



MUKWONAGO AREA SCHOOL DISTRICT

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November 19, 2014

Dear Local Public Official(s):

In anticipation of questions you might receive related to the Mukwonago Area School District's 2014/15 tax levy, I thought I would send a letter explaining why, even though the District's levy is **declining for the fourth straight year and by 2.0% or \$565,220 for 2014/15**, some municipalities may actually see an increase in the school portion of their property tax bill. These numbers do not reflect any school property tax credits and are based on equalized property valuation and not assessed valuation. Please share this information with your board members and any concerned citizens.

This question has been raised by property owners in recent years that see their school property tax levy increase even though the District passed a total property tax decrease. These types of outcomes are driven by the changes in the relationship of equalized property valuation between the eleven municipalities that are served by the Mukwonago Area School District.

To better illustrate this calculation (please see the attached summary) which breaks out the property valuation and tax levy obligation of each municipality. Let's look at the Town of Vernon and the Village of North Prairie levies for this year. Both municipalities saw a change in property valuation of 0.41% and 6.15% respectively. As mentioned earlier, please keep in mind the **District passed a total levy decrease of 2.00%**. The Town of Genesee's share of the District's total equalized valuation decreased from 27.03% in 2013 to 26.45% in 2014 (line A), because their valuation increased less than the other municipalities, resulting in their portion of the school tax levy decreasing by -4.12% (line C). The Village of North Prairie, on the other hand, had the highest valuation increase of 6.15% and their share of the District's total equalized property valuation increased from 5.83% in 2013 to 6.03% in 2014 (line B) because their valuation increased more than the other municipalities meaning their share of the school tax levy increased by 1.36% (line D).

The same concept is repeated as you take your municipalities' tax certifications from the different taxing bodies and allocate them to the individual households in your community whose property valuations have changed at different rates, thus their share of the tax burden has changed as well.

I hope you find this information helpful. If you have any questions related to this information please feel free to contact me at 262-363-6300 x24102 or clarkda@masd.k12.wi.us.

Sincerely,

Darren P. Clark
Director of Business Services

Mukwonago Area School District - Property Valuation / Levy Breakdown by Municipality

Property Valuation Breakdown by Municipality:

| | 2014/15 | | 2013/14 | | Current Year - Breakdown | | Prior Year - Breakdown | |
|----------------------------|---------------------|-------------------------|---------------------|-------------------------|------------------------------|----------|------------------------------|----------|
| | Equalized Valuation | % of District Valuation | Equalized Valuation | % of District Valuation | Equalized Valuation Variance | % Change | Equalized Valuation Variance | % Change |
| A City of Muskego | 1,664,008 | 0.05% | 1,447,645 | 0.05% | 216,363 | 14.95% | 31,244 | 2.21% |
| Town of Eagle | 228,372,953 | 7.54% | 226,391,662 | 7.67% | 1,981,291 | 0.88% | 92,201 | 0.04% |
| Town of Genesee | 131,153,177 | 4.33% | 127,507,606 | 4.32% | 3,645,571 | 2.85% | (8,441,224) | -6.21% |
| Town of Mukwonago | 831,954,300 | 27.47% | 812,016,200 | 27.52% | 19,938,100 | 2.45% | (4,220,800) | -0.52% |
| Town of Ottawa | 40,081,497 | 1.32% | 39,294,655 | 1.33% | 786,842 | 2.00% | (2,025,761) | -4.90% |
| Town of Vernon | 801,015,092 | 26.45% | 797,768,150 | 27.03% | 3,246,942 | 0.41% | 17,867,164 | 2.29% |
| Village of Big Bend | 143,260,200 | 4.73% | 140,045,300 | 4.75% | 3,214,900 | 2.30% | (987,100) | -0.70% |
| Village of Eagle | 39,172 | 0.00% | 39,531 | 0.00% | (359) | -0.91% | 240 | 0.61% |
| Village of Mukwonago | 667,777,700 | 22.05% | 633,503,800 | 21.47% | 34,273,900 | 5.41% | (53,705,400) | -7.82% |
| Village of North Prairie | 182,636,512 | 6.03% | 172,059,945 | 5.83% | 10,576,567 | 6.15% | (9,687,510) | -5.33% |
| B Town of East Troy | 345,674 | 0.01% | 340,280 | 0.01% | 5,394 | 1.59% | (15,613) | -4.39% |
| Village of Mukwonago | 537,964 | 0.02% | 749,306 | 0.03% | (211,342) | -28.21% | 80,237 | 11.99% |
| Total Equalized Valuation | 3,028,838,249 | 100.00% | 2,951,164,080 | 100.00% | 77,674,169 | 2.63% | (61,012,322) | -2.03% |

Tax Levy Breakdown by Municipality:

| | 2014/15 | | 2013/14 | | Current Year - Breakdown | | Prior Year - Breakdown | |
|----------------------------|---------------------------|-------------------------|---------------------------|-------------------------|--------------------------|----------|------------------------|----------|
| | Tax Levy per Municipality | % of District Valuation | Tax Levy per Municipality | % of District Valuation | Tax Levy Difference | % Change | Tax Levy Difference | % Change |
| C City of Muskego | 15,238 | 0.05% | 13,882 | 0.05% | 1,355 | 9.76% | 477 | 3.56% |
| Town of Eagle | 2,091,251 | 7.54% | 2,171,031 | 7.67% | (79,780) | -3.67% | 29,263 | 1.37% |
| Town of Genesee | 1,200,992 | 4.33% | 1,222,761 | 4.32% | (21,769) | -1.78% | (63,900) | -4.97% |
| Town of Mukwonago | 7,618,349 | 27.47% | 7,787,002 | 27.52% | (168,653) | -2.17% | 61,883 | 0.80% |
| Town of Ottawa | 367,033 | 1.32% | 376,824 | 1.33% | (9,791) | -2.60% | (14,245) | -3.64% |
| Town of Vernon | 7,335,034 | 26.45% | 7,650,367 | 27.03% | (315,334) | -4.12% | 269,143 | 3.65% |
| Village of Big Bend | 1,311,858 | 4.73% | 1,342,994 | 4.75% | (31,136) | -2.32% | 8,220 | 0.62% |
| Village of Eagle | 359 | 0.00% | 379 | 0.00% | (20) | -5.38% | 7 | 1.94% |
| Village of Mukwonago | 6,114,956 | 22.05% | 6,075,119 | 21.47% | 39,836 | 0.66% | (428,841) | -6.59% |
| Village of North Prairie | 1,672,434 | 6.03% | 1,650,005 | 5.83% | 22,429 | 1.36% | (70,109) | -4.08% |
| D Town of East Troy | 3,165 | 0.01% | 3,263 | 0.01% | (98) | -3.00% | (105) | -3.12% |
| Village of Mukwonago | 4,926 | 0.02% | 7,186 | 0.03% | (2,259) | -31.44% | 853 | 13.48% |
| Total Valuation | 27,735,595 | 100.00% | 28,300,815 | 100.00% | (565,220) | -2.00% | (207,353) | -0.73% |