



Geneva Community Unit School District 304
227 North Fourth Street
Geneva, IL 60134

Board of Education Report

To: Dr. Kent Mutchler, Superintendent
Board of Education – Finance Committee
From: Dean Romano, Assistant Superintendent – Business Services
Date: Wednesday, November 13, 2019
Meeting: Monday, November 18, 2019

Agenda Item:

Review of Multi-Year Financial Projections

BOARD GOAL AREA: Integrate current year projection modeling and multi-year financial forecasting

Item Type: Consent Action **Information** **Discussion**

Recommended Motion: N/A

Vision Connection: Effective Communicators

Policy Reference (if applicable): 4:10 – Fiscal and Business Management

Background Information:

Development of a multi-year projection model provides the district with the opportunity to identify future financial trends much earlier in a planning cycle. This allows for incremental changes to be put into place which can be less dramatic than if budget development was faced with a major change in a single year and reactionary changes were required.

In preparation for the development of district Multi-Year Financial Projections, the administrative team has completed the following:

- Reviewed and discussed the key multi-year assumption variables with the Finance Committee and Board of Education including:
 - EAV Assumptions
 - New Property Growth Assumptions
 - Consumer Price Index (CPI) Assumptions
 - Tax Collection Rate
 - Salary Estimates
 - Benefit Estimates
 - Staffing Projections
 - Increases to Purchased Services
 - Increases to Supplies & Expenses

All of this data has been captured within the 5Cast budget development and forecasting software which is used to support the creation of a manageable projection model. The corresponding attachment represents the current draft base projection modeling that provides financial forecasting for the coming years. This projection represents the potential financial condition of the district if spending patterns and programs are administered as they have been done in past years with no changes. Within this draft base file, the existing budget deficit continues to grow for FY21 and beyond. Through the development of these projections, the district will begin facilitating discussions regarding what level of financial changes can be implemented, what timeline these adjustments can be implemented within, and then begin to be identified opportunities for changes.

Multi-Year financial modeling data holds a greater level of accuracy within the first years of a projection. That said, it is important to recognize that the provided projections assume completely accurate assumptions and no changes in practice. This leads to the understanding that the long-term outcomes found within these projections will likely vary as adjustments to programing and efficiency efforts are ongoing.

ATTACHMENT(S):

Draft Base_Multi-Year Projections
