



# AURORA EAST SCHOOL DISTRICT 131

## 2014 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

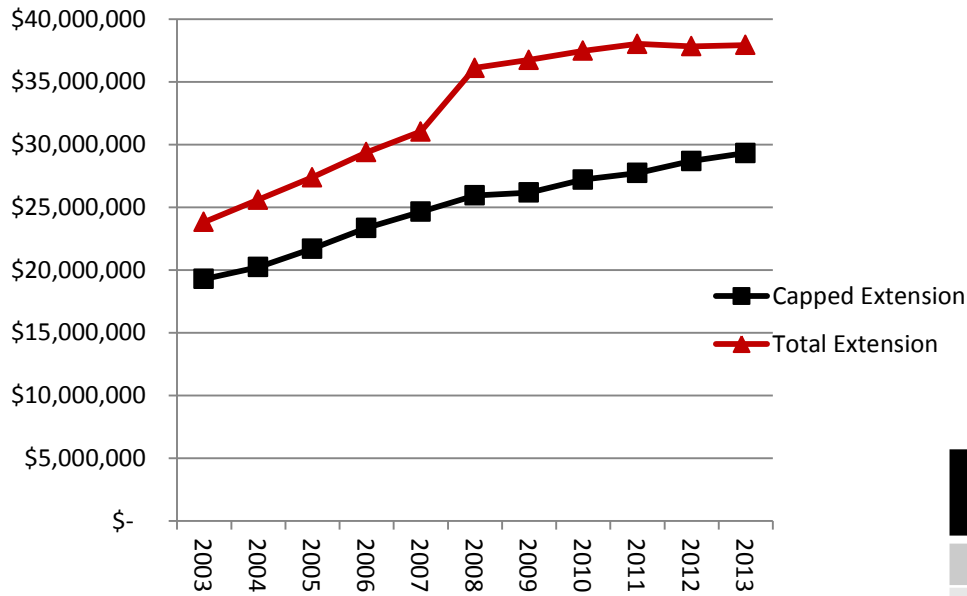
## Extension

- 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.



# Historical Extension



Levy Year	Capped Extension	Total Extension	CPI
2004	\$ 20,227,577	\$ 25,597,479	1.9%
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	2.5%
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%



East Aurora School District #131

# 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 1.5% for levy year 2014.

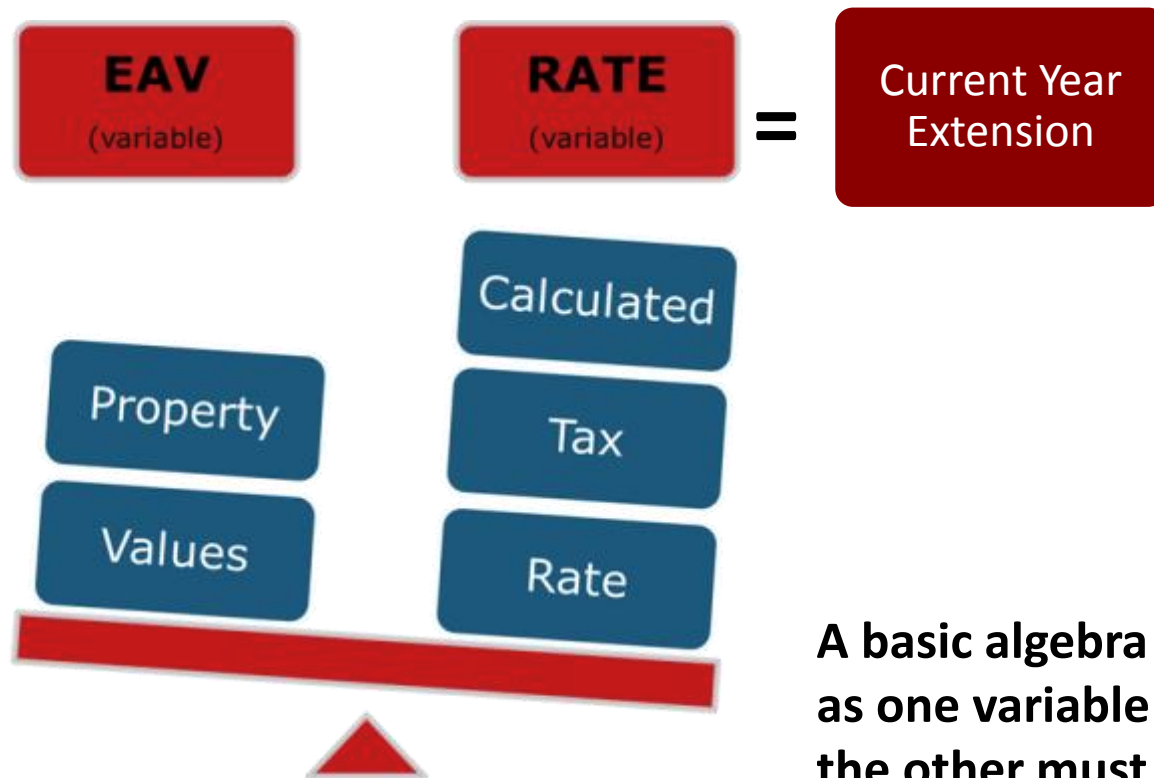
$$\begin{array}{rclcl} \text{2013 Extension} & \times & \text{CPI} & = & \text{2014 Extension} \\ \$29,317,741 & \times & 1.5\% & = & \$29,757,507 \end{array}$$

The 2014 extension is then divided by the current equalized assessed value (EAV) less new property to arrive at the tax rate.

$$\begin{array}{rclcl} \text{2014 Extension} & \div & \text{EAV} - \text{New Property} & = & \text{2014 Tax Rate} \\ \$29,757,507 & \div & \$524,555,922 & = & 5.672895\% \end{array}$$



# Calculating the Extension (cont.)



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



# Calculating the Extension (cont.)

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

	<b>2013</b>	<b>2014 Stable EAV</b>	<b>2014 EAV 10% Increase</b>	<b>2014 EAV 10% Decrease</b>
EAV	\$549,520,468	\$549,520,468	\$604,472,515	\$494,568,421
Limited Tax Rate	5.33515	5.41517	4.92288	6.01686
Total Tax Bill	\$29,317,741	\$29,757,468	\$29,757,457	\$29,757,490



# 2014 Estimate EAV Report

09/18/2014 02:53:06 PM  
Tax Year: 2014

## Assessor Estimated EAV Report by Tax District Kane County

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089 - EAST AURORA SCH DIST 131

Totals		New Construction	
Board of Review Abstract	630,453,560	Commercial	924,228
- Exemptions	81,448,917	Farm	0
- Under Assessed	0	Industrial	0
+ State Assessed	2,803,077	Local Rail Road	0
Total EAV	551,807,720	Mineral	0
- Tif Increment / Ezone	12,069,688	Residential	2,720,578
Rate Setting EAV	539,738,032	Total	3,644,806

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		987		86		219		0		0		17,676		0		18,968
Board of Review Abstract	109,495,162	0	1,096,547	0	31,974,167	0	0	0	0	0	487,887,684	0	0	0	630,453,560	0
- Home Improvement	0	0	0	0	0	0	0	0	0	0	212,593	118	0	0	212,593	118
- Veterans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ State Assessed	0	0	0	0	0	0	0	0	0	0	0	0	2,803,077	0	2,803,077	0
= EAV	109,495,162	0	1,096,547	0	31,974,167	0	0	0	0	0	487,675,091	118	2,803,077	0	633,044,044	118
- Senior Assessment Freeze	0	0	0	0	0	0	0	0	0	0	649,962	178	0	0	649,962	178
- Owner Occupied	204,000	8	48,000	8	0	0	0	0	0	0	67,346,279	11,290	0	0	67,596,279	11,246
- Senior Citizen's	150,000	4	15,000	3	0	0	0	0	0	0	12,346,083	2,478	0	0	12,511,083	2,485
- Disabled Person	0	0	0	0	0	0	0	0	0	0	372,000	186	0	0	372,000	186
- Disabled Veteran	0	0	0	0	0	0	0	0	0	0	105,000	24	0	0	105,000	24
- Returning Veteran	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	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	10,920,825	0	12,329	0	362,776	0	0	0	0	0	773,758	0	0	0	12,069,688	0
- Drainage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Value	98,220,337		1,021,218		31,611,391		0		0	0	406,082,009		2,803,077		539,738,032	

# Bond & Interest Rates

Scenario	Total Levy	B & I Rate	Total Rate
No change	\$11,262,403	2.1330	7.805895
Scenario #1 – 4% annual growth	\$8,940,412	1.6947	7.367595
Scenario #2 – Flat levy amount	\$8,657,767	1.6412	7.314095





# Calculating the Extension (cont.)

**What does this mean for the average homeowner?**

	<b>2013</b>	<b>2014 EAV Stable</b>	<b>2014 EAV 4% Increase</b>	<b>2014 EAV 4% Decrease</b>
EAV*	\$44,000	\$44,000	\$45,760	\$42,240
Limited Tax Bill	\$2,346	\$2,496	\$2,596	\$2,396
Total Tax Bill – B & I No Change	\$3,037	\$3,435	\$3,572	\$3,297
Total Tax Bill – B & I Scenario 1	N/A	\$3,242	\$3,371	\$3,112
Total Tax Bill – B & I Scenario 2	N/A	\$3,218	\$3,347	\$3,089

**\*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 (1.5%) (Section 18-185 of PTELL)
- A Truth-in-Taxation hearing is not required since the levy request increase is less than 5% of the 2013 extension



# Levy Considerations

- 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
- This would impact the programs, services, and facilities we could offer to current students and students for years to come



# 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



# 2014 Levy

<b>Fund</b>	<b>Levy Amount</b>	<b>Expected Final Extension</b>	<b>Final Expected Rate</b>
Education	\$21,500,000	\$20,831,994	3.941873
Operations & Maintenance	\$3,700,000	\$3,646,232	0.689948
Transportation	\$2,500,000	\$2,463,670	0.466181
Working Cash	\$1,000	\$985	0.000186
Municipal Retirement	\$778,500	\$767,187	0.145169
Social Security	\$778,500	\$767,187	0.145169
Fire Prevention & Safety	\$25,000	\$24,637	0.004662
Special Education	\$1,500,000	\$1,478,202	0.279708



# 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)

