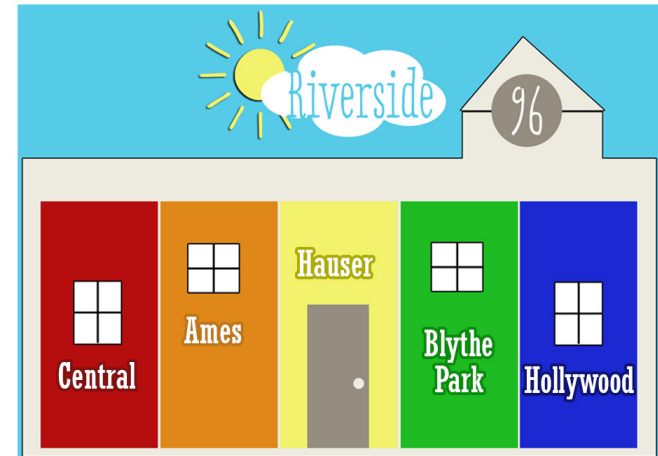


## RIVERSIDE SCHOOL DISTRICT 96

*Five Schools • One District • Optimizing Excellence*



# RIVERSIDE PUBLIC SCHOOL DISTRICT 96

## LEVY PUBLIC HEARING

NOVEMBER 19, 2013

# LEVY SCENARIO No. 1:

- Maximum Levy: 1.7% CPI
- Approximate increase in tax levy extension of \$396,300
- Estimated impact per taxpayer:  
$$\$396,300 / 6,122 \text{ taxpayers} \sim \$64.73$$

**Riverside School District 96**  
Financial Projections (Operating Funds Only)  
Fiscal Years Ending June 30, 2014 through June 30, 2023

	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
<b>Beginning Fund Balance</b>	<b>28,447,180</b>	<b>20,091,283</b>	<b>18,943,873</b>	<b>17,805,424</b>	<b>16,410,998</b>
Revenues:					
Real Estate Taxes	21,261,303	21,665,268	22,076,908	22,496,369	22,923,800
Other Local Revenues	655,000	668,100	681,462	695,091	708,993
General State-Aid	790,000	809,750	829,994	850,744	872,012
Restricted State Grants	1,301,000	1,333,525	1,366,863	1,401,035	1,436,061
Restricted Federal Grants	465,000	476,625	488,541	500,754	513,273
<b>Total Revenues</b>	<b>24,472,303</b>	<b>24,953,268</b>	<b>25,443,767</b>	<b>25,943,993</b>	<b>26,454,139</b>
Expenses:					
Salaries	13,464,300	14,137,515	14,561,640	14,998,490	15,448,444
Employee Benefits	3,241,600	3,403,680	3,573,864	3,752,557	3,940,185
Purchased Services	5,355,300	5,489,183	5,626,412	5,767,072	5,911,249
Supplies & Materials	1,297,900	1,297,900	1,297,900	1,297,900	1,297,900
Capital Outlay	796,700	600,000	350,000	350,000	300,000
Other Expenses	25,400	25,400	25,400	25,400	25,400
<b>Total Expenses</b>	<b>24,181,200</b>	<b>24,953,678</b>	<b>25,435,217</b>	<b>26,191,419</b>	<b>26,923,179</b>
<b>Revenues vs. Expenses</b>	<b>291,103</b>	<b>(410)</b>	<b>8,551</b>	<b>(247,426)</b>	<b>(469,040)</b>
Extraordinary expenses:					
Transfer to Capital Projects	7,500,000	-	-	-	-
Bond Payments	1,147,000	1,147,000	1,147,000	1,147,000	1,147,000
<b>Total Extraordinary Expenses</b>	<b>8,647,000</b>	<b>1,147,000</b>	<b>1,147,000</b>	<b>1,147,000</b>	<b>1,147,000</b>
<b>Ending Fund Balance</b>	<b>20,091,283</b>	<b>18,943,873</b>	<b>17,805,424</b>	<b>16,410,998</b>	<b>14,794,958</b>
<b>Total Expenditures (Including Debt Pymts)</b>	<b>25,328,200</b>	<b>26,100,678</b>	<b>26,582,217</b>	<b>27,338,419</b>	<b>28,070,179</b>
<b>Revenues Less Expenditures (including Debt Pymts)</b>	<b>(855,897)</b>	<b>(1,147,410)</b>	<b>(1,138,449)</b>	<b>(1,394,426)</b>	<b>(1,616,040)</b>
Fund Balance Ratio	0.951	0.890	0.830	0.763	0.689
Expenditure to Revenue Ratio	0.988	1.000	1.000	1.010	1.018
Policy Percentage Requirement	83%	76%	70%	63%	55%

## LEVY SCENARIO No. 2:

- Reduced Levy: .85% CPI
- Approximate increase in tax levy extension of \$198,139
- Estimated impact per taxpayer:  
$$\$198,139 / 6,122 \text{ taxpayers} \sim \$32.37$$

**Riverside School District 96**  
Financial Projections (Operating Funds Only)  
Fiscal Years Ending June 30, 2014 through June 30, 2023

	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
<b>Beginning Fund Balance</b>	<b>28,447,180</b>	<b>19,891,283</b>	<b>18,540,073</b>	<b>17,193,952</b>	<b>15,587,907</b>
Revenues:					
Real Estate Taxes	21,061,303	21,461,468	21,869,236	22,284,751	22,708,161
Other Local Revenues	655,000	668,100	681,462	695,091	708,993
General State-Aid	790,000	809,750	829,994	850,744	872,012
Restricted State Grants	1,301,000	1,333,525	1,366,863	1,401,035	1,436,061
Restricted Federal Grants	465,000	476,625	488,541	500,754	513,273
<b>Total Revenues</b>	<b>24,272,303</b>	<b>24,749,468</b>	<b>25,236,095</b>	<b>25,732,375</b>	<b>26,238,500</b>
Expenses:					
Salaries	13,464,300	14,137,515	14,561,640	14,998,490	15,448,444
Employee Benefits	3,241,600	3,403,680	3,573,864	3,752,557	3,940,185
Purchased Services	5,355,300	5,489,183	5,626,412	5,767,072	5,911,249
Supplies & Materials	1,297,900	1,297,900	1,297,900	1,297,900	1,297,900
Capital Outlay	796,700	600,000	350,000	350,000	300,000
Other Expenses	25,400	25,400	25,400	25,400	25,400
<b>Total Expenses</b>	<b>24,181,200</b>	<b>24,953,678</b>	<b>25,435,217</b>	<b>26,191,419</b>	<b>26,923,179</b>
<b>Revenues vs. Expenses</b>	<b>91,103</b>	<b>(204,210)</b>	<b>(199,121)</b>	<b>(459,044)</b>	<b>(684,678)</b>
Extraordinary expenses:					
Transfer to Capital Projects	7,500,000	-	-	-	-
Bond Payments	1,147,000	1,147,000	1,147,000	1,147,000	1,147,000
<b>Total Extraordinary Expenses</b>	<b>8,647,000</b>	<b>1,147,000</b>	<b>1,147,000</b>	<b>1,147,000</b>	<b>1,147,000</b>
<b>Ending Fund Balance</b>	<b>19,891,283</b>	<b>18,540,073</b>	<b>17,193,952</b>	<b>15,587,907</b>	<b>13,756,229</b>
<b>Total Expenditures (Including Debt Pymts)</b>	<b>25,328,200</b>	<b>26,100,678</b>	<b>26,582,217</b>	<b>27,338,419</b>	<b>28,070,179</b>
<b>Revenues Less Expenditures (including Debt Pymts)</b>	<b>(1,055,897)</b>	<b>(1,351,210)</b>	<b>(1,346,121)</b>	<b>(1,606,044)</b>	<b>(1,831,678)</b>
Fund Balance Ratio	0.951	0.881	0.813	0.737	0.655
Expenditure to Revenue Ratio	0.996	1.008	1.008	1.018	1.026
<b>Policy Percentage Requirement</b>	<b>82%</b>	<b>74%</b>	<b>68%</b>	<b>60%</b>	<b>51%</b>

# LEVY SCENARIO No. 3:

- Zero Increase Levy

**Riverside School District 96**  
Financial Projections (Operating Funds Only)  
Fiscal Years Ending June 30, 2014 through June 30, 2023

	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
<b>Beginning Fund Balance</b>	<b>28,447,180</b>	<b>19,675,283</b>	<b>18,103,969</b>	<b>16,533,562</b>	<b>14,698,970</b>
Revenues:					
Real Estate Taxes	20,845,303	21,241,364	21,644,950	22,056,204	22,475,272
Other Local Revenues	655,000	668,100	681,462	695,091	708,993
General State-Aid	790,000	809,750	829,994	850,744	872,012
Restricted State Grants	1,301,000	1,333,525	1,366,863	1,401,035	1,436,061
Restricted Federal Grants	465,000	476,625	488,541	500,754	513,273
<b>Total Revenues</b>	<b>24,056,303</b>	<b>24,529,364</b>	<b>25,011,809</b>	<b>25,503,827</b>	<b>26,005,610</b>
Expenses:					
Salaries	13,464,300	14,137,515	14,561,640	14,998,490	15,448,444
Employee Benefits	3,241,600	3,403,680	3,573,864	3,752,557	3,940,185
Purchased Services	5,355,300	5,489,183	5,626,412	5,767,072	5,911,249
Supplies & Materials	1,297,900	1,297,900	1,297,900	1,297,900	1,297,900
Capital Outlay	796,700	600,000	350,000	350,000	300,000
Other Expenses	25,400	25,400	25,400	25,400	25,400
<b>Total Expenses</b>	<b>24,181,200</b>	<b>24,953,678</b>	<b>25,435,217</b>	<b>26,191,419</b>	<b>26,923,179</b>
<b>Revenues vs. Expenses</b>	<b>(124,897)</b>	<b>(424,314)</b>	<b>(423,407)</b>	<b>(687,592)</b>	<b>(917,568)</b>
Extraordinary expenses:					
Transfer to Capital Projects	7,500,000	-	-	-	-
Bond Payments	1,147,000	1,147,000	1,147,000	1,147,000	1,147,000
<b>Total Extraordinary Expenses</b>	<b>8,647,000</b>	<b>1,147,000</b>	<b>1,147,000</b>	<b>1,147,000</b>	<b>1,147,000</b>
<b>Ending Fund Balance</b>	<b>19,675,283</b>	<b>18,103,969</b>	<b>16,533,562</b>	<b>14,698,970</b>	<b>12,634,402</b>
<b>Total Expenditures (Including Debt Pymts)</b>	<b>25,328,200</b>	<b>26,100,678</b>	<b>26,582,217</b>	<b>27,338,419</b>	<b>28,070,179</b>
<b>Revenues Less Expenditures (including Debt Pymts)</b>	<b>(1,271,897)</b>	<b>(1,571,314)</b>	<b>(1,570,407)</b>	<b>(1,834,592)</b>	<b>(2,064,568)</b>
Fund Balance Ratio	0.951	0.871	0.794	0.709	0.618
Expenditure to Revenue Ratio	1.005	1.017	1.017	1.027	1.035
<b>Policy Percentage Requirement</b>	<b>81%</b>	<b>73%</b>	<b>65%</b>	<b>56%</b>	<b>47%</b>

## LEVY SCENARIO No. 4:

- Maximum Levy and Pay Off Debt Certificate in Current Year: Pay remaining principal balance plus interest in the amount of \$9,377,025
- Savings in interest of approximately \$935,963

**Riverside School District 96**  
Financial Projections (Operating Funds Only)  
Fiscal Years Ending June 30, 2014 through June 30, 2023

	FY14	FY15	FY16	FY17	FY18
<b>Beginning Fund Balance</b>	<b>28,447,180</b>	<b>11,861,258</b>	<b>11,860,848</b>	<b>11,869,399</b>	<b>11,621,973</b>
Revenues:					
Real Estate Taxes	21,261,303	21,665,268	22,076,908	22,496,369	22,923,800
Other Local Revenues	655,000	668,100	681,462	695,091	708,993
General State-Aid	790,000	809,750	829,994	850,744	872,012
Restricted State Grants	1,301,000	1,333,525	1,366,863	1,401,035	1,436,061
Restricted Federal Grants	465,000	476,625	488,541	500,754	513,273
<b>Total Revenues</b>	<b>24,472,303</b>	<b>24,953,268</b>	<b>25,443,767</b>	<b>25,943,993</b>	<b>26,454,139</b>
Expenses:					
Salaries	13,464,300	14,137,515	14,561,640	14,998,490	15,448,444
Employee Benefits	3,241,600	3,403,680	3,573,864	3,752,557	3,940,185
Purchased Services	5,355,300	5,489,183	5,626,412	5,767,072	5,911,249
Supplies & Materials	1,297,900	1,297,900	1,297,900	1,297,900	1,297,900
Capital Outlay	796,700	600,000	350,000	350,000	300,000
Other Expenses	25,400	25,400	25,400	25,400	25,400
<b>Total Expenses</b>	<b>24,181,200</b>	<b>24,953,678</b>	<b>25,435,217</b>	<b>26,191,419</b>	<b>26,923,179</b>
<b>Revenues vs. Expenses</b>	<b>291,103</b>	<b>(410)</b>	<b>8,551</b>	<b>(247,426)</b>	<b>(469,040)</b>
Extraordinary expenses:					
Transfer to Capital Projects	7,500,000	-	-	-	-
Bond Payments	9,377,025	-	-	-	-
<b>Total Extraordinary Expenses</b>	<b>16,877,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Fund Balance</b>	<b>11,861,258</b>	<b>11,860,848</b>	<b>11,869,399</b>	<b>11,621,973</b>	<b>11,152,933</b>
<b>Total Expenditures (Including Debt Pymts)</b>	<b>33,558,225</b>	<b>24,953,678</b>	<b>25,435,217</b>	<b>26,191,419</b>	<b>26,923,179</b>
<b>Revenues Less Expenditures (including Debt Pymts)</b>	<b>(9,085,922)</b>	<b>(410)</b>	<b>8,551</b>	<b>(247,426)</b>	<b>(469,040)</b>
Fund Balance Ratio	0.615	0.606	0.597	0.578	0.552
Expenditure to Revenue Ratio	0.988	1.000	1.000	1.010	1.018
<b>Policy Percentage Requirement</b>	<b>49%</b>	<b>48%</b>	<b>47%</b>	<b>44%</b>	<b>41%</b>

# SUMMARY OF LEVY SCENARIOS

## Scenario 1: Maximum Levy

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Ending Fund Balance	20,091,283	18,943,873	17,805,424	16,410,998	14,794,958	12,716,693	10,147,464	7,057,079	3,413,824	331,392

## Scenario 2: Reduced Levy

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Ending Fund Balance	19,891,283	18,540,073	17,193,952	15,587,907	13,756,229	11,458,228	8,665,088	5,346,538	1,470,783	(1,848,567)

## Scenario 3: Zero Increase Levy

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Ending Fund Balance	19,675,283	18,103,969	16,533,562	14,698,970	12,634,402	10,099,086	7,064,122	3,499,154	(627,701)	(4,202,922)

## Scenario 4: Maximum Levy and Pay-Off Debt Certificate in Current Year

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Ending Fund Balance	11,861,258	11,860,848	11,869,399	11,621,973	11,152,933	10,221,668	8,799,439	6,856,054	4,359,799	1,277,367

# SUMMARY OF LEVY SCENARIOS

## Scenario 1: Maximum Levy

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Ending Fund Balance	20,091,283	18,943,873	17,805,424	16,410,998	14,794,958	12,716,693	10,147,464	7,057,079	3,413,824	331,392

## Scenario 2: Reduced Levy through FY18

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Ending Fund Balance	19,891,283	18,329,460	16,556,216	14,300,512	11,590,479	8,179,137	4,031,240	(890,053)	(6,623,248)	(12,061,593)

## Scenario 3: Zero Increase Levy through FY18

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Ending Fund Balance	19,675,283	17,707,909	15,337,854	12,292,362	8,597,825	4,401,572	(325,888)	(5,615,510)	(11,499,786)	(16,865,820)

## Scenario 4: Maximum Levy and Pay-Off Debt Certificate in Current Year

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Ending Fund Balance	11,861,258	11,860,848	11,869,399	11,621,973	11,152,933	10,221,668	8,799,439	6,856,054	4,359,799	1,277,367

# SUMMARY OF FINDINGS

- Revenues not increasing at the rate of expenditures
- Increase enrollment rate
- Operational deficit spending begins:
  - FY 17 for Maximum Levy
  - FY 15 for Reduced Levy
  - FY 14 for No Increase Levy
- Fund balance BELOW 40%:
  - FY 20 for Maximum Levy
  - FY 20 for Reduced Levy
  - FY 19 for No Increase Levy

# COST CUTTING OPPORTUNITIES

- Teaching and Learning Programs
- Class Size (+/- Staff)
- Contract Negotiations (Salaries/Stipends)
- Supplies (Operational and Instructional)
- Purchased Services (Special Education and Outsourced Services)

# RECOMMENDATIONS

- Begin cost cutting discussions
- Maximize Levy to provide time to prioritize programs (maintain/reduce)
- Capture all new growth/construction dollars

## NEXT STEPS

- BOE must approved Levy by 12.16.13
- Discuss tonight and take action
- Discuss tonight take action at special meeting on 12.3.13