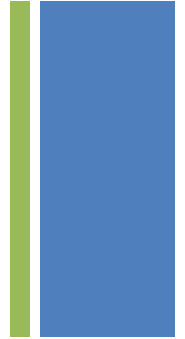




Crystal Financial Consultants, Inc.

Arbor Park School District 145

**Financial Analysis
March 2010**

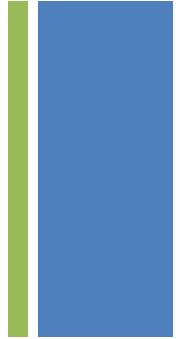


Outline of Presentation

- Impact of Decisions Made Last Year
- Historical Financial Review
- Major Financial Challenges to the District
- Description of the Problem
- Why are We Here?

+

Impact of Decisions Made Last Year



- **Impact of Decisions Made Last Year**

- **Senate Bill 2051**

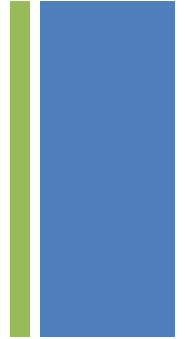
- **Full-Day Kindergarten**

- **Federal Lunch Program**

- **Staff Reductions**

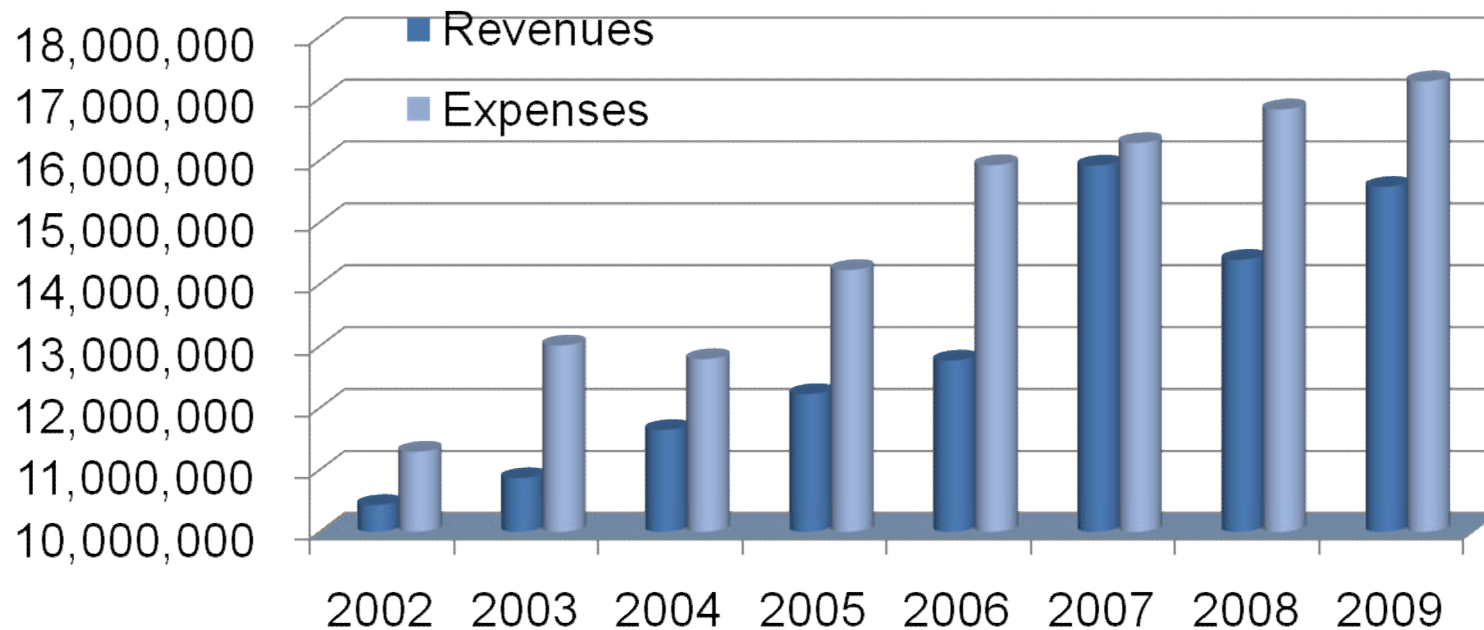


Five Areas That Have Created Our Financial Crisis



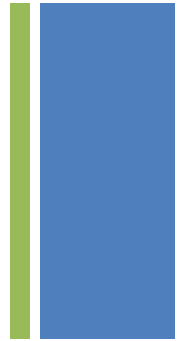
- #1 Expenditures have increased at a rate greater than revenues can be captured through limited sources
- #2 Bonding power no longer available due to State Statutes and PTELL (Property Tax Extension Law Limit)
- #3 Local Geography and Economic Factors
- #4 Mandates from both the state and federal levels continue to demand program enhancements without providing additional funding
- #5 State is significantly cutting state aid

+ Historical Financial Review



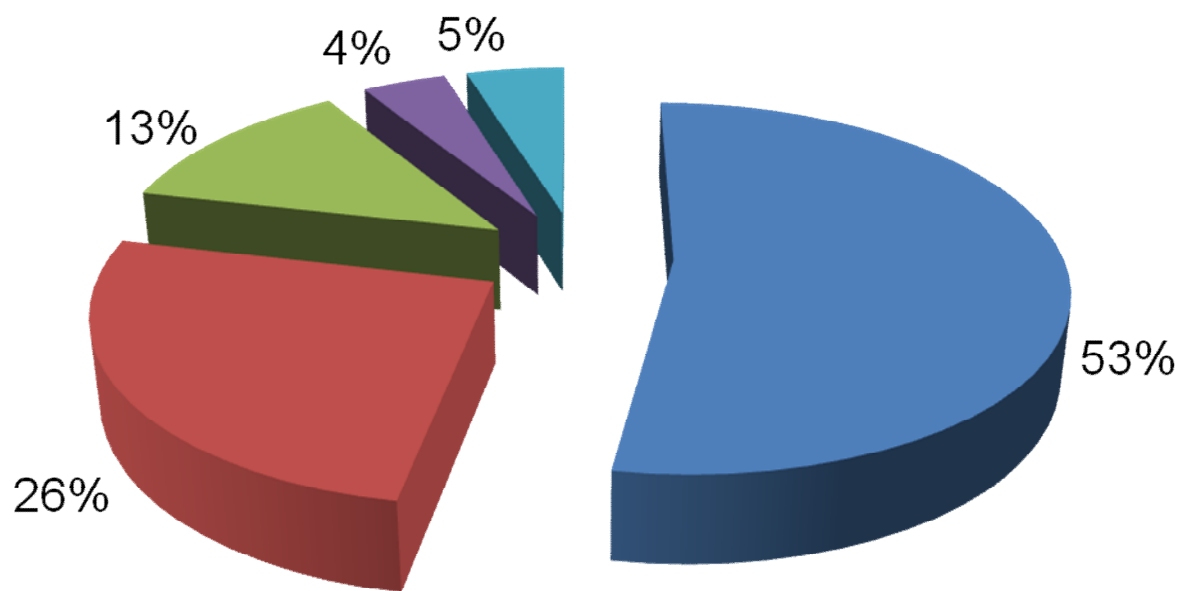
- The District incurred deficits in each of the past eight years.
- Revenues have grown at an average rate of 4.6% annually, expenses 5.8%.
- Over the past eight years, expenses exceeded revenues by \$13,811,000.

+ Consumer Price Index



	<u>YEAR</u>	<u>CPI</u>
	2009	2.7%
	2008	0.1%
	2007	4.1%
	2006	2.5%
	2005	3.4%
	2004	3.3%
	2003	1.9%
	2002	2.4%
CPI Average	2001	1.6%
Consumer Price Index	2000	3.4%
2.55%	1999	2.7%

+ Breakdown of Revenues - 2009



- Real Estate Taxes
- General State-Aid
- State Grants
- Federal Grants
- Other Local