



# Levy Presentation

**December 18, 2014**

# 2014 Levy Calendar

October 16, 2014

Preliminary Discussion  
of Proposed 2014 Levy

November 20, 2014

2014 Tentative Levy

December 8, 2014

Levy Request Published in Newspaper

December 18, 2014

Levy Hearing & Final Adoption

# General Financial Impact

- School District - Property taxes generally represent nearly 87% of annual revenues; they are the primary source of funding of public education in the state
  
- Taxpayer - Typically over 38% of the annual property tax bill represents property taxes requested by District 112

# 2014 Tax Levy Calculation



Levy cannot exceed 5% or the prior year CPI, plus new construction; “tax cap” legislation

CPI is a primary factor in determination of extended taxes

# Consumer Price Index (CPI) General Financial Impacts

- Since 1992 Average CPI growth is 2.46%
  
- The historic CPI Since 1992;  
    Low is 0.1% - High is 4.1%
  
- The December 2013 CPI used for 2014 Levy;
  - Rate published in January 2014
  - Property Taxes received in June 2015 and September 2015
  - Revenue received for 2015-2016 school year

## History of CPI Index Used for Calendar Year Levies (Current CPI is used to calculate the levy for the following year)

• 1992	3.1%	• 2004	1.9%
• 1993	2.9%	• 2005	3.3%
• 1994	2.7%	• 2006	3.4%
• 1995	2.7%	• 2007	2.5%
• 1996	2.7%	• 2008	4.1%
• 1997	3.3%	• 2009	0.1%
• 1998	1.7%	• 2010	2.7%
• 1999	1.6%	• 2011	1.5%
• 2000	2.7%	• 2012	3.0%
• 2001	3.4%	• 2013	1.7%
• 2002	1.6%	• 2014	1.5%
• 2003	2.4%		

*AVERAGE INCREASE IN CPI FROM 1992 – 2014 (23 YEARS) = 2.46%*

**Increase in Real Estate Tax Revenue**  
**Based on the CPI Index and**  
**Value of New Construction**

(Current CPI is used to calculate the levy for the following year)

<b>Year</b>	<b>CPI Increase</b>	<b>New Construction Increase</b>	<b>Total Increase</b>
<b>2004</b>	<b>1.90%</b>	<b>1.41%</b>	<b>3.31%</b>
<b>2005</b>	<b>3.30%</b>	<b>2.03%</b>	<b>5.33%</b>
<b>2006</b>	<b>3.40%</b>	<b>1.72%</b>	<b>5.12%</b>
<b>2007</b>	<b>2.50%</b>	<b>1.42%</b>	<b>3.92%</b>
<b>2008</b>	<b>4.10%</b>	<b>1.26%</b>	<b>5.36%</b>
<b>2009</b>	<b>0.10%</b>	<b>1.39%</b>	<b>1.49%</b>
<b>2010</b>	<b>2.70%</b>	<b>0.94%</b>	<b>3.64%</b>
<b>2011</b>	<b>1.50%</b>	<b>0.46%</b>	<b>1.96%</b>
<b>2012</b>	<b>3.00%</b>	<b>0.44%</b>	<b>3.44%</b>
<b>2013</b>	<b>1.70 %</b>	<b>0.41%</b>	<b>2.11%</b>
<b>2014</b>	<b>1.50%</b>	<b>0.40% (estimate)</b>	<b>1.90% (estimate)</b>

# 2014 Levy Factors

## CPI

Known/Fixed 1.50%

## New Property

Unknown/Uncertain ?

## EAV

Unknown/ Uncertain ?



# New Construction Estimation Consideration

- District must Request additional taxes related to the new property/new taxpayers
- Amount for new property/new taxpayers is an Estimate at the time of the levy
- Excess Request Avoids, loss of tax revenues due and future requests to replace revenue

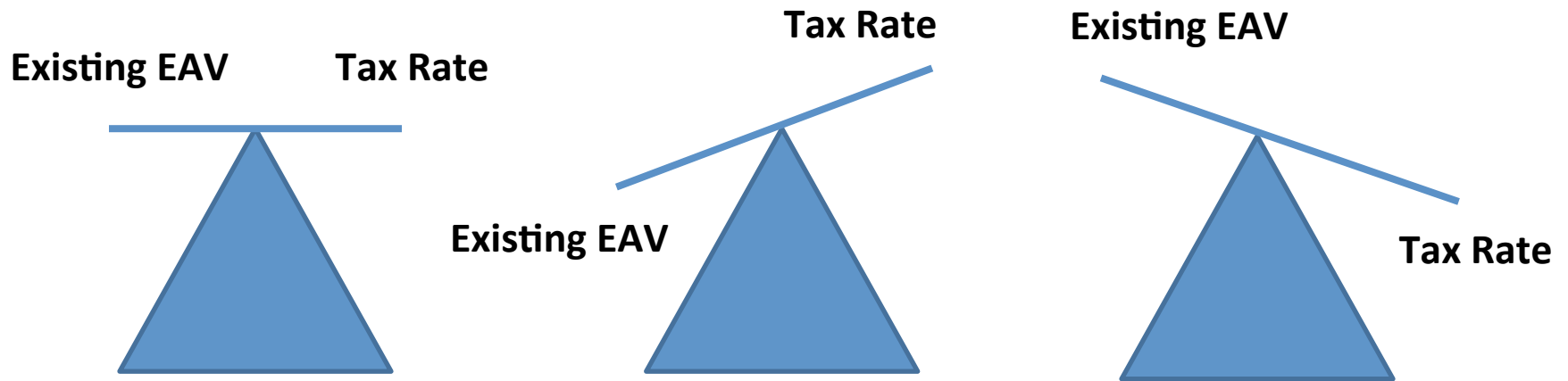
# Tax Extension Formula Impacts

- It is projected that 2014 will be the last year for our EAV to decline in the near term
- The declining EAV will cause the tax rate to increase

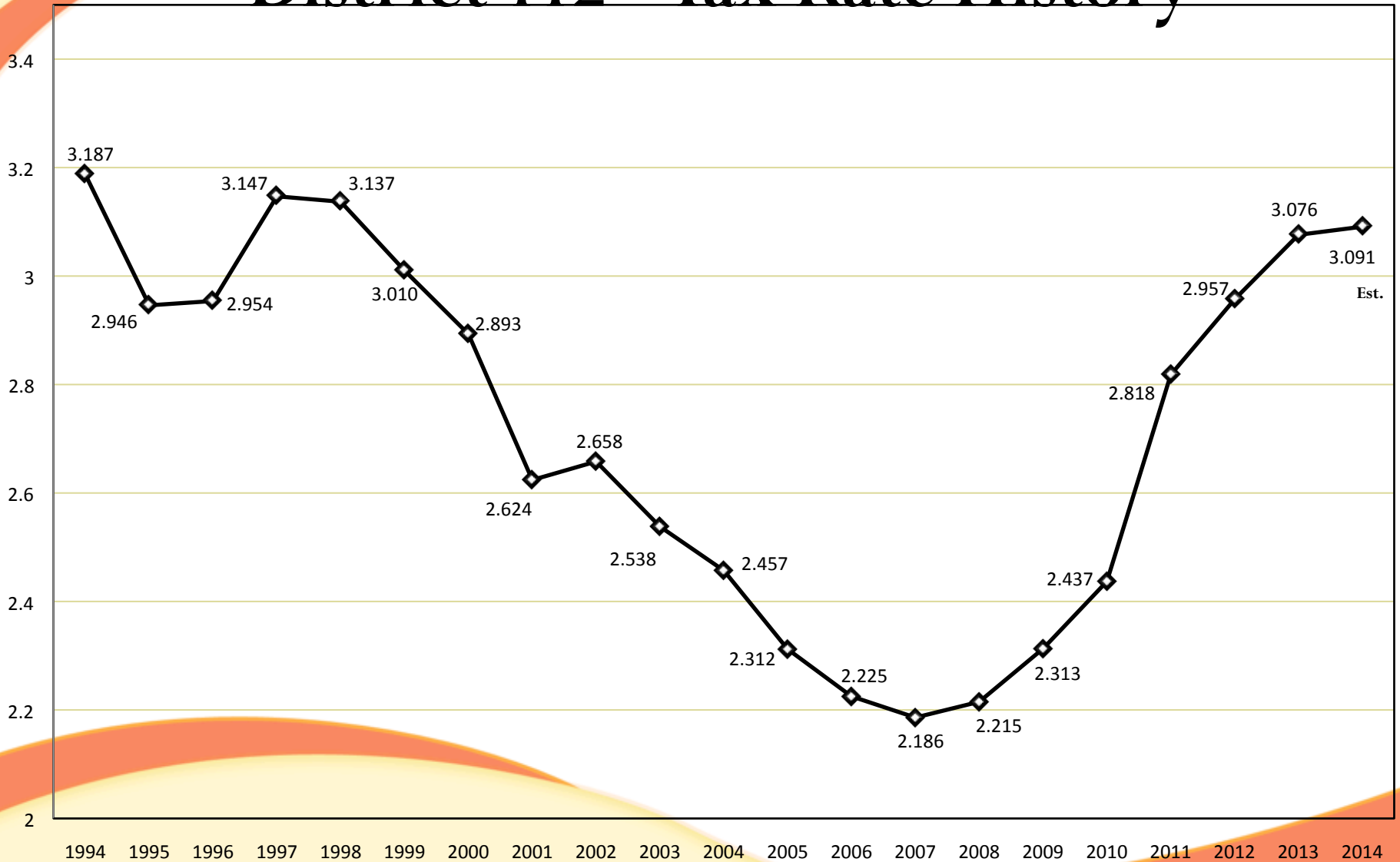
# What Sales Will Be Used to determine 2014 Assessments?

- The Sales that occurred in 2011, 2012 and 2013
  
- This explains why the EAV is not showing an increase

# EAV Change, CPI and Tax Rate



# District 112 – Tax Rate History



# Recommended

## 2014 Levy Request

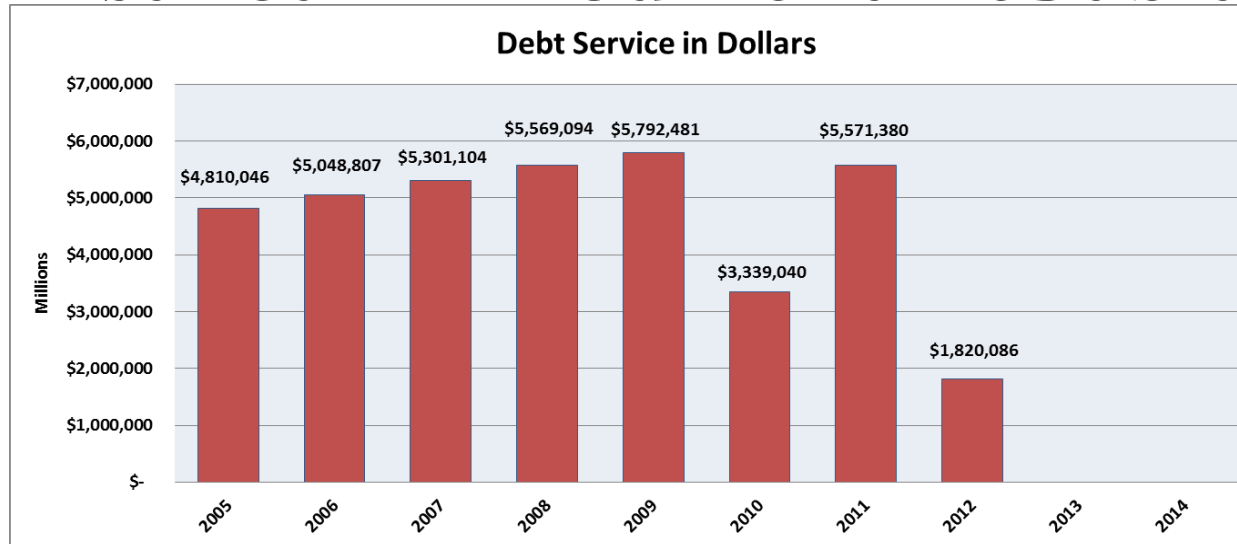
- Provides greatest assurance that the effect of potentially unknown new property is captured
- Any request over the statutorily determined final levy will be automatically eliminated by the county's tax extension

# 2014 Bond & Interest Fund Tax Levy

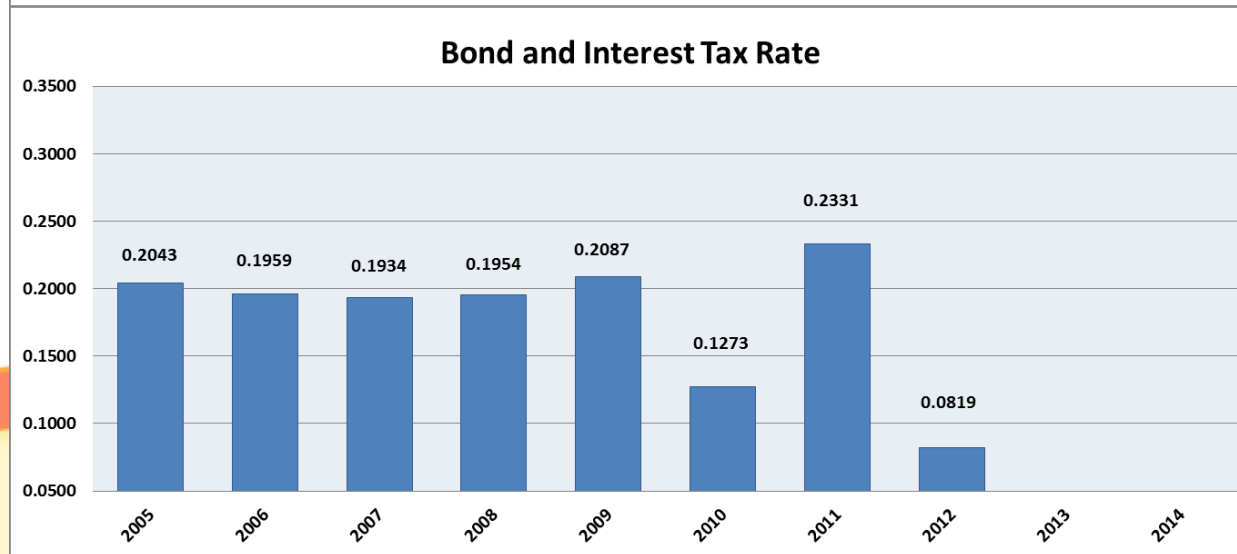


**Levy for the B&I fund is separately determined at the time of the bond issue. The levy amount is not subject to the tax cap.**

# District 112 – Current Debt Situation



**Note: As of 2013, the District has not levied for any Debt Service amounts**





# 2014 Levy Factors

Fund	Requested Levy	% of Total
Education	\$ 53,585,000	80.2%
Special Education	\$ 552,000	0.8%
O&M	\$ 7,519,000	11.2%
Transportation	\$ 2,219,000	3.3%
Working Cash	\$ 59,000	0.1%
Life Safety	\$ 1,469,000	2.2%
IMRF/SS	<u>\$ 1,444,000</u>	2.2%
<b>TOTALS</b>	<u><b>\$ 66,847,000</b></u>	<b>100%</b>

# 2014 Levy Request

Operating “Cap” Funds	\$ 66,847,000
Bond & Interest, net	<u>\$ 0</u>
Total Levy Request	<u><u>\$ 66,847,000</u></u>

# 2014 vs. 2013 Levy Request

Total Levy Request; 2014                      \$ 66,847,000

Total Levy Extension; 2013                      \$ 65,175,959

2014 vs. 2013 Increase <Decrease>                      2.56% \*

\* Individual taxpayer effect subject to EAV distribution