



# AURORA EAST SCHOOL DISTRICT 131

## 2015 Tax Levy



# Frequently Used Terms

## PTELL

- Property Tax Extension Limitation Law
- Commonly referred to as the 'tax cap'
- Limits the increase in the tax extension to the lesser of CPI or 5%

## EAV

- Equalized Assessed Valuation
- One-third of market value
- Determined in the January of the levy year

## Levy

- How much a taxing body requests
- Often higher than the amount allowed under PTELL in order to capture all new property

## Extension

- The total amount a taxing body receives
- Calculated by multiplying previous year's extension x CPI or 5% (whichever is lower)

- Because the previous year's extension is used to determine the current year's extension, it is important for a school district to levy for at *least* the maximum allowable amount
- To not request the statutory allowable amount would have a profound negative impact on the District as revenue dollars would be lost forever.



# Calculating the Extension

The tax extension is determined by multiplying the previous year's extension by the Consumer Price Index (CPI) or 5% - whichever is lower. CPI is 0.8% for levy year 2015.

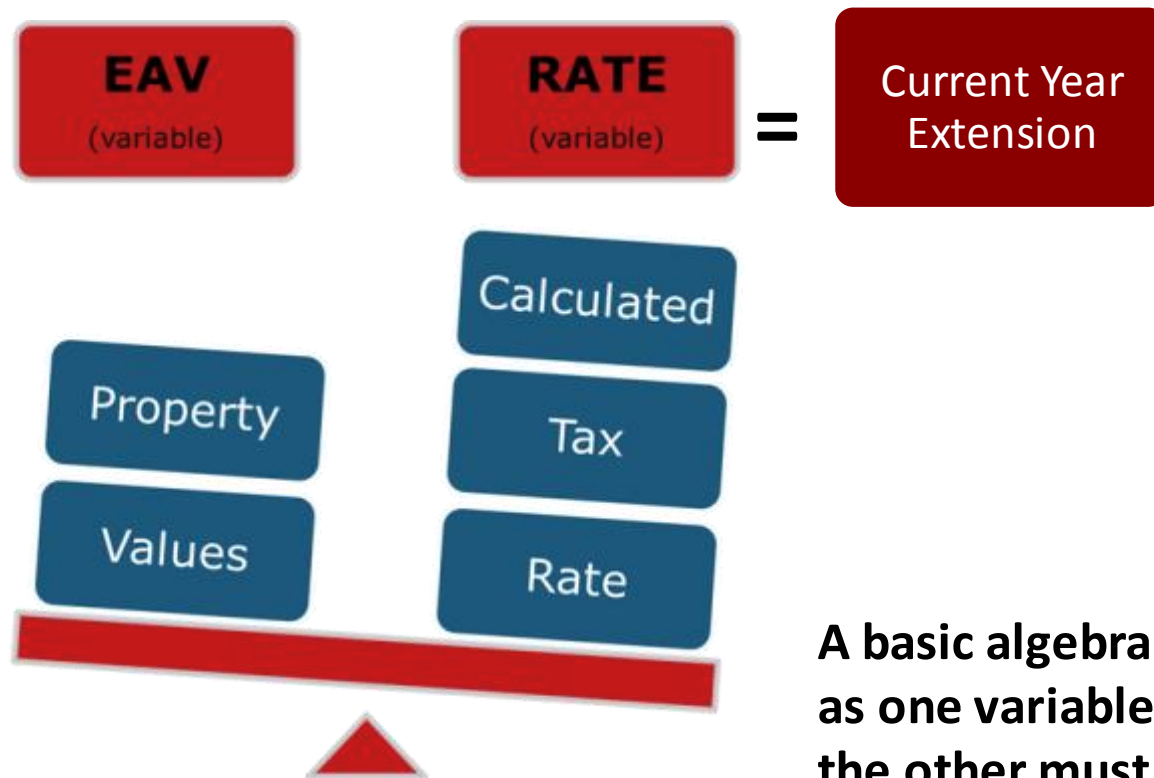
$$\begin{array}{rclcl} \text{2014 Extension} & \times & \text{CPI} & = & \text{2015 Extension} \\ \$29,537,311 & \times & 0.8\% & = & \$29,773,609 \end{array}$$

The 2015 extension is then divided by the current equalized assessed value (EAV) less new property to arrive at the tax rate.

$$\begin{array}{rclcl} \text{2015 Extension} & \div & \text{EAV} - \text{New Property} & = & \text{2015 Tax Rate} \\ \$29,773,609 & \div & \$572,664,206 & = & 5.1991\% \end{array}$$



# Calculating the Extension (cont.)



**A basic algebra problem - as one variable decreases, the other must increase to reach the desired amount.**



# 2014 Estimate EAV Report

09/21/2015 10:54:24 AM

Tax Year: 2015

089 - EAST AURORA SCH DIST 131

## Assessor Estimated EAV Report by Tax District Kane County

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Totals		New Construction	
Board of Review Abstract	664,065,525	Commercial	161,535
- Exemptions	81,876,546	Farm	0
- Under Assessed	0	Industrial	0
+ State Assessed	2,840,418	Local Rail Road	0
Total EAV	685,019,397	Mineral	0
- TIF Increment / Ezone	10,139,340	Residential	2,060,801
Rate Setting EAV	574,880,057	Total	2,222,336

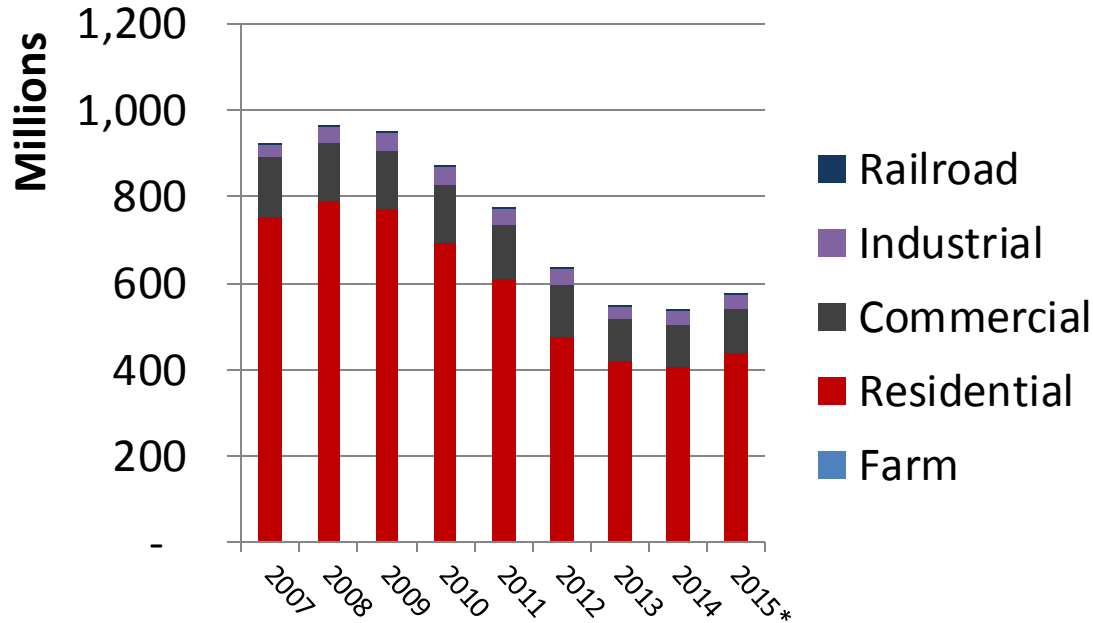
Exemption Category	Commercial		Farm		Industrial		Local Rail Road		Mineral		Residential		State Rail Road		Totals	
	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count
Parcel Count		982		88		218		0		0		17,659		0		18,977
Board of Review Abstract	108,346,536		1,132,810		34,003,876		0		0		520,572,303		0		664,055,525	
- Home Improvement	0	0	0	0	0	0	0	0	0	0	224,871	114	0	0	224,871	114
- Veteran's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ State Assessed	0		0		0		0		0		0		2,840,418		2,840,418	
= EAV	108,346,536	0	1,132,810	0	34,003,876	0	0	0	0	0	520,347,632	114	2,840,418	0	666,671,272	114
- Senior Assessment Freeze	0	0	0	0	0	0	0	0	0	0	1,106,964	336	0	0	1,106,964	336
- Owner Occupied	240,000	12	42,000	7	0	0	0	0	0	0	66,906,472	11,156	0	0	67,186,472	11,175
- Senior Citizen's	160,000	4	15,000	3	0	0	0	0	0	0	12,629,439	2,533	0	0	12,804,439	2,540
- Disabled Person	0	0	0	0	0	0	0	0	0	0	412,000	206	0	0	412,000	206
- Disabled Veteran	0	0	0	0	0	0	0	0	0	0	140,000	31	0	0	140,000	31
- Returning Veteran	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Natural Disaster	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Fraternal Freeze	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Vet Freeze	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Under Assessed	0		0		0		0		0		0		0		0	
- E-Zone	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- TIF	8,905,004	0	12,947	0	435,829	0	0	0	0	0	785,760	0	0	0	10,139,340	0
- Drainage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Value	99,041,532		1,062,863		33,568,247		0		0		438,366,997		2,840,418		574,880,057	



[www.co.kane.il.us/coc/Tax/TaxExtension.asp](http://www.co.kane.il.us/coc/Tax/TaxExtension.asp)

East Aurora School District #131

# Historical EAV



\*Preliminary

## Aurora East 131- Historical EAV

Tax Year	EAV	Percent Change
2005	\$744,412,068	10.99%
2006	\$824,829,716	10.80%
2007	\$906,379,932	9.89%
2008	\$961,985,495	6.13%
2009	\$947,061,589	-1.55%
2010	\$871,356,256	-7.99%
2011	\$773,360,394	-11.25%
2012	\$634,178,298	-18.00%
2013	\$549,520,468	-13.35%
2014	\$536,956,593	-2.29%
2015*	\$574,880,057	7.06%



# Calculating the Extension (cont.)

**Aggregate limited extension does not significantly change despite changes in EAV**

	2014	2015 Stable EAV	2015 EAV 7% Increase	2015 EAV 10% Decrease
EAV	\$536,956,593	\$536,956,593	\$572,664,226	\$483,260,933
Limited Tax Rate	5.500875	5.544881	5.199132	6.160980
Total Tax Bill	\$29,537,311	\$29,773,604	\$29,773,569	\$29,773,609

The preliminary report from the County indicates that our EAV increased by 7%. This has resulted in a 5.4% *decrease* in our limited tax rate.



# Bond & Interest Rates

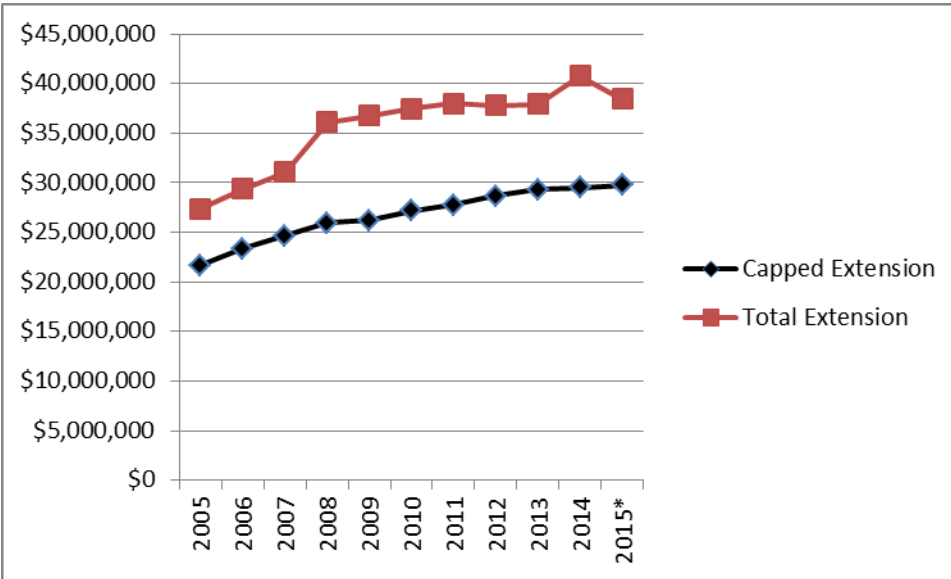
Scenario	Total Levy	B & I Rate	Total Rate
Levy Year 2014 Actual	\$11,252,403	2.0955	7.5964
If Board did not take action	\$11,140,993	1.9455	7.1446
Bond Refunding and \$2M Payment	\$8,559,750	1.4947	6.6938

The action taken by this Board has resulted in an additional 28% *decrease* in the bond & interest portion of the tax rate which lowers the total tax rate by 11.8%.





# Historical Extension



**While the capped extension increased by 0.8%, the TOTAL extension DECREASED by 5.7%.**

Levy Year	Capped Extension	Total Extension	CPI
2005	\$21,698,942	\$27,389,310	3.3%
2006	\$23,352,909	\$29,389,442	3.4%
2007	\$24,638,207	\$31,036,434	32.5%
2008	\$25,943,883	\$36,101,228	4.1%
2009	\$26,179,055	\$36,739,862	0.1%
2010	\$27,208,178	\$37,471,926	2.7%
2011	\$27,735,488	\$38,018,312	1.5%
2012	\$28,681,221	\$37,825,628	3.0%
2013	\$29,317,741	\$37,924,446	1.7%
2014	\$29,537,311	\$40,789,714	1.5%
2015*	\$29,773,609	\$38,448,903	0.8%
*preliminary			



# Calculating the Extension (cont.)

## What does this mean for the average homeowner?

	2014	2015 EAV Stable	2015 EAV 5% Increase	2015 EAV 5% Decrease
EAV*	\$44,000	\$44,000	\$46,500	\$41,500
Limited Tax Bill	\$2,420	\$2,287	\$2,417	\$2,158
Total Tax Bill – B & I No Change	\$3,037	\$3,143	\$3,322	\$2,965
Total Tax Bill – With Board Action	N/A	\$2,945	\$3,113	\$2,778

**\*one-third of market value (\$150,000) less \$6,000 homeowner's exemption**



# Levy Considerations

- While the levy request is roughly 4.99% higher than last year, the *final* extension will only increase by the legal amount of CPI (0.8%) (Section 18-185 of PTELL)
- A Truth-in-Taxation hearing is not required since the levy request increase is less than 5% of the 2014 extension
- To not request the statutory allowable amount would have a profound negative impact on East Aurora – as revenue dollars would be lost forever
- Future years' allowable increases would be based off of this lower extension which would impact the programs, services and facilities we could offer to current and future students.



# Levy Considerations

- The levy is the District's best guess of what can be captured in local property tax revenue
- All factors of the equation are known **except** the EAV and new property
- The County will *only* extend what you ask for. No more – probably less
- Therefore, to over or under estimate the unknown variables may result in lost tax revenue – which compounds as allowable percentage of increase is calculated from year to year



# Levy Considerations

- Proration of General State Aid continues at an aggregate loss of \$38.2 M to the East Aurora community
- Budget stalemate in Springfield may impact state revenues already promised – and budgeted for – in fiscal year 2016
- Discussion continues of the cost shift of the Teacher Retirement System (TRS) in Springfield (approximately \$700,000 per 1%)
- Senate Bill 318 would impose a 2-year freeze on CPI increases for levy years 2016 and 2017 which would result in a loss of about \$1M to EA



# 2015 Levy

Fund	Levy Amount	Expected Final Extension	Final Expected Rate
Education	\$20,956,527	\$20,198,275	3.5135
Operations & Maintenance	\$3,400,000	\$3,276,981	0.5700
Transportation	\$2,110,500	\$2,034,138	0.3538
Working Cash	\$1,011	\$974	0.0002
Municipal Retirement	\$1,500,000	\$1,445,726	0.2515
Social Security	\$1,500,000	\$1,445,726	0.2515
Fire Prevention & Safety	\$25,299	\$24,383	0.0042
Special Education	\$1,517,867	\$1,462,974	0.2545



# Informational Websites

- Kane County Clerk:  
<http://www.co.kane.il.us/coc/Tax/TaxExtension.asp>
- Kane County Assessor:  
<http://www.kanecountyassessments.org>
- East Aurora District 131 Finance Page:  
[http://www.d131.org/boardofed/District\\_Budget.asp](http://www.d131.org/boardofed/District_Budget.asp)

