

DISTRICT 45

2025 Tax Levy Process Presentation

Board of Education

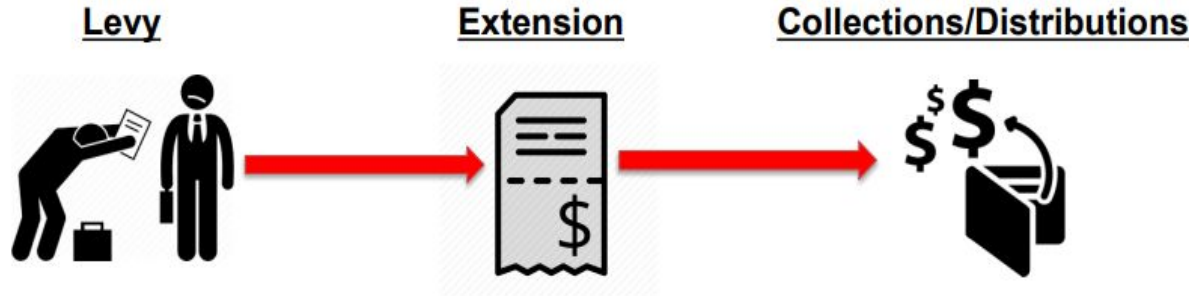
October 14, 2025

Key Definitions

LEVY is the local government taxing district's request to the county for property taxes.
LEVY = ASK

VS

Extension is the total amount of property taxes billed on the behalf of local government taxing districts.
EXTENSION = GIVE



Your tax extension might lower or higher than your levy for a variety of reasons.

Collections/Distributions will be some percentage of your tax extension.

More Key Terms to Know...

Ballooning the levy means increasing the levy to account for unknown equalized assessed valuation (EAV) and new property amounts, which is especially important when a TIF is expiring and going back on the books.

"New Property" or **"New Construction"** refers to the assessed value of real estate that has been newly developed or has undergone significant improvements, thereby increasing its assessed value during a given tax year.

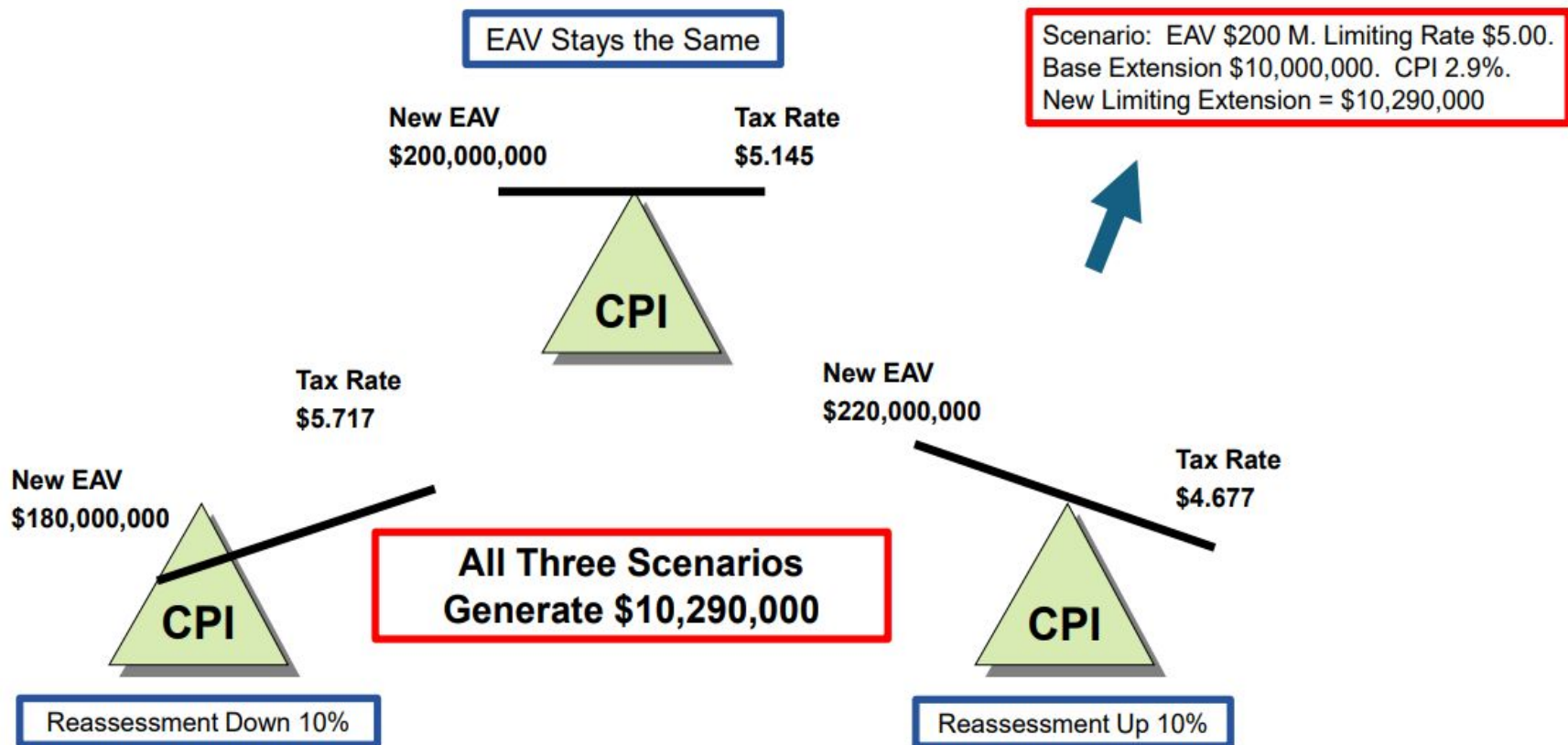
Tax Rate means the dollar amount paid per \$100 of taxable value ("EAV") of a property. Thus, a \$3.00 tax rate means that the taxpayer pays \$3 for every \$100 of EAV.

The **limiting rate** is the calculated **maximum tax rate** a taxing district can apply to all funds subject to property tax caps (PTELL), ensuring total extensions for limiting funds do not exceed legal limits.

The **individual fund maximum rate** is the maximum legal rate for an individual fund.

The **bond and interest rate** is the rate for bond and interest payments; it is **separate** from the limiting rate and **OUTSIDE** the tax cap.

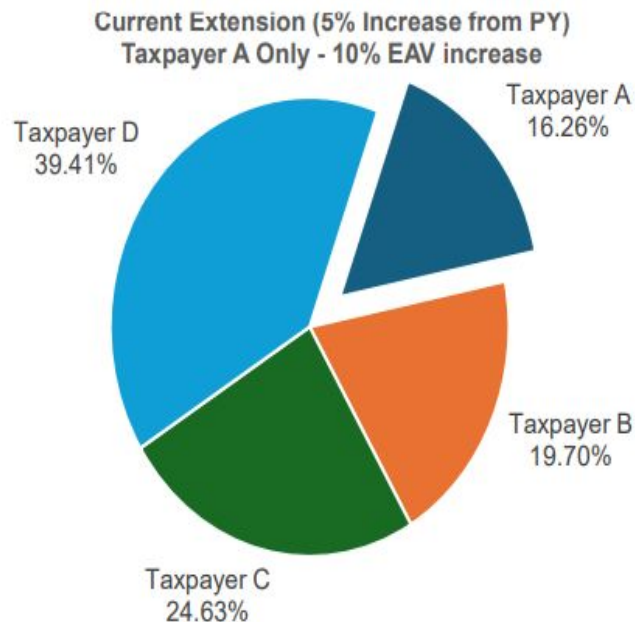
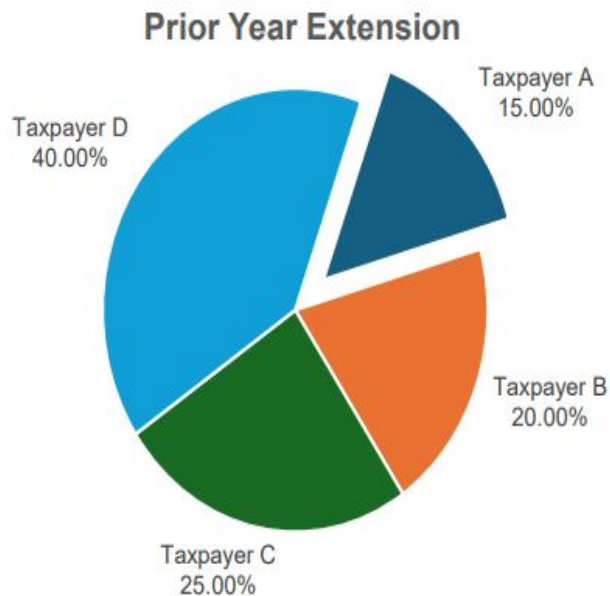
EAV Change, CPI and Tax Rate – An Example



Understand This Important Point!

Recognize That a Tax Bill is Affected by Both Your Levy and the Assessment Process!

- A 5% increase in your tax extension does not mean that every single tax bill increases by exactly 5%!



Justifying the Tax Levy Increase to the Community and Board

Recognize that school districts continues to be in a unique position as it considers the adoption of the 2025 tax levy:

- ▶ The district's current financial condition as defined by fund balance reserves and surplus is likely as healthy as it has ever been
- ▶ The taxpayers within the district are experiencing economic stress due to the impact of high inflation on their purchases.
- ▶ The taxpayers got hit by larger than average tax increases over past three levy years (5%, 5%, 3.4%).

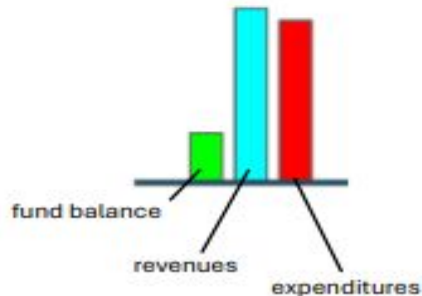
Levy in Current Times

- ▶ Emphasize the likely impact of high inflation and historic labor shortages on labor costs, including the collective bargaining agreement and other expenses within the budget
- ▶ Reinforce the likely fact that that recent strong fiscal performance is due to COVID-related effects on the budget, ESSER dollars, inflated CPPRT revenues, high interest rates and historic 5% CPI increases. **WARNING: ALL OF THESE ARE TRENDING DOWN!**
- ▶ The State's financial challenges and uncertainty in Washington D.C. generates an increased probability that State and Federal revenue sources will flatten or decrease.

Fund Balance

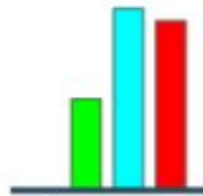
GFOA minimum Recommendation

(2 months or 17% avg. revenues or expenditures)



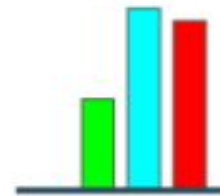
ISBE District Financial Profile

(49% of the previous yr's expenditures)



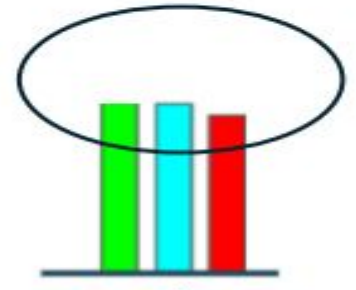
The Civic Federation

(50% of the previous yr's expenditures)



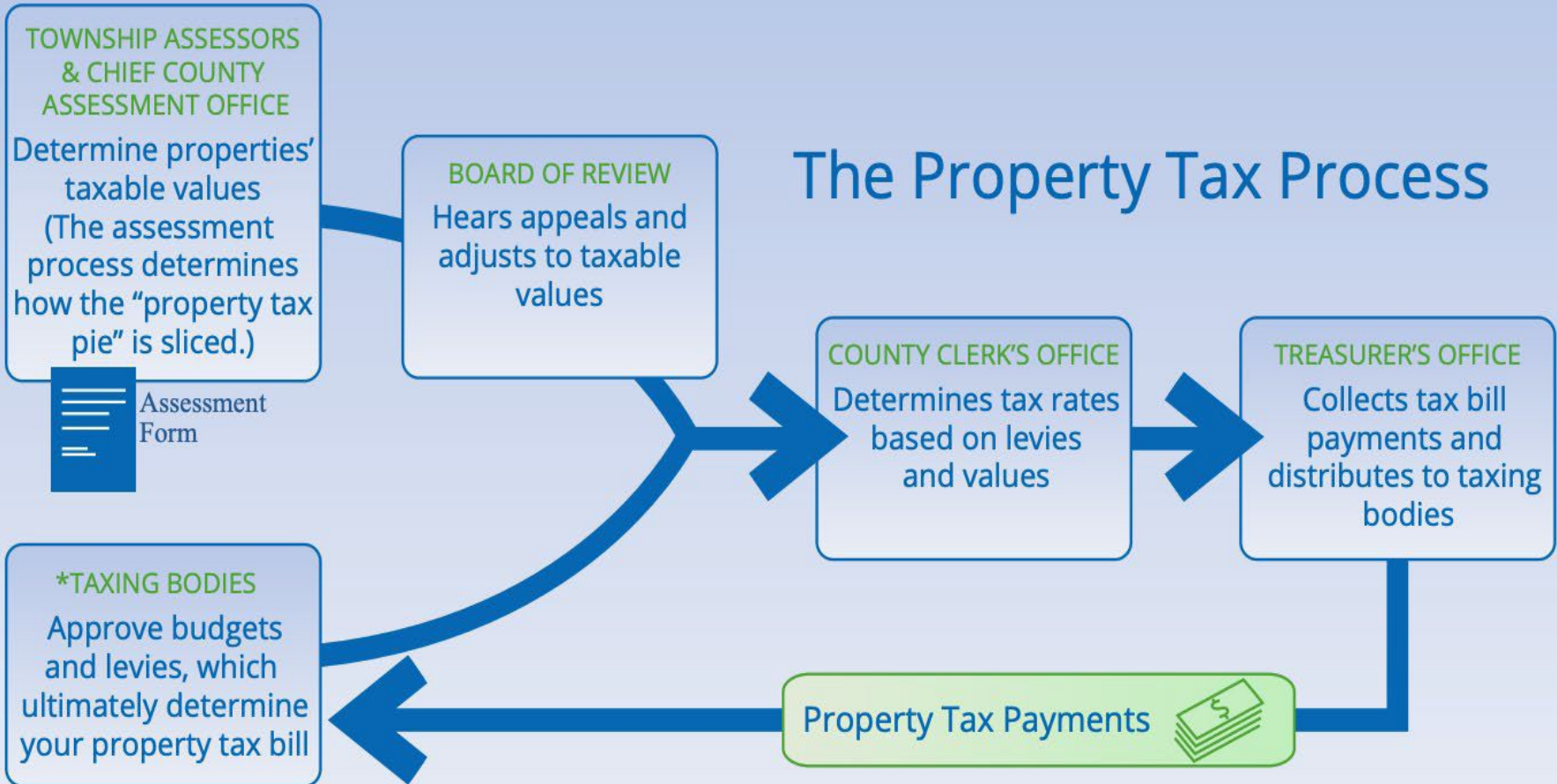
The Miller Ratio

(2x the last 3-yr's avg. expenditures by operating fund, **INCLUDING** taxes receivable)



Ideal Range

The Property Tax Process



*Taxing bodies determine the amount of taxes to collect or the "size of the pie." You have a say in this at public meetings.

Truth in Taxation Process

Generally, the Truth in Taxation law requires a taxing district to compare the amount of its proposed aggregate property tax levy, to the amount of taxes extended, or estimated to be extended for the district in the prior year. A notice must be published in a newspaper, and a public hearing must be held, if the proposed aggregate tax levy is more than 5% greater than the previous year's tax extension.

2025 Property Tax Levy Timeline

- **October 16, 2025**
 - Board of Education discusses Tax Levy Information Presentation
- **November 18, 2025**
 - Board of Education approves Tentative Tax Levy
- **November 19, 2025**
 - Placed Truth in Taxation notice on District 45 website
- **December 4, 2025**
 - Publish Truth in Taxation notice and Public Hearing notice in local newspaper
- **December 16, 2025**
 - Truth in Taxation Public Hearing is held
- **December 16, 2025**
 - Board of Education adopts the final 2025 Property Tax Levy
- **Prior to December 30, 2025**
 - Levy documents will be delivered to the DuPage County Clerk

Questions?