2020 Tentative Tax Levy

Oct. '20
Nov. '20
June '21
Sept. '21

OCTOBER 13, 2020

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 programing**
  - Example: $17.5M Budgeted Ending Fund Balance in Ed Fund (FY21)

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.

GENEVA
A TRADITION OF EXCELLENCE

2020 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 2020=3.75%

ESTIMATED

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

Capped Funds 2020=2.97%

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SAFEGUARD BENEFITS

EAV VARIANCE

If there is variance in the EAV from what has been estimated, the use of a 0.75% Safeguard will provide for flexibility in redistributing funds should an individual fund rate limit be reached.

NEW PROPERTY VARIANCE

If New Property is higher than estimated, the use of a 0.75% Safeguard will provide for the levy to collect these new tax dollars and for the receipts to be allocated to the identified funds.

2020 Tax Levy Design uses an estimate of $10,000,000 in New Property
A 0.75% Safeguard would capture all revenue of up to $21,475,000 in New Property

2020 TAX LEVY (Estimate)

2020 LEVY CALCULATION PAGE

Limiting Rate: (Prior Year Extension x (1+Lesser of 5% or CPI)) / (Total EAV - New Property)

	Original Assumptions
Consumer Price Index	2.30%
Actual Total EAV for 2019	$1,490,307,661
Estimated Existing EAV % change for 2020	2.00%
Estimated Existing EAV Value for 2020	$1,520,113,814
Estimated New Property for 2020	$10,000,000
Estimated Total EAV for 2020	$1,530,113,814 *Includes New Property*
Estimated Total EAV % change for 2020	2.67% *Includes New Property*

Limiting Rate	5.0060
Estimated Capped Extension	$76,597,334.14

	Prior Year Extension	Statutory Maximum Tax Rate	Individual Fund Estimated Maximum Extension	Weighted Extension Based on Prior Year Extension	Levy Amount $	Levy Increase %	Final Levy Amount
Educational	$53,970,135.76			$55,574,654.90	$55,861,345		$55,861,345.00
Operations & Maintenance	$11,117,695.15	0.75	$11,475,853.61	$11,448,221.55	$11,252,000		$11,252,000.00
Transportation	$2,193,732.88			$2,258,952.03	$2,237,608		$2,237,608.00
Working Cash	$0.00	0.05	$765,056.91	$0.00			$0.00
Municipal Retirement	$1,168,401.21			$1,203,137.50	$1,191,769		$1,191,769.00
Social Security	$1,600,590.43			$1,648,175.60	$1,632,602		$1,632,602.00
Fire Prevention & Safety *	$0.00	0.10	$1,530,113.81	$0.00			$0.00
Tort Immunity	$0.00			$0.00			$0.00
Special Education	$4,335,304.99	0.80	$12,240,910.51	$4,464,192.56	$4,422,011		$4,422,011.00
Leasing	$0.00	0.00	$0.00	$0.00			$0.00
	$0.00	0.00	$0.00	$0.00			$0.00

				Truth in Taxation	
Capped Extension	$74,385,860.42	$76,597,334.14	Capped Levy	$76,597,335.00	2.97% NO
			Levy Amount Above Estimated Extension	$0.86	
SEDOL IMRF Extension	$0.00	Estimated SEDOL IMRF Levy $0.00 *(Lake County Only, Included in Truth in Taxation Calculation)*	SEDOL IMRF Levy	$0.00	
Bond & Interest Extension	$14,944,179.30	Estimated Bond and Interest Levy $14,700,825.00 *(County Clerk Levies Bond & Interest for the District, Verify Records with County Clerk)*	Bond & Int. Levy	$14,700,825.00	-1.63%
Total Extension	$89,330,039.72		Total Levy	$91,298,160.00	2.20%

2020 TENTATIVE TAX LEVY (Safeguard)

2020 LEVY CALCULATION PAGE

Original Assumptions	
Consumer Price Index	2.30%
Actual Total EAV for 2019	$1,490,307,661
Estimated Existing EAV % change for 2020	2.00%
Estimated Existing EAV Value for 2020	$1,520,113,814
Estimated New Property for 2020	$10,000,000
Estimated Total EAV for 2020	$1,530,113,814 *Includes New Property*
Estimated Total EAV % change for 2020	2.67% *Includes New Property*

Limiting Rate: (Prior Year Extension x (1+Lesser of 5% or CPI)) / (Total EAV - New Property)

Limiting Rate	5.0060
Estimated Capped Extension	$76,597,334.14

	Prior Year Extension	Statutory Maximum Tax Rate	Individual Fund Estimated Maximum Extension	Weighted Extension Based on Prior Year Extension	Levy Amount $	Safeguard % Input	Final Levy Amount
Educational	$53,970,135.76			$55,574,654.90	$55,861,345	0.75%	$56,280,306.00
Operations & Maintenance	$11,117,695.15	0.75	$11,475,853.61	$11,448,221.55	$11,252,000	0.75%	$11,336,390.00
Transportation	$2,193,732.88			$2,258,952.03	$2,237,608	0.75%	$2,254,391.00
Working Cash	$0.00	0.05	$765,056.91	$0.00			$0.00
Municipal Retirement	$1,168,401.21			$1,203,137.50	$1,191,769	0.75%	$1,200,707.00
Social Security	$1,600,590.43			$1,648,175.60	$1,632,602	0.75%	$1,644,847.00
Fire Prevention & Safety *	$0.00	0.10	$1,530,113.81	$0.00			$0.00
Tort Immunity	$0.00			$0.00			$0.00
Special Education	$4,335,304.99	0.80	$12,240,910.51	$4,464,192.56	$4,422,011	0.75%	$4,455,177.00
Leasing	$0.00	0.00	$0.00	$0.00			$0.00
	$0.00	0.00	$0.00	$0.00			$0.00

				Truth in Taxation	
Capped Extension	$74,385,860.42	$76,597,334.14	Capped Levy	$77,171,818.00	3.75% NO
			Levy Amount Above Estimated Extension	$574,483.86	
SEDOL IMRF Extension	$0.00	Estimated SEDOL IMRF Levy $0.00 *(Lake County Only, Included in Truth in Taxation Calculation)*	SEDOL IMRF Levy	$0.00	
Bond & Interest Extension	$14,944,179.30	Estimated Bond and Interest Levy $14,700,825.00 *(County Clerk Levies Bond & Interest for the District, Verify Records with County Clerk)*	Bond & Int. Levy	$14,700,825.00	-1.63%
Total Extension	$89,330,039.72		Total Levy	$91,872,643.00	2.85%

OVERVIEW & CONCLUSION

NEW $

The District is expected to receive about **2.97%** in new revenue for the general operating funds (our capped extension) or a total of **$2,785,958.**

TOTAL $

Total taxes to be extended are estimated at **$91,298,160** which would represent an overall estimated increase of **2.2%.**

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. 16th
- Our final allocation work comes in late March/early April when the county clerk calculates the final amounts to be extended.