



Washington Community High School
2022 Tax levy
Truth in Taxation
December 12, 2022

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Definitions

- Tax Levy
 - A request for dollars by a taxing body for tax revenue.
- Tax Levy Extension
 - The total dollars due to the district as calculated by the county clerk and billed to property tax payers.
- EAV
 - Equalized Assessed Valuation (EAV) is the basis for property tax values and is one-third of the Fair Market Value (FMV) established by the county assessor.
 - Ex: \$300,000 FMV = \$100,000 EAV

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Definitions

- **Tax Rate**
 - The percentage per \$100 of EAV that yields the taxes.
- **Truth in Taxation**
 - Legislation approved and effective July 1981 provides procedures for Public Notice and Public Hearings on Levy Requests that exceed the previous year's extension by more than 5%.
- **PTELL or "Tax Cap"**
 - Law limiting the extension taxing bodies can receive to 5% or the CPI, whichever is less. PTELL does not cap individual tax bills, but limits the aggregate amount a taxing body can receive.
- **CPI**
 - Consumer Price Index. The measure of inflation set by the US Bureau of Labor Statistics.

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Impact of PTELL

- Revenue received through the 2021 extension sets the basis of the Tax Cap calculation for the 2022 levy. If the district lowers its 2022 levy, the district would lose the amount, compounded by the CPI index, annually. The district is penalized under the Tax Cap for future years as each year is limited by the prior year extension amount.

Ex: A \$200,000 reduction in the 2022 extension

- Reduces the 2022 levy by \$200,000 plus the CPI.
- More than \$400,000 of revenue in 2-years and compounded annually by the CPI.

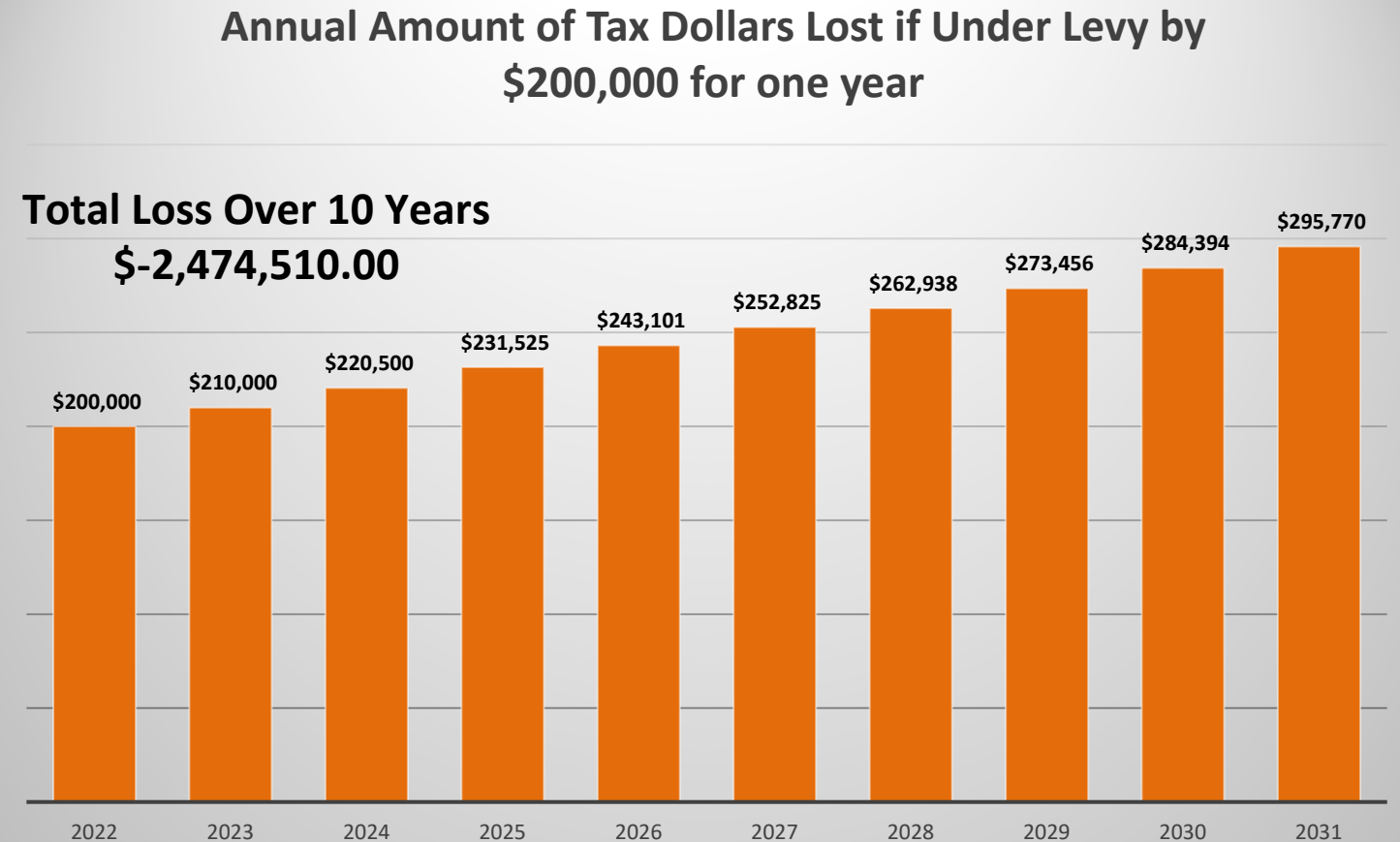
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PTELL or “Tax Cap” Calculator



Levy	CPI	Full Levy	\$ on the Table \$200,000.00	Difference
2022	5.00%	\$ 10,000,000	\$ 9,800,000	\$ -200,000
2023	5.00%	\$ 10,500,000	\$ 10,290,000	\$ -210,000
2024	5.00%	\$ 11,025,000	\$ 10,804,500	\$ -220,500
2025	5.00%	\$ 11,576,250	\$ 11,344,725	\$ -231,525
2026	5.00%	\$ 12,155,063	\$ 11,911,961	\$ -243,101
2027	4.00%	\$ 12,641,265	\$ 12,388,440	\$ -252,825
2028	4.00%	\$ 13,146,916	\$ 12,883,977	\$ -262,938
2029	4.00%	\$ 13,672,792	\$ 13,399,336	\$ -273,456
2030	4.00%	\$ 14,219,704	\$ 13,935,310	\$ -284,394
2031	4.00%	\$ 14,788,492	\$ 14,492,722	\$ -295,770
Total		\$ 123,725,481	\$ 121,250,972	\$-2,474,510
<p>\$-2,474,510.00</p> <p>10-Year Financial Effect</p>				



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Levy Timeline (September)



- September 1 Notice: The Tazewell County Supervisor of Assessments sends out a “current” estimate of EAV for our taxing district
- Final 2021 EAV for taxable extension
- 2022 New Construction
- 2022 +/- Assessor Changes
- Updated Farmland Values for 2022
- Equalization Factors
- **Subject to changes made by the Board of Review**

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Levy Timeline (November)



- Levy Presented to the Board
 - Illinois law requires that at least 20 days prior to the adoption of its aggregate levy the local Board of Education shall estimate the dollar amount of the budget requirements and aggregate levy for the year.
- Adopt Resolution of Budget Estimates (Revenues and Expenditures for 2023-24) and Aggregate Levy.
- Set Truth in Taxation Hearing if Tax levy exceeds 5% of prior year levy.

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Levy Timeline (December)



- December
 - Truth in Taxation Hearing
 - Held immediately before the board meeting
 - Required for any levy request greater than 5% of the prior year's extension,
 - Board of Education approves the levy at the December meeting
 - Levy must be delivered to the County no later than the last Tuesday in December – no exceptions!

Levy Timeline (March – September)



- March - District receives the Tax Computation Report for verification from the County Clerk's Office
- May - District receives the final Tax Computation Report and CPI from the County Clerk's Office
- June/September - Receive disbursement of Real Estate Taxes

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PTELL IMPACT FOR WCHS



- PTELL limits the extension the amount the district can extend on existing property at CPI or 5% whichever is less.
 - As of October CPI is 8.0%, so our maximum extension increase on existing property is 5%.
- The costs for operating the school is exceeding the 5% we are able to request which means that even with requesting the maximum allowed our revenues are not keeping up with rising costs.

2022 Levy



CPI = 8.0%

Max Increase on Existing Property = 5%

September 1 EAV Estimates

Rate Setting EAV	\$538,496,933
New Construction	+ \$6,218,665
TIF Recovery	+ \$781,335
Total EAV	\$545,496,933

Cost of Tax Increase for House with \$100,000 FMV

2022 % Tax Rate Increase	.0181
2022 Additional Tax Amount	\$6.03

Fund	Estimated Tax Levy	Estimated Tax Rate
Operating Extension	\$14,812,869	2.7155
Bond & Interest Extension	\$1,579,139	0.2895
Total Extension	\$16,366,248	3.0050

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21/22 Levy Comparison

2021 EAV \$516,468,075.00

2022 EAV \$545,496,933.00

Fund	2021 Tax levy Extension	2021 Tax Rate	2022 Estimated Tax Levy	2022 Estimated Tax Rate
Operating Extension	\$13,926,459	2.69648	\$14,812,869	2.7155
Bond & Interest Extension	\$1,499,927	0.29042	\$1,579,138	.2895
Total Extension	\$15,426,386	2.98690	\$16,392,004	3.0050

Cost of Tax Increase for House with \$100,000 FMV	
2022 % Tax Rate Increase	0.0181
2022 Additional Tax Amount	\$6.03

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Fund Balances



	Education Fund (10)	O&M Fund (20)	Bonds and Interest Fund (30)	Transportation Fund (40)	IMRF/SS Fund (50)	Capital Projects Fund (60)	Working Cash Fund (70)	Tort Fund (80)	Health Life Safety Fund (90)
FY 24 Beginning Fund Balance	3,932,761	5,662,207	100,098	808,847	159,755	-	1,334,312	65,592	-
Revenues	17,911,945	2,500,861	1,587,775	2,195,710	528,236	1,400,000	262,231	88,433	32,426
Expenses	<u>17,726,209</u>	<u>3,815,277</u>	<u>1,585,227</u>	<u>2,126,815</u>	<u>503,338</u>	<u>1,400,000</u>	-	<u>90,238</u>	<u>15,000</u>
FY 24 Ending Fund Balance	4,118,497	4,347,790	102,645	877,741	184,653	-	1,596,543	63,787	17,426

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Operating Funds (10,20,40,70)



- These funds represent the funds used to operate the day-to-day operations of the district.

Operating Funds (10, 20, 40, 70)	2023-24
Beginning Fund Balance	11,738,127.00
Revenue	22,870,746.00
Expenditure	23,668,302.00
Ending Fund Balance	10,940,572.00
Months in Reserves	5.55

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2022 Levy



Questions???

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