2022 Levy for Fiscal Year 2023+
November 15, 2022

Patrick Palbicke, Assistant Superintendent for Business/CSBO
# Budget and Levy Schedule

<table>
<thead>
<tr>
<th>Monthly</th>
<th>Review Actual to Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>July/Sept</td>
<td>Submit Approved Budget to ROE and Lake County Clerks office</td>
</tr>
<tr>
<td>October</td>
<td>Prepare 2022 Levy Report for Budget</td>
</tr>
<tr>
<td>Nov/Dec</td>
<td><strong>Levy Hearing &amp; Approve 2022 Levy for 2023+ Budget</strong></td>
</tr>
<tr>
<td>Dec/Mar</td>
<td>Review Status 2023 Budget &amp; Prepare 2024 Preliminary Budget/Fees Information</td>
</tr>
<tr>
<td>April</td>
<td>Approve 2022 Tax Extension/Prelim 2023 Budget</td>
</tr>
<tr>
<td>May/July</td>
<td>Amend 2023 Budget – 2024 Tentative Budget</td>
</tr>
<tr>
<td>June/Sept</td>
<td>Budget Hearing/Approve Amended 2023 Budget/Approve 2024 Budget</td>
</tr>
</tbody>
</table>
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
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.
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

Aggregate Funds Subject to Levy

- Bond & Interest Fund
- Capital Projects Fund
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

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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.
Average CPI - 1.9% Last ten years
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

#### FUND

<table>
<thead>
<tr>
<th></th>
<th>2021 Tax Extension</th>
<th>2022 Tax Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>$26,864,831</td>
<td>$28,150,000</td>
</tr>
<tr>
<td>O &amp; M</td>
<td>$2,300,000</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>$1,608,994</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>IMRF</td>
<td>$623,565</td>
<td>$685,000</td>
</tr>
<tr>
<td>Social Sec</td>
<td>$823,493</td>
<td>$895,000</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$411,360</td>
<td>$446,438</td>
</tr>
</tbody>
</table>
## 2022 Proposed Tax Levy

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

<table>
<thead>
<tr>
<th></th>
<th>June 30</th>
<th>Sept 30</th>
<th>May 31</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2022 Cash Balance</strong></td>
<td>$23,639,377</td>
<td>$27,214,688</td>
<td>$14,947,000</td>
</tr>
<tr>
<td>Operating Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Funds</td>
<td>$71,042</td>
<td>-$179,133</td>
<td>-$771,000</td>
</tr>
<tr>
<td><strong>Total Cash Balances</strong></td>
<td>$23,710,419</td>
<td>$27,035,555</td>
<td>$14,176,000</td>
</tr>
</tbody>
</table>

- 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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Lincolnshire-Prairie View School District 103

2022 Levy and Extension Process

QUESTIONS?