**FOR INFORMATION**

**Lisle Community Unit School District 202**
**Finance Committee Meeting**
**October 26, 2026**

**SUBJECT:** Financial Projection Update

**BACKGROUND DATA:** At the April Finance Committee Meeting, the Administration presented the Six-Year Financial Projection. An updated projection for All Funds, Operating Funds, and Capital Projects Fund is included in the Finance Committee Packet.

The updated financial projection reflects the audited financial results that will be shared next month, along with the following additional modifications:

- Increased 2026 CPI estimate from 3.3% to 3.7% based on the YTD actual.
- Updated FY2027 revenue and expenditure projections based on the approved budget.
- Increased projected investment earnings reflecting higher interest rates for longer than previously anticipated.
- Adjusted salary projections to reflect current staffing costs.

Overall, the updated projection is more favorable than the April projection, although deficit spending in the Operating Funds is still expected to begin in FY2028:

- FY2026 ended with a net increase in Operating Funds fund balance of $1.15 million, $141,000 less than the April estimate, bringing the Operating Funds balance to $19.4 million (47% of expenditures).
- The Operating Funds fund balance is projected to increase $184,000 in FY2027, then decline $535,000 in FY2028, $578,000 in FY2029, $796,000 in FY2030, and $1.5 million in FY2031. The combined FY2028-FY2031 decline of $3.5 million is $1.4 million smaller than the $4.9 million projected in April.
- The improvement is driven by a lower salary and benefit base, which reduces FY2027 Operating Funds salaries and benefits by approximately $500,000 and carries forward through the projection, and by higher investment earnings, partially offset by lower federal revenue. The higher CPI estimate also adds approximately $150,000 to $160,000 per year in property tax revenue beginning in FY2029.
- The Operating Funds balance is projected to end FY2031 at $16.2 million (32.1% of expenditures), compared to $14.8 million (29%) in the April projection. The All Funds balance is projected to end FY2031 at $17.5 million, compared to $16.1 million in April.

A brief presentation will be provided on Monday night and is available in BoardBook. A copy of the April 2026 Financial Projection is also included in Board Books for reference.