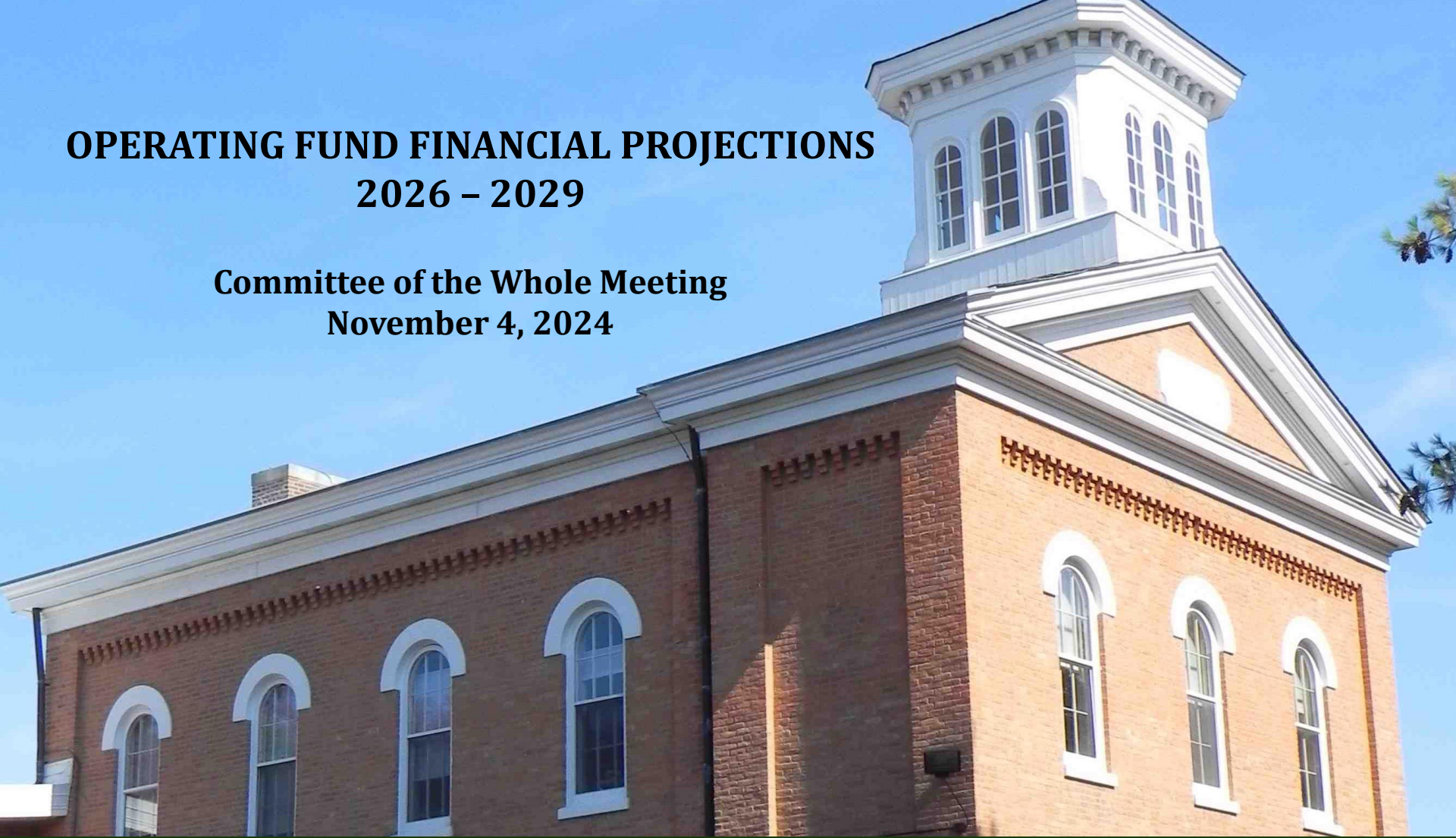


OPERATING FUND FINANCIAL PROJECTIONS 2026 – 2029

**Committee of the Whole Meeting
November 4, 2024**



Administration Building
7776 Lake Street
River Forest, Illinois 60305



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Tel: 708-771-8282
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Operating Funds – bulk of the day-to-day revenues and expenditures of the District:

- Education – primary operating fund. All activities except those required by law to be accounted for in another fund
- Operations and Maintenance – operations, repair and maintenance of District’s buildings
- Transportation – student transportation
- Working Cash – allowable interfund transfers.

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Revenue Sources

Education Fund:

Local, State and Federal:

- Local roughly 91%, most of that (83%) is taxes
- State roughly 6%
- Federal roughly 3%

Operations and Maintenance Fund:

Revenue source is primarily local property taxes

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Revenue Sources (continued)

Transportation Fund:

- Local roughly 61%, most of that is property taxes
- State roughly 39%

Working Cash Fund:

Revenue source is primarily property taxes and periodic bond issuances

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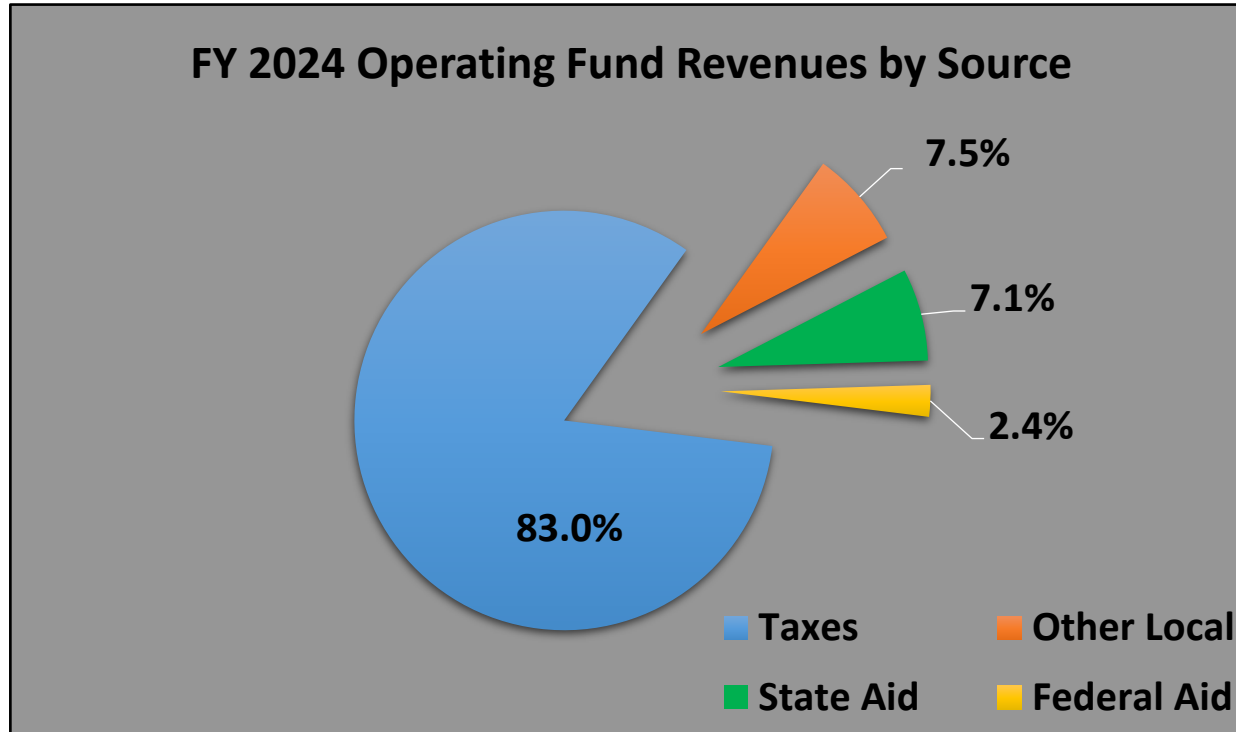
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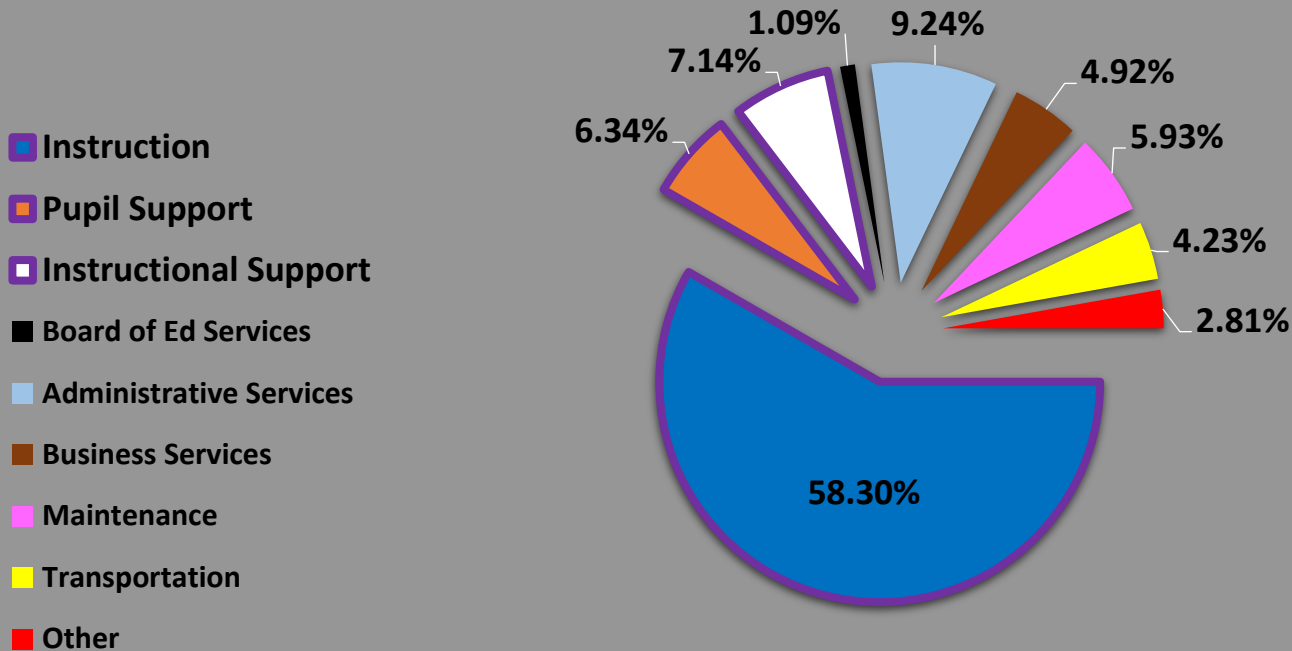
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FY 2024 Operating Fund Expenditures by Function



Instruction, Pupil Support and Instructional Support are those expenditure functions that are either directly associated with classroom instruction or have the highest impact by supporting or enhancing classroom instruction. Those functions are outlined in **PURPLE**.

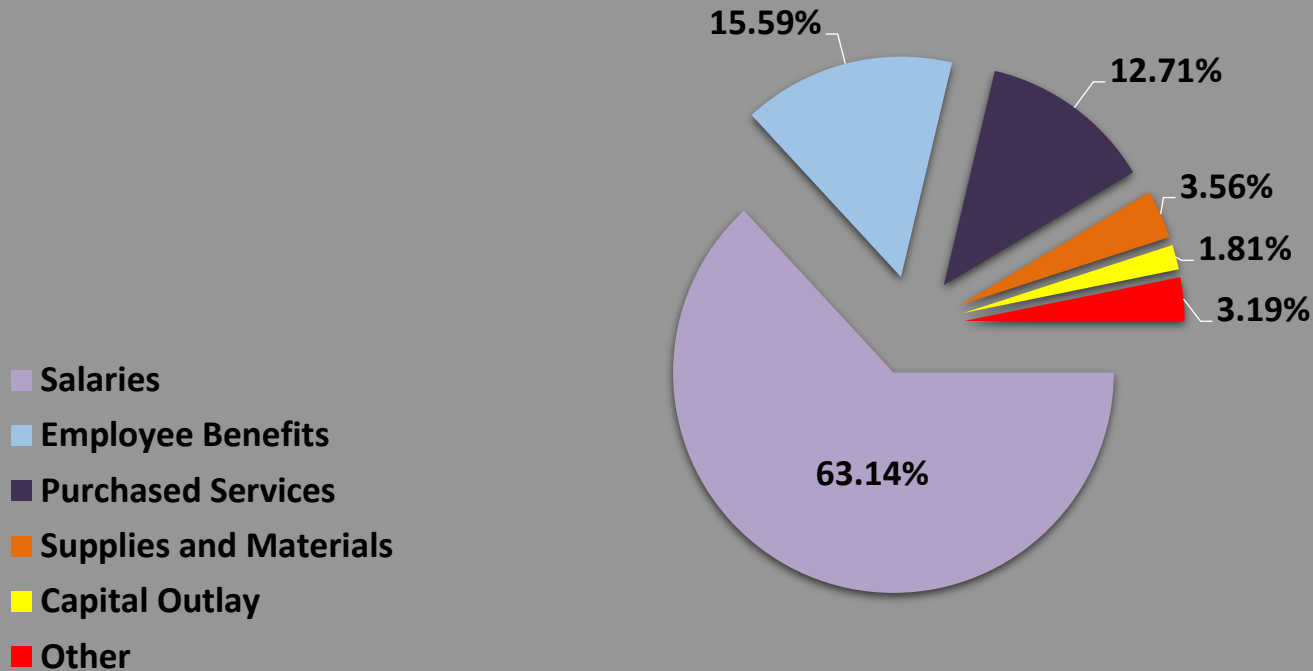
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FY 2024 Operating Fund Expenditures by Object

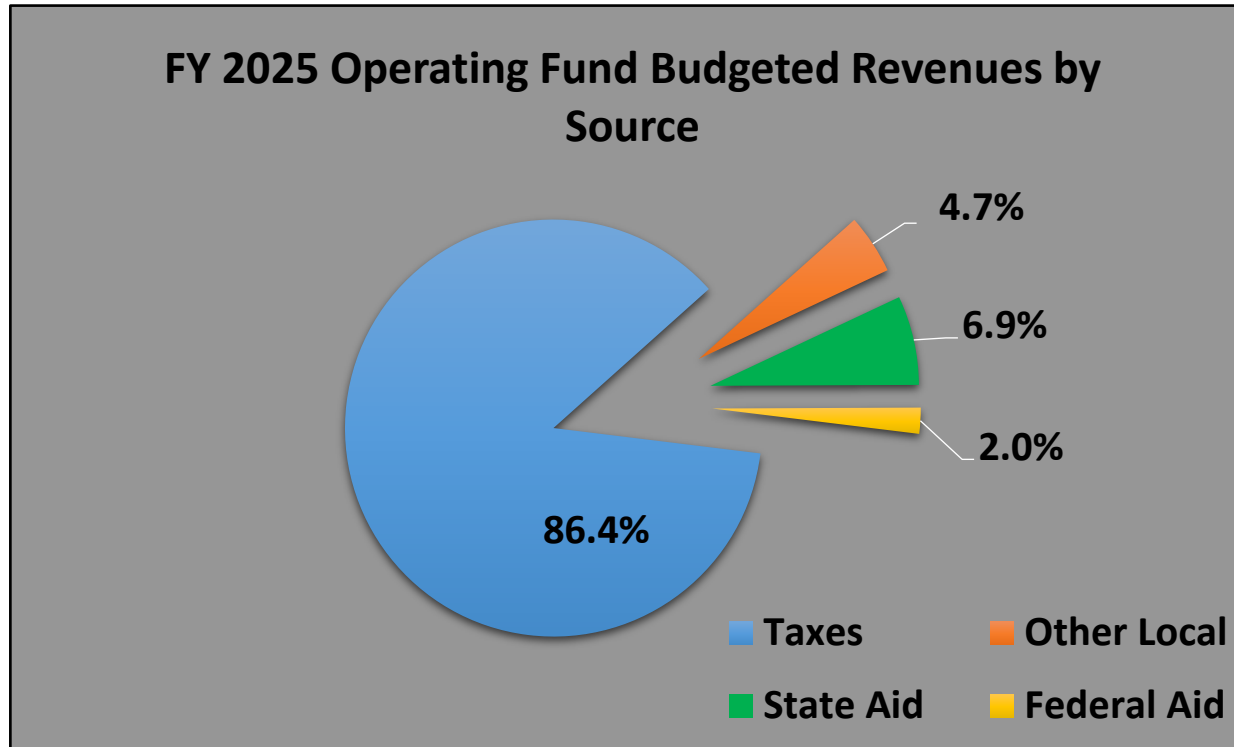


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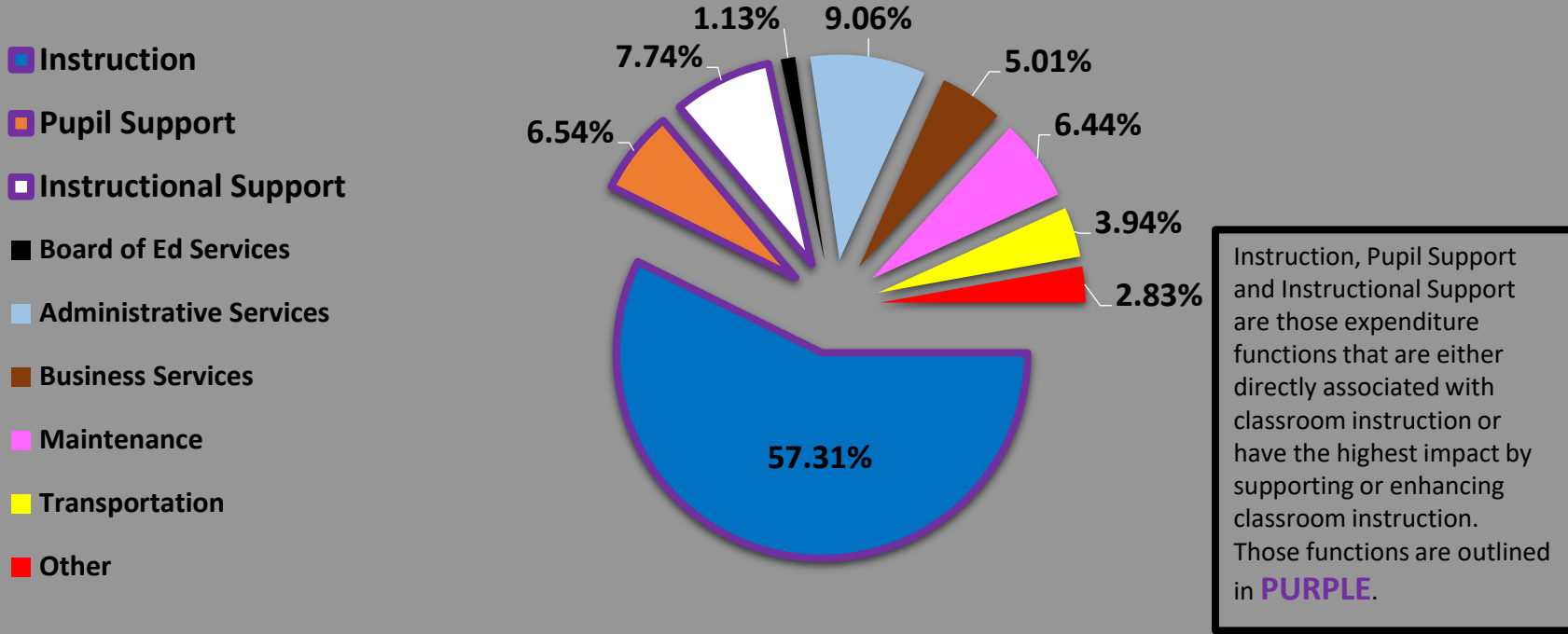
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FY 2025 Operating Fund Budgeted Expenditures by Function



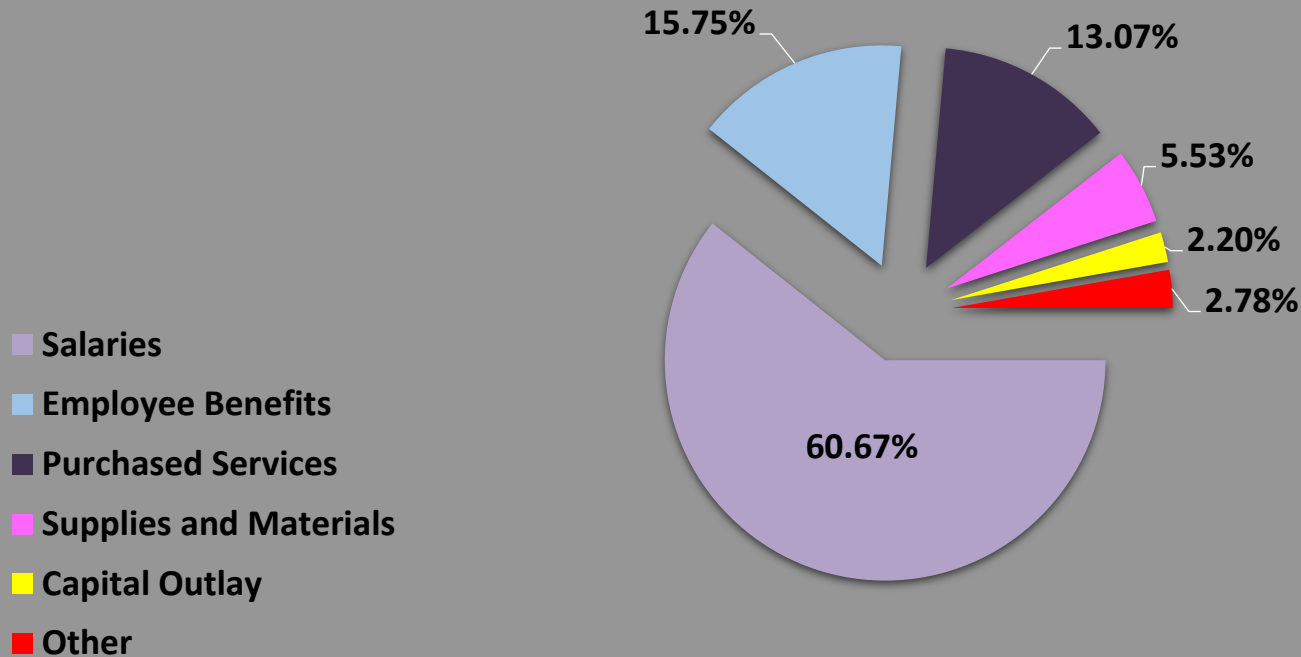
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FY 2025 Operating Fund Budgeted Expenditures by Object



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BUDGET SUMMARY - OPERATING FUNDS Fiscal Year 2024/25

	Education <u>Fund</u>	O & M <u>Fund</u>	Trans <u>Fund</u>	Working Cash <u>Fund</u>	<u>Total</u>
Fund Balance, 6/30/24	\$ 29,009,181	\$ 896,291	\$ 1,295,553	\$ 4,837,369	\$ 36,038,394
Receipts	26,387,800	2,220,500	1,525,500	182,000	30,315,800
Transfers In	-	-	-	-	-
Expenditures	25,880,900	2,175,900	1,147,000	-	29,203,800
Transfers Out	<u>136,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,700</u>
Fund Balance, 6/30/25	<u>\$ 29,379,381</u>	<u>\$ 940,891</u>	<u>\$ 1,674,053</u>	<u>\$ 5,019,369</u>	<u>\$ 37,013,694</u>

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History of Long-Range Financial Projections:

- FY 02 – Total Operating Fund Balances = \$6.7M
- FY 03 – Operating Fund deficit of \$1M
- November 03 projections showed that even with a future \$7M bond sale, fund balances would fall to less than half of annual expenditures by FY 07
- FY 04 – Operating Fund deficit of \$2M
- FY 05 – Operating Fund deficit of \$2.5M. Projections showed District completely running out of money by end of FY 08
- Fiscal Action Team was convened in summer of 2005 and recommended that District go for an Educational Fund tax rate increase on March 2006 ballot. It successfully passed by a 60/40 margin
- Previous referenda attempts were in 1995 (failed) and 1998 (passed)

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History of Long-Range Financial Projections (Cont.):

- 2006 referendum was to be phased-in to full extent for five straight years (tax years 2005-2009)
- After 3rd yr., Board saw that fund balances were healthier than anticipated, so they only levied half of the 4th yr. phase-in and eliminated 5th yr. increase altogether
- Board continued monitoring fund balances – noticed in 2011 that they were healthier than anticipated (due mainly to TIF expiration) and approved the 2012 tax levy that was actually less than the previous year.
- Operating Fund revenues in excess of expenditures through FY 18
- FY 19 – deficit spending began, which was accurately projected in previous years and expected to increase each subsequent year. Board was told that deficit spending to that extent was unsustainable.

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History of Long-Range Financial Projections (Cont.):

- FY 20 – deficit spending still occurred, but was reduced due to pandemic
- FY 21 and FY 22 – deficit spending returned as projected
- FY 23 – minor deficit
- FY 24 – minor excess
- FY 25 - Budgeted excess of \$975K due to deficit reduction plan and a little luck. Most of deficit reduction items were one-time reductions

Long-Range Financial Projections are:

- Vital to prepare for the future and protect against surprises
- Fluid documents as assumptions may change over time
- Only as good as the information known at that time

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Current Projected Revenues

Education Fund:

- Property taxes for 2026 uses the appropriate Consumer Price Index (CPI) of 3.40%. Property taxes for 2027-2029 are projected using a CPI of 3.70% (average of last 4 year's property tax CPI). Levy strategy requires a shift to temporarily allocate more of the total levy to the Operations and Maintenance Fund, but less to the Transportation Fund
- State funding will remain constant. We are a Tier 4 district, only eligible for 0.1% of any additional funding
- Federal will remain constant

Operations and Maintenance Fund:

Property taxes are projected using the allocation strategy referenced in the Education Fund

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Current Projected Revenues (continued)

Transportation Fund:

- Property taxes are projected using the allocation strategy referenced in the Education Fund.
- State funding will remain constant

Working Cash Fund:

- Property taxes use the same projection as Education
- \$4,000,000 bond sale is projected in July of 2026

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Current Projected Expenditures

Education Fund:

- Teachers' collective bargaining agreement expires in August of 2025. Salaries are projected using annual increases averaging 3.5%. Aides' collective bargaining agreement expires in August of 2026. Salaries are projected using annual increases averaging 3.0%. Remaining employee salaries are projected using annual increases averaging 3.4%.
- Employee Benefits are projected to increase by 11.5%.
- Purchased Services and Supplies and Materials are projected considering annual contracted professionals, annual curriculum reviews, projected textbook adoptions and staff professional development.

Operations and Maintenance Fund:

- Salary increases are projected at 3.4%.
- Employee Benefits are projected at 11.5%.
- Capital Outlay is projected coinciding with long-range facility plan and recommendations from the Safety and Security Committee.

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Current Projected Expenditures (Continued)

Transportation Fund expenditures are projected to fluctuate with the change in out-of-district student enrollment, including savings from new ridesharing program.

Working Cash Fund transfers out to other funds are projected to fluctuate as deficit spending in other funds continue.

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Deficit Spending:

- The District's expenditures and other uses are projected to be in excess of its revenues and other financing sources for each of the next four years.
- Including capital expenditures, the total deficit in all operating funds over the next four years is as follows:
 - FY 2025/26 – (\$686,800)
 - FY 2026/27 – (\$134,800)*
 - FY 2027/28 – (\$804,600)
 - FY 2028/29 – (\$952,500)

*Note that we project a \$4.0 million bond sale in the Working Cash Fund, resulting in a projected excess of revenues and other financing sources over expenditures and other financing uses of \$3,865,200 in FY 2026/27.

- Deficit spending at that capacity, while not advisable, is sustainable as the total projected deficit does not exceed the periodic bond proceeds.

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COMBINED PROJECTED ENDING FUND BALANCES - OPERATING FUNDS FISCAL YEARS 2026 - 2029

<u>Fund</u>	<u>Projected 2025/26</u>	<u>Projected 2026/27</u>	<u>Projected 2027/28</u>	<u>Projected 2028/29</u>
Education	\$ 28,522,081	\$ 27,730,781	\$ 27,456,681	\$ 26,648,681
Operations and Maintenance	1,123,391	1,599,891	914,391	666,891
Transportation	1,510,053	1,538,053	1,516,053	1,442,053
Working Cash	<u>5,171,369</u>	<u>9,323,369</u>	<u>9,500,369</u>	<u>9,677,369</u>
Total Projected Ending Fund Balances, Operating Funds	<u>\$ 36,326,894</u>	<u>\$ 40,192,094</u>	<u>\$ 39,387,494</u>	<u>\$ 38,434,994</u>

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Questions?

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