

# **ANALYTICAL COMPASS**

**Navigating Michigan School Finance Through Uncertain Times**

**Introductory Overview**

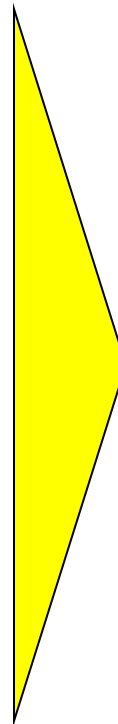
**Fall 2011**

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## Complexity and uncertainty in the school funding model makes it difficult to build a reliable financial plan

### Financial Analysis Can Be ...

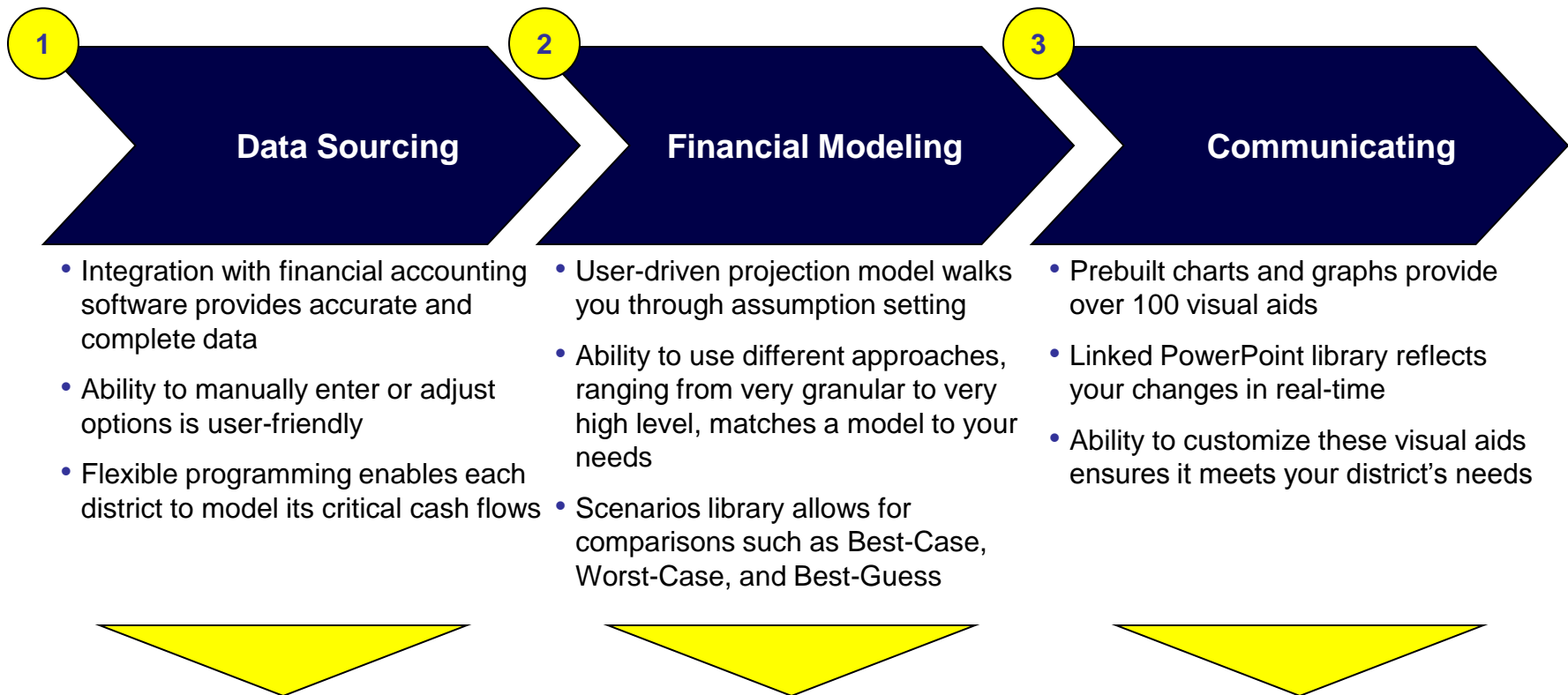
- **Challenging** to gather necessary data
- **Time consuming** to make sense of the data and conduct analysis
- **Complicated** to build projections and outcomes are highly uncertain
- **Clumsy** to convert data into presentations



- **Data is passed automatically** from financial accounting systems\*
- **You're in control** of user friendly Excel models that walk you through the process
- **Local and State revenue formulas are built in**
- **Output populates** preset charts and graphs
- **Linked PowerPoint** presentation updates in real time as you work

\*Can be used with any financial accounting system, data import process will vary

**Analytical Compass is a complete solution that will save time, improve understanding, and build confidence**



**Rich data sources, robust financial models, and effective visual aids make Analytical Compass Financial Projections a powerful financial planning tool**

AnalyticalCompass.com is the central hub for user activity, providing secure access for updating data and downloading financial models



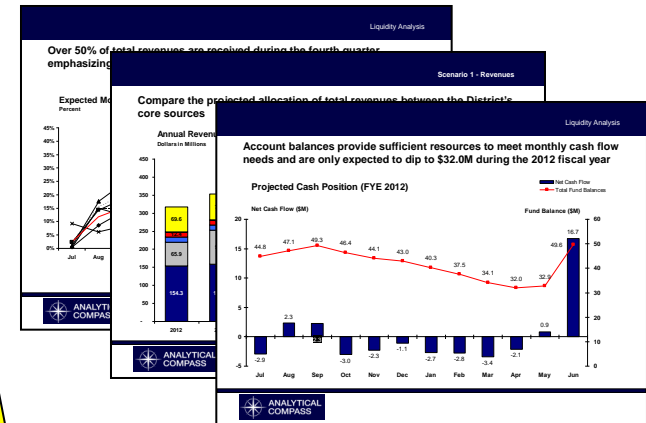
### Accounting System

- Any school can use these tools regardless of financial accounting system
- User can electronically transfer or export records from their system to secure Analytical Compass website
- Alternatively, users can simply enter data elements directly into the secure website



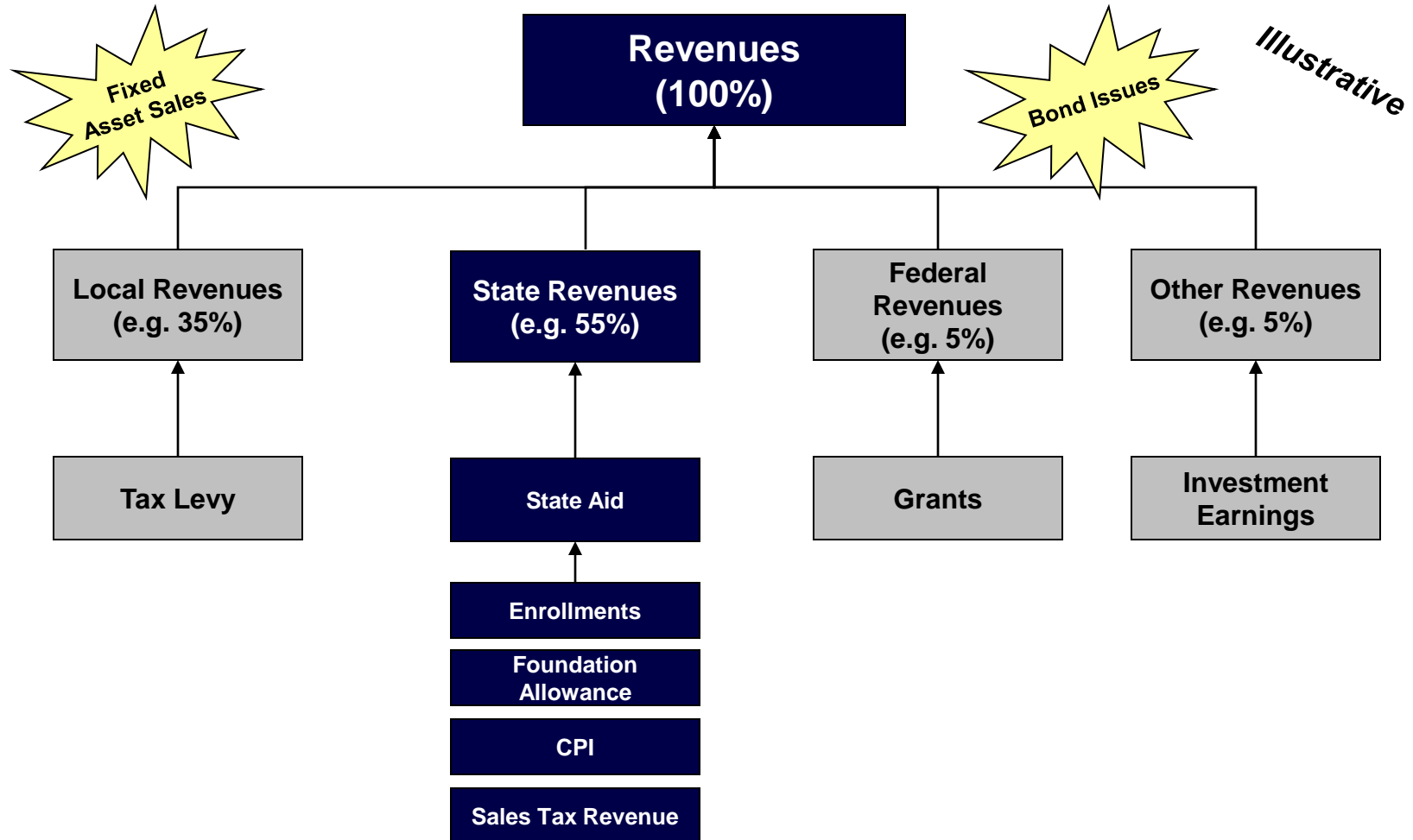
### Analytical Compass

- Secure website imports records and refreshes financial data
- User selects revenues, expenses, and funds most critical to their district
- User securely downloads Excel-based financial models preloaded with their selections

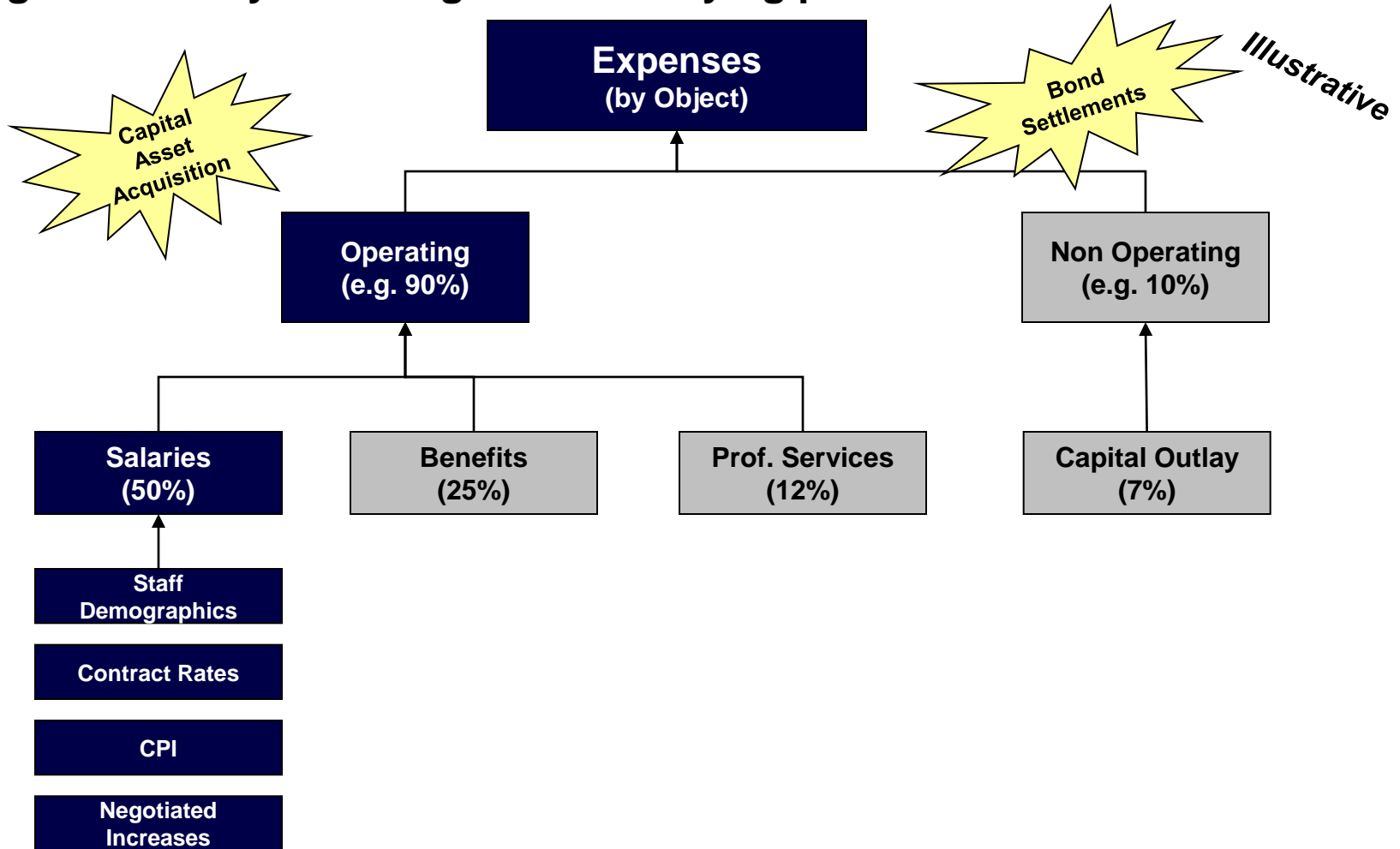


- Linked PowerPoint library updates in real time with modeling
- User can customize formats and PowerPoint settings
- User chooses which of the 150 slide to incorporate into presentation

A rich data history enables us to develop revenue projections at a high level or by modeling their underlying performance drivers



Similarly, our approach enables us to develop expense projections at a high level or by modeling their underlying performance drivers

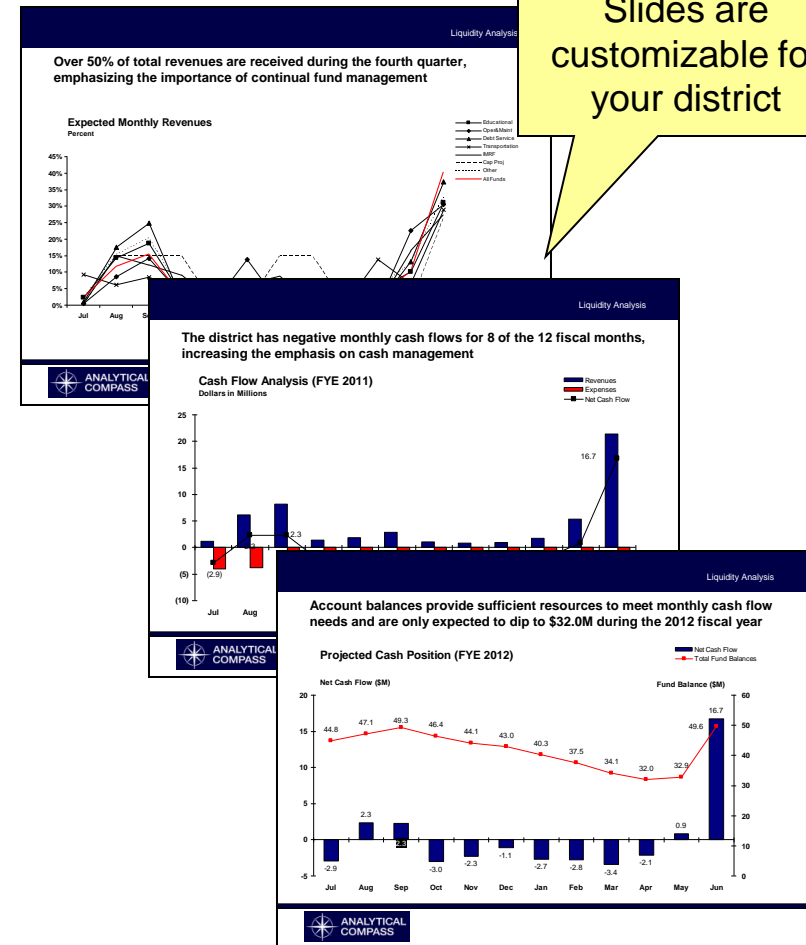


Over 100 PowerPoint charts and graphs automatically update as you work and can be integrated with other presentation materials



## Analytical Compass

- Each chart and graph in Excel can be found in a PowerPoint presentation library
- PowerPoint slides are open to format for your district
- You choose which slides or charts to incorporate into your presentation



## The projection file efficiently walks you through a five year financial projection in a user-friendly environment

- Dashboard is information hub
  - Review current year (starting) data, scenario library, scenario comparisons
  - Execute new projections, load scenarios, reset scenarios
- Create projections in three ways:
  - Very basic (“Streamline”)
  - Detailed (“Top Down”)
  - Very Detailed (“Bottom Up”)
- Thorough analysis is stored in Scenario tabs
- Cash flows can be reallocated across funds on the Fund Projections tab
- Salary schedules, staff scatter plots, and salary expense details are on the Contract Tables tab

Crunching historic data can be very time consuming

Estimating future revenues can be complicated

Preparing effective presentations can take a long time

**It can be insightful and efficient, and it is, with**

# ***ANALYTICAL COMPASS***

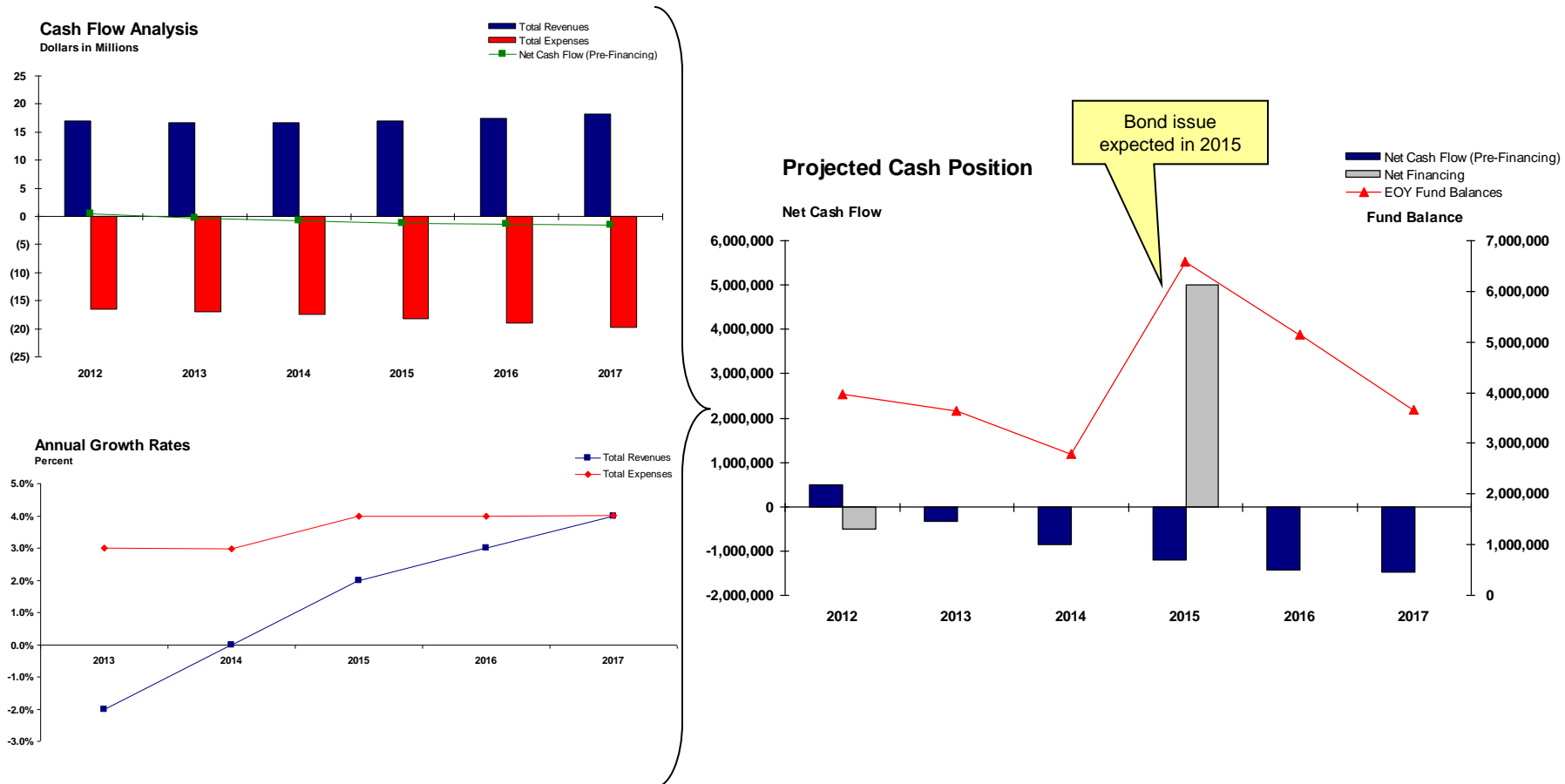
**[www.AnalyticalCompass.com](http://www.AnalyticalCompass.com)**

# Appendix

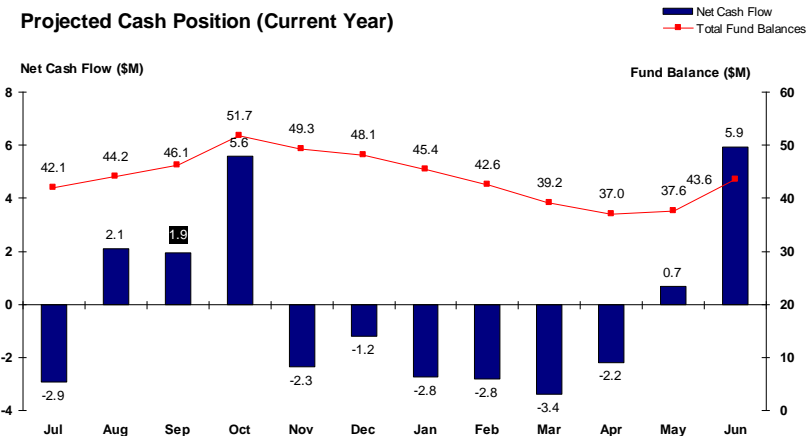
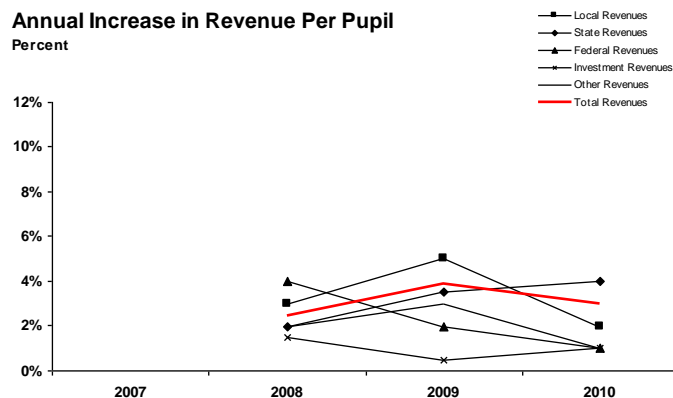
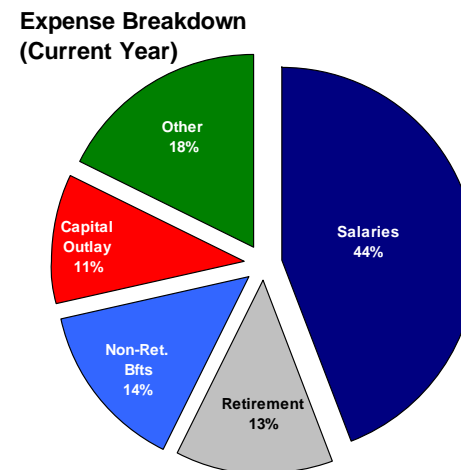
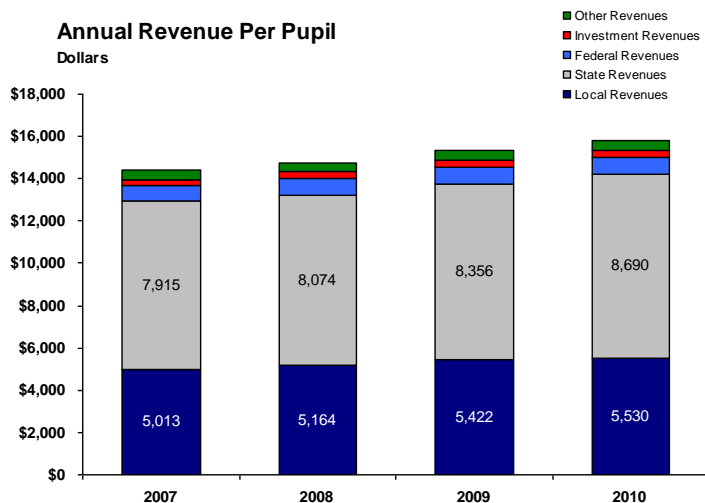
The projection model walks you through all the necessary assumptions, including those needed for Michigan's key cash flows

	Local District	ISD Central Office
Local Taxes	<ul style="list-style-type: none"> <li>• Millage rates</li> <li>• Property values</li> <li>• Headlee cap</li> </ul>	<ul style="list-style-type: none"> <li>• Millage rates</li> <li>• Property values</li> <li>• Headlee cap</li> </ul>
State Aid	<ul style="list-style-type: none"> <li>• Prop A (22a)</li> <li>• Discretionary (22b)</li> <li>• Special Ed Headlee (51c)</li> <li>• LEA Deduction (11d)</li> <li>• Other District-specific (31A, 32d, etc)</li> </ul>	<ul style="list-style-type: none"> <li>• Special Ed (52, non52)</li> <li>• Sp. Ed Categorical (51a)</li> <li>• Other ISD-specific (81, 61, etc)</li> </ul>
Salary Expense	<ul style="list-style-type: none"> <li>• Salary schedules</li> <li>• Employee counts per schedule</li> </ul>	<ul style="list-style-type: none"> <li>• Salary schedules</li> <li>• Employee counts per schedule</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Customize up to 10 revenues</li> <li>• Customize up to 10 expenses</li> <li>• Customize up to 10 funds</li> </ul>	<ul style="list-style-type: none"> <li>• Customize up to 10 revenues</li> <li>• Customize up to 10 expenses</li> <li>• Customize up to 10 funds</li> </ul>

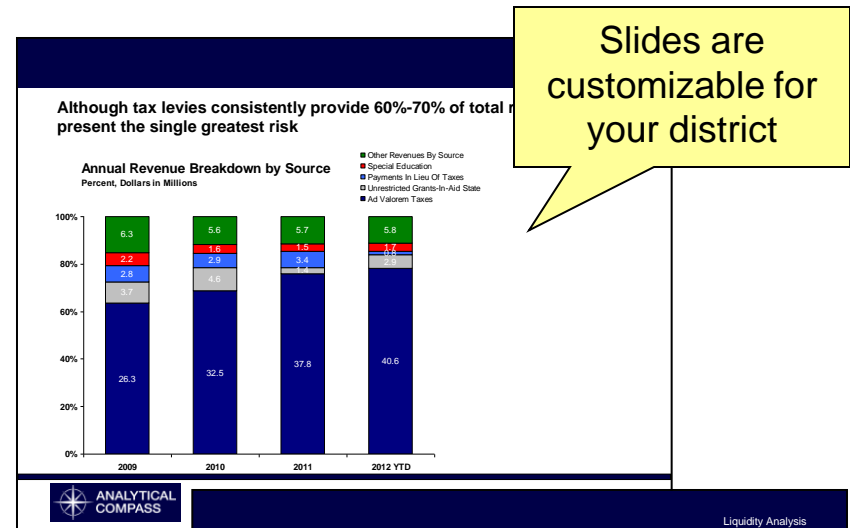
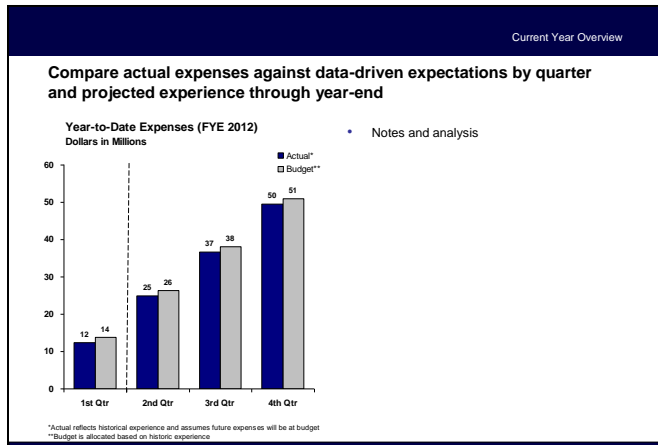
## Using Excel makes it easy to create financial projections and graphical output



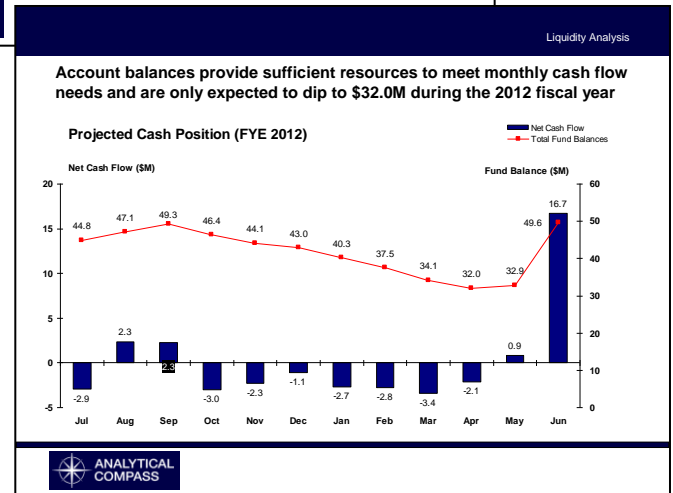
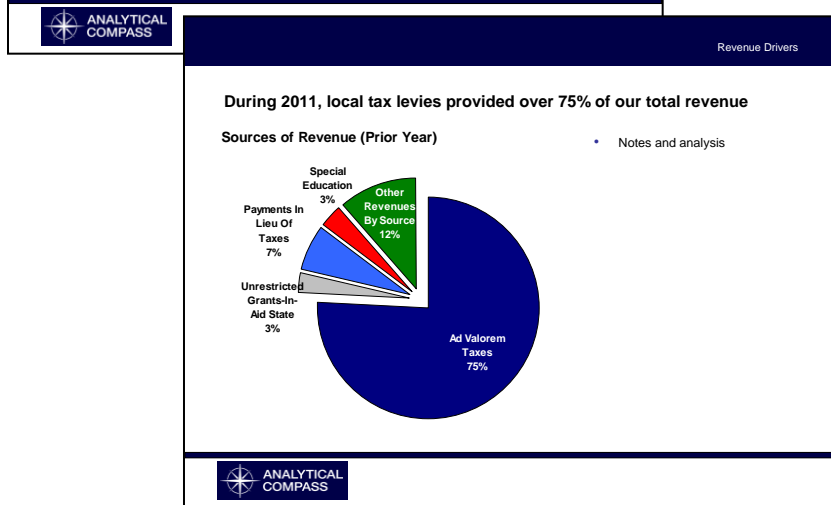
## The historical analysis program converts your uploaded data into Excel output with a few clicks of your mouse



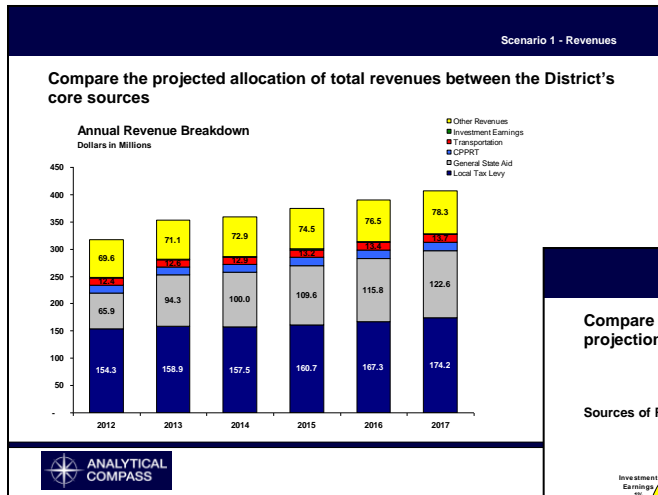
## Samples from PowerPoint library



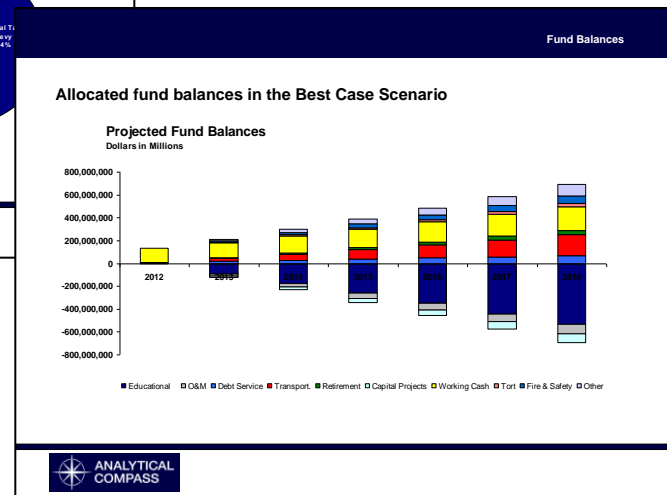
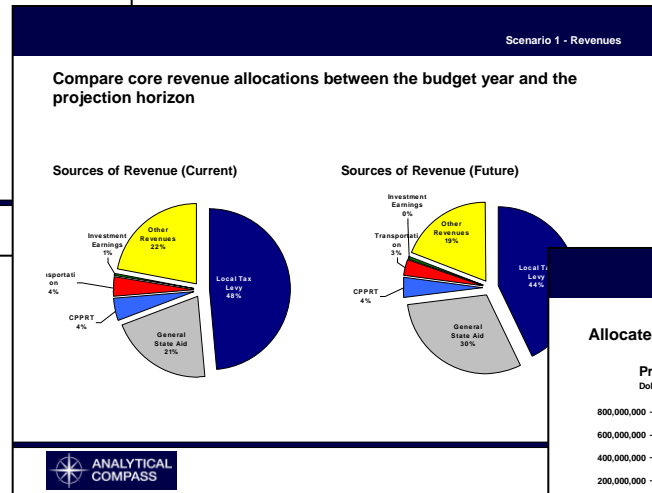
Slides are customizable for your district



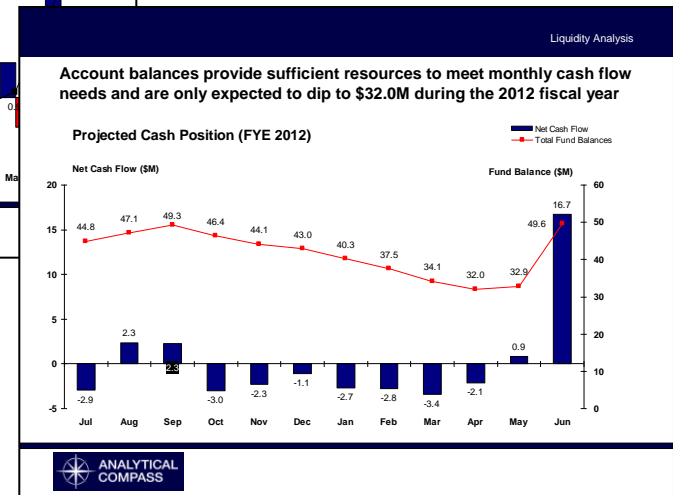
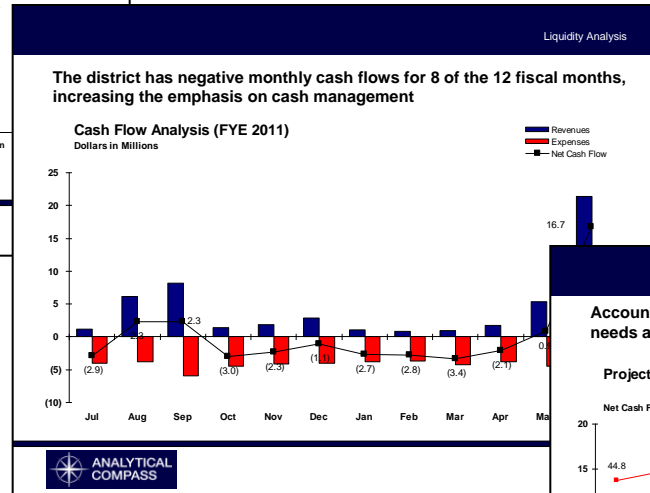
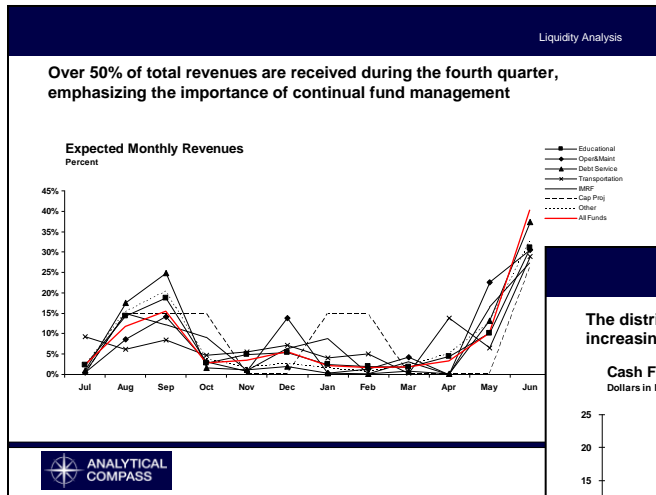
## Samples from PowerPoint library (continued)



Slides are customizable for your district



## Samples from PowerPoint library (continued)



Slides are customizable for your district