transportation reimbursements are tied to projected transportation expenditures; however, reimbursement rates are expected to decline over time as transportation costs continue to rise while State appropriations for this mandated categorical program remain unchanged. As a result, the District is projected to recover a smaller share of eligible transportation costs each year over the course of the forecast. All other State revenue sources are assumed to remain level during the projection period.
- 4. Federal Sources** - All federal source revenues are projected to remain level throughout the projection period and do not reflect any potential policy of funding changes currently being discussed at the federal level, including possible reductions to Title I or other federally supported education programs.

## EXPENDITURES

- 1. Salaries** - The negotiated agreements between the Board of Education and the Certified and Classified staff expire in August 2027 and June 2027, respectively. The current Certified agreement includes average salary increases of 4.3% for FY2027. Following expiration of the agreement, average annual salary increases of 3.5% are assumed for Certified staff through the remainder of the projection period. The current Classified agreement includes average salary increases of 4.2% for FY2027, with the same 3.5% annual assumption applied thereafter. Projected staffing changes associated with anticipated retirements generate ongoing salary savings during the forecast period, partially offset by one-time service bonus payouts. Based on current staffing levels, each 1% increase or decrease in future negotiated settlements would impact the financial projection by approximately \$240,000 annually, compounded over time.
- 2. Employee Benefits** - Employee benefit costs are projected to increase significantly in FY2027, primarily due to a 15.3% increase in health insurance premiums associated with the District's July 2026 renewal. Over the past ten years, health insurance rate increases have averaged approximately 5.8% annually through the District's participation in its insurance cooperative. For planning purposes, employee benefit costs are projected to increase at an average annual rate of 5.8% from FY2028 through FY2031, consistent with the long-term historical trend. The projection also incorporates expected changes in retiree health insurance

obligations as eligible retired administrators and teachers begin or cease receiving benefits during the forecast period.

3. **Purchased Services** – Most purchased services are projected to increase 4.5% annually, which is consistent with the five-year historical trends of the Consumer Price Index. Transportation expenditures are estimated to increase by between 4% and 5% annually based on the actual contract increase and the 5-year average for these costs.
4. **Supplies & Materials** - Supplies and materials are projected to increase 4.5% annually across all funds, which is consistent with five-year historical trends in the Consumer Price Index.
5. **Capital Outlay** – Excluding major construction and renovation projects, recurring capital outlay expenditures are projected at approximately \$127,000 annually. Additional capital costs included in the projection are based primarily on the improvements identified in the October 2025 Facility Needs Plan presentation, with project timelines adjusted to better align with the District’s anticipated ability to issue bonds in 2029 to help finance those costs.

Fiscal Year	Amount
2026	\$699,000
2027	\$250,000
2028	\$175,000
2029	\$-
2030	\$925,000
2031	\$13,742,000

6. **Other Objects** – In the Operating Funds, approximately 98% of expenditures classified in Other Objects consist of tuition costs for students requiring special education services in programs outside the District. These costs can vary significantly from year to year based on the number of students served and the specific services required. For projection purposes, tuition expenditures are assumed to increase annually by the five-year average CPI rate of 4.5%. This assumption is below the District’s recent experience, as tuition costs have increased by more than 8% annually over the past five years, and therefore assumes future cost growth moderates to a level more consistent with general inflation.

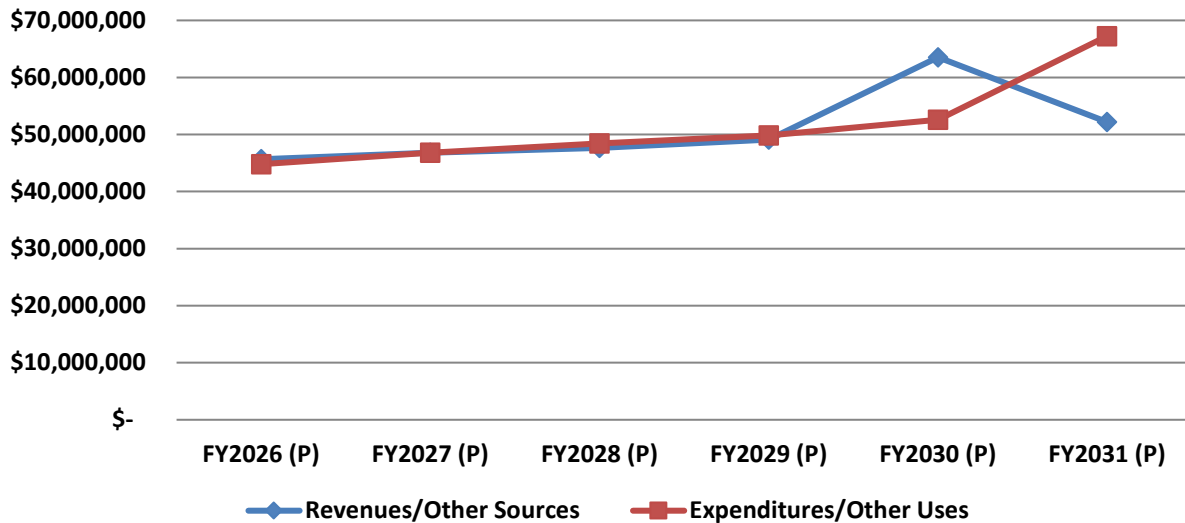
The remaining expenditures in Other Objects primarily relate to the repayment of outstanding debt service obligations. Debt service payments of approximately \$1.5 million annually are projected to remain relatively constant throughout the forecast period.

7. **Non-Capitalized Equipment** – Historically, annual spending in this category has averaged approximately \$220,000. For planning purposes, these expenditures are projected to remain generally level throughout the projection period, recognizing that actual costs may fluctuate from year to year based on replacement cycles, instructional needs, and operational priorities.

**8. Termination Benefits** – Termination benefits are projected to remain flat at approximately \$8,000 per year based on the five-year historical average.

## SIX-YEAR PROJECTION - ALL FUNDS

The following chart illustrates the projected revenues, expenditures, and other sources/uses over the next six years across all funds. Other sources include deferred proceeds from the sale of Tate Woods and \$13 million from the issuance of bonds in FY2030. Expenditures in FY2031 include capital outlay of almost \$13 million for renovations at Lisle Junior High School.



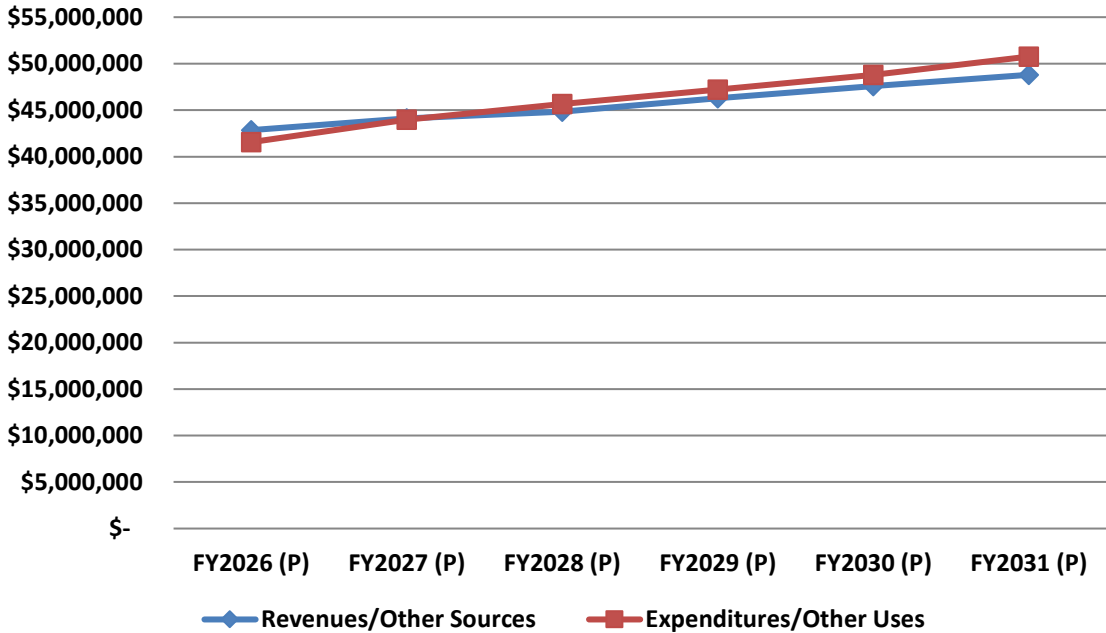
Note: A detailed breakdown of the revenues and expenditures is shown on the Projected Statements of Revenues & Expenditures – All Funds at the back of this report

The revenue and expenditure projections form the following projected annual surpluses/deficits for the District. The “Projected Revenues Over / (Under) Expenses” column indicates the difference between the revenues received by the District for a given fiscal year compared to the expenditures disbursed in the same fiscal year. The “Projected Other Sources / (Uses)” column reflects the sale of fixed assets, such as the deferred sales proceeds for Tate Woods Elementary School, and the issuance of bonds for Lisle Junior High renovations. The “Projected Change in Fund Balances” column indicates the total of these annual revenues/expenditures and other sources/uses. In other words, it is projected that Lisle School District 202’s expenditures and other uses over the next six years, across all funds, will be \$4,797,000 more than the projected revenues and other sources over this time period. The reduction is the result of spending down fund balance for renovations at Lisle Junior High School and inflationary pressures on the costs of goods, services, and labor.

Fiscal Year Ending	Projected Revenues Over / (Under) Expenses	Projected Other Sources / (Uses)	Projected Change in Fund Balances
June 30, 2026	\$749,000	\$123,000	\$872,000
June 30, 2027	(126,000)	131,000	5,000
June 30, 2028	(956,000)	140,000	(816,000)
June 30, 2029	(872,000)	149,000	(723,000)
June 30, 2030	(2,224,000)	13,158,000	10,934,000
June 30, 2031	(15,238,000)	169,000	(15,069,000)
<b>Total All Years</b>	<b>(\$18,667,000)</b>	<b>\$13,870,000</b>	<b>(\$4,797,000)</b>

# SIX-YEAR PROJECTION – OPERATING FUNDS

The following chart illustrates the projected revenues, expenditures, and other sources/uses over the next six years for the operating funds only. The operating funds consist of the Educational Fund, Operations & Maintenance Fund, Transportation Fund, and Working Cash Fund. These funds are considered the core of the District’s operation. Excluded are the Debt Services Fund, Municipal Retirement/Social Security Fund, Capital Projects Fund and Tort Fund.



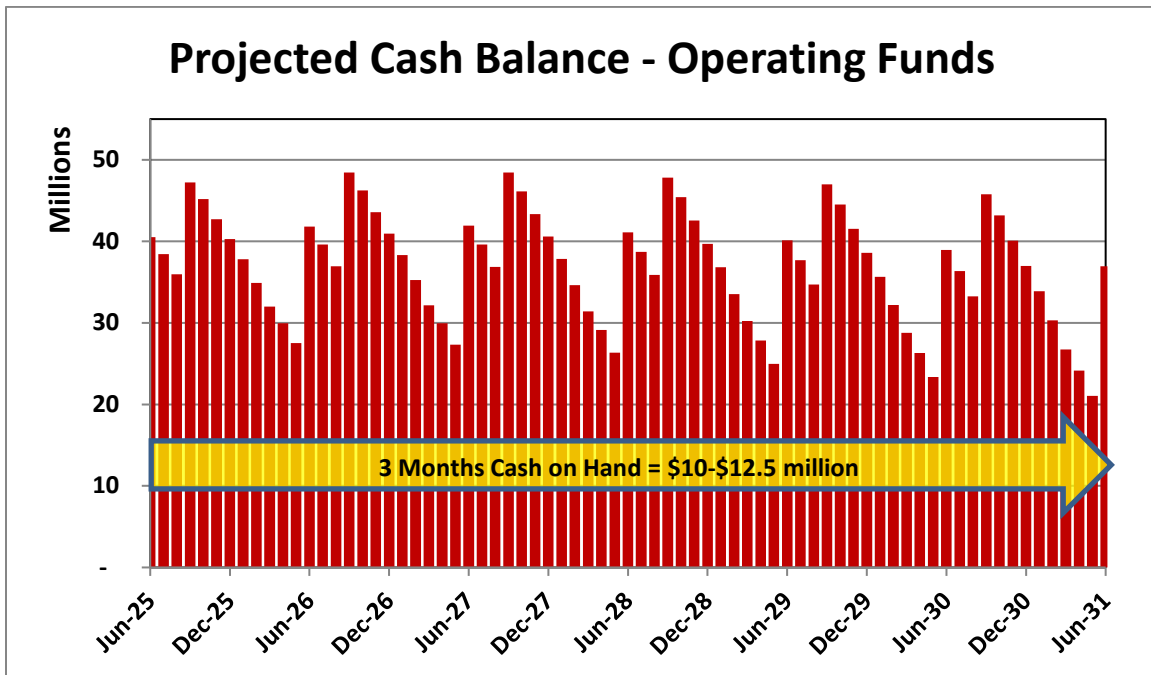
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Fiscal Year Ending	Projected Revenues Over / (Under) Expenses	Projected Other Sources / (Uses)	Projected Change in Fund Balances
June 30, 2026	\$1,261,000	\$33,000	\$1,294,000
June 30, 2027	85,000	\$32,000	117,000
June 30, 2028	(850,000)	\$32,000	(818,000)
June 30, 2029	(958,000)	\$30,000	(928,000)
June 30, 2030	(1,206,000)	\$28,000	(1,178,000)
June 30, 2031	(1,984,000)	\$22,000	(1,962,000)
<b>Total All Years</b>	<b>\$(3,652,000)</b>	<b>\$177,000</b>	<b>(\$3,475,000)</b>

## PROJECTED CASH FLOW - OPERATING FUNDS

Because the majority of Lisle School District’s revenue is generated through property taxes, it is imperative that the District has adequate cash flow between the June and September property tax collection dates so payroll and other expenditures can be honored. The chart below summarizes the projected cash balances as of May (the lowest cash point during the year) and as of June (the end of the fiscal year).



<b>PROJECTED CASH FLOW - OPERATING FUNDS</b>			
<b>Fiscal Year</b>	<b>Projected Increase/(Decrease)</b>	<b>May Cash Balance (Lowest Point)</b>	<b>June Cash Balance (Year End)</b>
June 30, 2026	\$1,261,000	\$27,507,000	\$41,797,000
June 30, 2027	\$85,000	\$27,329,000	\$41,914,000
June 30, 2028	(\$850,000)	\$26,359,000	\$41,096,000
June 30, 2029	(\$958,000)	\$24,974,000	\$40,138,000
June 30, 2030	(\$1,206,000)	\$23,353,000	\$38,932,000
June 30, 2031	(\$1,984,000)	\$21,049,000	\$36,948,000

Current cash balances are adequate to cover payroll and regular expenditures throughout the projection period. The District will have a strong cash position with the May 2031 cash balance (low point) in the operating funds being approximately 41% of the operating expenditures for the year.

## SUMMARY

When the community approved the referendum in 2004, the Board of Education committed that it would not seek another tax increase through referendum for at least ten years. Stable property tax growth and disciplined fiscal management over the past twenty years have enabled the District to build solid fund balance reserves while honoring that commitment. These reserves have provided financial stability during periods of high and low inflation, delays in State of Illinois payments, and the added operating costs associated with the COVID-19 pandemic.

Looking ahead, adequate reserves strengthen the District’s ability to manage the impact of inflation, economic uncertainty, unfunded mandates, and regulatory changes. The post-pandemic environment has created sustained cost pressures affecting goods, services, transportation, special education tuition, and employee benefits. Federal relief funds provided temporary support for learning recovery efforts and higher operating costs, but those one-time resources have now been exhausted. Potential reductions in future federal support may create additional budget pressure. As a result, the Board of Education and Administration must continue to closely monitor expenditures and evaluate proactive cost-containment strategies to maintain a balanced budget.

Higher interest rates and elevated Corporate Personal Property Replacement Taxes (CPPRT) receipts have also strengthened the District’s financial position in recent years. However, both revenue sources are expected to moderate as interest rates normalize and CPPRT collections return to more typical levels. These changing conditions underscore the importance of long-term financial planning and disciplined fiscal management.

This financial projection is one of many steps the District takes to promote long-term financial integrity and sustainability. The purpose of this report is to assist the Board of Education in developing a multi-year plan to protect the District’s financial future while continuing to support the educational priorities of the community.

**Lisle Community Unit School District 202**  
**Projected Statements of Revenues & Expenditures - Accrual Basis**  
**ALL FUNDS**

	<b>Projected FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
Beginning Fund Balances	\$ 20,894,000	\$ 21,766,000	\$ 21,771,000	\$ 20,955,000	\$ 20,232,000	\$ 31,166,000
Revenues:						
Property Taxes	\$ 37,817,000	\$ 38,877,000	\$ 39,808,000	\$ 41,391,000	\$ 42,857,000	\$ 44,105,000
Earnings on Investments	1,659,000	1,589,000	1,568,000	1,448,000	1,343,000	1,697,000
Other Local Sources	1,560,000	1,785,000	1,702,000	1,745,000	1,790,000	1,837,000
State Sources	2,727,000	2,658,000	2,638,000	2,614,000	2,605,000	2,582,000
Federal Sources	1,783,000	1,783,000	1,783,000	1,783,000	1,783,000	1,783,000
Total	<u>\$ 45,546,000</u>	<u>\$ 46,692,000</u>	<u>\$ 47,499,000</u>	<u>\$ 48,981,000</u>	<u>\$ 50,378,000</u>	<u>\$ 52,004,000</u>
Expenditures:						
Salaries	\$ 22,505,000	\$ 23,623,000	\$ 24,381,000	\$ 24,894,000	\$ 25,446,000	\$ 26,326,000
Employee Benefits	8,388,000	9,270,000	9,711,000	10,164,000	10,640,000	11,160,000
Purchased Services	6,589,000	6,870,000	7,163,000	7,534,000	8,087,000	8,256,000
Supplies & Materials	1,672,000	1,747,000	1,825,000	1,908,000	1,993,000	2,083,000
Capital Outlay	784,000	377,000	302,000	127,000	1,052,000	13,869,000
Other Objects	4,565,000	4,703,000	4,845,000	4,998,000	5,156,000	5,320,000
Non-Cap Equipment	278,000	220,000	220,000	220,000	220,000	220,000
Termination Benefits	16,000	8,000	8,000	8,000	8,000	8,000
Total	<u>\$ 44,797,000</u>	<u>\$ 46,818,000</u>	<u>\$ 48,455,000</u>	<u>\$ 49,853,000</u>	<u>\$ 52,602,000</u>	<u>\$ 67,242,000</u>
Revenues Over/(Under) Expenditures	<u>\$ 749,000</u>	<u>\$ (126,000)</u>	<u>\$ (956,000)</u>	<u>\$ (872,000)</u>	<u>\$ (2,224,000)</u>	<u>\$ (15,238,000)</u>
Other Sources/(Uses)	\$ 123,000 [1]	\$ 131,000 [1]	\$ 140,000 [1]	\$ 149,000 [1]	\$ 13,158,000 [2]	\$ 169,000 [1]
Net Change in Fund Balances	<u>\$ 872,000</u>	<u>\$ 5,000</u>	<u>\$ (816,000)</u>	<u>\$ (723,000)</u>	<u>\$ 10,934,000</u>	<u>\$ (15,069,000)</u>
Ending Fund Balances	<u>\$ 21,766,000</u>	<u>\$ 21,771,000</u>	<u>\$ 20,955,000</u>	<u>\$ 20,232,000</u>	<u>\$ 31,166,000</u>	<u>\$ 16,097,000</u>

[1] Proceeds the Sale of Tate Woods Elementary School

[2] Proceeds from the Sale of Tate Woods Elementary School and issuance of bonds for Lisle Junior High renovations

**Lisle Community Unit School District 202**  
**Projected Statements of Revenues & Expenditures - Accrual Basis**  
**OPERATING FUNDS**

	<b>Projected FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
Beginning Fund Balances	\$ 18,272,000	\$ 19,566,000	\$ 19,683,000	\$ 18,865,000	\$ 17,937,000	\$ 16,759,000
Revenues:						
Property Taxes	\$ 35,387,000	\$ 36,462,000	\$ 37,322,000	\$ 38,840,000	\$ 40,245,000	\$ 41,438,000
Earnings on Investments	1,460,000	1,469,000	1,455,000	1,342,000	1,237,000	1,227,000
Other Local Sources	1,513,000	1,752,000	1,668,000	1,711,000	1,754,000	1,799,000
State Sources	2,677,000	2,608,000	2,588,000	2,564,000	2,555,000	2,532,000
Federal Sources	1,783,000	1,783,000	1,783,000	1,783,000	1,783,000	1,783,000
Total	<u>\$ 42,820,000</u>	<u>\$ 44,074,000</u>	<u>\$ 44,816,000</u>	<u>\$ 46,240,000</u>	<u>\$ 47,574,000</u>	<u>\$ 48,779,000</u>
Expenditures:						
Salaries	\$ 22,505,000	\$ 23,623,000	\$ 24,381,000	\$ 24,894,000	\$ 25,446,000	\$ 26,326,000
Employee Benefits	7,355,000	8,196,000	8,600,000	9,014,000	9,450,000	9,929,000
Purchased Services	6,583,000	6,865,000	7,158,000	7,529,000	7,881,000	8,250,000
Supplies & Materials	1,672,000	1,747,000	1,825,000	1,908,000	1,993,000	2,083,000
Capital Outlay	85,000	127,000	127,000	127,000	127,000	127,000
Other Objects	3,065,000	3,203,000	3,347,000	3,498,000	3,655,000	3,820,000
Non-Cap Equipment	278,000	220,000	220,000	220,000	220,000	220,000
Termination Benefits	16,000	8,000	8,000	8,000	8,000	8,000
Total	<u>\$ 41,559,000</u>	<u>\$ 43,989,000</u>	<u>\$ 45,666,000</u>	<u>\$ 47,198,000</u>	<u>\$ 48,780,000</u>	<u>\$ 50,763,000</u>
Revenues Over/(Under) Expenditures	<u>\$ 1,261,000</u>	<u>\$ 85,000</u>	<u>\$ (850,000)</u>	<u>\$ (958,000)</u>	<u>\$ (1,206,000)</u>	<u>\$ (1,984,000)</u>
Other Sources/(Uses)	\$ 33,000 [1]	\$ 32,000 [1]	\$ 32,000 [1]	\$ 30,000 [1]	\$ 28,000 [1]	\$ 22,000 [1]
Net Change in Fund Balances	<u>\$ 1,294,000</u>	<u>\$ 117,000</u>	<u>\$ (818,000)</u>	<u>\$ (928,000)</u>	<u>\$ (1,178,000)</u>	<u>\$ (1,962,000)</u>
Ending Fund Balances	<u><u>\$ 19,566,000</u></u>	<u><u>\$ 19,683,000</u></u>	<u><u>\$ 18,865,000</u></u>	<u><u>\$ 17,937,000</u></u>	<u><u>\$ 16,759,000</u></u>	<u><u>\$ 14,797,000</u></u>

[1] Transfers on interest earned in the Debt Services Fund to the Education Fund.

**Note: The Illinois State Board of Education defines "operating funds" as the Educational, Operations and Maintenance, Transportation and Working Cash Funds (Excludes Debt Services, IMRF, Capital Projects, and Tort Funds).**

**Lisle Community Unit School District 202**  
**Projected Statements of Revenues & Expenditures - Accrual Basis**  
**CAPITAL PROJECTS FUND**

	<b>Projected FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>	<b>FY2030</b>	<b>FY2031</b>
Beginning Fund Balances	\$ 1,687,000	\$ 1,299,000	\$ 1,277,000	\$ 1,337,000	\$ 1,579,000	\$ 13,909,000
Revenues:						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on Investments	122,000	47,000	45,000	43,000	47,000	417,000
Other Local Sources	16,000	-	-	-	-	-
State Sources	50,000	50,000	50,000	50,000	50,000	50,000
Federal Sources	-	-	-	-	-	-
Total	<u>\$ 188,000</u>	<u>\$ 97,000</u>	<u>\$ 95,000</u>	<u>\$ 93,000</u>	<u>\$ 97,000</u>	<u>\$ 467,000</u>
Expenditures:						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Benefits	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-
Supplies & Materials	-	-	-	-	-	-
Capital Outlay	699,000	250,000	175,000	-	925,000	13,742,000
Other Objects	-	-	-	-	-	-
Non-Cap Equipment	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-
Total	<u>\$ 699,000</u>	<u>\$ 250,000</u>	<u>\$ 175,000</u>	<u>\$ -</u>	<u>\$ 925,000</u>	<u>\$ 13,742,000</u>
Revenues Over/(Under) Expenditures	<u>\$ (511,000)</u>	<u>\$ (153,000)</u>	<u>\$ (80,000)</u>	<u>\$ 93,000</u>	<u>\$ (828,000)</u>	<u>\$ (13,275,000)</u>
Other Sources/(Uses)	\$ 123,000 [1]	\$ 131,000 [1]	\$ 140,000 [1]	\$ 149,000 [1]	\$ 13,158,000 [2]	\$ 169,000 [1]
Net Change in Fund Balances	<u>\$ (388,000)</u>	<u>\$ (22,000)</u>	<u>\$ 60,000</u>	<u>\$ 242,000</u>	<u>\$ 12,330,000</u>	<u>\$ (13,106,000)</u>
Ending Fund Balances	<u>\$ 1,299,000</u>	<u>\$ 1,277,000</u>	<u>\$ 1,337,000</u>	<u>\$ 1,579,000</u>	<u>\$ 13,909,000</u>	<u>\$ 803,000</u>

[1] Proceeds of \$110K from the sale of Tate Woods

[2] Proceeds of \$110K from the sale of Tate Woods and \$13 million bond issuance for Junior High renovation

# Lisle Community Unit School District 202

## Historical Performance

### ALL FUNDS

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
<b>Revenues:</b>					
Property Taxes	\$ 31,291,850	\$ 31,539,241	\$ 33,070,173	\$ 34,679,591	\$ 36,418,495
Earnings on Investments	97,165	56,867	531,218	2,045,102	2,475,064
Other Local Sources	832,231	1,496,703	1,981,774	1,650,923	1,448,990
State Sources	2,172,662	2,558,019	3,009,638	3,157,430	2,816,316
Federal Sources	1,410,206	2,241,675	1,712,833	1,930,048	1,899,077
<b>Total</b>	<b>\$ 35,804,114</b>	<b>\$ 37,892,505</b>	<b>\$ 40,305,636</b>	<b>\$ 43,463,094</b>	<b>\$ 45,057,942</b>
<b>Expenditures:</b>					
Salaries	\$ 18,336,045	\$ 19,025,493	\$ 19,805,728	\$ 20,422,344	\$ 21,612,316
Employee Benefits	6,272,910	6,626,954	6,911,931	7,411,250	7,988,447
Purchased Services	3,658,954	4,893,418	5,481,552	6,130,811	6,418,556
Supplies & Materials	1,619,300	1,507,805	1,373,449	1,408,434	1,527,551
Capital Outlay	475,082	1,139,127	1,066,610	3,127,225	3,956,297
Other Objects	3,808,839	3,717,533	3,882,074	4,312,830	4,955,678
Non-Cap Equipment	197,392	150,948	249,532	211,963	290,061
Termination Benefits	-	8,962	1,620	12,008	17,829
<b>Total</b>	<b>\$ 34,368,522</b>	<b>\$ 37,070,240</b>	<b>\$ 38,772,496</b>	<b>\$ 43,036,865</b>	<b>\$ 46,766,735</b>
<b>Revenus Over/(Under) Expenditures</b>	<b>\$ 1,435,592</b>	<b>\$ 822,265</b>	<b>\$ 1,533,140</b>	<b>\$ 426,229</b>	<b>\$ (1,708,793)</b>
Other Sources/(Uses)	\$ 9,000	\$ 11,630	\$ 551,100 [1]	\$ 114,629 [1]	\$ 118,304 [1]
<b>Net Change in Fund Balances</b>	<b>\$ 1,444,592</b>	<b>\$ 833,895</b>	<b>\$ 2,084,240</b>	<b>\$ 540,858</b>	<b>\$ (1,590,489)</b>

[1] Proceeds from sale of Tate Woods Elementary School.

# Lisle Community Unit School District 202

## Historical Performance

### OPERATING FUNDS

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
Revenues:					
Property Taxes	\$ 29,151,806	\$ 30,131,250	\$ 30,654,782	\$ 32,237,114	\$ 33,928,880
Earnings on Investments	84,760	47,644	466,567	1,684,569	2,106,559
Other Local Sources	802,810	1,468,261	1,955,821	1,625,266	1,419,766
State Sources	2,172,662	2,508,019	2,962,138	3,107,430	2,766,316
Federal Sources	1,410,206	2,241,675	1,712,833	1,930,048	1,899,077
Total	<u>\$ 33,622,244</u>	<u>\$ 36,396,849</u>	<u>\$ 37,752,141</u>	<u>\$ 40,584,427</u>	<u>\$ 42,120,598</u>
Expenditures:					
Salaries	\$ 18,336,045	\$ 19,025,493	\$ 19,805,728	\$ 20,422,344	\$ 21,612,316
Employee Benefits	5,363,630	5,700,474	6,021,953	6,511,227	7,003,408
Purchased Services	3,651,325	4,863,871	5,466,448	6,124,568	6,413,549
Supplies & Materials	1,619,300	1,507,805	1,373,449	1,408,434	1,527,551
Capital Outlay	252,693	118,600	68,785	210,277	96,008
Other Objects	2,311,139	2,216,833	2,385,373	2,812,309	3,459,228
Non-Cap Equipment	197,392	150,948	249,532	211,963	290,061
Termination Benefits	-	8,962	1,620	12,008	17,829
Total	<u>\$ 31,731,524</u>	<u>\$ 33,592,986</u>	<u>\$ 35,372,888</u>	<u>\$ 37,713,130</u>	<u>\$ 40,419,950</u>
Revenus Over/(Under) Expenditures	<u>\$ 1,890,720</u>	<u>\$ 2,803,863</u>	<u>\$ 2,379,253</u>	<u>\$ 2,871,297</u>	<u>\$ 1,700,648</u>
Other Sources/(Uses)	\$ (1,741,000) [1]	\$ (1,238,000) [2]	\$ (750,000) [2]	\$ (744,000) [2]	\$ (2,951,000) [2]
Net Change in Fund Balances	<u>\$ 149,720</u>	<u>\$ 1,565,863</u>	<u>\$ 1,629,253</u>	<u>\$ 2,127,297</u>	<u>\$ (1,250,352)</u>

[1] Includes transfers of \$1 million for debt service abatement and \$750,000 for future capital improvements

[2] Transfers to the Capital Projects Fund for capital improvements

Note: ISBE defines "operating funds" as the Educational, Operations and Maintenance, Transportation and Working Cash Funds