



Integrity. Commitment. Performance.™



Park Ridge CCSD 64

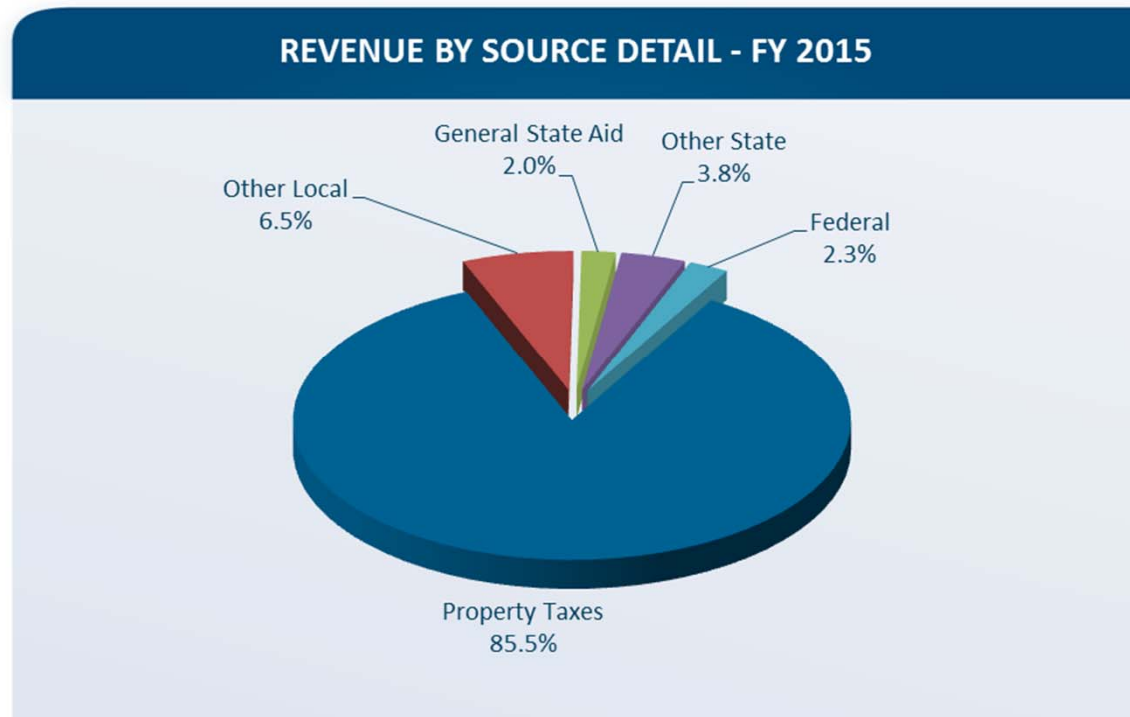
PMA Financial Planning Program
Presented by
Howard Crouse, Sr. Vice President
PMA Financial Network, Inc.
February 9, 2015

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

Data & Assumptions provided by District

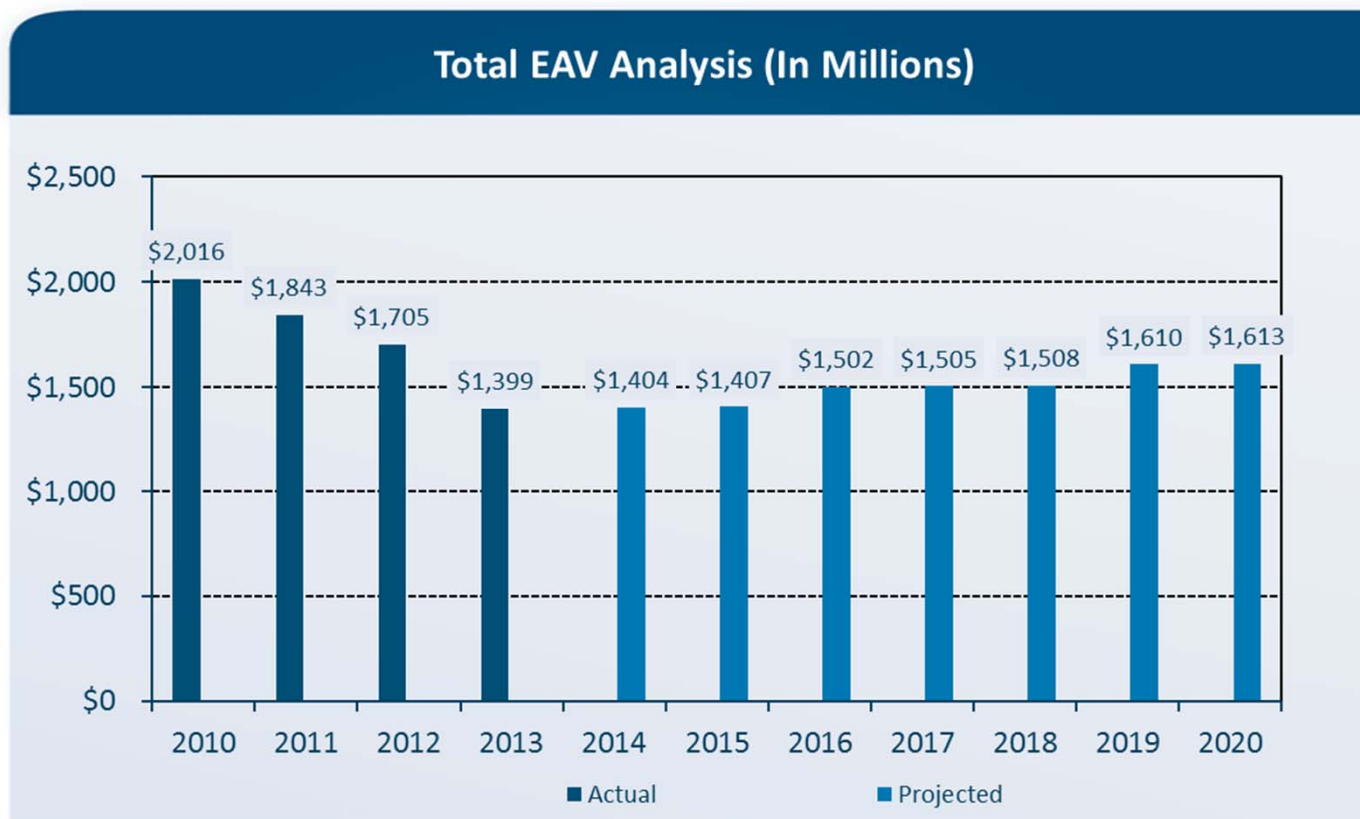
Key Revenue Assumptions

- 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

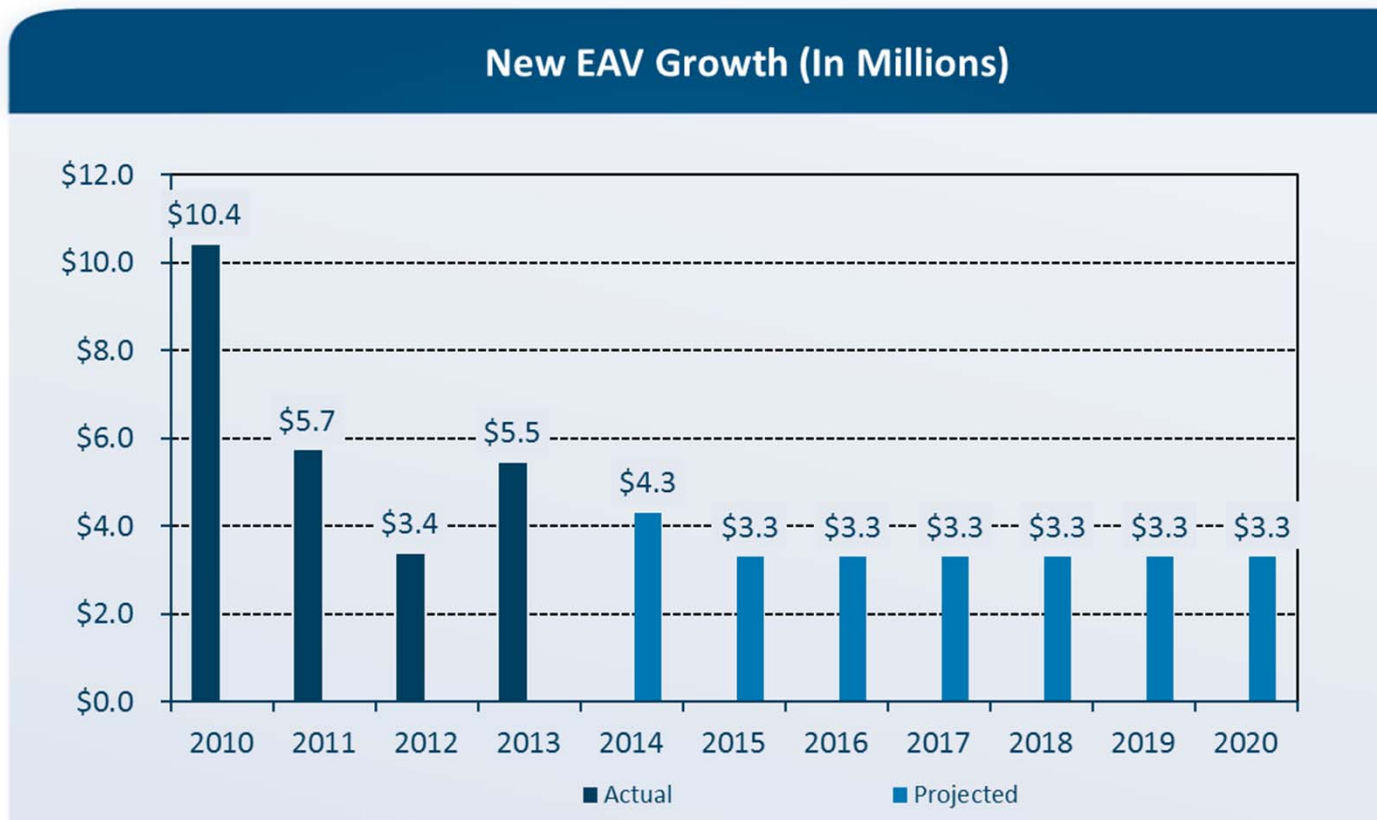
- State Revenue
 - ❑ General State Aid
 - The District is in the Alternate Formula for General State Aid
 - Foundation level projected to stay flat, but prorated at 89% each year
 - ❑ Each 1% proration equates to approximately \$15,000
 - GSA stays relatively flat under these assumptions
 - NOTES: There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

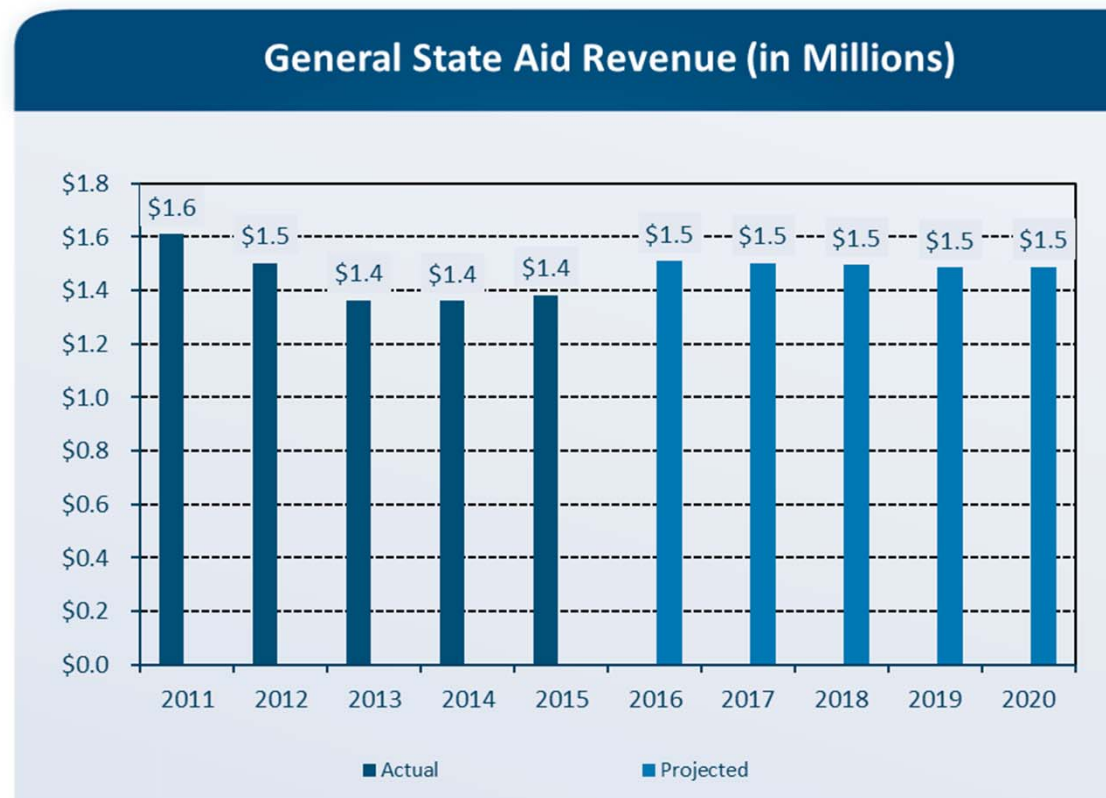


Source: District Projections

New Growth



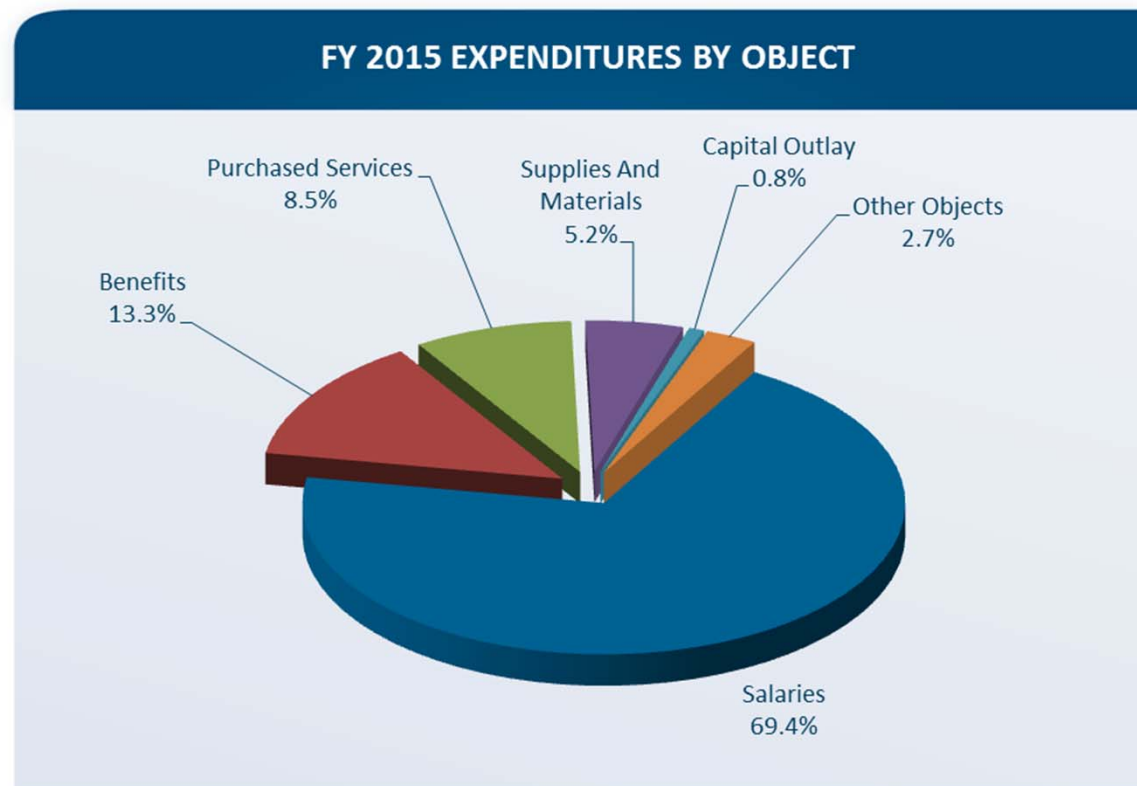
State Revenue: General State Aid



Source: District Projections

FY15 Budget

Expenditures by Object – Operating Funds

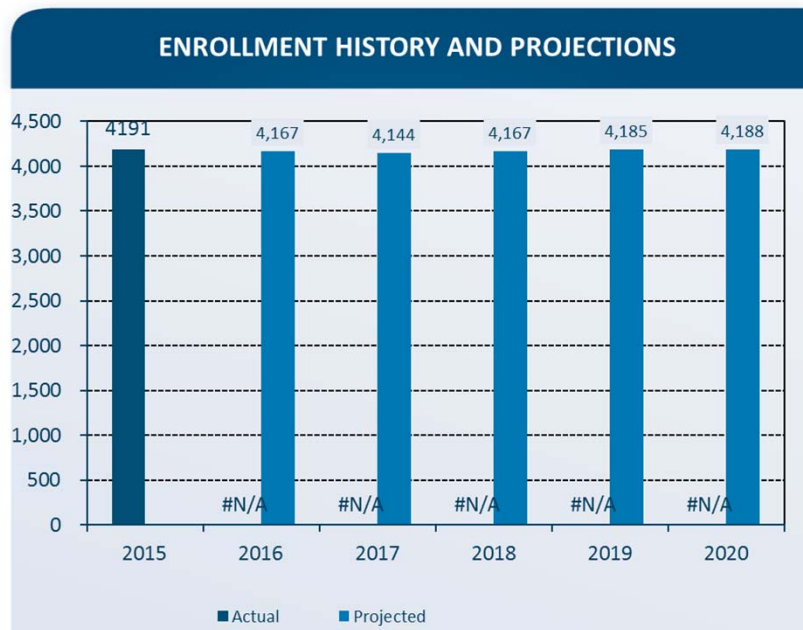


Operating Funds – Education, Operations & Maintenance, Transportation, Illinois Municipal Retirement, Working Cash and Tort Funds

Key Expenditure Assumptions

- Salaries
 - Teachers
 - Current contract through FY2016
 - Future years to be negotiated
 - Additional staff added at historical average of 4.5 FTE each year *(if staffing decisions continue to be made in accordance with past practice)*.
- Health Benefits
 - FY15-19 7% 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)

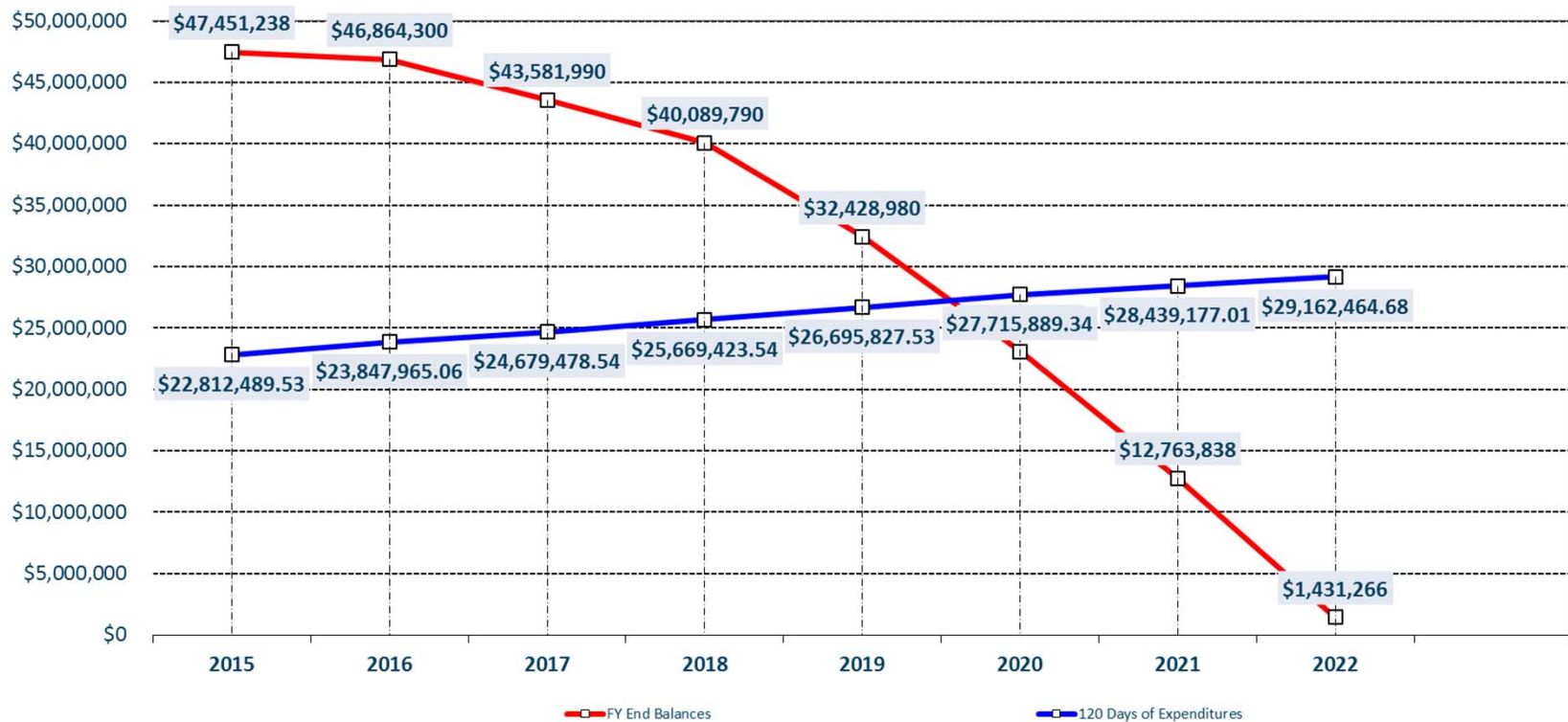
Aggregate - Projection Summary											
	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	FY 2015	FY 2016	% chg	FY 2017	% chg	FY 2018	% chg	FY 2019	% chg	FY 2020	% chg
REVENUE											
Local	\$64,345,105	\$66,097,943	2.72%	\$65,928,044	-0.26%	\$68,731,660	4.25%	\$67,686,088	-1.52%	\$69,110,635	2.10%
State	\$4,023,453	\$4,241,474	5.42%	\$4,245,187	0.09%	\$4,242,764	-0.06%	\$4,241,705	-0.02%	\$4,248,084	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	\$71,950,623	2.82%	\$71,784,437	-0.23%	\$74,585,630	3.90%	\$73,538,999	-1.40%	\$74,969,926	1.95%
EXPENDITURES											
Salary and Benefit Costs	\$57,354,214	\$60,258,734	5.06%	\$62,638,292	3.95%	\$65,445,804	4.48%	\$68,411,545	4.53%	\$71,302,794	4.23%
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	\$72,537,560	4.54%	\$75,066,747	3.49%	\$78,077,830	4.01%	\$81,199,809	4.00%	\$84,302,497	3.82%
SURPLUS / DEFICIT	\$591,775	(\$586,938)		(\$3,282,310)		(\$3,492,200)		(\$7,660,810)		(\$9,332,571)	
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	(\$586,938)		(\$3,282,310)		(\$3,492,200)		(\$7,660,810)		(\$9,332,571)	
BEGINNING FUND BALANCE	\$46,826,897	\$47,451,238		\$46,864,300		\$43,581,990		\$40,089,790		\$32,428,980	
PROJECTED YEAR END BALANCE	\$47,451,238	\$46,864,300		\$43,581,990		\$40,089,790		\$32,428,980		\$23,096,409	
FUND BALANCE AS % OF EXPENDITURES	68.39%	64.61%		58.06%		51.35%		39.94%		27.40%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	8.21	7.75		6.97		6.16		4.79		3.29	

120 Days Cash on Hand and Extrapolation to FY2022

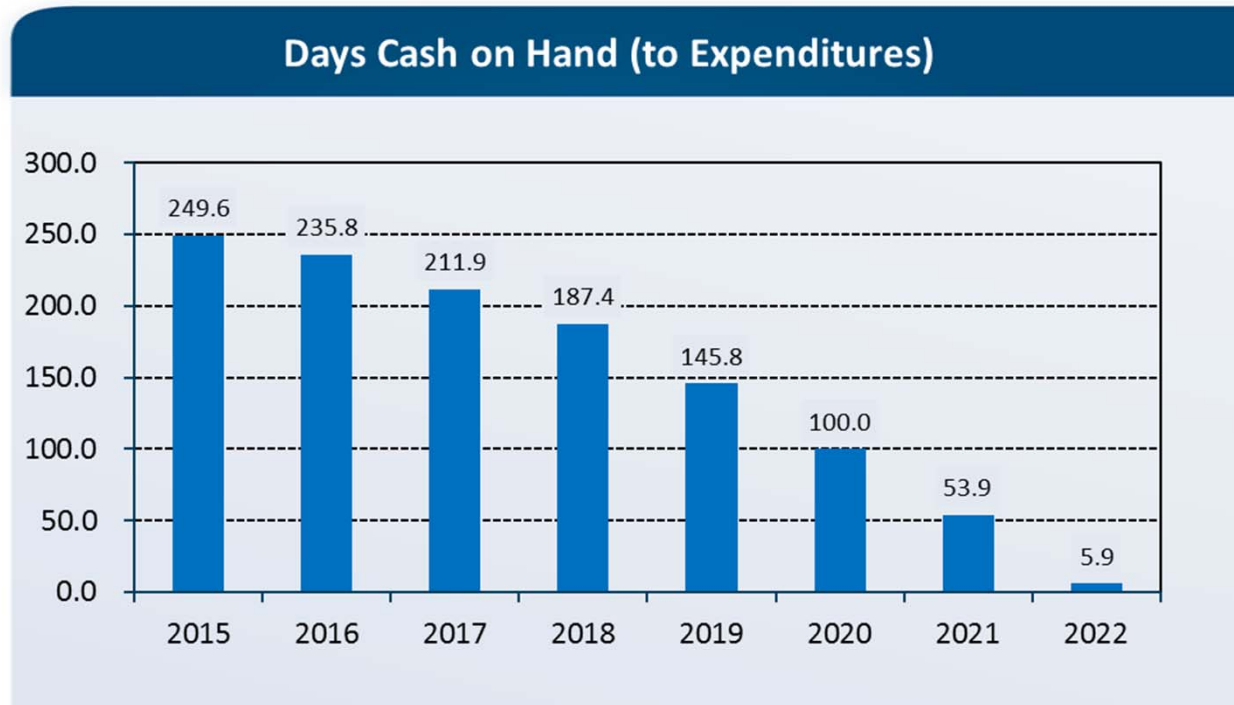
- The District has adopted a Board Policy of having a minimum of 120 days of expenditures in cash on hand (in relation to expenditures) as measured on June 30 of each fiscal year
- The District has stated its goal of maintaining that minimum balance through FY2021

Base Model Future Projection Summary through FY2022

Aggregate View - Projection Summary



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

PMA Financial Planning Program | Park Ridge CCSD 64 February 9, 2015



The information contained herein is solely intended to suggest/discuss potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement.

The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive.

The information set forth herein was gathered from sources which we believe, but do not guarantee, to be accurate. Neither the information, nor any options expressed, constitute a solicitation by us for purposes of sale or purchase of any securities or commodities. Investment/financing decisions by market participants should not be based on this information.

You should consider certain economic risks (and other legal, tax, and accounting consequences) prior to entering into any type of transaction with PMA Securities, Inc. or PMA Financial Network, Inc. It is imperative that any prospective client perform its own research and due diligence, independent of us or our affiliates, to determine suitability of the proposed transaction with respect to the aforementioned potential economic risks and legal, tax, and accounting consequences. Our analyses are not and do not purport to be appraisals of the assets, or business of the District or any other entity. PMA makes no representations as to the actual value which may be received in connection with a transaction nor the legal, tax, or accounting effects of consummating a transaction. PMA cannot be relied upon to provide legal, tax, or accounting advice. You should seek out independent and qualified legal, tax, and accounting advice from outside sources.

If posted on a webpage, this information has been prepared for informational and educational purposes and does not constitute a solicitation to purchase or sell securities, which may be done only after client suitability is reviewed and determined. Services offered by PMA Securities, Inc. and this registered representative presenter, in particular, are available only in the following state: IL. This information is not an advertisement of services available in any state other than those listed above.