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## Morris Community High School District 101

PMA Financial Planning Program  
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# 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
- FY2011 Budget
- Tax Levy / Extensions / Maximum Tax Rates
- Equalized Assessed Valuation
- Enrollment
- Staffing Ratios
- Compensation and Benefits Provided
- District Assumptions

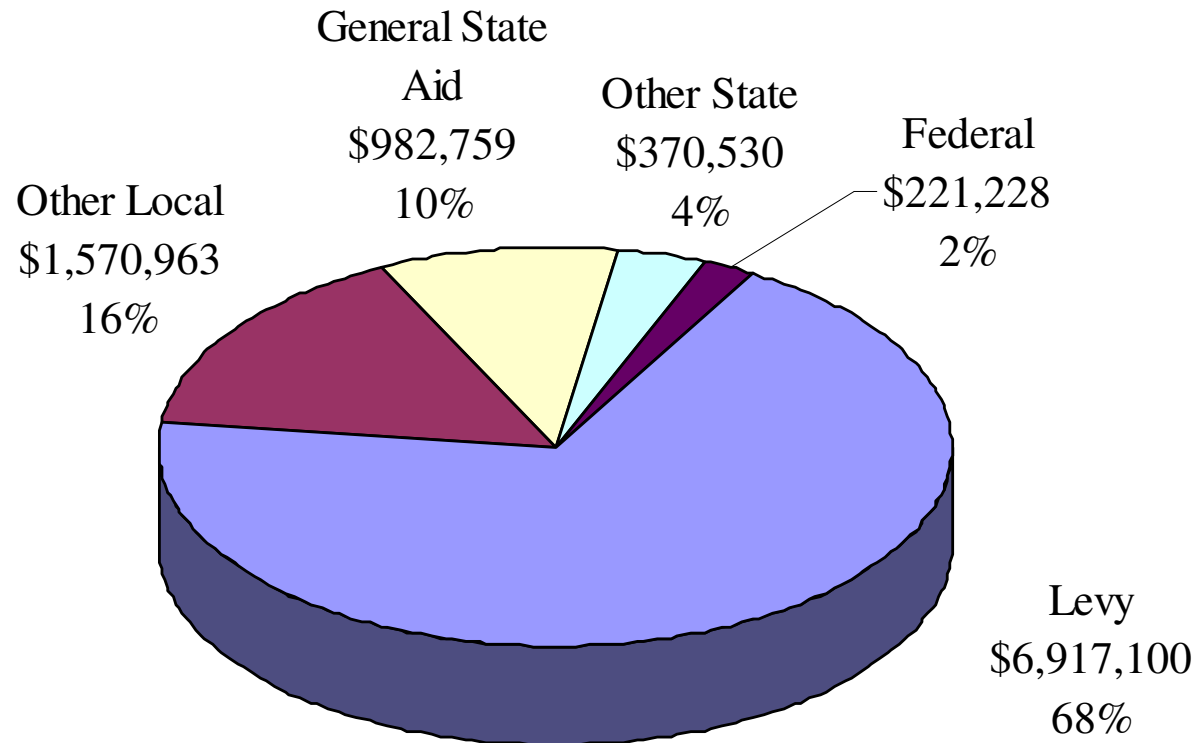
## State of the State

- As of June 30, 2010, the State of Illinois owed Morris CHSD 101 **\$236,238.90** for payments vouchered back to March 2010.
- Latest estimates indicate that the state ended the fiscal year with \$6 billion in unpaid bills; the Comptroller is at least six months behind in payments.
- FY11 ISBE Budget:
  - ❑ GSA funded at FY10 level
  - ❑ Transportation reduced by 41.6% for FY11
  - ❑ Emergency Budget Act: PRORATION PROVISION

## Revenues by Source

FY 2011 Budget

Revenue by Source – Operating Funds Budget Total = \$10,062,580



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

Data & Assumptions provided by District

## Key Revenue Assumptions

- Local Revenue

- Levies 2009 – 2016

- 2009 Levy 1.87% EAV increase (actual)
    - 2010 & 2011 Levy -4.0% EAV decrease
    - 2012 Levy -3% EAV decrease
    - 2013 – 2016 Levies 0% EAV increases

- State Revenue

- General State Aid: Factor of enrollment ~ Average Daily Attendance (ADA) is currently 95.5%

- Foundation Level – \$6,119
    - \$0 increase assumed for FY2012
    - \$150 increase for FY2013 through FY2016
    - Categorical Funding: 0% increases in FY2012 & FY2013

Special Education

Transportation

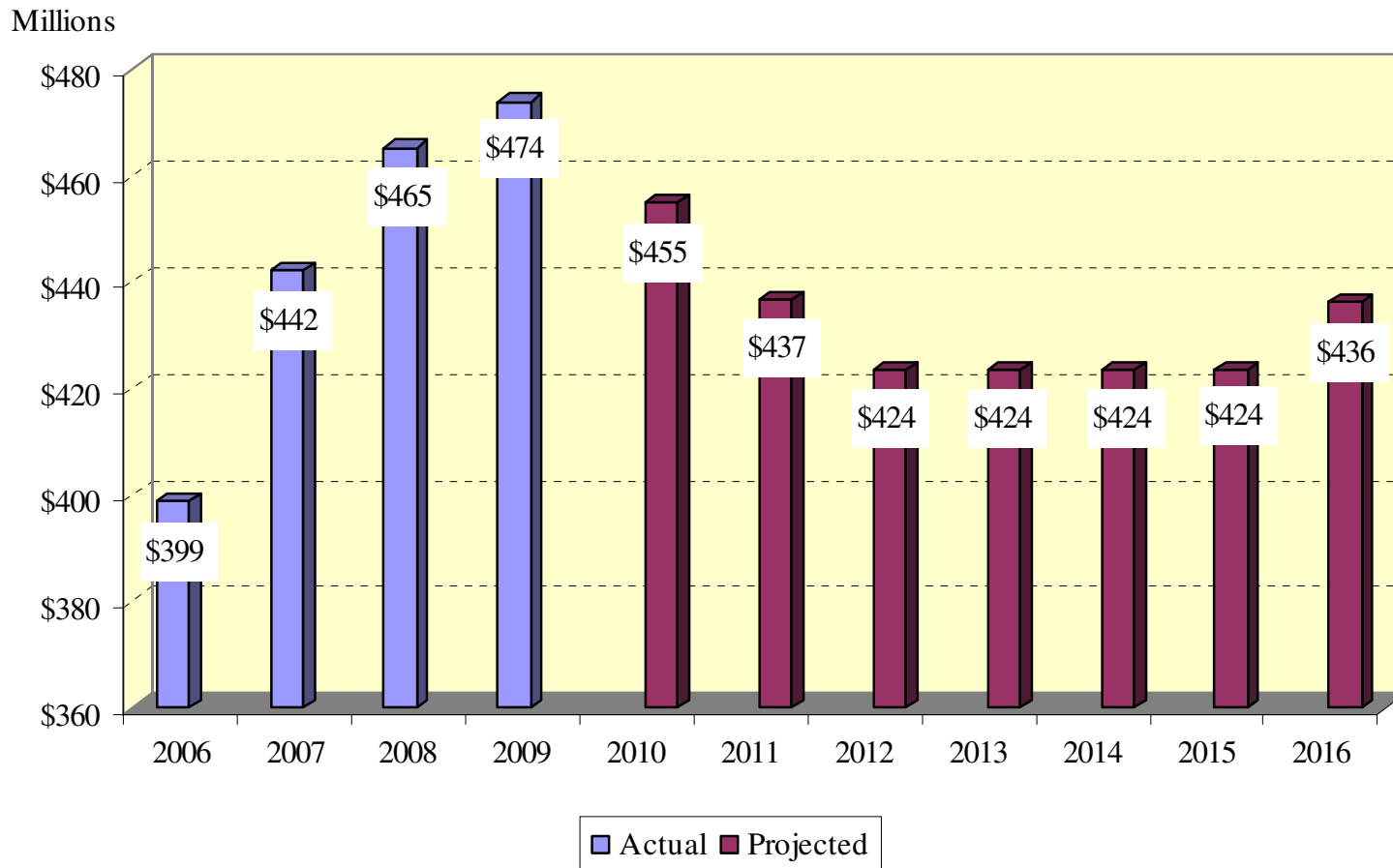
- Federal Revenue: 2.5% increases

NCLB Grants

Food Service

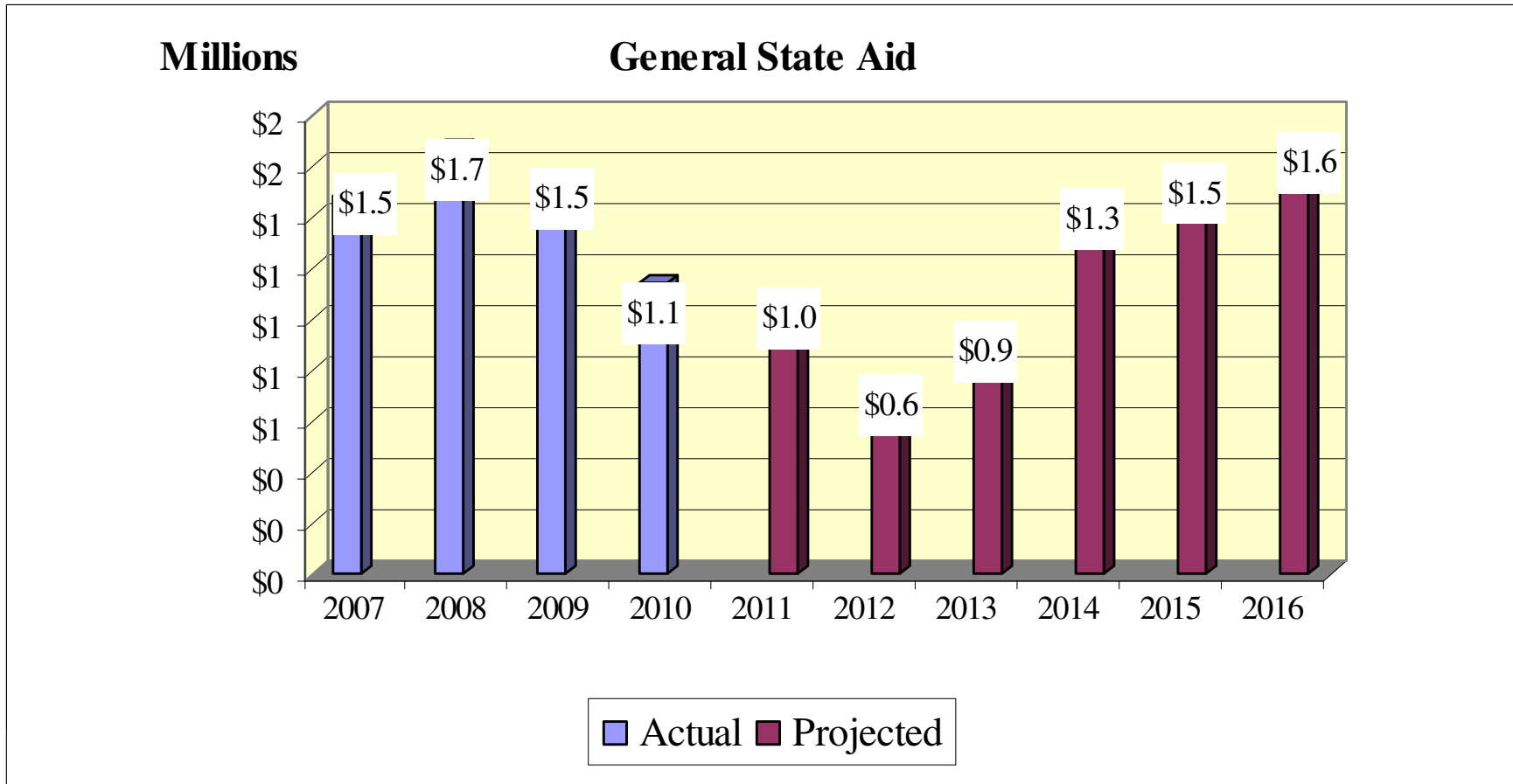
*Local Revenue: Tax Base Assumptions*

**Total EAV Analysis (In Millions)**



Source: District Projections

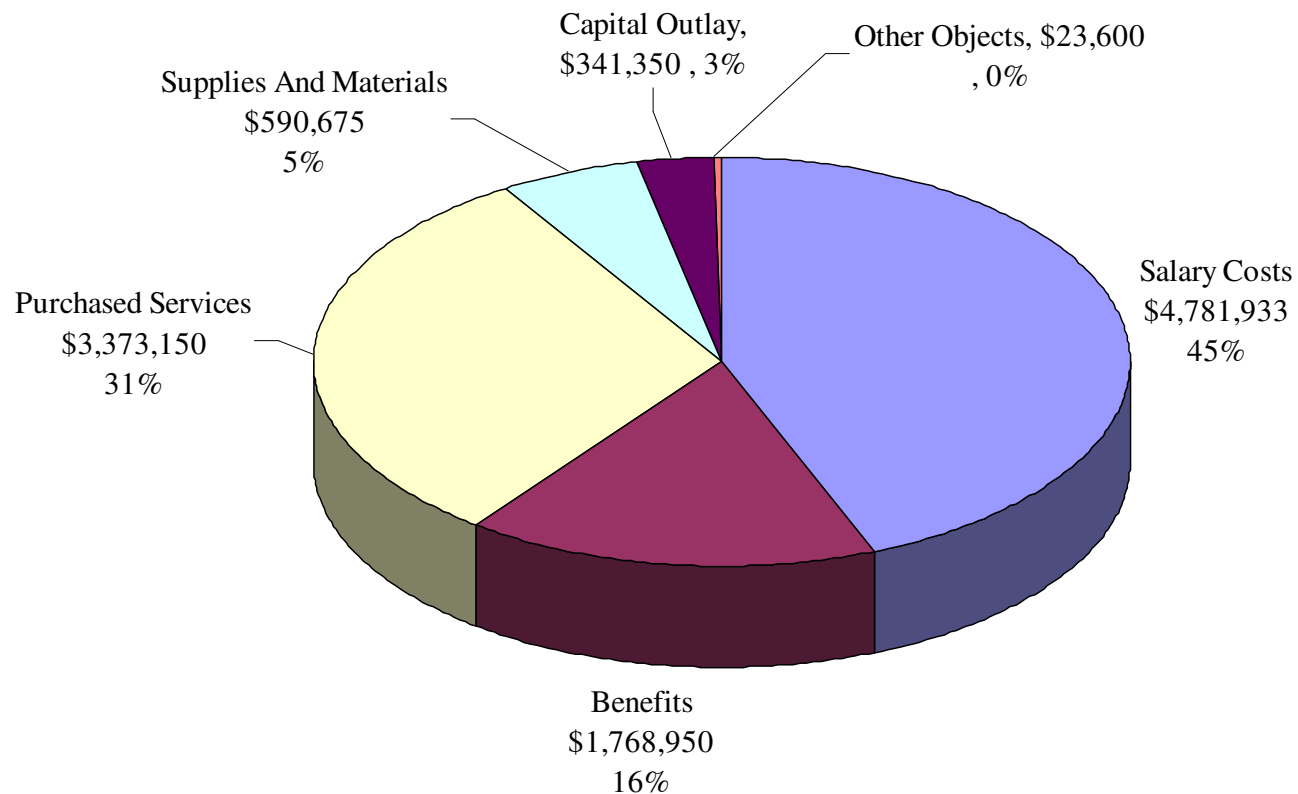
### General State Aid



## Expenditures by Object

FY 2011 Budget

Expenditures by Object – Operating Funds Budget Total = \$10,879,658



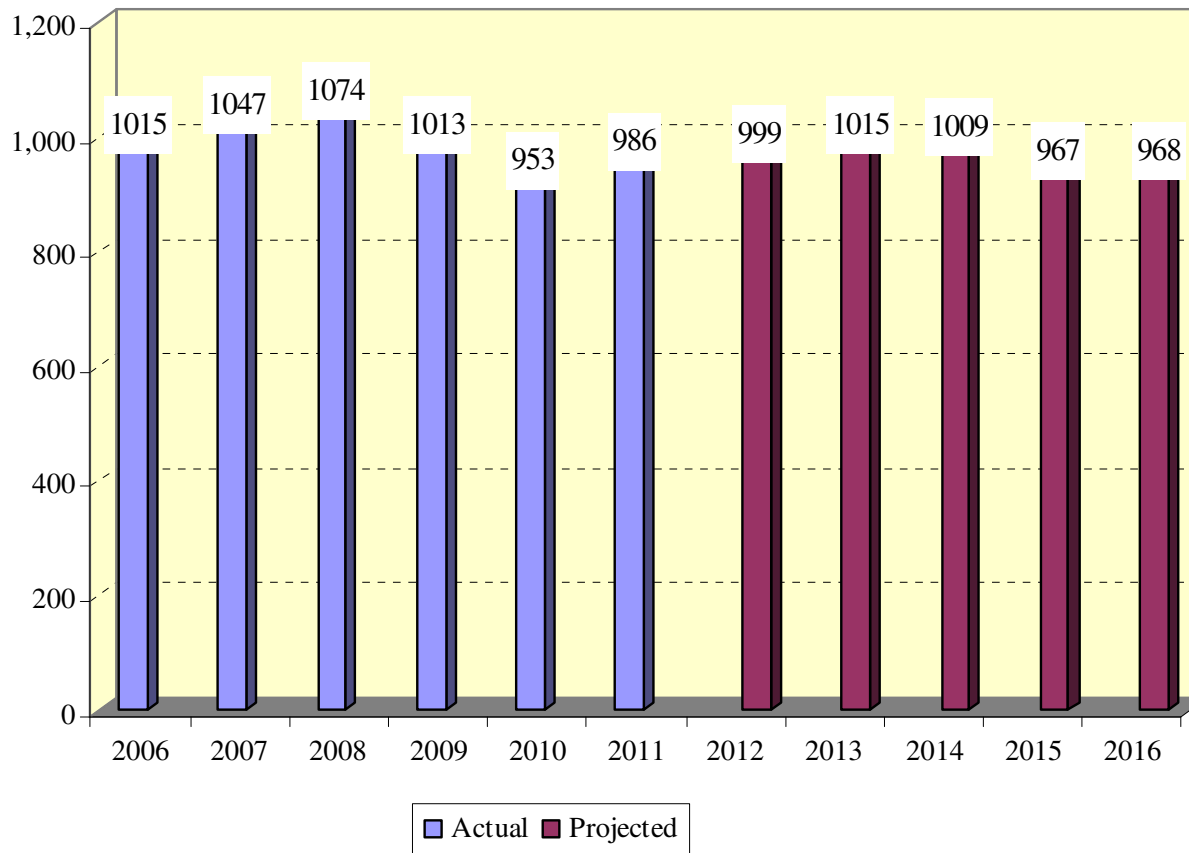
Operating Funds – Education, Operations & Maintenance, Transportation, Illinois Municipal Retirement Fund, Working Cash & Tort Funds

## Key Expenditure Assumptions

- Salaries
  - Teachers
    - Current Contract through FY2011
    - Future years to be negotiated
- Health Benefits
  - FY2012 – FY2016: 5% annual increases
- Purchased Services, Supplies & Materials, Capital Outlay, Tuition
  - 2.5% to 3% annual increases
  - One time adjustments accounted for accordingly

## Enrollment Assumptions

**Enrollment History and Projections**



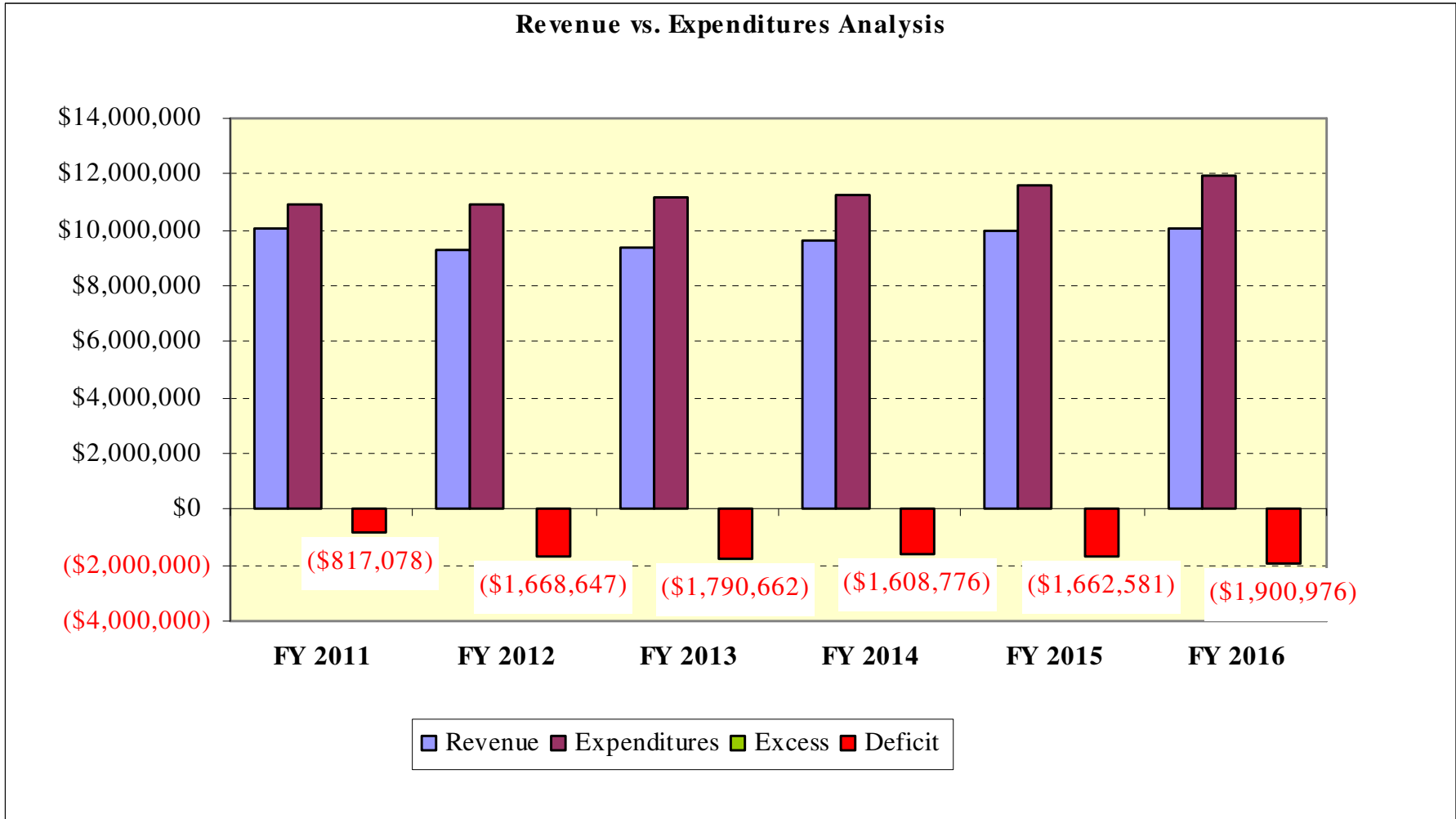
### Staffing Assumptions

- 9 - 12 Enrollment Projections
  - Little to no increase in enrollment FY2012 – FY2016
  
- Certified Staffing Projections

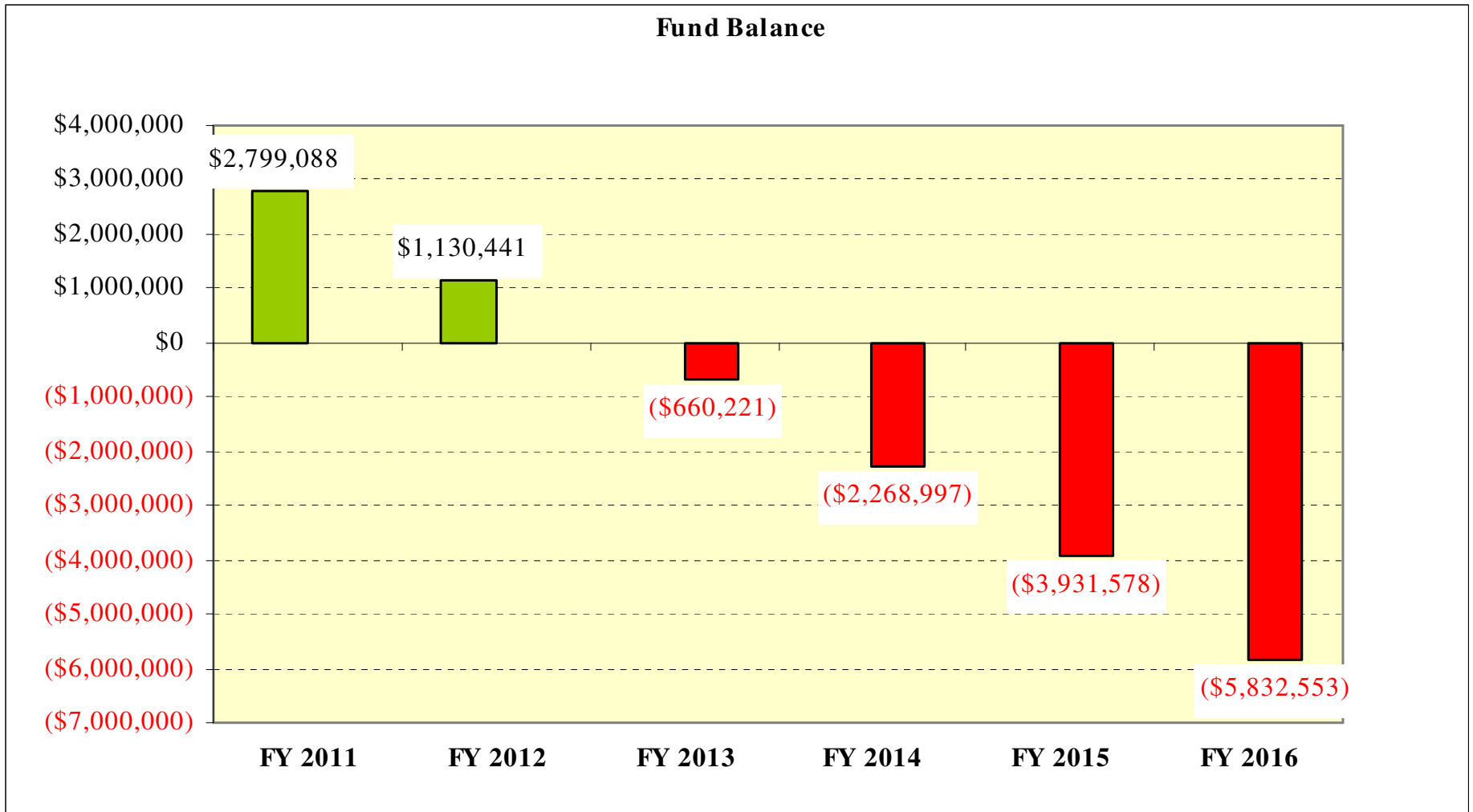
	<b>FTE</b>	<b>Retirees</b>	<b>New Hires (Reductions):</b>
<a href="#"><u>FY - 2011</u></a>	56.50	4.00	
<a href="#"><u>FY - 2012</u></a>	56.50	1.00	4.00
<a href="#"><u>FY - 2013</u></a>	56.50	3.00	1.00
<a href="#"><u>FY - 2014</u></a>	56.50	0.00	3.00
<a href="#"><u>FY - 2015</u></a>	56.50	0.00	0.00
<a href="#"><u>FY - 2016</u></a>	56.50	0.00	0.00

Retirees replaced on the salary schedule at BS+36/MA, Step 3 ~ \$40,500

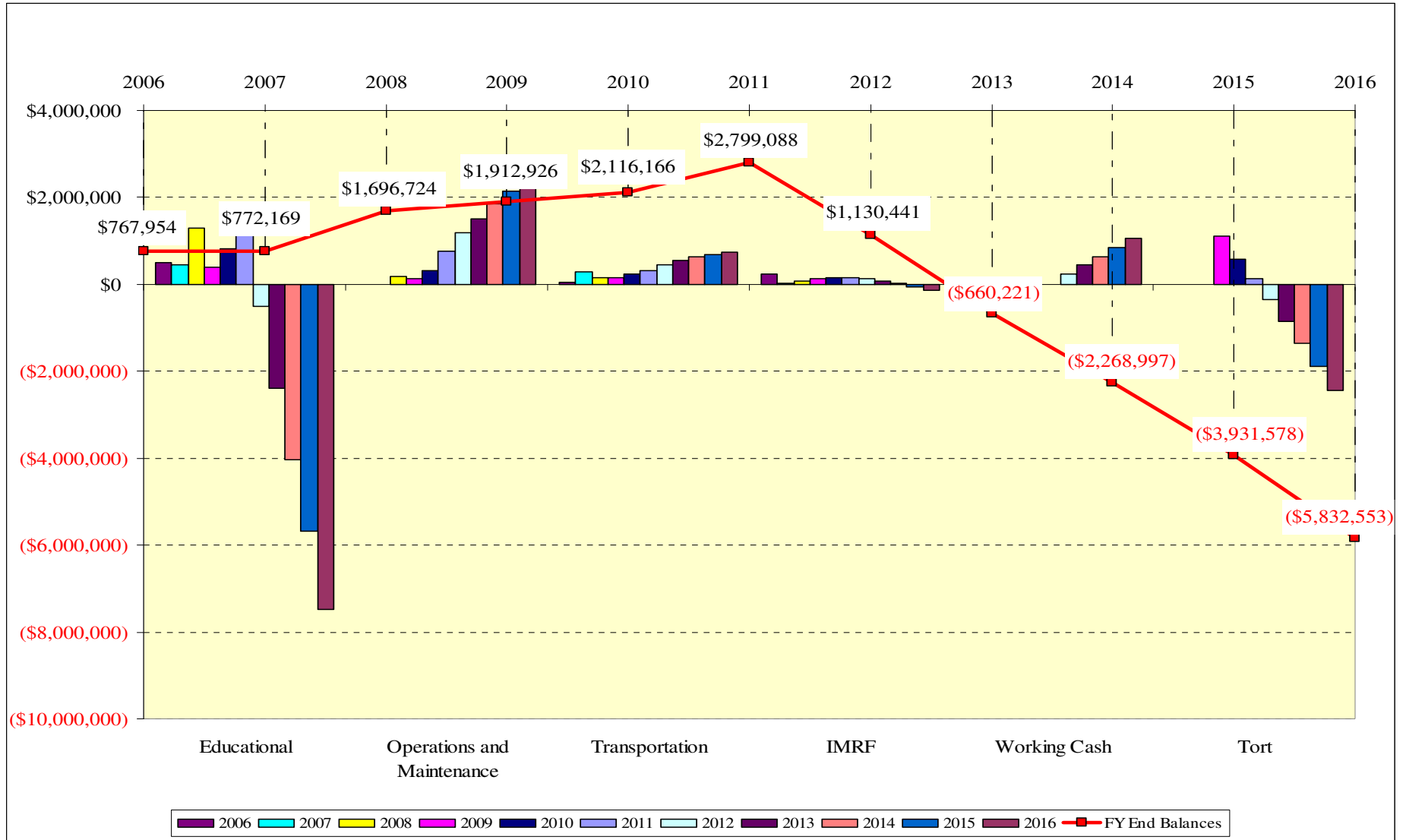
## Aggregate Revenue vs. Expenditure Projections



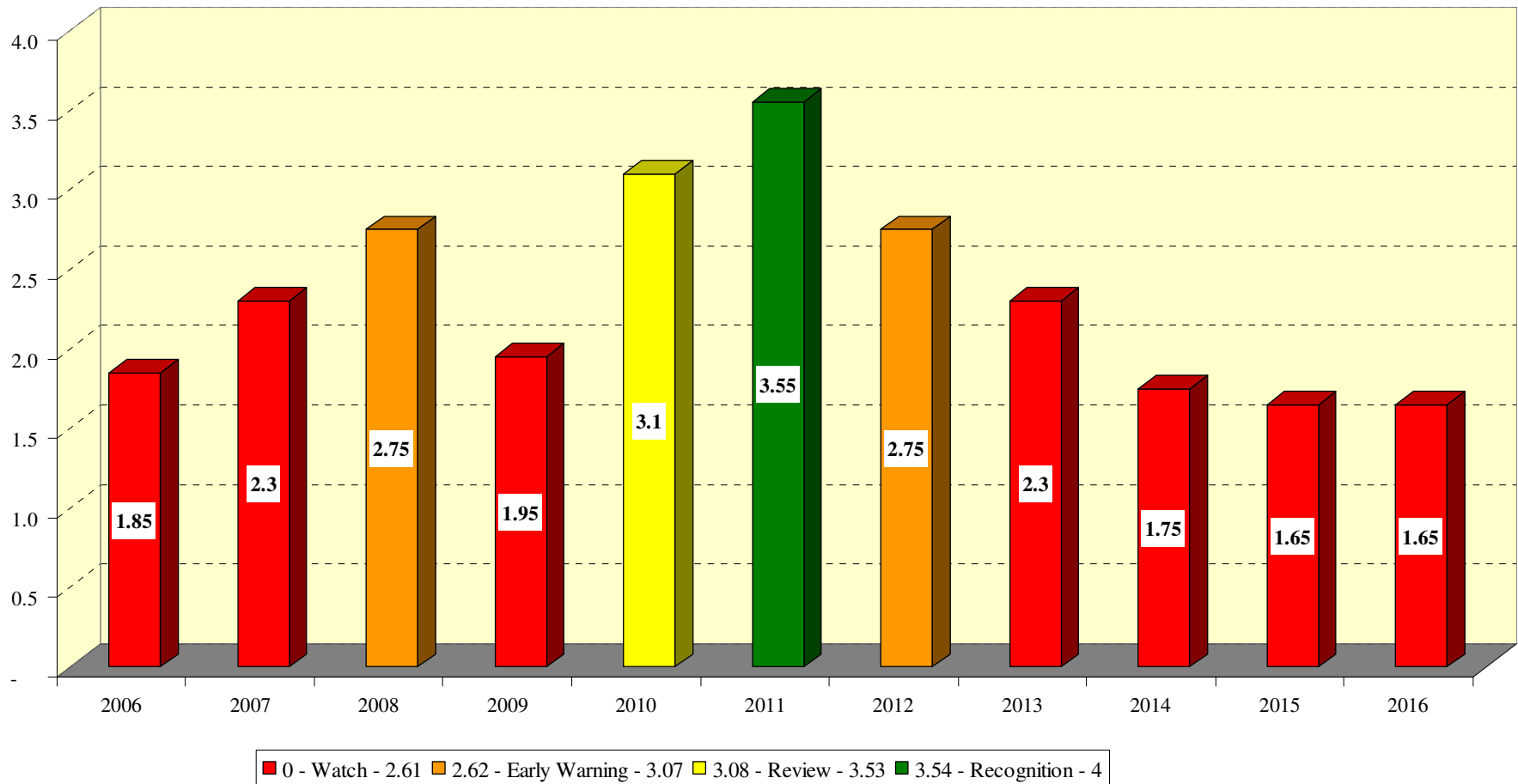
### Aggregate Fund Balance Projections



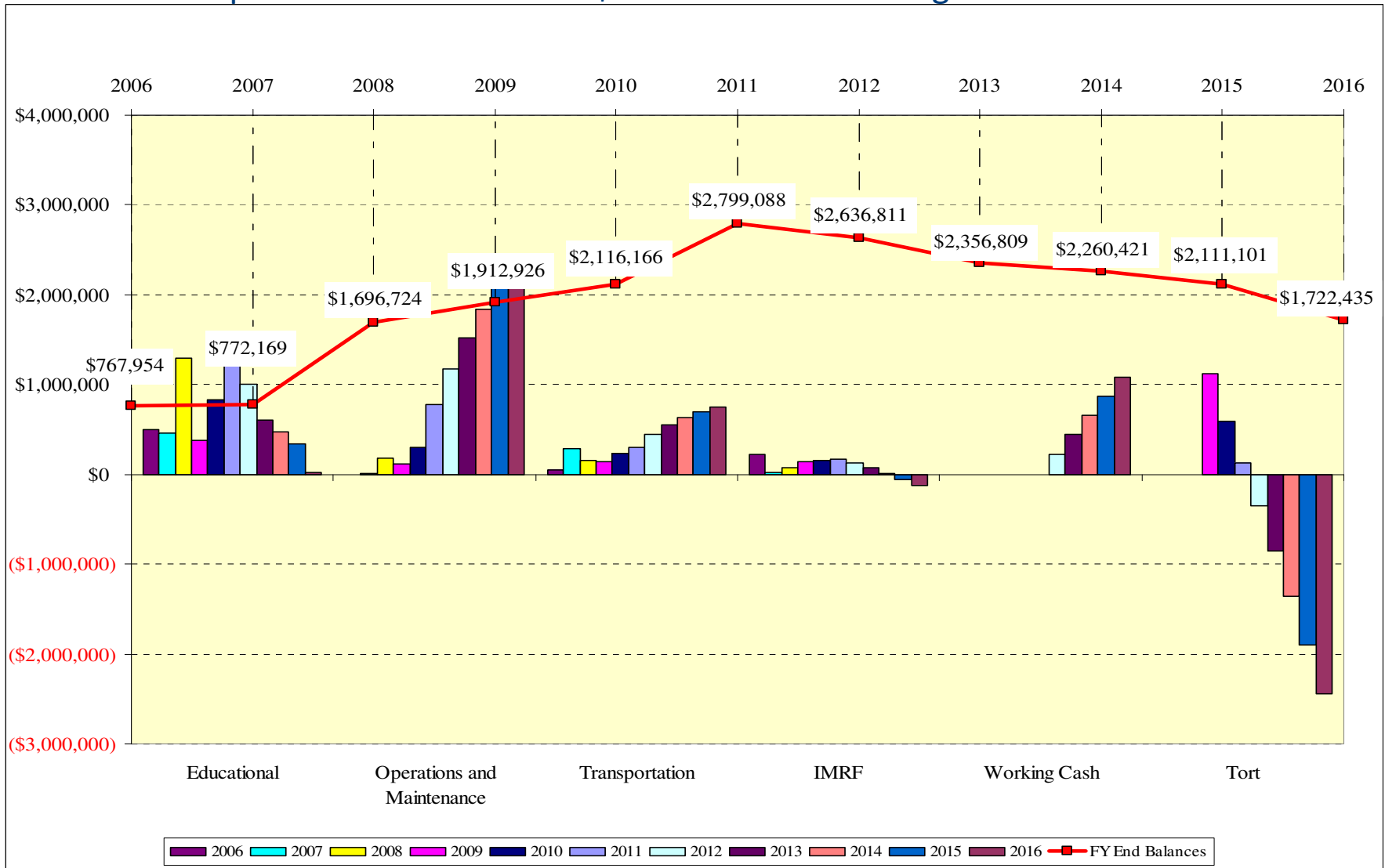
## Eleven Year Perspective



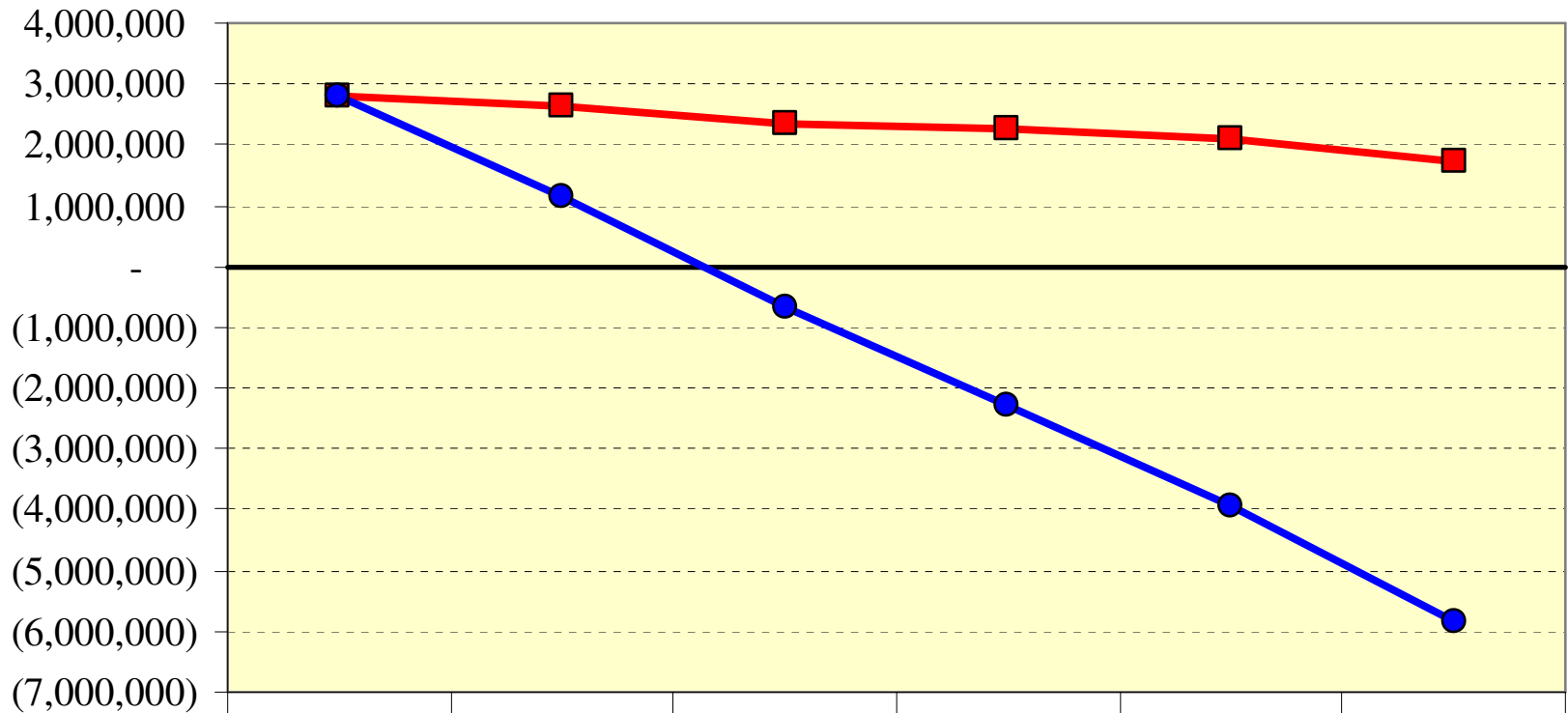
## Financial Profile Score Projections



### Eleven Year Perspective – Annual use of \$1.5 million in Working Cash Bonds



### Scenario Comparison



<span style="color: red;">■</span> Working Cash	2,799,088	2,636,811	2,356,809	2,260,421	2,111,101	1,722,435
<span style="color: blue;">●</span> No Working Cash	2,799,088	1,130,441	(660,221)	(2,268,997)	(3,931,578)	(5,832,553)

## Conclusions

- The District is currently positioned to maintain financial stability through FY12, but is reliant on Working Cash to support operating funds.
- The District should be aware of the uncertainty of monies from the State- in particular, GSA, Categorical and Grant Funded programs.
- The impact of future funding needs for both IMRF and TRS are unknown at this point.
- The District should be aware that the Education Fund expenses and Tort expenses far outweigh revenues.
- The District should prioritize and prepare for the need for further reductions should the state's economic condition not improve.
- The current projection shows the District with a declining ISBE Financial Profile score.



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