



East Richland Community Unit School District No. 1

1100 East Laurel
Olney, Illinois 62450

Tax Levy Presentation

Tax Year	2011
Collectable	2012
Budget FY	2013

7:00 p.m.

Thursday, December 15, 2011
East Richland Community Unit School District No. 1
East Richland Administration Office Board Room

Introduction

Welcome to the East Richland Community Unit School District No. 1 Board of Education Meeting. Tonight we are discussing our 2011 Tax Levy.

Each year our district must levy or take action on a specified timetable to certify the amount of revenue required from local taxes. When we consider the levy we are looking to the next year. We file the levy now, the money is collected next summer and we will receive the revenue next summer/fall.

In this packet you will find:

- a) The Budget & Levy Cycle
- b) Steps of Levy Adoption
- c) 2011 Tax Levy Narrative
- d) 2011 Tax Levy

We thank you for attending tonight's meeting.

Budget and Levy Cycle

Taxing Body:

1. Prepares tentative budget;
2. Publishes Notice of Public Hearing: puts tentative budget on display 30 days before public hearing;
3. Hold public hearing;
4. Passes budget with changes in form of ordinances;
5. Publishes levy and holds public hearing if Truth in Taxation Act applies (i.e. levy greater than 105% of last year's extension).

County Clerk:

1. Calculates tax rates for each combination of taxing districts;
2. Extends taxes on equalized assessed value and enters in Collector's books;
3. Delivers Collector's books to county treasurer by December.

County Treasurer:

1. Prepares tax bills and mails by May 1st;
2. Collects first installments for real estate by June 1st;
3. Distributes tax money proportionately to taxing districts as tax money is collected;
4. Collects second installment for real estate by September 1st;
5. Prepares delinquent tax list and sends Notice of Application for Judgment on Real Estate.

Circuit Court:

Pronounces judgment for sale of real estate due to nonpayment of taxes and rules on tax objections.

County Clerk & Treasurer:

Administers sale of real estate due to nonpayment of taxes.

Steps of Levy Adoption

1. District determines on a fund-by-fund basis the total revenue required for the coming school year.
2. District projects expenditures for the next year and estimates the revenue from all sources. The difference is the need for property taxes. ***The reality is that the school needs all of the tax revenue that it can legally secure.***
3. The formula governing tax revenue for each fund is subject to a maximum rate without referendum and with referendum. ERCU #1 rates and purpose of fund are as follows:

Educational	Includes all instruction-related items	\$1.84
Building & Grounds	The upkeep of building and grounds	.50
Transportation	Costs associated with bussing	.20
Working Cash	Funds dedicated to provide a cash reserve	.05
IMRF	The districts share of our required payments for employees	as needed
Social Security	The districts share of our required payments for employees	as needed
Fire Protection	Eligible code-required building Projects	.05
Tort Immunity	Costs related to the district's insurance, attorney fees and risk management	as needed
Special Education	Costs associated with Special Education services	.04
Bond & Interest	Used solely for payments on debt	as needed

4. No levy action is needed for the bond and interest fund. The County Clerk extends taxes for debt service based on the levy resolutions filed when the bonds were sold. ***However, we always work closely with the clerk's office and the bond company to assure the correct amount and payment. You will note the dollar amount for FY13.***

5. No expenditures can be made from the working cash fund. The total this fund is limited to is 85% of the sum of the most current education fund taxes and the corporate personal property replacement tax revenues for the past year. ***We are not even close to the limit.***
6. The final step in the levy process is to add up all the levies in all the funds and look at the result. This is where we consider the amount of funds the levy will produce. We consider:
 - The cost for property and homeowners throughout the district.
 - Comparison of cost from prior years.
 - Comparison of tax rates in other districts.
7. When the levy exceeds the previous tax year's operating fund extension by more than 5 percent then we are required to publish a Truth-in-Taxation notice and hold a hearing. Our levy does not exceed the 5%, so we are only presenting the information.
8. The levy must be filed by the fourth Tuesday in December on the state issued form with the county clerks of Richland, Jasper and Wayne Counties. The clerks date, stamp and return a copy to the district.

The 2009 Tax Levy Narrative

Attached you will find the Proposed 2011 Tax Levy for East Richland Community Unit School District No. 1. This levy will be paid to the district in 2012 for the FY13 budget. This is the 2011-2012 school year and the fiscal year is always stated as the end of the year date. (Specifically, the fiscal year ends in June of '12, so it is FY12. The 2012-2013 school year will be FY13.)

In 2010 our Equalized Assessed Value (EAV) was \$158,018,938. We are estimating that the EAV for 2011 will be approximately \$156,000,000. This is a decrease of .987 % less than the 2010 EAV.

In order to protect our district from any changes, I am using \$165,129,790 or a 4.50% increase over the 2010 EAV.

Therefore, column one is the fund. Column two is the amount of revenue we received in the 2010-2011 extension. Column three is our 2010-2011 tax rate.

Column four is the amount of our 2011-2012 levy. Column five is our estimate based on what we think we will receive, and then column six is the 2011-2012 estimated rate.

You will note that the IMRF, Social Security and Tort Immunity Funds are unrestricted. The IMRF and Social Security funds are strictly for payment of our districts portion of IMRF or Social Security for our employees. We have and continue to maintain a positive balance in these funds. The balance must not be equal to the expenditure. We have a slight increase in the IMRF and Social Security budget.

We will not increase our Tort Immunity Fund. Our Risk Management Plan, which will be approved tonight, is an excellent plan; however, it has been under funded in the past. To completely fund the plan it would be in excess of \$900,000.

With careful consideration of our taxpayers and community, I am requesting that we maintain the Tort Immunity Fund at \$710,000; which, provides assistance to our Education, Building & Transportation funds. This would be a rate of (.4551).

The 2011-2012 levy will be \$5,775,479 and with bonds it will be \$6,786,638.

We are appreciative of our taxpayers and the support our district receives from our community. We receive about 32% of our dollars from local property taxes, 32% from General State Aide, and 18% from federal funds. Then from other local funds, we receive about 9% and from other State funding about 9%. Our concern for now and in the future is the state and federal funds. As you will remember, Illinois received federal dollars through the federal stimulus program. Those dollars allowed us to recall teachers and maintain a balanced budget. We are currently receiving our state aid payments, but are very concerned about the additional revenue (mandated categorical, State grants, etc.) promised to the district. The State Board of Education continues to voucher payments but the comptroller does not have the money to pay them. We are receiving General State Aid. We will continue to monitor expenses, utilize grant dollars, and do all that we can to balance the budget. We will work with all stakeholders. Our greatest challenge continues to be providing our students with the same or greater level of **academic excellence** with fewer dollars. Together we will continue to make this district, which is the **Best** – even **Better!**