

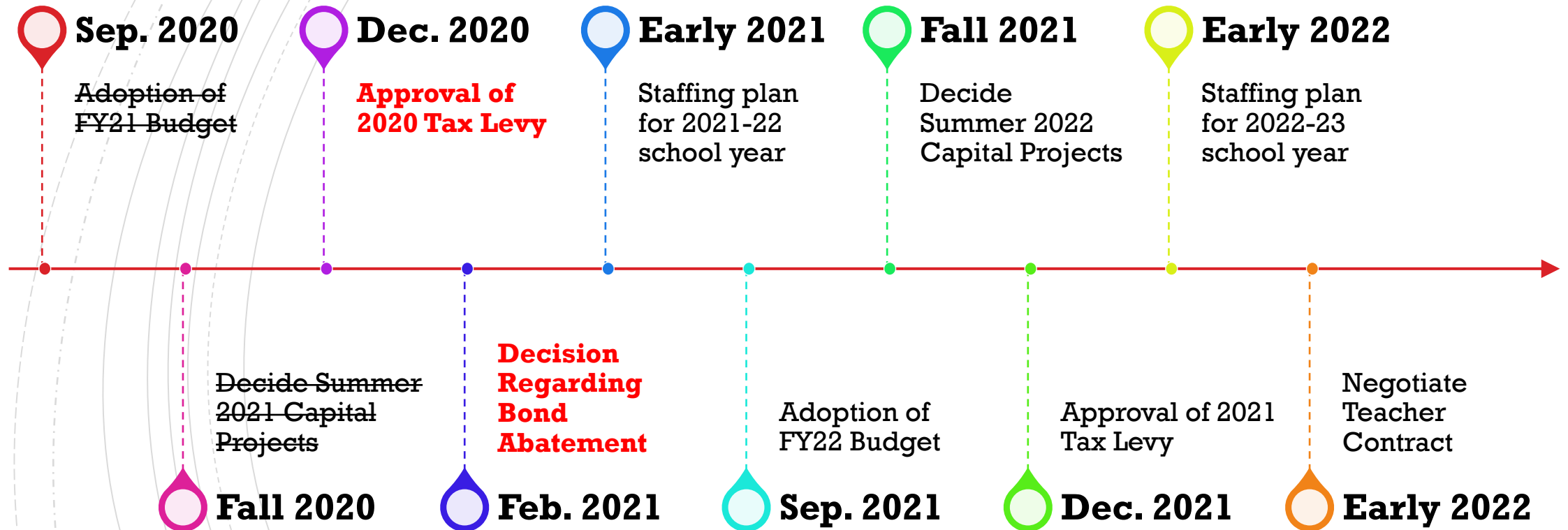


Oak Park Elementary School District 97

Presentation of the 2020 Tax Levy

December 2020

Major Financial Decisions over the Next 24 Months



Factors to Consider in Making Levy Decision

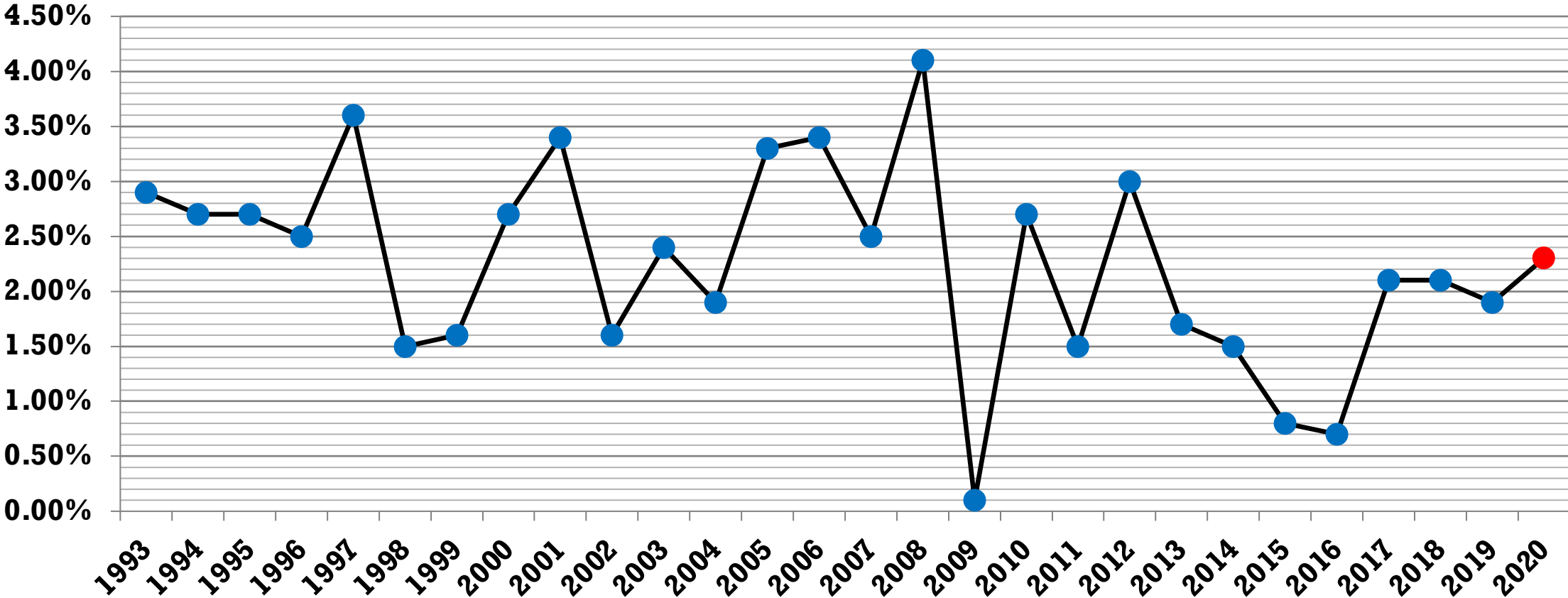
- **Impact of the decision on the long-term financial condition of the District**
 - How does the decision impact fund balance policy of maintaining 3-6 months of fund balance reserves?
- **Impact of the decision on long-term quality of educational services in the District**
 - Will the District be able 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 critical repairs in its buildings while both maintaining fund balance reserve targets and desired educational services?

Summary of D97's Financial Position

- **The District's current financial condition is stable**
 - \$3.9 million surplus in FY 2020
 - Fund balance reserves of \$34.5 million (excluding capital) (4 months of reserves)
- **The District is projected to maintain a structurally balanced budget through the projection period (FY 2026)**
- **The District has identified approximately \$26 million of major capital projects, most of which are required to be addressed during the projection period.**
- **Even with maximizing its 2020 levy, the District is projected to fall below its 3-month minimum reserve target by FY2025.**
- **There is a significant probability that the State of Illinois' fiscal crisis will place an additional strain on the District's financial condition.**

Historical Tax Cap History – Annual Rate of Inflation

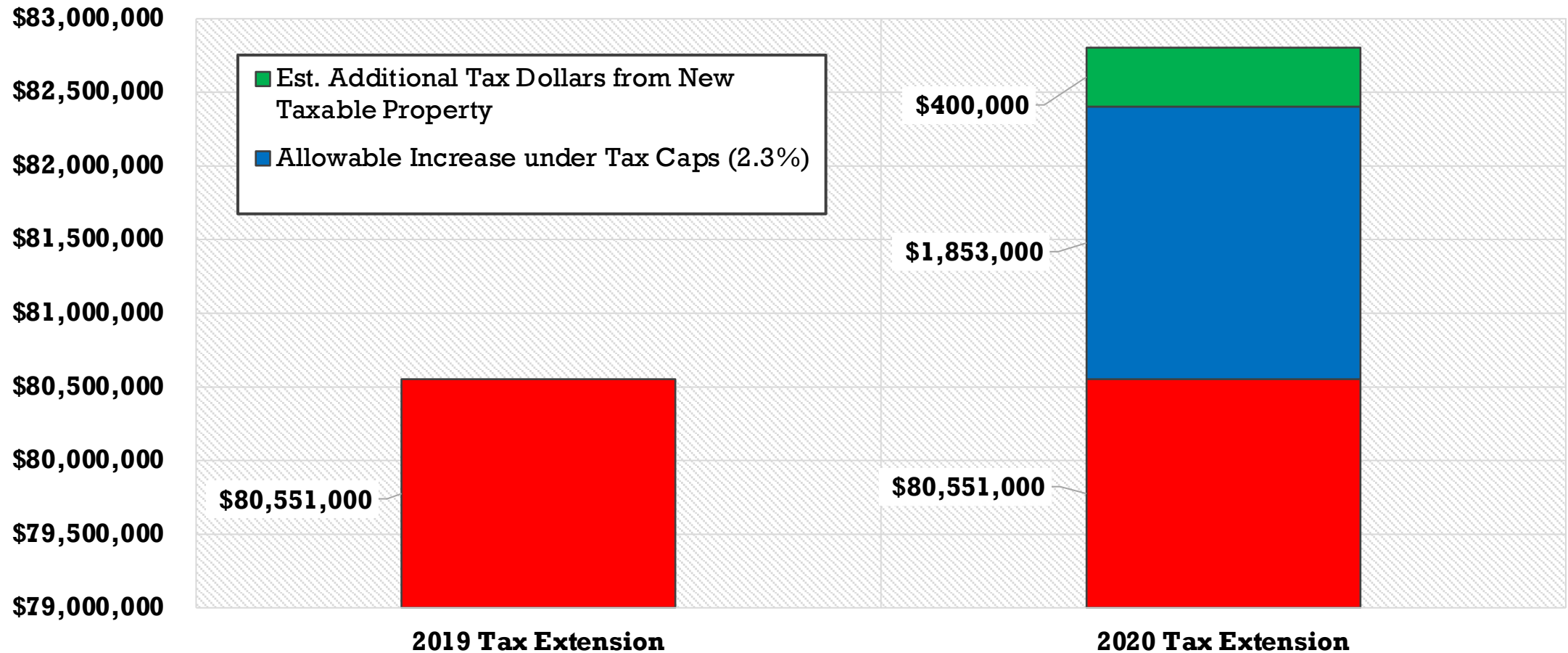
Real Estate Tax Growth in School Districts in Tax-Capped Counties Limited by Rate of Inflation
(except for new taxable property growth and referendum approved increases)



2020 Tax levy will be capped by CPI increase of 2.3%. CPI currently trending between 0.4% and 1.3% for the 2020 calendar year

2020 Tax Levy – Accessing Maximum Allowable Dollars

Final extension would generate an increase of approximately 2.8% in the District's tax extension versus the previous year (2.3% CPI growth + 0.5% due to new taxable property)



Breakdown of Levy Request

Represents an increase of 2.3% versus the Prior Extension

Fund Description	Levy Amount
IMRF Fund	10,000
Social Security Fund	10,000
Liability Insurance Fund	100,000
Transportation Fund	1,000,000
Education Fund	67,034,000
Building Fund	8,500,000
Working Cash Fund	750,000
Special Education Fund	<u>5,000,000</u>
Total Levy	82,404,000

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

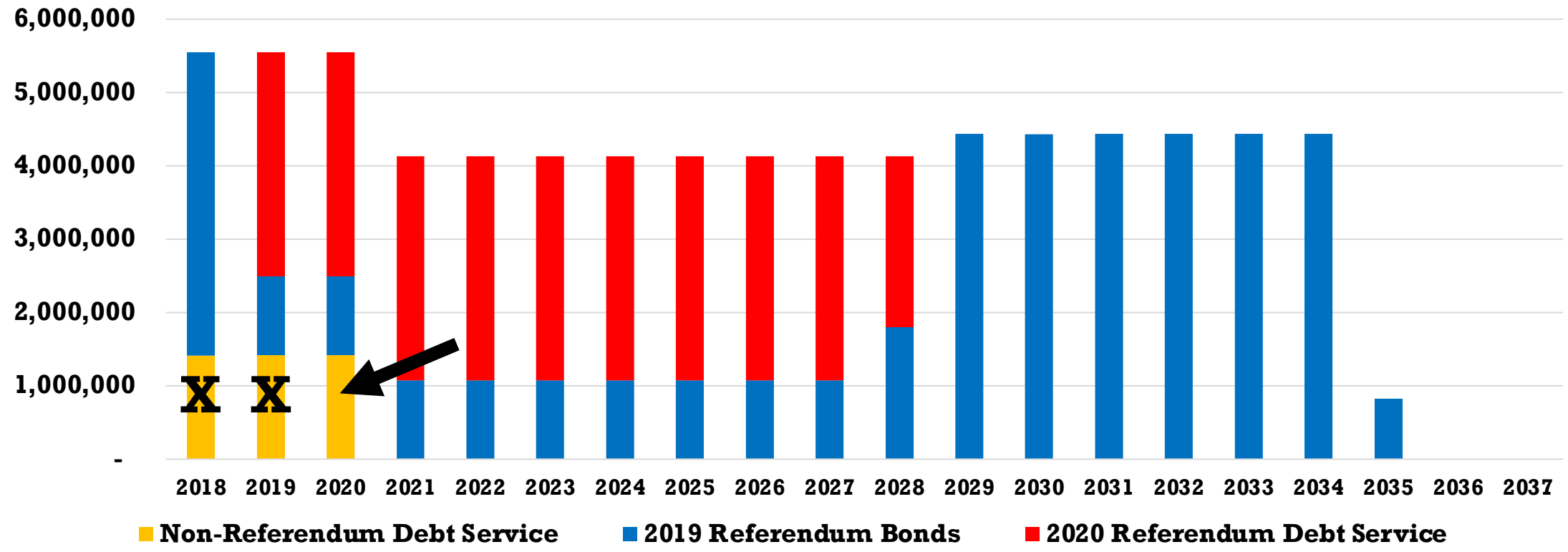
- The tax extension for non-bond and interest funds will increase 2.3% versus the prior year.
- This represents an increase an annual increase of approximately \$120 for the portion of the tax bill due to Oak Park Elementary School District 97.

Additional Board Decision that Will Impact Tax Levy

Abate the Final Year of Non-Referendum Debt Service ?

Decision Must be made by February 2021

Future Tax Levies for Debt Service



Final Thought on Tax Levy

The Board of Education should make its decision on the tax levy with consideration of (1) the District's fund balance targets, (2) the District's capital needs and wants and (3) the potential financial challenges emanating from the State's own fiscal crisis.

Long-term fiscal and academic stability without the need for future referendum dollars should be the objective.

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End of Presentation