

ATTACHMENT XI-D: Five-Year Financial Projections
Suggested Motion: None
Recommended Action: Hear the information

RELATED INFORMATION:

PMA will be in attendance at the meeting to discuss the attached five year financial projections. In the first iteration, we are looking at a potential \$992,165 deficit for next year based on receiving 85% of General State Aid (GSA). If GSA is reduced, our deficit could increase greatly. This is based on a number of staffing and funding assumptions. We will run into cash flow problems in 2019 without further reductions if our assumptions are all accurate.

It assumes only 85% of GSA down from the 89.13% we are receiving for the 2014 school year. It assumes some further federal funding as well. It assumes a flat staffing plan and a CPI of 1.5%.

We can look at a number of alternative scenarios after this meeting, if the Board so wishes.



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North Boone CUSD #200

PMA Financial Planning Program
Presented by
Greg Kubitz, Senior Financial Advisor
PMA Securities, Inc.
PMA Financial Network, Inc.
January 27, 2014

Financial Planning Program *Process*

- What is the Financial Planning Program (FPP)?
 - ❑ A comprehensive, interactive planning process that can be dynamically updated to assist the District in making important financial decisions.
- How are we going to use the plan?
 - ❑ Budget Planning
 - ❑ Trend Analysis
 - ❑ Set Fiscal Policies
 - ❑ Scenario Analysis
 - ❑ Annual Update and Reassessment

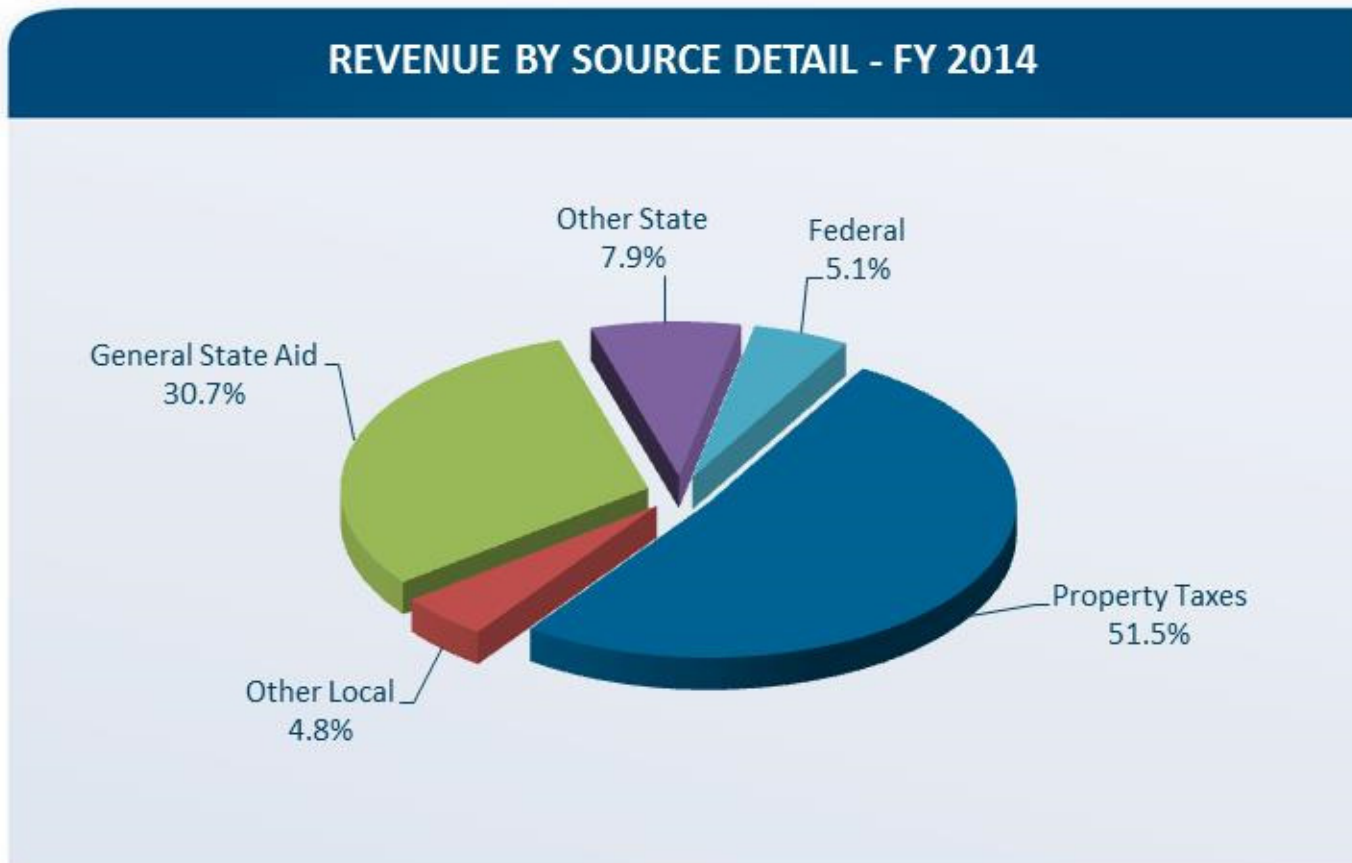
Financial Planning Program
Data Elements

- Five Years of Audited Annual Financial Reports
- FY2014 Budget
- 2012 Tax Levy / Extensions / Maximum Tax Rates
- 2012 Equalized Assessed Valuation
- Enrollment
- Staffing Ratios
- Compensation and Benefits Provided
- District Assumptions

Revenues by Source

FY 2014 Budget

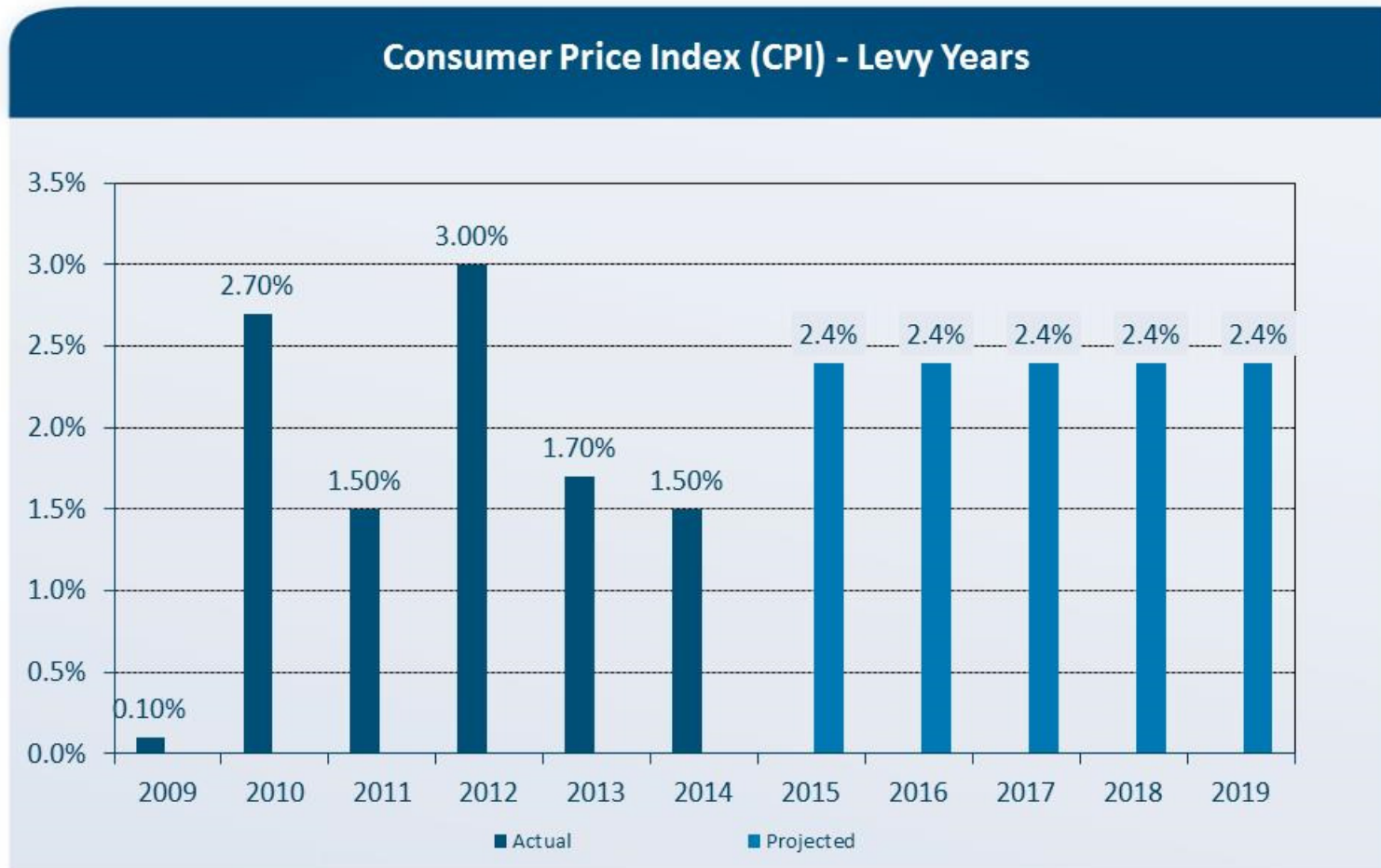
Revenue by Source – Operating Funds Budget Total = \$15,657,765



Operating Funds – Education, Operations & Maintenance, Transportation, IMRF, and Working Cash Funds

Data & Assumptions provided by District

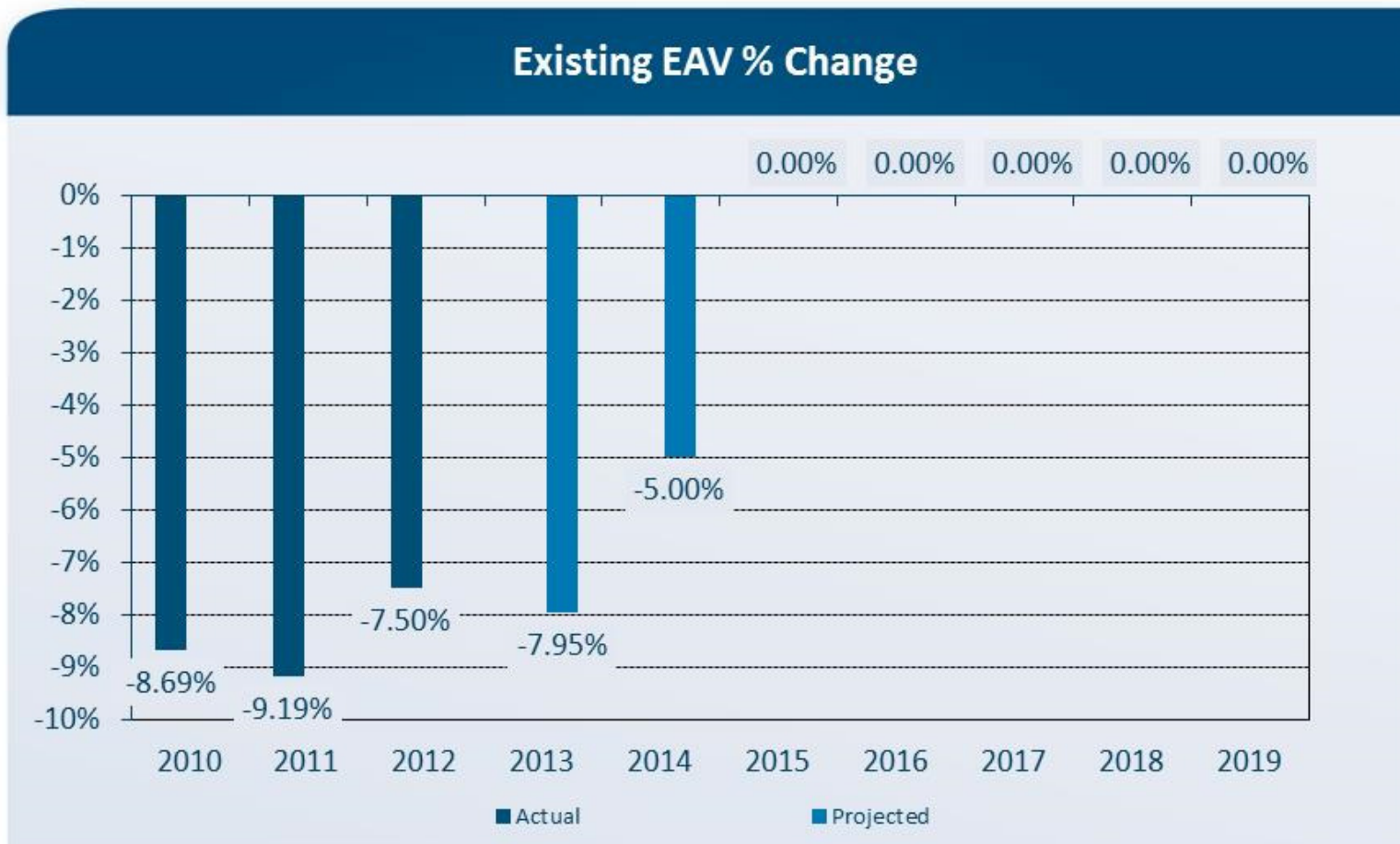
Revenue Assumptions



Revenue Assumptions



Revenue Assumptions



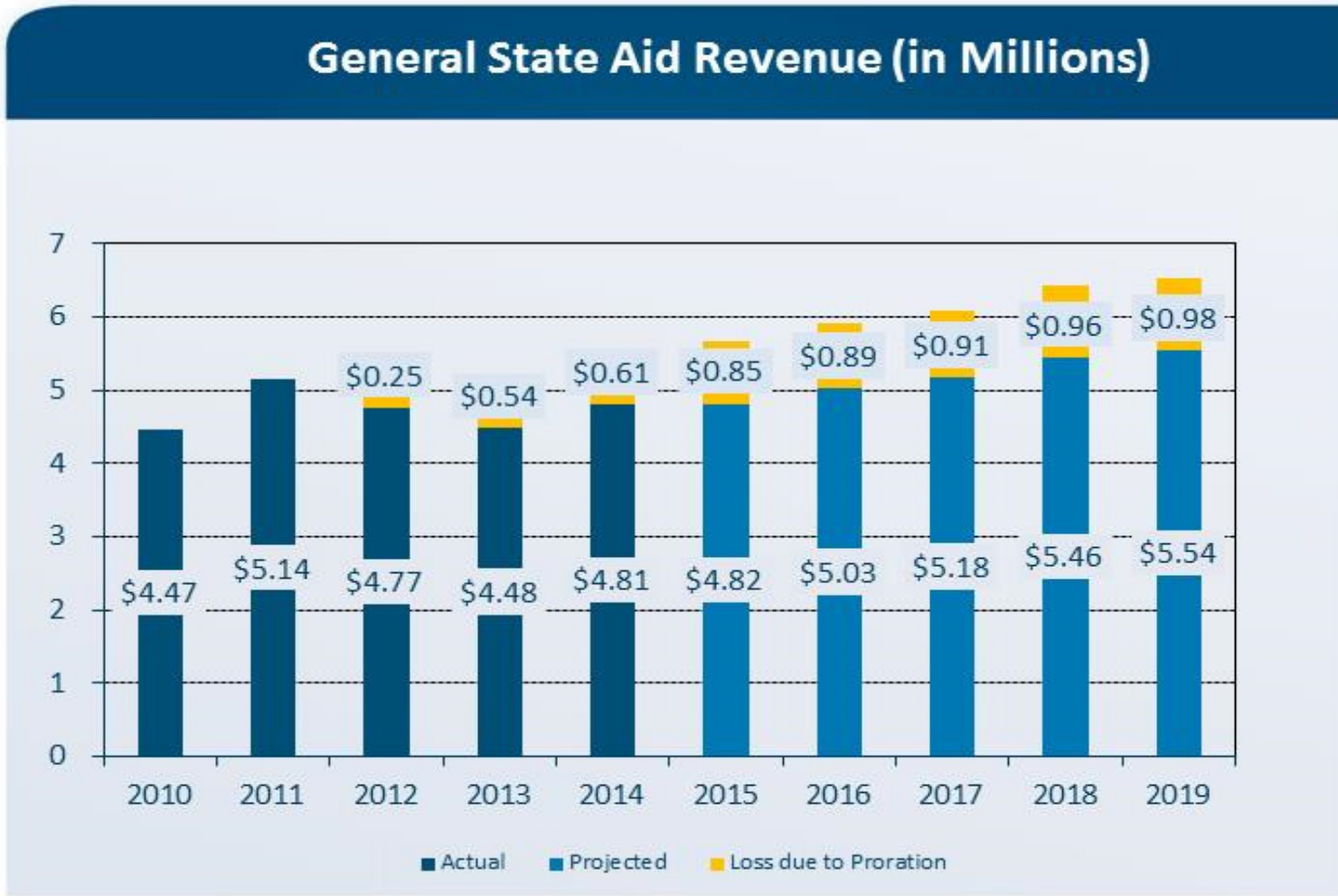
Revenue Assumptions

- Local Revenue
 - Interest rates remain at historic lows
 - Corporate Personal Property Replacement Taxes (CPPRT)
 - Used IL Dept of Revenue estimate for FY15
 - Then no change for future years

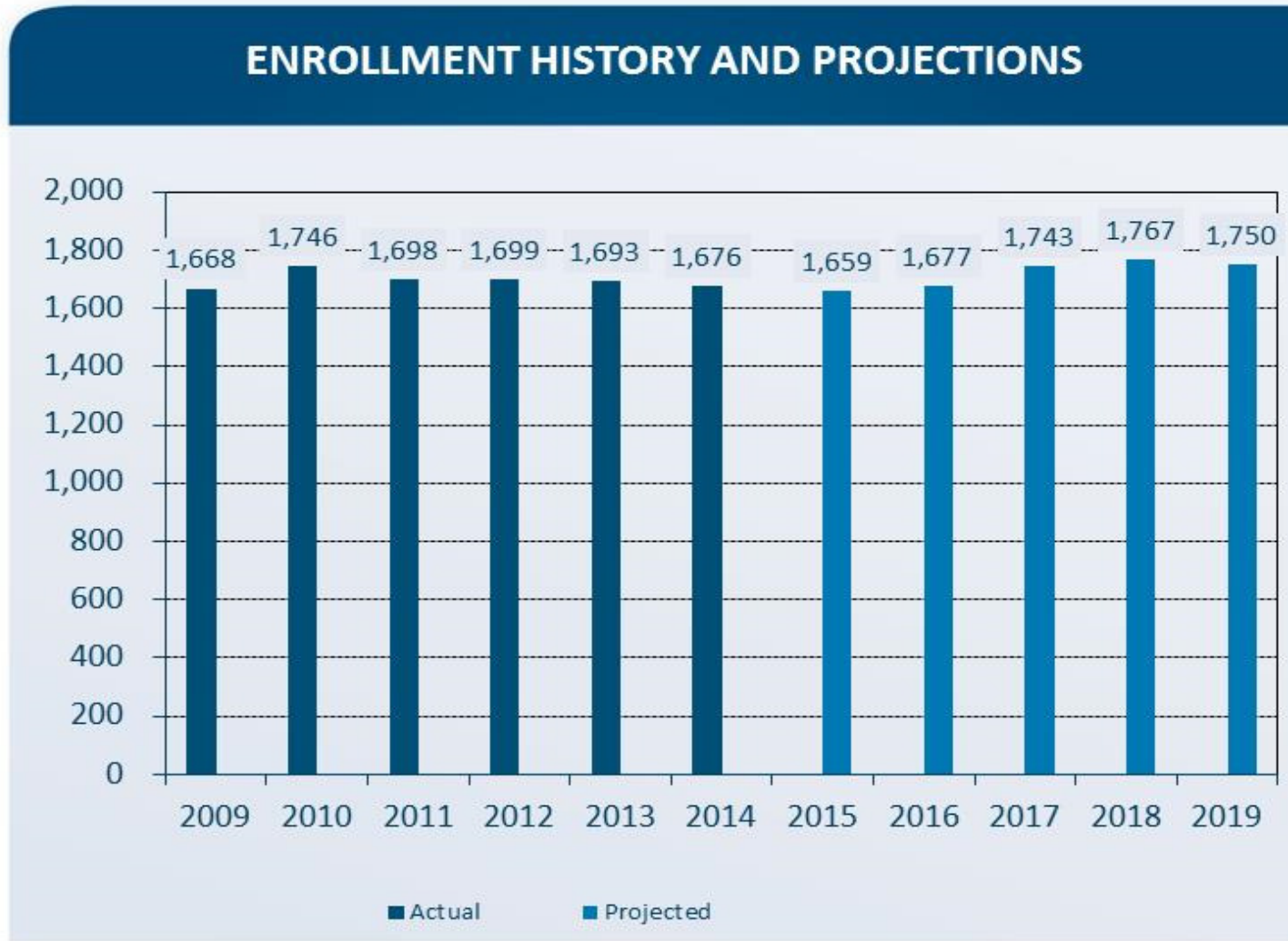
Revenue Assumptions

- State Revenue
 - General State Aid (GSA)
 - Factor of Enrollment (Average Daily Attendance - ADA) and Available Local Resources
 - Foundation Level: \$6,119
 - Proration FY14: 89%, FY15-F19: 85%
 - District remains in the Foundation Formula
 - State Grants
 - No Change from FY14 Budgeted Levels, except:
 - Special Education: Modeled ISBE payment schedule for FY15, then no change
 - Reducing Regular Transportation, but keeping Spec Ed Transportation Flat
- No change in Federal Grants

GSA Revenue



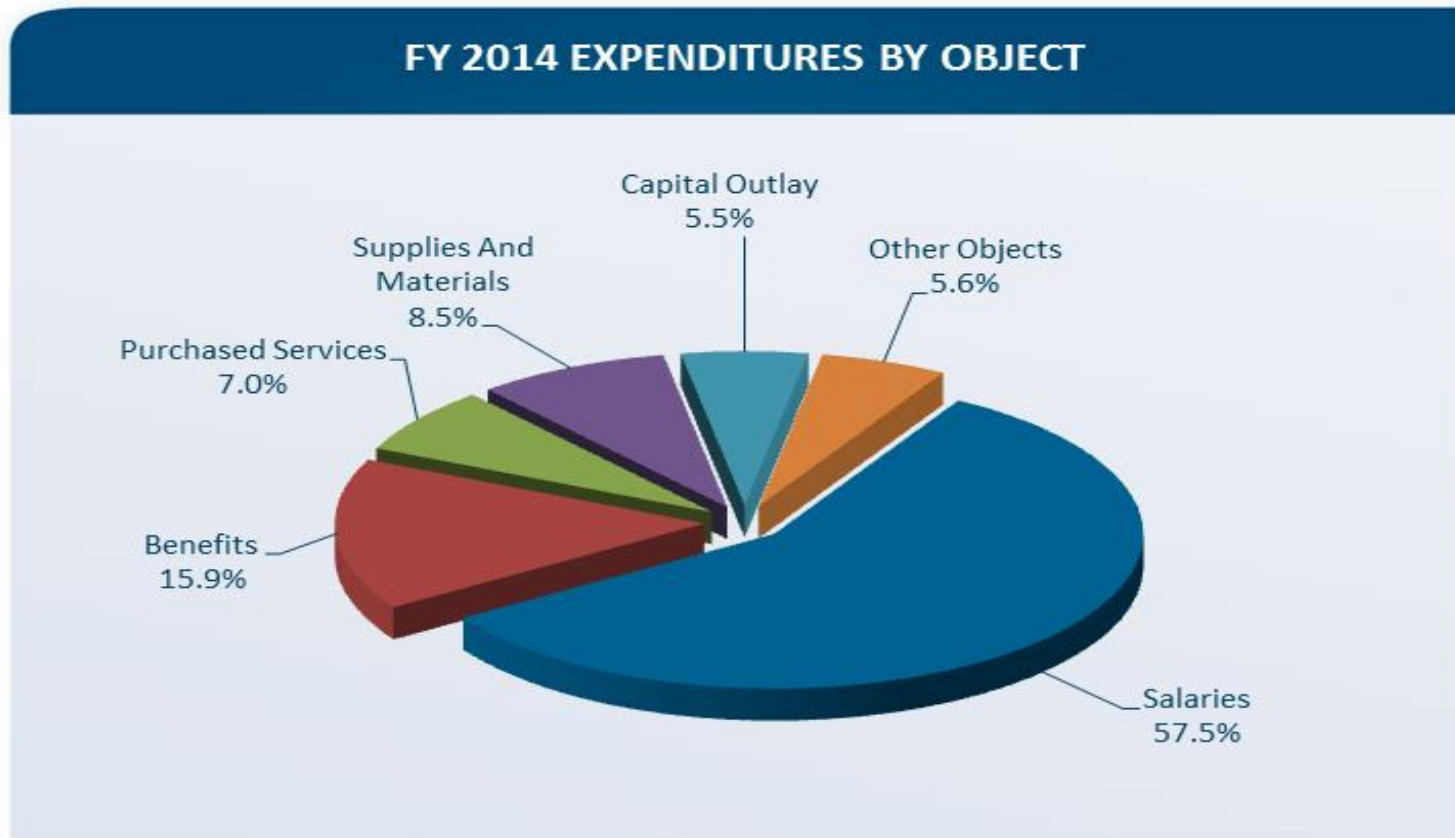
Enrollment Assumptions



Expenditures by Object

FY 2014 Budget

Expenditures by Object – Operating Funds Budget Total = \$16,398,220



Operating Funds – Education, Operations & Maintenance, Transportation, IMRF, and Working Cash Funds

Key Expenditure Assumptions

- Salaries
 - Teacher Salaries
 - Current collective bargaining contract through FY2013
 - Future years to be negotiated
 - Additional Staffing in FY15
- Employee Benefits
 - Health: Future years to be negotiated
- Other Expenses
 - Spec Ed Tuition, O&M Purchased Services and Supplies & Materials (utilities): projected to increase at 3% annually
 - All other expenses held flat from FY14 Budgeted levels
 - Alternate Revenue Bond payment using Sales Tax Revenue
 - Shifted Spec Ed costs to Salary & Benefits
 - Any one time adjustments accounted for accordingly

Staffing Assumptions

- PreK - 12 Enrollment Projections
 - Slight Increase in enrollment from FY2014 – FY2019

- Certified Staffing Projections

	FTE	Retirees	New Hires (Reductions):
FY - 2014	106.00	3.00	
FY - 2015	114.00	1.00	11.00
FY - 2016	114.00	0.00	1.00
FY - 2017	114.00	1.00	0.00
FY - 2018	114.00	0.00	1.00
FY - 2019	114.00	0.00	0.00

Retirees are replaced on the salary schedule at the BA+16, Step 2

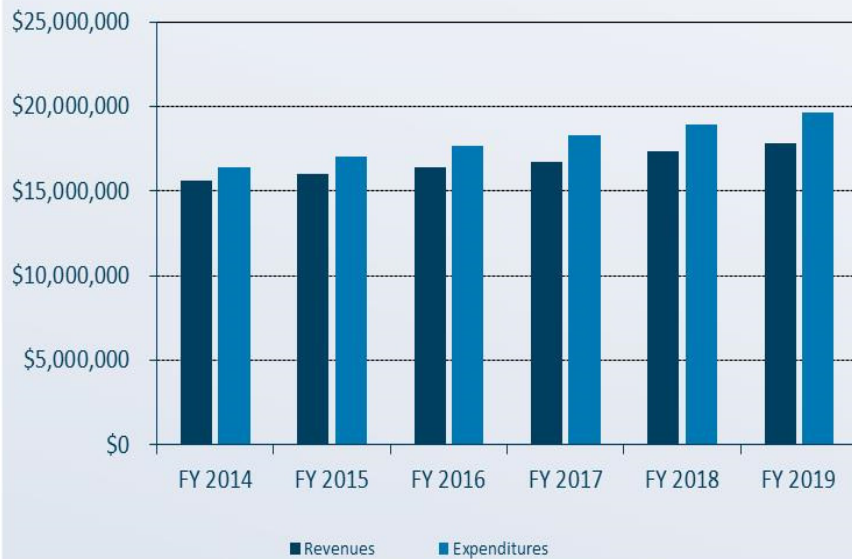
Aggregate - Projection Summary

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	FY 2014	FY 2015	% chg	FY 2016	% chg	FY 2017	% chg	FY 2018	% chg	FY 2019	% chg
REVENUE											
Local	\$8,815,118	\$9,258,358	5.03%	\$9,484,695	2.44%	\$9,785,806	3.17%	\$10,122,685	3.44%	\$10,499,791	3.73%
State	\$6,046,195	\$6,005,507	-0.67%	\$6,098,290	1.54%	\$6,151,285	0.87%	\$6,430,046	4.53%	\$6,517,546	1.36%
Federal	\$796,452	\$796,452	0.00%	\$796,452	0.00%	\$796,452	0.00%	\$796,452	0.00%	\$796,452	0.00%
Other	\$0	\$0		\$0		\$0		\$0		\$0	
TOTAL REVENUE	\$15,657,765	\$16,060,316	2.57%	\$16,379,437	1.99%	\$16,733,544	2.16%	\$17,349,183	3.68%	\$17,813,789	2.68%
EXPENDITURES											
Salary and Benefit Costs	\$12,047,090	\$13,127,778	8.97%	\$13,674,461	4.16%	\$14,272,460	4.37%	\$14,847,741	4.03%	\$15,509,874	4.46%
Other	\$4,351,130	\$3,924,704	-9.80%	\$3,972,114	1.21%	\$4,020,946	1.23%	\$4,071,244	1.25%	\$4,123,050	1.27%
TOTAL EXPENDITURES	\$16,398,220	\$17,052,482	3.99%	\$17,646,575	3.48%	\$18,293,407	3.67%	\$18,918,985	3.42%	\$19,632,924	3.77%
SURPLUS / DEFICIT	(\$740,455)	(\$992,165)		(\$1,267,138)		(\$1,559,863)		(\$1,569,802)		(\$1,819,135)	A
OTHER FINANCING SOURCES/USES											
Transfer Among Funds (Net)	\$0	\$0		\$0		\$0		\$0		\$0	
Sale of Bonds	\$0	\$0		\$0		\$0		\$0		\$0	
Other Financing Sources	\$0	\$0		\$0		\$0		\$0		\$0	
Other Financing Uses	\$0	\$0		\$0		\$0		\$0		\$0	
TOTAL OTHER FIN. SOURCES/USES	\$0	\$0		\$0		\$0		\$0		\$0	B
SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES	(\$740,455)	(\$992,165)		(\$1,267,138)		(\$1,559,863)		(\$1,569,802)		(\$1,819,135)	A+B
BEGINNING FUND BALANCE	\$10,197,112	\$9,456,657		\$8,464,492		\$7,197,353		\$5,637,490		\$4,067,688	
PROJECTED YEAR END BALANCE	\$9,456,657	\$8,464,492		\$7,197,353		\$5,637,490		\$4,067,688		\$2,248,553	
FUND BALANCE AS % OF EXPENDITURES	57.67%	49.64%		40.79%		30.82%		21.50%		11.45%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	6.92	5.96		4.89		3.70		2.58		1.37	

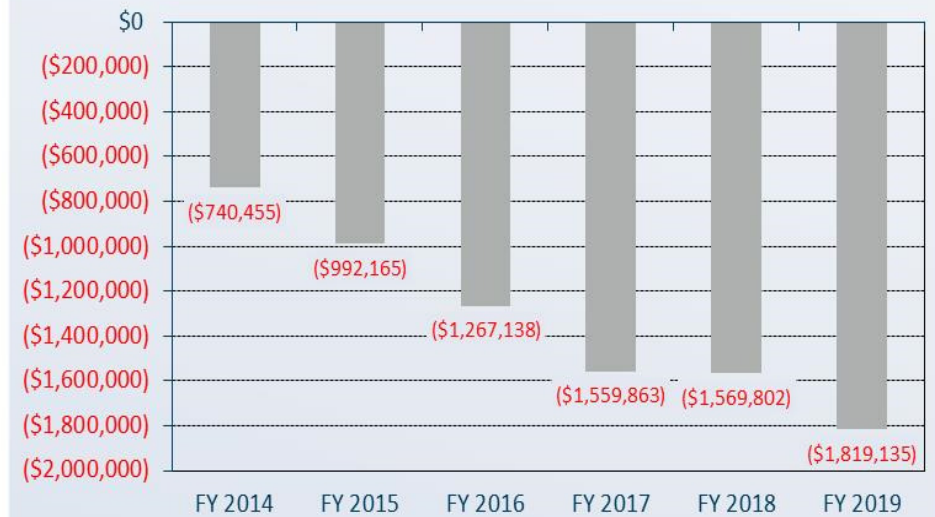
Operating Funds – Education, Operations & Maintenance, Transportation, Illinois Municipal Retirement Fund, and Working Cash

Aggregate Fund

REVENUES VS. EXPENDITURES



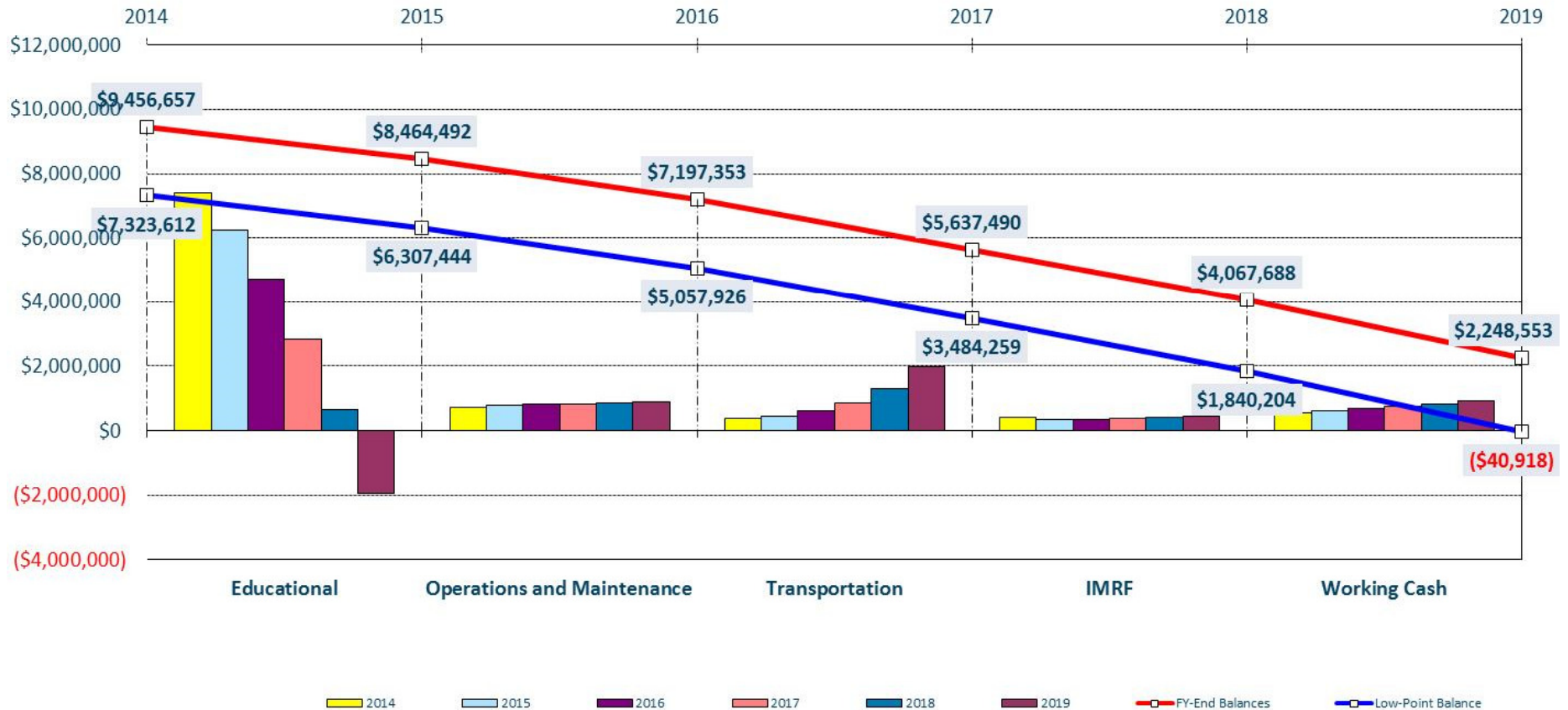
FY SURPLUS / DEFICIT



Operating Funds – Education, Operations & Maintenance, Transportation, Illinois Municipal Retirement Fund, and Working Cash Funds

Fund Balances Projections

Aggregate View - Projection Summary



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