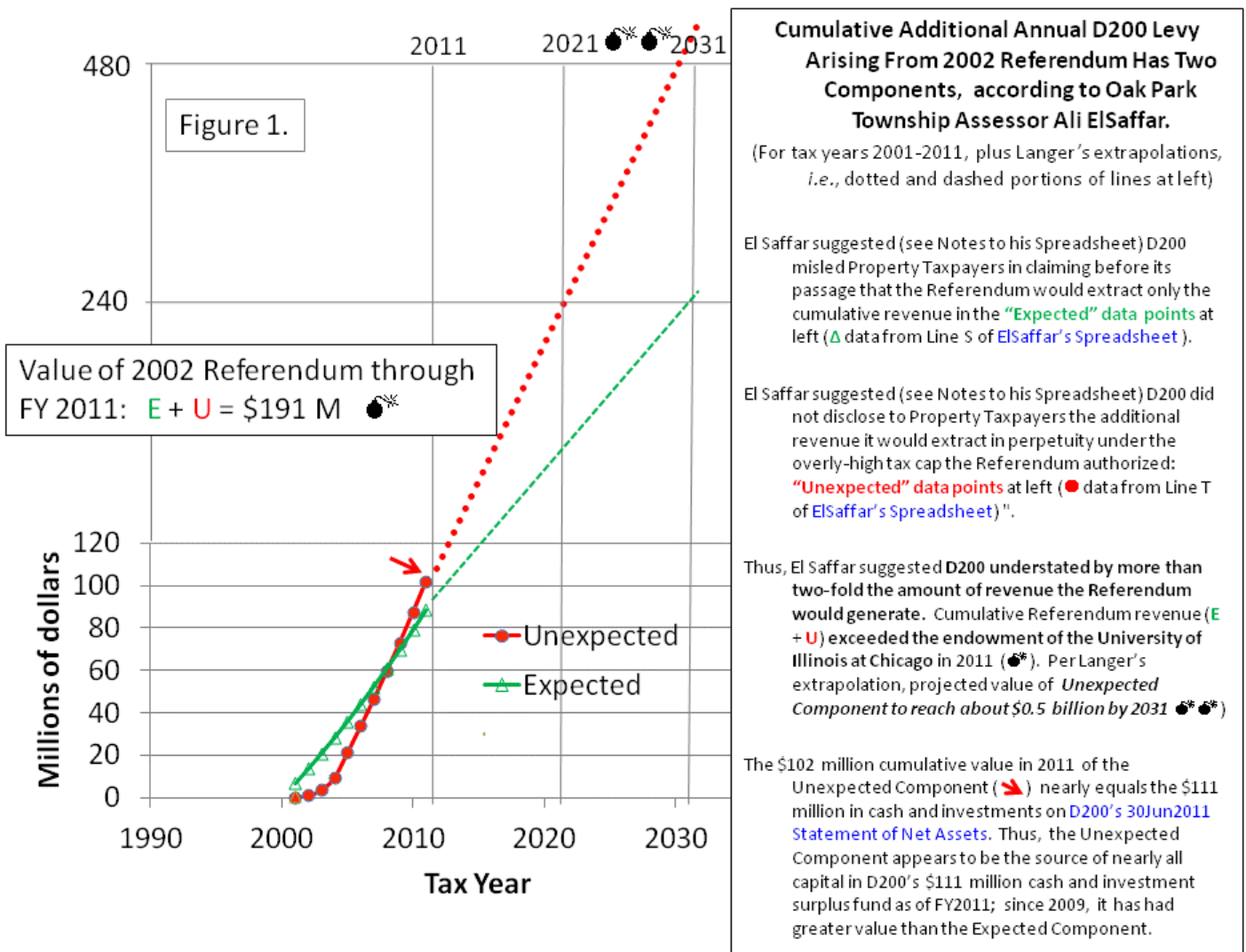


Why and How D200 can and will pass this levy – (unless D200 Residents Protest at the December 20 BOE Meeting)

D200 took the first step to make it financially and politically independent from voters a decade ago by deliberately misinforming them that it needed a Referendum to cover its operating expenses and it would face insolvency unless voters approved a 2.95% increase in the tax cap on D200's Education Fund in April, 2002.ⁱ

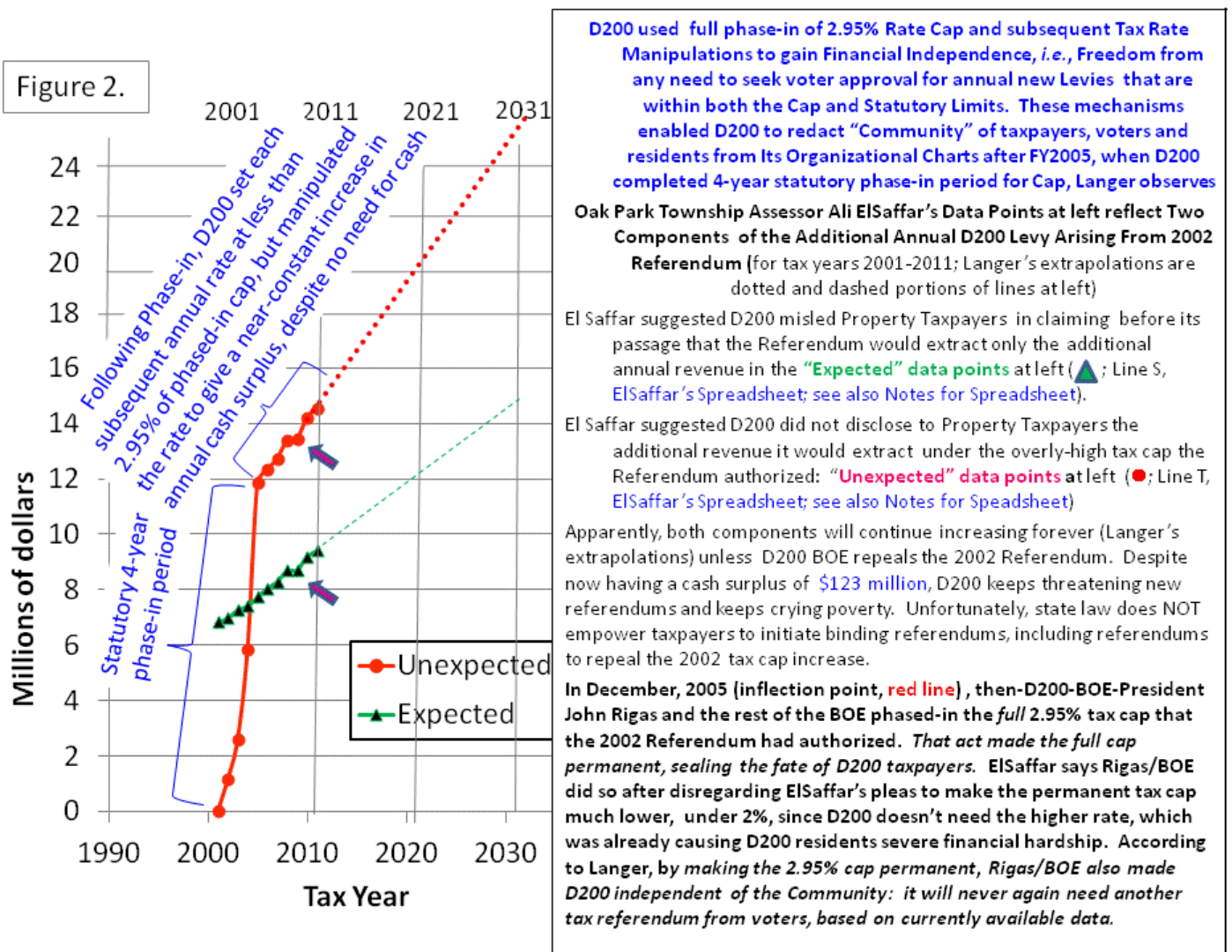
The opposite was true: D200 had about \$20 million in surplus cash when it claimed it could not meet its operating expenses and other obligations. The new cap enabled D200 to extract over twice as much revenue as D200 claimed it would, and to do so unilaterally, without voter approval *in perpetuity* (Figure 1). Revenue from the Referendum is *in addition to* the revenue D200 would have received for all other funds and for the Education Fund without the increased tax cap under the Referendum.



Deceived voters passed the astronomical Referendum cap, thereby unwittingly:

1. enabling D200 to extract about \$10 million more than its operating expenses and projected debt and pension obligations each subsequent year,ⁱⁱ
2. forfeiting their right to veto future D200 levies that are unilateral, meaning they require no new voter approval as long as they remain within statutory caps and are less than 2.95% higher than the previous year's levy,ⁱⁱⁱ and
3. consigning themselves to perpetual annual property tax increases,^{iv} despite D200's nonexistent need for them.


D200 "phased-in" the new cap during the four years following passage of the Referendum in 2002 (Figure 2; exponential part of "Unexpected" line). Thereafter, D200 manipulated the rate for its annual levy to get a near-constant increase in its cumulative surplus cash, but at a rate within both: 1) the cap the Referendum allows and 2) state statutory requirements (Figure 2: bracketed portion of straight-line part of "Unexpected" line).



The combined value of both components for each tax year (E + U) equals the total amount by which the Referendum increased the D200 property tax above what it would have been if the voters had disapproved the Referendum (Figure 2). Their combined amounts fund *only* the Education line item, Fund 052, on the Cook County Clerk's annual Agency Tax Rate Report for D200.^v Fund 052 is the largest of 12 line items or "funds" payable to D200 by taxpayers.

The “Unexpected” component arises from rate changes D200 implemented to “phase in” the rate increase voters approved in the Referendum. The dollar value (not the rate) increased exponentially during the first four years. Thereafter the *dollar value* has increased at a near-constant rate and, Langer observes, should continue to do so indefinitely, unless the BOE repeals the Referendum (extrapolations). See also endnote iii.

Property tax payers did NOT expect to pay the Unexpected component when they approved the Referendum because D200 disclosed only the Expected component and not the ongoing, Unexpected surplus (Figure 2, legend). Notice that even the financial crash (2008-2010) made barely a divot in either D200’s **Expected** or **Unexpected** cash haul. When D200’s Equalized Assessed Value (EAV) plummets, D200 apparently just adjusts the tax rate up accordingly (Figure 2,

see:  s). That way, *D200 transfers its financial pain onto taxpayers, while continuing to raise compensation for senior administrators and teachers to astronomical levels AND annually increasing its unused cash stash, now at \$123 million.*

The final cap resulting from the 2002 Referendum did not have to be the full 2.95% that voters mistakenly approved in 2002. Under state law, at the end of the four year “phase-in” period, the District is apparently free to permanently set the cap at any rate *less than the rate the voters approved in the Referendum*. See endnote iii. In December, 2005, Oak Park Township Assessor Ali ElSaffar says he begged the D200 BOE not to phase-in the full 2.95% tax cap increase because D200 had already extracted many times the amount of revenue from the Referendum then it had said it needed, which was already causing severe financial hardship for D200 residents (Figure 2: exponential part of “Unexpected” line). See also endnote vi.^{vi} ElSaffar said BOE President John Rigas and his colleagues disregarded ElSaffar’s plea to make the permanent tax cap much lower, *i.e.*, under 2%, and instead authorized the full 2.95% cap. See also endnote ^{vi}.

DISCLAIMER: *Our use and publication of Oak Park Township Assessor Ali ElSaffar’s spreadsheet, notes, data and information should not be construed as either an endorsement by him or an affiliation of him with us of any kind. On July 14, 2012, Mr. ElSaffar granted Dr. Langer carte blanche to graph, report, interpret, publish, distribute and otherwise use his materials and information without limitation, cost or obligation as she deems appropriate. See also the notes for his spreadsheet.*

Who were and are that man and woman behind the curtain?

So, in December, 2005 (Figure 2, inflection point, red line), then-D200-BOE-President John Rigas and the rest of the BOE phased-in the *full* 2.95% tax cap that the 2002 Referendum had authorized.

That act made the full cap permanent, sealing the fate of D200 taxpayers. By making the 2.95% cap permanent, Rigas/BOE also made D200 independent of the Community: with the cap, D200 will never again need another property tax referendum from voters, based on currently available data.

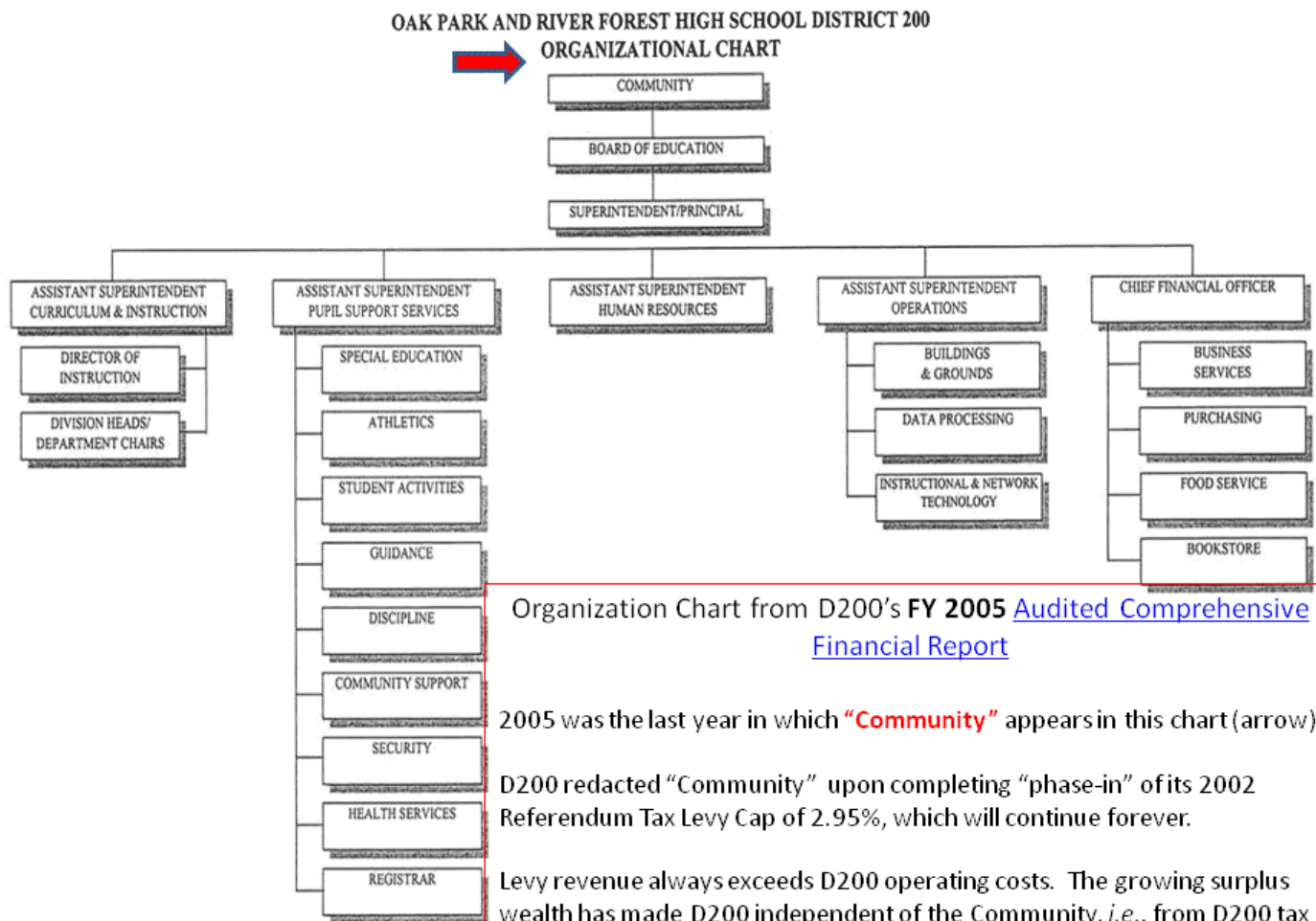
Rigas subsequently reemerged in November, 2010 as President of the Board of the Village of River Forest, where, in 2012, he tried to also make the RF Village Government independent of voters, this time via a “Home Rule” Referendum, which in effect, would have set a permanent municipal tax cap *limited only* by state law and the Village Board, *but NOT subject to voter approval*. RF voters *defeated* Home Rule by a landslide 80% on November 6, 2012, whereupon Rigas said he would not seek reelection. If he pops up in *your* community next, beware!

Rigas was first elected to the D200 BOE in 2001, the year before the April 2002 Referendum. Was the Referendum his brainchild? If so, was Rigas the sole puppet master in his apparent bids to orchestrate financial independence from taxpayers for D200 and the Village of RF?

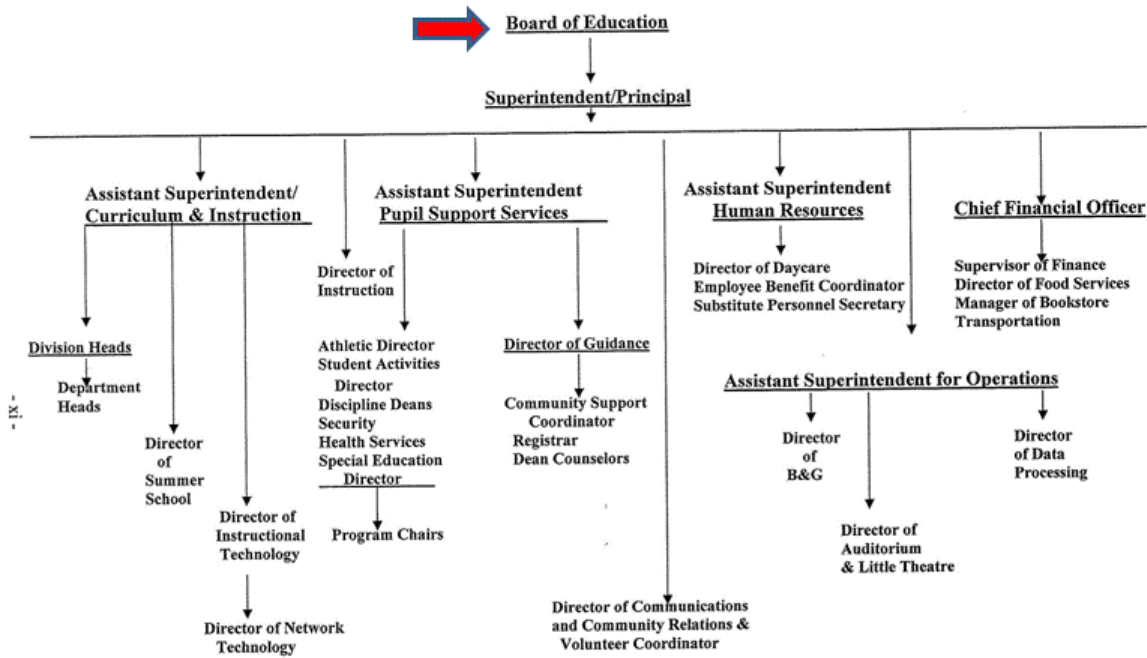
Immediately after Rigas and the D200 BOE misled voters about the 2002 Referendum, who then passed it, D200 hired Cheryl Witham, CPA, MBA, CSBO, to become D200 CFO in July 2002, the beginning of the next fiscal year. According to her LinkedIn profile, Witham was “Senior Auditor” for Arthur Andersen from 1993-1996.^{vii}

Did Witham first float the idea of a financial independence Referendum (in possible exchange for the now, near-quarter million dollar D200 CFO post), or did Rigas? Both have backgrounds that might enable them to bring Wall Street’s deceptive practices to Lake Street.

Proof that D200 is independent and does not need the approval of D200 voters to levy new taxes



ORGANIZATIONAL CHART 2005-06



REVISED 6/6/05

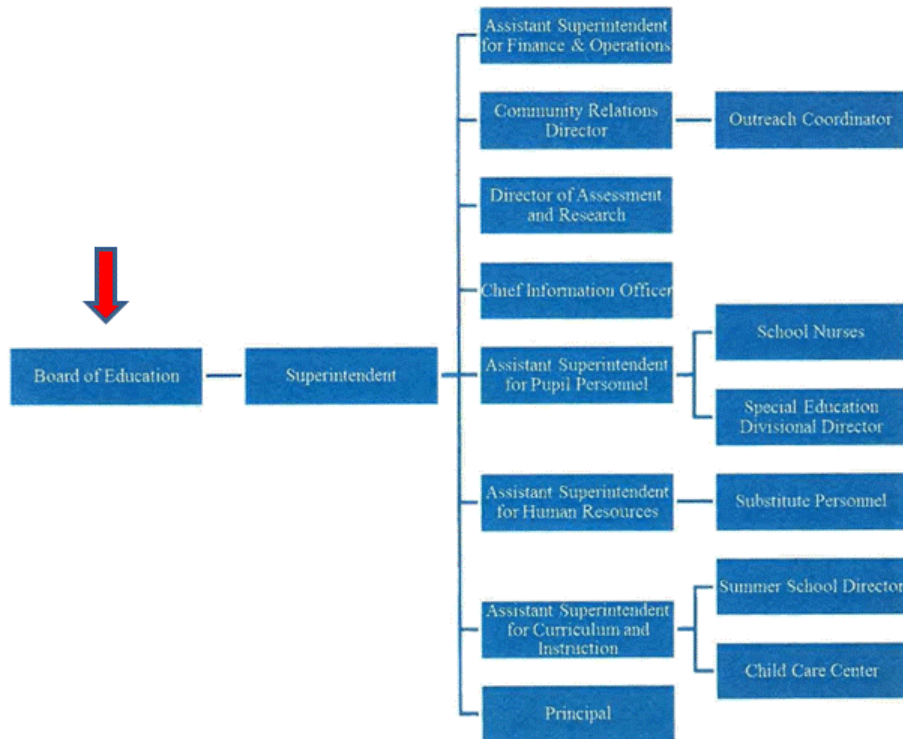
Organizational Chart from D200's FY2006 [Audited Comprehensive Financial Report](#)

2005 was the last year in which **"Community"** appeared in this chart (arrow).

D200 redacted "Community" upon completing "phase-in" of its 2002 Referendum Tax Levy Cap of 2.95%. This occurred from December 2005 to April, 2006. The phased-in levy rate cap of 2.95% will continue forever. Levy revenue always exceeds D200 operating costs. The growing surplus wealth has made D200 independent of the Community, i.e., from D200 tax payers. Consequently, D200 redacted "Community" and it no longer appears in this chart (arrow).

**OAK PARK AND RIVER FOREST HIGH SCHOOL DISTRICT 200
COOK COUNTY, ILLINOIS**

Organizational Chart



Organizational Chart from
D200's **FY2012**
[Audited Comprehensive
Financial Report](#)

2005 was the last year in which
"Community" appeared in this chart
(arrow).

D200 redacted "Community" upon
completing "phase-in" of its 2002
Referendum Tax Levy Cap of 2.95%.

This occurred from December 2005 to
April, 2006. The phased-in levy rate
cap of 2.95% will continue forever.

Levy revenue always exceeds D200
operating costs.

The growing surplus wealth has made
D200 independent of the Community,
i.e., from D200 tax payers.

Consequently, D200 redacted
"Community" and it no longer
appears in this chart (arrow).

Proof that D200 has \$123 Million in Idle Cash and Investments on June 30, 2012

OAK PARK AND RIVER FOREST HIGH SCHOOL DISTRICT 200		
STATEMENT OF NET ASSETS		
AS OF JUNE 30, 2012		
		GOVERNMENTAL ACTIVITIES
Assets		
Cash and investments	\$ 123,185,466	
Receivables (net of allowance for uncollectibles):		
Interest	283,134	
Property taxes	31,980,154	
Intergovernmental	1,784,321	
Inventory	1,011,563	
Other current assets	3,415	
Deferred charges	91,727	
Restricted cash	40,000	
Capital assets:		
Land	5,890,037	
Construction in progress	1,711,364	
Depreciable buildings, property and equipment, net	<u>38,226,319</u>	
Total assets	<u>204,014,400</u>	
Liabilities		
Accounts payable	866,495	
Salaries and wages payable	4,887,838	
Interest payable	52,979	
Unearned revenue	31,849,454	
Long-term liabilities:		
Other long-term liabilities - due within one year	3,195,361	
Other long-term liabilities - due after one year	<u>15,988,647</u>	
Total liabilities	<u>56,840,774</u>	
Net assets		
Invested in capital assets, net of related debt	27,162,743	
Restricted for:		
Tort immunity	2,862,518	
Operations and maintenance	9,043,396	
Student transportation	3,282,792	
Retirement benefits	2,885,422	
Debt service	1,550,203	
Capital projects	489,214	
Unrestricted	<u>99,897,338</u>	
Total net assets	<u>\$ 147,173,626</u>	

From D200's FY2012 Audited
[Comprehensive Annual Financial Report](#)

See Notes to Basic Financial Statements

Proof that D200 Had \$111 Million in Idle Cash and Investments on June 30, 2011

OAK PARK AND RIVER FOREST HIGH SCHOOL DISTRICT 200		STATEMENT 1
STATEMENT OF NET ASSETS		
June 30, 2011		
<hr/>		
	Governmental	
	Activities	
ASSETS		
Cash and investments	\$ 111,406,711	
Receivables:		
Property tax receivable	31,966,697	
Interest receivable	415,000	
Accounts receivable	3,415	
Intergovernmental receivable	4,113,018	
Inventory	432,389	
Prepaid items	25,000	
Deferred charges	112,111	
Restricted cash	40,000	
Capital assets not being depreciated	6,302,637	
Capital assets being depreciated, net	36,191,232	
Total assets	191,008,210	
<hr/>		
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	1,054,047	
Salaries and benefits payable	5,139,769	
Unearned revenue	31,740,905	
Insurance claims payable	648,924	
Interest payable	55,507	
Long-term obligations, due within one year:		
Bonds payable	2,768,306	
Lease payable	25,751	
Long-term obligations, due in more than one year:		
Bonds payable	18,071,801	
Lease payable	55,877	
Other post employment benefits payable	283,468	
Net pension obligation	285,580	
Compensated absences payable	252,228	
Total liabilities	60,382,163	
Net assets		
Invested in capital assets, net of related debt	21,572,134	
Restricted for:		
Tort immunity	2,510,131	
Debt service	1,434,638	
Capital projects	1,551,342	
Unrestricted	103,557,802	
Total net assets	\$ 130,626,047	
<hr/>		

From D200's FY2011 Audited
See accompanying notes to financial statements.
[Comprehensive Annual Financial Report](#)

OakPark Township Assessor Ali ElSaffar's Spreadsheet

Data source for Figures 1 and 2

Oak Park River Forest High School Tax Levies												
Levies under Scenarios with Referendum and without 'Phase-In'												
	2000 (Base Year)	2001 Taxes (paid in 2002)	2002 Taxes (paid in 2003)	2003 Taxes (paid in 2004)	2004 (paid in 2005)	2005 Taxes (paid in 2006)	2006 Taxes (paid in 2007)	2007 Taxes (paid in 2008)	2008 Taxes (paid in 2009)	2009 Taxes (paid in 2010)	2010 Taxes (paid in 2011)	2011 Taxes (paid in 2012)
A. Total Levy	\$29,701,399	\$37,953,045	\$39,954,162	\$42,922,178	\$46,966,115	\$54,697,891	\$56,755,361	\$58,486,676	\$61,173,117	\$61,365,395	\$64,613,910	\$66,141,852
B. Non-Capped Levy	\$2,772,729	\$2,777,206	\$2,887,176	\$2,937,336	\$2,893,684	\$2,998,926	\$3,006,764	\$3,008,532	\$3,003,724	\$3,014,833	\$3,058,238	\$3,092,262
C. Capped Levy (A - B)	\$26,928,670	\$35,175,839	\$37,066,985	\$39,984,842	\$44,072,431	\$51,698,965	\$53,748,597	\$55,478,144	\$58,169,393	\$58,350,562	\$61,555,672	\$63,049,590
D. Prior Year Capped Levy		\$26,928,670	\$35,175,839									
E. Prior Year Capped Levy w/ Ref. but no Phase-In				\$35,916,010	\$37,391,640	\$38,213,205	\$39,859,022	\$41,428,874	\$42,740,629	\$44,795,535	\$44,906,174	\$47,350,786
F. Inflation for Tax Cap Purposes		3.40%	1.60%	2.40%	1.90%	3.30%	3.40%	2.50%	4.10%	0.10%	2.70%	1.50%
G. Prior Year Plus Inflation (D or E x F)		\$27,844,245	\$35,738,653	\$36,777,994	\$38,102,082	\$39,474,241	\$41,214,228	\$42,464,596	\$44,492,995	\$44,840,330	\$46,118,641	\$48,061,047
H. District EAV	\$1,049,586,419	\$1,513,988,694	\$1,507,098,940	\$1,551,572,998	\$1,970,385,120	\$1,953,712,946	\$2,053,605,186	\$2,337,528,355	\$2,485,435,195	\$2,554,919,343	\$2,170,008,263	\$2,170,008,263
I. New Growth	\$18,441,266	\$7,476,234	\$24,733,498	\$4,511,940	\$19,021,217	\$10,122,310	\$13,262,870	\$15,787,182	\$3,644,262	\$66,483,192	\$19,865,065	\$19,865,065
J. District EAV less New Growth (H - I)	\$1,031,145,153	\$1,506,512,460	\$1,482,365,442	\$1,547,061,058	\$1,951,363,903	\$1,943,590,636	\$2,040,342,316	\$2,321,741,173	\$2,481,790,933	\$2,488,436,151	\$2,150,143,198	\$2,150,143,198
(J is the denominator for limiting rate formula)												
K. Limiting Rate (G / JI)		2.700%	2.372%	2.481%	2.463%	2.023%	2.121%	2.081%	1.916%	1.807%	1.853%	2.235%
L. Capped Levy with no Referendum		\$28,342,218										
M. Capped Levy w/ Ref. but no Phase-In (J x G)			\$35,916,010	\$37,391,640	\$38,213,205	\$39,859,022	\$41,428,874	\$42,740,629	\$44,795,535	\$44,906,174	\$47,350,786	\$48,505,081
(Assumes school gets maximum increase under Tax Cap)												
N. Additional Levy due to Referendum Prior Year			\$6,833,621	\$6,977,414	\$7,264,085	\$7,423,691	\$7,743,424	\$8,048,400	\$8,303,235	\$8,702,442	\$8,723,936	\$9,198,851
O. Additional Levy due to Referendum Plus Inflation			\$109,338	\$167,458	\$138,018	\$244,982	\$263,276	\$201,210	\$340,433	\$8,702	\$235,546	\$137,983
P. Additional Levy due to Referendum Plus New Growth			\$34,455	\$119,213	\$21,588	\$74,752	\$41,699	\$53,625	\$58,774	\$12,791	\$239,369	\$86,263
Q. Additional Levy due to Referendum (N+O+P)			\$6,833,621	\$6,977,414	\$7,264,085	\$7,423,691	\$7,743,424	\$8,048,400	\$8,303,235	\$8,702,442	\$8,723,936	\$9,198,851
Figures Understood by all at time of Referendum												
R. Additional Levy due to Phase-In (C-M)			\$1,150,976	\$2,593,202	\$5,859,226	\$11,839,943	\$12,319,723	\$12,737,515	\$13,373,858	\$13,444,388	\$14,204,886	\$14,544,509
Comparing actual levy with allowable levy with Referendum but without Phase-In												
S. Cumulative Additional Levy due to Referendum		\$6,833,621	\$13,811,035	\$21,075,120	\$28,498,811	\$36,242,235	\$44,290,635	\$52,593,870	\$61,296,312	\$70,020,248	\$79,219,100	\$88,642,197
Highlighted figure at right represents total additional tax levies resulting from Referendum since 2002												
T. Cumulative Additional Levy due to Phase-In			\$1,150,976	\$3,744,177	\$9,603,403	\$21,443,346	\$33,763,069	\$46,500,584	\$59,874,442	\$73,318,830	\$87,523,716	\$102,068,226
\$102,068,226 figure at right represents additional tax levies received by school that are above and beyond the \$88,642,197 expected from 2002 Referendum.												

RAW DATA FOR FIGURES 1 AND 2.

See next page for Spreadsheet Notes

7/23/2012

NOTES for OakPark Township Assessor Ali ElSaffar's Spreadsheet

(Data source for Figures 1 and 2)

Notes for Spreadsheet and Figures 1 and 2. At the request of Dr. Barb Langer/Enclose Our Pools, Mr. Ali ElSaffar, Oak Park Township Assessor, Oak Park IL, generated this spreadsheet on Saturday, July 14, 2012, based on Agency Tax Rate Reports published by the Office of the Cook County Clerk for D200. Mr. ElSaffar granted Dr. Langer permission to use and publish his spreadsheet and any data within it.

According to Mr. ElSaffar, the April, 2002 District 200 Referendum increased the property tax rate to 2.95% for Education only, i.e., for just one of the 12 line items or "funds" payable to D200 by D200 property tax payers (see Agency Tax Rate Reports). That line item, Fund 052, received ~74.4% of the total property tax that D200 collected in the 2001 tax year, which was the first tax year to reflect the Referendum. D200 was reassessed in 2002 after the Referendum passed. D200's Equalized Assessed Value (EAV) rose 44%, from \$1.05 to \$1.5 billion. D200's EAV rose another 27% with the 2005 tax year reassessment, to \$1.55 to \$1.97 billion. The inverse relationship between tax rate and EAV produces counter-intuitive effects. As EAV rose with the real estate boom and these two reassessments, the rate fell proportionately before D200 readjusted it upward towards the Referendum cap of 2.95%, which D200 never reached. The rate was 2.77% for the 2001 tax year after the Referendum passed in 2002. The rate fell to 1.99% after the reassessment in the 2002 tax year. It rose to 2.19% for tax year 2003, to 2.23% for tax year 2004 and then dropped to 2.14% when the EAV increased in 2005, which was the penultimate year of the four-year "phase in" of the Referendum rate hike. In December, 2005, ElSaffar says he asked D200 to voluntarily cap the Referendum rate permanently at 1.99%, rather than raising the rate any further during the last months of the "phase in" in early 2006. He argued that D200 had already reaped many times the \$6.5 million it said it needed from the Referendum (Figures 1 and 2; calculated as 65¢ increase per \$100,000 of EAV of D200's ~\$1 billion EAV in tax year 2000) and that any further rate increases would harm taxpayers and would take advantage of their misunderstanding about the Referendum tax cap. Instead, ElSaffar says D200 phased in the full 2.95% rate cap allowed by the Referendum. ElSaffar says this was legal, if unethical, because the Referendum did not cap the dollar amount at \$6.5 million but rather capped the rate at 2.95%. Taxpayers sought retribution in 2007 for the ruinous increase to the full 2.95 rate cap by voting two D200 Board members, Barry Greenwald and Yasmin Ranney, out of office. The actual rate went as high as 2.21% for the 2006 tax year. It dropped to 2.19 in tax year 2007, 1.94% for tax year 2008, 1.76% for tax year 2009, rose to 1.79% for the 2010 tax year and to 2.19% for the 2011 tax year. ElSaffar says the RTown Center Tax Increment Financing district (TIF) ended in 2010, when, as required by state law, all of its value was transferred to D200, which raised D200's EAV to \$2.56 billion and lowered its tax rate to 1.79%.

1. The total amount of additional tax that D200 property tax payers EXPECTED to pay annually if the Referendum passed. This amount is based on misrepresentations D200 made about the Referendum *before* it passed in April, 2002 (see spreadsheet lines Q and S for annual and cumulative amounts, respectively). The cumulative expected amount collected from tax years 2001 to 2011 totals **\$88,642,197** (Figure 1).
2. The total amount above and beyond, i.e., in addition to, what tax payers expected to pay (item 1 above) but that D200 nevertheless collected due to rate changes that D200 implemented to "phase in" the tax rate voters approved in the Referendum (spreadsheet lines R and T for annual (Figure 2) and cumulative (Figure 1) amounts, respectively). That additional UNEXPECTED amount totals **\$102,068,226**. Mr. Saffar says D200 property tax payers did NOT expect to pay that additional amount when they approved the Referendum in 2002 because D200 did not disclose that it could reap this ongoing windfall. He says D200 claimed it was only trying to raise an extra \$6.5 million to prevent a budget shortfall. D200 has collected more than twice the amount from the Referendum that it led taxpayers to expect it would collect. Under Illinois property tax law, the taxing body (i.e., D200) can gradually "phase in" the property tax rate increase (that was set forth in the Referendum that voters approved in April 2002) during the first four years after the Referendum passed, i.e., from 2002 to 2006 for tax years 2001-2005. He says whatever tax rate is in effect at the end of that four year "phase in" period will remain in effect FOREVER. It will generate almost half a billion dollars by 2031 unless D200 voluntarily repeals the Referendum. D200 will never have to pass another Referendum, as long as it doesn't repeal the 2002 Referendum. The 2011 unexpected amount, \$102 million, seems to be real. It appears to represent 92% of the \$111 million in "cash and investments" that D200 reported in its June 20 2011 Statement of Net Assets. The rate was 1.99% at the end of 2005.

The total amount that District 200 has received from the Referendum to date, **\$88,642,197 + \$102,068,226 = \$190,710,423**, is almost 20% of D200's EAV of \$1.05 billion in 2001: i.e., a fifth of the value of both the Villages of Oak Park and River Forest combined. It is also 5.5% larger than the \$181 million endowment of the University of Illinois at Chicago.¹

Would voters have approved the Referendum if they had known it would dwarf the endowment of UIC, parasitize both villages, balloon the compensation of high school employees, fund fluff such as exorbitant consultants and "futurists" and spawn an ever-expanding \$123 million slush fund in just 10 years? The answer is almost certainly "no."

¹http://en.wikipedia.org/wiki/University_of_Illinois_at_Chicago#cite_note-0

¹¹http://en.wikipedia.org/wiki/University_of_Illinois_at_Chicago#cite_note_-0

Barb Langer, Ph.D., is a District 200 property taxpayer who changed the local building code and state elevator law in 2008.

Contact information for Protect District 200 Property Taxpayers

Barb Langer, Ph.D., Founder
Protect District 200 Property Taxpayers
newtax@att.net

ENDNOTES:

ⁱ Burdett R: Rigas's D200 tax hike criticized. *Wednesday Journal*, April 1, 2009. <http://www.oakpark.com/News/Articles/4-1-2009/Rigas's-D200-tax-hike-criticized/>

ⁱⁱ <http://www.oakpark.com/News/Articles/12-11-2012/School-District-200-by-the-numbers/>

ⁱⁱⁱ http://articles.chicagotribune.com/2011-03-30/news/ct-met-school-reserves-0331-20110331_1_fund-balances-school-districts-taxpayer-money

^{iv} *ibid.*

^v <http://www.cookcountyclerk.com/tsd/taxagencyreports/Pages/default.aspx>

^{vi} <http://www.oakpark.com/News/Articles/4-1-2009/Rigas's-D200-tax-hike-criticized/>

^{vii} <http://www.linkedin.com/pub/cheryl-l-witham/13/34b/ba1>