Oak Park Elementary School District 97

Presentation of the Tentative Levy and Financial Forecast

November 2022

Tentative Tax Levy

Factors to Consider in Making Levy Decision

- **Impact of the decision on the long-term financial condition of the District**

  How does the decision impact fund balance policy of maintaining 3-6 months of fund balance reserves?

- **Impact of the decision on long-term quality of educational services in the District**

  Will the District be able to maintain fund balance reserve targets without adversely impacting staffing and programming?

- **Impact of the decision on the condition of the district's facilities**

  Will the District be able to address capital needs and wants in its buildings while both maintaining fund balance reserve targets and desired educational services?

Timetable for Tax Levy Adoption

November 15, 2022

Presentation of Estimated Aggregate Tax Levy

December 13, 2022

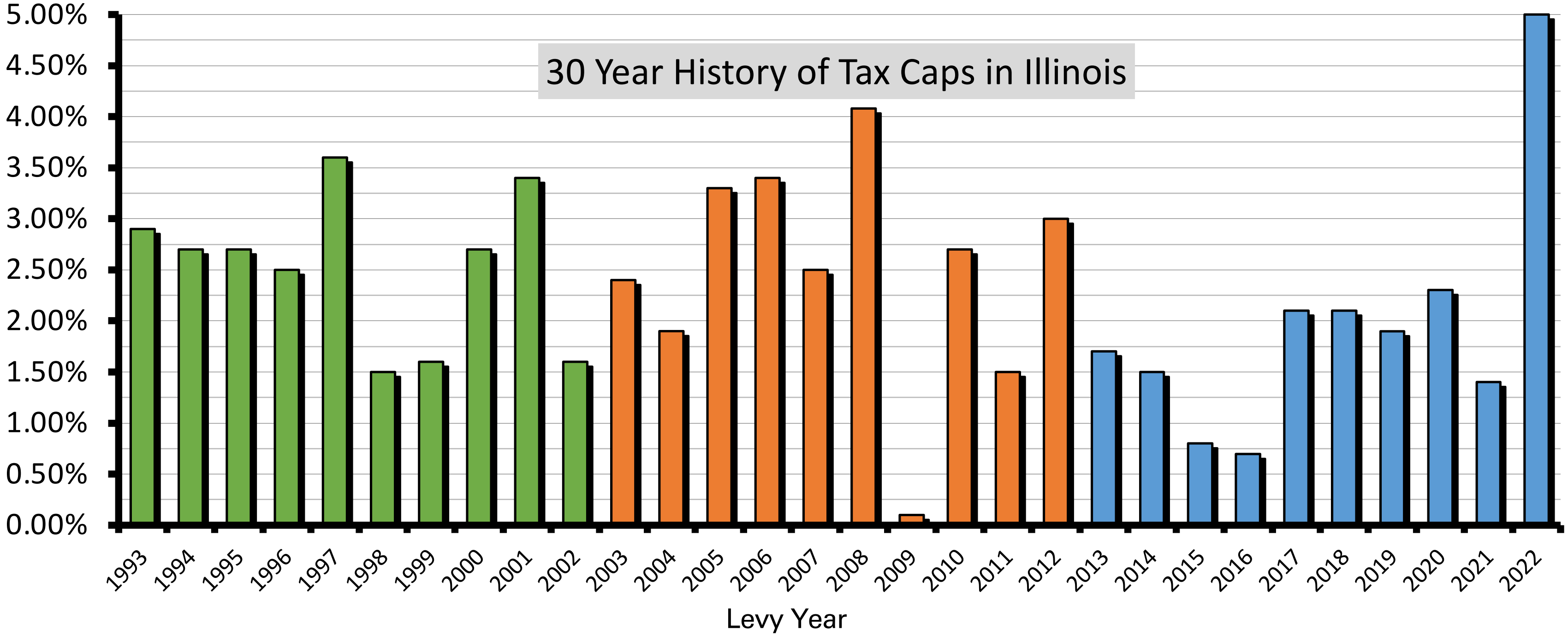
Conduct the Truth-in-Taxation hearing and adopt the 2022 Tax Levy, including all appropriate resolutions

December 27,2022

File necessary documents with the County Clerk on or before this date

2022 Maximum Allowable Increase in Tax Extension: 5%

School Districts in Tax-Capped Counties are Limited by Rate of Inflation

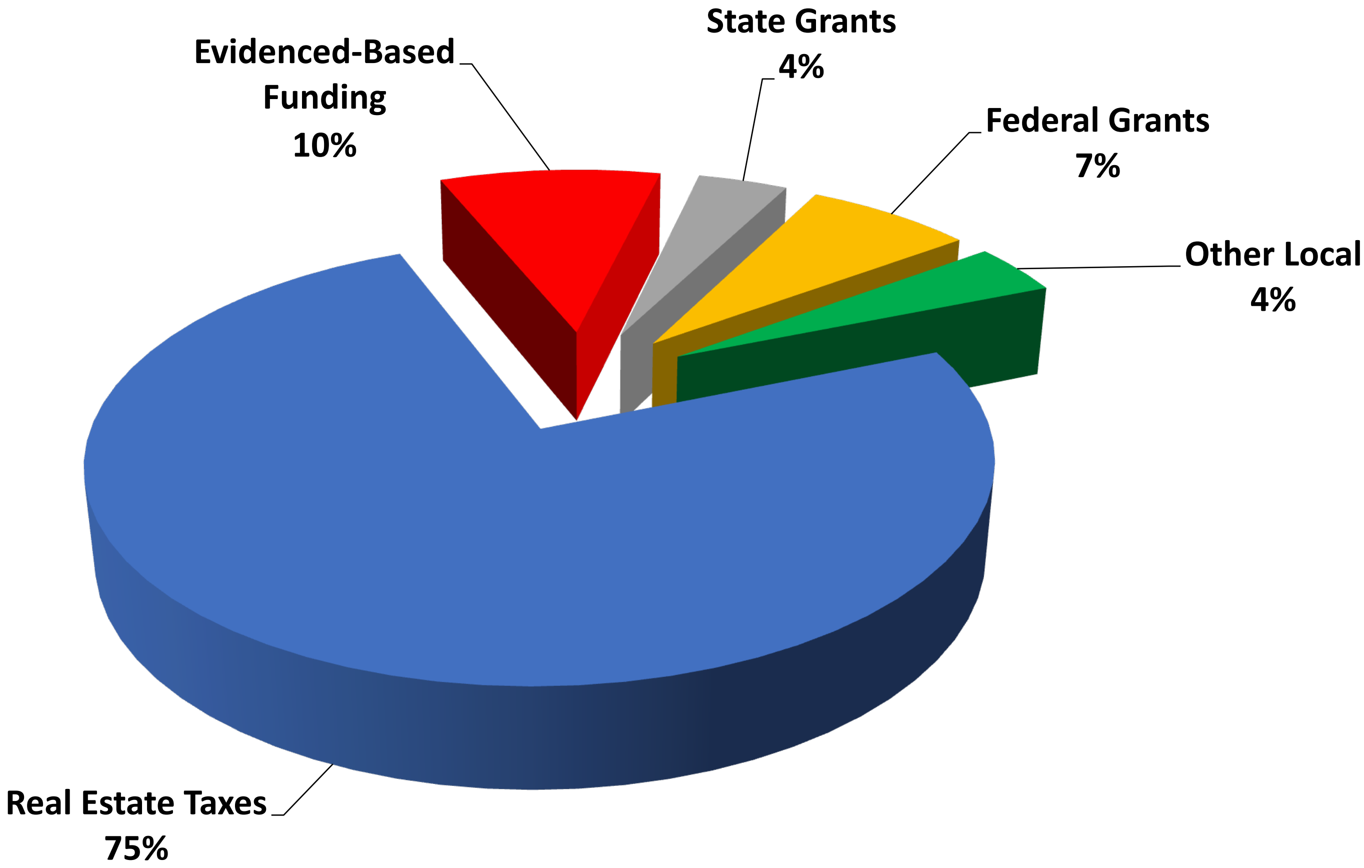


Even with 2022 allowable increase of 5%, 10-year growth rate is below prior 10-year periods

First 10-year period of tax caps	**CPI averaged 2.52%**
Second 10-year period of tax caps	**CPI average 2.49%**
Third 10-year period of tax caps	**CPI average 1.95%, even with 5% CPI for 2022**

Sources of Revenues –FY23 Budget

Real Estate Taxes Comprise 75% of Total District Revenues



Breakdown of Levy Request

Fund Description	Levy Amount
Educational Fund	$ 67,140,000
Operations & Maintenance Fund	9,000,000
Transportation Fund	4,500,000
Municipal Retirement Fund	10,000
Social Security Fund	3,590,000
Special Education Fund	5,000,000
Total Levy	**$ 89,240,000**

Levy request represents a 5% increase from the prior year's extension. This will allow the District to capture 5% maximum allowable increase plus tax revenues generated from new taxable property in the District

Estimated Impact to the Taxpayer
(Assuming $400,000 Market Value Home)

- The tax extension for the non-bond and interest funds will increase 5% versus the prior year.
- The tax extension for the bond fund will only include the levy associated with the voted referendum bonds and will be flat versus the prior year.
- This represents an annual increase of approximately $227 for the portion of the tax bill due to Oak Park Elementary School District 97.

Fund Balances - Unaudited

Fiscal Year Ending June 30, 2022

Fund Name	Estimated Balance
Educational Fund	$21,549,000
Operations & Maintenance Fund	4,481,000
Debt Service Fund	4,306,000
Transportation Fund	1,936,000
Municipal Retirement/Social Security Fund	1,615,000
Capital Projects Fund	2,096,000
Working Cash Fund	2,868,000
Tort Fund	3,873,000
Fire Prevention and Safety Fund	120,000
Total Fund Balance	$42,844,000

The Tax Levy Recommendation Supports Long-Term Financial and Facility Objectives

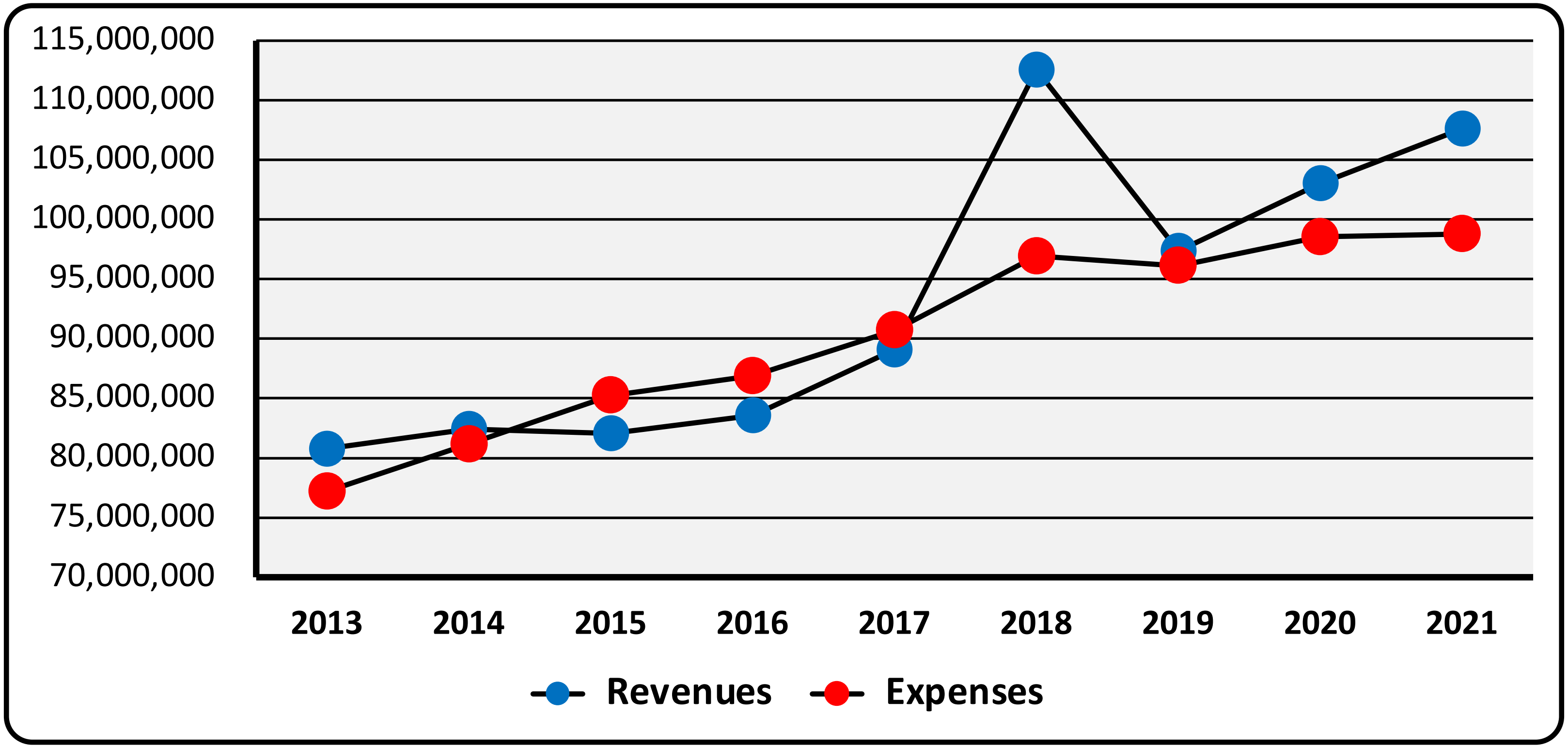
1) Maintains fund balance reserve targets within Board policy objectives through fiscal year 2028
2) Maintains balanced budgets through fiscal year 2026
3) Allows the District to continue to improve the safety, quality and functionality of its buildings without the need for additional debt issuances through fiscal year 2028

Historical Financial Summary

FY 13 - FY21 Audited Accrual Basis

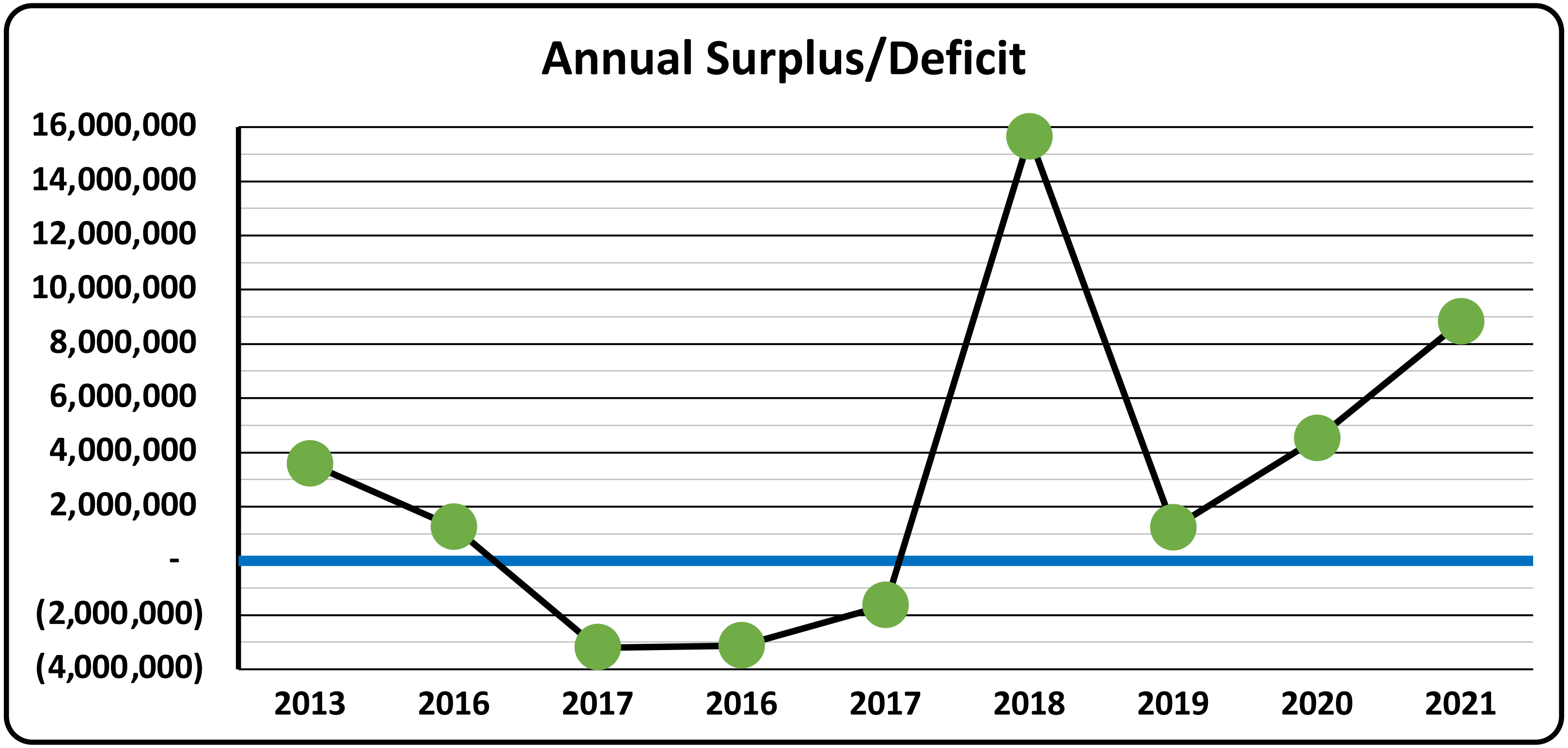
Revenue and Expense History

Excluding Bond Proceeds and Major Capital Projects Over $3 Million Dollars

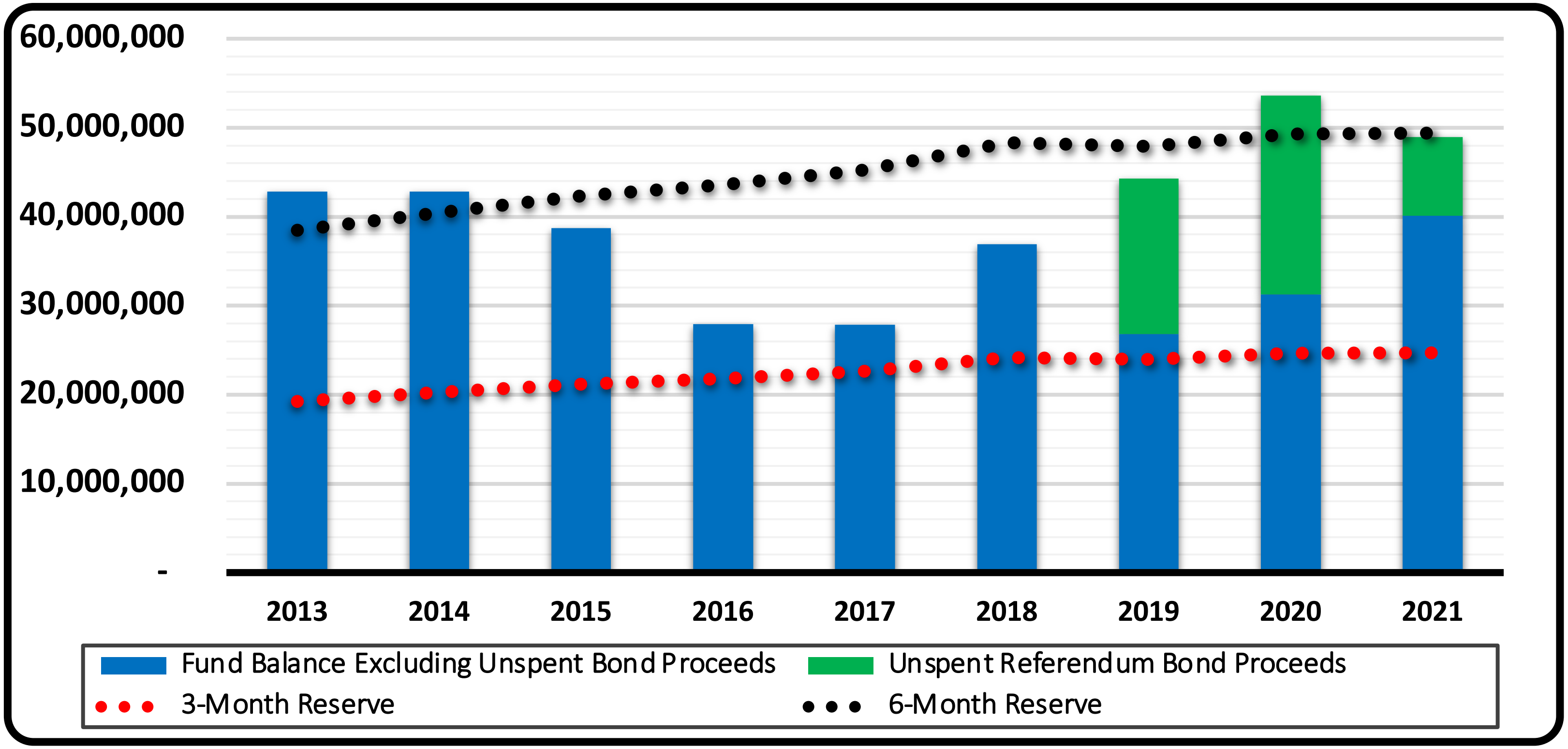


Revenue Versus Expense History

Excluding Bond Proceeds and Major Capital Projects Over $3 Million Dollars



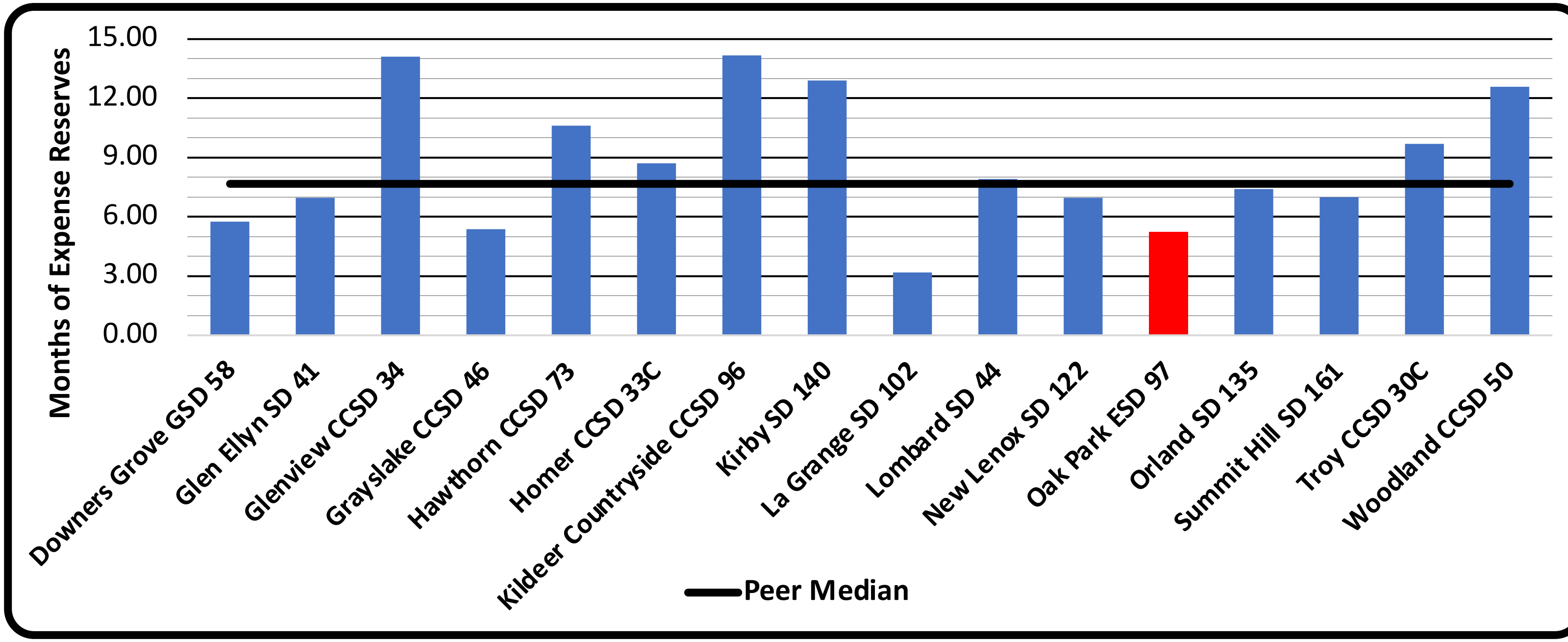
Historical Fund Balances – All Funds



During this period, the District issued $76.8 million in bonds and spend $94 million in capital projects in excess of $3 million annually

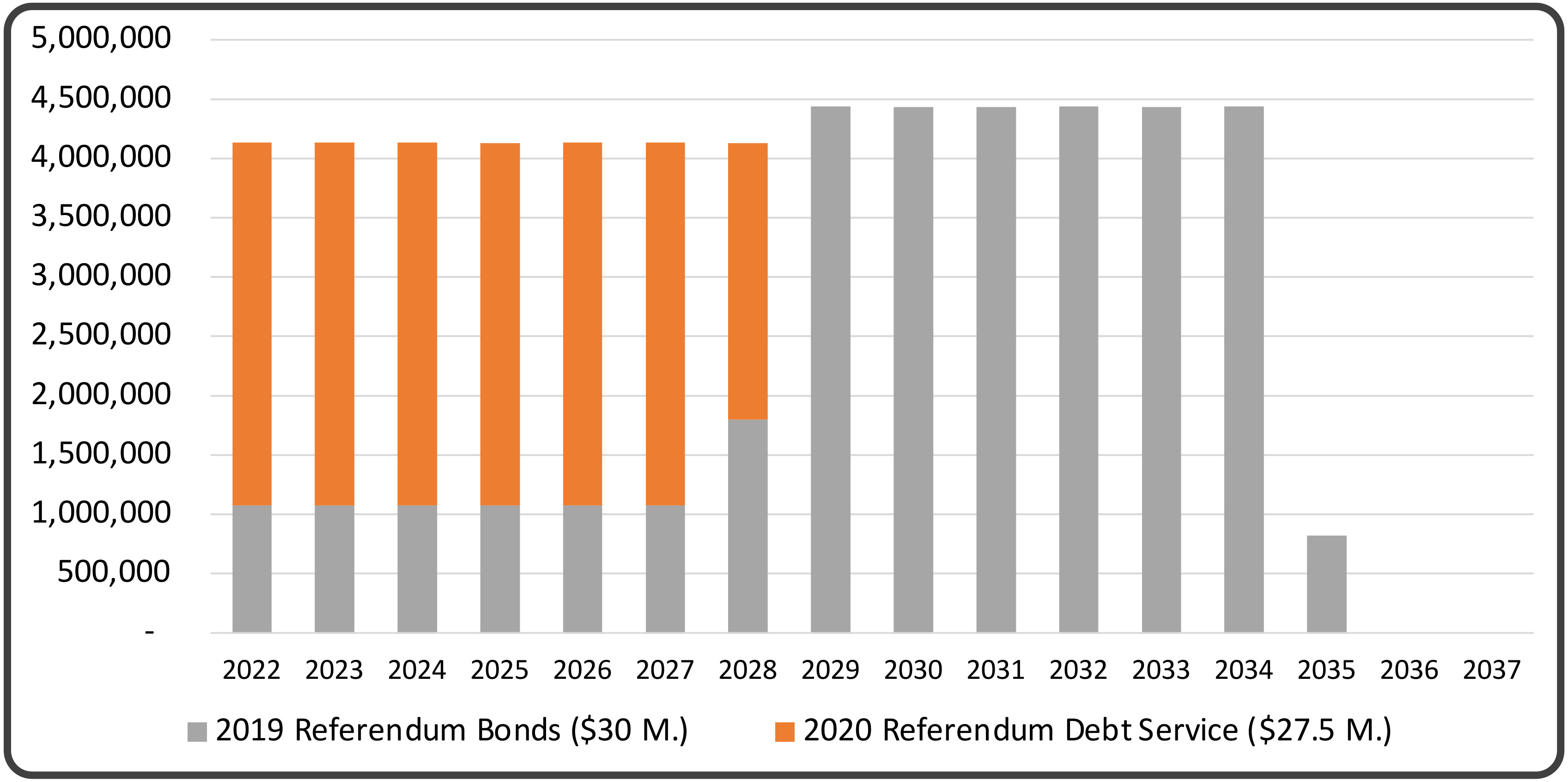
Fund Balance Comparison - Months of Expense Reserves

Based off 2021 Audited Figures



Delayed tax distributions in Cook County has forced Oak Park SD 97 to issue tax anticipation warrants to cover payroll and accounts payable expenses until tax revenues are received in December/January. Currently, Oak Park SD97 and LaGrange SD102 are the only districts within this group that have issued tax anticipation warrants.

Current Outstanding Debt Service



Five-Year Financial Projections

Cash Basis

Based on Current Market Trends

Revenue Assumptions

- Tax revenues will grow at CPI levels of 5% for the 2022 and 2023 levies and 2.5% annually thereafter (historical rate)
- Corporate Personal Property Taxes will remain at FY22 levels in FY23, but will decline $500,000 in FY 23 and FY24 due to a projected slowdown in the economy
- Other State reimbursements will increase as reimbursable transportation expenses increase
- Federal Grant revenues are projected to be flat versus FY23 budgeted levels

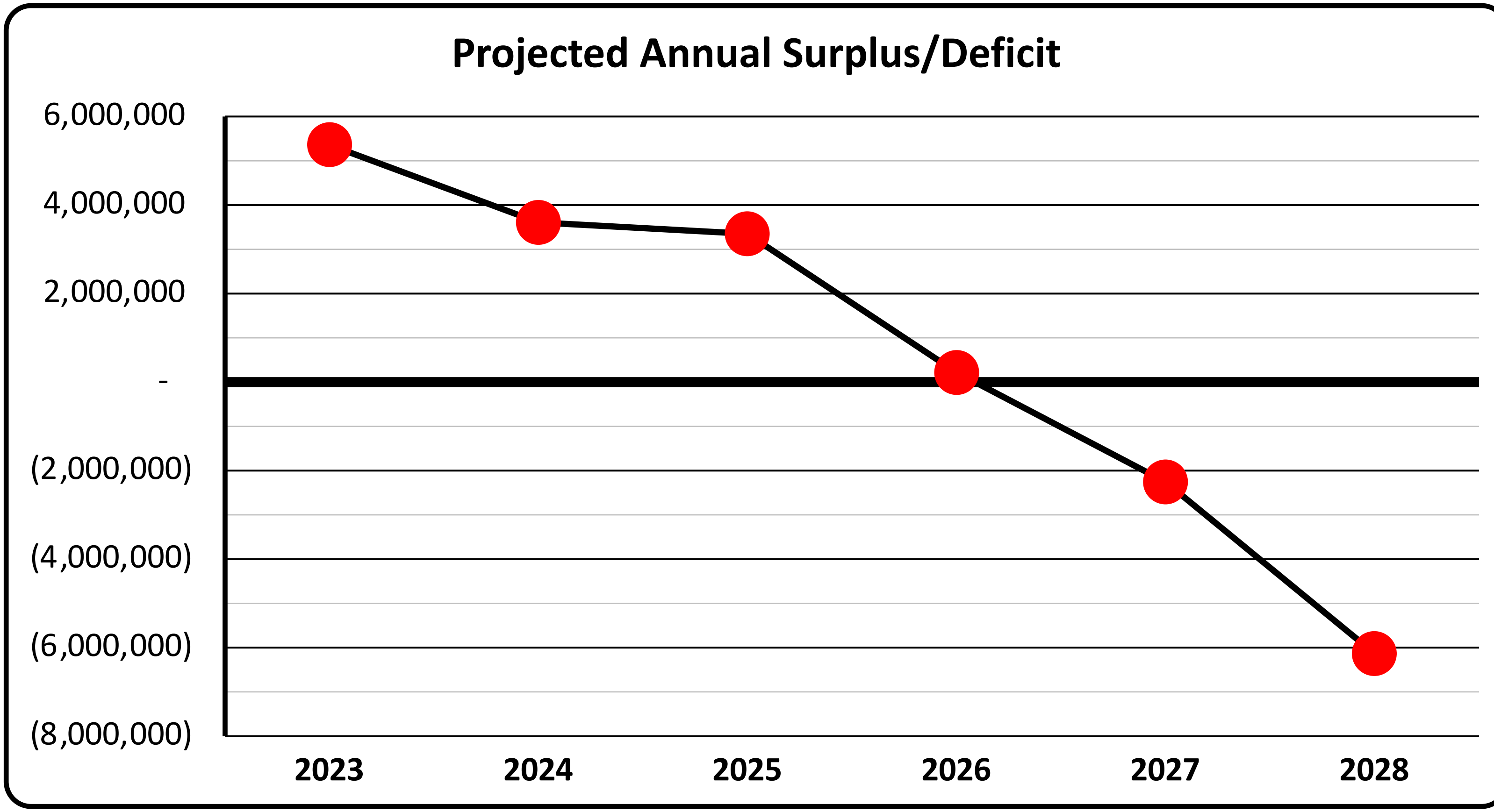
One-Time Grant Revenues

- The District will receive a $500,000 grant from the Department of Commerce & Economic Opportunity (DCEO) in FY23
- The District will receive $3.7 million from the ESSER Grant in FY23
- The District will receive a $1.6 million Emergency Connectivity Fund (ECF) Grant in FY23

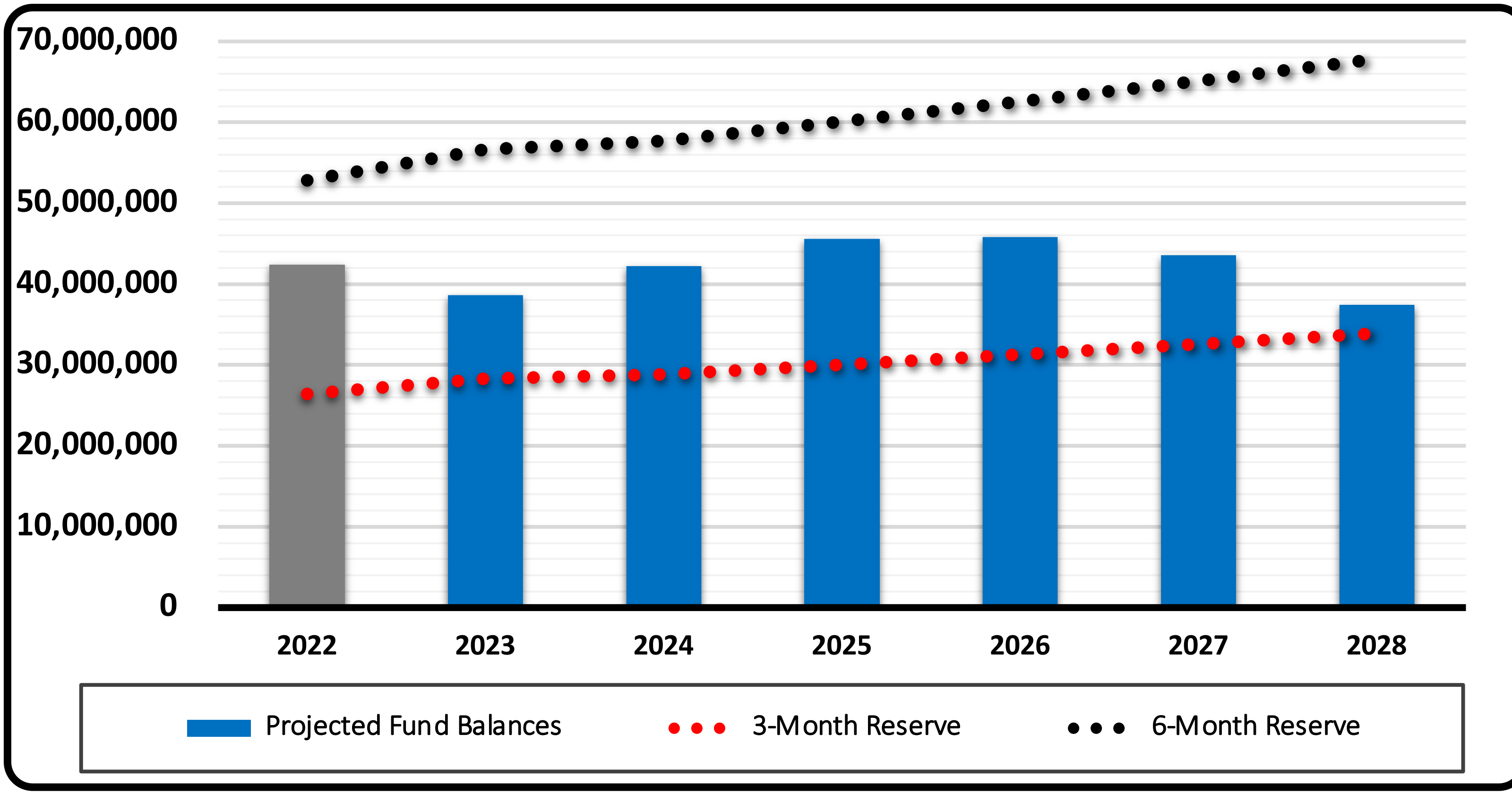
Expenses Assumptions

- Salary expenses in FY23 and FY24 will be based on current agreements and are then projected to grow 5% annually thereafter. Retirements during projection period will offset a portion of contractual increases
- Insurance premiums increased 7.5% in FY23. Total employee benefit expenses are projected to grow 6% annually beginning in FY24 (historical growth rate)
- Transportation expenses are projected to increase 15% in FY24 and 6% annually thereafter
- Most expenses paid through the ESSER grant will be removed from the projections once ESSER grant revenues are fully received
- Most non-capital expenses are projected to increase 5% in FY24, 4% in FY25 and 2.5% thereafter as inflationary pressures are projected to subside
- Annual special education tuition expenses are projected to be flat at $2.6 million
- Non-capital equipment is projected to average $700,000 annually
- Capital expenses in FY23 are budgeted at $12.7 million (including ESSER). The annual capital budget is projected to be $3 million after the FY23 summer projects are completed

Projected Revenues Versus Expenses

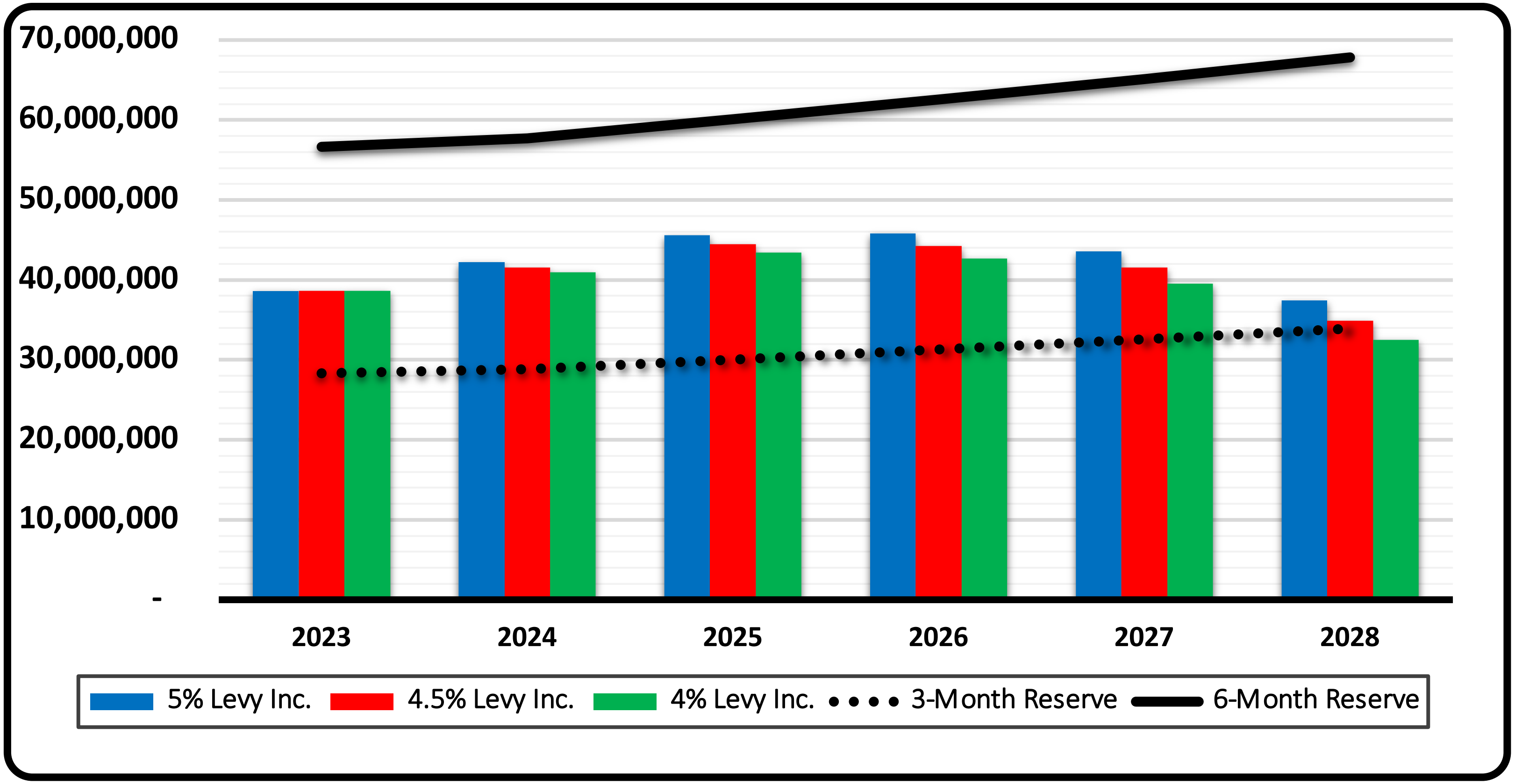


Projected Fund Balances – All Funds



Projected Fund Balances – All Funds

Considering Various Levy Increase Scenarios in Tax Year 2022



Key Takeaways from Financial Projections

- The District needs to increase real estate tax revenues now to address anticipated historically high expense growth caused by inflation and the labor shortage
- The District is projected to have financial stability during the window of time of 5% real estate tax growth (through fiscal year 2025)
- With projected real estate revenue growth dropping to 2.5% beginning in fiscal year 2025, the District must begin now to bring expense growth down significantly in order to maintain balanced budgets.

End of Presentation