



Farmington Public Schools Truth in Taxation Hearing for Taxes Payable in 2009

December 2, 2008

Presented by:

Jeff Priess

Director of Finance



Truth in Taxation Hearings

- School district is required by law to present information on:
 - The budget for the current school year
 - The proposed property tax levy



A. 2007-08 Budget

- For our district, 5 funds:
 - General fund (includes former transportation and capital expenditure funds)
 - Food service fund
 - Community service fund
 - Building construction fund
 - Debt service fund



A. Overview of Funds

- General Fund

- Accounts for most daily operating expenses of district - everything not included in other funds; 74% of revenues for 2008-09
 - Salaries, benefits, supplies, other costs for instruction, administration, transportation, custodial services, etc.
 - Insurance, utilities, other purchased services
 - Also includes annual capital expenses



A. 2008-09 Budget by Fund

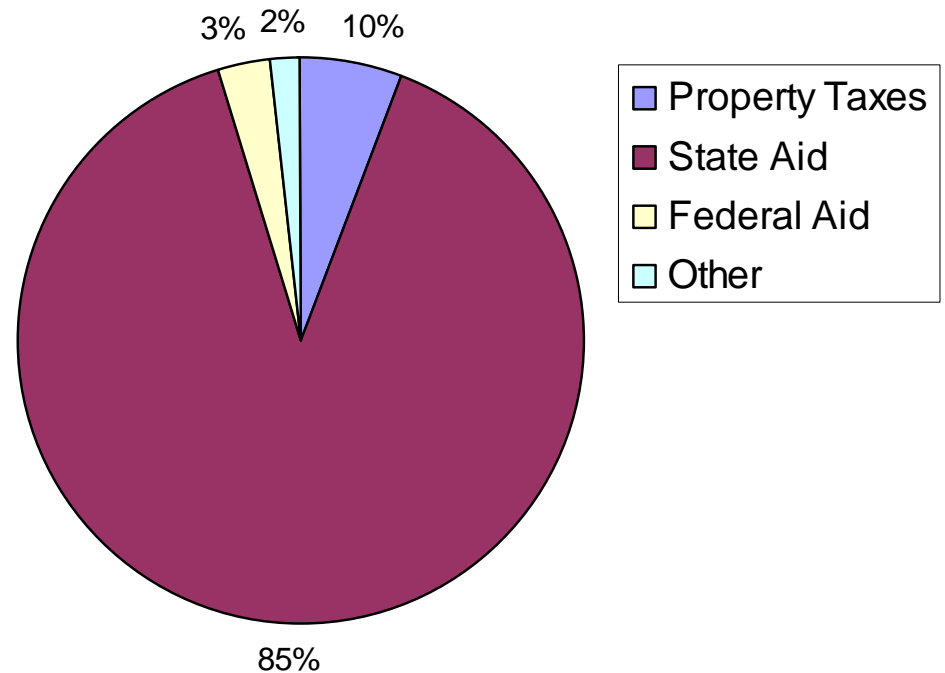
Farmington Public Schools

Fund	General	Food Service	Community Service	Building Constr.	Debt Service	Total, All Funds
Beginning Fund Balance	1,265,721	96,474	540,731	57,764,392	1,202,510	60,869,828
Revenues	57,141,809	2,492,825	3,079,551	475,000	14,442,536	77,631,721
Expenditures	55,270,785	2,475,768	3,080,938	30,750,000	14,574,719	106,152,210
Est. Ending Fund Balance	3,136,745	113,531	539,344	27,489,392	1,070,327	32,349,339

A. General Fund Budget-Revenue

2008-09 General Fund Budget Revenues by Major Source

Property Taxes	5,879,095
State Aid	48,808,011
Federal Aid	1,439,393
Other	1,015,310
Total	57,141,809





A. 2009-10 Preliminary Budget

■ General Fund Assumptions

- Education Aid formula remains at current year level.
- Special Education categorical aid is pro-rated at 85%
- Endowment (Permanent Fund) generates an additional \$36 per WADM



A. 2009-10 Preliminary Budget

- General Fund Projection

Preliminary Revenue 58,216,398

Preliminary Expense 59,452,023

Projected Shortfall 1,235,625



B. Property Tax Background

- 2008 (Payable 2009) tax levy cycle
 - Sept. – School board approved proposed levy amounts
 - Mid-November – County sent out “Proposed Property Tax Statements”
 - December 2 – Public hearing on proposed levy
 - December 8 – School board will certify final levy amounts

C. Proposed Levy Payable in 2009

Farmington School District No. 192

Comparison of Proposed Tax Levy Payable in 2009 to Actual Levy Payable in 2008

Fund	Certified Payable 2008	Proposed Payable 2009	Difference from Pay 2008
General Fund			
Referendum	3,207,776.44	3,475,484.02	267,707.58
Equity	636,570.15	685,286.89	48,716.74
Transition	28,926.44	30,759.51	1,833.07
Operating Capital	616,515.61	649,469.83	32,954.22
Alternative Teacher Compensation (Q Comp)	332,170.44	468,817.73	136,647.29
Reemployment Insurance	86,536.00	47,000.00	-39,536.00
Safe Schools	242,225.75	253,453.63	11,227.88
Career Technical	95,489.35	100,940.00	5,450.65
Health and Safety	295,788.23	501,600.62	205,812.39
Deferred Maintenance Levy	211,209.31	232,453.02	21,243.71
Lease	284,057.77	299,193.66	15,135.89
General Fund Adjustments	40,335.13	20,705.19	-19,629.94
Total General Fund	6,077,600.62	6,765,164.10	687,563.48
Community Service	270,943.99	397,005.72	126,061.73
Debt Service	12,256,286.54	13,735,649.18	1,479,362.64
Total Proposed Levy	\$18,604,831.15	\$20,897,819.00	2,292,987.85
Percent of Pay 2007			12.32%

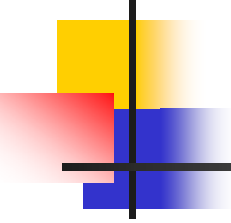


C. Levy Categories

Amounts set by voter approved or state law-

- Referendum –voter approved-school operations
- Health safety- MDE approved projects that meet funding requirements ie. (State Fire Marshall orders)
- Operating capital-Provides dollars on a combined levy/state amount per pupil unit for the maintenance of facilities
- Debt Service-dollar amount required to retire Bonded debt –

C. Proposed Levy Payable in 2009 - Overview

- 
- Total levy increased by \$2,292,987.85, or 12.32%, from 2008 to 2009
 - Most of the increase is due to existing voter-approved operating referendum and debt service (bond-referendum) and the inclusion of a 12 mil OPEB bond sale.



C. Explanation of Levy Changes

- Category: Voter Approved Debt Service
- Change: +\$732,099
- Use of funds: School building bonds-scheduled debt retirement
- Reason for increase:
 - Amortization of bonded debt is typically increased to coincide with increases in tax capacity which should provide for a relatively flat tax rate.



C. Explanation of Levy Changes

- Category: Debt Service (OPEB)
- Change: +\$743,243 12 million
- Use of funds: OPEB bond sale creates an irrevocable 'Trust Fund' with proceeds used to fund retiree health insurance costs.
 - Proceeds would provide a source of revenue for OPEB payments reducing FY10 deficit by 400K.



D Levy Tax Rates-Total School Levy

	Tax Cap.	Mkt V
■ Pay 2006	.4370	.000555
■ Pay 2007	.4419	.000568
■ Pay 2008	.4583	.001377
■ Pay 2009(Prelim)	.5046	.001365



D Levy Tax Rates-Total School Levy

■ Tax Impact Residential MV 250,000

Pay 2008 1,490

Pay 2009 Prelim 1,602

Increase \$113 7.5%



D Levy Tax Rates-Total School Levy

Remove OPEB

	Tax Cap.	Mkt V
■ Pay 2006	.4370	.000555
■ Pay 2007	.4419	.000568
■ Pay 2008	.4583	.001377
■ Pay 2009(Prelim)	.4794	.001365



D Levy Tax Rates-Total School Levy

■ Tax Impact Residential MV 250,000

Remove OPEB

Pay 2008 1,490

Pay 2009 Prelim 1,539

Increase \$50 3.3%