FY 14 Revenue Forecast & Capital Overview
McLean County Unit School District No. 5
Budget Process
http://www.gfoa.org/services/nacslb/

 Principle I – Establish Broad Goals
Element 1 – Assess Community Needs, Priorities, Challenges and Opportunities
Element 2 – Identify Opportunities and Challenges for Government Services, Capital Assets, and Management
Element 3 – Develop and Disseminate Broad Goals

 Principle II – Develop Approaches
Element 4 – Adopt Financial Policies
Element 5 – Develop Programmatic, Operating, and Capital Policies and Plans
Element 6 – Develop Programs and Services that are Consistent with Policies and Plans
Element 7 – Develop Management Strategies

 Principle III – Develop Budget
Element 8 – Develop a Process for Preparing and Adopting a Budget
Element 9 – Develop and Evaluate Financial Options
Element 10 – Make Choices Necessary to Adopt a Budget

 Principle IV – Evaluate Performance
Element 11 – Monitor, Measure, and Evaluate Performance
Element 12 – Make Adjustments as Needed
Element 9 – Develop and Evaluate Financial Options

Description:
A government should develop, update, and review long-range financial plans and projections. The information obtained from these plans and projections is used in determining the resource and expenditure options available for the budget period and the implications of those options. This element does not address decisions on a specific set of programs and services to be funded through the budget.

Practices of Element 9:

- **Practice 9.1** – Conduct Long-Range Financial Planning
- **Practice 9.2** – Prepare Revenue Projections
- **Practice 9.2a** – Analyze Major Revenues
- **Practice 9.2b** – Evaluate the Effect of Changes to Revenue Source Rates and Bases
- **Practice 9.2c** – Analyze Tax and Fee Exemptions
- **Practice 9.2d** – Achieve Consensus on a Revenue Forecast
- **Practice 9.3** – Document Revenue Sources in a Revenue Manual
- **Practice 9.4** – Prepare Expenditure Projections
- **Practice 9.5** – Evaluate Revenue and Expenditure Options
- **Practice 9.6** – Develop a Capital Improvement Plan
Unit 5 Revenue Profile

- **Local**: Property Tax, Fees, Corporate Grants, Interest Income, Breakfast/Lunch.
- **State**: General State Aid, Mandated Categorical, Matching.
- **Federal**: Title Grants, Targeted Incentive.
Revenue Profile

**First Concern:**

Revenue is not keeping pace with primary cost driver of Enrollment.

**Second Concern:**

Stagnant (Flat) revenue not keeping pace with inflationary pressures.
Revenue Profile – From Where Does the Money Come?

Local Revenue provides the majority of resources.
## Education Fund Assumptions

1. Local Property growth of 2%.
2. GSA grows 6%. (Inverse of Ptx Growth, Poverty up)
3. Categorical Funding Flat. (MOE)
4. Federal impacted by Sequestration, & loss of ARRA.
The sum of GSA not paid by the state in the last five years’ totals $4,105,271. The sum of Tax Anticipation Notes used in 2012-2013 was roughly the same amount.
Education Fund Profile

<table>
<thead>
<tr>
<th></th>
<th>12-13</th>
<th>13-14</th>
<th>% Change</th>
<th>$ Change</th>
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</thead>
<tbody>
<tr>
<td>Local</td>
<td>64,530,364</td>
<td>65,186,399</td>
<td>1%</td>
<td>656,035</td>
</tr>
<tr>
<td>State</td>
<td>22,021,256</td>
<td>22,669,587</td>
<td>3%</td>
<td>648,331</td>
</tr>
<tr>
<td>Federal</td>
<td>7,307,572</td>
<td>6,337,077</td>
<td>-13%</td>
<td>(970,495)</td>
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<tr>
<td></td>
<td>93,859,192</td>
<td>94,193,063</td>
<td>0.4%</td>
<td>333,871</td>
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</table>
Other Fund Assumptions

- Property Base Growth same as used in Education Fund. (½ of 2012 @ -0.8%, ½ of 2013 @ +2.0%)
- State will make Four payments (1+3).
- Unless understood otherwise, all others will behave historically.
Capital Assets

- A comprehensive, forward looking capital assets plan is moving forward.
- Capital Assets have been inventoried in 2012-2013.
- Include buildings, infrastructure, professional fees, Information Technology, etc.
Capital Improvement Planning

- Capital planning includes funds from O&M, Site & Construction, Grants, and Life-Safety Funds.
- Maintenance funds compete with operational funds in O&M.
- IT funds compete with classroom needs in the Education Fund.
Construction Since 2008

Over $100,000,000 has been invested in Unit 5 and the Community’s assets since 2008. Facility needs continue to grow in order to accommodate student growth changes and program delivery demands.
Rennovation Planning

**Structural** = Building Alterations, Plumbing, Elec.  
**Other** = Significant & Material Fixtures and Equipment. Boilers, HVAC, Lights, Carpet, Kitchen & Other Appliances, etc.
Information Technology

- IT spending is growing logarithmically. Drivers include:
  - Smart Boards. Majority installed at one time, approaching end of life-cycle.
  - Staff computers. 950 Certified Staff Devices @ $650 ea.
  - Bulbs for Smart Boards. End of warranty. $11,000 in 2011, $90,000 in 2013.
## Strengths, Weakness, Opportunities & Threats (S.W.O.T.)

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<tr>
<td><strong>S:</strong></td>
<td>Property tax base withstood brunt of recession, looks to rebound. Conservative budgeting. Established monitoring.</td>
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<tr>
<td><strong>W:</strong></td>
<td>General State Aid. Over-reliance on Ptax base. Lack of Long-range Plan.</td>
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## Strengths, Weakness, Opportunities & Threats (S.W.O.T.)

<table>
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<th><strong>O:</strong></th>
<th>County-wide facility sales tax. “Green Grants”.</th>
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<td><strong>T:</strong></td>
<td>Spending without Strategic Focus or eye on Revenue: “What’s in the best interest of the child.”</td>
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Conclusion

• **Meeting of September 11:** Discussion of Expenses, Tying Revenue & Expenses together.

• **Meeting of September 25:** Public Hearing and Budget Adoption