

# **ANALYTICAL COMPASS**

**Custom Solutions for Public Schools**

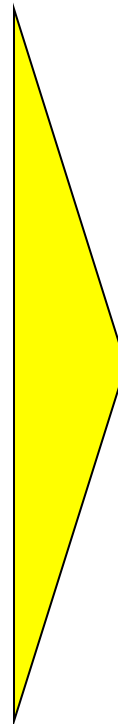
**Fall 2011**

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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

- **Time consuming** to gather and prepare source data
- **Challenging** and complicated to build financial models that accurately represent expectations
- **Frustrating** to convert analysis into succinct output



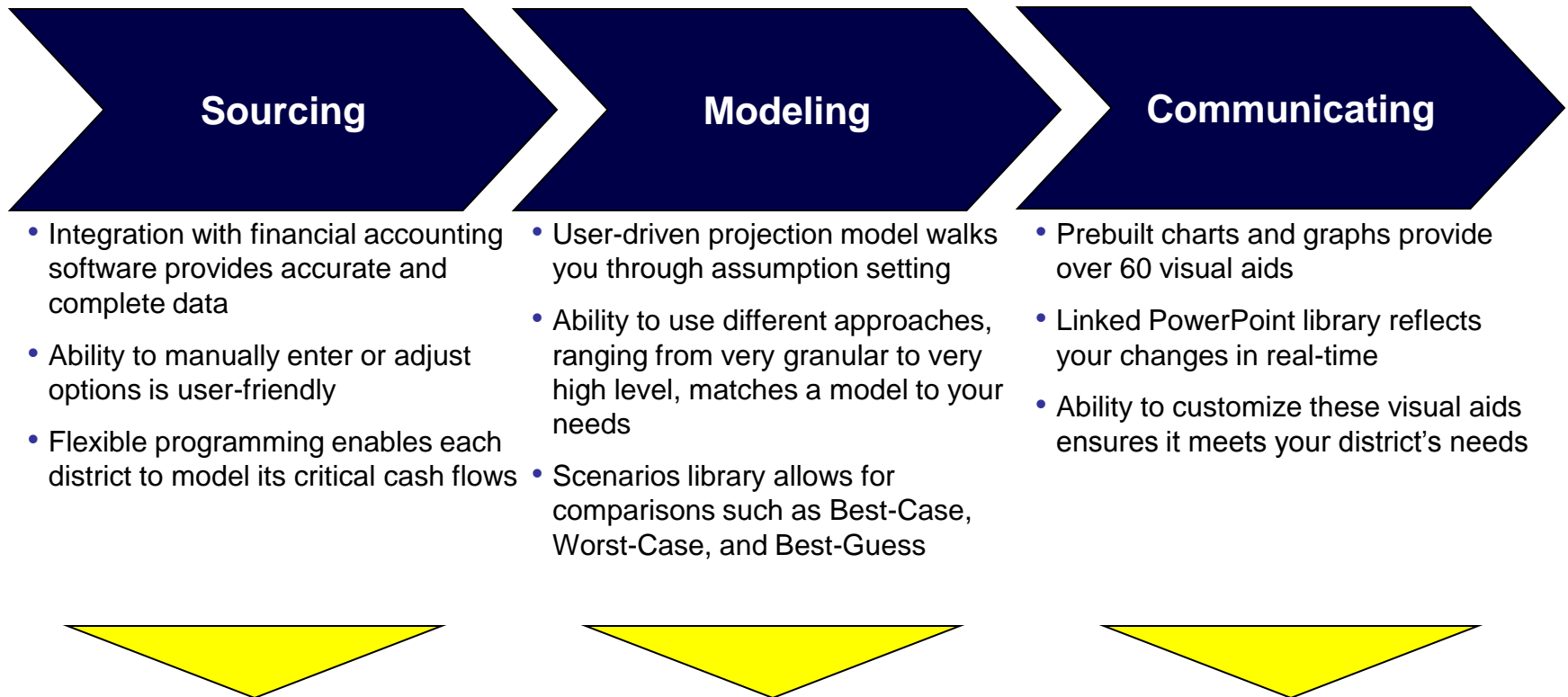
- **Data is passed electronically** from financial data systems\*
- **User-friendly** Excel models walk you through projections
- **Local and State revenue formulas are built in**
- **Salary Schedules** are used in building future salary expense
- **Output** is automatically populated into charts and graphs
- **PowerPoint** presentation updates in real time as you work

\*Can be used with any financial accounting system. Data import/transfer process will vary

# Agenda

- Analytical Compass Overview
- Custom Solutions
- Appendix

## Analytical Compass Financial Projections provides a user-driven environment to model future uncertainty



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

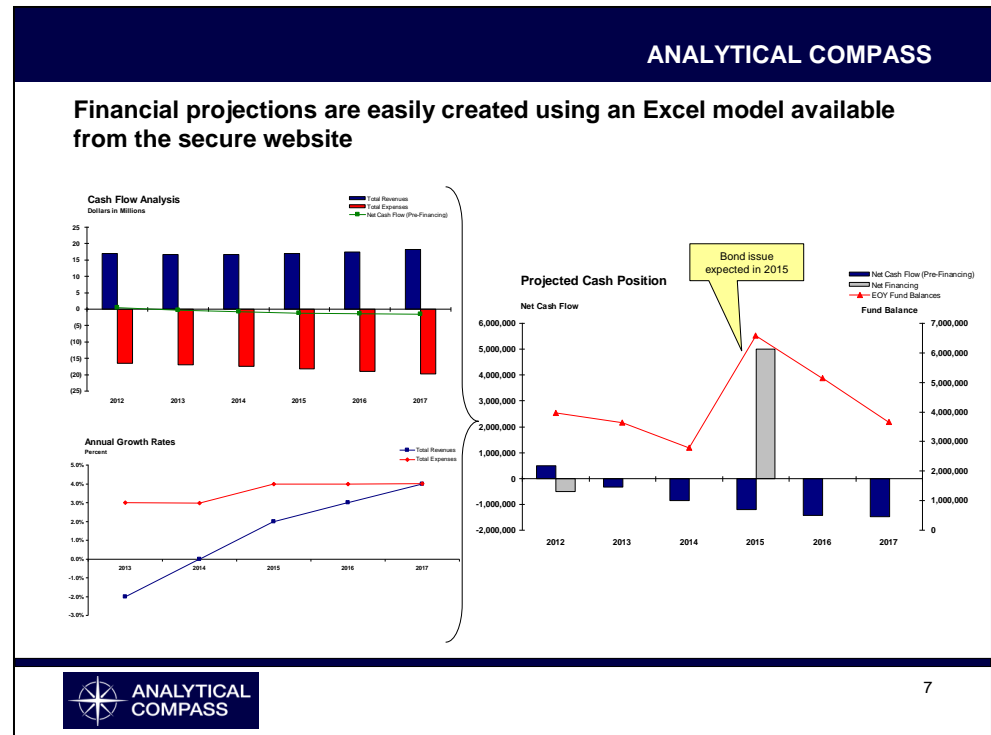
# Analytical Compass – Software Suite enables you to model detailed cash flows and draw insightful conclusions ...

## Revenues

- Build future **tax levies** based on projected property values, tax rates, and caps (as applicable)
- Calculate **General State Aid** based on state-specific formulas
- Set annual assumptions for eight other key revenues to your district

## Expenses

- Project current salary schedules using dollar and/or percent changes
- Age your staff, if desired, by allowing them to accrue additional service
- Set assumptions for nine other key expenses to your district



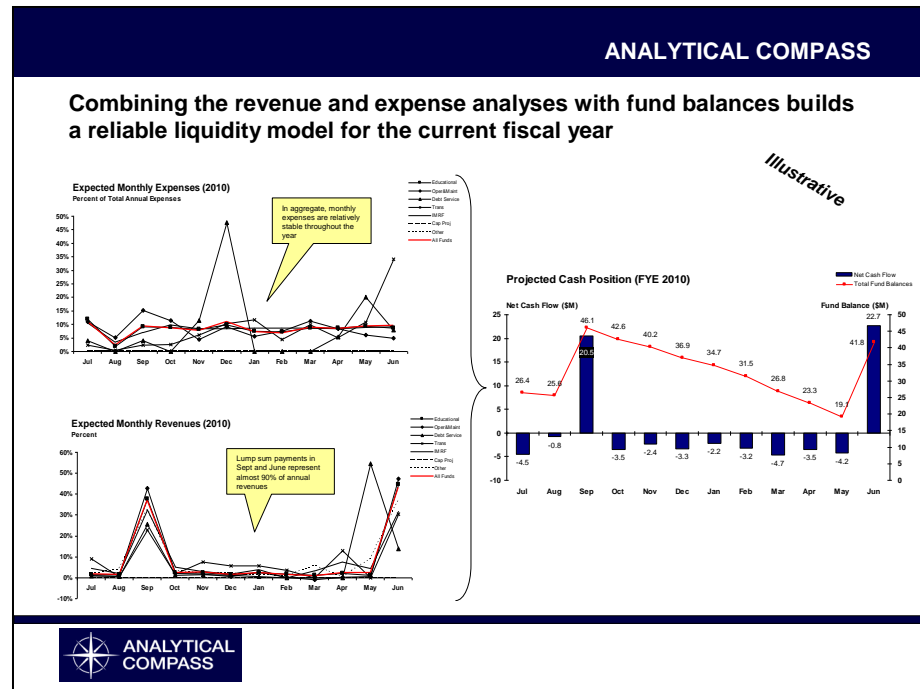
# Analytical Compass – Software Suite provides insightful analysis around your trending financial experience ...

## Monthly Cash Flows

- Analyze monthly liquidity shortfalls based on historic cash flow timing
- Estimate minimum fund balances throughout the year
- Quantify fund balance sufficiency in light of deferred revenues or accelerated expenses

## Cash Flow Breakdowns

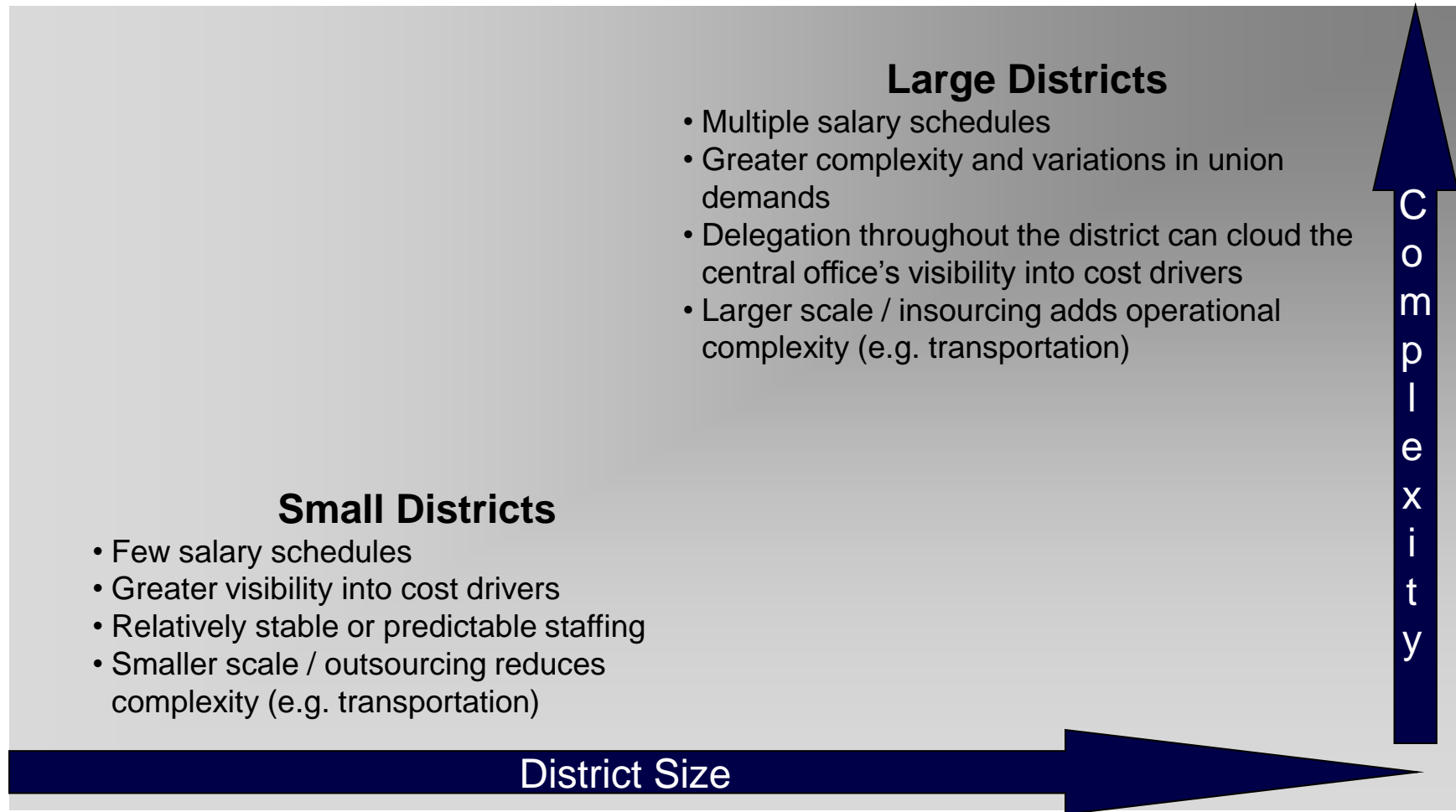
- Analyze revenue and expense sources over prior three years
- Track changes in actual experience against expectations



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**Although education finance is complicated for all districts, complexity grows exponentially as districts get large**



## Analytical Compass Custom Solutions can build a robust set of analysis and projection tools to meet your District's specific needs

### Compass Suite

- Build future tax levies based on projected property values, tax rates, and caps (as applicable)
- Model future state aid based on state-specific formulas
- Incorporate up to 10 salary schedules with annual pay increases as dollar amounts or percentages
- Allow for employee aging by adding service
- Build monthly liquidity models to estimate cash flow needs and fund balances

### Custom Solutions

- Expand tax levy model(s) to incorporate levy-specific considerations
- Build additional revenue or expense models (e.g. transportation, special education, benefits)
- Conduct and integrate detailed employee survival analysis (i.e. career path)
- Create new charts and graphs as needed
- Add new projection options or approaches (e.g. new entrant profiles, salary projection overrides)
- Other customizations to meet your needs

There is a solution for your greatest modeling needs - Analytical Compass - a suite of financial analysis and projection tools built specifically for Schools and customized for your District

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)**

## Agenda

- Compass Overview
- Compass Demonstration
- Appendix

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



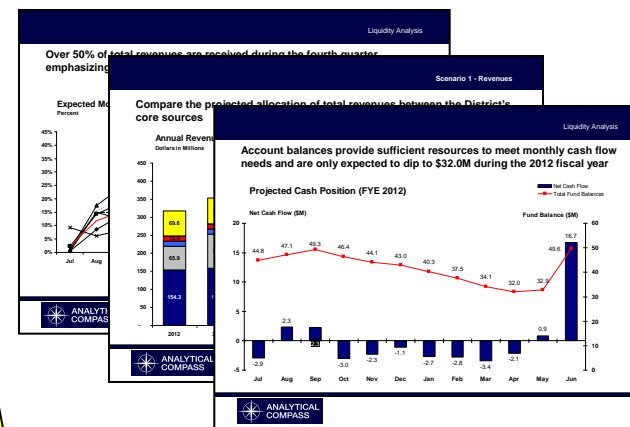
### Accounting System

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



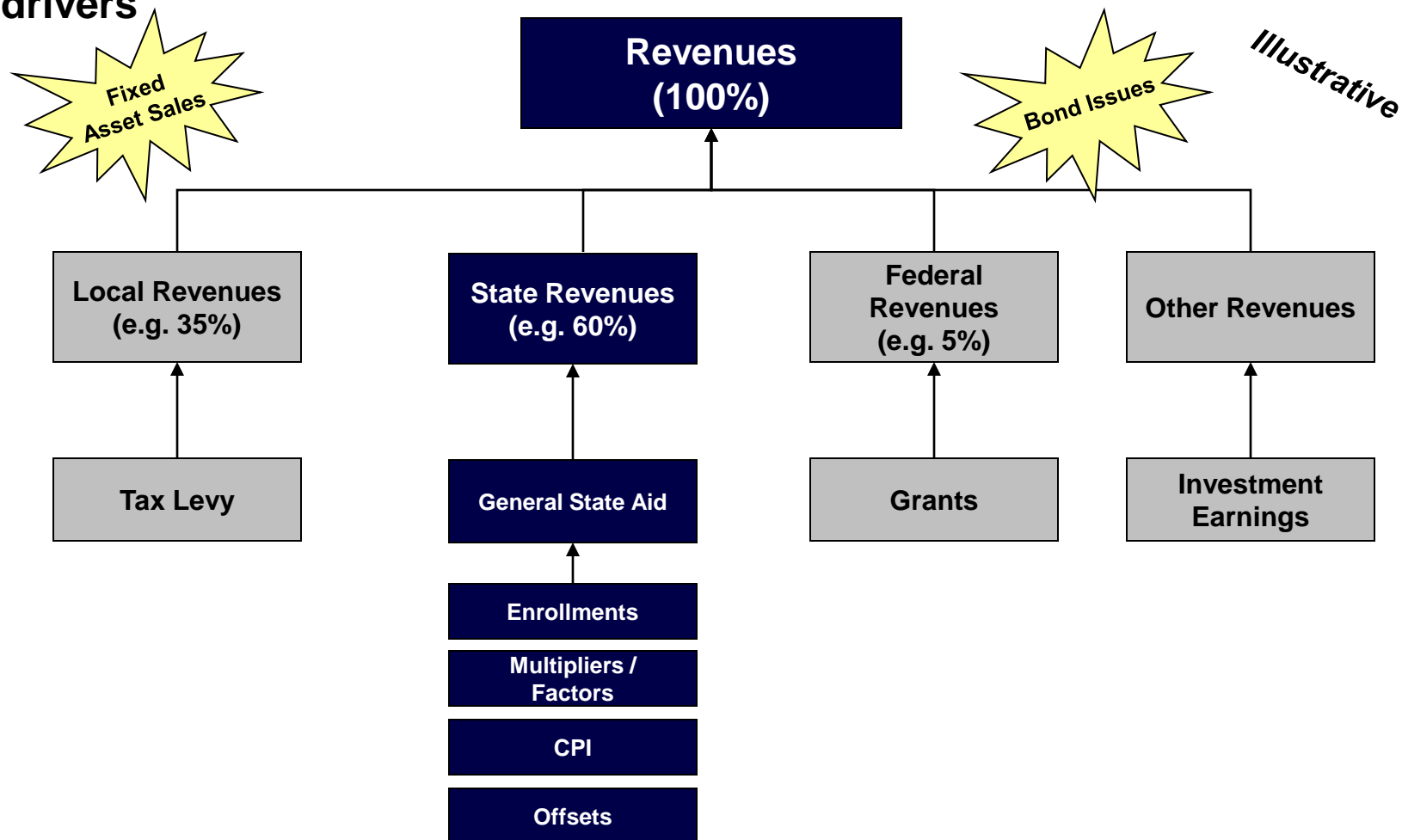
### Analytical Compass

- 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

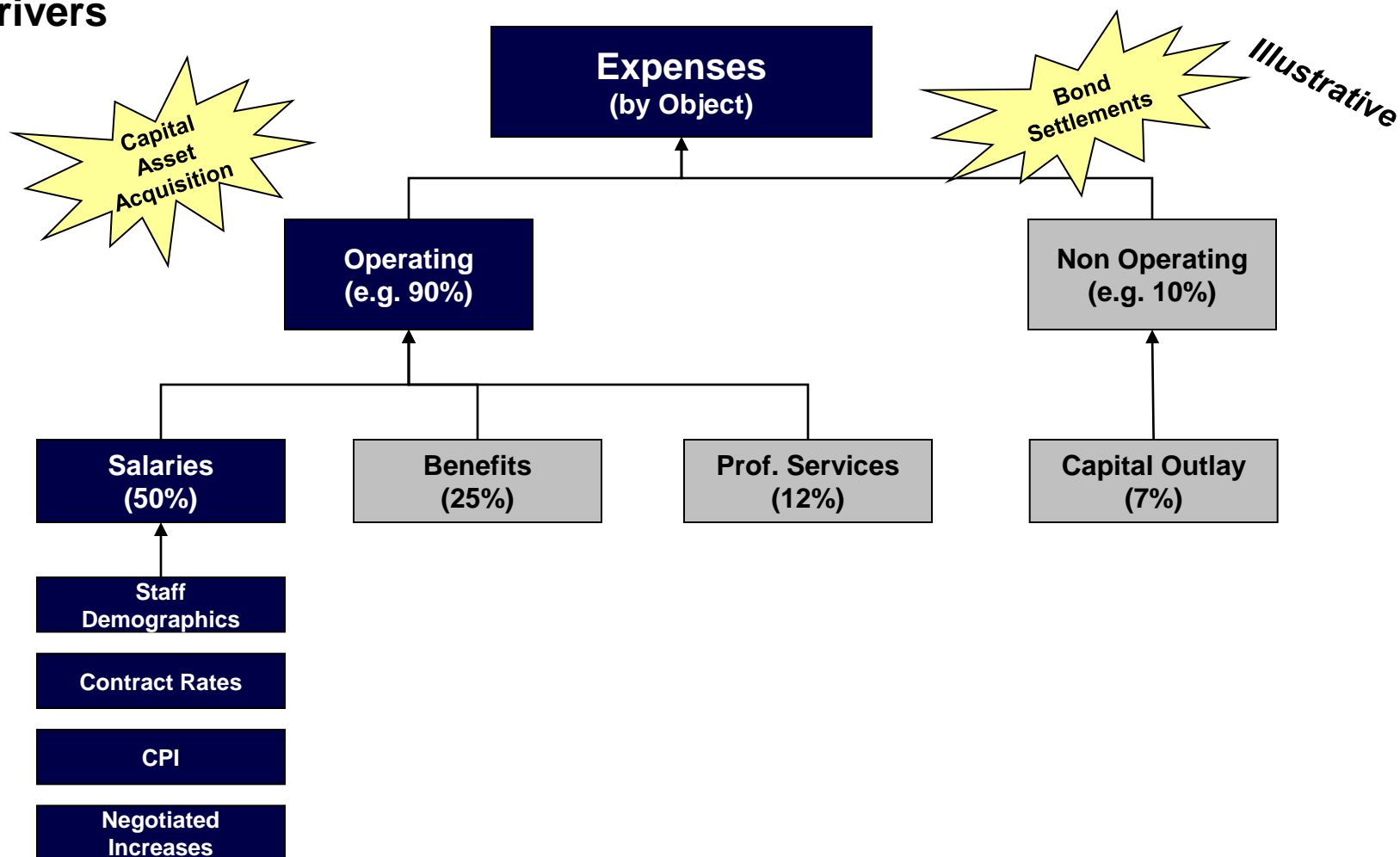


- Linked PowerPoint library updates in real time with modeling
- User can customize formats and PowerPoint settings
- User chooses which of the 150 slide to incorporate into presentation

Revenue projections can be developed at a high level using standard assumptions, or developed by modeling the underlying performance drivers



Expense projections can also be developed at a high level using standard assumptions, or developed by modeling the underlying performance drivers



## The projection model walks you through the necessary assumptions, including those needed for each critical cash flows

### Local Tax

- Property value measures and tax rates
- CPI and growth rates
- Tax caps (as applicable)

### State Aid

- Enrollment measures and multipliers
- Base funding level with adjustments
- Offsets and other formula components
- Categorical programs, hold harmless amounts, and phase outs

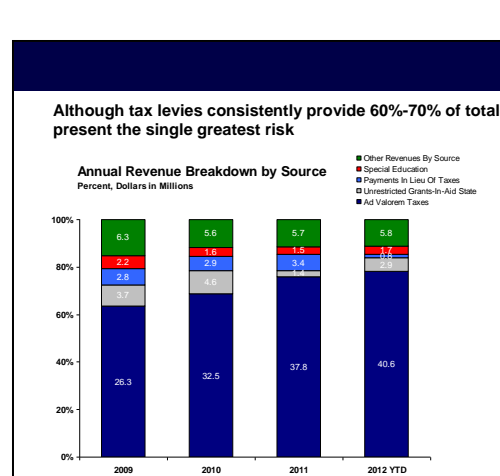
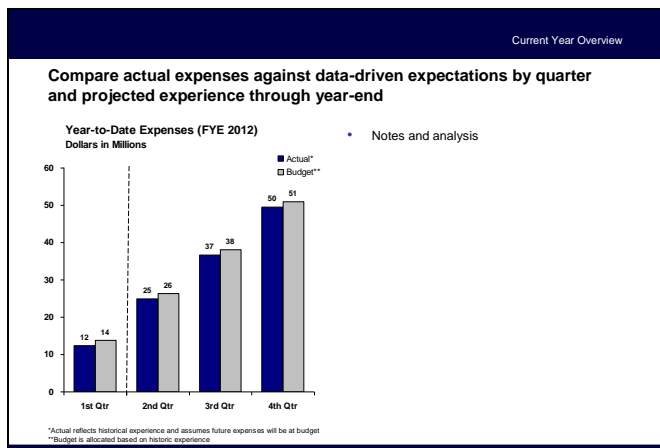
### Salary Expense

- Salary schedules
- Employee counts per schedule

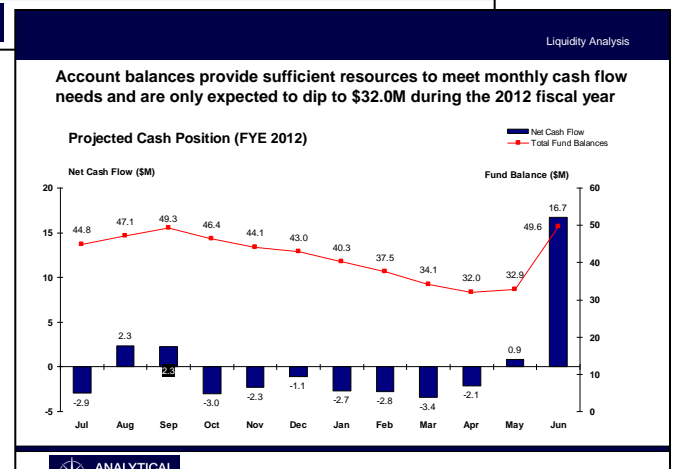
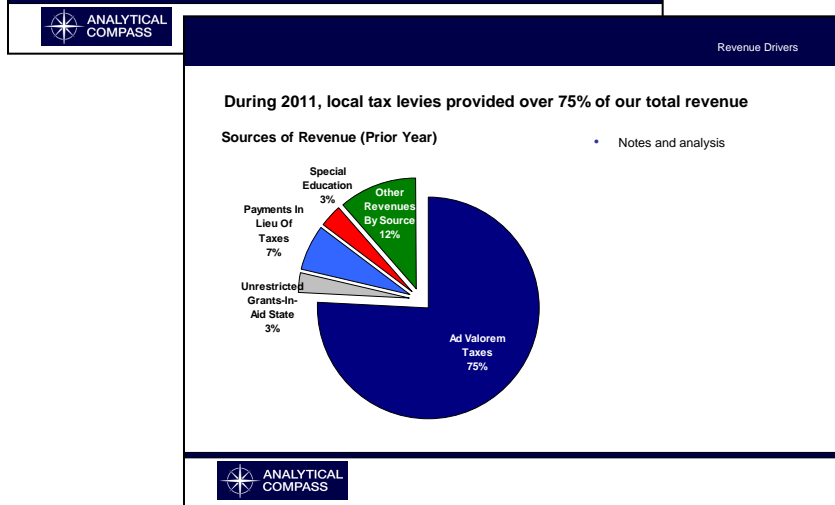
### Other

- 10 user-defined revenues
- 10 user-defined expenses
- 10 user-defined funds

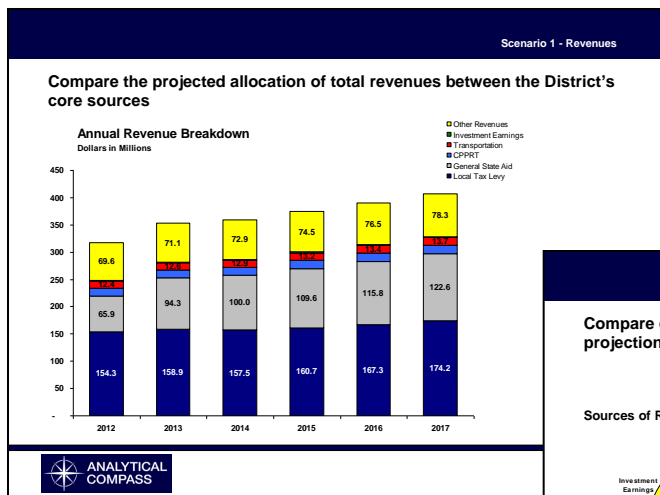
# Samples from PowerPoint library



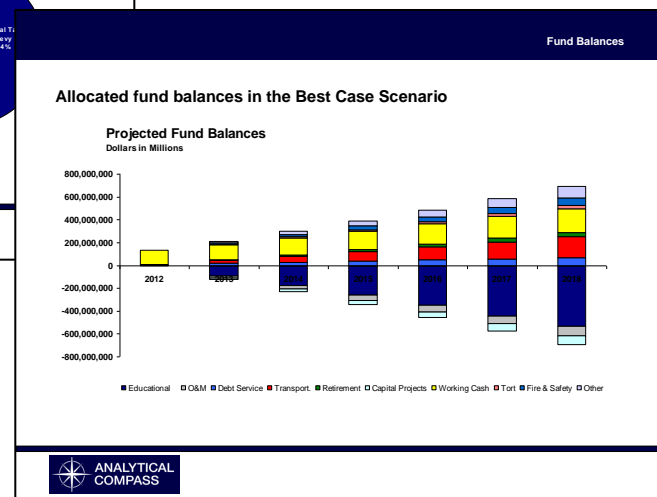
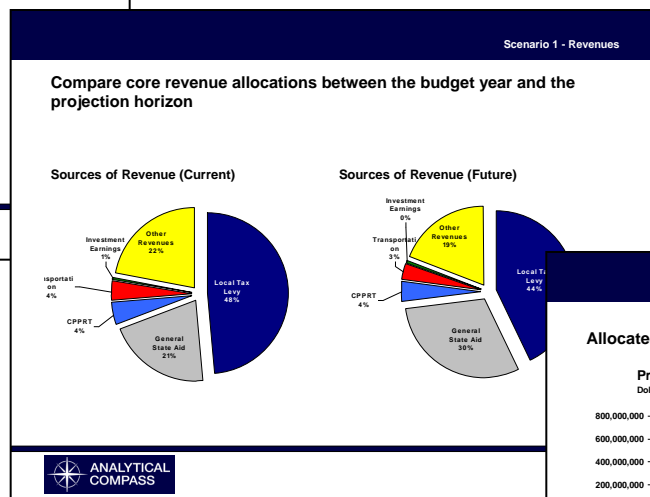
Slides are customizable for your district



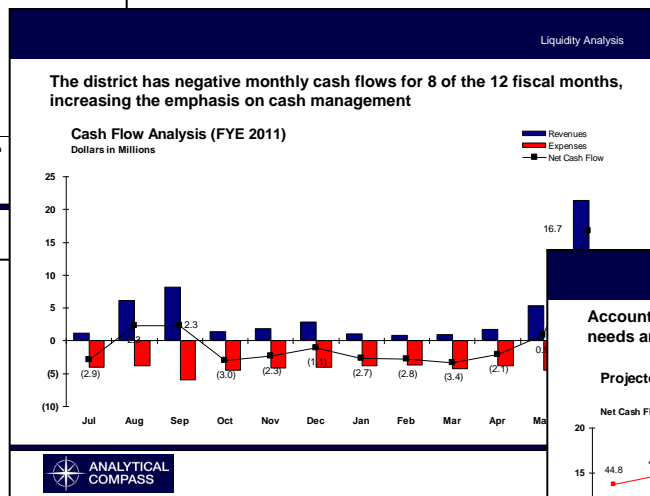
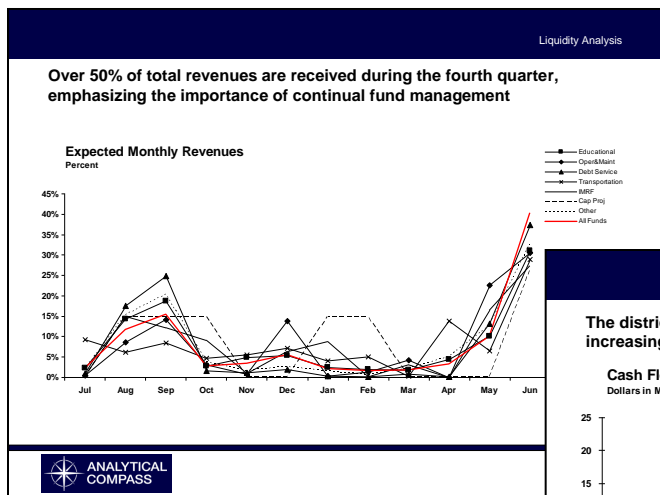
# Samples from PowerPoint library (continued)



Slides are customizable for your district



# Samples from PowerPoint library (continued)



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