



Melrose Area Public Schools

Truth in Taxation Presentation

2023 payable 2024 Levy

Presented by:

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Business Manager

Requirements of the Truth in Taxation Hearing

- ▶ Tax Levy must be for taxes payable 2024
- ▶ Current Budget must be discussed
- ▶ Budget publication must be included
- ▶ The proposed percent increase and the reasons for the increase (decrease) must be discussed
- ▶ Any changes to the amount of the final compared to the board approved proposed levy must be addressed
- ▶ Public must be given time to comment
 - ▶ Minnesota Statute 275.065

School District Levy

- ▶ 2023 Payable 2024
- ▶ Taxes Payable in the Year 2024
- ▶ Revenue for the 2024-2025 School Year



School District Funds

General Fund Levy

- ▶ Based on student enrollment
- ▶ Provides funding for facility maintenance and instructional equipment
- ▶ Provides funds for Health and Safety code compliance, fire safety, other safety requirements and Long-Term Facility Maintenance (LTFM)
- ▶ Provides for Achievement and Integration Funds
- ▶ Unemployment Benefits
- ▶ Safe Schools



School District Funds

Community Education Levy

- ▶ Based on the population in the District
- ▶ Early Childhood Levy is based on the number of children under 5 years of age
- ▶ School Age Care Levy for Special Education Students



School District Funds

Debt Service Levy

- ▶ Based on annual debt retirement schedules
- ▶ Annual levy is what is needed to pay principal and interest payments of bonded debt plus 5%
- ▶ A calculation is done annually by the State Department of Education to determine an appropriate level of fund balance. A levy reduction is made when necessary



Melrose Independent School District No. 740 2023-2024 Revenue Budget Overview

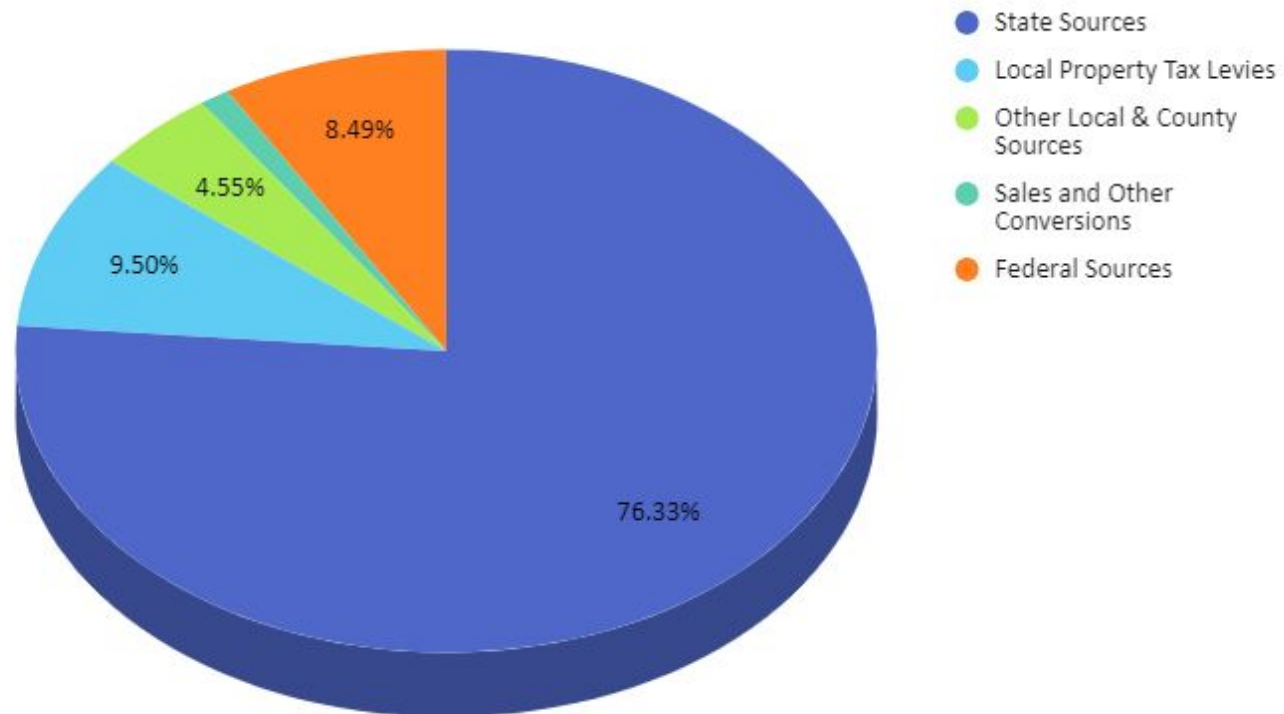
	22-23		23-24		Percent
	Actual		Budget		Change
General Fund	\$17,848,817		\$17,964,185		0.65%
Food Service	\$1,016,978		\$973,882		-4.24%
Community Education	\$895,071		\$738,651		-17.48%
Debt Service	\$1,087,813		\$1,083,078		-0.44%
Custodial	\$16,383		\$16,341		-0.26%
Internal Service	\$106,542		\$105,000		-1.45%
	\$20,971,605		\$20,881,138		-0.43%



Melrose Independent School District No. 740

2022-2023 Actual Revenues

GENERAL FUND REVENUES BY SOURCE 2022-23





Melrose Independent School District No. 740 2023-2024 Expenditure Budget Overview

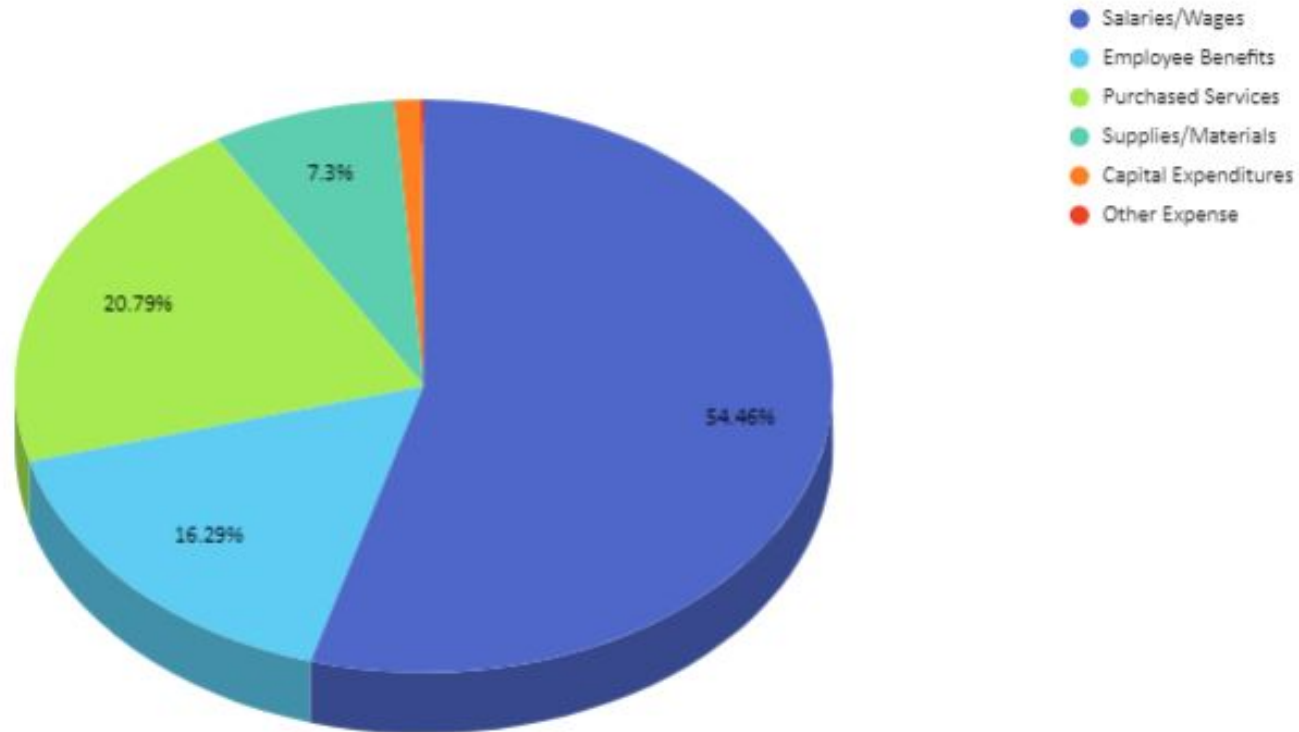
	22-23		23-24		Percent
	Actual		Budget		Change
General Fund	\$17,849,263		\$17,978,748		0.73%
Food Service	\$963,202		\$960,234		-0.31%
Community Education	\$739,475		\$735,384		-0.55%
Debt Service	\$1,057,996		\$1,059,026		0.10%
Custodial	\$16,759		\$15,319		-8.60%
Internal Service	\$89,050		\$92,000		3.00%
	\$20,715,745		\$20,840,711		0.60%




Melrose Independent School District No. 740

2022-2023 Actual Expenditures

GENERAL FUND EXPENDITURES BY OBJECT - 2022-23



2023-2024 Revenue and Expenditure Budget

A	B	C	D	E	F	G	H
 DEPARTMENT OF EDUCATION	Division of School Finance 400 NE Stinson Blvd. Minneapolis, MN 55413		District Revenues and Expenditures Budget for Fiscal Year (FY) 2023 and FY 2024				ED-00110-46
	General Information: Minnesota Statutes 2021, section 123B.10, requires that every school board shall publish the subject data of this report.						
	District Name:					District Number:	
Fund	FY 2023 Beginning Fund Balances	FY 2023 Actual Revenues and Transfers In	FY 2023 Actual Expenditures and Transfers Out	June 30, 2023 Actual Fund Balances	FY 2024 Budget Revenues and Transfers In	FY 2024 Budget Expenditures and Transfers Out	June 30, 2024 Projected Fund Balances
General Fund/Restricted	\$ 763,730	\$ 1,442,415	\$ 1,304,688	\$ 901,457	\$ 1,196,041	\$ 1,192,848	\$ 904,650
General Fund/Other	\$ 3,752,458	\$ 16,406,402	\$ 16,544,575	\$ 3,614,285	\$ 16,768,149	\$ 16,785,900	\$ 3,596,534
Food Service Fund	\$ 524,071	\$ 1,016,978	\$ 963,202	\$ 577,848	\$ 973,882	\$ 960,234	\$ 591,496
Community Service Fund	\$ 104,958	\$ 895,071	\$ 739,475	\$ 260,554	\$ 738,651	\$ 735,384	\$ 263,821
Building Construction Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	\$ 176,596	\$ 1,087,813	\$ 1,057,996	\$ 206,413	\$ 1,083,078	\$ 1,059,026	\$ 230,465
Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Service Fund	\$ 118,450	\$ 106,542	\$ 89,050		\$ 105,000	\$ 92,000	\$ -
* OPEB Revocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Irrevocable Trust Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPEB Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total - All Funds	\$ 5,440,262	\$ 20,955,221	\$ 20,698,986	\$ 5,560,556	\$ 20,864,801	\$ 20,825,392	\$ 5,586,965
Long-Term Debt				Current Statutory Operating Debt per Minnesota Statutes, section 123B.81			
Outstanding July 1, 2022	\$ 5,270,500			Amount of General Fund Deficit, if any, in excess of 2.5% of expenditures 06/30/2023		\$ -	
Plus: New Issues	\$ 16,481						
Less: Redeemed Issues	\$ 1,008,782			Cost per student - Average Daily Membership (ADM) 06/30/2023			
Outstanding June 30, 2023	\$ 4,278,199						
Short-Term Debt				Total Operating Expenditures		\$ 19,213,787.20	
Certificates of Indebtedness	\$ -			FY 2023 Total ADM Served + Tuitioned Out ADM + Adjusted Extended ADM		1,296.04	
Other Short-Term Indebtedness	\$ -			FY 2023 Operating Cost per ADM		\$ 14,825.00	
<i>The complete budget may be inspected upon request to the superintendent.</i>							
Comments:							

* Other Post-Employment Benefits (OPEB)



How Will Your 2024 School Taxes be Spent?

Percent

General Fund

- ▶ Provides funding for district instructional programs, as well as regular and special education programming, transportation, instructional equipment, building maintenance and Health and Safety Projects

68%

Community Education Fund

- ▶ Levy for Community Education and Early Learning Programs

4%

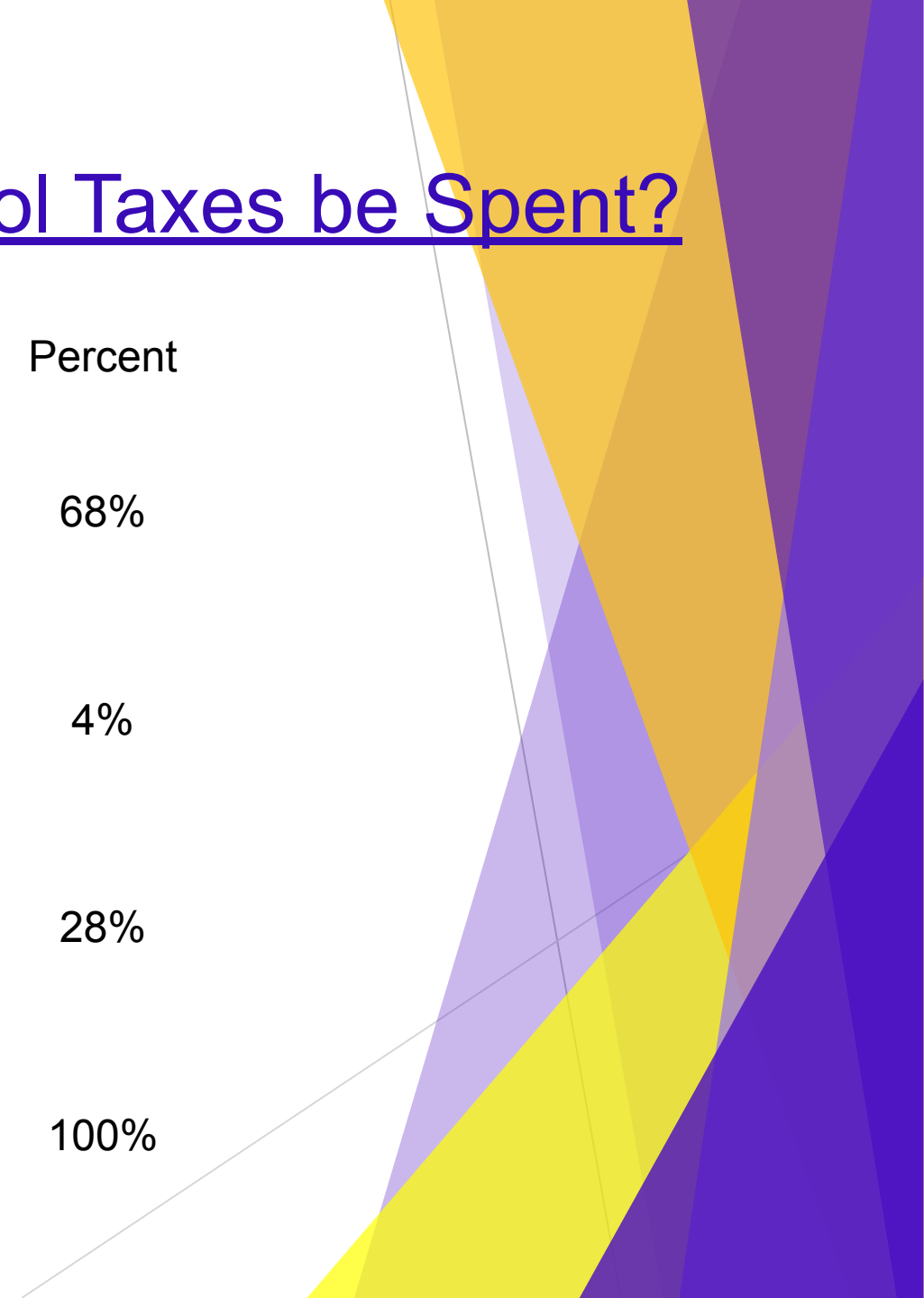
Debt Service Fund

- ▶ Levy for repayment of principal and interest on district debt

28%

Total Levy Before Credits and Exclusions:

100%



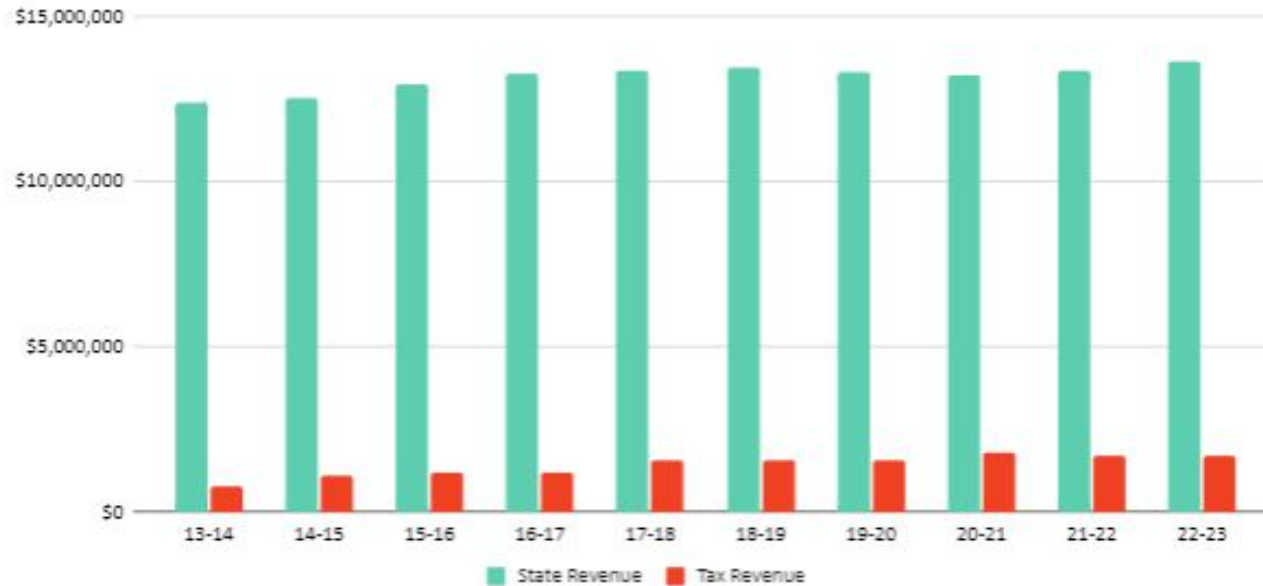
General Fund Changes in Basic Per Pupil Allowance

Year	Total Basic Allocation	Percent Change
2008-09	\$5,124	0.99%
2009-10	\$5,124	0.00%
2010-11	\$5,124	0.00%
2011-12	\$5,174	0.98%
2012-13	\$5,224	0.97%
2013-14	\$5,302	1.49%
2014-15	\$5,831	9.98%
2015-16	\$5,948	2.01%
2016-17	\$6,067	2.00%
2017-18	\$6,188	1.99%
2018-19	\$6,312	2.00%
2019-20	\$6,438	2.00%
2020-21	\$6,567	2.00%
2021-22	\$6,728	2.45%
2022-23	\$6,863	2.01%
2023-24	\$7,138	4.00%
Total Change Per Pupil	\$2,014	

15 - year history of per pupil funding shows years of no increase and years of moderate growth that has contributed to the District's budget shortfalls and reliance on local operating referendums to provide stable and reliable funding

State Aid Compared to Local Levy

	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
State Revenue	\$12,366,345	\$12,491,937	\$12,943,171	\$13,251,675	\$13,357,163	\$13,446,027	\$13,311,489	\$13,217,361	\$13,358,866	\$13,624,776
Tax Revenue	\$768,201	\$1,105,851	\$1,189,046	\$1,185,202	\$1,560,592	\$1,549,526	\$1,567,544	\$1,807,602	\$1,707,734	\$1,694,989





Overview of Proposed Levy Payable in 2024

- ▶ The total 2024 proposed property tax levy will increase from 2023 by \$21,955 or .81%



INDEPENDENT SCHOOL DISTRICT 740
2023 PAYABLE 2024 LEVY
FOR 2024-2025 SCHOOL YEAR REVENUE

NO changes since preliminary
levy approval

	23 PAY 24 FINAL PROPOSED LEVY	23 PAY 24 PRELIMINARY LEVY	22 Pay 23 LEVY	FINAL LEVY TO 22 PAY 23 DIFFERENCE	
GENERAL FUND					
Referendum Revenue	281,120.00	281,120.00	\$ 257,259.58	23,860.42	Voter
Equity	222,119.93	222,119.93	222,760.26	-640.33	Other
Local Optional	895,397.94	895,397.94	848,510.73	46,887.21	Other
Transition	0.00	0.00	0.00	0.00	Other
1st Tier Board Approved Referendum Adj.	0.00	0.00	0.00	0.00	Other
Local Optional Adj.	-13,547.24	-13,547.24	-27,219.42	13,672.18	Other
Equity Adj.	-1,498.67	-1,498.67	-6,020.35	4,521.68	Other
Transition Adj.	0.00	0.00	0.00	0.00	Other
Building and Land Lease			10,192.22	-10,192.22	Other
Safe Schools Levy	50,601.60	50,601.60	50,932.80	-331.20	Other
Operating Capital	146,434.59	146,434.59	122,715.16	23,719.43	Other
Career & Technical	88,271.41	88,271.41	89,415.41	-1,144.00	Other
Reemployment Ins.	5,000.00	5,000.00	10,000.00	-5,000.00	Other
Safe Schools Adj.	3,115.80	3,115.80	-500.40	3,616.20	Other
Operating Capital Adj.	556.79	556.79	-92.08	648.87	Other
Building and Land Lease Adj./Other			-3,047.79	3,047.79	Other
Abatement Adj.			664.38	-664.38	Other
Career & Technical Adj.	-1,144.00	-1,144.00	-2,237.91	1,093.91	Other
Advance Abatement Adj.	18.28	18.28	-575.11	593.39	Other
Achievement and Integration	50,099.68	50,099.68	49,899.29	200.39	Other
Integration Adj.	419.67	419.67	4,116.98	-3,697.31	Other
Reemployment Ins. Adj.	236.18	236.18	-5,000.00	5,236.18	Other
Referendum Adj.			-8,278.32	8,278.32	Voter
Long Term Facilities	303,295.03	303,295.03	279,415.00	23,880.03	Other
Long Term Facilities Adj.	11,001.00	11,001.00	8,094.00	2,907.00	Other
Capital Facility & Equipment Bond Adj.	-176,218.00	-176,218.00	-179,670.00	3,452.00	Other
Total	1,865,279.99	1,865,279.99	1,721,334.43	143,945.56	8.36%



		23 PAY 24	23 PAY 24		FINAL LEVY TO	
		FINAL PROPOSED	PRELIMINARY	22 Pay 23	22 PAY 23	
		LEVY	LEVY	LEVY	DIFFERENCE	
COMMUNITY SERVICE FUND						
Community Education		55,037.90	55,037.90	71,088.92	-16,051.02	Other
ECFE		29,393.46	29,393.46	30,462.69	-1,069.23	Other
Home Visiting		1,073.22	1,073.22	912.68	160.54	Other
School Age Care		25,000.00	25,000.00	25,000.00	0.00	Other
Abatement Adj.				54.5	-54.50	Other
School Age Care Adj.				0.00	0.00	Other
Home Visiting Adj.		-65.95	-65.95	-23.91	-42.04	Other
ECFE Adj.		-1,487.54	-1,487.54	-6.54	-1,481.00	Other
Advance Abatement Adj.		0.66	0.66	-37.68	38.34	Other
	Total	108,951.75	108,951.75	127,450.66	-18,498.91	-14.51%
DEBT SERVICE FUND						
Debt				0.00	0.00	Voter
Debt Service Excess		-99,899.71	-99,899.71	0.00	-99,899.71	Voter
Abatement Adj.				438.23	-438.23	Voter
Advance Abatement Adj.		14.52	14.52	-235.79	250.31	Voter
Debt Service -Aid Ineligible		176,218.00	176,218.00	179,670.00	-3,452.00	Other
LTFM Debt Service		692,176.90	692,176.90	691,350.81	826.09	Other
LTFM Debt Service Adj.		-4,796.27	-4,796.27	-4,018.29	-777.98	Other
	Total	763,713.44	763,713.44	867,204.96	-103,491.52	-11.93%
GRAND TOTAL						
		2,737,945.18	2,737,945.18	2,715,990.05	21,955.13	
INCREASE(DECREASE)						
		0.81%		21,955.13		
			Voter	181,234.81		
			Other	2,556,710.37		
				2,737,945.18		



Causes for Increase in Pay 2024

- ▶ Changes due to updated pupil numbers for the current and past years – Student population projection changes and Legislative changes for Aid vs. Levy

Minnesota School District Property Taxes

Key Steps in the Process

Step 1.

The county assessor determines the estimated market value for each parcel of property in the county

Step 2.

The Legislature sets the formulas for tax capacity. These formulas determine how much of the tax burden will fall on different types of property

Step 3.

The County Auditor calculates the tax capacity for each parcel of property in the county, as well as the total tax capacity for each school district

Step 4.

The Legislature sets the formulas which determine school district levy limits. These are the maximum amounts of taxes that school districts can levy in every category

Step 5.

The Department of Education calculates detailed levy limits for each school district, based on the formulas approved by the Legislature in Step 4. These limits tell school districts the exact amounts that can be levied in every category

Step 6.

The School Board adopts a proposed levy in September, based on the limits set in step 5. After a public hearing, the board adopts a final levy in December. Final levy cannot be more than the preliminary levy, except for amounts approved by voters, Dept. of Education or debt redemption

Step 7.

The County Auditor divides the final levy (determined by the school board in Step 6) by the district's total tax capacity (determined in step 3) to determine the tax rate needed to raise the proper levy amount. The auditor then multiplies this tax rate times each property's tax capacity, to determine the school tax for that property

Sample Tax Statement



Spruce County
 Jane Smith, Auditor-Treasurer
 345 12th Street East, Box 78
 Spruceville, MN 55555-5555
 (555) 345-6789
 www.co.spruce.mn.us

TAXPAYER(S):

John and Mary Johnson
 123 Pine Rd S
 Spruceville, MN 55555-5555

Property Information

PIN Number: 01.234.56.789.R1 Property Address: 789 Pine Rd S
 Spruceville, MN 55555

Property Description:
 Lot 1, Block 1, Spruce Acres Subdivision

PROPOSED TAXES 2024			
THIS IS NOT A BILL. DO NOT PAY.			
Step	VALUES AND CLASSIFICATION		
1	Taxes Payable Year	2023	2024
	Estimated Market Value	\$125,000	\$150,000
	Homestead Exclusion	\$	\$23,800
	Taxable Market Value	\$125,000	\$126,200
	Class	Res NHmstd	Res Hmstd
Step	PROPOSED TAX		
2	Property Taxes before credits	\$1,479.52	
	School building bond credit	\$ 12.00	
	Agricultural market value credit		
	Other credits		
Property Taxes after credits	\$1,467.52		
Step	PROPERTY TAX STATEMENT		
3	Coming in 2024		
<p>The time to provide feedback on PROPOSED LEVIES is NOW</p> <p>It is too late to appeal your value without going to Tax Court.</p>			

Homestead Exclusion

This category is determined by voter approved referendums and building bonds.

The other local levies category is determined by legislative action and State of Minnesota driven formulas.

Proposed Property Taxes and Meetings by Jurisdiction for Your Property			
Contact Information	Meeting Information	Actual 2023	Proposed 2024
State General Property Tax	No public meeting	\$0	\$0
County of Spruce Spruce County Courthouse 123 Spruce St Spruceville, MN 55555 www.co.spruce.mn.us (555) 123-4567	December 6, 7:00 PM	\$438.06	\$484.18
City of Spruceville Mayor's Office 456 Spruce St Spruceville, MN 55555 www.ci.spruceville.mn.us (555) 123-7654	December 2, 6:30 PM Spruceville City Hall	\$273.79	\$312.06
Spruceville School District 999 150 1st St N Spruceville, MN 55555 www.spruceville.k12.mn.us (555) 123-6789	December 9, 7:00 PM Spruceville High School Cafeteria		
Voter Approved Levies		\$289.35	\$296.68
Other Levies		\$340.11	\$374.60
Total excluding any special assessments		\$1,341.31	\$1,467.52 9.4%

Your school district was scheduled to hold a referendum at the November general election. If the referendum was approved by the voters, the school district's voter approved property tax for 2024 may be higher than the proposed amount shown on this notice.



Tax Relief

- ▶ Minnesota provides the potential for tax relief to Homeowners and Renters
- ▶ Download forms and instructions at
 - ▶ <https://www.revenue.state.mn.us/individuals>



2023 Pay 2024 Tax Levy Resolution

- ▶ Whereas, Pursuant to Minnesota Statutes the School Board of Independent School District #740, Melrose, Minnesota is authorized to make the following proposed tax levies for general purposes:
 - ▶ General Fund \$1,865,279.99
 - ▶ Community Service Fund \$ 108,951.75
 - ▶ Debt Service Fund \$ 763,713.44
 - Total Proposed School Tax Levy \$2,737,945.18

- ▶ Now Therefore, Be it resolved by the School Board of Ind. School District 740, Melrose, Minnesota, that the total 2023 levy to be collected in 2024 is set at \$2,737,945.18.

- ▶ The Clerk of the Melrose School Board is authorized to certify the proposed levy to the Stearns, Morrison, and Todd County Auditors.

Questions and Answers