



FINANCIAL FORECAST
CHAMPAIGN COUNTY, IL

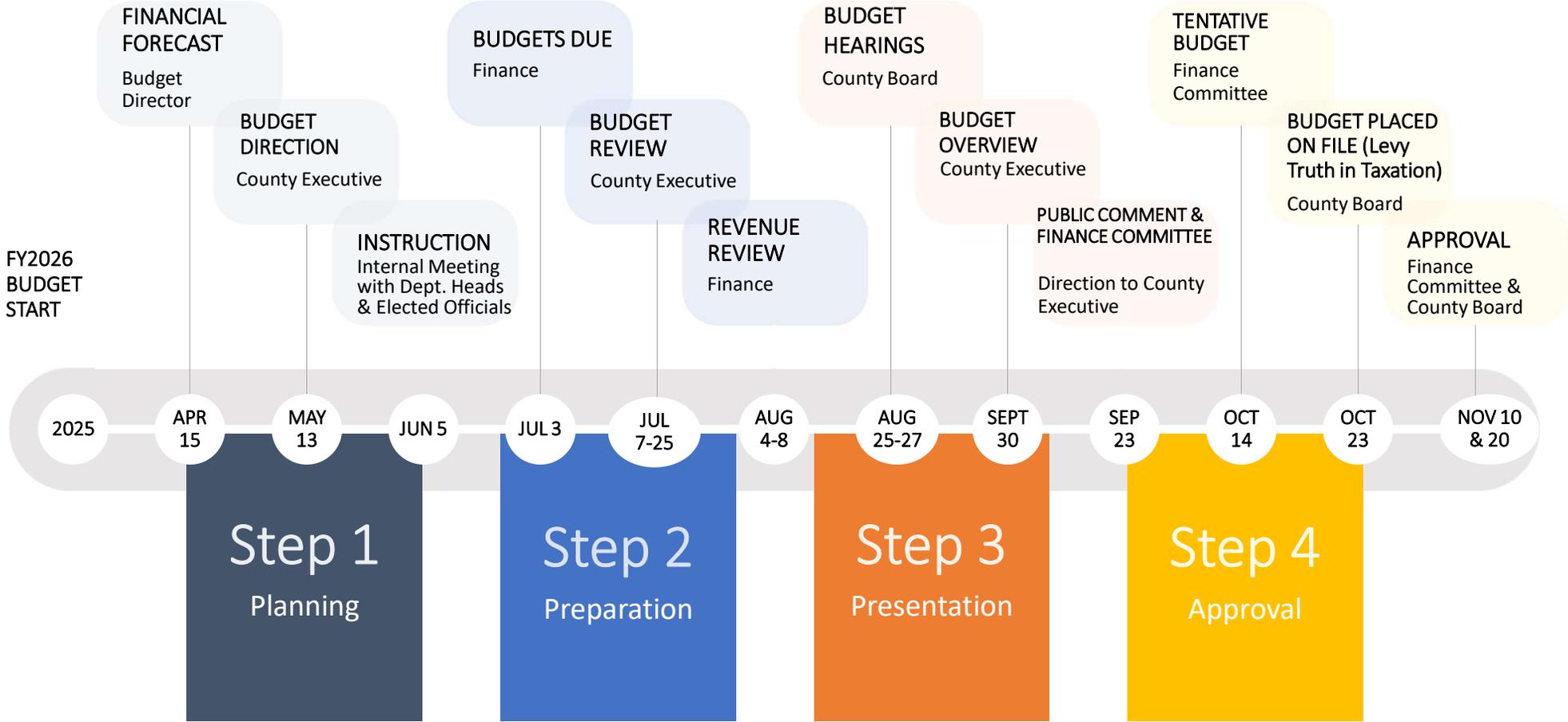
FY2026

FY2025-FY2030



FY2026 BUDGET PROCESS

Champaign County



There are two kinds of forecasters:
those who don't know, and those who
don't know they don't know.

– John Kenneth Galbraith

The forecast provides
a framework for
financial planning

FY2024
General
Fund
(Unaudited)

REVENUE	\$50,062,225
EXPENDITURE	<u>\$49,916,941</u>
DIFFERENCE	\$145,284
Projected Fund Balance	\$15,283,599
Unreserved Fund Balance	\$13,025,210
Fund Balance as a % of Expenditures	*26.09%

*County policy is to maintain a minimum unrestricted General Fund budgetary fund balance percentage of 16.7%, although based on the County's financial advisor's recommendation and the GFOA fund balance worksheet, there is a goal of maintaining 25%, which could be made into policy in the future.

Challenges

- Recruiting, Retention, and Retirements
- Funding New Positions in Operating Funds
- CARF Funding
- Limited Control of Revenue

Unknowns

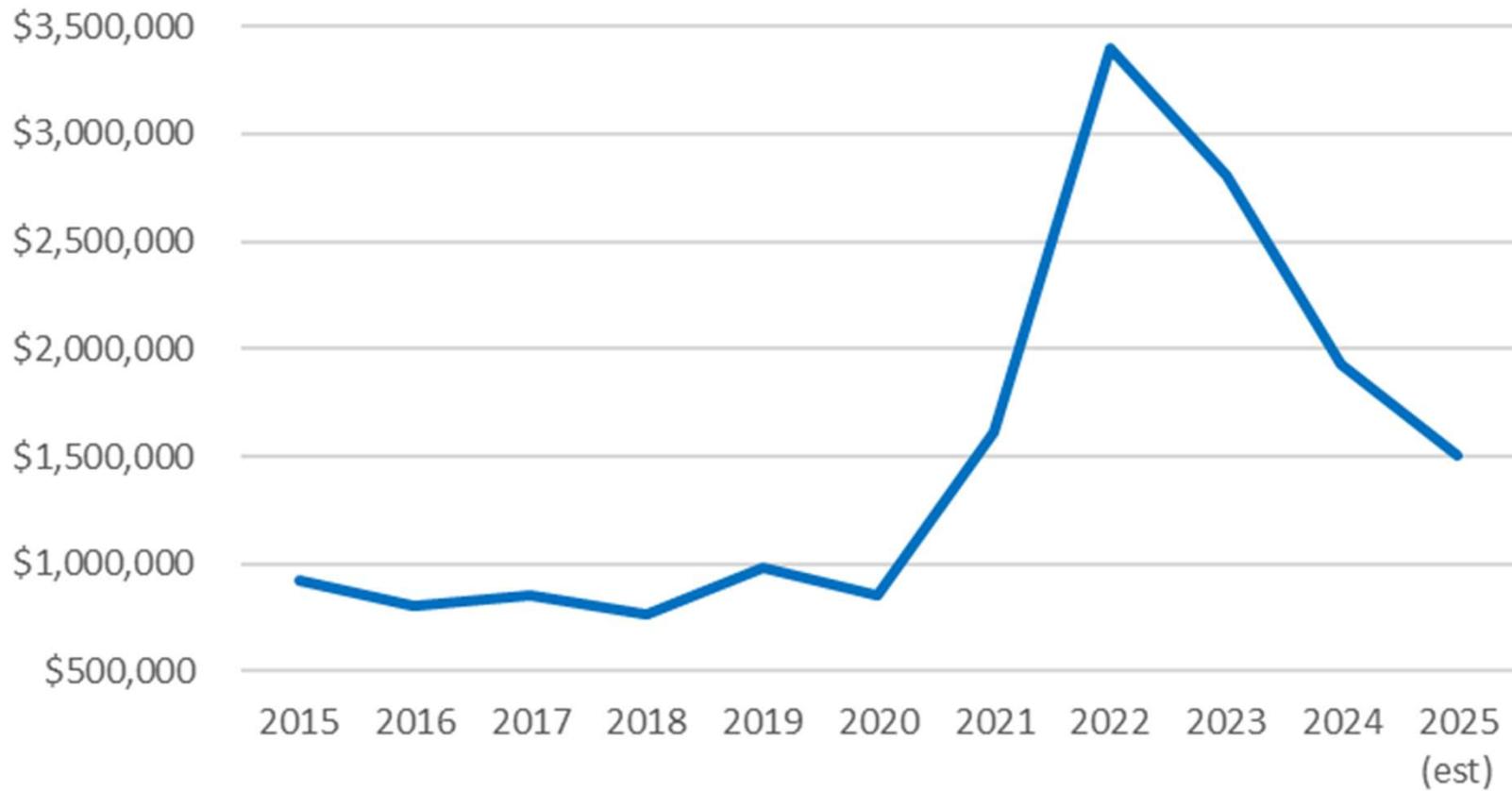
- Economic Uncertainty
- Legislative and Administrative Changes
- Health Insurance Costs
- Hospital Property Tax Liability



PTELL – Example

- When EAV grows enough, the County's property tax rate actually drops because the levy amount is spread over more property values.
- In fact, since 2014 the County's rate has decreased 9 of the 10 years.
- If the County was able to keep the rate flat for the past 10 years (so the property owner's tax would only increase based on value increases to the property and not from the County's rate) like many home rule entities do...
 - The County's levy last year would have been \$5.1 million higher.
 - The County would have levied \$16.9 million more over the course of the past 10 years.

Personal Property Replacement Taxes (General Fund)

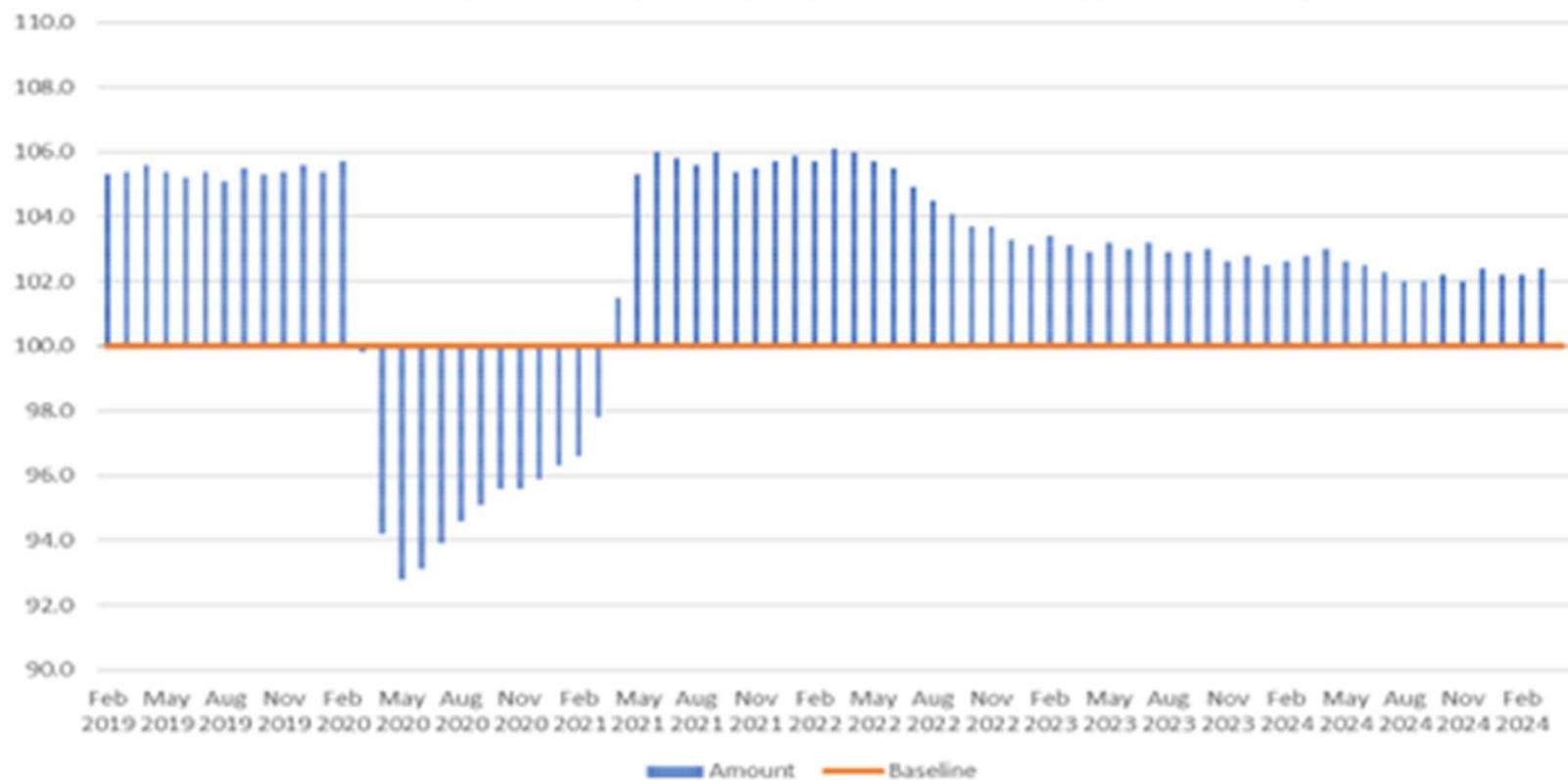


Economic Environment

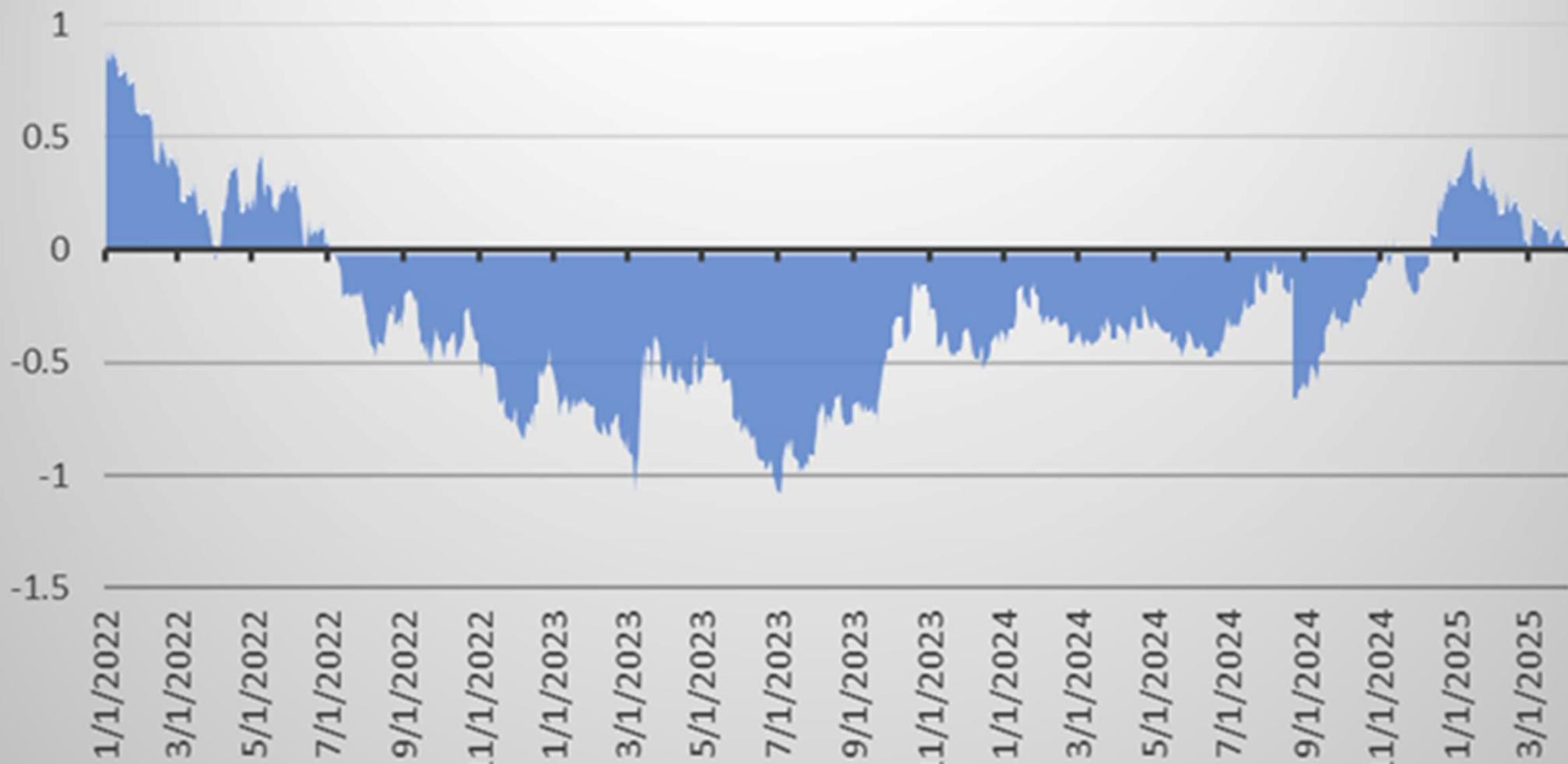
Will there be a recession or slowdown?

- Property Tax and Sales Tax growth?
- Interest rates?
- Unemployment rates?
- Costs of goods?
 - Inflation?
 - Tariffs?

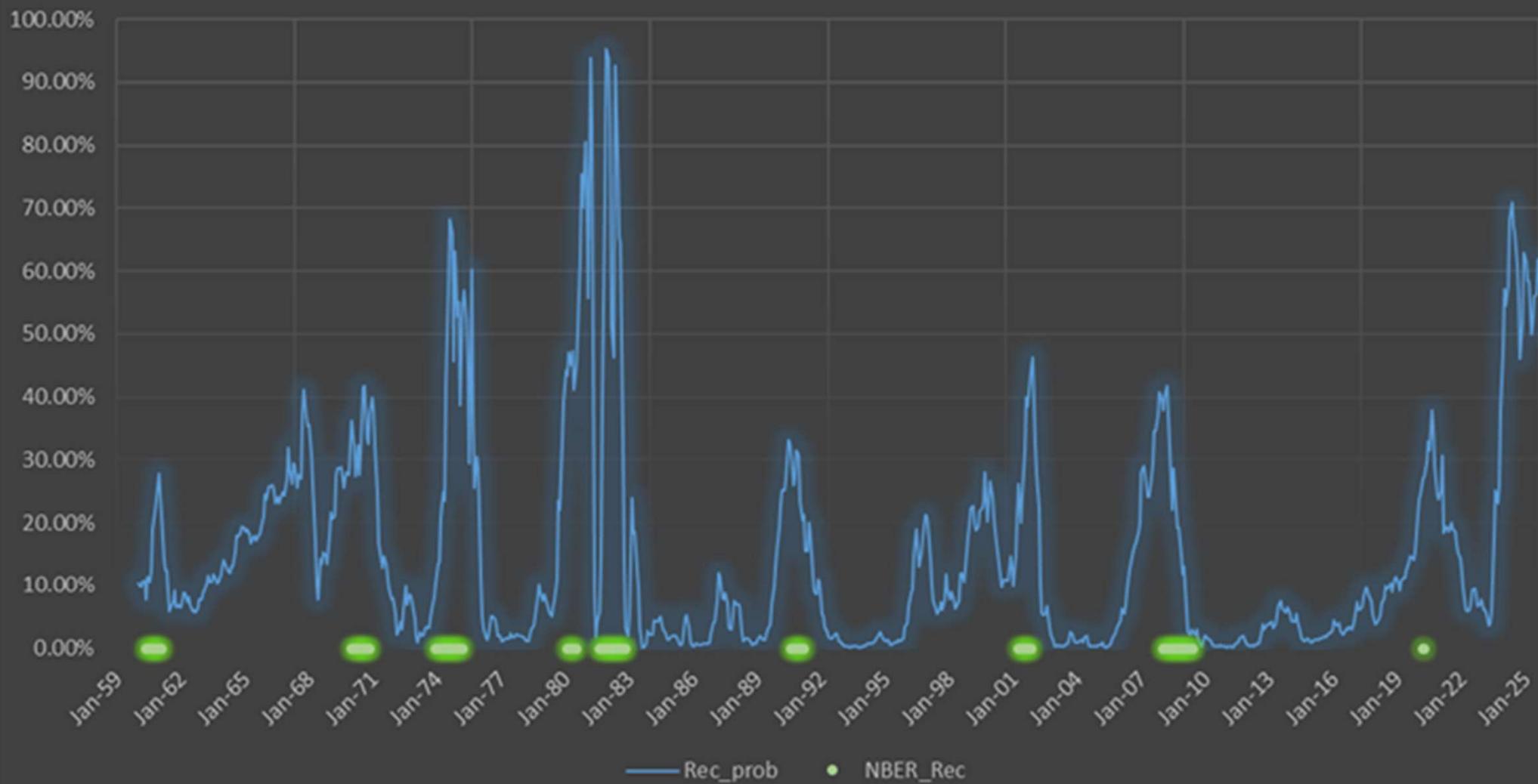
U OF I FLASH INDEX ECONOMIC GROWTH - MARCH 2025



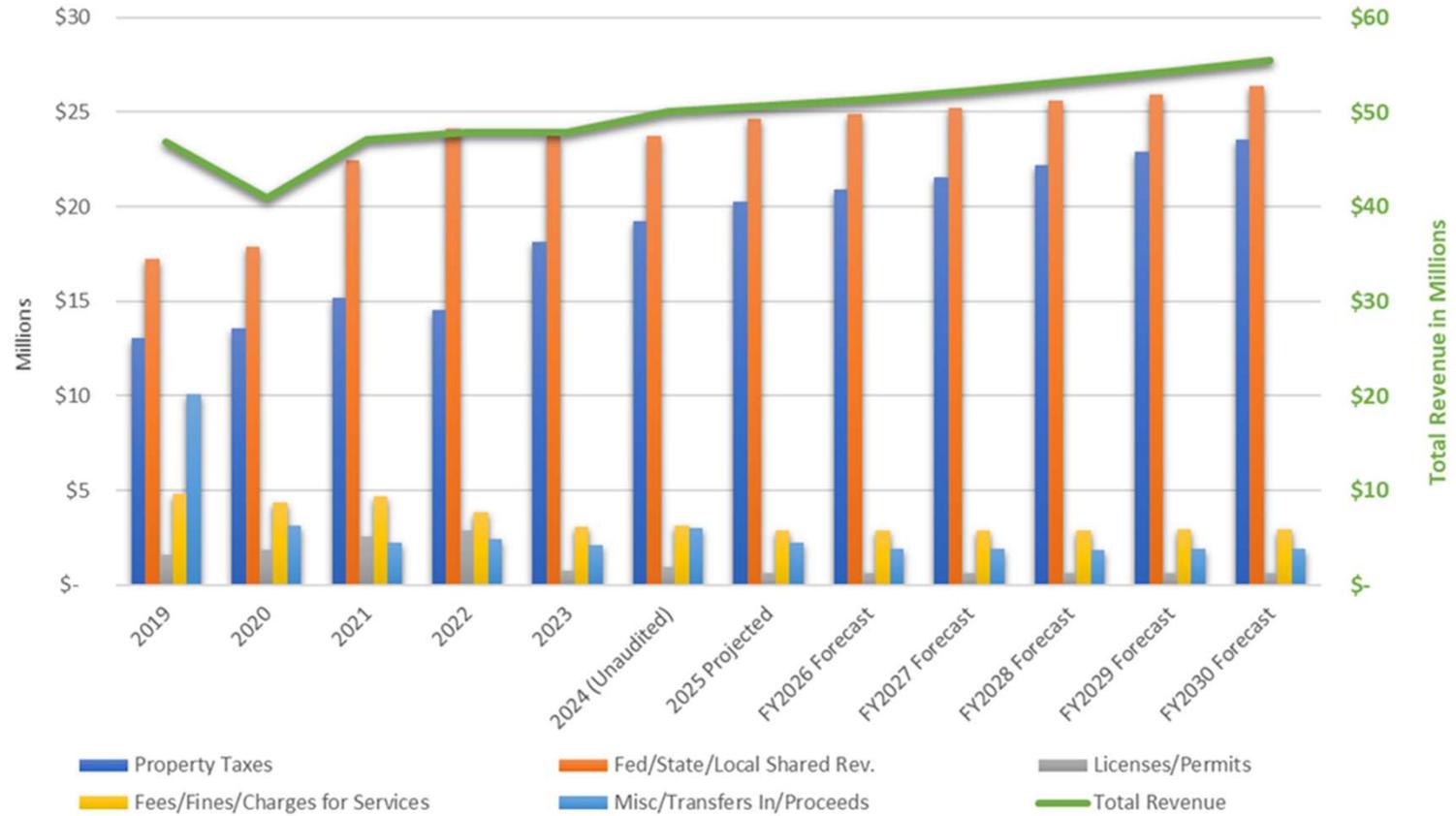
Yield Curve (10-year vs 2-year)



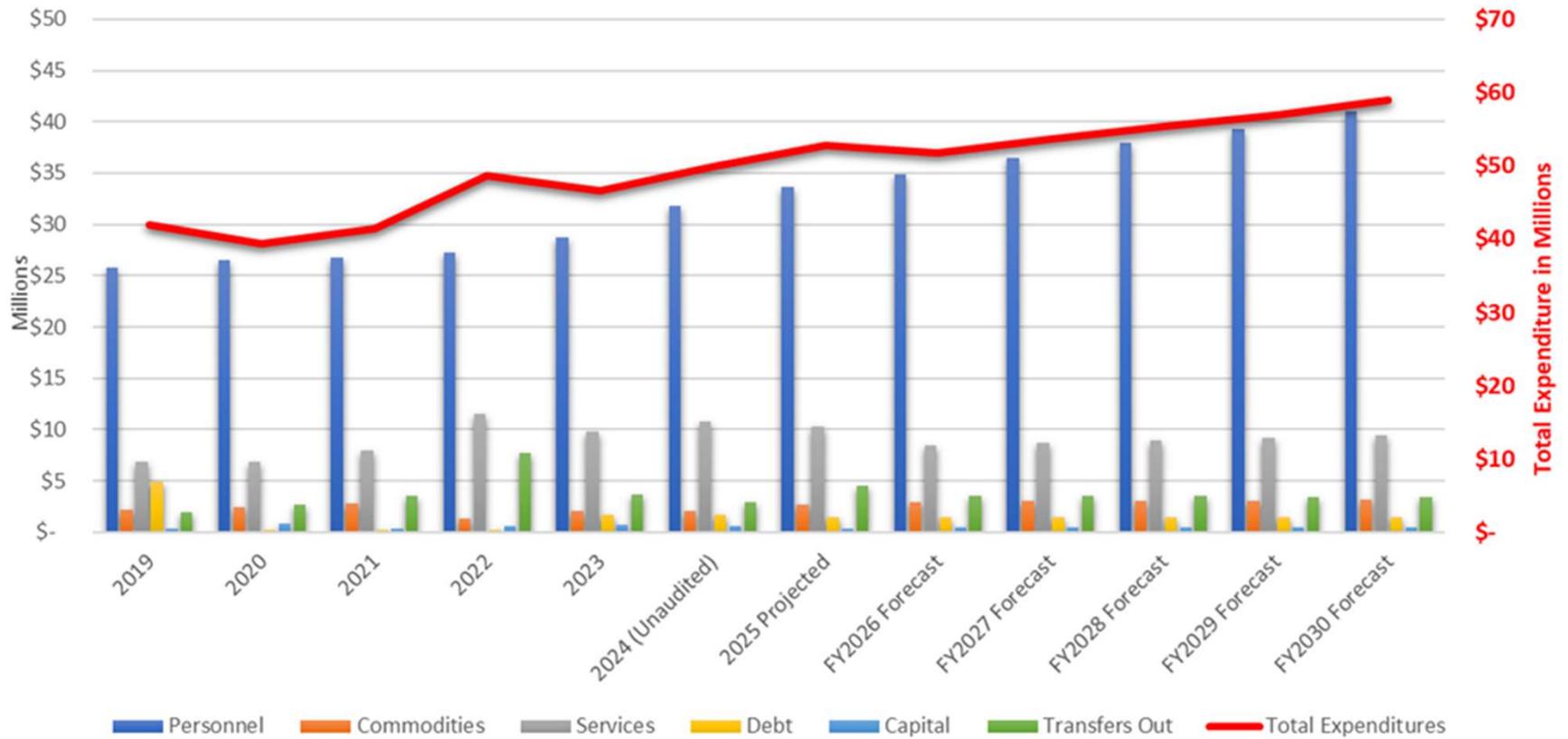
Recession Probability - Federal Reserve New York



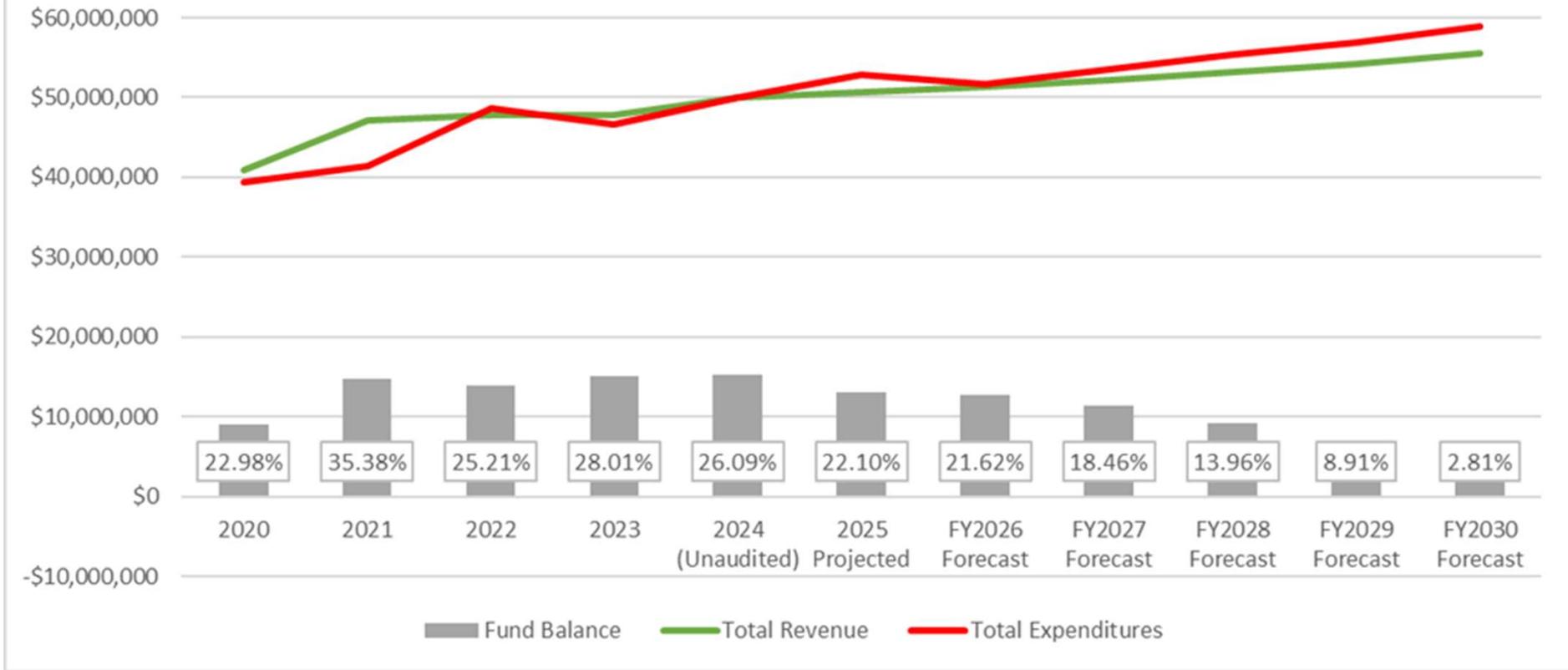
General Fund Revenue



General Fund Expenditure



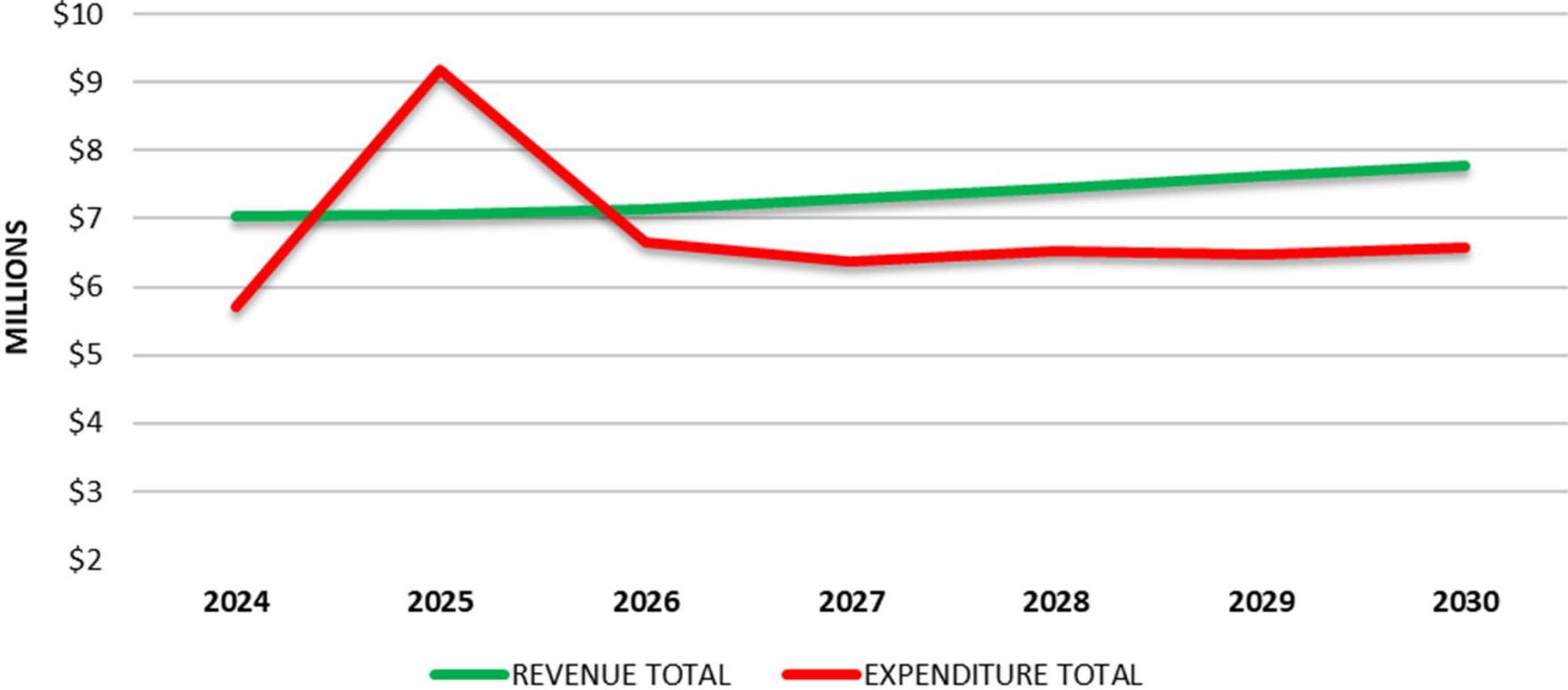
General Fund Revenue/Expenditure Trend and Fund Balance Projection



Fund Balance Policy

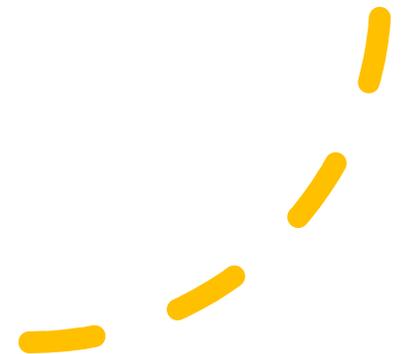
- **County policy is to maintain a minimum unrestricted General Fund budgetary fund balance percentage of 16.7%, although based on the County's financial advisor's recommendation and the GFOA fund balance worksheet, there is a goal of maintaining 25%, which could be written into policy in the future.**

Public Safety Sales Tax



Capital Asset Replacement Fund (CARF)

- Established to implement long-term planning
- Primary source of funds are from transfers from General Fund and Public Safety Sales Tax Fund
- Due to lack of funding, unable to build a reserve in the Fund
- ARPA has eased CARF by paying for certain software costs, but these went back to CARF in FY2025
 - Roughly \$200,000 per year



American Rescue Plan Act Fund (ARPA)

	Projected 2021	Actual 2021 (12/31/202)	Projected 2022	Actual 2022 (12/31/202)	Projected 2023	Actual 2023 (12/31/202)	Projected 2024	Actual 2024 (12/31/202)	Projected 2025	Actual 2025 (1/31/2025)	Projected 2026	Projected Totals
INCOME												
Dept of Treasury	\$20,364,815	\$20,364,815	\$20,364,815	\$20,364,815								\$40,729,630
Investment Interest (flex funds)	\$40,000	\$10,963	\$195,211	\$206,995	\$120,000	\$348,551		\$108,419				\$674,929
TOTAL INCOME	\$20,404,815	\$20,375,778	\$20,560,026	\$20,571,810	\$120,000	\$348,551	\$0	\$108,419	\$0	\$0	\$0	\$41,404,559
EXPENSES												
Administration Subtotal	\$49,862	\$33,609	\$127,334	\$116,986	\$107,017	\$105,028	\$110,664	\$112,652	\$126,727	\$0	\$130,130	\$625,131
Affordable Housing Subtotal	\$0	\$0	\$1,195,000	\$150,000	\$1,705,000	\$135,000	\$1,415,490	\$512,793	\$902,697	\$0	\$0	\$1,700,490
Broadband Projects Subtotal	\$0	\$0	\$3,000,000	\$154,228	\$9,845,773	\$4,993	\$4,165,112	\$132,219	\$4,836,310	\$0	\$4,732,642	\$9,860,391
Community Violence Intervention Subtotal	\$0	\$0	\$1,500,000	\$185,769	\$3,874,391	\$1,595,238	\$2,317,427	\$1,160,213	\$1,263,935	\$0	\$0	\$4,205,154
County Department Projects Subtotal	\$0	\$0	\$4,361,791	\$3,940,300	\$9,173,151	\$1,088,409	\$8,989,689	\$3,605,948	\$5,383,740	\$0	\$0	\$14,018,398
Early Learning Assistance Subtotal	\$0	\$0	\$2,000,000	\$25	\$1,999,975	\$2,000,025	\$0	\$0	\$0	\$0	\$0	\$2,000,050
Household Assistance Subtotal	\$0	\$0	\$450,000	\$438,000	\$0	\$0	\$150,000	\$130,000	\$20,000	\$0	\$0	\$588,000
Mental Health Services Subtotal	\$770,436	\$373,276	\$269,625	\$219,621	\$120,000	\$30,000	\$90,000	\$61,697	\$28,304	\$0	\$0	\$712,897
Non-Profit Assistance Subtotal	\$0	\$0	\$250,000	\$83,333	\$566,667	\$254,700	\$311,967	\$167,031	\$144,936	\$0	\$0	\$650,000
Small Business Assistance Subtotal	\$0	\$0	\$1,000,000	\$81,400	\$918,600	\$416,157	\$502,443	\$25,656	\$476,787	\$0	\$0	\$1,000,000
Water Infrastructure Projects Subtotal	\$0	\$0	\$3,500,000	\$1,039,378	\$4,460,622	\$1,330,554	\$1,337,160	\$729,119	\$2,608,042	\$0	\$0	\$5,707,092
TOTAL EXPENSES	\$820,298	\$406,885	\$17,653,750	\$6,409,040	\$32,771,196	\$6,960,102	\$19,389,953	\$6,637,328	\$15,791,477	\$0	\$4,862,772	\$41,067,603

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
General Fund	\$ (2,145,113)	\$ (480,236)	\$ (1,308,365)	\$ (2,150,002)	\$ (2,663,573)	\$ (3,417,412)
Public Safety Sales Tax Fund	\$ (2,117,954)	\$ 480,261	\$ 914,083	\$ 926,640	\$ 1,150,906	\$ 1,211,569
Difference	\$ (4,263,067)	\$ 25	\$ (394,282)	\$ (1,223,362)	\$ (1,512,667)	\$ (2,205,843)

There are County needs and/or desires that are not yet addressed in the forecasts summarized below.

An incomplete list includes:

- Increased funding for Veteran's Assistance Commission
- Reserve CARF funding for future fiscal years
- Implementing the Gallagher Salary Study recommendations
- Addressing space needs at the Courthouse
- Funding for new position requests
- Additional BUAs throughout the year

Scenarios

Forecast						
	FY25 Projected	FY26 Forecast	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
General Fund	(2,145,113.00)	(480,235.72)	(1,308,364.75)	(2,150,001.88)	(2,663,572.87)	(3,417,412.33)
Public Safety	(2,117,954.00)	480,260.83	914,082.71	926,639.52	1,150,906.05	1,211,568.95
Total Surplus/(Deficit)	(4,263,067.00)	25.11	(394,282.03)	(1,223,362.36)	(1,512,666.82)	(2,205,843.39)
GF Fund Balance Percentage	22.10%	21.62%	18.46%	13.96%	8.91%	2.81%
With Tenex Software BUA						
	FY25 Projected	FY26 Forecast	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
General Fund	(2,559,693.00)	(480,235.72)	(1,308,364.75)	(2,150,001.88)	(2,663,572.87)	(3,417,412.33)
Public Safety	(2,117,954.00)	480,260.83	914,082.71	926,639.52	1,150,906.05	1,211,568.95
Total Surplus/(Deficit)	(4,677,647.00)	25.11	(394,282.03)	(1,223,362.36)	(1,512,666.82)	(2,205,843.39)
GF Fund Balance Percentage	21.15%	20.82%	17.68%	13.21%	8.18%	2.10%
Flat Sales and Income Tax in FY26						
	FY25 Projected	FY26 Forecast	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
General Fund	(2,145,113.00)	(915,040.72)	(1,754,039.87)	(2,606,818.88)	(3,040,446.89)	(3,803,708.21)
Public Safety	(2,117,954.00)	480,260.83	914,082.71	926,639.52	1,150,906.05	1,211,568.95
Total Surplus/(Deficit)	(4,263,067.00)	(434,779.89)	(839,957.16)	(1,680,179.36)	(1,889,540.85)	(2,592,139.26)
GF Fund Balance Percentage	22.10%	20.78%	16.81%	11.55%	5.90%	-0.76%
Both						
	FY25 Projected	FY26 Forecast	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
General Fund	(2,559,693.00)	(915,040.72)	(1,754,039.87)	(2,606,818.88)	(3,040,446.89)	(3,803,708.21)
Public Safety	(2,117,954.00)	480,260.83	914,082.71	926,639.52	1,150,906.05	1,211,568.95
Total Surplus/(Deficit)	(4,677,647.00)	(434,779.89)	(839,957.16)	(1,680,179.36)	(1,889,540.85)	(2,592,139.26)
GF Fund Balance Percentage	21.15%	19.98%	16.04%	10.80%	5.17%	-1.46%

The County has consistently demonstrated sound fiscal management by balancing its budgets and focusing on maintaining a responsible fund balance in order to place itself in a solid financial position to head into potential economic situations that might occur.

The actual work to ensure fiscal responsibility occurs during each fiscal year budget process and includes collaboration between elected officials, department heads, outside entities, staff, and the County Board.

FY2026 BUDGET PROCESS

Champaign County

