

ISD 77

Mankato Area Public Schools

Truth in Taxation Presentation



A close-up, slightly angled view of a spiral-bound notebook. The notebook has a light-colored, lined cover. The spiral binding is visible at the top, with several loops. A large, bold black number '1' is written on the left side of the page. Below the '1', there is a vertical line, and to the right of this line, the numbers 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16 are written vertically, corresponding to the lines on the page. The right side of the image is a solid blue background.

Agenda

- Review of Meeting Requirements
- Presentation of current school year budget
- Presentation of proposed tax levy
- Public comment

Truth in Taxation Requirements

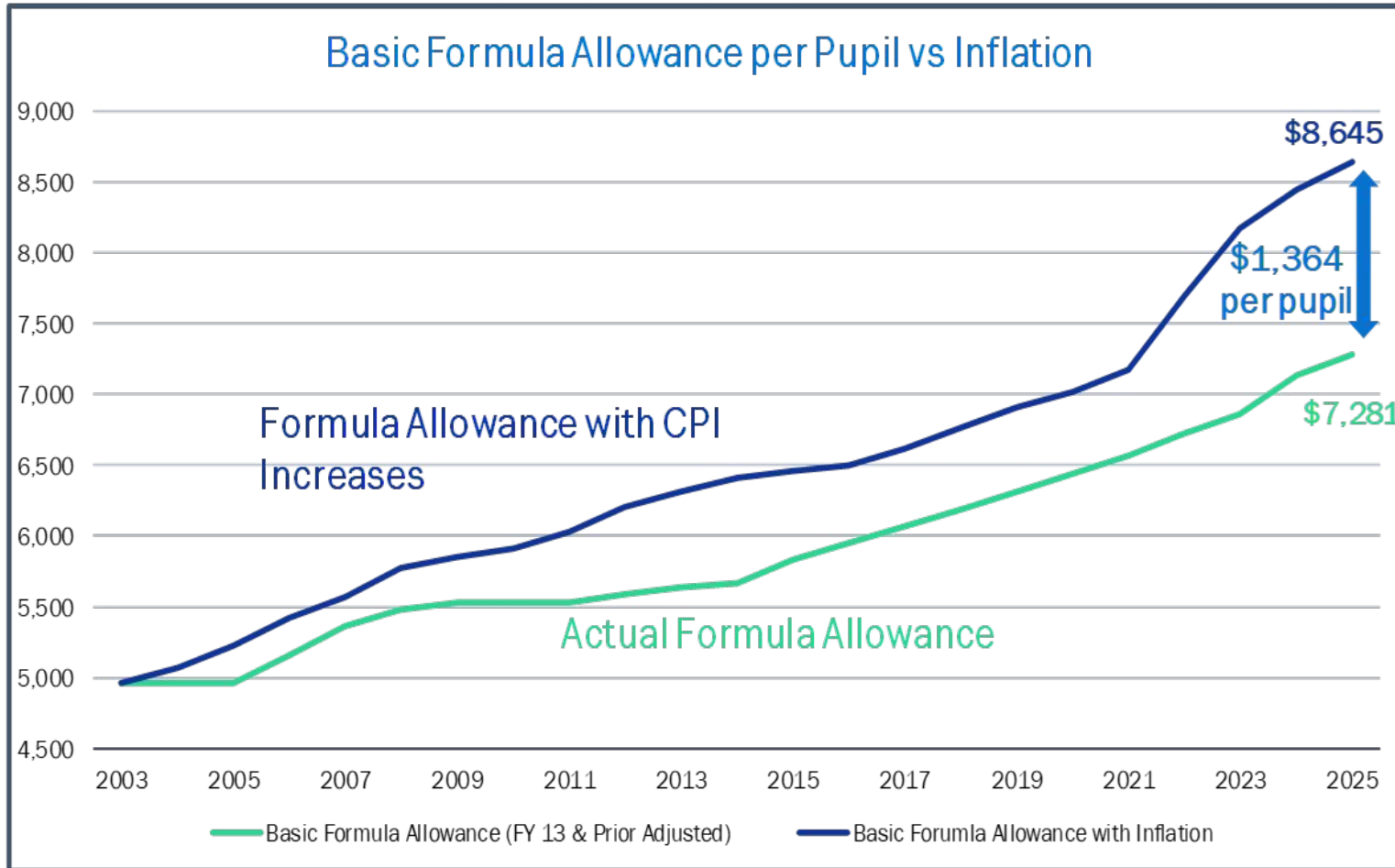
- Meeting must be held between November 25 and December 30 at 6pm or later
- May be a part of a regularly scheduled meeting
- Presentation must include discussion on:
 - Fiscal Year 2025 budget
 - Pay 2025 Proposed Tax Levy
- Must allow for public comments



Minnesota School Funding

Public school districts are funded by the federal government, state government, local fees and local taxpayers through property taxes with the state of Minnesota being the largest source of funding.

State Funding



¹ Inflation is based on consumer price index

² Basic formula allowance includes changes made by legislature in 2023 and is adjusted for FY 2014 and earlier due to pupil weight changes

³ FY 2024-25 are based on estimated inflation forecasts updated in June 2024 by the State of Minnesota

Basic general formula
has not kept up with
state funding over the
last 20 years

FY 2025 Budget



125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
105,450	150,000	99,216	95,000
83,000	35,000	101,090	154,200
		101,684	110,000
		101,962	89,000
			50,000
			68,700

FY 2025 Budget

- Our school district is required to use a “Fund Accounting” system, thus we account for our revenues and expenditures using seven separate funds:
 - General Fund *
 - Food Service Fund
 - Community Service Fund *
 - Building Construction Fund
 - Debt Service Fund *
 - Internal Service
 - OPEB Trust

*Funds have a tax levy component



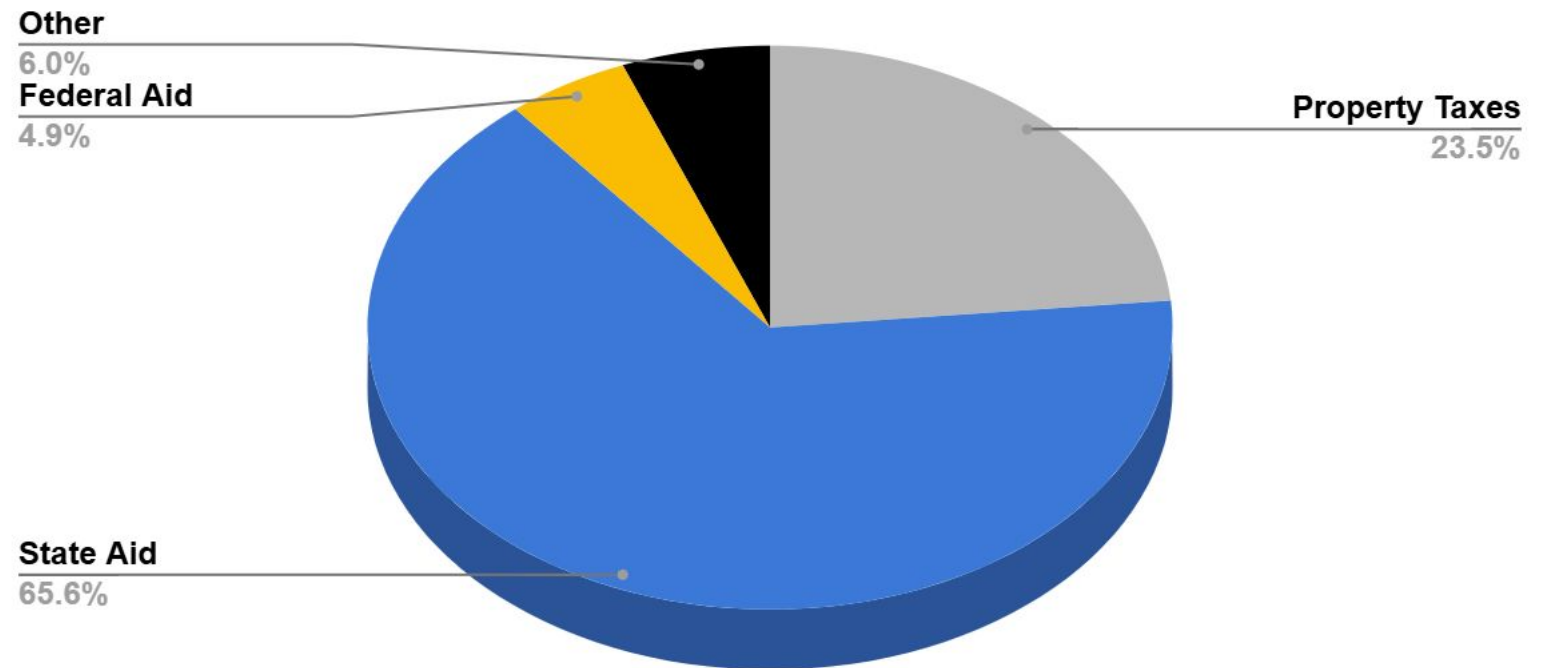
Budget Overview

FY 2025 Budget Summary

Fund	Revenue	Expense	Surplus/(Deficit)
General Fund	\$ 127,454,185	\$ 124,349,659	\$ 3,104,526
Food Service	\$ 6,299,590	\$ 6,836,071	\$ (536,481)
Community Service	\$ 7,443,610	\$ 7,376,573	\$ 67,037
Construction	\$ 1,950,000	\$ 43,958,028	\$ (42,008,028)
Debt Service	\$ 16,007,729	\$ 15,561,853	\$ 445,876
Internal Service	\$ 23,341,561	\$ 23,165,000	\$ 176,561
OPEB Trust	\$ 1,250,000	\$ 1,425,000	\$ (175,000)
Total	\$183,746,675	\$222,672,184	\$ (38,750,509)

FY 2025 Revenues by Source

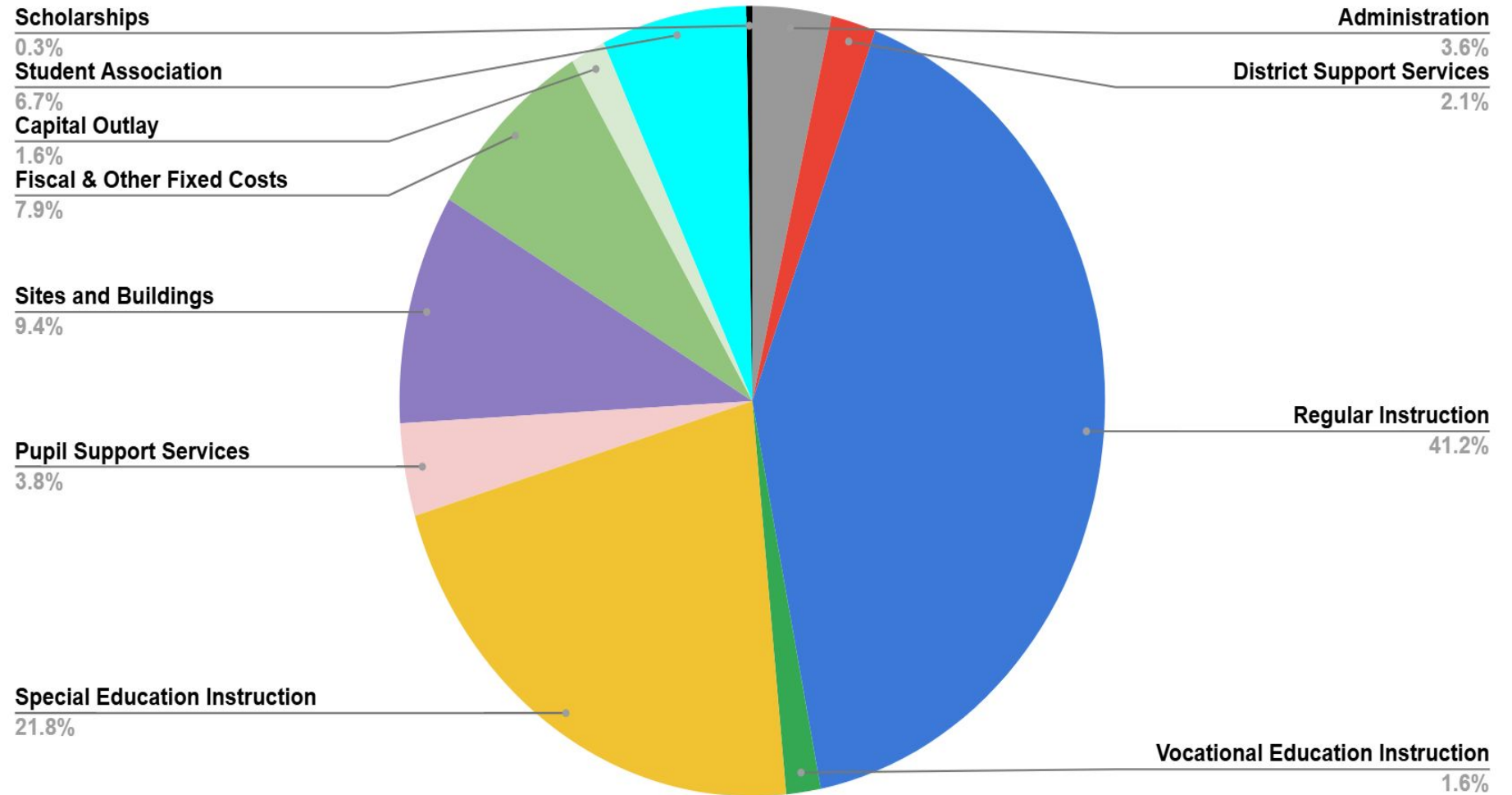
FY 25 Budgeted Revenues by Source



* Includes General, Food Service, Community Service, Debt Service Funds

FY 2025 Expenditures by Program

FY 25 General Fund Expenditures by Program



School District Financial Highlights



BOND RATING



FINANCIAL
REPORTING AWARDS



AUDIT OPINION

2025 Property Tax Levy

School District Tax Levy Timeline

Summer	September	November 5	November 25 – December 30	2025
Information provided to State for preliminary levy calculations	Preliminary levy certification by school board	Hold elections; elections for bonds or levies can cause the final levy to be higher than the preliminary levy set in September	School District holds Truth in Taxation meeting and certify final property tax levy for taxes payable in 2025	Property taxes collected by counties and distributed to the school district

Local Property Tax Levy



- State limits the local property tax levy by statutorily defined formulas
 - Levy limitation formulas are driven by:
 - Pupil Counts
 - Specific eligible expenditure types
 - Population
 - Voter authorization
 - Districtwide Property Valuations

Levy Overview

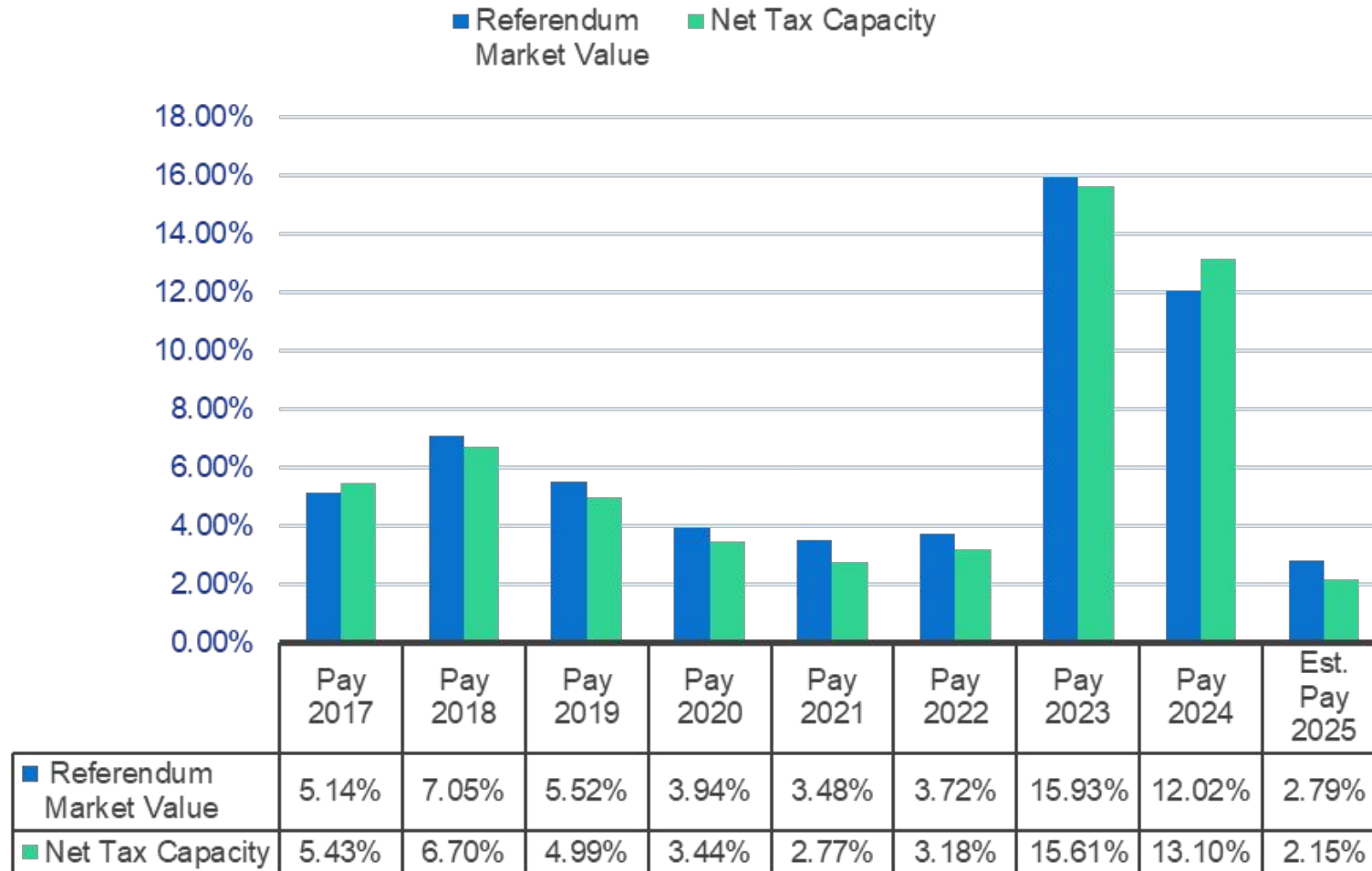
	Final Pay 2024	Proposed Pay 2025	\$ Change	% Change
General Fund (Fund 1)				
Operating Referendum	5,241,379	5,318,240	76,862	1.5%
Local Optional	6,208,239	6,236,087	27,848	0.4%
Equity	1,221,731	1,203,670	(18,061)	-1.5%
Transition	245,828	240,280	(5,548)	-2.3%
Operating Capital	1,050,594	1,199,258	148,663	14.2%
Achievement and Integration	300,052	307,533	7,481	2.5%
Safe Schools	318,453	311,266	(7,187)	-2.3%
Career & Technical	515,318	556,045	40,727	7.9%
Annual OPEB	317,516	509,393	191,877	60.4%
Long Term Facilities Maintenance	3,617,694	3,664,325	46,631	1.3%
Building/Land Lease	1,603,600	1,833,011	229,411	14.3%
<i>Adjustments and Abatements</i>	15,623	(1,463,129)	(1,478,752)	-
General Fund Total Levy	20,696,027	19,955,980	(740,047)	-3.6%
Community Service (Fund 4)				
Early Childhood Education	208,440	236,657	28,218	13.5%
Home Visiting	5,838	6,463	625	10.7%
Adults with Disabilities	6,245	6,274	30	0.5%
<i>Adjustments and Abatements</i>	86,673	49,182	(37,491)	-43.3%
Community Service Fund Total Levy	847,489	839,006	(8,483)	-1.0%
Debt Service Fund (Fund 7)				
Voter Approved Debt Service	13,250,553	13,422,426	171,873	1.3%
Non-Voter Approved Debt Service	2,297,412	2,397,585	100,173	4.4%
<i>Adjustments and Abatements</i>	(208,955)	(49,420)	159,535	-
Debt Service Fund Total Levy	15,339,010	15,770,591	431,581	2.8%
Total Property Tax Levy All Fund	36,882,526	36,565,577	(316,949)	-0.86%

Levy Highlights

Major Changes

Operating Capital	+ \$148,663 Reduced state aid due to increase property valuations
Annual OPEB	+ \$191,877 Increase due to prior year expenses paid
Lease Levy	+ \$229,411 Increased leased space
Adjustments	-\$1,478,752 Reduction due to reconciliation of prior year pupil counts and expenditures

Property Value % Increase Trend



Valuation History

Estimated Tax Impacts

Residential and Commercial with 2% Increase.

Agricultural with 2% Increase

Mankato Public School District Estimated Tax Impacts - Pay 2025 Levy Total School Taxes

Summary			
	Pay 2024	Est. Pay 2025	% Change
Referendum Market Value	\$ 8,454,576,200	\$ 8,690,724,462	2.79%
RMV Tax Rate	0.15536%	0.14561%	-6.28%
Net Tax Capacity	\$ 104,597,053	\$ 106,850,730	2.15%
NTC Tax Rate	22.70%	22.38%	-1.43%

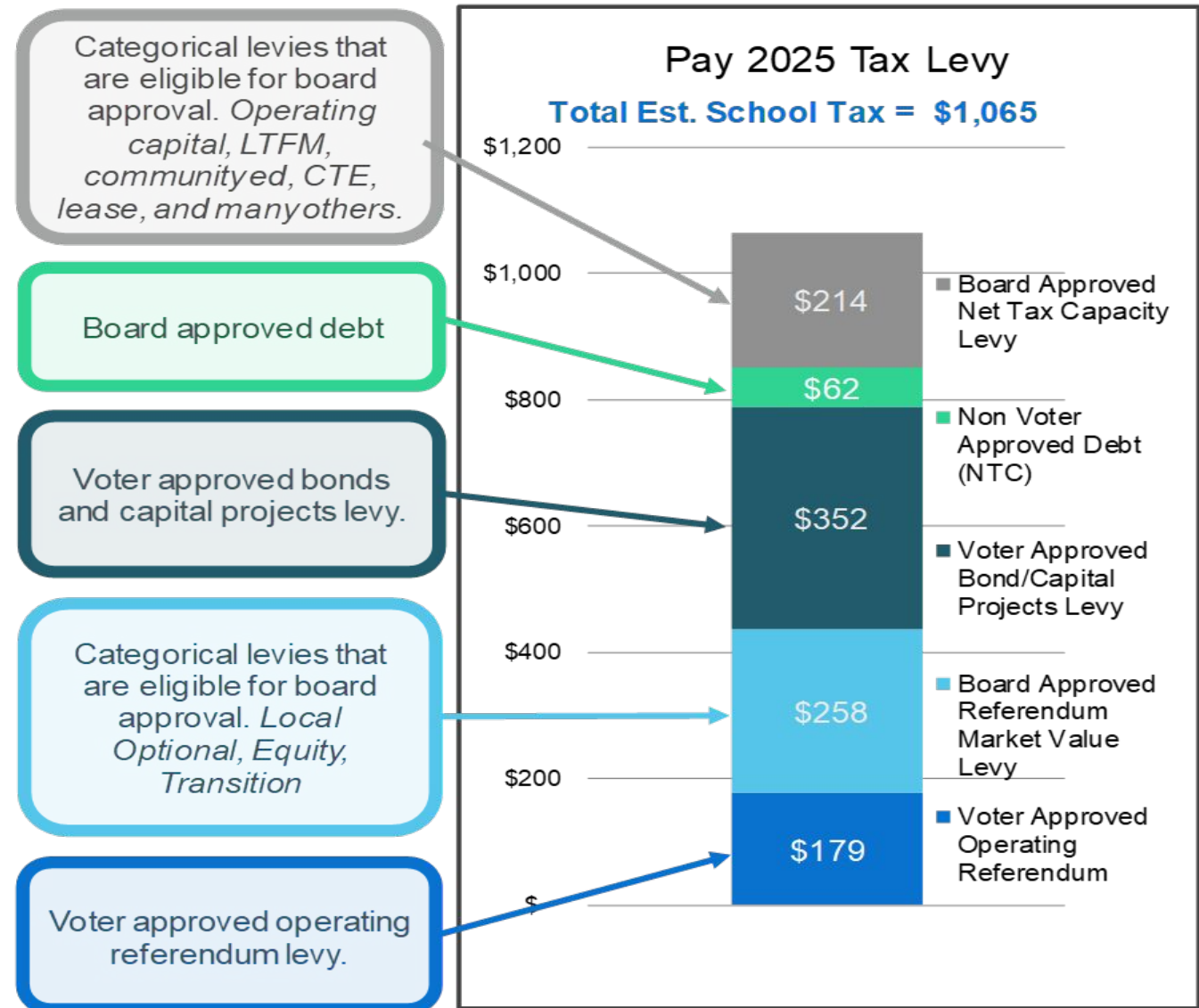
Types of Property	Pay 2024 Value	Pay 2025 Est. Value	Pay 2024	Pay 2025	\$ Change	% Change
Residential Homestead (Value Increase 2%)	\$147,100	\$150,000	\$508	\$480	(\$28)	-5.47%
	196,100	200,000	705	675	(30)	-4.31%
	245,100	250,000	903	870	(33)	-3.65%
	294,100	300,000	1,100	1,065	(36)	-3.23%
	392,200	400,000	1,495	1,454	(41)	-2.77%
	490,200	500,000	1,875	1,844	(31)	-1.65%
	588,200	600,000	2,299	2,272	(27)	-1.18%
Commercial / Industrial** (Value Increase 2%)	\$98,000	\$100,000	\$486	\$481	(\$5)	-0.97%
	245,100	250,000	1,323	1,315	(8)	-0.63%
	490,200	500,000	2,817	2,798	(19)	-0.68%
	980,400	1,000,000	5,805	5,764	(41)	-0.70%
Agricultural Homestead (Value Increase 2%)	\$6,900	\$7,000	\$4.29	\$4.22	(\$0.07)	-1.75%
	7,800	8,000	4.85	4.82	(0.03)	-0.67%
	8,800	9,000	5.47	5.42	(0.05)	-0.95%
	9,800	10,000	6.09	6.02	(0.07)	-1.17%
Agricultural Non-Homestead (Value Increase 2%)	\$6,900	\$7,000	\$8.58	\$8.43	(\$0.15)	-1.75%
	7,800	8,000	9.70	9.64	(0.06)	-0.67%
	8,800	9,000	10.95	10.84	(0.10)	-0.95%
	9,800	10,000	12.19	12.05	(0.14)	-1.17%

*Actual taxes may be lower in certain taxing districts due to Disparity Reduction Aid.

Est. Pay 2025 Tax for Residential

Estimated Pay 2025 Total School Taxes for Residential Homestead

Home Value = \$300,000



Timeline for Taxpayers

March 2024	Spring/Early Summer	November 10 -24	November 25 – December 30	March
Taxpayers received preliminary valuations notice from county for taxes payable the following year	Local and county board of appeal and equalization meetings held providing taxpayers opportunity to challenge property valuations.	Counties deliver mailed notice of proposed property taxes to each taxpayer.	School District holds Truth in Taxation meeting and certify final property tax levy for taxes payable in 2025	Taxpayers receive tax statement from counties for taxes payable in 2025

Proposed Tax Levy for taxes Payable in 2025



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 2025

THIS IS NOT A BILL. DO NOT PAY.

Step	VALUES AND CLASSIFICATION		
1	Taxes Payable Year	2024	2025
	Estimated Market Value	\$125,000	\$150,000
	Homestead Exclusion	\$	\$33,050
	Taxable Market Value	\$125,000	\$116,950
	Class	Res NHmstd	Res Hmstd
2	PROPOSED TAX		
	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 2025		

**The time to provide feedback on
PROPOSED LEVIES is NOW**

It is too late to appeal your value without going to Tax Court.

Proposed Property Taxes and Meetings by Jurisdiction for Your Property

Contact Information	Meeting Information	Actual 2024	Proposed 2025
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 5, 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

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 2025 may be higher than the proposed amount shown on this notice.

Total excluding any special assessments **\$1,341.31** **\$1,467.52** **9.4%**

Important Changes to Property Tax Law

- Homestead Market Value Exclusion is increasing for taxes payable in 2025
 - This will reduce taxes for residential homestead properties valued up to \$517,200
- Agricultural Homestead Classification Increasing
 - Limited to \$2,150,000 for taxes payable in 2024
 - Limited to \$3,500,000 for taxes payable in 2025
 - This will reduce taxes for landowners with greater than \$2,150,000 in land classified as homestead



Other Taxpayer Resources

- Minnesota Homestead Property Tax Refund
- Special Property Tax Refund Program
- Senior Citizen Property Tax Deferral
- Disable Veteran's Homestead Property Tax Exclusion
- Blind or Disabled Special Homestead Classification
- Green Acres and Rural Preserve

Levy Certification

Recommended Levy
Certification Amount

\$36,565,576.95



Public Comments