

Lincolnshire-Prairie View School District 103

**2022 Levy for
Fiscal Year 2023+
November 15, 2022**

Patrick Palbicke, Assistant Superintendent for Business/CSBO





Budget and Levy Schedule

- **Monthly** Review Actual to Budget
- **July/Sept** Submit Approved Budget to ROE and Lake County Clerks office
- **October** Prepare 2022 Levy Report for Budget
- **Nov/Dec** **Levy Hearing & Approve 2022 Levy for 2023+ Budget**
- **Dec/Mar** Review Status 2023 Budget & Prepare 2024 Preliminary Budget/Fees Information
- **April** Approve 2022 Tax Extension/Prelim 2023 Budget
- **May/July** Amend 2023 Budget – 2024 Tentative Budget
- **June/Sept** Budget Hearing/Approve Amended 2023 Budget/Approve 2024 Budget



GOALS

Each school year we use a strategic planning framework to address the educational needs of our students. Our action planning goals incorporate the district's vision, mission, core values and strategic planning direction

➤ **Vision:**

To be "Leaders in Learning" - the premier educational organization.

➤ **Mission:**

To provide innovative learning experiences which empower each student to excel and make a difference in a diverse and interconnected world.

➤ **Core Values:**

- Academic Excellence
- Meeting Individual Student Needs
- Social Responsibility
- Global Preparedness
- Continuous Improvement
- Safe and Healthy Environment
- Long Term Perspective
- Partnership Among All Stakeholders

LEADERS IN LEARNING



Budgeting and Operating Funds

What is a school district budget?

- ❑ Illinois Law requires the BOE to budget its income and expenses each year and to make the budget available for public inspection.

The budget serves two purposes:

- ❑ To demonstrate a plan for receiving and spending in each of the district's operating funds.
- ❑ To demonstrate the amount of taxes levied on real property within the district.



Generating Revenue

What is a tax extension?

- ❑ A levy is the amount of money a district asks for; however, the extension is the amount of money a district actually receives.

How is the extension processed?

- ❑ The BOE certifies a tax levy to the County Clerk.
- ❑ The clerk assigns appropriate tax rates to the various operation funds when EAV is determined.
- ❑ The County Clerk processes tax bills that generate tax dollars extended to the school district.



Budgeting and Operating Funds

Operating Funds:

- Education Fund
- Operation & Maintenance (Building) Fund
- Transportation Fund
- Working Cash
- IMRF
- Social Security Fund
- Fire Prevention & Life Safety Fund
- Tort Fund
- Special Education Fund
- Bond & Interest Fund
- Capital Projects Fund

**Aggregate Funds
Subject to Levy**



PTELL - The Tax Cap

PROPERT TAX EXTENSION LIMITATION LAW (PTELL)

Limits tax extensions to the lower of 5% or CPI

New Property taxed at full value

Caps the amount of taxes a district can receive, **not** the amount of taxes a property owner pays.

Prior Year's Taxes x Consumer Price Index

Equalized Assessed Value (EAV) - New Construction

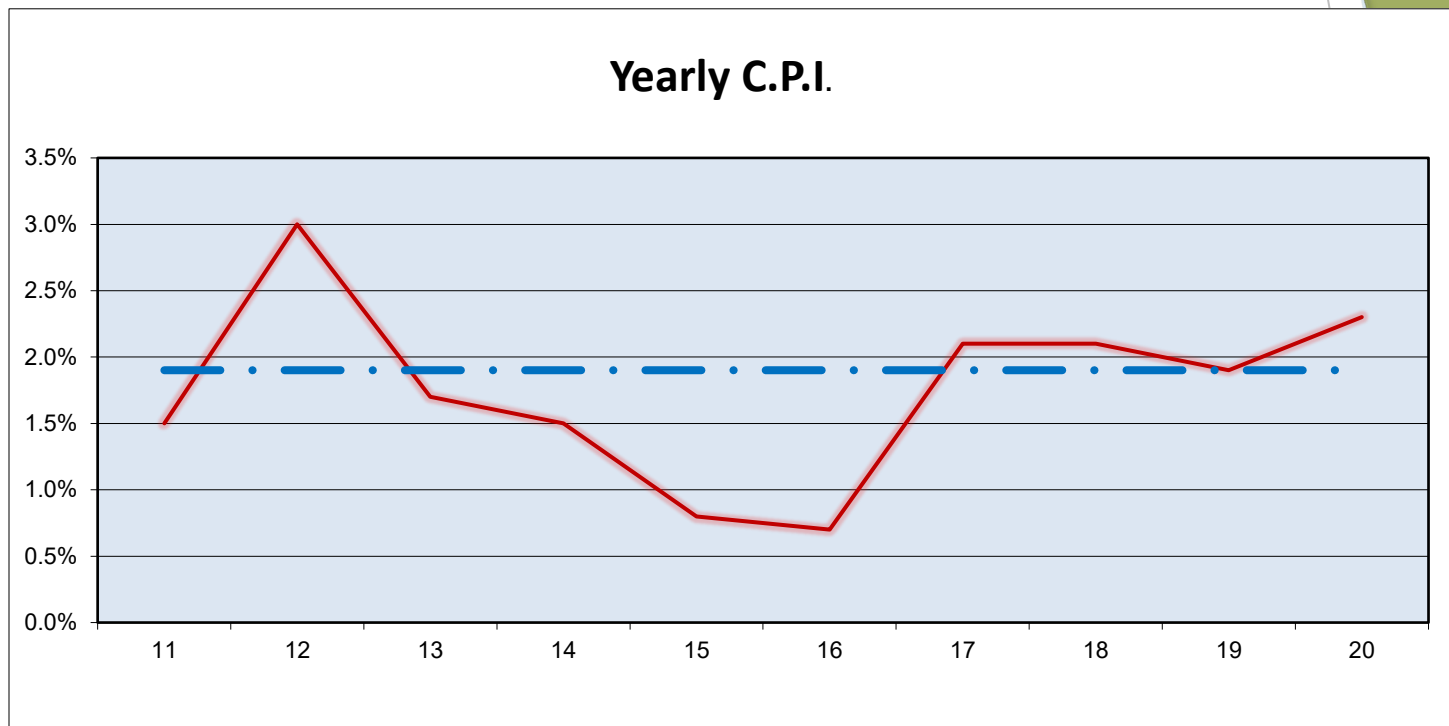
This formula creates the limiting rate, the official term for the Tax Cap. This limits the tax rate for those levies that provide funds for the Operating Funds. Debt Service taxes are exempt from the Tax Cap.



Consumer Price Index

Average CPI - 1.9% Last ten years

Yearly C.P.I.





Assumptions

- Prior Year Extension \$32,220,882 (Known)
- CPI at 7.0% (Known); Limited to 5.0% for PTELL
- Existing EAV at \$1,065,658,132 (Unknown; Estimated)
- New construction \$25,876,193 (Unknown; Estimated)

These assumptions would yield a rate increase of .0435%

- 2020 Limited Rate 3.0407%
- 2021 Limited Rate 3.1312%
- **2022 Expected Limited Rate 3.1747%**



2022 Proposed Tax Levy

<u>FUND</u>	2021 Tax Extension	2022 Tax Levy
• Education	\$26,864,831	\$28,150,000
• O & M	\$2,300,000	\$3,500,000
• Transportation	\$1,608,994	\$2,000,000
• IMRF	\$623,565	\$685,000
• Social Sec	\$823,493	\$895,000
• Debt Service	\$411,360	\$446,438



2022 Proposed Tax Levy

		Proposed Tax Rate	Expected Tax Rate	Final Tax Rate
		2022 Tax Year	2022 Tax Year	2021 Tax Year
Assessed Valuation		\$1,091,534,325	\$1,091,534,325	\$1,029,018,435
Tax Rates	Maximum			
Educational	As Needed	2.5789	2.5276	2.6107
Tort Immunity	As Needed	0.0000	0.0000	0.0000
Special Education	0.4000	0.0000	0.0000	0.0000
O & M	0.5500	0.3206	0.3117	0.2235
Transportation	As Needed	0.1832	0.1924	0.1564
Municipal Retirement	As Needed	0.0628	0.0613	0.0606
Social Security	As Needed	0.0820	0.0818	0.0800
Fire Prevent & Life Safety	0.100	0.0000	0.0000	0.0000
Working Cash	0.050	0.0000	0.0000	0.0000
Limited tax rate		3.2276	3.1747	3.1312
Bond & Interest	Not Under Tax Cap	0.0409	0.0409	0.0400
Total Tax Rate		3.2685	3.2156	3.1712
Total Levy (EAV * TTL Tax Rate)		\$35,676,438	\$35,099,869	\$32,632,243



Cash Balances

	June 30	Sept 30	May 31
	2022	2022	2023 Estimated
	Cash Balance	Cash Balance	Cash Balance
Operating Funds	\$23,639,377	\$27,214,688	\$14,947,000
Restricted Funds	\$71,042	-\$179,133	-\$771,000
Total Cash Balances	\$23,710,419	\$27,035,555	\$14,176,000

- Tax receipts primarily happen in June and September each year
- June receipts are to fund the following fiscal year and are considered as “Early Taxes”
- The district collects ~\$600K per month in other revenues
- District spends ~\$3.1M each month on expenses
- September receipts are to help fund the district through the following May until the Tax Extension is applied



The Levy and Extension

LEVY (November/December)

- Debt service is uncapped and outside of the aggregate Levy
- No penalty for guessing too high
- Big penalty for guessing too low
- When EAV drops tax rates rise

EXTENSION (April)

- County Clerk collects assessments for EAV
- County Clerk calculates rates
- If levy is higher than allowed, County clerk calls Business office to reduce levy to correct amount



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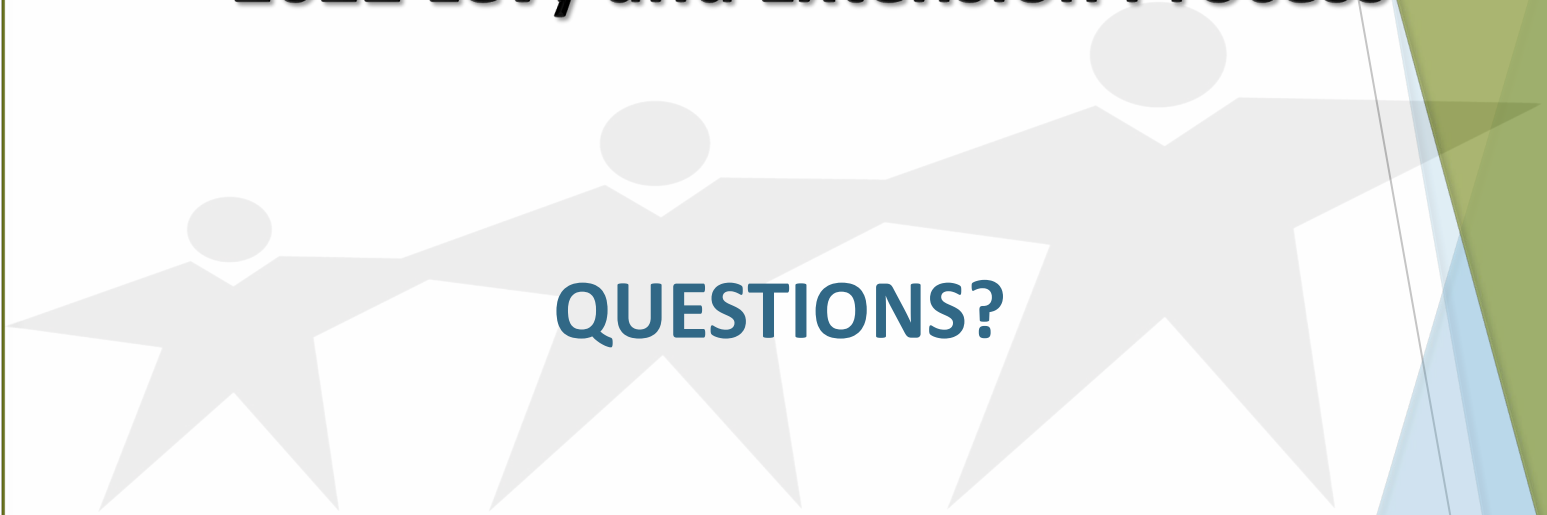
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2022 Levy and Extension Process



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