



PARK & RECREATION ASSOCIATION

Learn. Connect. Inspire.

Tax Levy and Bonds 101

Lisa Scumaci, Controller

Sue Rini, Director of Finance & Administration

Carol Stream Park District

Learning Outcomes

- Basic Overview of Tax Levy
- Issuance of Bonds (debt)



**... for non-financial
professionals . . . you know, for
the happy and normal people!**

Goal and Objective

- Better understanding of the **financial operations** of a park district
- Help complete the **full circle** associated with annual budgets and District's financial goals





Basics to be Covered

- Tax Levy

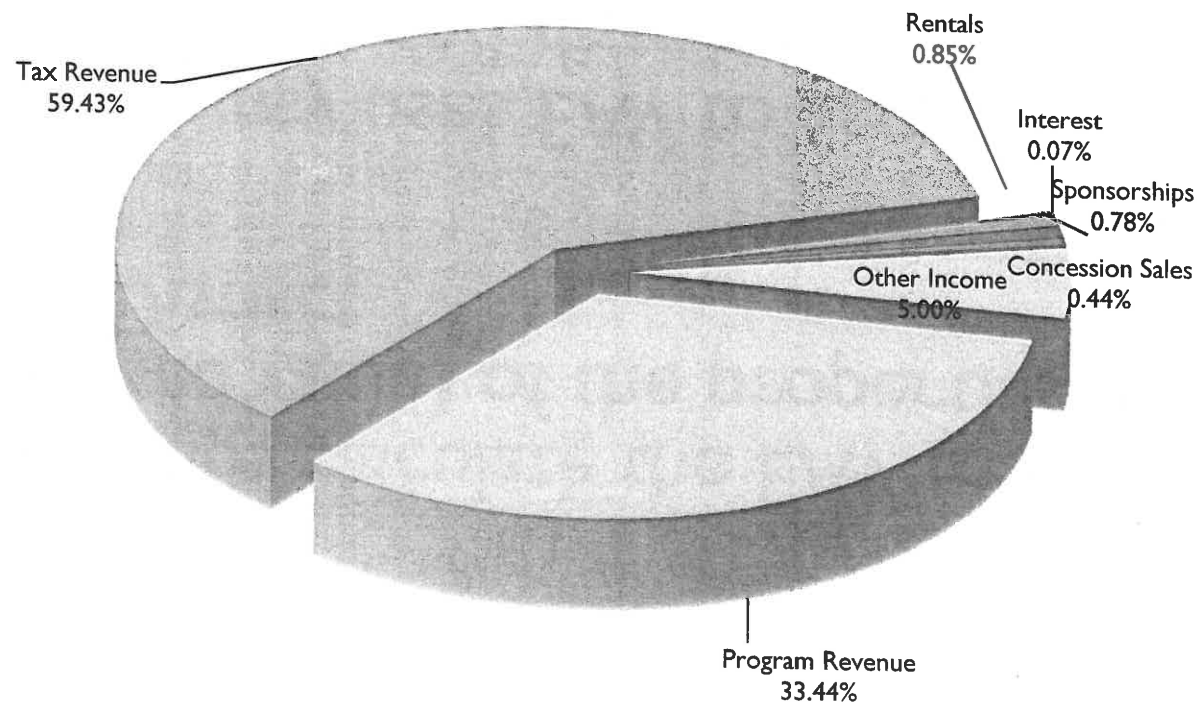
- The Process
- Equalized Assessed Values (EAV)
- Property Tax Extension Limitation Law (PTELL)
- Tax Pie

- Bonds and Issuing Debt

- The Process
- Debt Margin
- Refinancing

Tax Levy

- Park Districts operate with two main sources of funding – taxes and earned revenue



Tax Levy

- Townships calculate the EAV (Equalized Assessed Value) of the properties within each District
- The County uses EAV to assess taxes, collect taxes, and distribute the funds to the taxing bodies ... they are the regulators



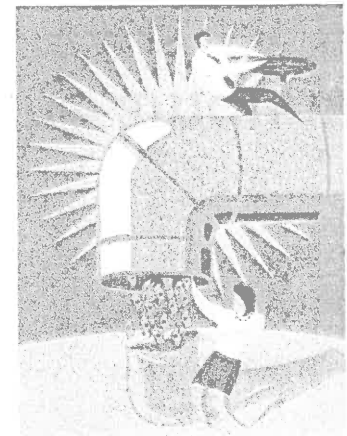


Tax Levy

- Districts levy taxes annually.
 - The amount levied, is not always the amount extended (received)
 - Dollars are levied for specific funds
- Limits include:
 - PTELL (5% more than the previous year or CPI, whichever is less)
 - Fund Restrictions

Tax Levy

- Counties distribute dollars based on the levy
- Tax dollars are distributed at two main times during the year
- Tax dollars are calculated and distributed to the 'fund' (or category) for which they are to be used



Tax Levy – PTELL

- Taxes = EAV x tax rate

As EAV goes up, tax revenues grow

- PTELL put in place to control the rise of taxes when EAV was growing
- Changes in EAV and CPI (Consumer Price Index) have a large impact on taxes



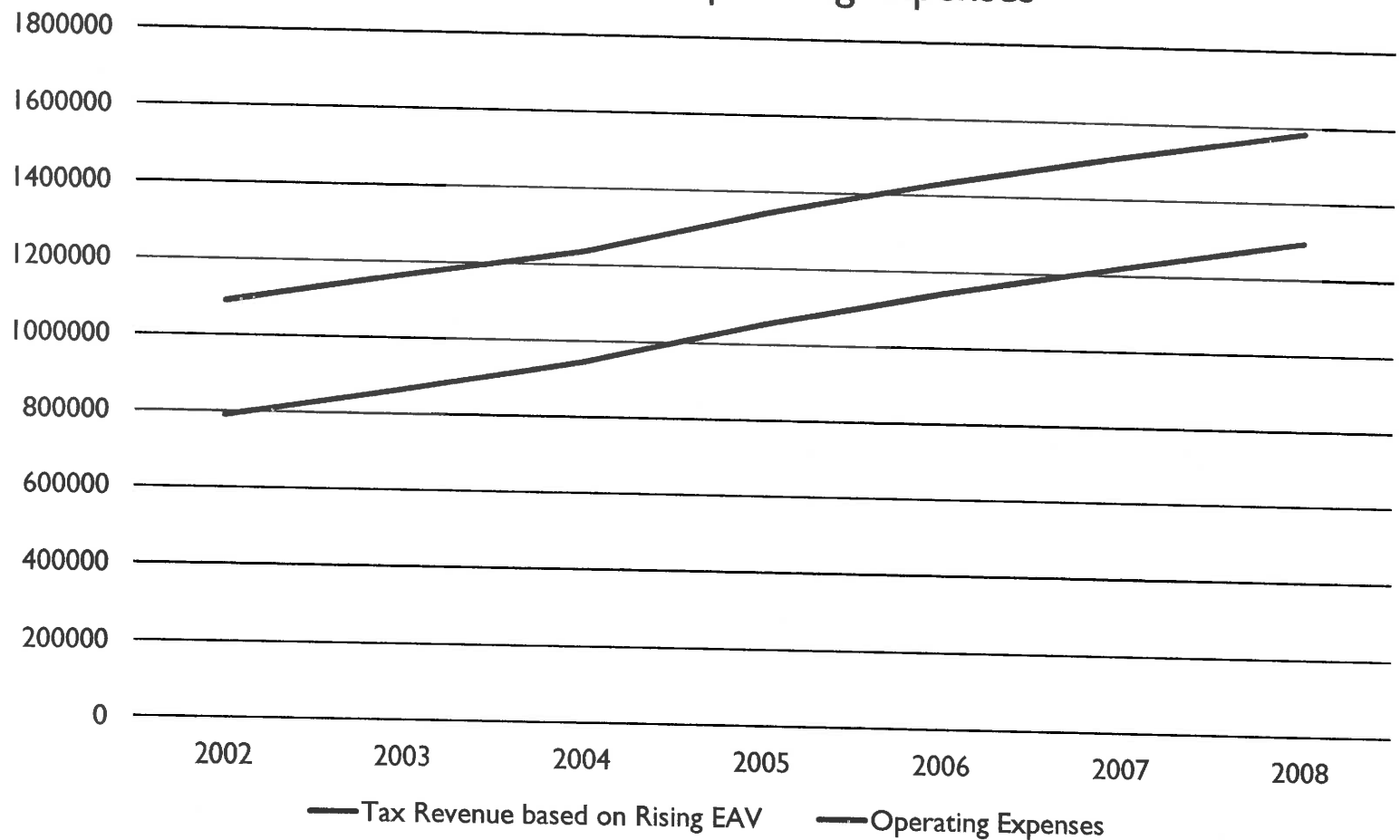
Tax Levy – PTELL

- Property Tax Extension Limitation Law
 - Collect no more than 5% of the tax revenue collected in the previous year – or more than CPI – whichever is less
 - Exempts “New Growth”
 - Control the collection of tax dollars associated with aggressive growth in EAV
 - Allow increases in taxes to align with economic growth
 - No more tax than necessary
 - Allow taxing bodies to keep up with growing operating expenses

...All designed to work in an economy that had a positive CPI and growing EAV (tax base)

PTELL - Strong Economy

EAV Growth & Operating Expenses



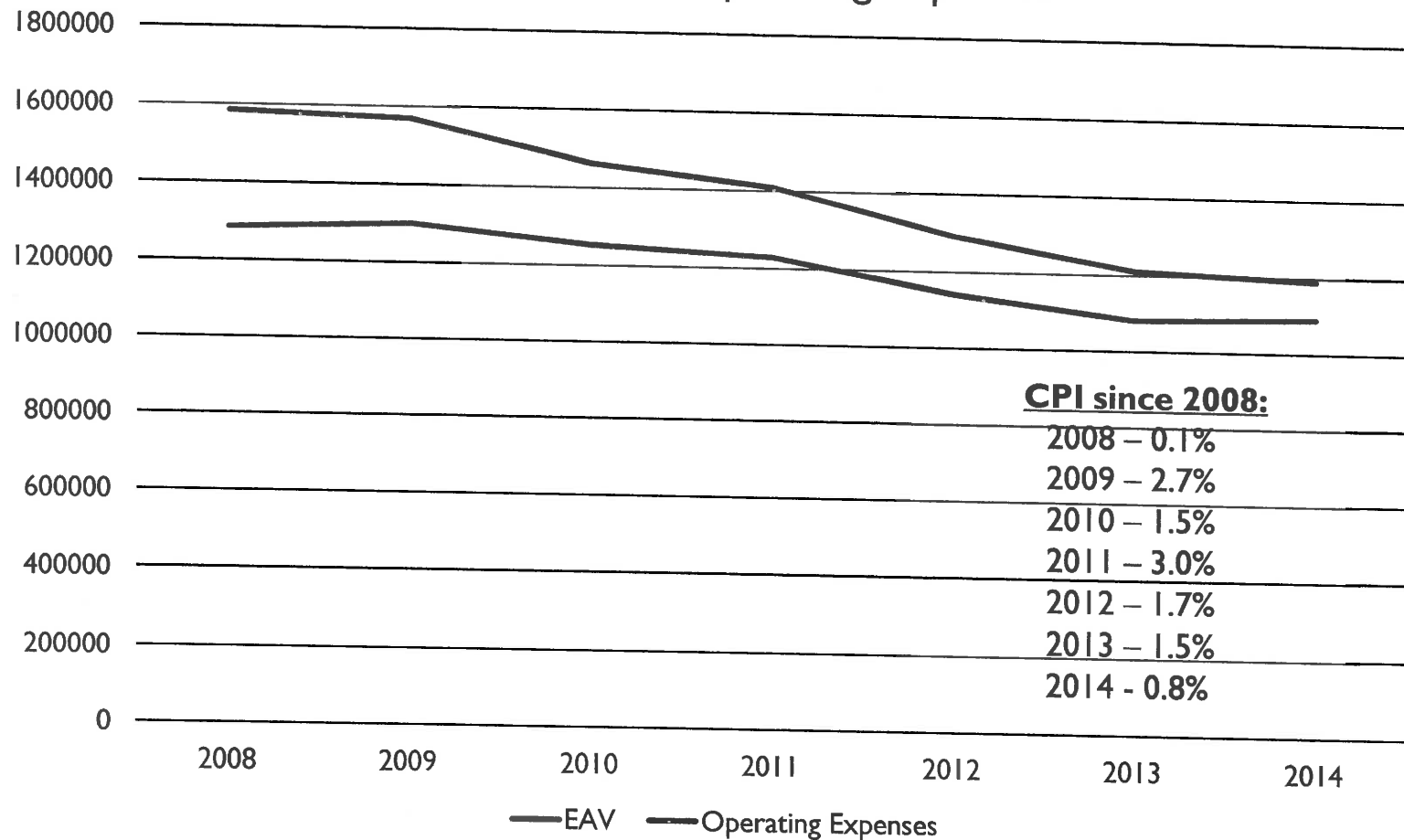


Tax Levy - PTELL

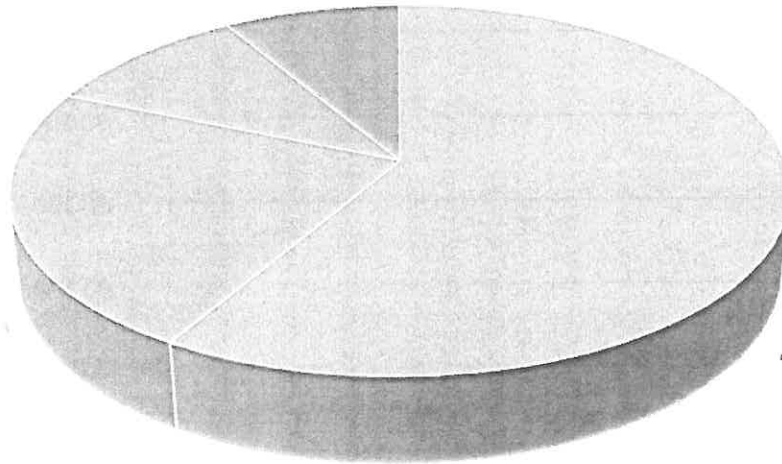
- Impact of dropping EAV and CPI on tax revenue
- Economic conditions impact consumer (patron) spending
- Operating expenses continue to grow
- Expectation of continued service

PTELL – Recessionary Economy

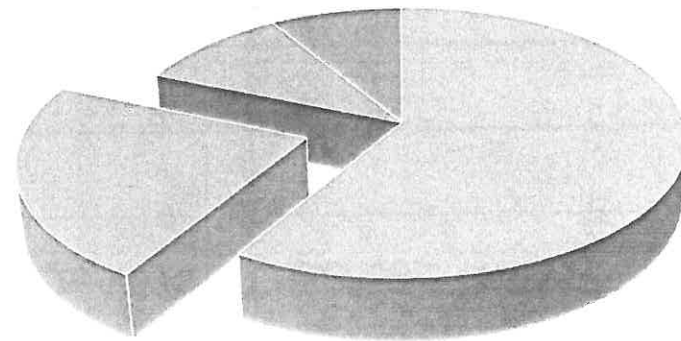
EAV Growth & Operating Expenses



Tax Levy – The “Tax Pie”



□ Circle represents total EAV



□ Even when EAV drops, certain slices of the Tax PIE remain the same

Tax Levy

- The tax levy requires calculation of several steps and limitations using... EAV, new growth, CPI and application of the limiting rates...

CALCULATING THE NEW EAV

Levy Year 2014	Prior year EAV	New Growth	% of increase due to new growth	Reassessment	EAV adj. Due to Reassessment	Current Year Estimated EAV	Total % increase to prior yr. EAV
Bloomington	\$ 530,024,479	\$ 1,521,330	0.26%	-3.310%	\$ (17,543,810)	\$ 514,001,999	-3.02%
Milton	\$ 349,135,715	\$ 4,215,880	1.21%	-0.300%	\$ (1,047,407)	\$ 352,303,888	0.91%
Wayne	\$ 332,175,474	\$ 1,510	0.00%	-2.340%	\$ (7,772,908)	\$ 324,404,078	-2.34%
Total	\$ 1,211,335,668	\$ 5,738,520	0.50%	-1.99%	\$ (26,364,123)	\$ 1,190,710,065	-1.70%

CALCULATING THE LIMITING RATE

Levy Year	Prior year base aggregate (no bonds)	CPI	Limiting Rate
2014	\$ 3,443,827.31	1.50%	0.002960

LEVY DOLLARS	County 1%	Potential Levy Dollars
\$ 3,512,412	35,124.12	\$ 3,547,537
	Balloon	5.00%
	Adjusted Levy Dollars	\$ 3,724,913.43

Annual Debt Service payments to be Levied	Abatements	Estimate Net bond levy amount (gross minus levy abatements)
\$ 4,023,241.25	\$ 275,755.00	\$ 3,747,486.25

Tax Levy Resolution ->

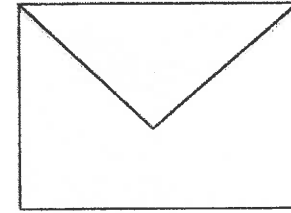
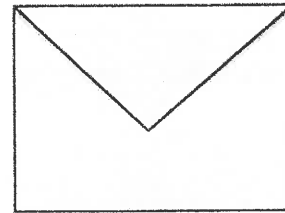
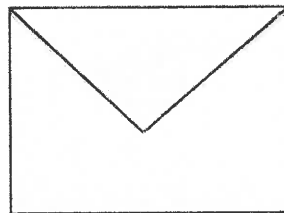
Aggregate Dollars	\$ 3,724,913
Bond and Interest	\$ 3,747,486
Special Recreation	\$ 476,284
Truth in Taxation disclosure	\$ 7,948,684

Ballooned Rate	0.000878
Non Ballooned Rate	0.000527

Tax Levy

- Come up with the total estimated dollars we can collect.
- Allocation to funds ...

.....



- Capped or Non-Capped Funds

Tax Levy – Fund Targets

- We have estimate of the total dollars we can collect, now we determine the allocation of each fund based on target fund balances

Fund26-2014Target

FUND 26 IMRF

2013 ENDING FUND BALANCE

\$ 12,515 fm CAFR

ESTIMATED REVENUES

TAXES	\$ 301,033.54	←--from county final levy extension
Trf from Corp	\$ 25,000.00	
Due from Rec	\$ 8,333.33	
Due from Sp. Rec	\$ 5,802.00	

ESTIMATED EXPENSES

TOTAL REVENUE 340,168.87

IMRF \$ 347,631.88

TOTAL EXPENSES 347,631.88

2014 ENDING FUND BALANCE

\$ 5,052

2015 BEGINNING FUND BALANCE

\$ 5,052

ESTIMATED REVENUES

TAXES	\$ 296,100.89	←--from target summary estimate
Due from Corp	\$ 25,000.00	\$ 33,999 ←-- +/- for target Fbal
Due from Rec	\$ 50,000.00	\$ 10,425 ←-- +/- for 75K Fbal
Due from Special Rec	\$ 4,000.00	\$ (14,575) ←-- +/- for 50K Fbal

ESTIMATED EXPENSES

TOTAL REVENUES 375,100.89

IMRF \$ 315,578.00

TOTAL EXPENSES 315,578.00

2015 ENDING FUND BALANCE

\$ 64,575

Real Taxes
Ballooned Taxes
Additional Levy Dollars

Real Taxes	\$ 296,101
Ballooned Taxes	\$ 310,906
Additional Levy Dollars	\$ 14,805

98,573.83 ←--target fund balance*

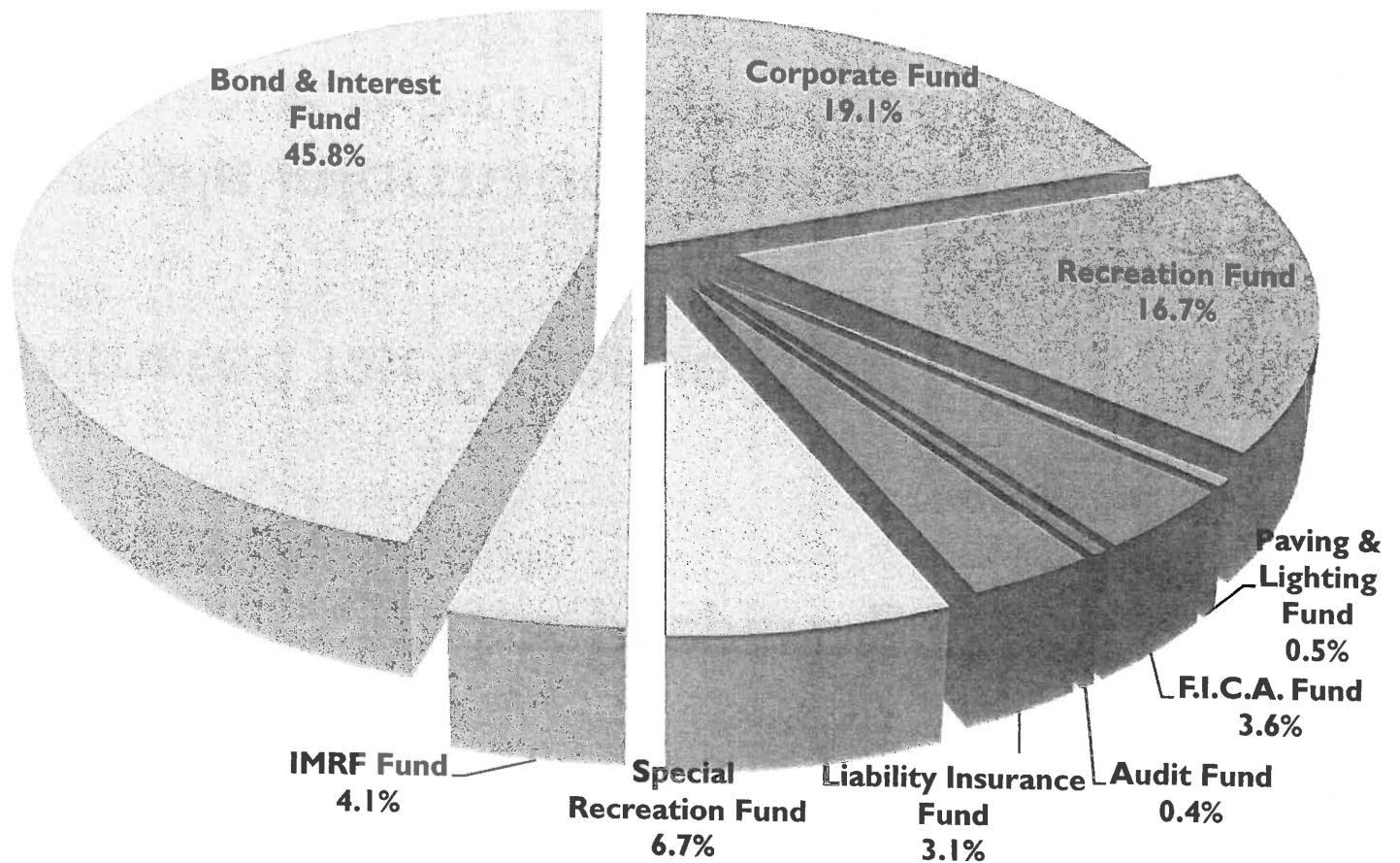
Tax Levy – Target Summary

2014TargetSummary

Levy Summary										final 2013 levy * 97%
Fund	Description	Maximum Rate	current rate	Amount	Ballooned Amount	Variance	Variance	Levied*	Budgeted-to meet est EAV \$	Budgeted- keyed for 2014
10	General	0.2500	0.12212	\$ 1,454,072	\$ 1,526,776	\$ 72,704	\$ 88,987.94	\$ 1,542,760.00	\$ 1,542,760.00	\$ 1,337,144.99
20	Recreation	0.1200	0.10736	\$ 1,278,386	\$ 1,342,305	\$ 63,919	\$ 88,987.94	\$ 1,367,074.00	\$ 1,367,074.00	\$ 1,163,245.64
21	Paving and Lighting	0.0050	0.00276	\$ 32,901	\$ 34,546	\$ 1,645	\$ 0.12	\$ 32,901.00	\$ 32,901.00	\$ 32,899.88
22	FICA	none	0.02187	\$ 260,851	\$ 273,894	\$ 13,043	\$ (0.02)	\$ 260,851.00	\$ 260,851.00	\$ 260,849.02
23	Audit	0.0050	0.00254	\$ 30,226	\$ 31,737	\$ 1,511	\$ -	\$ 30,226.00	\$ 30,226.00	\$ 30,225.00
24	Liability	none	0.01538	\$ 195,000	\$ 204,750	\$ 9,750	\$ -	\$ 195,000.00	\$ 195,000.00	\$ 195,000.00
25	Special Recreation	0.0400	0.04000	\$ 476,284	\$ 500,098	\$ 23,814	\$ (0.03)	\$ 476,284.00	\$ 476,284.00	\$ 469,998.24
26	IMRF	none	0.02457	\$ 296,101	\$ 310,906	\$ 14,805	\$ 0.11	\$ 296,101.00	\$ 296,101.00	\$ 296,098.89
30	Bond and Interest		0.31473	\$ 3,747,487	\$ 3,747,487		equals both in taxation disclosure on eav calc sheet & Resolution 3 —>	\$ 3,724,913.00	\$ 3,747,487.00	\$ 3,315,463.42
	Total			\$ 7,771,308	\$ 7,972,499	\$ 201,191		\$ 7,948,684.00	\$ 7,948,684	\$ 7,532,948.66
			special rec	\$ (476,284)	\$ (500,098)		special rec	\$ (476,284)	\$ (476,284)	
Est EAV	\$ 1,190,710,065.00		0.6527	\$ (3,747,487)	\$ (3,747,487)			\$ (3,747,487)	\$ (3,747,487)	
			w/o bond/interest & spec rec —>	\$ 3,547,537	\$ 3,724,914			\$ 3,724,913	\$ 3,724,913	
			aggregate can't be more than this —>	\$ 3,547,537	\$ 3,724,913			\$ 3,724,913	\$ 3,547,537.00	
			(potential levy dollars)-eav/lim rate calc spreadsheet —^		^—5% ballooned \$ eav/lim rate calc —^					
			need to (reduce)/add	-	(1.00)	need to (reduce)/add		-	(177,376.00)	<— extra
					3,724,913			3,724,913		added/removed
					^—5% ballooned \$ eav/lim rate calc —^					to/from
					\$ amt to add to all funds per 105% —>					Corp/Rec Funds
								\$ 7,948,684.00	<-Resolution 14-07	
								Aggregate - Total funds 10-26	\$ 4,201,197.00	<—106.945% of 2013 final levy

Tax Levy

Tax Revenue Allocation





Tax Levy

- Meanwhile, staff is preparing annual budgets
- Estimated Tax Revenue is included
- Compile information into Levy Ordinance, which is approved by the Board separately from the Budget & Appropriation Ordinance
- Levy Ordinance submitted to the County.



Tax Levy

- Budget & Appropriation Ordinance
 - Separate from the Tax Levy
 - Statement of how funds will be spent
 - Done in accordance with District's fiscal year



Tax Levy

- County will notify taxing bodies with initial notice of tax allocations
- The notice includes a preliminary distribution by fund
- Some funds are fixed, other can be redistributed based on budgeting needs

Tax Levy

OFFICE OF THE DuPAGE COUNTY CLERK

GARY A. KING
COUNTY CLERK
630/407-5500
FAX 630/407-5501



421 N. COUNTY FARM ROAD
P.O. BOX 1028
WHEATON, ILLINOIS 60187

March 24, 2014

Dear District Official,

Enclosed are copies of the following reports regarding the 2013 tax year for your District:

1. Our worksheet depicting the 2013 Tentative Tax Rates and Tax Extensions. The total assessed valuation shown reflects the removal of all exemptions and the application of a State Multiplier of 1.0000.
2. Your 2013 equalized billing value, new construction, annexed and disconnected values by property class. These values were used to calculate the Limiting Rate.
3. Limiting Rate formula sheet.
4. Rate Re-Allocation Form, if applicable to your district.

In reviewing your worksheet, if the Total Extended Rate for the funds subject to the Tax Cap is lower than the Limiting Rate shown, then your district is not in violation of the "Tax Cap Act" and our calculations end. If the Total Extended Rate is higher than the Limiting Rate shown, then, by law, a reduction was made by applying a Rate Reduction Factor to all of the individual fund rates, resulting in a new TOTAL RATE EQUAL TO THE LIMITING RATE and its accompanying tax extension.

If you wish the reduction to be made other than by reducing all funds proportionately, as I did, complete the enclosed Rate Re-Allocation Form, making sure that no individual rate exceeds that shown in the Clerk's rate column and that the total rate does not exceed the limiting rate. RATES CANNOT EXCEED FOUR DECIMAL PLACES (i.e. 0.0000). If you decide not to re-allocate your rates, please write no change on the form. Sign, date the form and return the original copy by March 31, 2014. Faxed responses are acceptable.

In order to assure timely tax bills, all Abatements, Rate Re-Allocations or any discrepancies you may find must be forwarded to this office by Monday, March 31, 2014. WE URGE YOU TO EITHER FAX to 630-407-5502 OR HAND DELIVER THESE DOCUMENTS TO INSURE THAT WE RECEIVE THEM BY THE MONDAY DEADLINE. No additional time can be given to districts that are unable to have a board meeting within this time frame. Someone at the district must make the necessary decisions by the date specified.

Your prompt consideration is necessary to insure that the tax cycle remains on schedule.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Gary A. King".
Gary A. King
DuPage County Clerk

Tax Levy

6100000
CAROL STREAM PARK

TOWNSHIPS: WAYNE
BLOOMINGDALE
MILTON
DUPAGE COUNTY

2013 TIF VALUATION

332,175,474
530,024,479
349,135,715
1,211,335,668 CUR
1,211,335,668 CUR

332,175,474
530,024,479
355,654,335
1,217,854,288
1,217,854,288

RES: 782,204,226
FARM: 30,907 RR:
COMM: 152,754,215
IND: 276,346,320
T-RE: 1,211,335,668 GTOT: 1,211,335,668

TAX BURDEN:

LIMITING RATE:

.2843

RATE REDUCTION: 93,2743

LEVY	AMOUNT	PLUS	LIMIT	EXTD	AMOUNT	RATE	EXTENSION	RATE	EXTENSION
CORPORATE	1,516,080.00	1,531,250.90	.3500	.1765	1,532,339.62	.1180	1,429,376.09		
*BOND & INTEREST	3,086,165.00	3,117,026.65		.2574	3,117,978.01	.2574	3,117,978.01		
*BOND & INT - LIMITED	322,910.00	326,139.10		.0270	327,060.63	.0270	327,060.63		
IMRF	306,057.00	309,117.57		.0256	310,101.93	.0239	289,509.22		
AUDIT	27,814.00	28,092.14	.0050	.0024	29,072.06	.0022	26,649.38		
TORT JUDGMENTS/LIAB	230,258.00	232,530.58		.0192	232,576.45	.0179	216,829.08		
SOCIAL SECURITY	269,665.00	272,361.65		.0225	272,550.53	.0210	254,380.49		
RECREATION	1,286,831.00	1,279,499.31	.3700	.1057	1,280,381.80	.0986	1,194,376.97		
PAVING/LIGHTING	34,500.00	34,845.00	.0050	.0029	35,128.73	.0027	32,706.06		
*REC FOR HANDICAPPED	495,681.00	500,637.81	.0400	.0400	484,534.27	.0400	484,534.27		
TOTAL CAP FUNDS	3,651,215.00	3,687,727.15		.3048	3,692,151.12	.2843	3,443,827.29		
*TOTAL NON CAP FUNDS	3,904,756.00	3,943,803.56		.3244	3,929,572.91	.3244	3,929,572.91		
GRAND TOTAL	7,555,971.00	7,631,530.71		.6292	7,621,724.03	.6087	7,373,400.20		

Tax Levy

- Administrative staff review the numbers, and redistribute in line with budget
- We have one week to return the information to the County
 - As long as we do not allocate funds to exceed the tax limitation rate
 - Or the extended rate

Tax Levy

3-28-14

8100000
CAROL STREAM PARK

RES: 782,204,226
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COMM: 152,754,215
IND: 276,346,320
T-RE: 1,211,335,668 GTOT: 1,211,335,668

TOWNSHIPS: WAYNE 332,175,474 332,175,474
BLOOMINGDALE 530,024,479 530,024,479
MILTON 349,135,715 355,654,335
DUPAGE COUNTY 1,211,335,668 CUR 1,217,854,288
2013 TIP VALUATION 1,211,335,668 CUR 1,217,854,288

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RATE REDUCTION: 93.2743

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CORPORATE	1,516,090.00	1,531,250.90	.3500	.1265	1,532,339.62	.1180	1,429,376.09	.1138	1,378,499.99
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IMRF	306,057.00	309,117.57		.0256	310,101.93	.0239	289,509.22	.0252	305,256.58
AUDIT	27,814.00	28,092.14	.0050	.0024	29,072.06	.0022	26,649.38	.0023	27,860.72
TORT JUDGMENTS/LIAB	230,258.00	232,560.58		.0192	232,576.45	.0179	216,829.08	.0190	230,153.77
SOCIAL SECURITY	269,665.00	272,361.65		.0225	272,550.53	.0210	254,380.49	.0222	268,916.52
RECREATION	1,266,831.00	1,279,499.31	.3700	.1057	1,280,381.80	.0986	1,194,376.97	.0990	1,199,222.31
PAVING/LIGHTING	34,500.00	34,845.00	.0050	.0029	35,128.73	.0027	32,706.06	.0028	33,917.40
*REC FOR HANDICAPPED	495,681.00	500,637.81	.0400	.0400	484,534.27	.0400	484,534.27	.0400	484,534.27
TOTAL CAP FUNDS	3,651,215.00	3,687,727.15		.3048	3,692,151.12	.2843	3,443,627.29	.2843	3,443,827.29
*TOTAL NON CAP FUNDS	3,904,756.00	3,943,803.56		.3244	3,929,572.91	.3244	3,929,572.91	.3244	3,929,572.91
GRAND TOTAL	7,555,971.00	7,631,530.71		.6292	7,621,724.03	.6087	7,373,400.20	.6087	7,373,400.20

Tax Levy

6100000
CAROL STREAM PARK

FINAL

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DUPAGE COUNTY 1,211,335,668 CUR 1,217,854,288
2013 TIF VALUATION 1,211,335,668 CUR 1,217,854,288

TAX BURDEN:			LIMITING RATE:			RATE REDUCTION:			
			.2843			93.2743			
LEVY			RATE		TAXES EXTENDED	TAX LIMITATION ACT		DISTRICT ADJUSTMENT	
	AMOUNT	PLUS	LIMIT	EXTD	AMOUNT	RATE	EXTENSION	RATE	EXTENSION
CORPORATE	1,516,090.00	1,531,250.90	.3500	.1265	1,532,339.82	.1180	1,429,376.09	.1138	1,378,499.99
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*REC FOR HANDICAPPED	495,681.00	500,837.81	.0400	.0400	484,534.27	.0400	484,534.27	.0400	484,534.27
TOTAL CAP FUNDS	3,851,215.00	3,887,727.15		.3048	3,692,151.12	.2843	3,443,827.29	.2843	3,443,827.31
*TOTAL NON CAP FUNDS	3,904,756.00	3,943,803.56		.3244	3,929,572.91	.3244	3,928,572.91	.3244	3,928,572.91
GRAND TOTAL	7,555,971.00	7,631,530.71		.6292	7,621,724.03	.6087	7,373,400.20	.6087	(7,373,400.22

Actual Ext 7,413,079.05
DIF to TIF 39,678.83

Bonds - just the basics ...

- The Process

- Authority to issue bonds
 - Referendum
 - Non-Referendum authority
 - Capacity / Debt Margin
- Who's Involved
 - Bond counsel
 - Disclosure counsel
 - Rating Agency
 - Municipal Advisor / Broker





Bonds - just the basics ...

- Types of Bonds
 - Tax Exempt
 - Taxable
 - Alternative Revenue Source
- Refinancing
 - As part of an issue
 - Advantages or disadvantages



Bonds – just the basics . . .

- Once Issued
 - Spend down requirements
 - Eligible spending uses
 - Tracking of expenses
 - Bond Payments
 - Annual disclosure (MCDC)



Bond Basics – the process

- Decision to Issue
- Experts Involved
- Authority to Issue
- Type of Bonds to be Issued
- Bond Rating
- Issuance
- Spending & Tracking
- Annual Disclosure



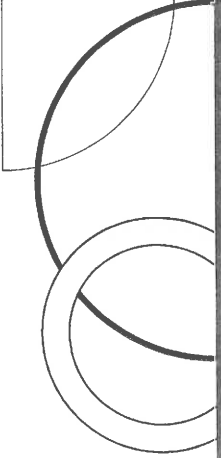
Bond Basics – bonding authority

- Authority to issue bonds
 - By Referendum Vote
 - Voter Buy-In
 - Community Feedback / Input
 - Non-Referendum Authority
 - Ability to maintain and keep up
 - Strategize / long term plans / master plans
- Debt Margin
 - 2.875% of EAV
 - How dropping EAV impacts debt margin

Bonds Basics – whose involved

- Whose Involved
 - Municipal Advisor or Broker
 - Bond Counsel
 - Disclosure Counsel
 - Rating Agency





Bonds Basics - types of bonds

- Types of Bonds

- Tax-Exempt

- Taxable

- Capital Appreciation

- Alternative Revenue Source

- Rules & Regulations attached to types of bonds



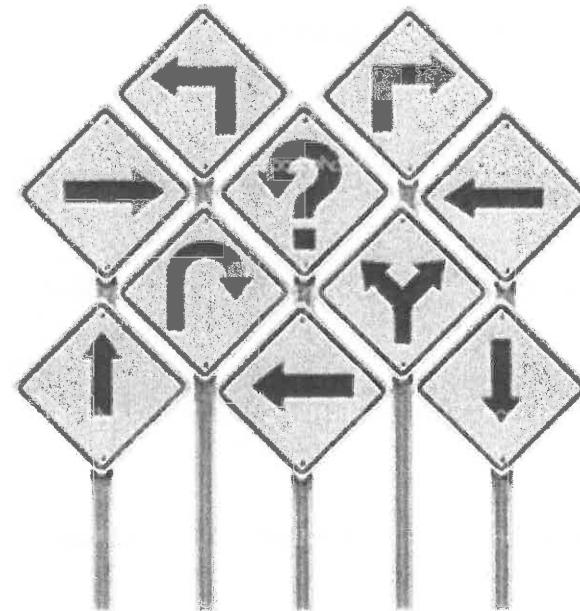
Bond Basics – after issuance

- Once Issued

- Spend down requirements
- Eligible Spending Uses
- Tracking of Expenses
- Bond Payment
- Annual Disclosure - Municipal Continuing Disclosure Cooperation

Bond Basics – refinancing

- Refinancing
 - What is it
 - Why Refinance
 - Defeasance





Questions...

Lisa Scumaci, Controller
Carol Stream Park District
lisas@csparks.org

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