

**Kosciusko County, Indiana
2007 Pay 2008 Budget Order**

An analysis of the data with the 2007 Pay 2008 Budget Order for Kosciusko County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Kosciusko County has six cross-county units. Kosciusko is the major county unit for both Tippecanoe Valley Schools (minor: Fulton) and Whitko School Corporation (minor: Whitley). Kosciusko is the minor county for Wa-Nee Schools, Nappanee Town, and Nappanee Library (major: Elkhart), as well as Triton Schools (major: Marshall).

Kosciusko County has one conservancy district, Barbee Lakes Conservancy District. A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$3.2 million or 3.73%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increase in levy was due to the Wawasee Community School Corporation (\$1,015,113) and the Warsaw Community School Corp. (\$981,107).

Kosciusko County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$6,887,803	\$6,704,958	-\$182,845	-2.65%
Cumulative Bridge	323,317	599,824	276,507	85.52%
Children's Psychiatric Res Treatment	467,655	623,579	155,924	33.34%

Kosciusko County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$254,035	\$415,719	\$161,684	63.65%

Total County levy increased by \$639,049 or 6.47%.

Etna Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Township Assistance	\$3,944	\$9,986	\$6,042	153.19%

Total Township levy increased \$7,325 or 19.34%. Township received an excess levy appeal for Township Assistance in the amount of \$6,190 for 2008.

Lake Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Fire	\$13,391	\$19,957	\$6,566	49.03%

Total Township levy increase of \$7,243 or 19.72%. Township received an excess levy appeal for Volunteer Fire in the amount of \$6,060 for 2008.

Scott Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Township Assistance	\$-0-	\$6,994	\$6,994	-%

Total Township levy increase of \$7,477 or 68.36%. Township received an excess levy appeal for Township Assistance in the amount of \$7,000 for 2008.

Wawasee Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$10,424,825	\$11,188,311	\$763,486	7.32%
Debt Service	2,077,469	2,248,591	171,122	8.24%

Total School levy increase of \$1,015,113 or 5.47%. General fund had levy excess in 2007.

Warsaw Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$14,091,348	\$15,094,436	\$1,003,088	7.12%
Bus Replacement	599,882	207,341	-392,541	-65.44%

Total School levy increase of \$981,107 or 3.53%. General fund had levy excess in 2007. Bus Replacement levy decreased for school pension neutralization.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	7.20%
Industrial	4.12%
Commercial	-0.50%
Residential	2.47%
Exempt	4.70%
Utility	1.60%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	10.09%	10.52%
Industrial	4.94%	5.00%
Commercial	9.32%	9.02%
Residential	71.59%	71.34%
Exempt	3.85%	3.91%
Utility	0.21%	0.20%

As can be seen from the analysis, a shift from residential and commercial property to agricultural, industrial, and exempt property occurred. This shift was approximately 0.55%.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
CLAY TOWNSHIP	9.07%	9.25%	0.16%	2.28%	3.35%	-6.32%
CLAYPOOL TOWN	1.28%	2.72%	1.42%	2.94%	3.90%	-5.83%
ETNA TOWNSHIP	2.02%	-6.13%	-7.99%	-6.16%	-6.13%	-17.94%
ETNA GREEN TOWN	0.25%	-5.33%	-5.57%	-3.65%	-3.11%	-17.76%
FRANKLIN TOWNSHIP	13.20%	10.84%	-2.09%	-2.36%	-1.98%	-10.72%
JACKSON TOWNSHIP	1.79%	0.42%	-1.35%	-0.38%	-0.20%	-8.83%
SIDNEY TOWN	1.81%	0.89%	-0.91%	-0.02%	0.50%	-9.95%

JEFFERSON TOWNSHIP, WEST	4.33%	4.67%	0.32%	2.03%	2.67%	-5.00%
JEFFERSON TOWNSHIP, EAST	8.82%	11.77%	2.71%	5.06%	6.66%	-5.86%
LAKE TOWNSHIP	2.73%	3.86%	1.10%	3.54%	4.63%	-4.55%
SILVER LAKE TOWN	0.95%	2.19%	1.23%	2.52%	3.04%	-3.73%
MONROE TOWNSHIP	1.99%	0.40%	-1.56%	-0.60%	-0.45%	-8.89%
PLAIN TOWNSHIP	4.76%	5.00%	0.23%	2.43%	3.42%	-5.77%
WARSAW CITY-PLAIN TOWNSHIP	6.38%	6.84%	0.43%	1.62%	3.28%	-10.10%
LEESBURG TOWN	1.72%	2.28%	0.55%	2.32%	3.70%	-7.98%
PRAIRIE TOWNSHIP	5.62%	4.58%	-0.98%	0.85%	1.72%	-7.90%
SCOTT TOWNSHIP	-1.46%	-0.54%	0.93%	2.80%	3.45%	-4.06%
SEWARD TOWNSHIP	4.52%	2.35%	-2.08%	-2.35%	-2.09%	-10.52%
BURKET TOWN	-11.34%	-25.85%	-16.36%	-18.91%	-16.99%	-22.84%
TIPPECANOE TOWNSHIP	-0.15%	2.86%	3.02%	5.41%	6.83%	-5.64%
NORTH WEBSTER TOWN	0.39%	3.44%	3.04%	4.56%	6.44%	-8.83%
TURKEY CREEK TOWNSHIP	1.80%	5.12%	3.27%	5.95%	7.35%	-4.62%
SYRACUSE TOWN	-1.91%	0.56%	2.51%	3.83%	5.75%	-9.13%
VAN BUREN TOWNSHIP	16.13%	18.74%	2.25%	4.42%	5.94%	-6.15%
MILFORD TOWN	9.42%	8.83%	-0.53%	0.25%	2.16%	-11.08%
WASHINGTON TOWNSHIP	1.78%	0.28%	-1.47%	-0.54%	-0.36%	-8.79%
PIERCETON TOWN	2.05%	0.05%	-1.96%	-1.28%	-0.60%	-11.04%
WAYNE TOWNSHIP	4.34%	4.61%	0.26%	2.24%	3.31%	-6.28%
WARSAW CITY-WAYNE TOWNSHIP	2.52%	2.98%	0.46%	1.65%	3.33%	-10.23%
WINONA LAKE TOWN	2.03%	3.08%	1.03%	2.71%	4.02%	-7.59%
HARRISON TOWNSHIP	4.21%	2.28%	-1.85%	-2.06%	-1.67%	-10.61%
MENTONE TOWN-HARRISON TOWNSHIP	1.93%	0.96%	-0.96%	-0.99%	-0.14%	-11.93%
MENTONE TOWN-FRANKLIN TOWNSHIP	0.25%	-0.84%	-1.09%	-1.14%	-0.27%	-12.07%
NAPPANEE CITY-JEFFERSON TOWNSHIP	1.56%	4.19%	2.59%	3.85%	5.23%	-7.26%
Average	2.86%	3.72%	-0.92%	0.10%	1.03%	-9.46%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate.

Upward pressure on tax rates came from increases in tax levies, especially debt levies that don't benefit from PTRC or homestead credits.

The estimated reduction in net homestead tax bills for Kosciusko County is 26.90%.

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 - 10% Increase</u>	<u>10 - 30% Increase</u>	<u>30 - 100% Increase</u>	<u>More Than Doubled</u>
Commercial	5.6%	16.4%	72.1%	2.3%	2.4%	1.2%
Industrial	2.7%	3.3%	84.8%	5.6%	2.5%	1.2%
Residential	17.4%	45.7%	23.3%	8.4%	3.9%	1.3%
Overall	15.6%	36.5%	28.4%	14.9%	4.5%	1.1%

TIF Neutralization Worksheets

The County has several Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were reviewed for both numerical accuracy and for logical analysis and completeness.