

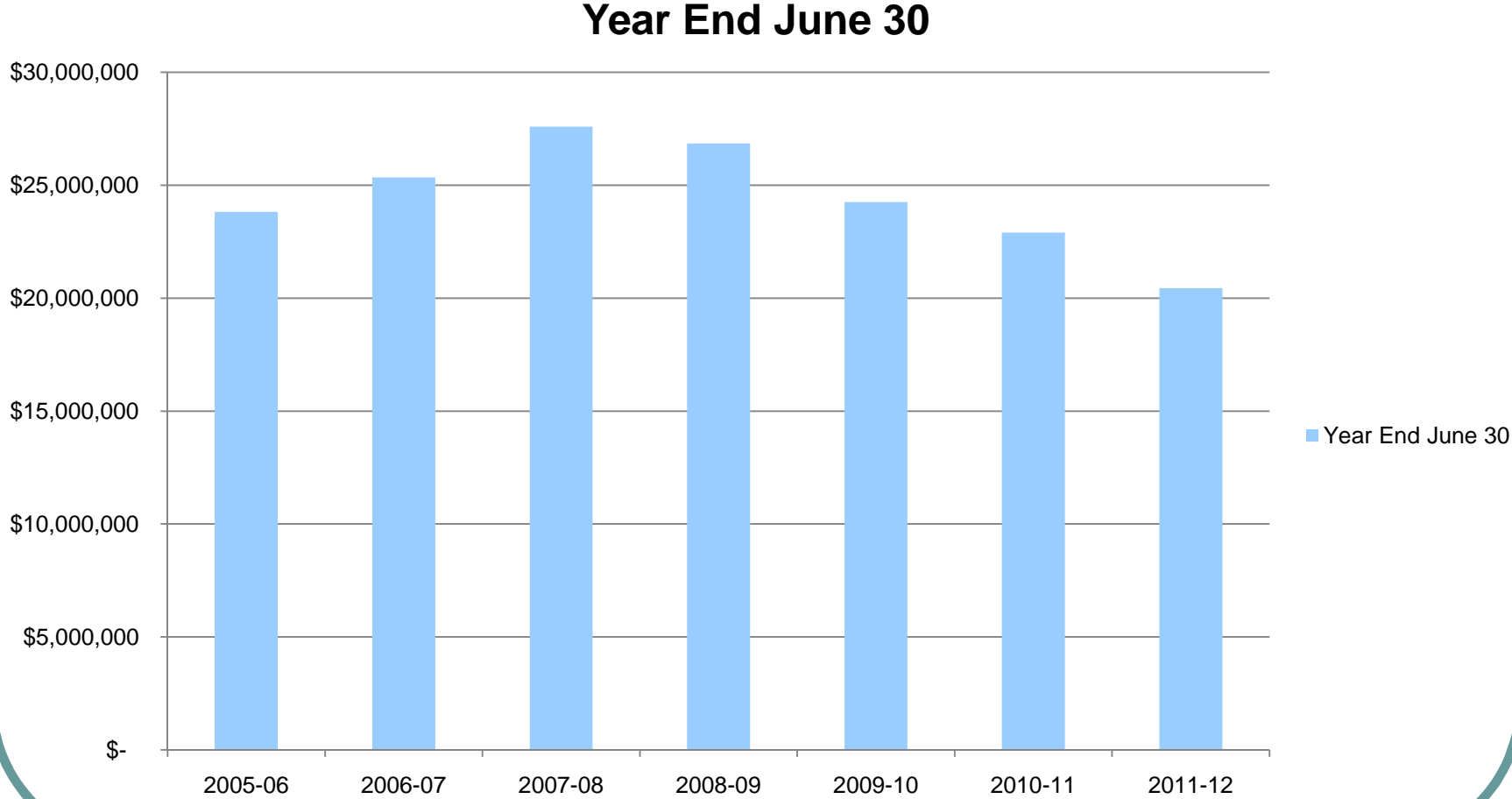
Valley View Schools District 365U

The 2011 Tax Levy

Where do we get our funding?

- Local resources - \$164.9 million (76%)
mainly comprised of property taxes and user fees
- State funding - \$39 million (18%)
 - Excludes on-behalf payment of \$24.25m
- Federal dollars estimated at \$11.6 million (5%)

General State Aid over last 7 years



Fund Balance Summary for FY12

<u>Beginning Fund Balance</u>	<u>Education</u>	<u>Operations & Maint</u>	<u>Transportation</u>	<u>IMRF/FICA</u>	<u>Tort</u>	<u>Working Cash</u>	<u>Total</u>
**As of June 30, 2011	\$ 47,895,298	\$ 15,048,381	\$ 3,964,287	\$ 2,595,129	\$ 2,703	\$ 31,506,734	\$ 101,012,532
Revenues:	\$ 160,528,517	\$ 14,589,321	\$ 10,696,020	\$ 7,514,670	\$ 2,849,665	\$ 149,100	\$ 196,327,293
Expenses:	\$ 164,871,695	\$ 16,041,931	\$ 12,325,505	\$ 7,514,670	\$ 2,848,640	\$ 1,027,560	\$ 204,630,001
Note: excludes TRS On Behalf of \$24.25m							
Estimated Ending Balance:	\$ 43,552,120	\$ 13,595,771	\$ 2,334,802	\$ 2,595,129	\$ 3,728	\$ 30,628,274	\$ 92,709,824
Difference	\$ (4,343,178)	\$ (1,452,610)	\$ (1,629,485)	\$ -	\$ 1,025	\$ (878,460)	\$ (8,302,708)
% change in fund balance	-9.07%	-9.65%	-41.10%	0.00%	37.92%	-2.79%	-8.22%
# Days cash on hand 6/30/11 <small>Fund balance divided by (expenses/365)</small>	96	309	69	126	0		165
Excluding early taxes							
Adjusted Fund Balance as of 6/30/12 excluding early taxes	\$ (7,047,250)	\$ 6,902,047	\$ 1,054,905	\$ 713,486	\$ (1,123,907)	\$ 30,603,970	\$ 31,103,250
# Days cash on hand 6/30/12 <small>Fund balance divided by (expenses/365)</small>	(16)	157	31	35	(144)		55

FY11 State Vouchered but not yet Paid	\$ 2,895,873	\$ 1,517,276	\$ 4,413,149
---------------------------------------	--------------	--------------	--------------

Est. Ending Fund Balance if State pays FY12 100% of MCATS	\$ 46,447,993	\$ 13,595,771	\$ 3,852,078	\$ 2,595,129	\$ 3,728	\$ 30,628,274	\$ 97,122,973
% change in fund balance	-9.35%	-10.68%	-42.30%	0.00%	27.49%	-2.87%	-8.55%
# Days cash on hand 6/30/12 <small>Fund balance divided by (expenses/365)</small>	103	309	114	126	0		173
Excluding early taxes							
Adjusted Fund Balance as of 6/30/12 excluding early taxes	\$ (4,151,377)	\$ 6,902,047	\$ 2,572,181	\$ 713,486	\$ (1,123,907)	\$ 30,603,970	\$ 35,516,399
# Days cash on hand 6/30/12 <small>Fund balance divided by (expenses/365)</small>	(9)	157	76	35	(144)		63

The Levy Process

- Determine the estimated tax levy no less than 20 days prior to the adoption of such levy and present to Finance Committee and full Board in November
- If the Board intends to adopt an aggregate levy that is more than 105% of the prior year must prepare publication and conduct public hearing
- Must adopt and file with County Clerk by last Tuesday in December

Terms and Definitions

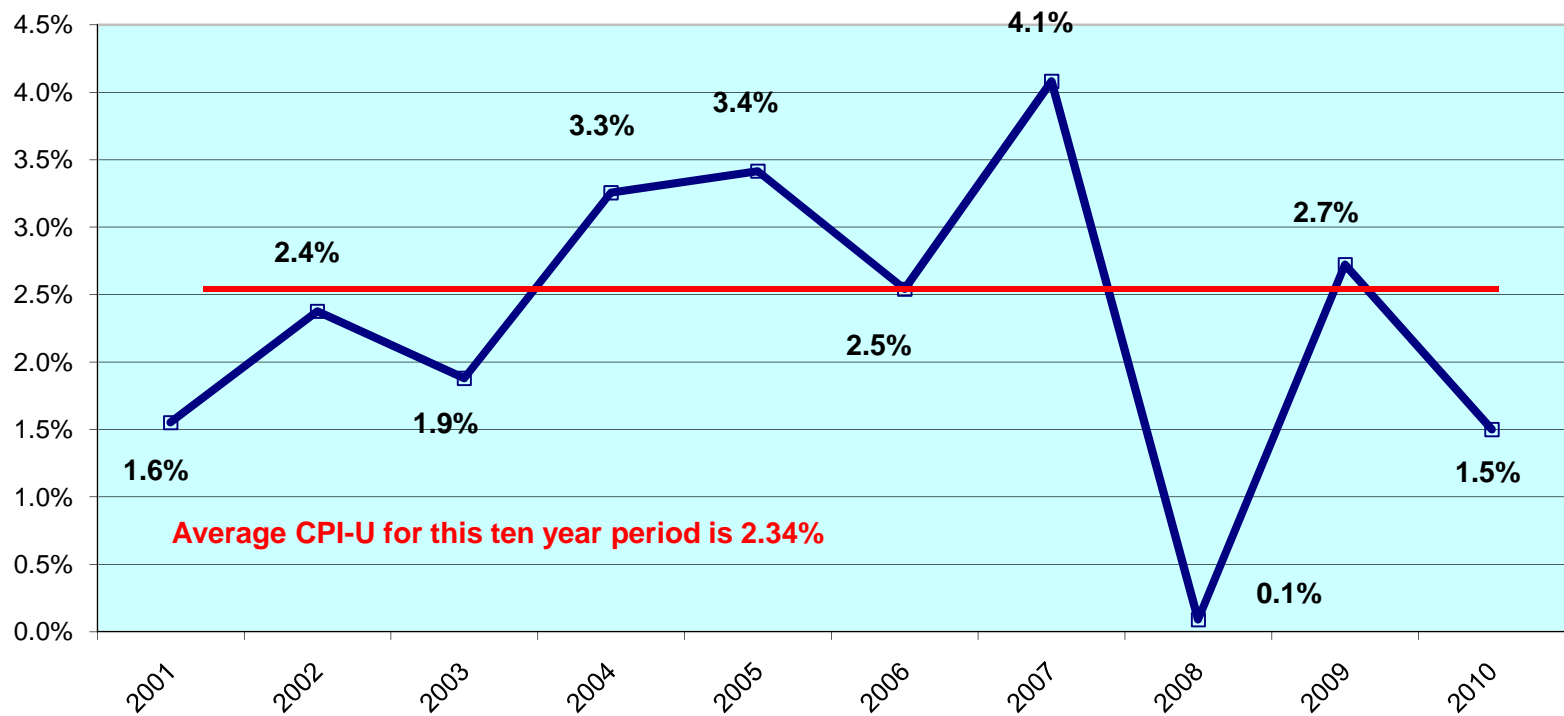
Equalized Assessed Valuation (EAV)	The total taxable value of property within the District
Levy	The amount of dollars requested by the District, typically know as a “balloon levy”
Extension	The taxes billed
PTELL	The Property Tax Extension Limitation Law or "Tax Cap". All property taxes are subject to 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

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, exclusive of debt service

Consumer Price Index history

Percent of Change in December CPI-U for the Last 10 Years



Equalized Assessed Valuation (EAV)

- Total EAV is a moving target
- Commercial and Industrial classifications can get a Board of Review change to reduce their EAV, which in turn gets “added” to other taxpayers bills. Same is true for exemptions
- Residential appeals which are granted negatively impact tax bills of all other taxpayers

VALLEY VIEW EAV HISTORY

<u>Levy Year</u>	<u>EAV</u>	<u>\$ GROWTH</u>	<u>% CHANGE</u>	
2000	\$1,174,401,215	134,401,118	12.92%	<u>10 Year Avg.</u> 9.01%
2001	\$1,368,898,988	194,497,773	16.56%	
2002	\$1,526,234,016	157,335,028	11.49%	<u>5 Year Avg.</u> 4.33%
2003	\$1,807,741,992	281,507,976	18.44%	
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%	
2008	\$2,912,037,761	212,601,508	7.88%	
2009	\$2,832,739,807	(79,297,954)	-2.94%	
2010	\$2,727,656,205	(105,083,602)	-3.61%	
2011**	\$2,542,679,239	(184,976,966)	-6.53%	

Notes

**Estimated

As of 11-8-11 per County Assessor's Office

Includes estimated reduction of \$241M in exemptions

Levy and New Property

- New properties are **ADDED** to the EAV and thus add to the levy
- New properties are collected beyond the capped levy amount
- If you do not capture all of the new EAV the first year it comes on the tax rolls, you can never capture it again in the future as new property

VALLEY VIEW PROPERTY DATA

Taxable Property Values

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

Equalized Assessed Valuation by Property Class

- 61.1% - Residential
- 23.8% - Industrial
- 15.1% - Commercial

Record number of appeals

- DuPage Township – 380 appeal hearings
 - 280 were commercial/industrial
 - Values reduced 13%
- Lockport Township – 400 appeal hearings
 - \$124M reduction in residential values
 - Most appeal requests ever
 - Stipulate to values or have reductions locked in until next quadrennial assessment in 2015

Debt Service

- The Debt Service portion of the tax levy has been predetermined by prior action when bonds are either sold or refinanced. The schedule is set at that time, and no further action is really necessary. The county clerk will extend taxes for debt service based upon resolutions filed when bonds for each year such a levy is required.

Debt refinanced to lower payments

<u>Levy Year</u>	<u>Debt Before</u>	<u>Debt After</u>	<u>\$ Difference</u>	<u>Percent Change</u>
2010	\$ 22,382,388	\$ 17,582,472	\$ 4,799,916	
2011	\$ 24,549,419	\$ 21,233,981	\$ 3,315,438	-15.6%
2012	\$ 26,123,763	\$ 22,795,550	\$ 3,328,213	-14.6%
2013	\$ 27,595,013	\$ 24,353,300	\$ 3,241,713	-13.3%
2014	\$ 29,145,100	\$ 25,916,488	\$ 3,228,612	-12.5%
2015	\$ 28,215,625	\$ 27,510,513	\$ 705,112	-2.6%

COMPARISON OF 2010 EXTENSION TO 2011 TAX LEVY REQUEST

FUND	2010 EXTENSION	2011 LEVY	INCREASE (DECREASE)
EDUCATION	\$ 101,498,815	101,951,771	0.45%
OPERATIONS & MAINTENANCE	\$ 13,581,000	13,795,877	1.58%
TRANSPORTATION	\$ 2,599,456	2,678,865	3.05%
SPECIAL EDUCATION	\$ 1,080,152	3,377,556	212.69%
TORT/ LIABILITY INSURANCE	\$ 2,288,504	2,324,610	1.58%
IL. MUNICIPAL RETIREMENT	\$ 1,906,632	1,936,796	1.58%
SOCIAL SECURITY	\$ 1,906,632	1,936,796	1.58%
FIRE PREV/SAFETY	\$ 10,910	22,660	107.70%
WORKING CASH	\$ 49,098	51,500	4.89%
LEASING	\$ 87,285	88,168	1.01%
TOTAL LEVY (LESS: Debt Svc)	\$ 125,008,484	\$ 128,164,599	2.52%
DEBT SERVICE	\$ 17,582,472	\$ 21,233,981	20.77%
TOTAL LEVY	\$ 142,590,956	\$ 149,398,580	4.77%

2011 TAX LEVY WORKSHEET

ESTIMATED LEVY YEAR EAV	\$2,542,679,239	PR YR EXTENSION	\$142,590,956
PRIOR YEAR EAV	\$2,727,656,205	LESS: Debt Service	17,582,472
TOTAL GROWTH	(\$184,976,966)		<u>\$125,008,484</u>
CHANGE IN CPI	1.5%		
PERCENTAGE EAV GROWTH	-6.782%		
<hr/>			
% OF EAV GROWTH DUE TO NEW PROPERTY	\$17,500,000	PR YR TAX RATE	\$5.2276
		LESS: Debt Service	0.6446
			<u>\$4.5830</u>

STEP 1: TAX RATES

	<u>REQUIRED RATE</u>	<u>LEVY</u>	<u>RATE LIMIT</u>
ED FUND	4.0096	101,951,771	\$ 4.00
O&M FUND	0.5426	13,795,877	\$ 0.75
TRANS FUND	0.1054	2,678,865	none
IMR FUND	0.0762	1,936,796	none
TORT FUND	0.0914	2,324,610	none
SPEC ED FUND	0.1328	3,377,556	\$ 0.80
LIFE SAFETY FUND	0.0009	22,660	\$ 0.10
SOC SECURITY FUND	0.0762	1,936,796	none
WORKING CASH	0.0020	51,500	\$ 0.05
LEASING	0.0035	88,168	\$ 0.10
STEP 2: SUM OF RATES	<u>\$5.0405</u>	<u>\$128,164,599</u>	2.52%

STEP 3: NUMERATOR 126,883,611 (EXTENSION LESS Debt Svc * CPI)

STEP 4: DENOMINATOR 2,525,179,239 (EAV LESS NEW PROPERTY)

STEP 5: LIMITING RATE \$5.0247 (STEP 3 / STEP 4)

2011 TAX LEVY WORKSHEET

STEP 6: IS DISTRICT AFFECTED?

YES

STEP 7: FACTOR TO
REDUCE RATES

0.9969 ****Most likely to receive this percentage of levy request****

STEP 8: RATE + (-)

(\$0.0158)

STEP 9: PROJECTED FUND RATES

	<u>PROJECTED RATE</u>	<u>PROJECTED REDUCTION</u>	<u>PROJECTED EXTENSION</u>	
EDUCATION	\$3.9970	0.0126	\$101,631,541	
OPERATIONS/MAINT.	\$0.5409	0.0017	\$13,752,544	
TRANSPORTATION	\$0.1050	0.0003	\$2,670,451	
MUNICIPAL RETIREMENT	\$0.0759	0.0002	\$1,930,712	
TORT/LIABILITY INSUR.	\$0.0911	0.0003	\$2,317,308	
SPECIAL EDUCATION	\$0.1324	0.0004	\$3,366,947	
LIFE SAFETY	\$0.0009	0.0000	\$22,589	
SOCIAL SECURITY	\$0.0759	0.0002	\$1,930,712	
WORKING CASH	\$0.0020	0.0000	\$51,338	
LEASING	\$0.0035	0.0000	\$87,891	
TOTALS (LESS Debt Service):	<u>\$5.0247</u>	<u>\$0.0158</u>	<u>\$127,762,034</u>	
DEBT SERVICE	\$0.8351	N/A	21,233,981	Prior Yr Debt Svc \$ 17,582,472
TOTALS: (Estimated)	<u>\$5.8598</u>	<u>\$0.0158</u>	<u>\$148,996,015</u>	4.49%

Questions/Comments