



Property Tax Levy Taxes Payable 2010

2009-2010 Budget

School Board Meeting

December 15, 2009





Truth in Taxation Law

- State law initially approved in 1988
- The 2009 legislature made several changes:
 - Property tax hearing can now be held at regular meeting. Hearing must be at 6:00 PM or later. Requirement to publish meeting notice was deleted.
 - All school districts must now hold a hearing. Previously some districts were exempted from the requirement to hold a hearing.





Truth in Taxation Law (cont.)

- State law requires that we present the following information:
 - current year budget
 - proposed property tax levy, including:
 - The percentage increase over the prior year
 - Specific purposes and reasons for which taxes are being increased
- District must also allow for public comments





2009-2010 Budget

- Revenue Sources
- Expenditure Categories
- Student Enrollment Growth

- The 2009-2010 budget is reviewed during the school year
- Revisions are expected to be brought to the school board for approval in January 2010



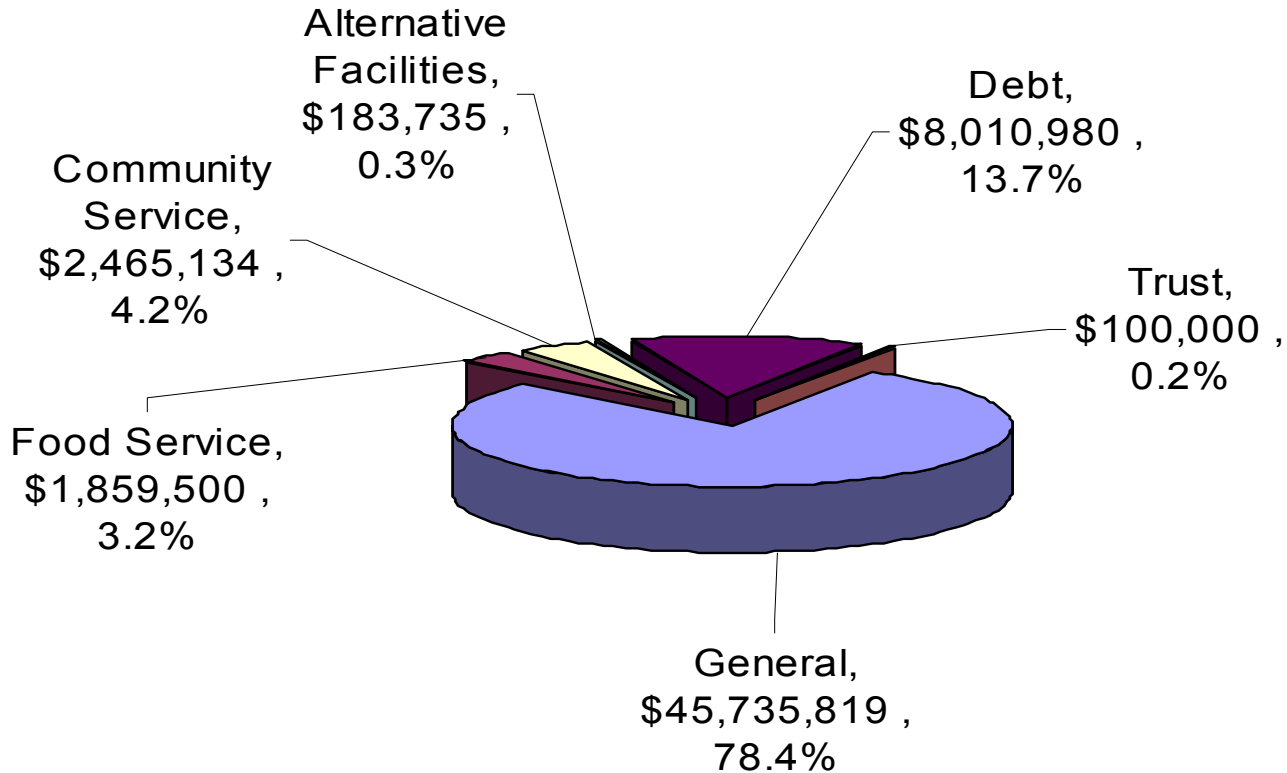


2009-2010 Budget

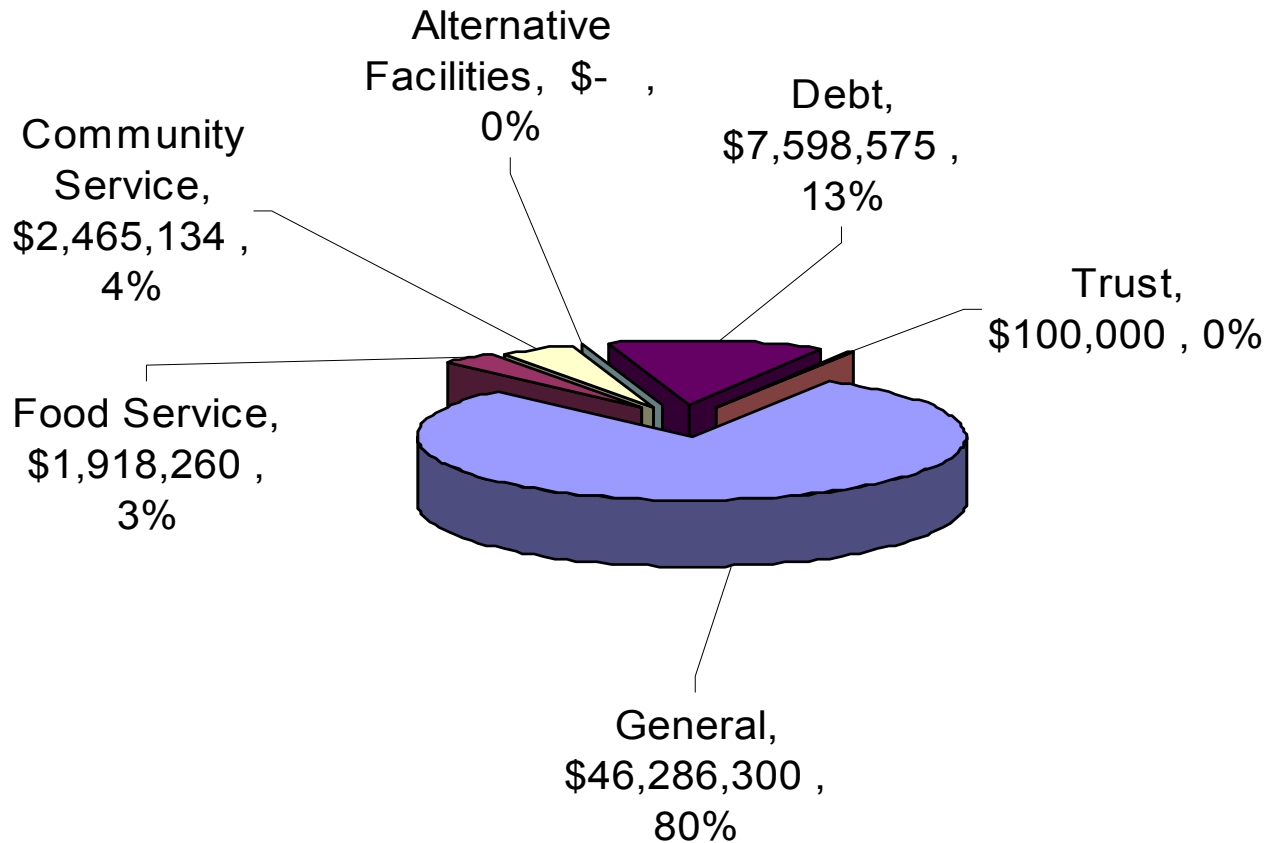
	Preliminary Audited Fund Balance 6/30/2009	Approved Revenue Budget 2009-2010	Approved Expenditure Budget 2009-2010	Approved Change in Fund Balance	Projected Fund Balance 6/30/2010
General Fund					
Unreserved/Undesignated	\$ 697,225	\$42,813,785	\$42,809,938	\$ 3,847	\$ 701,072
Reserved/Designated Fund Balance					
Reserve - Severance	332,576	274,519	433,518	(158,999)	173,577
Reserve - Health & Safety	(601,479)	744,558	677,045	67,513	(533,966)
Reserve - Operating Capital	406,007	1,702,957	2,165,799	(462,842)	(56,835)
Designated - Student Activities	87,798	200,000	200,000	-	87,798
Designated - Voc Land	316,512	-	-	-	316,512
General Fund	<u>\$ 1,238,639</u>	<u>\$45,735,819</u>	<u>\$46,286,300</u>	<u>\$ (550,481)</u>	<u>\$ 688,158</u>
Food Service Fund	271,712	1,859,500	1,918,260	(58,760)	212,952
Community Service Fund	12,520	2,465,134	2,465,134	-	12,520
Alternative Facilities - Health and Safety	(1,431,952)	183,735	-	183,735	(1,248,217)
Debt Service Fund	437,351	8,010,980	7,598,575	412,405	849,756
Trust and Agency Fund	73,487	100,000	100,000	-	73,487
Total All Funds	<u>\$ (921,114)</u>	<u>\$ 8,294,715</u>	<u>\$ 7,698,575</u>	<u>\$ 596,140</u>	<u>\$ (324,974)</u>



2009-10 Revenue Sources

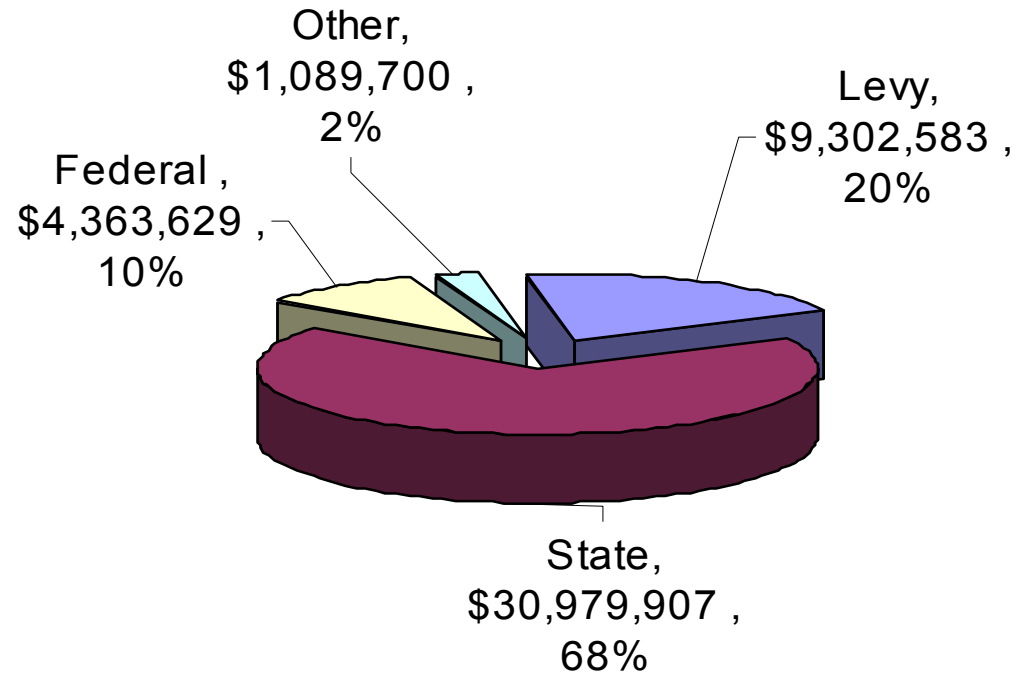


2009-10 Expenditures



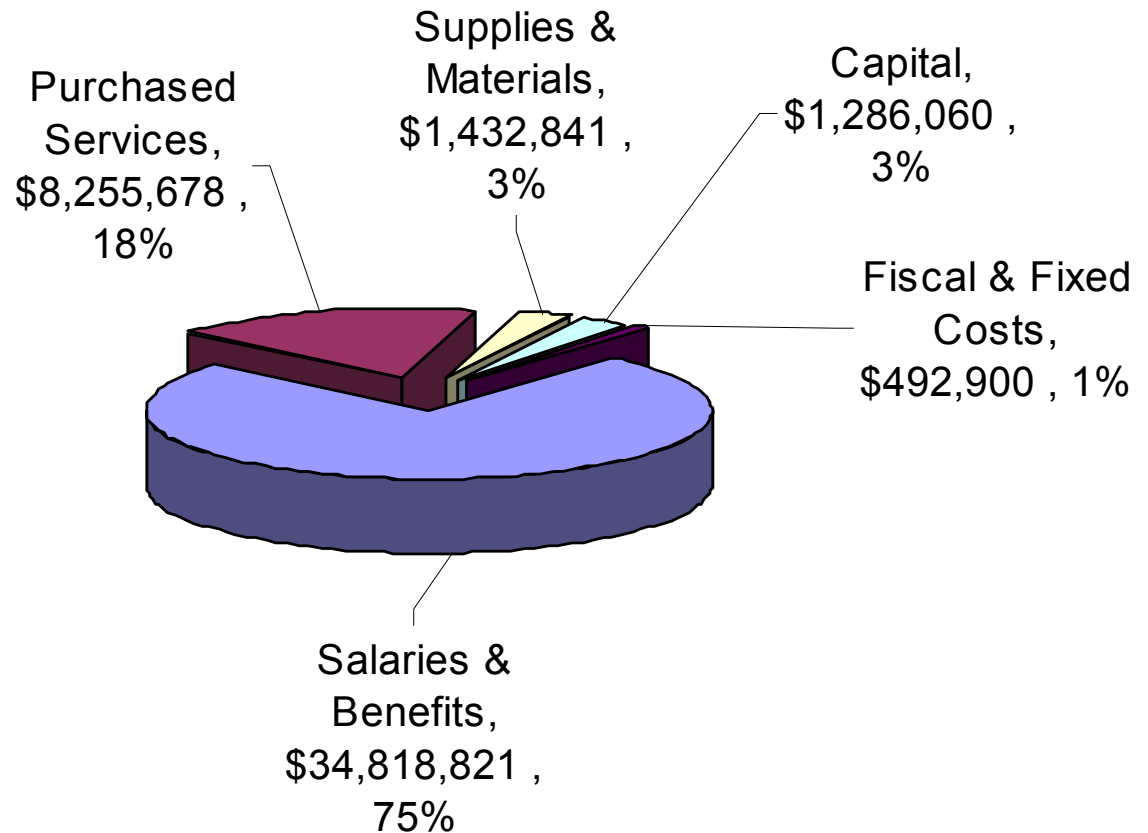


2009-10 General Fund Revenue Sources





2009-10 General Fund Expenditures





Levy Information

- Levy Approval December 2009
- Property Taxes Collected 2010
- Revenue 2010-2011 School Year





Total Levy by Fund



<u>Fund</u>	<u>Proposed 2010 Levy</u>	<u>Payable 2009 Levy</u>	<u>Change</u>	<u>Percent Change</u>
General	\$ 9,183,772	\$ 9,171,515	\$ 12,257	0.13 %
Community Service	\$ 406,021	\$ 420,508	\$ (14,487)	(3.45) %
Debt Service	\$ 8,661,415	\$ 7,995,980	\$ 665,435	8.32 %
	<u>\$ 18,251,208</u>	<u>\$ 17,588,003</u>	<u>\$ 663,205</u>	<u>3.77 %</u>



General Fund Levy 2010

	Proposed 2010 Levy	Payable 2009 Levy	Change	Percent Change
Referendum Authority	\$ 4,537,579	\$ 4,967,042	\$ (429,463)	(8.65) %
Transition	\$ 237,171	\$ 244,320	\$ (7,149)	(2.93) %
Equity *	\$ 584,855	\$ 572,877	\$ 11,978	2.09 %
Operating Capital *	\$ 899,836	\$ 884,354	\$ 15,482	1.75 %
Safe Schools/Crime	\$ 190,555	\$ 178,454	\$ 12,101	6.78 %
Health & Safety/Alternative Facilities	\$ 1,453,732	\$ 925,000	\$ 528,732	57.16 %
Integration	\$ 144,885	\$ 295,477	\$ (150,592)	(50.97) %
Lease	\$ 587,358	\$ 587,824	\$ (466)	(0.08) %
Career Technical	\$ 77,823	\$ 77,823	\$ -	- %
Deferred Maintenance	\$ 314,968	\$ 324,461	\$ (9,493)	(2.93) %
Unemployment	\$ 50,000	\$ 50,000	\$ -	- %
Adjustments	\$ 49,908	\$ 11,226	\$ 38,682	344.58 %
Abatements	\$ 55,102	\$ 52,657	\$ 2,445	4.64 %
	<u>\$ 9,183,772</u>	<u>\$ 9,171,515</u>	<u>\$ 12,257</u>	<u>0.13 %</u>

* Equalized





General Fund Levy 2010

Explanation of Changes:

- Health & Safety/Alternative Facilities – Increase includes levy for final projects relating to the district’s facility improvement plan.
- Integration – The 2009 taxes included the levy for both the 2008-09 and 2009-10 school years. 2010 tax levy is for the 2010-11 school year.
- Adjustments –The Minnesota Department of Education recalculated levies for the past three levy years based on updated student and expenditure information for those years.





Community Service Levy

	<u>Proposed 2010 Levy</u>	<u>Payable 2009 Levy</u>	<u>Change</u>	<u>Percent Change</u>
Basic Levy	\$ 197,177	\$ 195,472	\$ 1,705	0.87 %
Early Childhood	\$ 152,304	\$ 150,770	\$ 1,534	1.02 %
Home Visitation	\$ 3,157	\$ 3,018	\$ 139	4.61 %
School Age Care	\$ 75,000	\$ 50,000	\$ 25,000	50.00 %
Adjustments	\$ (23,812)	\$ 19,085	\$ (42,897)	(224.77) %
Abatements	\$ 2,195	\$ 2,163	\$ 32	1.48 %
	<u>\$ 406,021</u>	<u>\$ 420,508</u>	<u>\$ (14,487)</u>	<u>(3.45) %</u>

- Increase in school age care due to OSIEHLI UWEL IEWHF
- Decrease in adjustments due to





Debt Service Levy

	<u>Proposed 2010 Levy</u>	<u>Payable 2009 Levy</u>	<u>Change</u>	<u>Percent Change</u>
Required Levy of 105% of Scheduled Principal & Interest	\$ 8,600,499	\$ 7,975,355	\$ 625,144	7.84 %
Abatements	<u>\$ 60,916</u>	<u>\$ 20,625</u>	<u>\$ 40,291</u>	195.35 %
	<u>\$ 8,661,415</u>	<u>\$ 7,995,980</u>	<u>\$ 665,435</u>	<u>8.32 %</u>

Increase due to scheduled principal and interest payments on outstanding bonds.





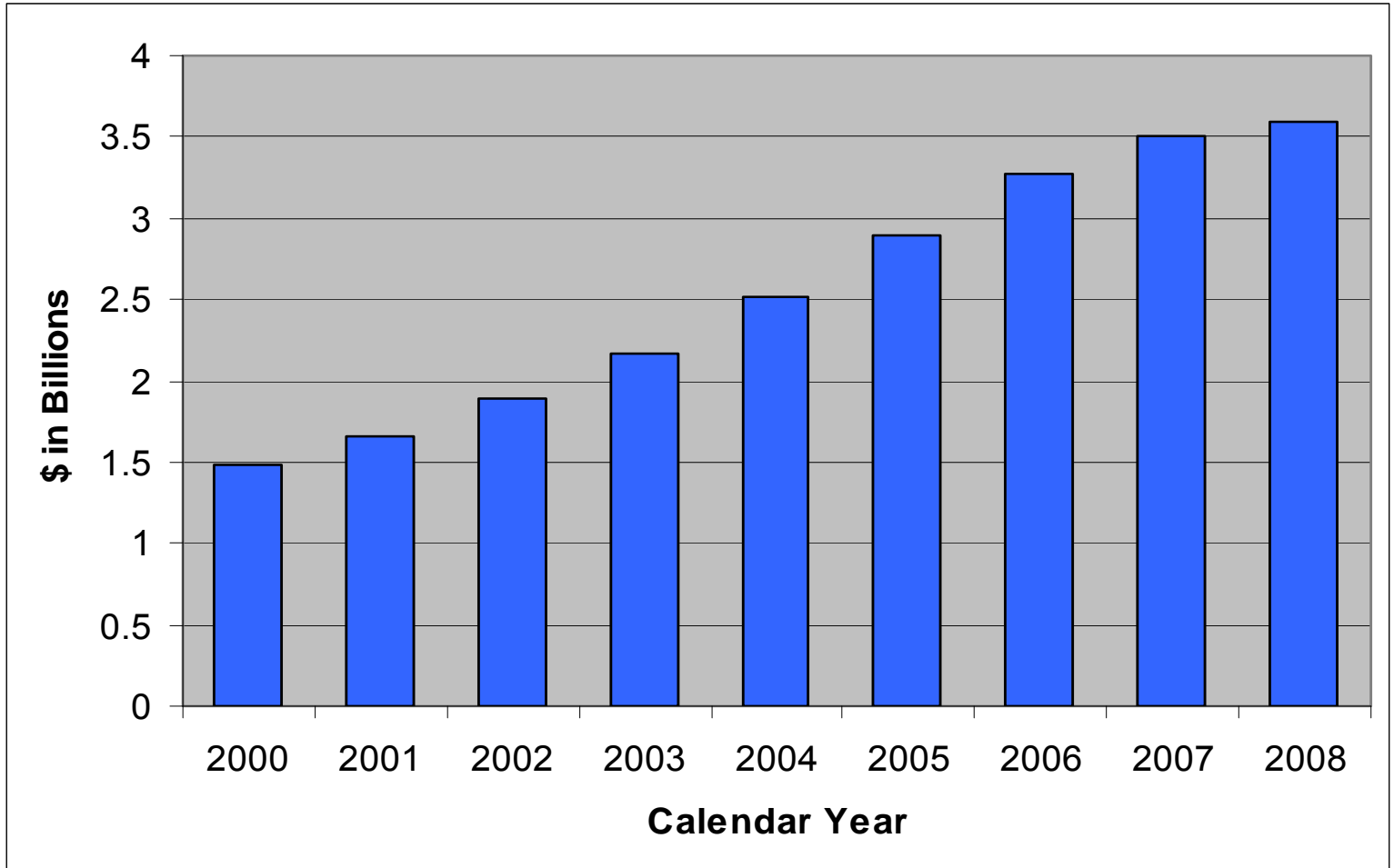
What Causes a Change in My Property Tax?

- Changes in Levy components
- Shifts from State aid to Levy
- Changes in market values
 - Individual parcel
 - District-wide
- Changes in tax capacity
- Voter approved Referendums





Market Value History





State Property Tax Refunds

- State of Minnesota has two tax refund programs and one tax deferral program available for owners of homestead property
- These programs may reduce the net tax burden for local taxpayers, but only if you take time to complete and send in the forms
- For help with the forms and instructions:
 - Consult your tax professional, or
 - Visit the Department of Revenue web site at www.taxes.state.mn.us





State Property Tax Refunds (cont.)

➤ Minnesota Property Tax Refund (aka “Circuit Breaker” Refund)

- Has existed since 1970s
- Available to all owners of homestead property
- Annual income must be approx. \$93,480 or less (income limit is higher if you have dependents)
- Refund is a sliding scale, based on total property taxes and income
- Maximum refund is \$1,750
- Especially helpful to those with lower incomes
- Fill out state tax form M-1PR





State Property Tax Refunds (cont.)

➤ Special Property Tax Refund

- Available for all homestead properties with a gross tax increase of at least 12% and \$100 over the prior year
- Refund is 60% of the amount by which the tax increase exceeds the greater of 12% or \$100, up to a maximum of \$1,000
- No income limits
- Fill out state tax form M-1PR





Senior Citizen Property Tax Deferral

- Allows people 65 years of age or older with a household income of \$60,000 or less to defer a portion of the property taxes on their home
- Taxes paid in any year limited to 3% of household income for year before entering deferral program; this amount does not change in future years
- Additional taxes are deferred, but not forgiven
- State charges interest up to 5% per year on deferred taxes and attaches a lien to the property
- The deferred property taxes plus accrued interest must be paid when the home is sold or the homeowner(s) dies





Proposed Property Tax Levy – Taxes Payable 2010



DISCUSSION