

Valley View Schools District 365U

Budget and Property Tax Workshop
October 20, 2008

Overall and Operating Budget

- Total budget including Debt Service, Capital Projects & Life Safety

\$243,418,494

- Operating funds = \$217,561,734

Breakdown by Revenue Source

- Local resources - \$151 million (+1.25%)
mainly comprised of property taxes and user fees
- State funding - \$60 million (+7.2%)
General State Aid will yield \$1,641/student or \$26m
- Federal dollars estimated at \$9.2 million (-4.2%)

Students and Staff Count

❑ **6th Day Enrollment – 18,363 students**

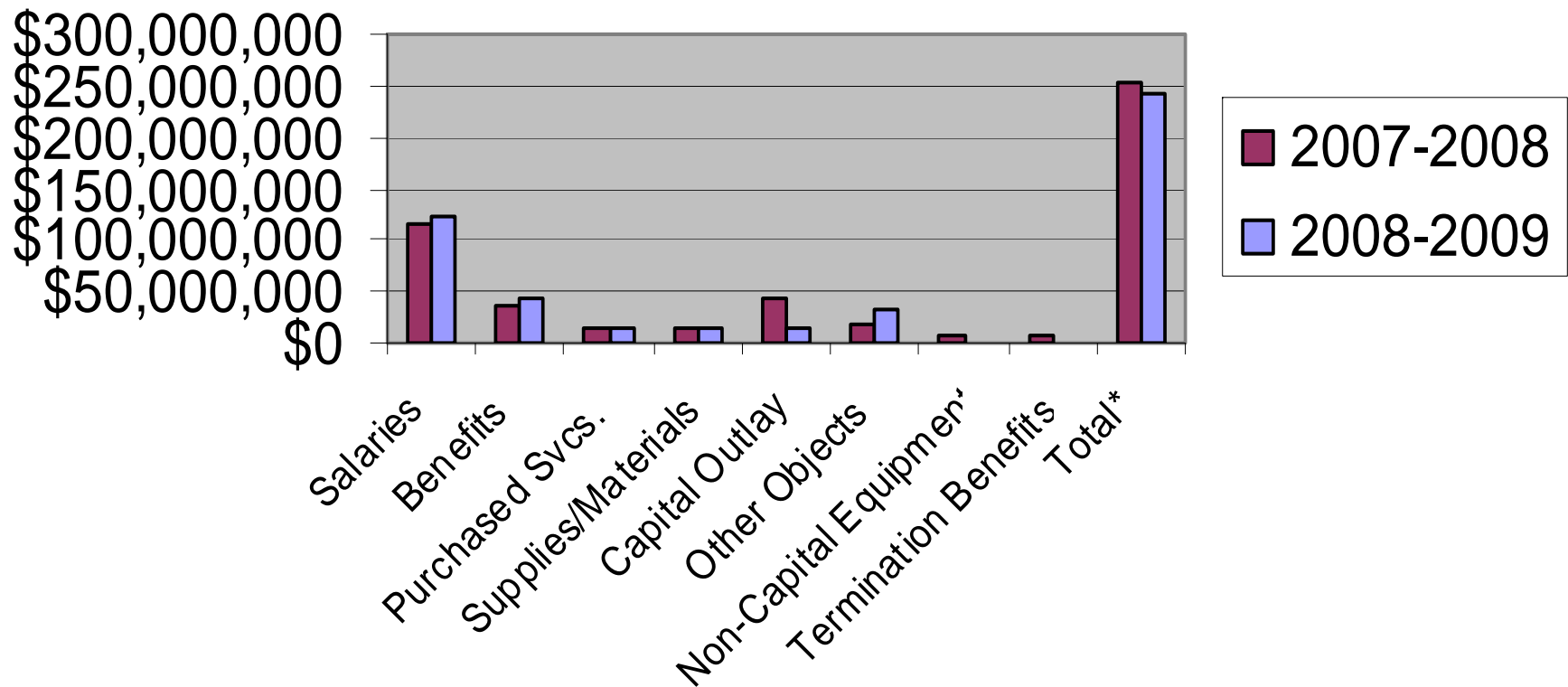
- 8,427 at grades Pre K-5th grade
- 4,219 at grades 6-8th
- 5,717 at grades 9-12th

❑ **Total FTE staff 2,664.7**

- New positions overall – 107.6 budgeted
- Additional Certified Staff – 28.7
- Additional Classified Staff – 78.9

2008-2009 Budget – All Funds

Object Comparison Chart



FY08 End of Year Fund Balances*

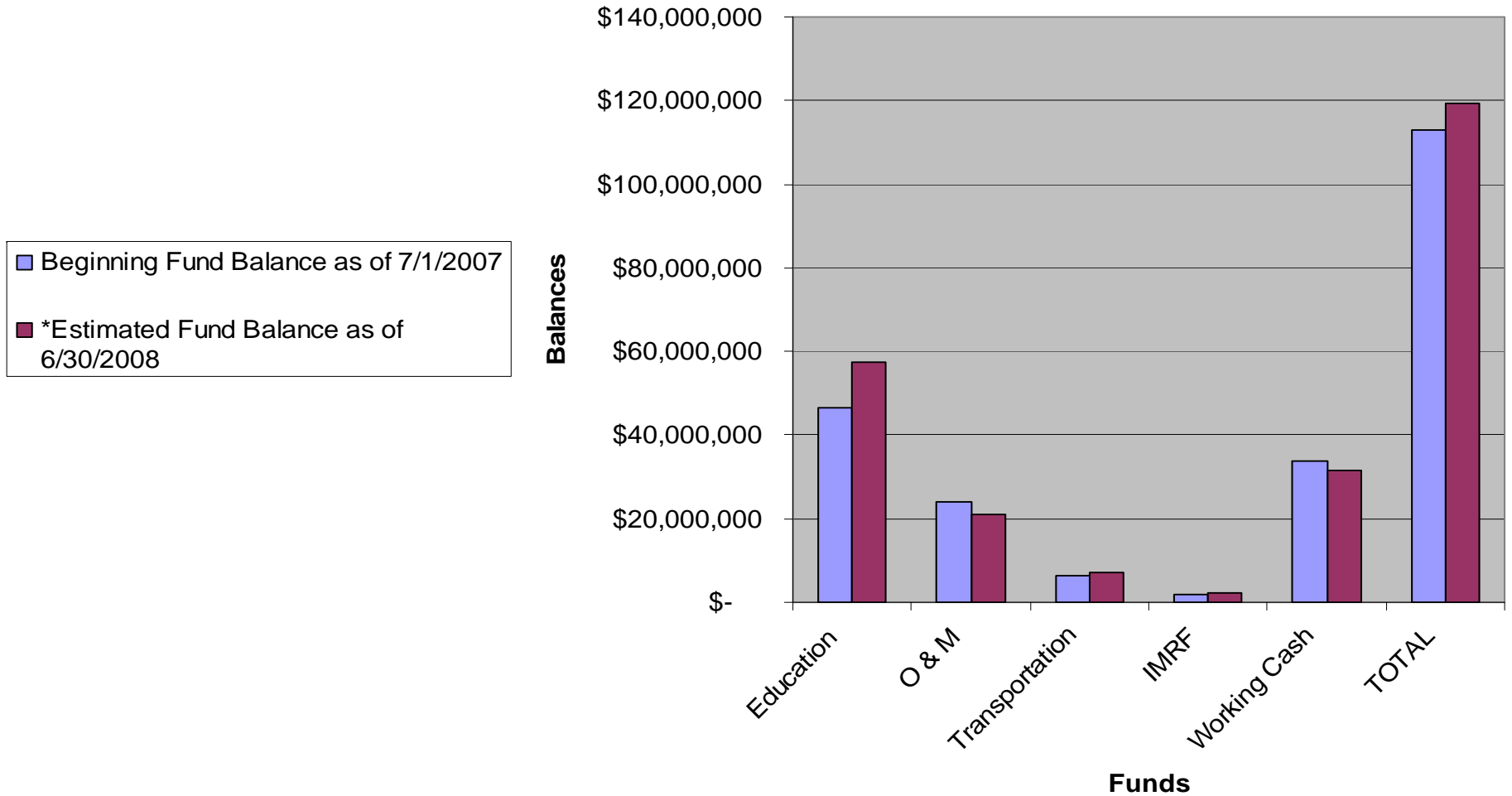
<u>Operating Funds</u>	<u>Education</u>	<u>O & M</u>	<u>Transportation</u>	<u>IMRF</u>	<u>Working Cash</u>	<u>TOTAL</u>
Beginning Fund Balance as of 7/1/2007	\$ 46,586,053	\$ 24,181,373	\$ 6,349,178	\$ 1,809,920	\$ 33,883,760	\$ 112,810,284
Add: Revenues	\$ 169,865,976	\$ 14,306,560	\$ 11,485,521	\$ 6,481,397	\$ 1,154,470	\$ 203,293,924
Subtract: Expenses	\$ 159,026,134	\$ 17,538,207	\$ 10,525,046	\$ 6,064,182	\$ 3,696,608	\$ 196,850,177
*Estimated Fund Balance as of 6/30/2008 *includes early taxes	\$ 57,425,895	\$ 20,949,726	\$ 7,309,653	\$ 2,227,135	\$ 31,341,622	\$ 119,254,031
\$ change in fund balance	\$ 10,839,842	\$ (3,231,647)	\$ 960,475	\$ 417,215	\$ (2,542,138)	\$ 6,443,747
% change in fund balance	23.27%	-13.36%	15.13%	23.05%	-7.50%	5.71%
# Days cash on hand 6/30/08	132	436	253	134	-	221
Fund balance divided by (expenses/365)						

Excluding early taxes

Adjusted Fund Balance as of 6/30/08 excluding early taxes	\$ 14,991,086	\$ 14,484,017	\$ 5,482,842	\$ 664,284	\$ 31,316,794	\$ 66,939,023
# Days cash on hand 6/30/08	34	301	190	40	-	124
Fund balance divided by (expenses/365)						

*Unaudited

FY08 Operating Fund Balances



Estimated Fund Balances

June 30, 2009

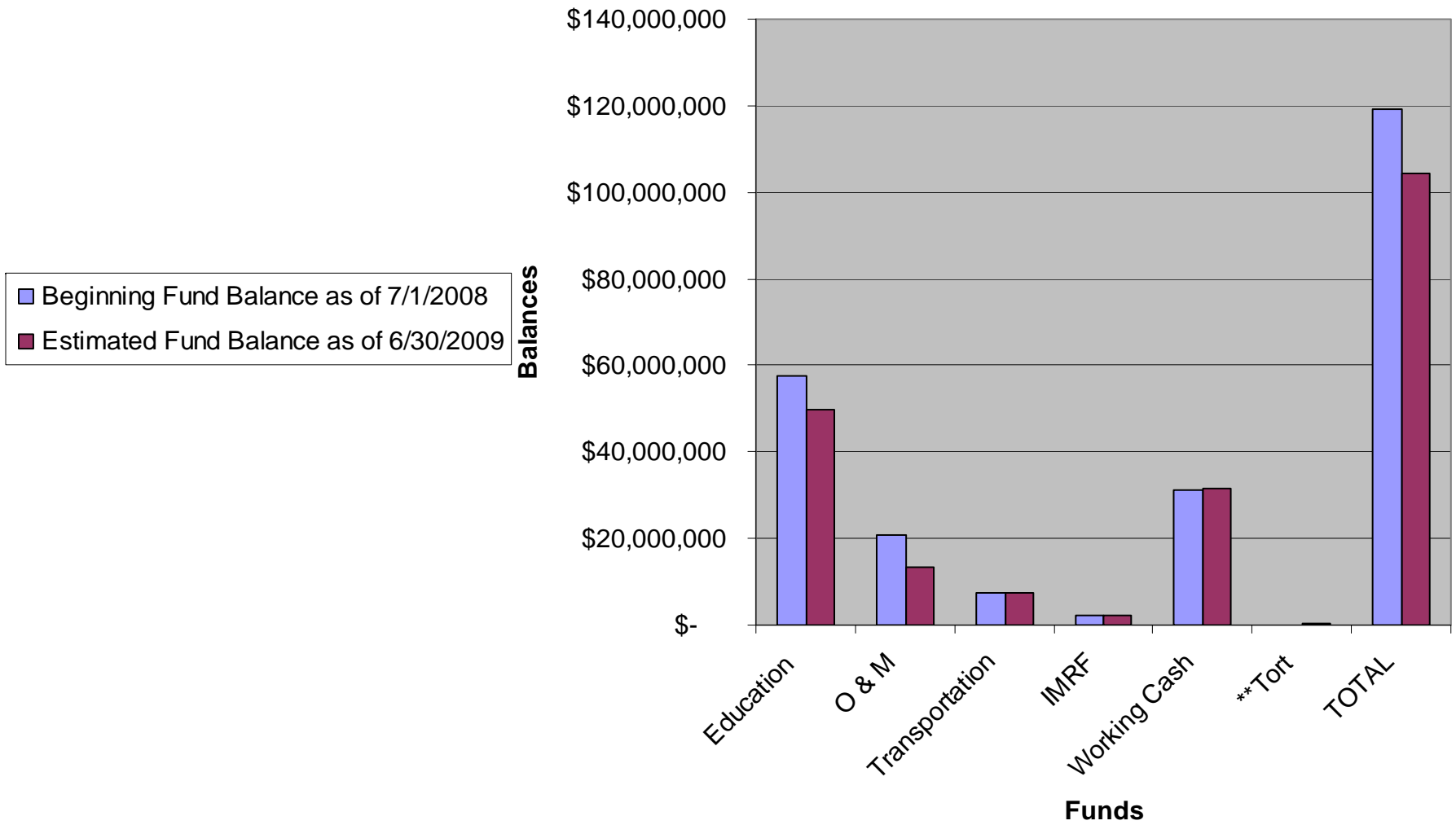
Operating Funds	Education	O & M	Transportation	IMRF	Working Cash	**Tort	TOTAL
Beginning Fund Balance as of 7/1/2008	\$ 57,431,559	\$ 20,947,942	\$ 7,309,653	\$ 2,227,135	\$ 31,341,622	\$ -	\$ 119,257,911
Add: Revenues	\$ 164,256,898	\$ 16,855,597	\$ 12,298,000	\$ 6,434,910	\$ 1,001,600	\$ 1,911,000	\$ 202,758,005
Subtract: Expenses	\$ 171,943,703	\$ 24,309,885	\$ 12,263,721	\$ 6,433,425	\$ 950,000	\$ 1,661,000	\$ 217,561,734
Estimated Fund Balance as of 6/30/2009 <small>*includes early taxes</small>	\$ 49,744,754	\$ 13,493,654	\$ 7,343,932	\$ 2,228,620	\$ 31,393,222	\$ 250,000	\$ 104,454,182
\$ change in fund balance	\$ (7,686,805)	\$ (7,454,288)	\$ 34,279	\$ 1,485	\$ 51,600	\$ 250,000	\$ (14,803,729)
% change in fund balance	-13.38%	-35.58%	0.47%	0.07%	0.16%		-12.41%
# Days cash on hand 6/30/09 <small>Fund balance divided by (expenses/365)</small>	106	203	219	126		55	175

Excluding early taxes

Adjusted Fund Balance as of 6/30/09 <small>excluding early taxes</small>	\$ 11,751,754	\$ 3,993,654	\$ 4,918,932	\$ 548,620	\$ 31,368,222		\$ 52,581,182
# Days cash on hand 6/30/09 <small>Fund balance divided by (expenses/365)</small>	25	60	146	31	-		88

** New Fund added July 1, 2008

FY09 Operating Fund Balances



Instructional Expenditures

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total
10 - EDUCATIONAL FUND (ED)										
INSTRUCTION (ED)										
	1000									
1. Regular Programs	1100	50,336,711	6,295,400	485,759	2,713,400	2,490,771	4,410		4,279	62,330,730
2. Special Education Programs (Functions 1200-1220)	1200	20,503,279	3,297,728	2,029,343	74,847	40,097			5,204,721	31,150,015
3. Educationally Deprived/Remedial Programs	1250	1,579,109	300,623		116,780					1,996,512
4. Adult/Continuing Education Programs	1300									0
5. Vocational Programs	1400			77,497	138,551	37,726				253,774
6. Interscholastic Programs	1500	1,767,971		254,123	116,828	353	80,520			2,219,795
7. Summer School Programs	1600	322,000	22,496	6,975	9,903					361,374
8. Gifted Programs	1650	886,215	74,115				2,158			962,488
9. Bilingual Programs	1800	3,464,847	350,866	5,269	45,434	12,647	4,215			3,883,278
10. Truant Alternative & Optional Programs	1900	874,071	106,704	2,200	11,772	4,568				999,315
11. Total Instruction ¹²		79,734,203	10,447,932	2,861,166	3,227,515	2,586,162	91,303		5,209,000	104,157,281

District is at 72.7% of borrowing capacity at the current value of EAV

D. Long-Term Debt

Check the applicable box for long-term debt allowance by type of district.

- | | | |
|---|---------------------------------------------------|-------------|
| | a. 6.9% for elementary and high school districts, | 372,522,203 |
| X | b. 13.8% for unit districts. | |

Long-Term Debt Outstanding:

	Acct	
c. Bond Principal:	501	265,308,926
d. TO/Employee Orders:	409	0
e. Other Long-Term Debt:	599	5,516,428
f. Total Long-Term Debt Outstanding:.....		270,825,354

IMRF rate to increase 22.5% in 2010



Illinois Municipal Retirement Fund General Memorandum

General Memorandum 578 October 9, 2008

Quick Links

[Visit IMRF Online](#)

[Log in to Employer Access](#)

IMRF's current financial status

As of September 30, 2008, we estimate IMRF will be approximately 79% funded at year end. There is time to recover some losses, but we anticipate a loss overall for 2008.

Historically, bear markets have been followed by positive returns, e.g., IMRF lost 6.08% in 2001 and 8.72% in 2002, but gained 22.56% in 2003. IMRF is again positioned to participate in the recovery of the domestic and international markets.

We are projecting employer rates will increase approximately 23% in 2010. For example, a 9.27% rate in 2009 would increase to 11.36% in 2010. In October, the Board of Trustees, staff and actuaries will discuss what actions, if any, would be appropriate as rates are set for 2010.

For the remainder of this year and through January 2009, I will provide you monthly updates on assets and average projected employer contribution rates.

[Read more in General Memo 578](#)

IMRF Rate Breakdown for 2009

Valley View CU SD 365u

[Help](#)

Contribution Rates

Search Contribution Rates

Calendar Year:

2009

Search

Quit

2009 Contribution Rates

Member Contributions

Retirement

Tax Deferred

Regular IMRF

4.50%

SLEP

7.50%

Employer Contributions

Retirement

Normal Cost

Funding Adjustment

Net Retirement Rate

Regular IMRF

7.42%

0.83%

8.25%

SLEP

11.63%

-11.63%

0.00%

Other Program Benefits

Death

Disability

Supplemental Benefit Payment

Early Retirement Incentive

SLEP Enhancement

Regular IMRF

0.24%

0.16%

0.62%

0.00%

0.00%

SLEP

0.00%

0.00%

0.00%

0.00%

0.00%

Total Employer Rate

9.27%

0.00%

New Illinois Program Accounting Manual (IPAM) Changes

- Eliminate Rent Fund (Fund 80) and create Tort Immunity/Judgment Fund
- Rename Bond & Interest Fund (Fund 30) as Debt Service Fund
- Rename Site and Construction Fund (Fund 60) as Capital Projects Fund
- Reclassify Objects 700 (Transfers) and 800 (Tuition) within 600 series (Other) in combination with new function codes
- Add Non-capitalized Equipment (700) and Termination Benefits (800)

District Financial Profile Improves

ESTIMATED FINANCIAL PROFILE SUMMARY

(Go to the following web site for reference to the Financial Profile)

www.isbe.net/sfms/p/profile.htm

District Name: Valley View Public Schools CUSD 365U

District Code: 58-099-365U-26

County Name: Will

		Total	Ratio	Score	
1. Fund Balance to Revenue Ratio:					
Total Sum of Fund Balance Page 8, line 46:	Funds 10, 20, 40, 70 + (50 if negative)	116,657,373.00	0.660	Weight	0.35
Total Sum of Revenues Page 7, Line 5:	Funds 10, 20, 40, & 70	176,632,125.00		Value	1.40
2. Expenditures to Revenue Ratio:					
Total Sum of Expenditures Page 7, Line 13:	Funds 10, 20 & 40	174,816,715.00	0.990	Adjustment	4
Total Sum of Revenues Page 7, Line 5:	Funds 10, 20, 40 & 70	176,632,125.00		Weight	0.35
Possible Adjustment:			0	Value	1.40
3. Days Cash on Hand:					
Page 5, Line 1 and Line 11	Funds 10, 20 40 & 70	116,944,151.00	240.82	Score	4
Page 7, Line 13	Funds 10, 20, 40 divided by 360	485,601.99		Weight	0.10
4. Percent of Short-Term Borrowing Maximum Remaining:					
Page 5, Line 27	Amount Borrowed: Funds 10, 20 & 40	0.00	100.00	Score	4
Page 3, Section A	(.85 x Equalized Assessed Valuation) x (Sum of Combined Tax Rates)	87,237,681.39		Weight	0.10
5. Percent of Long-Term Debt Margin Remaining:					
Page 3, Section D	Total Outstanding Long-Term Debt	270,825,354.00	27.29	Score	2
Page 3, Section D	Total Long-Term Debt Allowed	372,522,202.91		Weight	0.10

Total Profile Score = 3.80 *

2008 SD Financial Profile Designation: RECOGNITION

* Estimated Total Profile Score may change based on data provided on the Financial Profile Information, page 3. Final score will be calculated by ISBE.

Financial Profile History

- 2002 – 3.70
- 2003 – 3.70
- 2004 – 3.70
- 2005 – 3.70
- 2006 – 3.70
- 2007 – 3.70
- 2008 – 3.80

Annual Financial Report Data

<u>June 30,</u>	<u>Total Operating Expense</u>	<u>ADA</u>	<u>Est. Operating Expense per Pupil</u>	<u>Per Capita Tuition</u>
2000	\$ 61,919,801.00	11,760.72	\$ 5,264.97	\$ 6,453.07
2001	\$ 79,305,271.00	12,196.21	\$ 6,502.45	\$ 5,461.03
2002	\$ 87,910,453.00	12,776.13	\$ 6,880.84	\$ 5,849.18
2003	\$ 98,663,101.00	13,468.23	\$ 7,325.62	\$ 6,099.49
2004	\$ 109,394,907.00	14,422.63	\$ 7,584.95	\$ 6,168.30
2005	\$ 104,586,061.00	15,189.17	\$ 6,885.57	\$ 8,276.56
2006	\$ 135,806,806.00	15,648.12	\$ 8,678.79	\$ 7,399.81
2007	\$ 152,459,076.00	15,934.84	\$ 9,567.66	\$ 8,125.25
2008	\$ 166,849,184.00	16,042.68	\$ 10,400.33	\$ 8,794.99

What does this mean?

- Houses do not generate enough taxes to pay the cost of educating the children who live in them.

The Property Tax Levy

- Learning to live with PTELL (Property Tax Extension Limitation Law) since 1991
- Limits the increase in aggregate tax extension to the lesser of 5% or the 12-month rate of inflation as measured by the All Urban Consumer Price Index (CPI) published by the US Dept. of Labor

Terms and Definitions

Equalized Assessed Valuation (EAV)	The total taxable value of the District
Levy	A request for property taxes
Extension	The taxes billed
PTELL	The Property Tax Extension Limitation Law or "Tax Cap". All property taxes are subject to the Tax Cap, except for Bonds.
Rate Limit	The limit expressed as the percentage of extension to EAV for a particular fund
Limiting Rate	The limit expressed as the percentage of extension to EAV for all subject to the Tax Cap
CPI	The change in the consumers price index over the previous year, expressed as a percentage
Aggregate Extension	The taxes subject to limitation by the Tax Cap

CPI 10-Year History

● 2008	4.10%
● 2007	2.50%
● 2006	3.40%
● 2005	3.30%
● 2004	1.90%
● 2003	2.40%
● 2002	1.60%
● 2001	3.40%
● 2000	2.70%
● 1999	1.60%

VALLEY VIEW PROPERTY DATA

Taxable Property Values

- 80% - DuPage Township
- 20% - Lockport Township

Equalized Assessed Valuation by Property Class

- 67.5% - Residential
- 21.2% - Industrial
- 11.3% - Commercial

New Property for 2008 Levy

- Totals \$74,821,297

DuPage Township – 88.4%

Lockport Township – 11.6%

Residential equals 11.4%

Commercial equals 38.6%

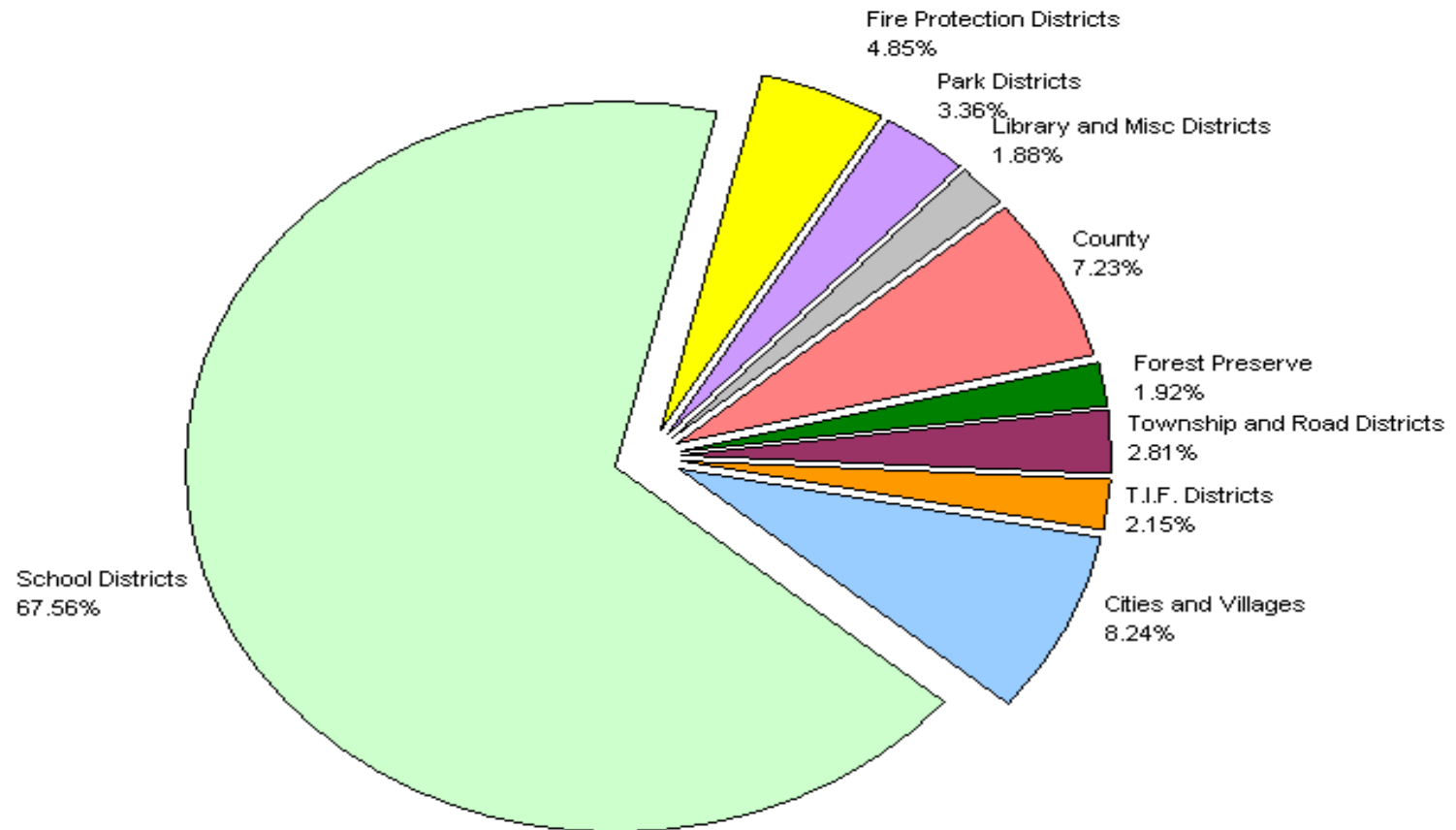
Industrial equals 50%

Bolingbrook residential growth data

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008*</u>
Occupancy Permits	496	200	125	64
Assessed Valuation	\$ 80,694,328	\$ 38,992,022	\$ 27,286,473	\$ 13,502,988
*thru September, 2008				

Source: Village of Bolingbrook Community Development - Building Inspection Division

Allocation of the 2006 Levy Real Estate Property Taxes Payable in 2007



VALLEY VIEW EAV HISTORY

<u>Levy Year</u>	<u>EAV</u>	<u>\$ GROWTH</u>	<u>% CHANGE</u>	
1997	\$854,761,699	79,315,309	10.23%	
1998	\$939,724,041	84,962,342	9.94%	
1999	\$1,040,000,097	100,276,056	10.67%	
2000	\$1,174,401,215	134,401,118	12.92%	<u>10 Year Avg.</u> 12.23%
2001	\$1,368,898,988	194,497,773	16.56%	
2002	\$1,526,234,016	157,335,028	11.49%	
2003	\$1,807,741,992	281,507,976	18.44%	<u>5 Year Avg.</u> 12.13%
2004	\$1,984,214,191	176,472,199	9.76%	
2005	\$2,225,076,328	240,862,137	12.14%	
2006	\$2,492,673,282	267,596,954	12.03%	
2007	\$2,699,436,253	206,762,971	8.29%	

VALLEY VIEW SCHOOL DISTRICT 365U

TAX RATE HISTORY

<u>YEAR</u>	<u>TOTAL RATE</u>
1998	\$4.4708
1999	\$4.7302
2000	\$4.8597
2001	\$5.3814
2002	\$5.1083
2003	\$4.8579
2004	\$4.9719
2005	\$5.0327
2006	\$4.7837
2007	\$4.6476

COMPARISON OF 2006 EXTENSION TO 2007 TAX LEVY REQUEST

FUND	2006 EXTENSION	2007 LEVY	% INCREASE (DECREASE)
EDUCATION	\$ 82,345,465	94,006,000	14.16%
OPERATIONS & MAINTENANCE	\$ 12,730,082	14,669,600	15.24%
TRANSPORTATION	\$ 3,980,799	4,144,800	4.12%
SPECIAL EDUCATION	\$ 872,436	990,000	13.48%
TORT/ LIABILITY	\$ 929,767	1,210,000	30.14%
IL. MUNICIPAL RETIREMENT	\$ 967,157	1,773,200	83.34%
SOCIAL SECURITY	\$ 967,157	1,773,200	83.34%
FIRE PREV/SAFETY	\$ 102,200	116,600	14.09%
WORKING CASH	\$ 47,361	55,000	16.13%
LEASING	\$ 67,302	77,000	14.41%
TOTAL LEVY (LESS B & I)	\$ 103,009,726	\$ 118,815,400	15.34%
BOND & INTEREST	\$ 16,232,288	\$ 17,279,285	6.45%
TOTAL LEVY	\$ 119,242,014	\$ 136,094,685	14.13%

2007 TAX LEVY WORKSHEET

ESTIMATED LEVY YEAR EAV	\$2,841,647,541	PR YR EXTENSION	\$119,242,014
PRIOR YEAR EAV	\$2,492,673,282	LESS B&I	<u>16,232,288</u>
TOTAL GROWTH	\$348,974,259		<u>\$103,009,726</u>
CHANGE IN CPI	2.5%		
PERCENTAGE EAV GROWTH	14.0%		
<hr/>			
% OF EAV GROWTH DUE TO NEW PROPERTY	\$120,000,000	PR YR TAX RATE LESS B&I	\$4.7837 <u>0.6512</u> <u>\$4.1325</u>

STEP 1: TAX RATES

	<u>REQUIRED RATE</u>	<u>LEVY</u>	<u>RATE LIMIT</u>
ED FUND	3.3082	94,006,000	\$ 6.00
O&M FUND	0.5162	14,669,600	\$ 0.75
TRANS FUND	0.1459	4,144,800	none
IMR FUND	0.0624	1,773,200	none
TORT FUND	0.0426	1,210,000	none
SPEC ED FUND	0.0348	990,000	\$ 0.80
LIFE SAFETY FUND	0.0041	116,600	\$ 0.10
SOC SECURITY FUND	0.0624	1,773,200	none
WORKING CASH	0.0019	55,000	\$ 0.05
LEASING	<u>0.0027</u>	<u>77,000</u>	\$ 0.10
STEP 2: SUM OF RATES	<u>\$4.1812</u>	<u>\$118,815,400</u>	

STEP 3: NUMERATOR	105,584,969	(EXTENSION LESS B&I * CPI)
STEP 4: DENOMINATOR	2,721,647,541	(EAV LESS NEW PROPERTY)
STEP 5: LIMITING RATE	<u>\$3.87950</u>	(STEP 3 / STEP 4)

2007 TAX LEVY WORKSHEET

STEP 6: IS DISTRICT AFFECTED?

YES

STEP 7: FACTOR TO
REDUCE RATES

0.927840 ****Most likely to receive this percentage of levy request****

STEP 8: RATE + (-)

(\$0.3017)

STEP 9: PROJECTED FUND RATES

	<u>PROJECTED RATE</u>	<u>PROJECTED REDUCTION</u>	<u>PROJECTED EXTENSION</u>	
ED FUND	\$3.069435	0.2387	\$87,222,527	
O&M FUND	0.478984	0.0373	\$13,611,042	
TRANS FUND	0.135334	0.0105	\$3,845,711	
IMR FUND	0.057898	0.0045	\$1,645,246	
TORT FUND	0.039508	0.0031	\$1,122,686	
SPEC ED FUND	0.032325	0.0025	\$918,562	
LIFE SAFETY	0.003807	0.0003	\$108,186	
SOC SECURITY FUND	0.057898	0.0045	\$1,645,246	
WORKING CASH	0.001796	0.0001	\$51,031	
LEASING	0.002514	0.0002	\$71,444	
TOTALS (LESS B & I):	<u>\$3.879499</u>	<u>\$0.3017</u>	<u>\$110,241,681</u>	
BOND & INTEREST	\$0.608073	N/A	\$17,279,285	Prior Yr B & I \$ 16,232,288
TOTALS: Estimated	<u>\$4.487572</u>	<u>\$0.3017</u>	<u>\$127,520,966</u>	

HISTORICAL PROPERTY TAX LEVY REQUESTS AND FINAL EXTENSIONS

<u>Year</u>	<u>Levy Request</u>	<u>Levy Extension</u>	<u>% Extended</u>	<u>Total Tax Rate</u>
1997	\$ 42,446,611	\$ 39,923,358	94.1%	4.6707
1998	\$ 44,148,235	\$ 42,013,184	95.2%	4.4708
1999	\$ 49,199,285	\$ 49,194,085	100.0%	4.7302
2000	\$ 60,660,172	\$ 57,072,375	94.1%	4.8597
2001	\$ 70,449,017	\$ 73,662,175	104.6%	5.3814
2002	\$ 79,991,451	\$ 77,964,612	97.5%	5.1083
2003	\$ 94,421,980	\$ 87,818,298	93.0%	4.8579
2004	\$ 116,949,930	\$ 98,653,145	84.4%	4.9719
2005	\$ 123,538,090	\$ 111,981,416	90.6%	5.0327
2006	\$ 128,167,157	\$ 119,242,014	93.0%	4.7837
2007	\$ 136,094,685	\$ 125,458,999	92.2%	4.6476

TAX RATE HISTORY BY FUND

TAX YEAR	2007	2006	2005	2004	2003	2002
Education	3.1665	3.3035	3.41	3.4091	3.3515	3.4938
Operations and Maintenance	0.4948	0.5107	0.5517	0.6773	0.6944	0.7500
Transportation	0.1398	0.1597	0.1795	0.1806	0.1852	0.2000
IMRF	0.0598	0.0388	0.0405	0.0238	0.0436	0.0542
Social Security	0.0598	0.0388	0.0405	0.0238	0.0436	0.0542
Tort Liability	0.0449	0.0373	0.039	0.0470	0.0667	0.0829
Special Education	0.0334	0.035	0.0366	0.0361	0.0370	0.0400
Fire Prev/Life Safety	0.004	0.0041	0.0042	0.0052	0.0463	0.0500
Working Cash	0.0019	0.0019	0.0019	0.0452	0.0463	0.0500
Lease/Purchase	0.0026	0.0027	0.0027	0.0052	0.0463	0.0487
Bond and Interest	0.6401	0.6512	0.7261	0.5186	0.2970	0.2845
Total	4.6476	4.7837	5.0327	4.9719	4.8579	5.1083

HOMEOWNER'S WORKSHEET

	<u>2006</u>	<u>2007</u>		<u>2006</u>	<u>2007</u>
		<u>6% Growth</u>			<u>6% Growth</u>
HOME VALUE times 1/3 equals	\$200,000	\$212,000		\$350,000	\$371,000
Equalized Assessed Value times	\$66,667	\$70,667		\$116,667	\$123,667
TOTAL TAX RATE Divided by 100	4.7837	4.6476		4.7837	4.6476
**TOTAL TAX DUE	\$3,189.13	\$3,284.30		\$5,580.98	\$5,747.53
DOLLAR INCREASE		\$95.17			\$166.55
PERCENT INCREASE		2.98%			2.98%
** Exemptions may yield lower tax bill i.e. homestead, senior citizen, senior freeze, home improvement					
TOTAL TAX RATE CONSISTS OF:					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Operating Funds	4.5609	4.4533	4.3066	4.1325	4.0075
Bond & Interest Fund	0.2970	0.5186	0.7261	0.6512	0.6401

FY09 Budget Summary

- Financial picture remains stable for near future
- New growth slowing down, both in enrollment and new property
- Collective bargaining contracts have been settled or ongoing with all employee groups
- Major district capital infrastructure improvements 98% complete
- 3 months of operating reserve, excluding early taxes received in June

Major funding issues

- Salary growth over time compounds even without adding staff
- Property tax grows at a different rate thus creating funding gaps
- Cash Flow – Businesses borrow all the time. Schools need fund balances due to borrowing constraints