

Oswego CUSD 308

2021 Tax Levy

Presented by: Dr. John Petzke, Chief Financial Officer/CSBO

Prepared for the Board of Education

Date: November 15, 2021



Key Terms & Definitions

PTELL

- Property Tax Extension Limitation Law
- Commonly referred to as the 'tax cap'
- Limits the increase in the tax extension to the lesser of CPI or 5%

CPI

- Consumer Price Index
- Measures the price of consumer goods and how they're trending

EAV

- Equalized Assessed Valuation
- One-third of market value
- Determined in the January of the levy year

Levy

- How much a taxing body requests
- Often higher than the amount allowed under PTELL in order to capture all new property

Extension

- The total amount a taxing body receives
- Calculated by multiplying previous year's extension x CPI or 5% (whichever is lower)

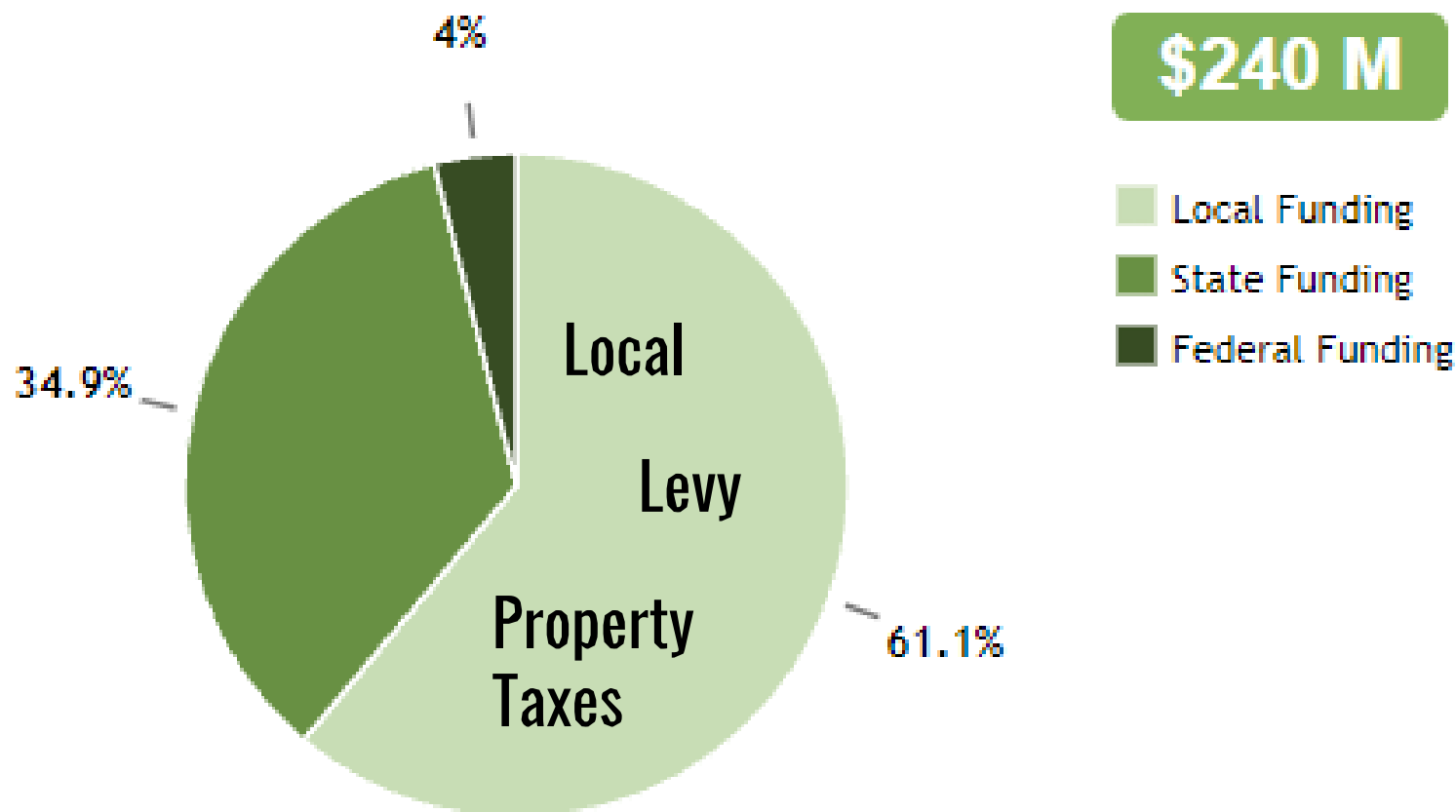
- When considering the levy, a school board needs to look forward to the next school year (2022-23)

• An ESTIMATE

- The amount of money requested to be raised from property taxes (**statement of need or an "ask")
- Tax Extension (what the school district will actually "get", or receive from actual taxes collected)

Sources of School Revenue

District Financial Information - Revenue Percentages (FY 2019)



What factors are used to calculate a Tax Levy?

Limiting Rate:
$$\frac{(\text{Prior Year Extension} \times (1 + \text{Lesser of 5\% or CPI}))}{(\text{Total EAV} - \text{New Property})}$$

- **Unknown**

- New Equalized Assessed Value
- New property/construction
- Limiting Tax Rate

- **Known**

- Previous year EXTENSION (\$106,544,790)
- Previous year December CPI (1.4%)

SD308 Historic EAV and Current County Estimates



	CPI	TOTAL EAV	Kendall	Will	Kane	Increase \$\$	Increase %
2021 EAV	1.40%	\$2,422,090,125	\$2,016,571,065	\$378,128,920	\$27,390,140	\$210,240,747	9.51%
2020 EAV	2.30%	\$2,211,849,378	\$1,815,891,346	\$370,714,627	\$25,243,405	\$78,737,888	3.69%
2019 EAV	1.90%	\$2,133,111,490	\$1,751,366,873	\$357,234,248	\$24,510,369	\$138,975,732	6.97%
2018 EAV	2.10%	\$1,994,135,758	\$1,645,369,191	\$325,086,802	\$23,679,765	\$115,252,739	6.13%
2017 EAV	2.10%	\$1,878,883,019	\$1,543,539,601	\$312,309,794	\$23,033,624	\$90,317,955	5.05%
2016 EAV	0.70%	\$1,788,565,064	\$1,463,141,074	\$304,409,705	\$21,014,285	\$106,424,864	6.33%
2015 EAV	0.80%	\$1,682,140,200	\$1,370,262,630	\$291,865,922	\$20,011,648	\$79,881,869	4.99%
2014 EAV	1.50%	\$1,602,258,331	\$1,308,561,486	\$274,427,761	\$19,269,084	-\$4,267,337	-0.27%
2013 EAV	1.70%	\$1,606,525,668	\$1,311,706,922	\$275,692,450	\$19,126,296	-\$100,538,287	-5.89%
2012 EAV	3.00%	\$1,707,063,955	\$1,379,630,864	\$307,855,349	\$19,577,742	-\$127,147,941	-6.93%

What if our 2021 Levy assumptions are “exactly” right?

2021 LEVY CALCULATION PAGE

Consumer Price Index *CPI for Year Ending 2020, Applies to the 2021 Levy*

Actual Total EAV for 2020 *Enter Actual Rate Setting EAV for 2020*

Estimated Existing EAV % Change for 2021 *Enter Reassessment Percentage Before New Property*

Estimated New Property for 2021 *Enter Estimated New Property*

Estimated Total EAV for 2021 *Includes New Property*

Total % Change From Prior Year *Includes New Property*

No. of Tax Levied Bond Issues Outstanding *Flow-through to Certificate of Tax Levy, Verify Records with County Clerk(s)*

2021 LEVY CALCULATION PAGE

2020 Extension

Limiting Rate:
$$\frac{(\text{Prior Year Extension} \times (1 + \text{Lesser of 5\% or CPI}))}{(\text{Total EAV} - \text{New Property})}$$

Limiting Rate

What if our 2021 Levy assumptions are “exactly” right?

	Prior Year Extension	Statutory Maximum Tax Rate	Individual Fund Estimated Maximum Extension	Weighted Extension Based on Prior Year Extension
Educational	\$76,110,468.79			\$78,317,824.56
Operations & Maintenance	\$12,892,559.78	0.00	\$0.00	\$13,266,469.79
Transportation	\$2,234,282.59			\$2,299,081.25
Working Cash	\$148,557.85	0.00	\$0.00	\$152,866.32
Municipal Retirement	\$3,100,382.82			\$3,190,300.12
Social Security	\$3,100,382.82			\$3,190,300.12
Fire Prevention & Safety *	\$0.00	0.00	\$0.00	\$0.00
Tort Immunity	\$0.00			\$0.00
Special Education	\$8,958,154.94	0.00	\$0.00	\$9,217,959.34
Leasing	\$0.00	0.00	\$0.00	\$0.00
	\$0.00	0.00	\$0.00	\$0.00
Capped Extension	\$106,544,789.59			\$109,634,801.51

What if our assumptions are not quite right?

Truth in Taxation: If the levy, or the “ask” for taxes is more than 5%

	Weighted Extension Based on Prior Year Extension	Levy Amount \$	Levy Increase %	Final Levy Amount
Educational	\$78,317,824.56	\$80,430,000		\$80,430,000.00
Operations & Maintenance	\$13,266,469.79	\$13,350,000		\$13,350,000.00
Transportation	\$2,299,081.25	\$2,305,000		\$2,305,000.00
Working Cash	\$152,866.32	\$175,000		\$175,000.00
Municipal Retirement	\$3,190,300.12	\$3,192,500		\$3,192,500.00
Social Security	\$3,190,300.12	\$3,192,500		\$3,192,500.00
Fire Prevention & Safety *	\$0.00	\$0		\$0.00
Tort Immunity	\$0.00	\$0		\$0.00
Special Education	\$9,217,959.34	\$9,220,000		\$9,220,000.00
Leasing	\$0.00	\$0		\$0.00
	\$0.00	\$0		\$0.00

\$109,634,801.51

Capped Levy \$111,865,000.00

Truth in Taxation

4.99%

NO

2021 Levy Request

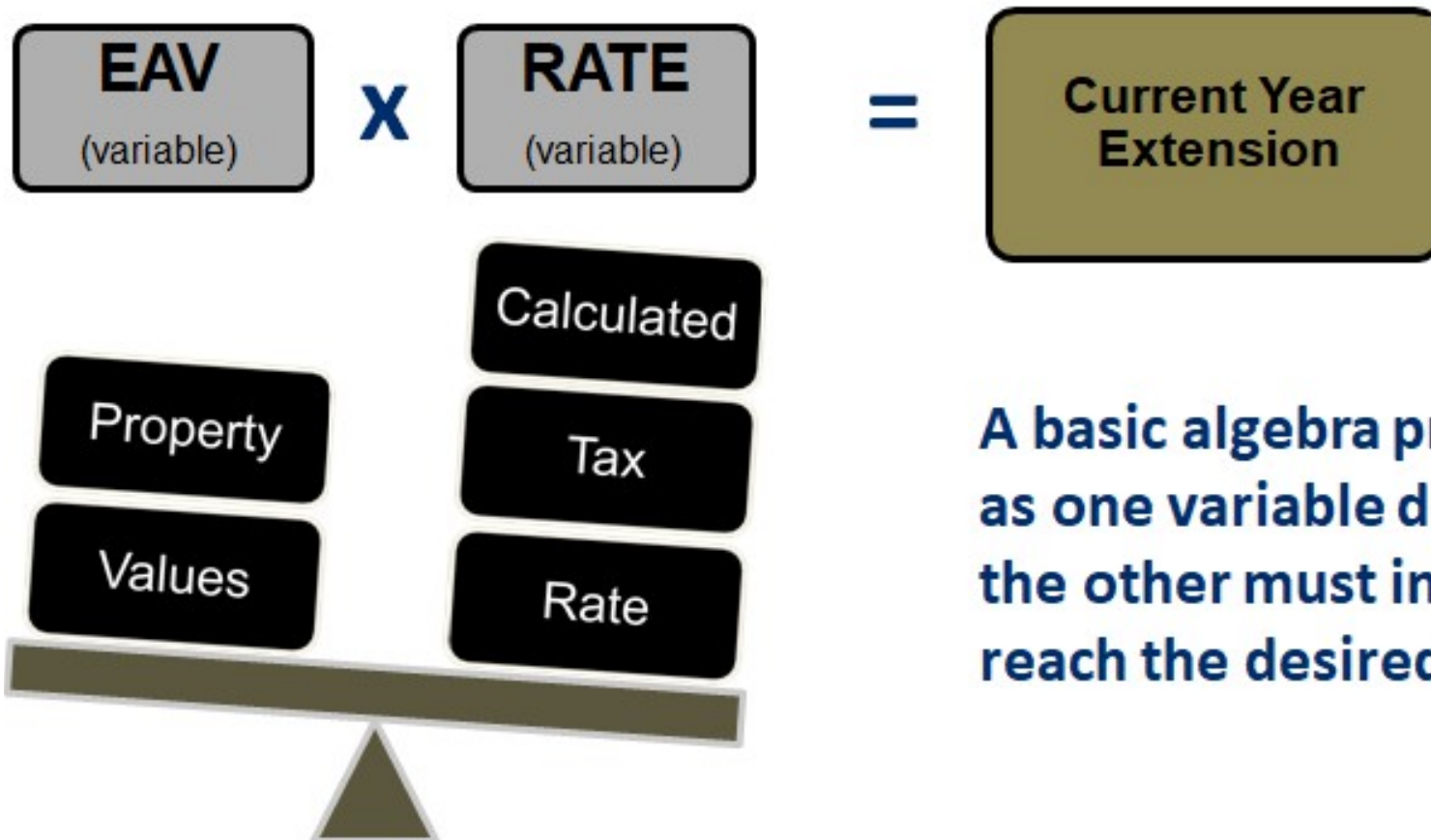
Operating Fund	Requested Levy Amount	Expected Final Extension
Education	\$80,430,000	\$78,317,825
Operations & Maintenance	\$13,350,000	\$13,266,470
Transportation	\$2,305,000	\$2,299,081
Working Cash	\$175,000	\$152,866
IMRF/SS	\$6,385,000	\$6,380,600
Special Education	\$9,220,000	\$9,217,959
TOTAL	\$111,865,000	\$109,634,801

www.co.kendall.il.us/offices/county-clerk-recorder

www.willcountyclerk.gov

www.kanecountyclerk.org

Impact to Homeowners



**A basic algebra problem -
as one variable decreases,
the other must increase to
reach the desired amount.**

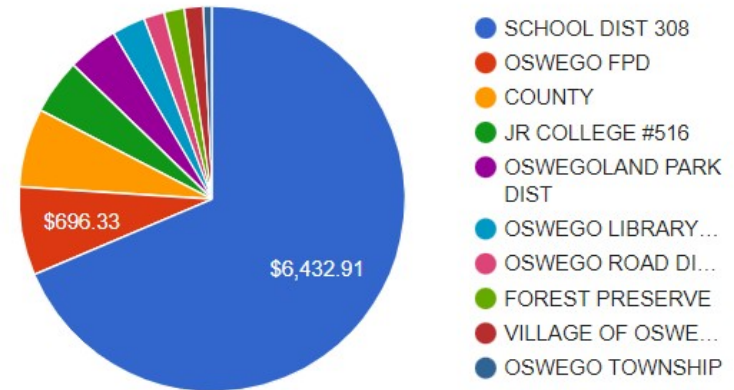
SD308 Tax Bill

\$300,000 – EAV \$99,267



Taxing Bodies

District	Tax Rate	Extension
SCHOOL DIST 308	6.480410	\$6,432.91
OSWEGO FPD	0.701470	\$696.33
COUNTY	0.623230	\$618.67
JR COLLEGE #516	0.437750	\$434.54
OSWEGOLAND PARK DIST	0.399600	\$396.67
OSWEGO LIBRARY DIST	0.263900	\$261.97
OSWEGO ROAD DISTRICT	0.163400	\$162.20
FOREST PRESERVE	0.158200	\$157.04
VILLAGE OF OSWEGO	0.151100	\$149.99
OSWEGO TOWNSHIP	0.069930	\$69.42
FOX METRO WRD	0.000000	\$0.00
TOTAL	9.448990	\$9,379.74



School Tax Rate: 6.48041

Operating Tax Rate = 4.83782

Bond & Interest Tax Rate = 1.64259

“Illustrated” Impact to Homeowners

What does this mean for a \$300,000 home?

	2021 EAV Stable	2021 EAV 10% Increase	2021 EAV 10% Decrease
Limiting Tax Rate*	4.5266	4.1427	4.9889
B&I Tax Rate	1.3938	1.2771	1.5338
Total Tax Rate	5.9203	5.4198	6.5228
Home Value	\$300,000	\$330,000	\$270,000
Home EAV**	\$94,000	\$104,000	\$84,000
School Portion of Tax Bill	\$5,565	\$5,637	\$5,479

* weighted average from 3 Counties

**one-third of market value (\$300,000) less \$6,000 homeowner's exemption

2021 Unaudited Projections

Typical LEVY and EBF Assumptions

Educational | O & M | Transportation | IMRF / SS | Working Cash

2021 Unaudited Projections with Typical LEVY and EBF Assumptions

Projection Summary

	PROJECTED FY 2022		PROJECTED FY 2023		PROJECTED FY 2024		PROJECTED FY 2025		PROJECTED FY 2026	
		% Δ		% Δ		% Δ		% Δ		% Δ
REVENUE										
Local	\$117,543,735	4.73%	\$120,965,092	2.91%	\$125,352,630	3.63%	\$130,256,918	3.91%	\$133,729,290	2.67%
State	\$92,767,697	5.92%	\$96,767,697	4.31%	\$100,767,697	4.13%	\$104,767,697	3.97%	\$108,767,697	3.82%
Federal	\$12,955,120	19.14%	\$23,472,373	81.18%	\$9,636,499	-58.95%	\$9,636,499	0.00%	\$9,636,499	0.00%
Other	\$0		\$0		\$0		\$0		\$0	
TOTAL REVENUE	\$223,266,552	5.97%	\$241,205,162	8.03%	\$235,756,826	-2.26%	\$244,661,114	3.78%	\$252,133,486	3.05%
EXPENDITURES										
Salary and Benefit Costs	\$179,152,347	3.42%	\$183,399,613	2.37%	\$188,205,915	2.62%	\$193,141,888	2.62%	\$198,211,802	2.62%
Other	\$40,674,014	2.29%	\$50,271,487	23.60%	\$37,668,937	-25.07%	\$37,830,428	0.43%	\$37,995,149	0.44%
TOTAL EXPENDITURES	\$219,826,360	3.21%	\$233,671,100	6.30%	\$225,874,852	-3.34%	\$230,972,316	2.26%	\$236,206,951	2.27%
SURPLUS / DEFICIT	\$3,440,191		\$7,534,062		\$9,881,974		\$13,688,798		\$15,926,535	
OTHER FINANCING SOURCES / USES										
Other Financing Sources	\$0		\$0		\$0		\$0		\$0	
Other Financing Uses	\$0		\$0		\$0		\$0		\$0	
TOTAL OTHER FIN. SOURCES / USES	\$0		\$0		\$0		\$0		\$0	
SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES	\$3,440,191		\$7,534,062		\$9,881,974		\$13,688,798		\$15,926,535	
BEGINNING FUND BALANCE	\$18,283,246		\$21,723,437		\$29,257,499		\$39,139,473		\$52,828,271	
AUDIT ADJUSTMENTS TO FUND BALANCE	\$0		\$0		\$0		\$0		\$0	
PROJECTED YEAR END BALANCE	\$21,723,437		\$29,257,499		\$39,139,473		\$52,828,271		\$68,754,806	
FUND BALANCE AS % OF EXPENDITURES	9.88%		12.52%		17.33%		22.87%		29.11%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	1.19		1.50		2.08		2.74		3.49	

2021 Unaudited Projections

No New LEVY 2023 and Typical EBF Assumptions

Educational | O & M | Transportation | IMRF / SS | Working Cash

2021 Unaudited Projections with NO New LEVY 2023 and Typical EBF Assumptions

Projection Summary

	PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
	FY 2022	% Δ	FY 2023	% Δ	FY 2024	% Δ	FY 2025	% Δ	FY 2026	% Δ
REVENUE										
Local	\$117,543,735	4.73%	\$119,327,586	1.52%	\$122,039,224	2.27%	\$126,865,957	3.96%	\$130,259,225	2.67%
State	\$92,767,697	5.92%	\$96,767,697	4.31%	\$100,767,697	4.13%	\$104,767,697	3.97%	\$108,767,697	3.82%
Federal	\$12,955,120	19.14%	\$23,472,373	81.18%	\$9,636,499	-58.95%	\$9,636,499	0.00%	\$9,636,499	0.00%
Other	\$0		\$0		\$0		\$0		\$0	
TOTAL REVENUE	\$223,266,552	5.97%	\$239,567,656	7.30%	\$232,443,420	-2.97%	\$241,270,153	3.80%	\$248,663,421	3.06%
EXPENDITURES										
Salary and Benefit Costs	\$179,152,347	3.42%	\$183,399,613	2.37%	\$188,205,915	2.62%	\$193,141,888	2.62%	\$198,211,802	2.62%
Other	\$40,674,014	2.29%	\$50,271,487	23.60%	\$37,668,937	-25.07%	\$37,830,428	0.43%	\$37,995,149	0.44%
TOTAL EXPENDITURES	\$219,826,360	3.21%	\$233,671,100	6.30%	\$225,874,852	-3.34%	\$230,972,316	2.26%	\$236,206,951	2.27%
SURPLUS / DEFICIT	\$3,440,191		\$5,896,556		\$6,568,568		\$10,297,837		\$12,456,470	
OTHER FINANCING SOURCES / USES										
Other Financing Sources	\$0		\$0		\$0		\$0		\$0	
Other Financing Uses	\$0		\$0		\$0		\$0		\$0	
TOTAL OTHER FIN. SOURCES / USES	\$0		\$0		\$0		\$0		\$0	
SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES	\$3,440,191		\$5,896,556		\$6,568,568		\$10,297,837		\$12,456,470	
BEGINNING FUND BALANCE	\$18,283,246		\$21,723,437		\$27,619,993		\$34,188,561		\$44,486,398	
AUDIT ADJUSTMENTS TO FUND BALANCE	\$0		\$0		\$0		\$0		\$0	
PROJECTED YEAR END BALANCE	\$21,723,437		\$27,619,993		\$34,188,561		\$44,486,398		\$56,942,868	
FUND BALANCE AS % OF EXPENDITURES	9.88%		11.82%		15.14%		19.26%		24.11%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	1.19		1.42		1.82		2.31		2.89	

2021 Unaudited Projections

No New LEVY 2023 and No New EBF 2023



Educational | O & M | Transportation | IMRF / SS | Working Cash

2021 Unaudited Projections with NO New LEVY 2023 and NO New EBF 2023

Projection Summary

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TOTAL REVENUE	\$223,266,552	5.97%	\$235,567,656	5.51%	\$228,443,420	-3.02%	\$237,270,153	3.86%	\$244,663,421	3.12%
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Other Financing Sources	\$0		\$0		\$0		\$0		\$0	
Other Financing Uses	\$0		\$0		\$0		\$0		\$0	
TOTAL OTHER FIN. SOURCES / USES	\$0		\$0		\$0		\$0		\$0	
SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES	\$3,440,191		\$1,896,556		\$2,568,568		\$6,297,837		\$8,456,470	
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PROJECTED YEAR END BALANCE	\$21,723,437		\$23,619,993		\$26,188,561		\$32,486,398		\$40,942,868	
FUND BALANCE AS % OF EXPENDITURES	9.88%		10.11%		11.59%		14.07%		17.33%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	1.19		1.21		1.39		1.69		2.08	