



# 2019 Tentative Tax Levy

Oct. '19  
Nov. '19  
June '20  
Sept. '20

**OCTOBER 15, 2019**



# TAX LEVY – BUDGET - CASHFLOW

## TAX LEVY

- Provides the resources needed to maintain and enhance programs for students
- Provides funding in June & September

## CASHFLOW

- A significant portion of District revenue arrives in June which is used to fund the following year's programming
  - Example: \$24.25M Ending Fund Balance in Ed Fund (FY20)
- The District's fund balance policy of 30% supports this scenario



## BUDGET

- Reflects the District's Goals and Objectives
- Represents all funds and authorizes expenditures
  - Education Fund is the primary fund used to support the operations of the District
    - Salaries
    - Benefits
    - Purchased Services
    - Supplies & Materials
    - Capital Outlay
    - Other Objects

**All are intertwined within the financial operation of the District**

## PURPOSE

The purpose of the local property tax is to access funding to maintain and enhance the programs associated with providing all Geneva CUSD 304 students with a high quality educational experience.

## IMPORTANCE

Local property taxes represent approximately 85% of the total school district revenue.

## TERMS

**Aggregate Levy** - the annual corporate levy of the taxing district and those special purpose levies which are made annually (other than debt service levies and levies made for the purpose of paying amount due under public building commission leases).

**Debt Service Levies** - are those levies made to retire the principal or pay interest on bonds or to make payments due under public building commission leases.

**Property Tax Extension Limitation Law (PTELL or "Tax Caps")** - limits the increase over prior year extension on existing property to 5% or CPI whichever is lower.

**Consumer Price Index (CPI)** - Inflation factor used for determining extension of tax levy.



# 2019 TAX LEVY

**EAV**

**Equalized Assessed Value (EAV) is determined by the Township Assessor using 33% of the fair cash value of a property and applying an equalization factor set within the County. (Typically a factor of 1.00)**

**RATE**

**The amount of the school district's authorized tax rate is determined by the total amount of the taxes levied by the Board of Education.**

**FORMULA**

**The formula used to calculate the tax rate is as follows:**

**Total Dollars Levied /  
Total Assessed Property =  
Tax Rate**



# **LOCAL PROPERTY TAX FACTORS**

**PROPERTY  
TAX EXTENSION  
LIMITATION  
LAW**

**"TAX CAP"**

**TOTAL  
Prior  
Year  
Taxes**



(Lower of CPI or 5%)



**TOTAL  
Current  
Year  
Taxes**

# PROPERTY VALUES & TAX RATE

It's an  
**INVERSE**  
relationship





# PROPOSED VS ESTIMATED



**PROPOSED**

The District submits a **PROPOSED** levy to the County



**SAFEGUARD**

In order to ensure that we do not lose revenue relating to the “tax cap” formulas, we **SAFEGUARD** levy, or levy a larger amount than what will be received.

**Capped Funds 2019=4.95%**



**ESTIMATED**

The **ESTIMATED** tax extension increase is limited by the “Tax Cap” formula.

**Capped Funds 2019=2.78%**



# 2019 TAX LEVY (Estimate)

## 2019 LEVY CALCULATION PAGE

Limiting Rate:  $\frac{\text{Prior Year Extension} \times (1 + \text{Lesser of } 5\% \text{ or CPI})}{(\text{Total EAV} - \text{New Construction})}$

Limiting Rate: 4.8977%  
Estimated Capped Extension: \$74,559,050.21

Consumer Price Index: 1.90%

Actual Total EAV for 2018: \$1,465,367,175  
Estimated % change from 2018 EAV: 3.00%

Estimated New Construction for 2019: \$13,000,000  
Estimated Total EAV for 2019: \$1,522,328,190  
Total change from prior year: 3.89%

	Prior Year Extension:	Maximum Tax Rate:	Individual Fund Estimated Maximum Extension:	Prorated Extension based on prior year extension:	Manual Override:	Safeguard % Input	Levy Amount:
Educational	\$52,704,436.23	0.00%	\$0.00	\$54,168,394.31	\$54,142,771		\$54,142,771.00
Operations & Maintenance	\$10,900,001.85	0.75%	\$11,417,461.43	\$11,202,768.50	\$11,118,000		\$11,118,000.00
Transportation	\$1,799,998.42	0.00%	\$0.00	\$1,849,996.53	\$2,193,010		\$2,193,010.00
Working Cash	\$0.00	0.00%	\$0.00	\$0.00			\$0.00
Municipal Retirement	\$1,135,000.15			\$1,166,526.77	\$1,169,050		\$1,169,050.00
Social Security	\$1,554,578.73			\$1,597,759.88	\$1,601,220		\$1,601,220.00
Fire Prevention & Safety *	\$199,993.31	0.10%	\$1,522,328.19	\$205,548.47	\$0		\$0.00
Tort Immunity	\$0.00			\$0.00			\$0.00
Special Education	\$4,250,004.42	0.80%	\$12,178,625.52	\$4,368,055.74	\$4,335,000		\$4,335,000.00
Leasing	\$0.00	0.00%	\$0.00	\$0.00			\$0.00
	\$0.00	0.00%	\$0.00	\$0.00			\$0.00

Capped Extension/Levy \$72,544,013.11 \$25,118,415.14 \$74,559,050.21 \$74,559,051.00 Capped Levy \$74,559,051.00 Truth in Taxation 2.78% NO

Levy in excess of estimated extension: \$0.79

SEDOL IMRF \$0.00

SEDOL IMRF

\$0.00

Bond and Interest: \$14,923,357.92

Bond and Interest: \$14,699,514.00

\$14,699,514.00 -1.50%

Total Extension/Levy \$87,467,371.03

Total Levy \$89,258,565.00 2.05%





# 2019 TENTATIVE TAX LEVY (Safeguard)

## 2019 LEVY CALCULATION PAGE

Limiting Rate:  $\frac{(\text{Prior Year Extension} \times (1 + \text{Lesser of 5\% or CPI}))}{(\text{Total EAV} - \text{New Construction})}$

Limiting Rate: 4.8977%  
Estimated Capped Extension: \$74,559,050.21

Consumer Price Index: 1.90%

Actual Total EAV for 2018: \$1,465,367,175  
Estimated % change from 2018 EAV: 3.00%

Estimated New Construction for 2019: \$13,000,000  
Estimated Total EAV for 2019: \$1,522,328,190  
Total change from prior year: 3.89%

	Prior Year Extension:	Maximum Tax Rate:	Individual Fund Estimated Maximum Extension:	Prorated Extension based on prior year extension:	Manual Override:	Safeguard % Input	Levy Amount:
Educational	\$52,704,436.23	0.00%	\$0.00	\$54,168,394.31	\$54,142,771	2.30%	\$55,388,055.00
Operations & Maintenance	\$10,900,001.85	0.75%	\$11,417,461.43	\$11,202,768.50	\$11,118,000	2.50%	\$11,395,950.00
Transportation	\$1,799,998.42	0.00%	\$0.00	\$1,849,996.53	\$2,193,010	2.50%	\$2,247,835.00
Working Cash	\$0.00	0.00%	\$0.00	\$0.00			\$0.00
Municipal Retirement	\$1,135,000.15			\$1,166,526.77	\$1,169,050		\$1,169,050.00
Social Security	\$1,554,578.73			\$1,597,759.88	\$1,601,220		\$1,601,220.00
Fire Prevention & Safety *	\$199,993.31	0.10%	\$1,522,328.19	\$205,548.47	\$0		\$0.00
Tort Immunity	\$0.00			\$0.00			\$0.00
Special Education	\$4,250,004.42	0.80%	\$12,178,625.52	\$4,368,055.74	\$4,335,000		\$4,335,000.00
Leasing	\$0.00	0.00%	\$0.00	\$0.00			\$0.00
	\$0.00	0.00%	\$0.00	\$0.00			\$0.00

Capped Extension/Levy \$72,544,013.11 \$25,118,415.14 \$74,559,050.21 \$74,559,051.00 Capped Levy \$76,137,110.00 Truth in Taxation 4.95% NO

Levy in excess of estimated extension: \$1,578,059.79

SEDOL IMRF \$0.00

SEDOL IMRF

\$0.00

Bond and Interest: \$14,923,357.92

Bond and Interest: \$14,699,514.00

\$14,699,514.00 -1.50%

Total Extension/Levy \$87,467,371.03

Total Levy \$90,836,624.00 3.85%



# OVERVIEW & CONCLUSION

## NEW \$

The District is expected to receive about **2.78%** in new revenue for the general operating funds (our capped extension) or a total of **\$2,015,038**.

## TOTAL \$

Total taxes to be extended are estimated at **\$89,258,565** which would represent an overall estimated increase of **2.05%**.

## PROCESS

- The next step in the levy process will be for the final proposed levy to be developed and approved by the Board on Nov. 18th
- Our final allocation work comes in late March/early April when the county clerk calculates the final amounts to be extended.