PMA
FINANCIAL NETWORK

Integrity. Commitment. Performance.™

Park Ridge CCSD 64

PMA Financial Planning Program
Presented by
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PMA Financial Network, Inc.
Updated February 23, 2015

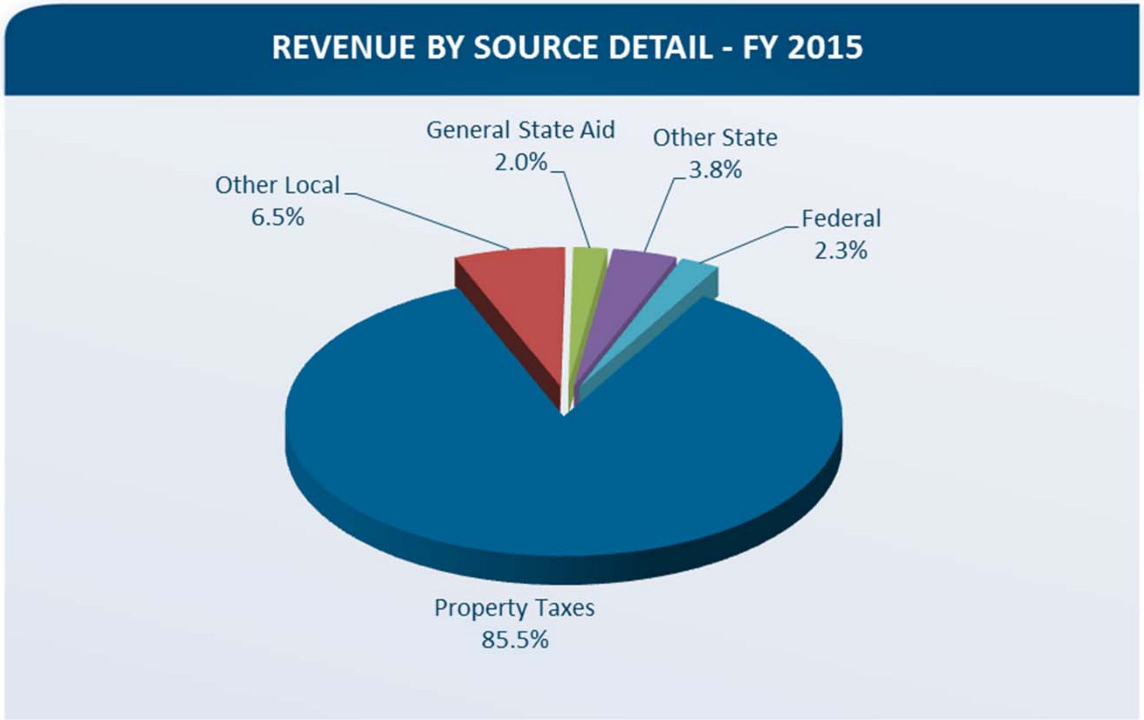
Revisions to the February 9 Presentation

- Enrollment:
  - Kdg enrollment was calculated at half of head count. To correspond to Board reports, we have changed that to the actual head count. (Page 12)
- Staffing
  - FY15 staffing is 395.51 FTE. We are rounding that to 395.5 FTE.
  - We are adding 5.5 FTE in FY16, to project 401.00 FTE
  - All subsequent years are flat at 401.00 FTE. (Pages 11 and 12)
- Health insurance increased dropped from 7% to 5% (2/13)
- Results
  - These changes impact pages 13, 15, and 16

Financial Planning Program
Data Elements

- Five Years of Audited Annual Financial Reports
- FY2015 Budget
- Tax Levy / Extensions / Tax Rates/Distributions
- Equalized Assessed Valuation
- Enrollment
- Staffing Ratios
- Compensation and Benefits Provided
- District Assumptions

FY 2015 Budget
Revenue by Source – Operating Funds



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

Key Revenue Assumptions

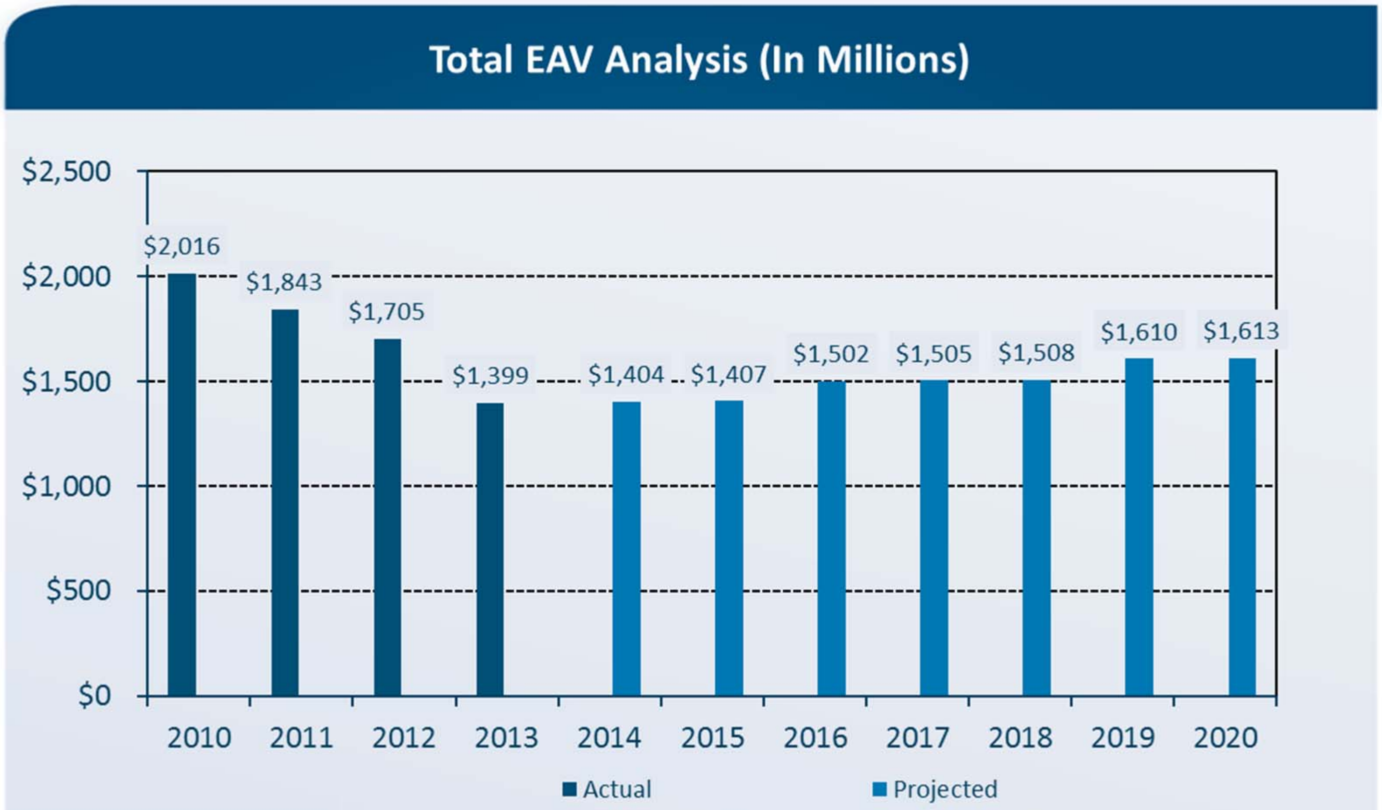
- Local Revenue
  - Levies 2014 – 2020
    - 1.5% CPI for Levy Year 2014 and .8% for LY2015; CPI will average 1.1% between LY2016 and LY2019
      - Each .1% CPI increases or decreases operating fund tax revenues by approximately $62,000
    - Existing EAV projected be flat this year and next, then increase 6.5% in LY16, repeating the cycle in LY2017 and LY2020
      - This change only impacts the tax rate, not the revenue from existing EAV
    - New property estimates: $4.3 million this year, and $3.3M in subsequent years
      - Each $1 million of new construction generates approximately $43,000 for the operating funds

Key Revenue Assumptions

- State Revenue
  - General State Aid
    - The District is in the Alternate Formula for General State Aid
    - Foundation level projected to stay flat, but prorated at 89% each year
      - Each 1% proration equates to approximately $15,000
    - GSA stays relatively flat under these assumptions

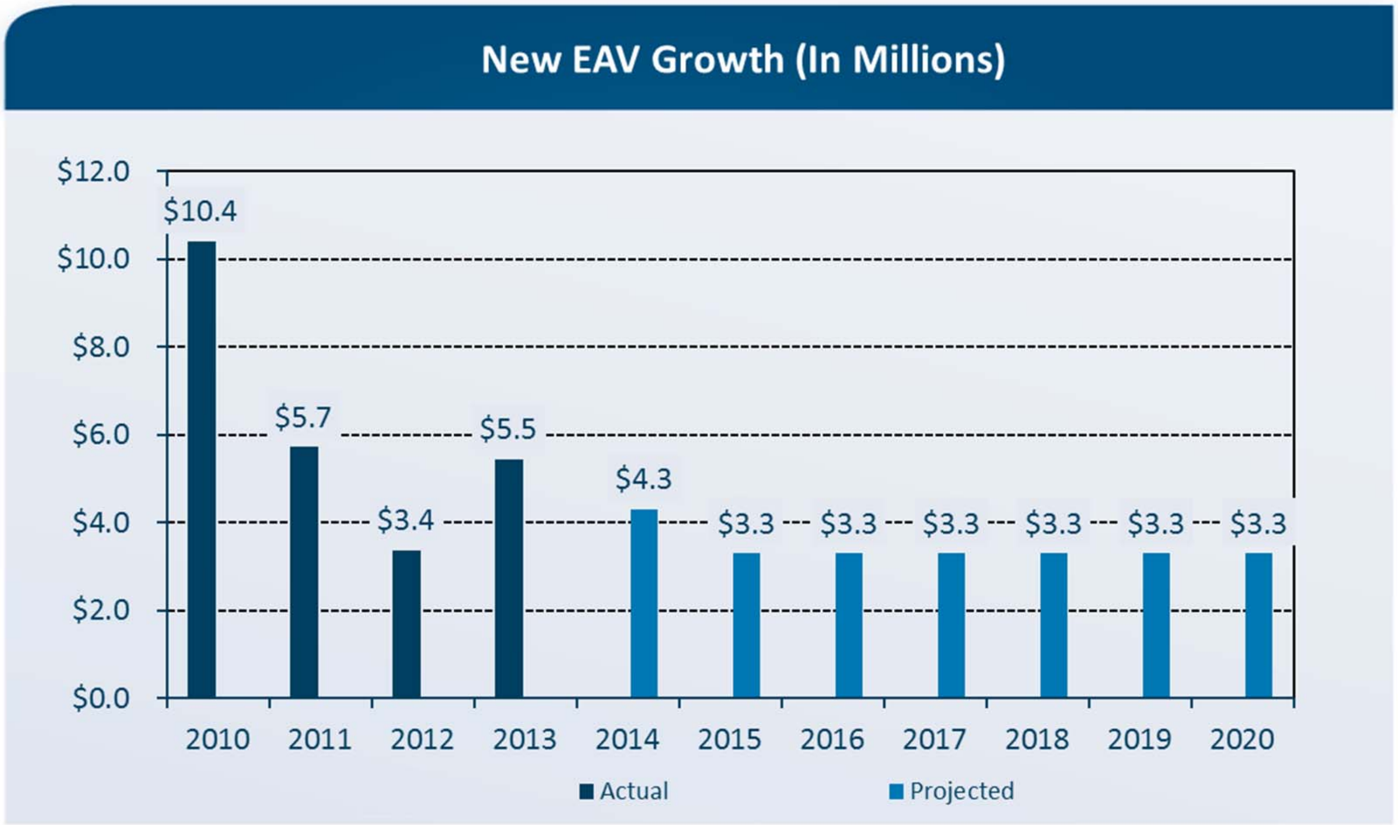
    - NOTES: There is concern that the State will not be able to pay its fourth categorical payment in the current fiscal year (approximately $450,000)
    - And, we have not shown impact of what is now Senate Bill 1, formerly SB16
- Federal Revenue:
  - No increases projected

Equalized Assessed Valuation

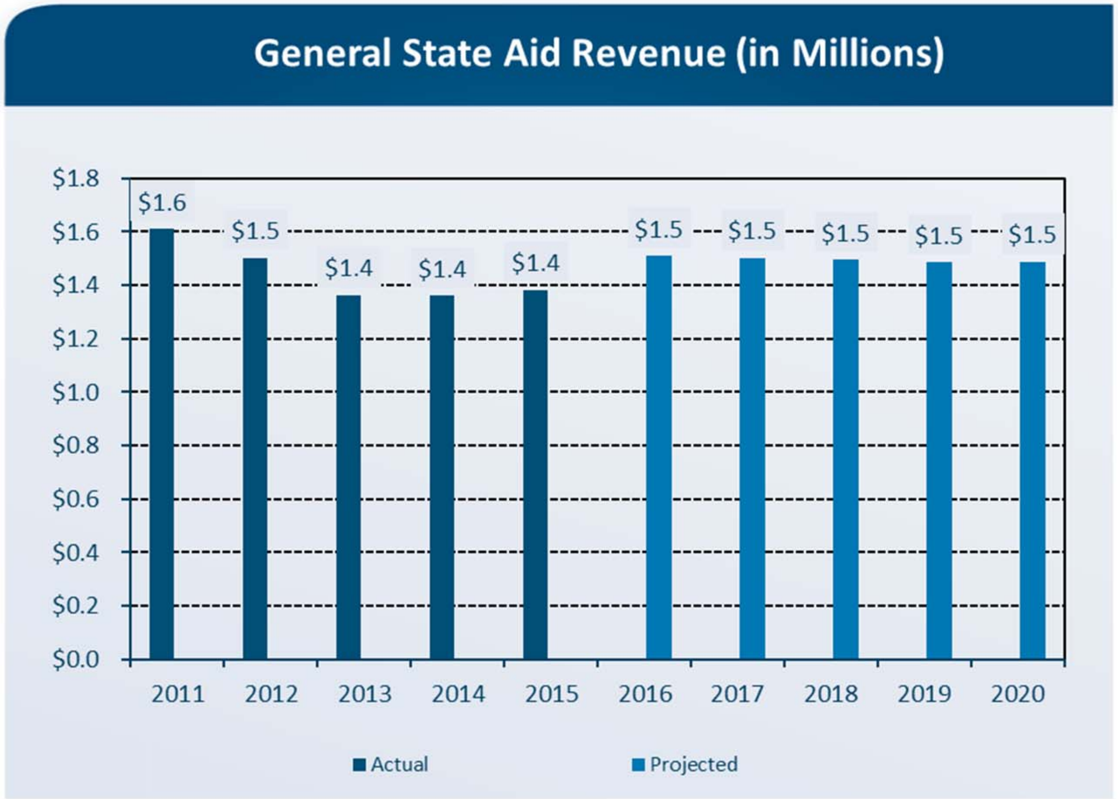


Source: District Projections

New Growth


New EAV Growth (In Millions)
$12.0
$10.0
$8.0
$6.0
$4.0
$2.0
$0.0
$10.4
$5.7
$3.4
$5.5
$4.3
$3.3
$3.3
$3.3
$3.3
$3.3
$3.3
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Actual
Projected

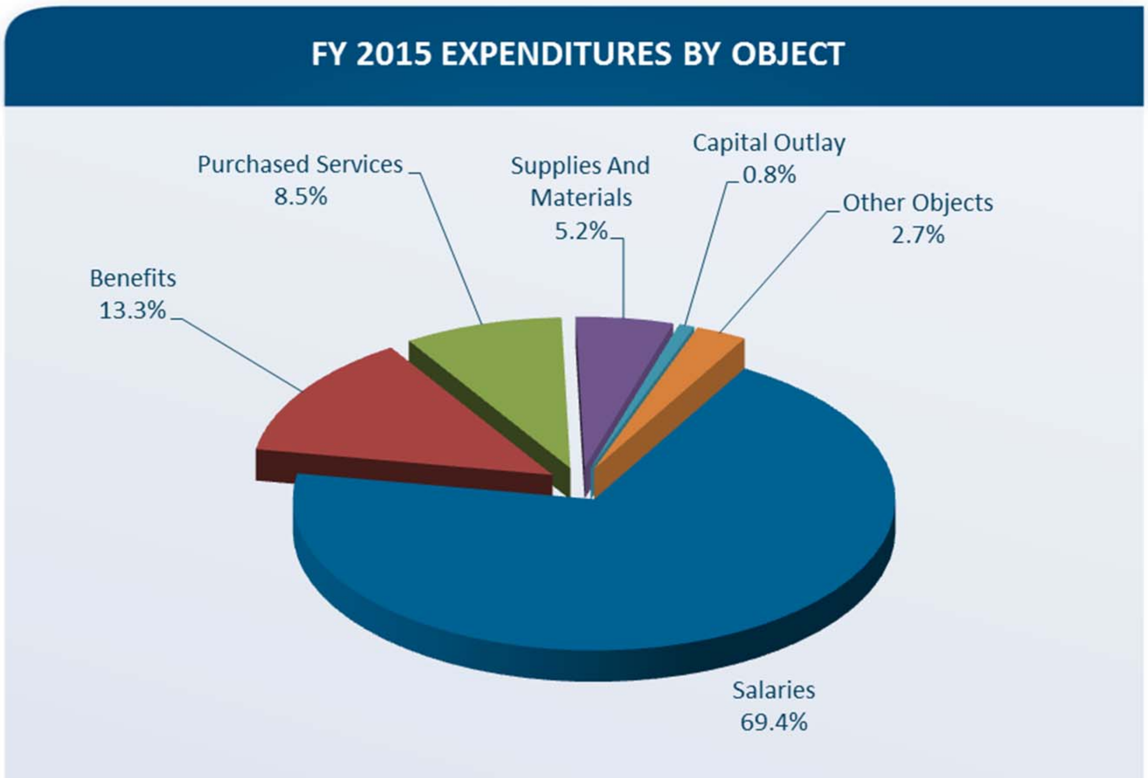
State Revenue: General State Aid



Source: District Projections

FY15 Budget

Expenditures by Object – Operating Funds

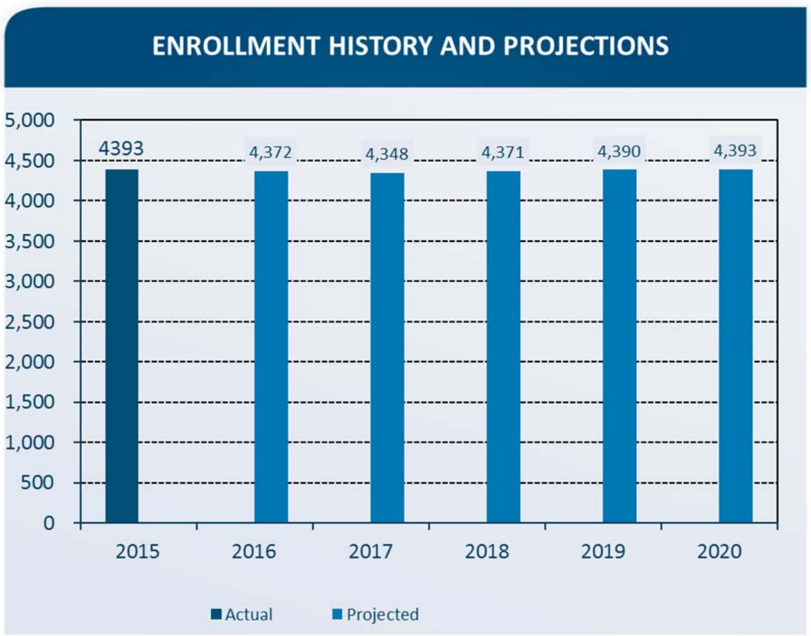


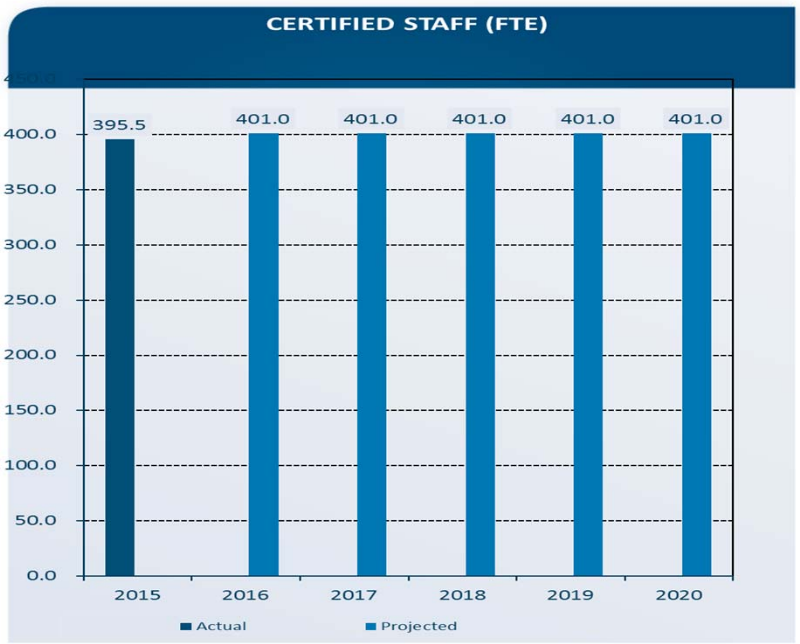
Operating Funds – Education, Operations & Maintenance, Transportation, Illinois Municipal Retirement, Working Cash and Tort Funds

Key Expenditure Assumptions

- Salaries
  - Teachers
    - Current contract through FY2016
    - Future years to be negotiated, but projections beyond FY16 are based on the current contract
    - 5.5 Additional staff added for FY16, then staffing held flat at 401.0 FTE
- Health Benefits
  - FY16-20 5% annual increases for health insurance, 5% for dental insurance
- Education, O&M, Transportation and Tort Funds
  - Purchased Services, Supplies & Materials, Capital Outlay,
    - Increases reflect Consumer Price Index assumptions, averaging 1.1% FY17-20
  - Tuition increases are 3.5% annually

Enrollment and Staffing Are Stable





Base Model Aggregate Projections

(Operating Funds include Educational, O&M, Transportation, IMRF, Working Cash and Tort Funds)

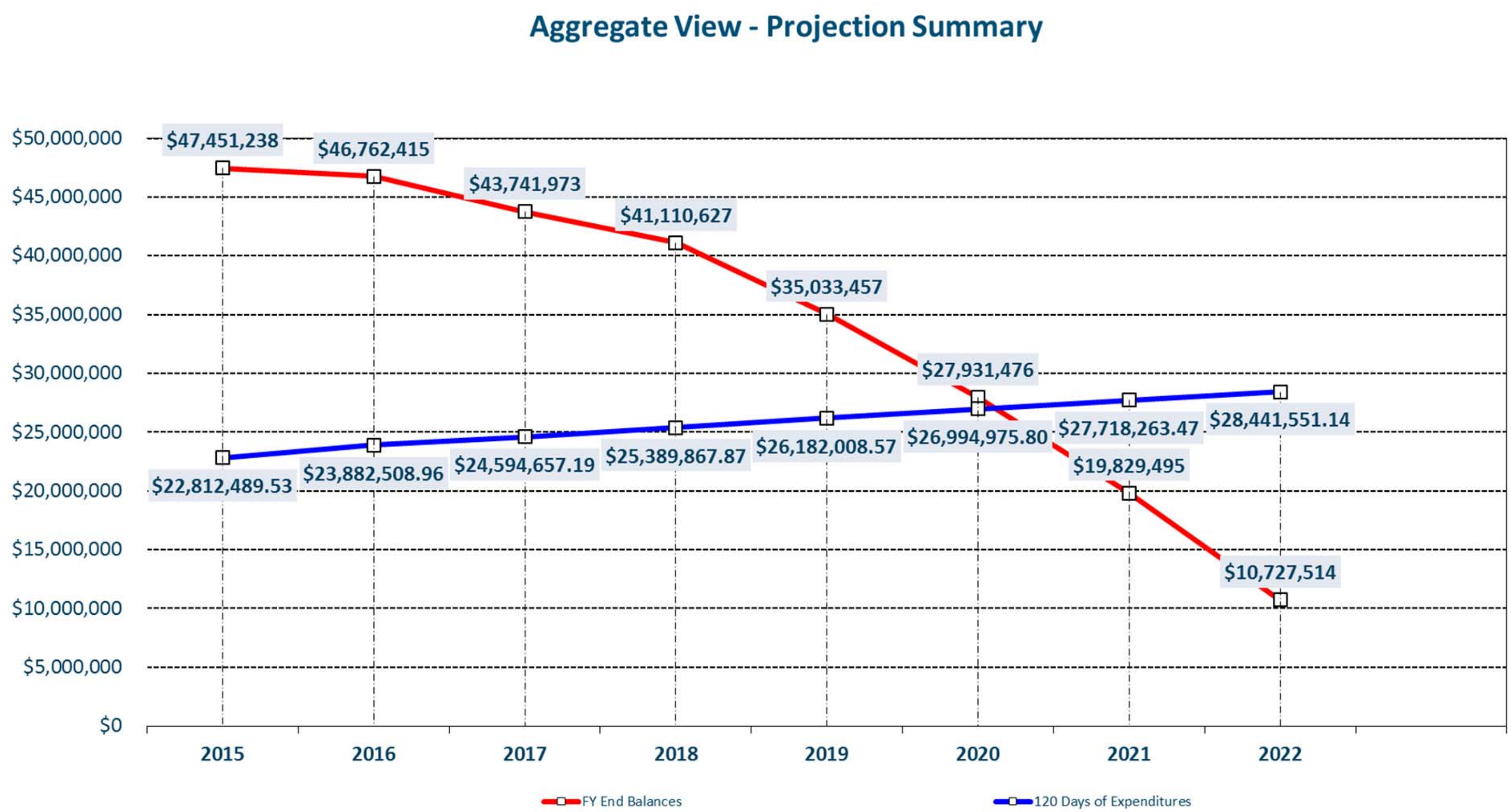
Aggregate - Projection Summary

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	FY 2015	FY 2016	% chg	FY 2017	% chg	FY 2018	% chg	FY 2019	% chg	FY 2020	% chg
REVENUE											
Local	$64,345,105	$66,097,401	2.72%	$65,928,429	-0.26%	$68,737,838	4.26%	$67,704,498	-1.50%	$69,146,174	2.13%
State	$4,023,453	$4,245,201	5.51%	$4,248,673	0.08%	$4,247,124	-0.04%	$4,244,069	-0.07%	$4,250,357	0.15%
Federal	$1,611,206	$1,611,206	0.00%	$1,611,206	0.00%	$1,611,206	0.00%	$1,611,206	0.00%	$1,611,206	0.00%
Other	$0	$0		$0		$0		$0		$0	
TOTAL REVENUE	**$69,979,764**	**$71,953,808**	**2.82%**	**$71,788,308**	**-0.23%**	**$74,596,168**	**3.91%**	**$73,559,773**	**-1.39%**	**$75,007,737**	**1.97%**
EXPENDITURES											
Salary and Benefit Costs	$57,354,214	$60,363,805	5.25%	$62,380,294	3.34%	$64,595,489	3.55%	$66,848,679	3.49%	$69,110,016	3.38%
Other	$12,033,775	$12,278,827	2.04%	$12,428,455	1.22%	$12,632,026	1.64%	$12,788,263	1.24%	$12,999,702	1.65%
TOTAL EXPENDITURES	**$69,387,989**	**$72,642,631**	**4.69%**	**$74,808,749**	**2.98%**	**$77,227,515**	**3.23%**	**$79,636,943**	**3.12%**	**$82,109,718**	**3.11%**
SURPLUS / DEFICIT	**$591,775**	**($688,823)**		**($3,020,441)**		**($2,631,346)**		**($6,077,169)**		**($7,101,981)**	
OTHER FINANCING SOURCES/USES											
Transfer Among Funds (Net)	$32,566	$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	**$32,566**	**$0**		**$0**		**$0**		**$0**		**$0**	
SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES	**$624,341**	**($688,823)**		**($3,020,441)**		**($2,631,346)**		**($6,077,169)**		**($7,101,981)**	
BEGINNING FUND BALANCE	**$46,826,897**	**$47,451,238**		**$46,762,415**		**$43,741,973**		**$41,110,627**		**$35,033,457**	
PROJECTED YEAR END BALANCE	**$47,451,238**	**$46,762,415**		**$43,741,973**		**$41,110,627**		**$35,033,457**		**$27,931,476**	
FUND BALANCE AS % OF EXPENDITURES	**68.39%**	**64.37%**		**58.47%**		**53.23%**		**43.99%**		**34.02%**	
FUND BALANCE AS # OF MONTHS OF EXPEND.	**8.21**	**7.72**		**7.02**		**6.39**		**5.28**		**4.08**	

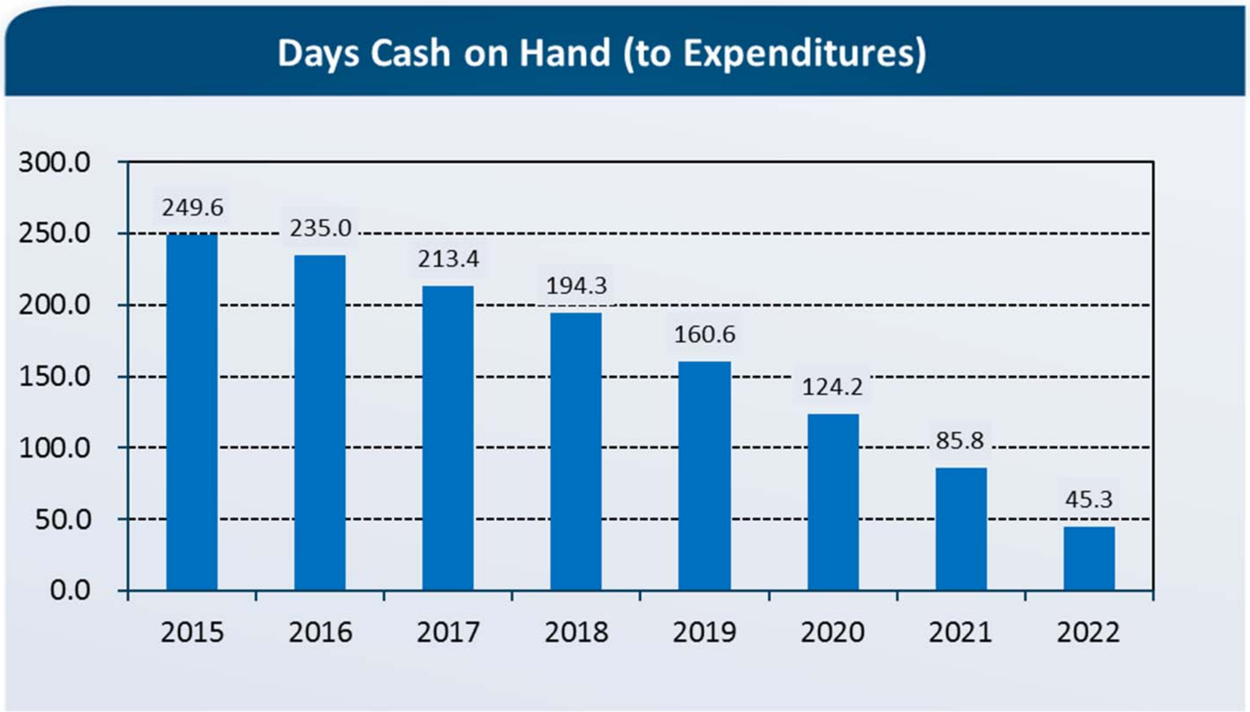
120 Days Cash on Hand and Extrapolation to FY2022

- The District has adopted a Board Policy of having a minimum of 120 days of expenditures in cash on hand (in relation to expenditures) as measured on June 30 of each fiscal year
- The District has stated its goal of maintaining that minimum balance through FY2021

Base Model Future Projection Summary through FY2022



Base Model – Days Cash on Hand



Pension Reform

- Pension reform now in the courts
  - Cost shift from State to local school districts is NOT currently part of that reform
  - Could resurface, particularly if any part of the pension reform legislation is found unconstitutional
  - Not included in current projections
  - Smallest shift discussed was .5% per year increase (from .58% to 1.08% to 1.58%, up to some undetermined percent around 8%)
  - .5% would be approximately $200,000

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