

The background of the slide is a collage of various coins, including US pennies and quarters, and New Zealand coins. The coins are scattered across the entire page, with some appearing more prominently than others. The text is overlaid on a yellow gradient background.

NORTH SHORE SCHOOL
DISTRICT 112

A rectangular inset image showing a close-up of several coins, including a US penny and a quarter, with some text and symbols visible on their surfaces.

2011
LEVY HEARING

December 13, 2011
Meeting of the Board

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NORTH SHORE SCHOOL DISTRICT 112

2011 Levy Calendar

October 4, 2011 -Preliminary Discussion of Proposed 2011 Levy

November 15, 2011 -Tentative Levy Approval

December 1, 2011 - Levy Request Published

December 13, 2011 - Levy Hearing & Final Adoption

Terms & Definitions

- Levy = Amount Requested by governmental entity to be raised from property taxes; required and regulated process to obtain tax revenues
- Extension = Actual amount billed to taxpayers in a district; revenue to entity
- EAV = Equalized Assessed Value of properties in a district as determined by local and county assessors



Terms & Definitions

- CPI = Consumer Price Indexed published by the federal government as a measure, per state school code, of annual inflationary impact on a district
- New Property = Property in the district that has been newly developed and initially assessed during the tax year



General Financial Impact

- School District – Property taxes generally represent nearly 84% of annual revenues; they are the primary source of funding of public education in the state
- Taxpayer = Typically over 35% of the annual property tax bill represents property taxes requested by District 112



Tax Extension Formula Impacts

- In most years the EAV of the district has increased and at an annual percentage rate higher than the increase in CPI
- This relationship has had the effect of lowering the overall and by fund tax rates
- 2009 was the first year of declining EAV, it is projected that 2011 will also be a year of declining EAV
- Under current economic conditions it is anticipated that the EAV of the district will decline and that the tax rates will increase
- The declining EAV will cause the tax to increase



District 112 - Tax Rate History



2011 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



CPI

General Financial Impacts

- Since 1992 Average CPI growth is 2.5%
- The historic CPI Since 1992;
Low is 0.1% - High is 4.1%
- The December 2010 CPI used for 2011 Levy;
 - Rate published in January 2011
 - Revenue received for 2012-2013 school year



2011 Levy Factors

CPI

Known/Fixed

1.5%

New Property

Unknown/Uncertain

?



New Construction Estimation Considerations

- 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



2011 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.



2011/2010/2009 Levy Bond & Interest Request

Levy Year(1)	Equalized Assessed Valuation	% Increase	Outstanding Referendum Debt Service	Debt Levy Reduction	Debt Service Tax Rate	Tax Rate Reduction	Impact on \$300,000 Market Home(2)	Impact on \$500,000 Market Home(2)
2005	2,354,422,964	12.03%	4,715,731		0.200			
2006	2,577,404,428	9.47%	4,949,811		0.192			
2007	2,739,296,569	6.28%	5,197,161		0.190			
2008	2,850,112,993	4.05%	5,459,896		0.192			
2009	2,775,758,242	-2.61%	5,735,130		0.207			
2010	2,622,779,813	-5.51%	3,305,980	2,429,150	0.126	0.081	\$76	\$129
2011	2,421,105,250	-7.69%	5,516,218		0.228			
2012	2,236,416,830	-7.63%	1,802,065		0.081			
2013	2,197,688,493	-1.73%			-			
Total				\$ 10,624,263				

(1) Actual EAV through levy year 2010, estimated for Levy Year 2011,2012,2013

(2) Market value of home times 33.3% less \$6,000 homeowner's deduction times tax rate reduction per \$100 of EAV.

2011 Tax Levy

Separate Fund Requests



Separate levy amounts are requested for the individual financial purpose funds used by the District.



2011 Levy Request Fund Distribution

(w/o B&I)

Fund	Requested Levy	% of Total
Education	\$49,741,000	79.7%
Special Ed	\$544,000	0.9%
O&M	\$6,815,000	10.9%
Transportation	\$1,924,000	3.1%



2011 Levy Request Fund Distribution

(w/o B&I)

Fund	Requested Levy	% of Total
Working Cash	\$60,000	0.1%
Life Safety	\$1,440,000	2.3%
IMRF/SS	\$1,572,000	2.5%
Tort	\$277,000	0.4%



2011 Levy Request

- Operating “Cap” Funds \$62,373,000
- Bond & Interest, net \$5,571,400
- Total Levy Request \$67,944,400



2011 vs. 2010 Levy Request

- Total Levy Request; 2011 \$67,944,400
- Total Levy Extension; 2010 \$63,917,145
- 2011 vs. 2010 Increase <Decrease> 6.3% *

* Individual taxpayer effect subject to EAV distribution



Recommended

2011 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



Recommendations



- Adoption of levy presented at the December 13, 2011 Regular Board Meeting, following a Public Hearing
- Adoption of the abatement of the B&I 2011 levy related to outstanding alternative revenue bonds



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