



Dr. Lori Motsch, Superintendent

Robert Groos, Chief School Business Official

Presented October 15, 2024 & November 19, 2024

The Annual Tax Levy Process

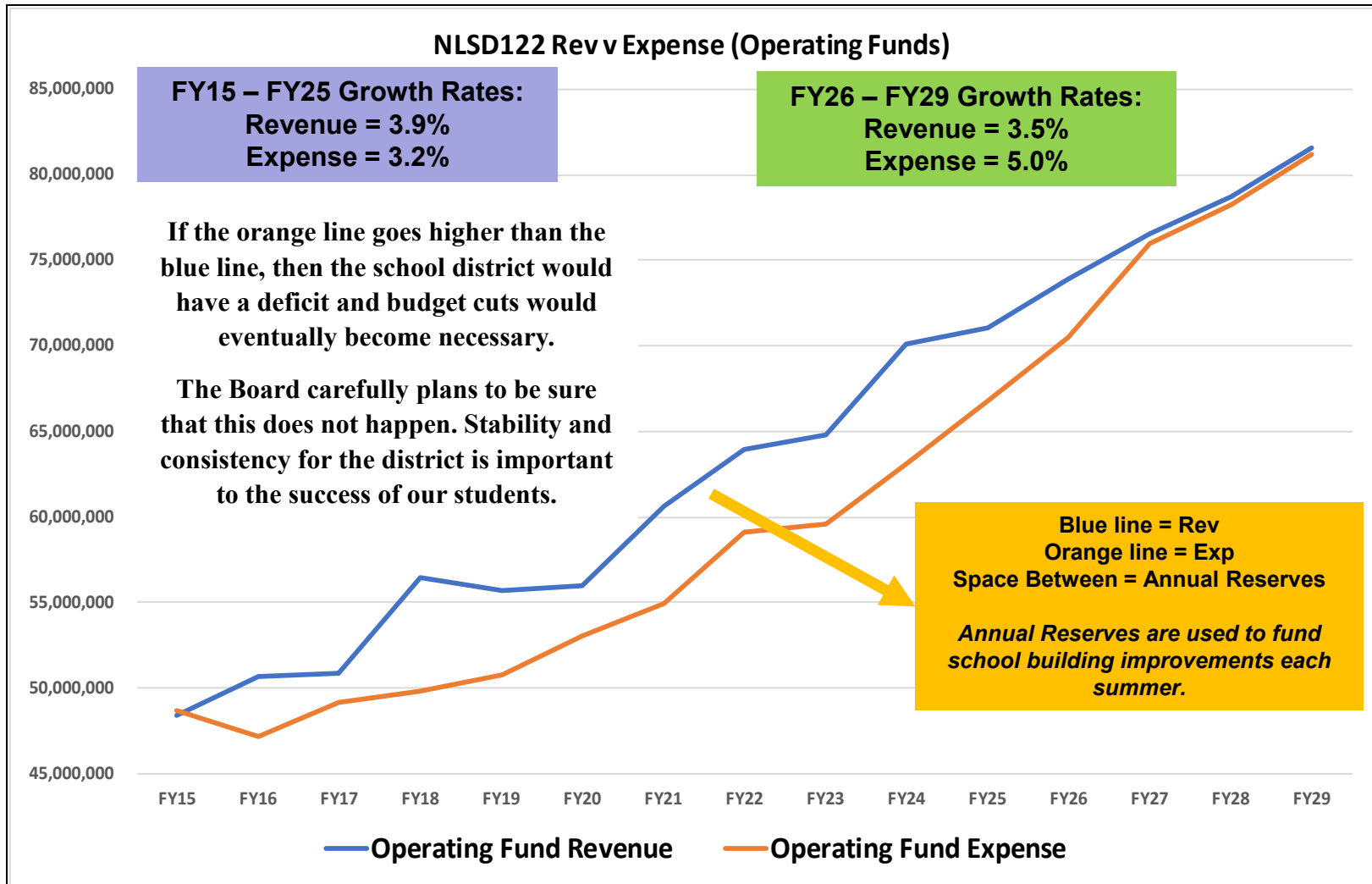
- ✓ **First, school districts estimate their annual revenues and expenditures each fall (Legal Budget)**
 - Developed throughout the year-long **financial planning process**

- ✓ **Second, school districts request property tax revenue from the County (Tax Levy)**
 - The need for these taxes is supported by the Board approved Legal Budget
 - The amount of taxes requested is governed by State tax law (PTELL)
 - Amount is determined using prior year amounts with adjustments for inflation (CPI) and new property.
 - An estimated tax levy must first be approved.
 - **A final tax levy is then be approved after holding a public hearing.**
 - The final approved levy is filed with the county (a formal request for revenue).
 - The final actual tax revenue amounts are calculated by the County in March.
 - **Tax bills go out the following May (payments due in June and September).**
 - Finally, the County transfers the tax money to the schools once collected.

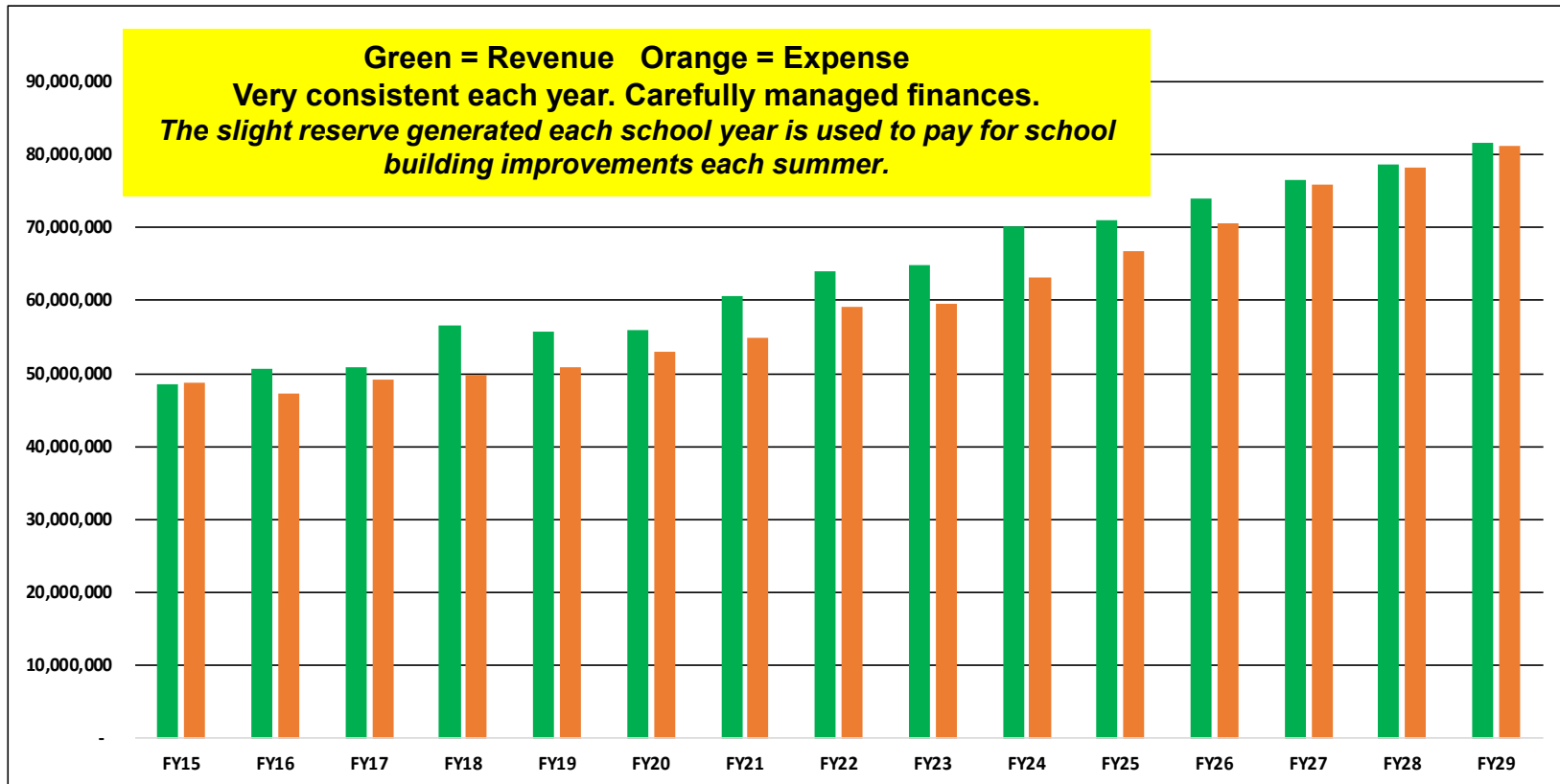
Q: Why is the Tax Levy Discussion so important?

A: 80% of Revenue is controlled by the tax levy

NLSD122's Financial History and Forecast



NLSD122's Financial History and Forecast



Green = Revenues

Orange = Expenses

Extra funds at end of year are then used to take care of the buildings (Roofs, AC/Heat, Painting, Flooring, Renovations, Major Repairs, etc.)

NLSD122 avoiding the need for new referendum debt to fund building improvements since NLSD122 still has \$128M of bonds to pay back after building all the new buildings 20+ years ago.

Operating Funds Only:
 Excludes Capital Projects
 Excludes Debt Payments

NLSD122 Capital Improvements Since 2015

FACILITY	CATEGORY	Key Projects Completed Since the Summer of 2015	Total Cost
Oakview	HVAC	New HVAC: Replacement of Heating & Cooling System (VRF System)	\$9,150,642
Bentley	HVAC	New HVAC: Replacement of Heating & Cooling System (VRF System)	\$4,699,255
Haines	HVAC	New HVAC: Replacement of Heating & Cooling System (VRF System)	\$3,503,512
District Office	HVAC	New HVAC: All new Rooftop Units	\$348,930
Spencer Trail	Roofing	New Roof (Summer 2025)	\$1,820,600
Nelson Prairie	Roofing	New Roof	\$565,300
Nelson Ridge	Roofing	New Roof	\$565,300
Oakview	Roofing	New Roof (60% of Building)	\$967,100
Bentley	Roofing	New Roof	\$966,111
Tyler	Roofing	New Roof	\$834,958
District Office	Roofing	New Roof	\$664,200
Cherry Hill	Roofing	New Roof (Second layer of shingles)	\$355,700
Martino Jr. High	Parking Lots	New Parking Lot	\$611,176
Nelson Campus	Parking Lots	New Parking Lot	\$553,039
Haines	Sitework	New Parking Lot	\$309,800
Tyler	Flooring	New Floors	\$212,950
Oakview	Interiors	New Floors	\$186,900
Nelson Prairie	Flooring	New Floors	\$145,752
B/H/T	Electrical	Electrical Upgrades for Bentley, Haines, Tyler	\$657,000
District-Wide	Painting	Paint majority of schools over the past 7 years	\$979,000
Tyler	Renovation	LRC Renovation	\$323,358
District-Wide	Fiber Cable	Replaced District-Wide Fiber Optic Cables for increased internet access	\$340,000
Prairie/Ridge	Interiors	Renovation of Girls and Boys and selected Staff toilet rooms at both buildings	\$312,586
Oakview	Interiors	Toilet Room Renovations	\$285,000
District	Parking Lots	District-wide repair and maintenance of parking lots and walks	\$421,400
Cherry Hill	Playground	New Playground	\$245,000
Cherry Hill	Playground	New Playground Surface	\$325,000
Pointe/Crossing	HVAC	New Chiller, removal of ice fields, decommissioning of generator, control adjustments	\$385,500
District	Various	Various other miscellaneous capital projects	\$5,884,231
District Office	Masonry	Tuckpointing and masonry repair of entire building	\$380,700
		Total Since Summer of 2015	\$37,000,000

NLSD122's Debt Summary

Bond Debt (as of 6/30/25)

Remaining Bond Interest Due	\$ 24,605,901
Remaining Bond Principal Due	\$ 103,059,274
Total Payments Due	\$ 127,665,175
Payments Due over the next year	\$ 13,093,486
Number of Years Until Paid Off	8

Was \$230M in 2015

**Paying off the construction of:
Spencer Pointe, Spencer Crossing,
Spencer Trail, Liberty Junior High,
Martino Junior High, Nelson Ridge,
Nelson Prairie, Cherry Hill**

**Important to delay new debt until closer until 2033 when old debt drops off.
Annual Reserves reduced by FY27 so much less money for capital in FY27-FY33.**

NLSD122's FY25 Legal Budget

NEW LENOX SCHOOL DISTRICT 122

2024-2025 LEGAL BUDGET SUMMARY

	6/30/2024**	FY25	FY25	FY25	FY25	FY25	6/30/2025
FY25 Legal Budget	Beginning Balance	Revenue	Expense	Net	Transfers In	Transfers Out	Ending Fund Balance
10 Education Fund	\$ 25,823,825	\$ 61,410,563	\$ 55,112,867	\$ 6,297,696		\$ (8,000,000)	\$ 24,121,521
20 Operations and Maintenance Fund	\$ 5,060,971	\$ 4,069,831	\$ 5,179,589	\$ (1,109,758)			\$ 3,951,213
30 Debt Service Fund	\$ 6,821,715	\$ 13,266,749	\$ 13,098,587	\$ 168,162			\$ 6,989,877
40 Transportation Fund	\$ 5,333,171	\$ 3,861,076	\$ 4,943,298	\$ (1,082,222)			\$ 4,250,949
50 IMRF / FICA / SS Fund	\$ 1,268,773	\$ 1,614,777	\$ 1,594,571	\$ 20,206			\$ 1,288,979
60 Capital Projects Fund	\$ 1,317,076	\$ 406,331	\$ 8,181,599	\$ (7,775,268)	\$ 8,000,000		\$ 1,541,808
70 Working Cash Fund	\$ 2,463,838	\$ 114,434	\$ -	\$ 114,434			\$ 2,578,272
80 Tort Fund	\$ 34,066	\$ 1,895	\$ -	\$ 1,895			\$ 35,961
90 Life Safety Fund	\$ 121,751	\$ 5,024	\$ -	\$ 5,024			\$ 126,775
T Sum of All Funds	\$ 48,245,187	\$ 84,750,680	\$ 88,110,511	\$ (3,359,831)	\$ 8,000,000	\$ (8,000,000)	\$ 44,885,355

Blue = Operating Funds (Reoccurring Expenses) Orange = Non-Operating Funds (One-time expenses)

NLSD122's FY25 Operating Revenue

Total State = 13%
Total Federal = 3%
Total Local = 84%

State Funding:
 FY10 = \$8.7M
 FY25 = \$8.9M

*includes CPPRT

Revenue Sources	\$/ Student	Total	%
Property Tax	\$ 11,126	\$ 57,011,200	80%
Food Service	\$ 99	\$ 505,997	1%
School Fees	\$ 221	\$ 1,134,310	2%
Evidence Based Funding Grant	\$ 1,103	\$ 5,650,198	8%
Transportation	\$ 391	\$ 2,001,980	3%
State Grants	\$ 243	\$ 1,243,337	2%
Federal Grants	\$ 282	\$ 1,445,762	2%
Interest Income	\$ 309	\$ 1,582,216	2%
Tuition from Other Districts	\$ 15	\$ 75,000	0.1%
Other	\$ 9	\$ 45,681	0.1%
iPad/Laptop Rotation Sales	\$ 59	\$ 300,000	0.4%
PTO	\$ 15	\$ 75,000	0.1%
Total	\$ 13,870	\$ 71,070,681	100%

Illinois Public School Funding System:

EBF (Evidence Based Funding System):

- Calculates what the District cost should be based on evidence based research. (A)
- Determines how much of that cost should be paid for with local property taxes based on local property values. (B)
- The difference between the two (A-B) is the State EBF grant allocation.
- The EBF grant allocation is then reduced if the State can't afford to fund the full grant.
- NLSD122's FY25 EBF Grant amount should be \$11.7M. The State can only afford to give NLSD122 \$5.7M.
- The EBF required local resources plus the \$6M State shortfall must come from local property taxes.
- Illinois pushes the majority of the cost of public education on to local property tax payers.

Inflation – The Tax Levy's Key Variable

Property tax revenue increases are determined primarily by inflation (Levy CPI capped at 5% maximum).

As prices increase over time, the cost to operate a school increases and therefore the law allows the property tax amounts collected to increase.

Inflation is hard to notice when it is low, however, over a longer period of time or when inflation is very high, it becomes very noticeable.

All Urban Consumer Price Index

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
0.8%	0.7%	2.1%	2.1%	1.9%	2.3%	1.4%	7.0%	6.5%	3.4%

Fed Goal = 2.0%

10 Year Avg = 2.8%

5 Year Avg = 4.1%

The average value of a home in New Lenox 7 years ago used to be about \$250K.

The average value of a home in New Lenox in 2024 is now \$413K

Property Tax Levy Calculation

- **2023 EAV = \$1,792,727,469** (EAV = Equalized Assessed Valuation; about 1/3 of market value)
- **2024 Change in existing EAV = +8.85%** (Estimate per Will County)
- **$\$1,792,727,469 \times 1.0885 = \$1,951,383,850$** (Adjusted Valuation Base)
- **2024 New Property Developed = \$17,011,166** (Estimate per Will County)
- **$\$17,011,166 + \$1,951,383,850 = \$1,968,395,016$** (Expected Net EAV)

- **2023 Levy Extension = \$55,775,337**
- **Inflation (CPI) = 3.4%** (2024 Levy uses the December 2023 CPI (3.4%) or 5% whichever is lower)
- **$\$55,775,337 \times 3.4\% = \underline{\$1,896,361}$** (Revenue increase for inflation)
- **$\$55,775,337 + \underline{\$1,896,361} = \$57,671,698$** (New extension base)

- **$\$57,671,698 / \$1,951,383,850 = \$0.029554$** (New Tax Rate)
- **$\$0.029554 \times \$17,011,166 = \underline{\$502,752}$** (Revenue increase for new property)

- **2023 ext. (\$55,775,337) + New Revenue (\$1,896,361 + \$502,752) = 2024 extension (\$58,174,451*)**

**final calculations are carried out to several decimal points and therefore will have slight rounding variances*

Property Tax Levy Calculation

- **2023 ext. (\$55,775,337) + New Revenue (\$1,896,361 + \$502,752) = 2024 extension (\$58,174,451*)**
- **Annual Debt Service = \$13,609,190** (Based on previously approved debt)
 - Note that about 19% of NLSD122's tax bill is to pay off previously approved debt
 - \$950+ per year on an average New Lenox house tax bill
- **2024 Operating extension (\$58,174,451) + 2024 Debt Service (\$13,609,190) = Total (\$71,783,640)**
- **Certificate of Levy to be submitted to the County before the last Tuesday in December**
 - **\$58,174,451 :** Expected final extension based on EAV and New Property estimates provided by Will County in October (EAV up 8.85% and New Property of \$17,011,166).
 - **\$58,551,267 :** Amount to request on the certificate of tax levy. Since the District will never receive more revenue than it requests on the levy, it is best practice to request more than is expected just in case the new property for the year comes in higher than estimated. Once the final new property values are reported by the County in April, then the final extension amount is calculated for each district. Any extra amount requested on the levy is eliminated by the County. This strategy secures the district for up to \$29.8M of new property for 2024.

NLSD122 Recent Levy History

Original Levy Requested in Fall vs Final Tax Extension in Spring

Levy Year	Original Levy Requested	Final Actual Extension	Difference
2024	\$ 58,551,267	\$ 58,174,451	\$ (376,816) <i>projected</i>
2023	\$ 56,537,638	\$ 55,775,337	\$ (762,301)
2022	\$ 53,467,793	\$ 52,694,243	\$ (773,550)
2021	\$ 50,650,189	\$ 49,611,208	\$ (1,038,981)
2020	\$ 48,818,826	\$ 48,274,084	\$ (544,742)
2019	\$ 47,169,182	\$ 46,528,335	\$ (640,847)
2018	\$ 45,560,804	\$ 44,964,739	\$ (596,065)
2017	\$ 43,943,773	\$ 43,425,541	\$ (518,232)
2016	\$ 42,848,522	\$ 41,860,371	\$ (988,151)
2015	\$ 41,812,196	\$ 40,874,687	\$ (937,509)
2014	\$ 40,363,481	\$ 39,827,456	\$ (536,025)
2013	\$ 38,759,720	\$ 38,452,546	\$ (307,174)

The District can only receive the amount of funds asked for and allowed by the IL PTELL laws.
 If the District under estimates property values and levies too low,
 the potential revenue would be lost forever.
 Best practice is to estimate high and allow the County to let us know the actual lower amount later.

2024 Tax Bills: Increase of about 3.8%

2015 Increase 0.9%, 2016 Increase 1.2%, 2017 Increase 3.4%, 2018 Increase = 4.2%, 2019 Increase = 2.4%, 2020 Increase = 2.6%, 2021 Increase 2.1%, 2022 Increase 4.5%, 2023 Increase 3.2%

NLSD122 2024 Tax Levy Estimate: Projected Tax Bills (10/01/24)

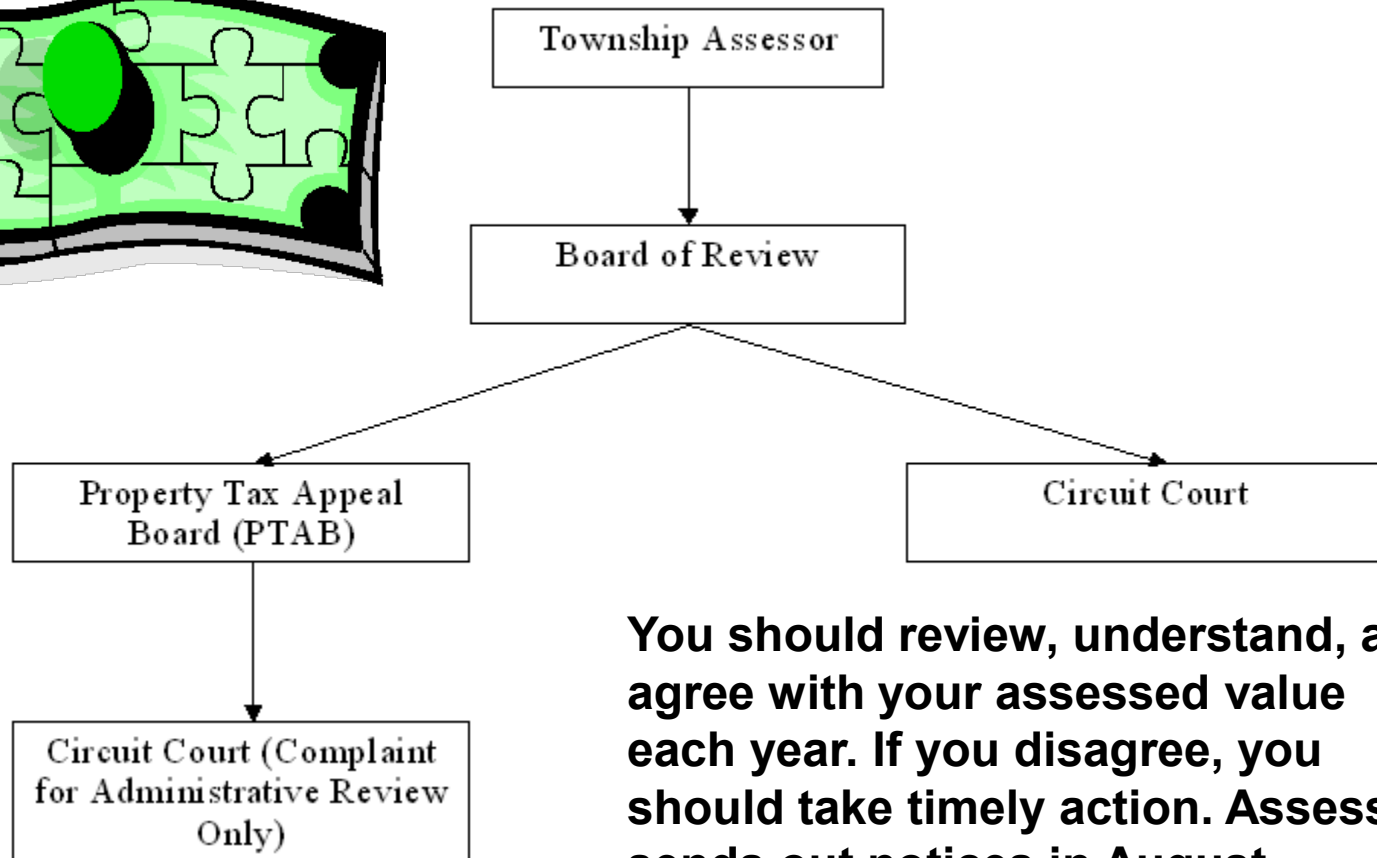
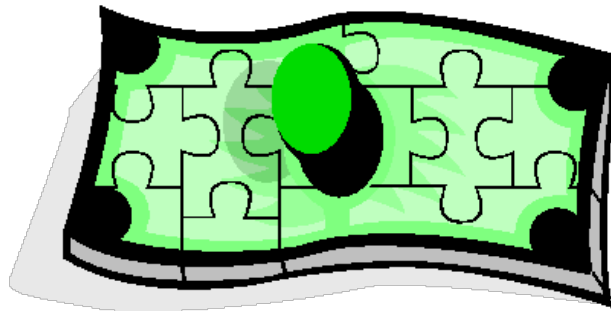
2023 Fair Cash Value	200,000	250,000	300,000	350,000	400,000	450,000	500,000	550,000	600,000
1/3 Assessment	66,667	83,333	100,000	116,667	133,333	150,000	166,654	183,333	200,000
Exemptions	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Total Net Value	58,667	75,333	92,000	108,667	125,333	142,000	158,654	175,333	192,000
Tax Rate	\$ 3.8449	\$ 3.84	\$ 3.84	\$ 3.84	\$ 3.84	\$ 3.84	\$ 3.84	\$ 3.84	\$ 3.84
2023 Tax Due	2,256	2,896	3,537	4,178	4,819	5,460	6,100	6,741	7,382

The average overall Equalized Assessed Value (EAV) for property in New Lenox increased 8.85% for 2024. The change in your individual tax bill will depend on how much your home's assessment changed for 2024. The below tables provide estimated changes in tax bills based on various values and assessment changes. The amounts listed represent the amount due to NLSD122 only. Your total tax bill includes other taxing bodies.

Homes w/ 2024
Assessment Change of:
8.85%

2024 Fair Cash Value	217,700	272,125	326,550	380,975	435,400	489,825	544,250	598,675	653,100
1/3 Assessment	72,567	90,708	108,850	126,992	145,133	163,275	181,417	199,558	217,700
Exemptions	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Total Net Value	64,567	82,708	100,850	118,992	137,133	155,275	173,417	191,558	209,700
Tax Rate	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65
2024 Tax Due	2,355	3,016	3,678	4,339	5,001	5,663	6,324	6,986	7,647
\$ Increase	\$ 99	\$ 120	\$ 141	\$ 161	\$ 182	\$ 203	\$ 224	\$ 244	\$ 265
% Increase	4.4%	4.1%	4.0%	3.9%	3.8%	3.7%	3.7%	3.6%	3.6%

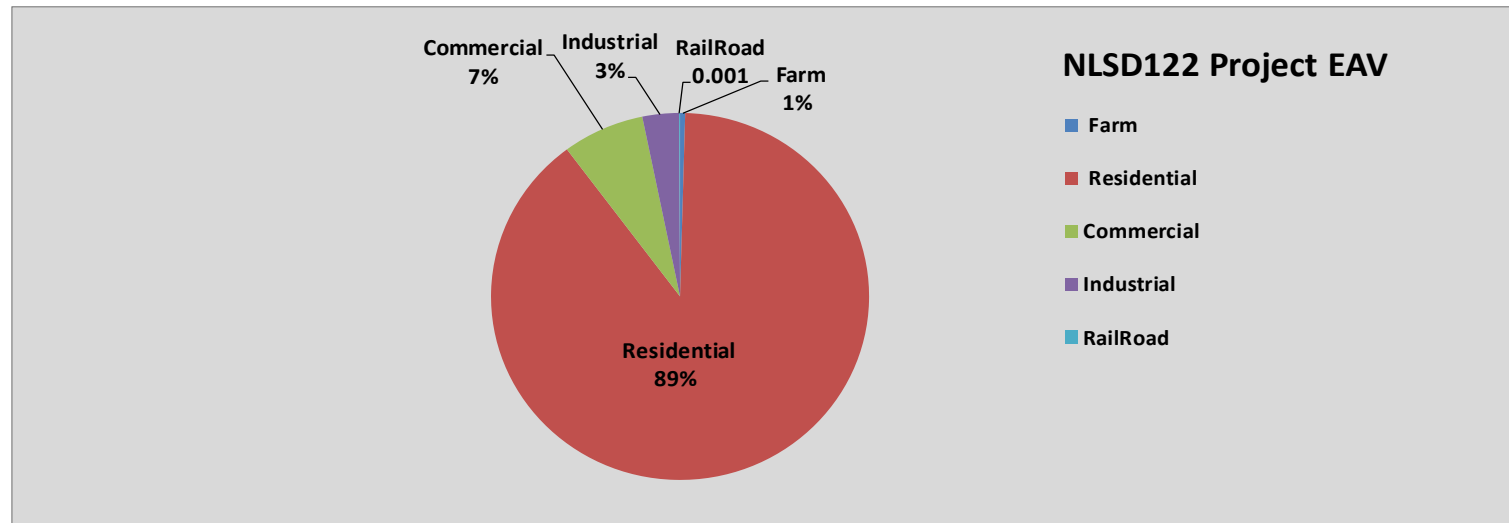
Assessment Appeal Process



You should review, understand, and agree with your assessed value each year. If you disagree, you should take timely action. Assessor sends out notices in August.

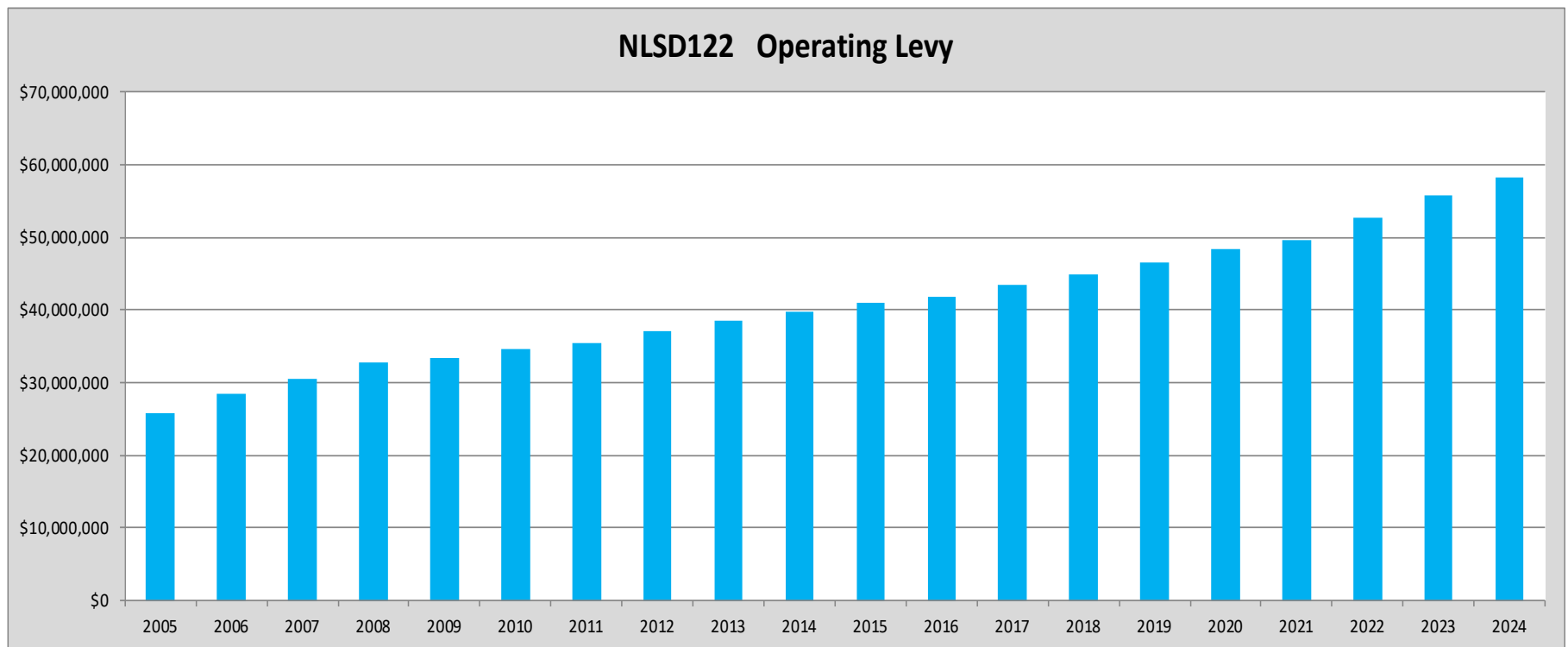
Property Values in New Lenox

- New Lenox currently relies primarily on residential property owners (89%).
- Future commercial and industrial growth will help to stabilize the debt service tax rate and therefore the overall tax rate.



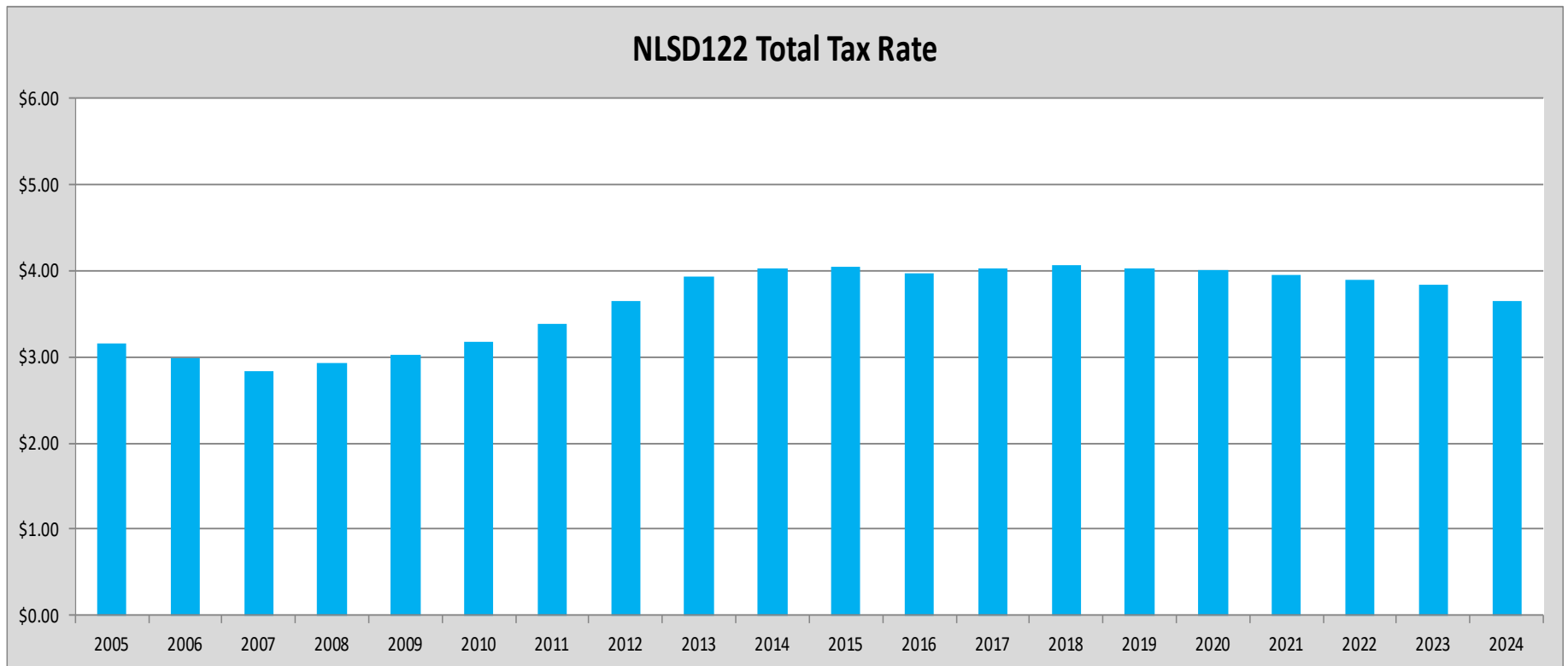
NLSD122 Property Tax Revenue Growth

- 4% Annual growth rate since FY15
 - ❑ 65% of growth from 2.8% average annual inflation
 - ❑ 35% of growth from \$197M of new property



NLSD122 Property Tax Rate History

- Stable rates over time
 - ❑ Rate continues to slightly decrease each year
 - ❑ About 20% of the rate is related to paying off bond debt



P.A. 102-0895

ASSETS (Enter Whole Dollars)		(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)	
	Acct. #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety	Agency Fund
CURRENT ASSETS (100)											
Cash (Accounts 111 through 115) ¹		29,726,688	5,571,857	7,120,122	5,369,822	1,303,135	1,317,076	2,463,838	34,066	121,751	
Investments	120	0	0	0	0	0	0	0	0	0	
Taxes Receivable	130	23,390,805	1,781,724	6,244,100	766913	720,557	0	0	0	0	
Interfund Receivables	140	0	0	0	0	0	0	0	0	0	
Intergovernmental Accounts Receivable	150	0	0	0	0	0	0	0	0	0	
Other Receivables	160	274,044	0	0	0	0	0	0	0	0	
Inventory	170	0	0	0	0	0	0	0	0	0	
Prepaid Items	180	0	0	0	0	0	0	0	0	0	
Other Current Assets (Describe & Itemize)	190	0	0	0	0	0	0	0	0	0	
Total Current Assets		53,391,537	7,353,581	13,364,222	6,136,735	2,023,692	1,317,076	2,463,838	34,066	121,751	0

Questions?

❑ Please contact us anytime:

Robert Groos

NLSD122 CSBO

(815) 485 - 2169

rgroos@nlsd122.org

Final questions and comments regarding the property tax levy will be taken at the November 19th public hearing (6:00pm located at the NLSD122 Admin Center; 102 S. Cedar Rd. New Lenox, IL 60451).