



Geneva Community Unit School District 304

Donna V. Oberg - Assistant Superintendent - Business Services

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Memorandum

To: Kent Mutchler, Superintendent
CC: Board of Education

From: Donna Oberg, Assistant Superintendent – Business Services

Date: November 14, 2011

Re: 2011 Tax Levy Extension

By law, the District must file a tax levy by the last Tuesday of December (27th). If the levy increases by more than 5%, School Districts must hold a Truth in Taxation hearing to explain the increases. The District must notify the public of the hearing not less than 20 days prior to the adoption of the aggregate levy as to the estimated levy request. Notice of the hearing must be published in a newspaper of general circulation no more than 14 days or less than 7 days prior to the date of the public hearing (Chap. 120. Par.866. ILL. Rev. Stats.). There will be no public hearing for the 2011 levy.

The tax levy sets forth the maximum receipts that can be received from property taxation in a given year. The levy is filed by fund, but limited, in aggregate, by the *Property Tax Extension Limitation Act* (excluding the Debt Service Fund). Each year a Truth in Taxation hearing has been held as required, to request a levy that exceeds 5%. The Extension for the 2011 levy will increase less than 5%, therefore no Truth in Taxation hearing will be held.

Summarized below is the maximum tax rate that the District is permitted to levy by fund in the funds that are affected by the *Property Tax Extension Limitation Act*.

Fund	Maximum Tax Rate
Education	\$4.00
Special Education	\$0.80
Tort Immunity	Based on need
Operations & Maintenance	\$0.75
Transportation	Based on need
I.M.R.F.	Based on need
Social Security	Based on need

Summarized below are the tax rates that the District is expected to achieve based upon the projected EAV (both reassessment and new construction) and what is permitted under the *Property Tax Extension Limitation Act*.

Fund	Estimated Tax Rate Full CPI	Estimated Tax Rate No CPI
Education	\$3.4906	\$3.4089
Special Education	\$0.0000	\$0.0000
Tort Immunity	\$0.0000	\$0.0000
Operations & Maintenance	\$0.7458	\$0.7458
Transportation	\$0.1399	\$0.1399
I.M.R.F.	\$0.0916	\$0.0916
Social Security	\$0.0768	\$0.0768
Bond & Interest	\$1.2100	\$1.2100
Estimated Total Tax Rate	\$5.7547	\$5.6730

It is important to note that when preparing the tax extension there are actually three extensions being determined. The first extension (Budget Extension) is the estimate used for budgeting purposes. This estimate is set conservatively to ensure that the district does not have a revenue shortfall. The second extension (Official Legal Extension) is the official extension used to set the tax levy. This extension is set aggressively to ensure that the district does not leave any new property growth "untaxed". Finally, the third extension (Actual Extension) is the actual extension set by the county treasurer after all property values are known. Listed below are the first and second extension details with Option 1 (full CPI) and Option 3 (Zero CPI). The final extension will not be determined until April 2012.

	Budget Extension	Official Legal Extension	Official Legal Extension with Full CPI	Official Legal Extension with Zero CPI
2010 Final Tax Extension (Capped)	\$74,731,335	\$74,731,335	\$74,731,335	
CPI-U December 2010	1.5%	1.5%	1.5%	0.0%
2011 Max Capped Extension	\$60,000,000	\$61,545,000	\$61,545,000	\$60,523,282
2011 Bond and Interest Tax	\$16,138,595	\$16,138,595	\$16,138,595	\$16,138,595
Total Extension	\$76,138,595	\$77,683,595	\$77,683,595	\$76,661,877
Percent Increase Over Prior Year	1.87%	2.55%	2.55%	2.52%

Summary:

The tax levy amount recommended is to levy the full CPI. The resolution will be approved at the November 14th Board of Education meeting with the final adoption of the levy at the December 12th Board of Education meeting.