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## Millburn School District 24

PMA Financial Planning Program  
Presented by  
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PMA Financial Network, Inc.  
February 23, 2012

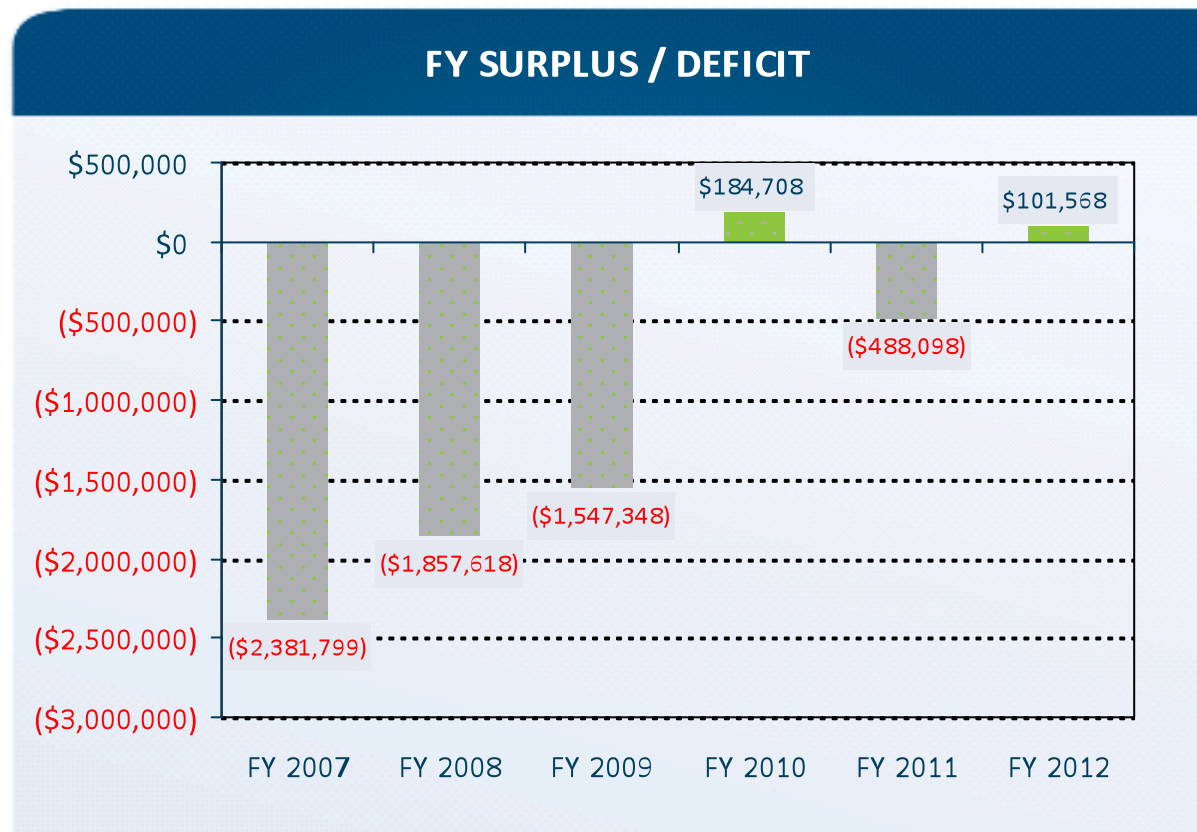
## Data Elements

- Annual Financial Reports (AFRs) for the past five years
- District's FY2012 Budget - Base for the projections
- Historical Tax Extension Reports
- History of Equalized Assessed Valuations and New Property Values
- Tax collection history
- Current collective bargaining agreements
- Current scattergram and FTEs for certified staff
- Current student/staffing ratios
- Historical enrollment from Fall Housing Report

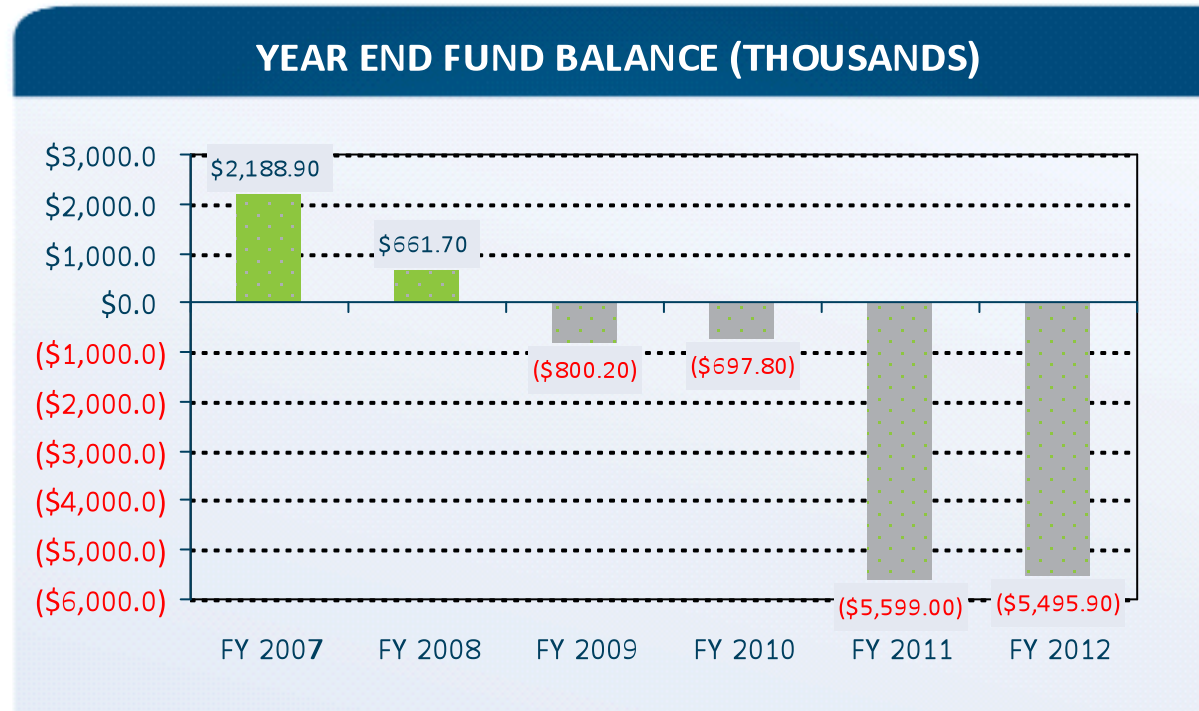
## Historical Reporting

- Auditors prepared Annual Financial Report, filed with ISBE, using cash accounting until FY11
- Auditors prepared FY11 AFR using accrual accounting
- Largest single difference is that June 2011 tax distribution (approximately \$5.1 million in all funds) were deferred (accrued) into FY12
- Aggregate Fund Balances in Aggregate History reflect change
- In FY11, the District spent \$330,000 more than receipts

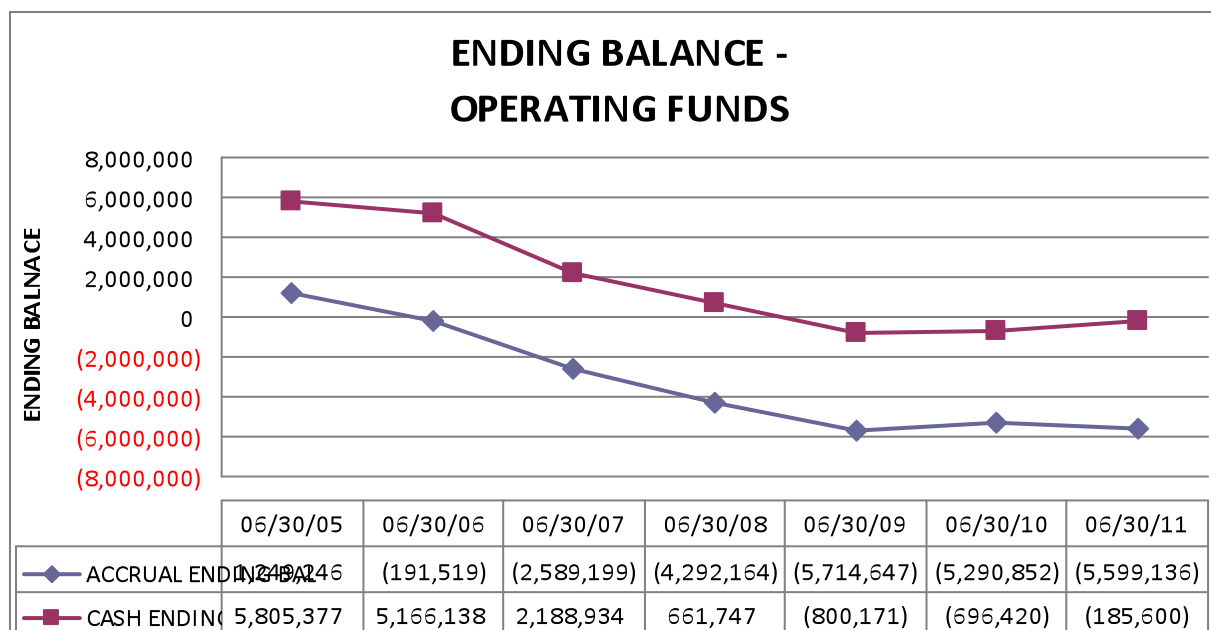
# Historical Revenues and Expenditures



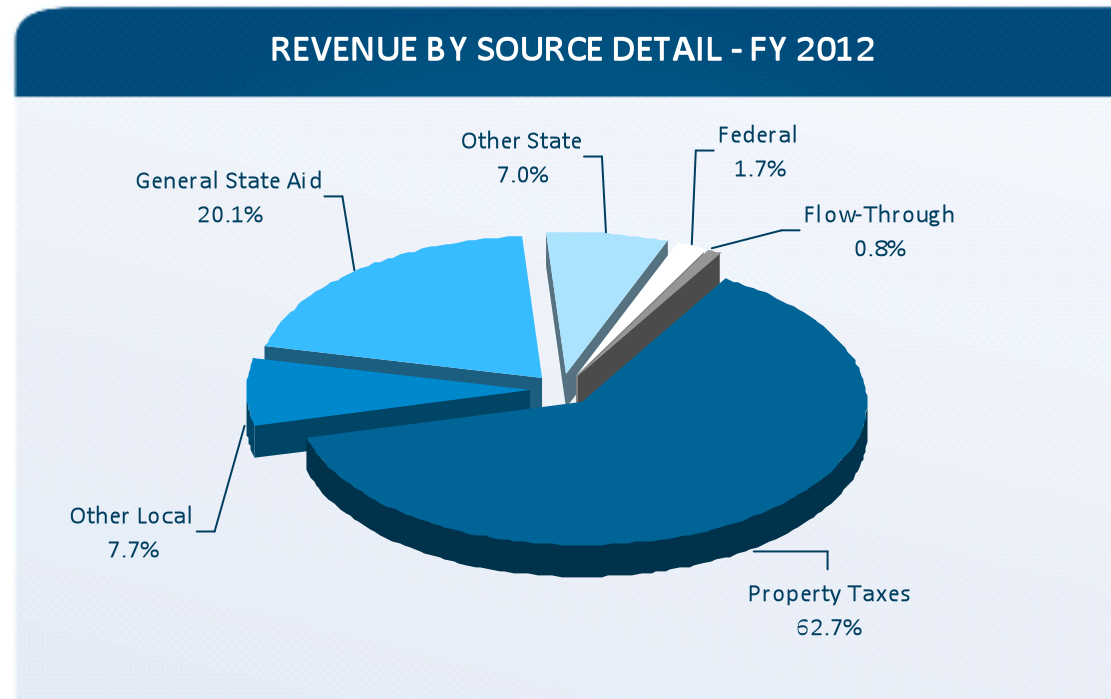
## Historical Fund Balances



## Comparison of Ending Fund Balances: Cash vs. Accrual



## Revenue by Source FY12 Budget = \$14,135,874



## Revenue Assumptions (Last Year's Projections in Parentheses)

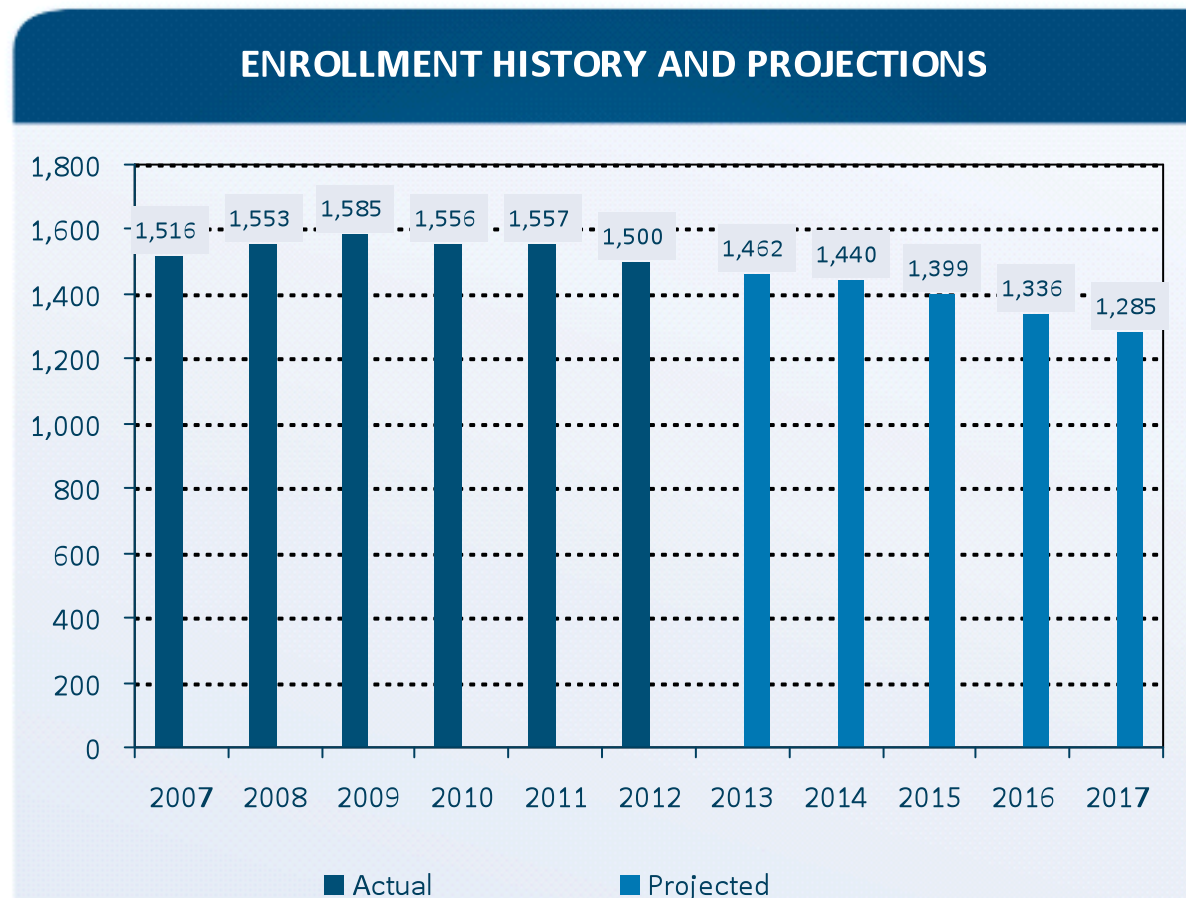
- Existing EAV: -10% in LY11, -5% in LY12, then flat
  - » (-5 in LY11, 2% beyond)
- New Construction: \$0 in LY11, then \$200,000 annually
  - » (\$0 in LY11, then \$2,000,000 annually)
- CPI: 3% for LY12, then 2.5%
  - » (2.5% for LY12, then 2.5%)
- GSA Foundation Level and Proration – Flat for FY13-16, then \$100; prorated in FY12-15 5%
  - » ( Flat in FY12 and 13, then \$100 increase; no proration)
- All other revenues held flat, or very small increases
  - » (Same)



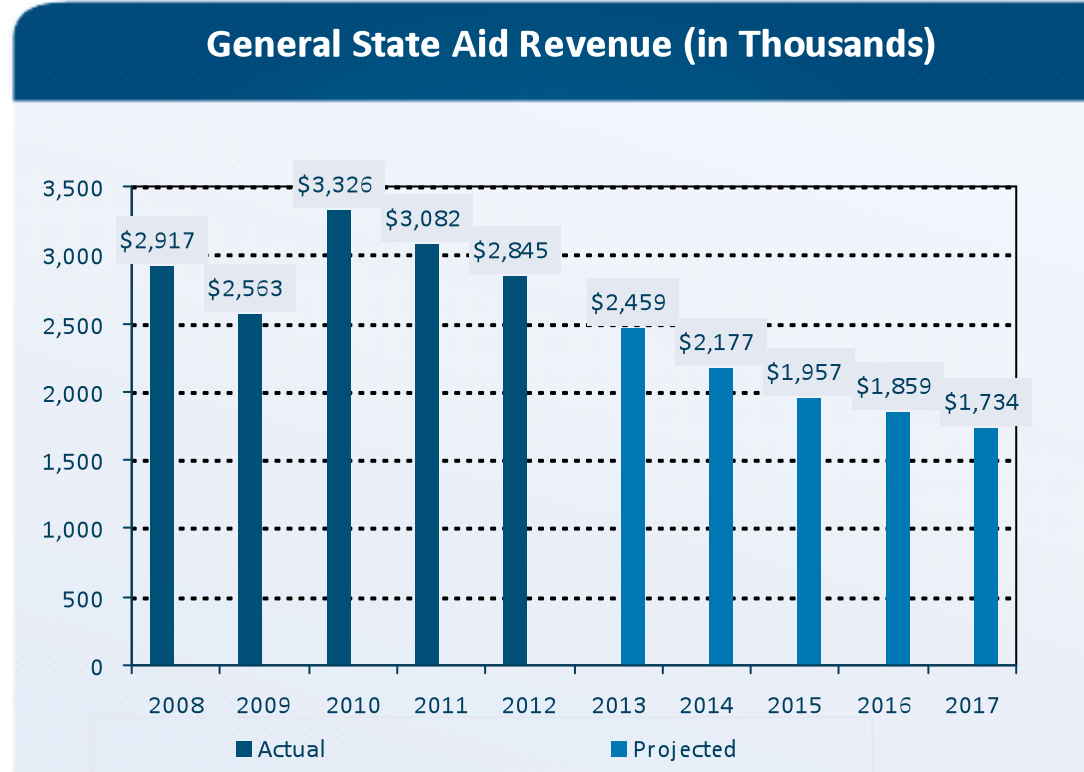
## Property Taxes and the Tax Cap

- The amount the District can collect increases by the Consumer Price Index from a prior year
  - 2.7% CPI for 2009 drives revenues for FY12
  - 1.5% CPI for 2010 drives revenues for FY13
  - 3.0% CPI for 2011 drives revenues for FY14
- The property tax rate is adjusted annually to generate the increased property taxes
  - When overall property values increase more than the CPI, the rate goes down
  - When overall property values decrease, the rate goes up
- Additional tax dollars come from new construction

## Enrollment Projections



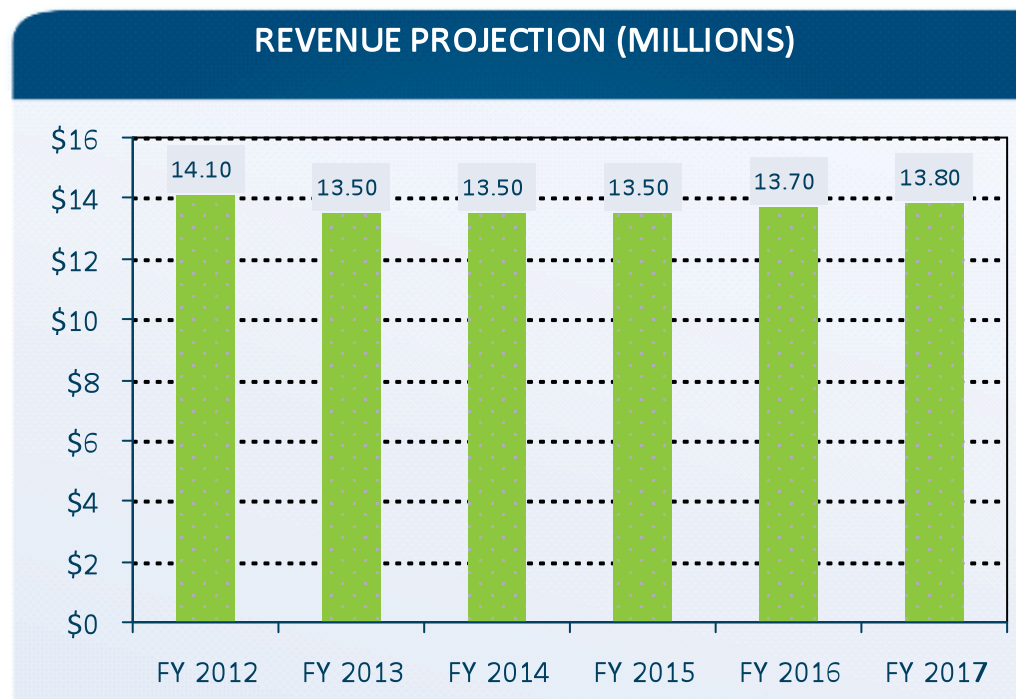
## General State Aid



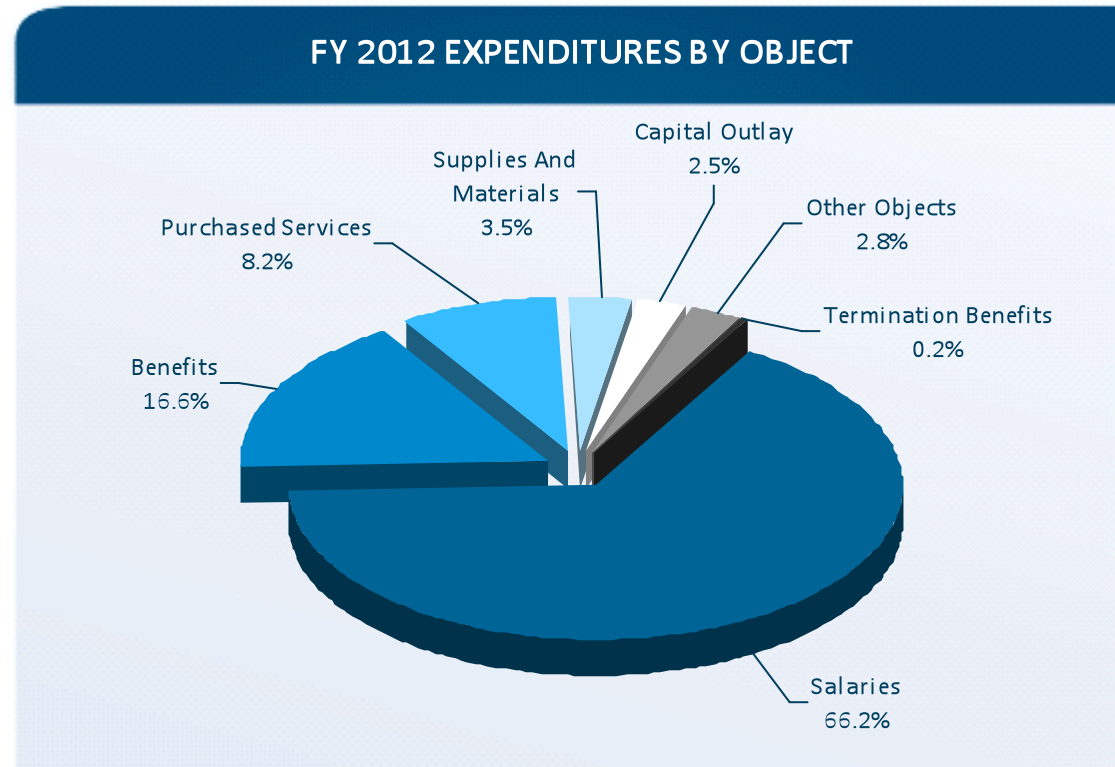
## General State Aid Formula

- “Foundation Level” - \$6,119
- Critical components in General State Aid Formula
  - 3 year Average Daily Attendance (ADA)
    - Declining enrollment projections mean declining ADA
  - Local resources per student
    - Local property values per student are increasing
- Poverty Grant for low income students is steady, but less than 10% of total General State Aid payments
- Proration
  - Unfunded portion of the GSA formula

## Current Aggregate Revenue Projections



## Expenditure by Object FY12 Budget = \$14,034,306



## Current Expenditures

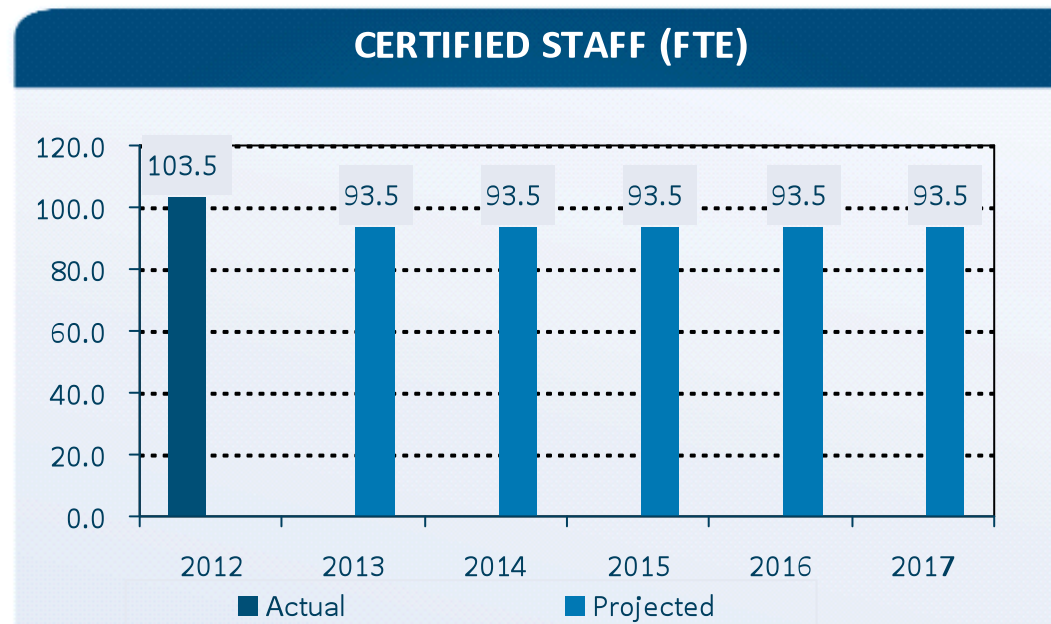
- Certified staff reduced from 127 to 103.51
- 3.5% for supplies is one of lowest among our districts
- Some of capital expenditures are funded with technology fees
- 83% of budget for salaries and benefits
- All illustrate the depth of cuts that have occurred over the last few years
- Very little room is left to cut other than staff

## Expenditure Assumptions

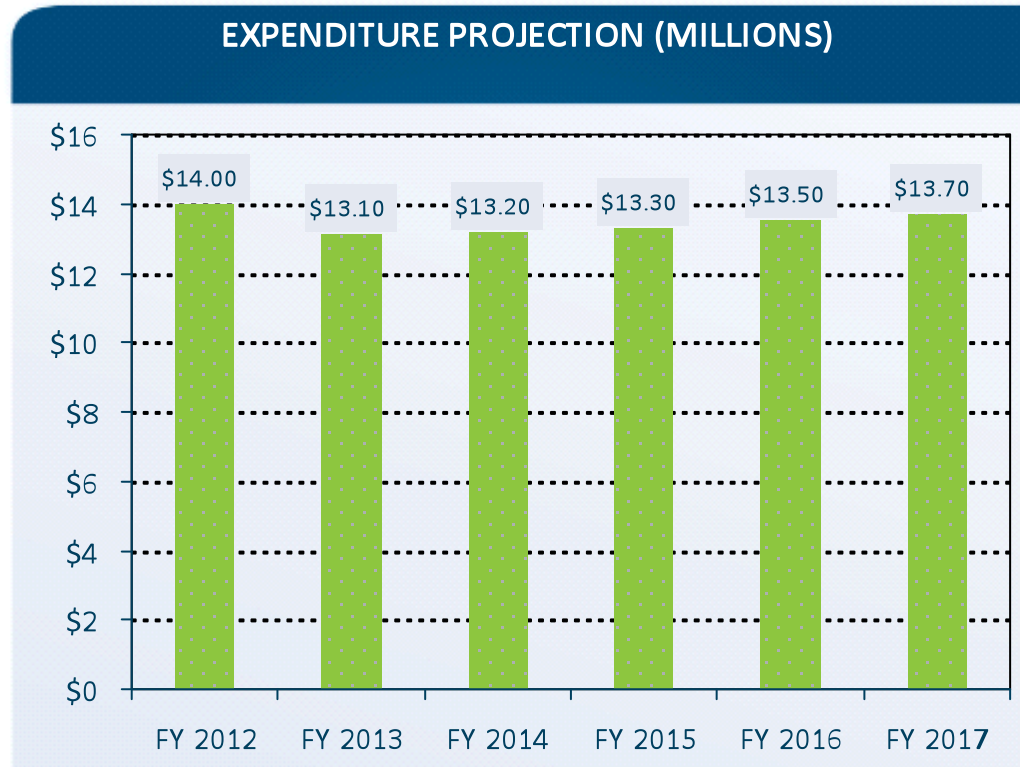
- Eliminate an administrative position in FY13
- Reduce 10.0 FTE certified staff in FY13, including retirees
- All salaries are frozen for five years
- Medical insurance increases 3% in FY13, 8% beyond
- Most expenditures assumed flat
  - Tuition 5% increases
  - O&M purchased services and supplies 4% in FY13, then flat
  - Transportation Fund overall reduction in FY13, then flat



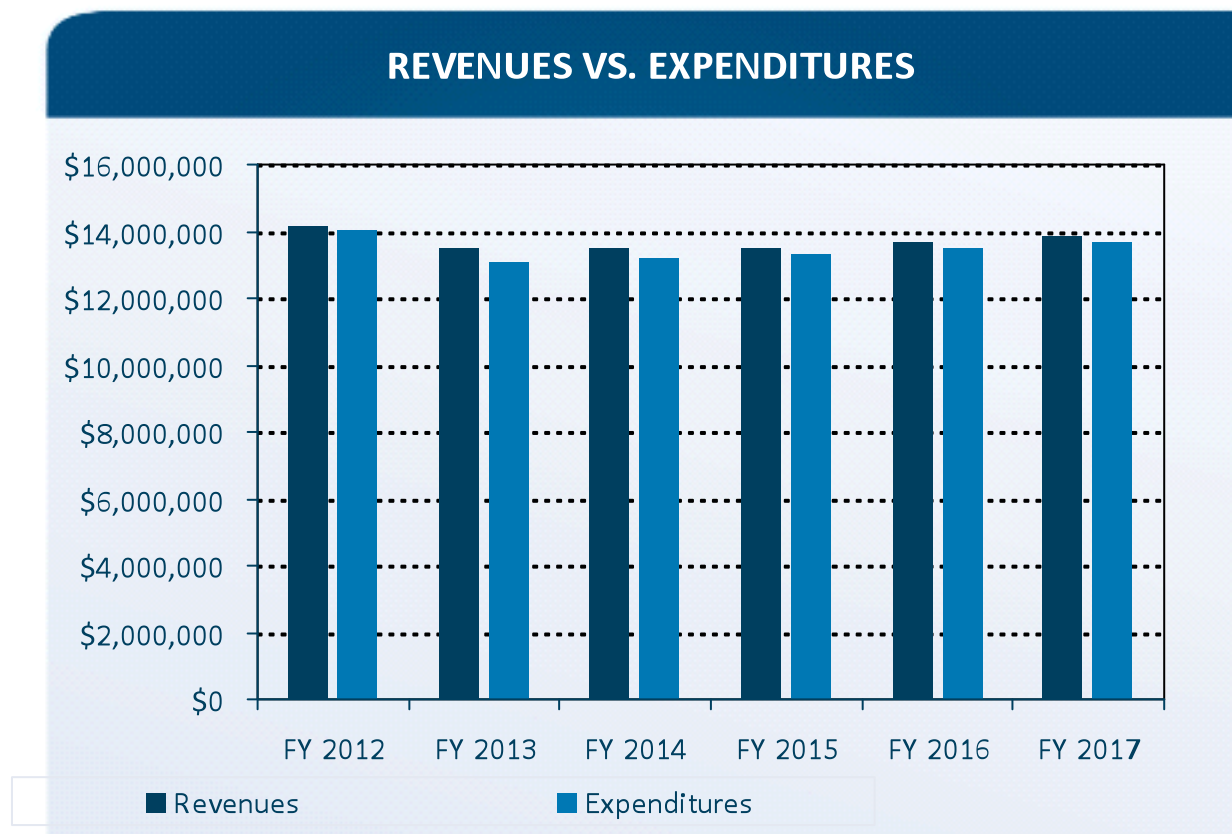
## Staffing Projections



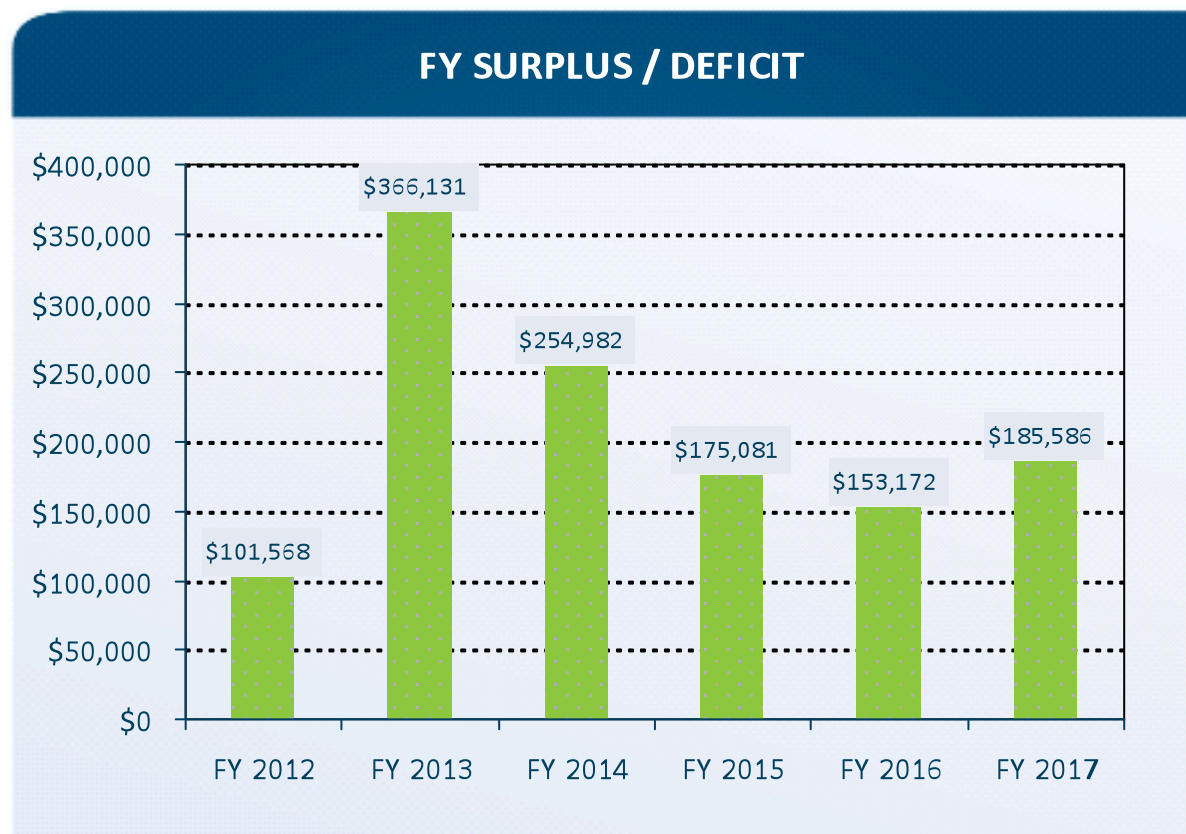
## Aggregate Expenditure Projections



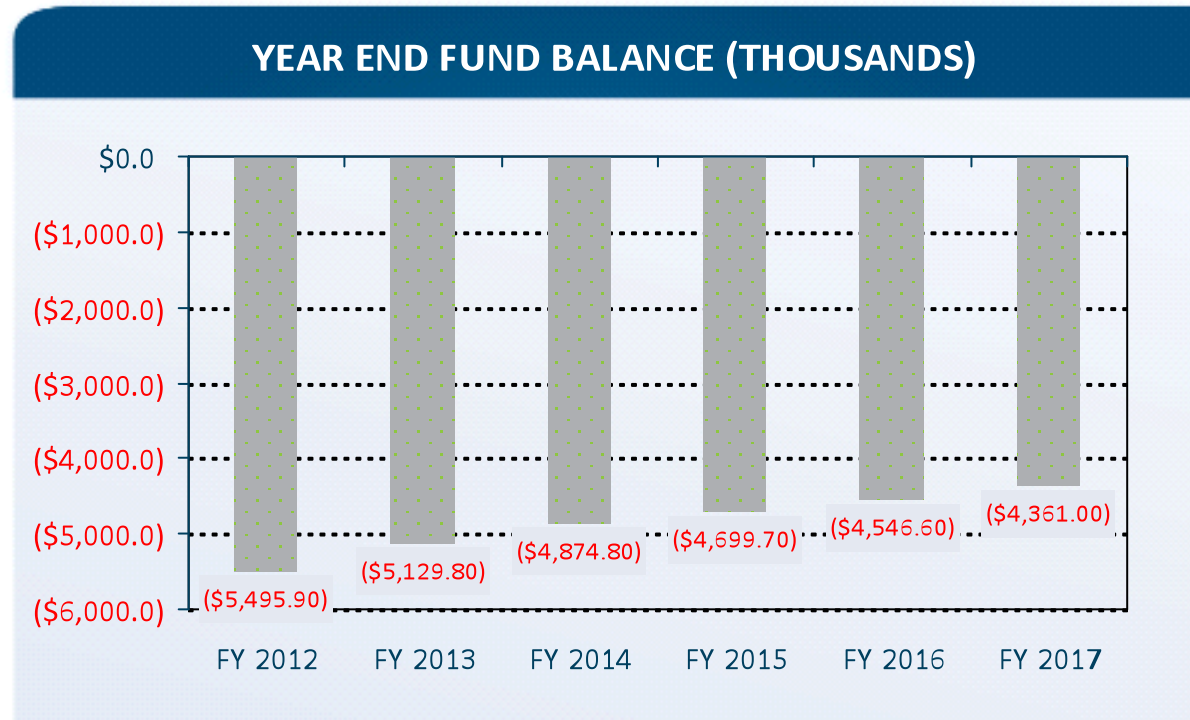
## Aggregate Revenue and Expenditure Projections



## Aggregate Revenue and Expenditure Projections FY Surplus or Deficit

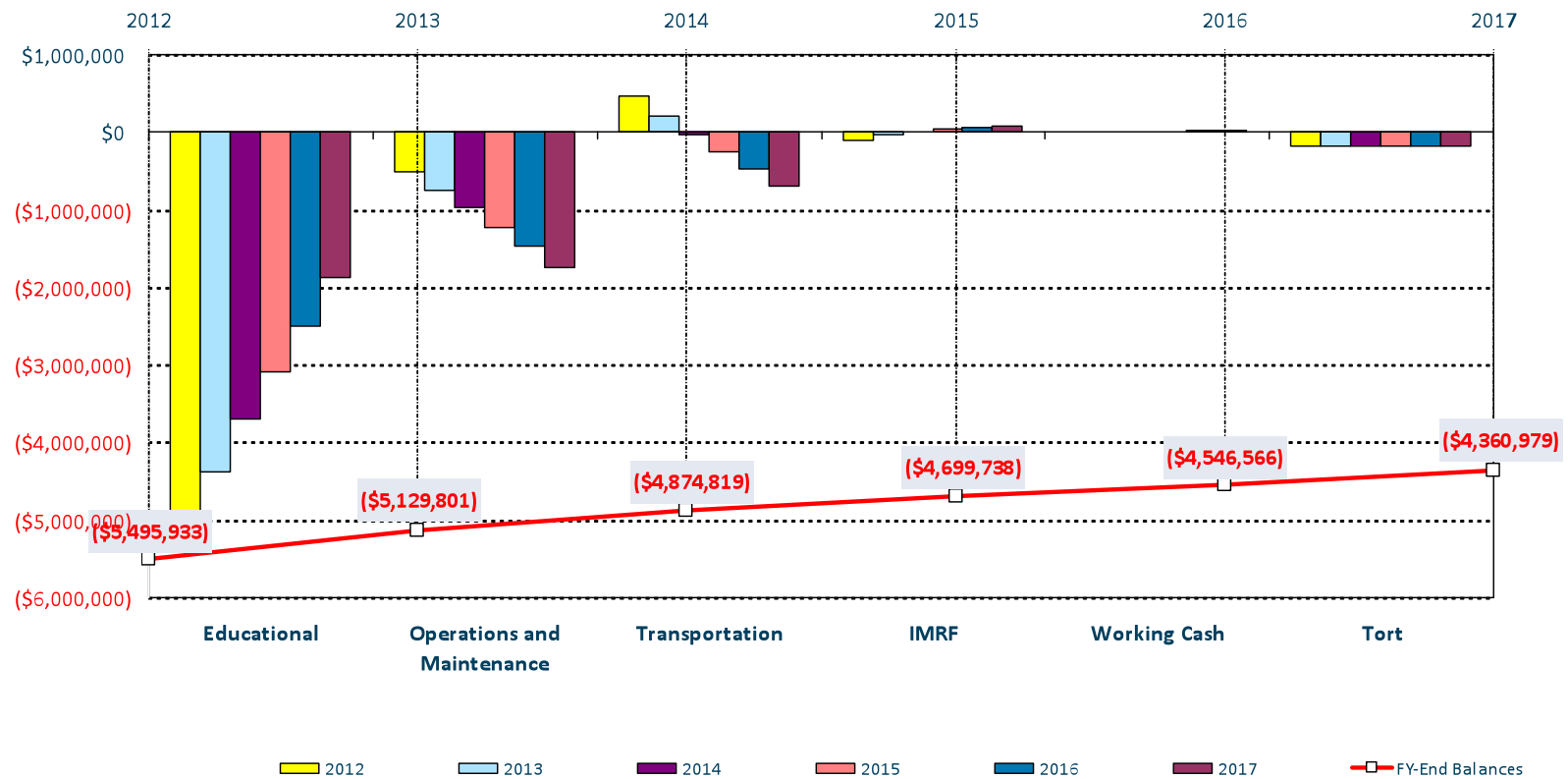


# Aggregate Revenue and Expenditure Projections Fund Balances



# Projections

Aggregate View - Projection Summary



## Observations

- The District made the certified teaching staff cuts it said it would make
- The District has a projected surplus in FY12
- Projected State and Federal revenues are decreasing next year by \$750,000
- State revenues are expected to continue to decrease
- Expenditure projections are austere
- The District has little choice but to continue to cut staff

## PMA Financial Planning Program | Millburn School District 24

### February 23, 2012



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