

Tax Year 2023 Estimated Tax Levy

November 6, 2023

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Agenda



- Tax Levy Timeline and Key Factors
- Tax Year 2023 Estimate
- Next steps

Tax Levy Timeline



		2023			2024
November 6	November 7	November 20	December 4	December 6	Spring
Discussion on estimated tax levy and adoption of Proposed Levies resolution	Publish Truth in Taxation Public Hearing Notice	Truth in Taxation Public Hearing	Tax Levy Adoption	File the Certificate of Tax Levy with all three (3) counties	Property values and tax rates finalized by County Clerks and property taxes extended to taxpayers

Levy vs Extension



■ A tax <u>levy</u> is...

- The amount of money a taxing body (in our case a school district) **requests/asks** to be raised from property taxes.
- Most importantly, the tax levy is an ESTIMATE.

■ A tax <u>extension</u> is...

- The actual dollar amount to be raised by property taxes.
- Calculated as follows: Levy extension = Prior year extension plus Consumer Price Index (CPI) increase (plus any new property).
- Determined in the Spring after the Equalized Assessed Values are known
- <u>U-46 records 50% of the previous tax year & 50% of current tax year in fiscal year revenue.</u>

School District's receive...

no more than requested and no more than entitled by Property Tax
 Extension Limitation Law (PTELL)

What Factors are used to Calculate a Tax Levy?



Known Inputs

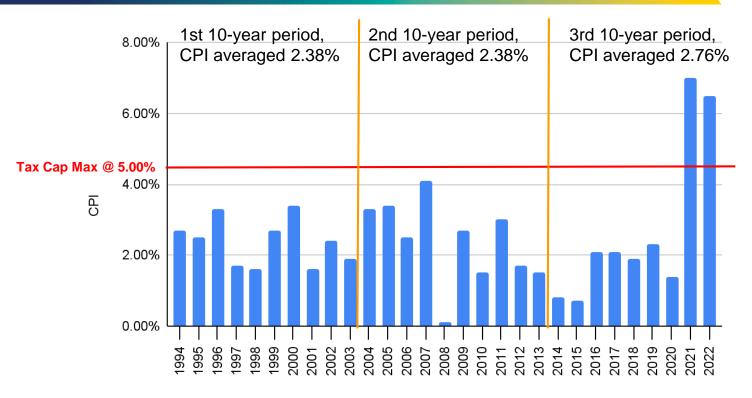
- ▶ 2022 Tax Extension (excluding bonds) = \$315,827,997
- Consumer Price Index (CPI) = 6.45% but capped at 5.0%
- ► Maximum Levy Extension for 2023 = \$331,619,396
- **▶** TIFs

Unknown Inputs

- ▶ New Equalized Assessed Valuation (EAV)
- ► New Limiting Rate
- ▶ New Property
- Expiring TIF Value
- ▶ Annexation, Exemptions, etc.

Historical Consumer Price Index (CPI)

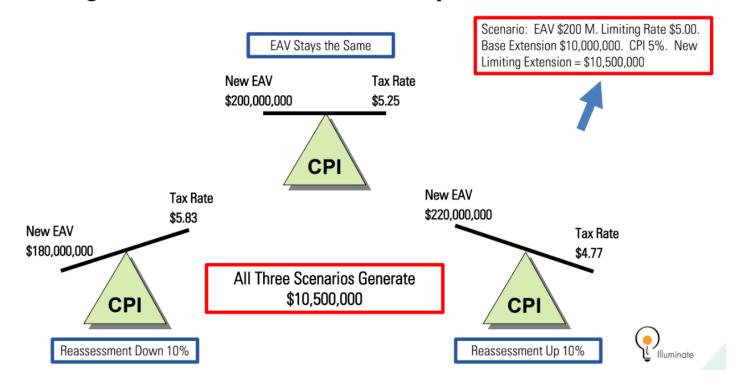




EAV, CPI, and Tax Rate Correlation

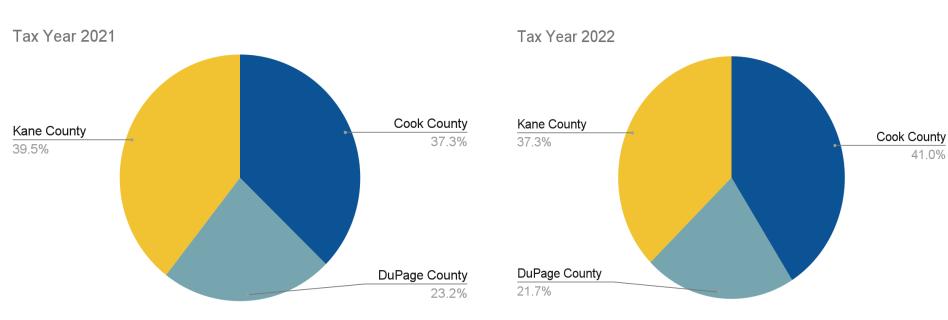


EAV Change, CPI and Tax Rate – An Example



U-46 Three County Overlap





Equalized Assessed Valuation (EAV) and New Property



	EAV	New Property	Net EAV	% Inc w/ New Property
2013	4,094,245,737	15,086,267	4,109,332,004	0.37%
2014	4,054,505,759	15,661,090	4,070,166,849	0.39%
2015	4,108,815,351	19,405,162	4,128,220,513	0.47%
2016	4,577,643,563	14,854,783	4,592,498,346	0.32%
2017	4,727,831,086	15,679,653	4,743,510,739	0.33%
2018	4,785,580,117	25,959,926	4,811,540,043	0.54%
2019	5,234,331,829	33,769,136	5,268,100,965	0.65%
2020	5,374,422,292	18,569,579	5,392,991,871	0.35%
2021	5,349,717,700	28,097,159	5,377,814,859	0.53%
2022	6,080,713,889	36,236,729	6,116,950,618	0.60%

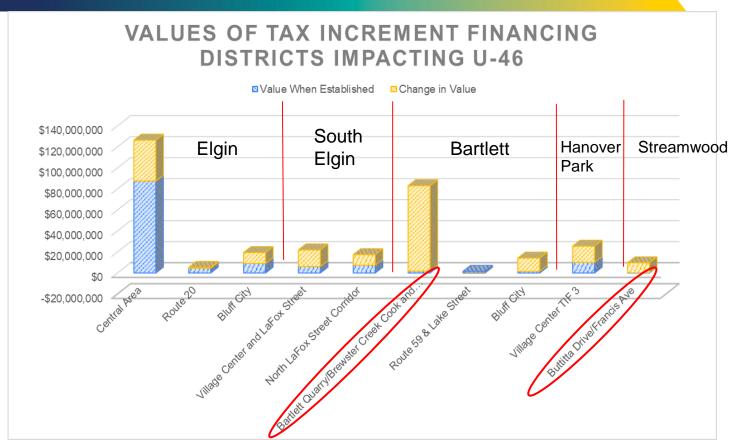
*Includes estimated \$103 Million in EAV from TIF expiration

*2022 Tax Rate without Bond & Interest on the expiring TIF portions would have generated an additional \$5.7 Million in revenue

10 year average of new property	5 year average of new property
22,331,948	28,526,506

Tax Increment Financing (TIF)





Tax Levy vs. Extension (what we ask for vs. what is billed to taxpayers)





^{*} Does not include Bond and Interest



Tax Year 2023
Estimated Tax
Levy:
Understanding
our WHY

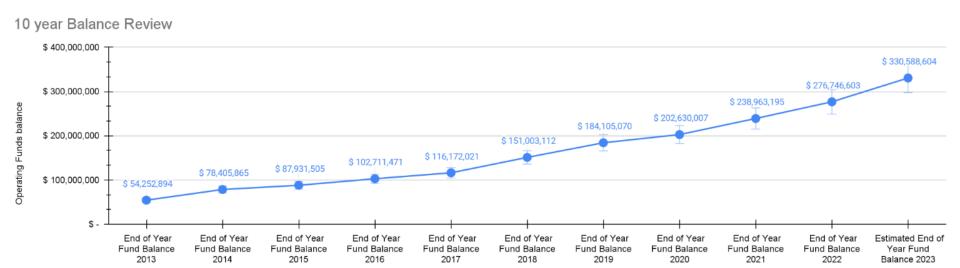
Tax Year 2023 Estimated Levy



Fund	December '23 Levy	
Education	\$223,564,250	
Operations & Maintenance	\$45,861,145	
Transportation	\$10,255,050	
Working Cash	\$3,200,000	
Municipal Retirement	\$1,740,800	
Social Security	\$2,199,285	
Fire Prevention & Safety	\$5,681,150	
Tort Immunity	\$7,878,230	
Special Education	\$40,647,590	
Capped Levy Total	\$341,027,500	
Bond & Interest	\$32,794,752	
Actual Levy Total	\$373,822,252	

Understanding the why: Year End Operating Fund Balances





Understanding the why: Fund Balances



	Estimated End of Year Fund		
Fund	Balance June 2023		
10 Educational	314,855,090		
20 Operations	(10,828,914)		
40 Transportation	26,562,428		
Operating Funds balance	330,588,604		
30 Debt Service	23,853,088		
50 IMRF/Social Security	17,974,346		
60 Capital Projects	44,194,330		
66 Developers Fees	4,864,306		
70 Working Cash	110,888,200		
80 Tort	(646,547)		
90 Fire & Safety	13,274,588		
All funds balance	\$ 544,990,915		

Understanding the why: Fund 50 (IMRF/SS)



IMRF/Social Security Fund (Fund 50): Expenditures are associated with paying for expenditures associated with the Illinois Municipal Retirement Fund, Social Security, and Medicare. Revenue comes from taxes and Personal Property Replacement Tax (PPRT). It is a restricted fund.

Tax Year 2023 IMRF Levy: \$1,740,800

Tax Year 2023 SS Levy: \$2,199,285

Fiscal year	IMRF Revenue	IMRF Expense	Excess(Deficit)	IMRF Cash Bal	FICA/Medicare I	FICA/Medicare I	Excess(Deficit)	FICA/Medicare Cash Bal	Total Fund 50 Balance
2017-18	8,551,648	8,049,157	502,491	487,429	7,013,357	7,330,093	-316,736	153,165	640,594
2018-19	8,607,510	7,687,502	920,008	1,407,437	7,640,970	7,856,843	-215,873	-62,708	1,344,729
2019-20	8,442,043	8,309,451	132,592	1,540,029	8,625,412	8,216,165	409,247	346,539	1,886,568
2020-21	8,810,169	8,301,935	508,234	2,048,263	9,832,545	8,090,504	1,742,041	2,088,580	4,136,843
2021-22	11,237,110	7,771,455	3,465,655	5,513,918	12,973,515	8,615,256	4,358,259	6,446,839	11,960,757
2022-23	9,781,393	7,304,537	2,476,856	7,990,774	12,512,760	8,976,027	3,536,733	9,983,572	17,974,346
2023-24	6,760,805	7,888,900	-1,128,095	6,862,679	7,465,142	9,424,829	-1,959,687	8,023,885	14,886,564
Estimates									

Understanding the why: Fund 80 (Tort)



Tort Fund (Fund 80): Expenditures are associated with managing Risk for the District. Tax revenue is the only revenue received for the fund. It is a restricted fund.

Tax Year 2023 Tort Levy: \$7,878,230

		lort	Fund (Fund	80) Fund Baia	ance		
	FY18	FY19	FY20	FY21	FY22	Estimated FY23	Estimated FY24
Opening Balance	-\$3,656,612	-\$57,554	\$964,343	-\$396,247	\$604,607	-\$413,702	-\$646,547
Revenue	\$8,669,845	\$6,388,994	\$5,357,785	\$5,661,758	\$5,477,684	\$5,664,644	\$7,286,793
Expenses	\$5,070,787	\$5,367,097	\$6,718,375	\$4,660,904	\$6,495,993	\$5,897,489	\$6,206,301
Ending Balance	-\$57,554	\$964,343	-\$396,247	\$604,607	-\$413,702	-\$646,547	\$433,945

Next steps

Next steps: Truth in Taxation



	Tax Year 2022	December '23	
Fund	Extension	Levy	% inc/decrease
Education	\$205,254,866.91	\$223,564,250	8.92%
Operations & Maintenance	\$41,563,185.19	\$45,861,145	10.34%
Transportation	\$9,509,387.37	\$10,255,050	7.84%
Working Cash	\$0.00	\$3,200,000	
Municipal Retirement	\$2,553,441.13	\$1,740,800	-31.83%
Social Security	\$3,441,950.56	\$2,199,285	-36.10%
Fire Prevention & Safety	\$5,267,579.47	\$5,681,150	7.85%
Tort Immunity	\$6,695,356.46	\$7,878,230	17.67%
Special Education	\$41,542,229.82	\$40,647,590	-2.15%
Capped Levy Total	\$315,827,996.91	\$341,027,500	7.98%

Next steps: Impact on Existing Homeowners



Estimated Market Home Value	Estimated 2022 tax bill	Estimated 2023 tax bill	Increase 5%
\$150,000	\$4,300	\$4,515	\$215
\$200,000	\$5,900	\$6,195	\$295
\$250,000	\$7,100	\$7,455	\$355
\$300,000	\$8,700	\$9,135	\$435
\$350,000	\$9,975	\$10,474	\$499
\$400,000	\$11,400	\$11,970	\$570



U-46's 2023 Tax Levy



Although the District plans to request a 7.98% increase, the estimated increase to be received by the district is approximately \$23 Million or 5.00%.



The County Treasurers will reduce the amount requested so that it does not exceed a 5% (excluding new property) increase as required by law.

In Summary....



- Illinois school districts request more than they will receive due to the unknown factors in the tax extension process.
- U-46 is requesting an increase of 7.98% for capped funds. The debt service levy will remain stable as promised.
- Once the final EAVs are determined, the County Treasurer will reduce the total amount extended to 5% in accordance with Property Tax Extension Limitation Law.
- The Counties will determine the final extensions and rates in Spring 2024





Questions?