

Executive Summary

Prepared for Board of Trustees Meeting

July 28, 2009

Certified and Under Protest Values

Purpose of Report

The purpose of this report is to update the Board of Trustees regarding the 2009 Certified and Under Protest Values for the district.

Objectives

- Update the Board regarding the adopted budget as it relates to the Certified and Under Protest Values
- Discuss options available to the Board related to setting a tax rate for the 09-10 school year.

Operational Impact

The District's budget was based on property values of \$8,835,316,749. This was the amount posted on the Denton Central Appraisal Districts' web site as the 2008 supplement 14. This represented an increase in values of \$187,981,395 or 2.17% as compared to the 2008 Certified and Under Protest Values. The 2009 Certified and Under Protest Values were reported to be \$8,760,564,622 an increase of \$113,229,268 or 1.31% above the prior year.

General Fund – The lower values will have a minimal impact on the General Fund due to the Target Revenue method of school funding. It could impact the \$.04 of the tax rate, above the compressed rate, for an estimated cost of \$29,900. However, the budget for the General Fund is based on many other factors as well that will not be known until much later in the year.

Debt Service – The lower values represent a budget shortfall of an additional \$328,480 based on a 97.65% collection rate. However, we did receive a much larger value for the freeze values. The allocated amount for debt service increased from \$2,542,293 to \$2,896,225 or \$353,932. This results in a net increase of \$25,452 to our adopted budget for debt service.

Results

The budget was based on a proposed tax rate of \$1.49 (\$.45 for debt service and \$1.04 for Maintenance and Operations). The adopted budget does include using \$1,143,957 from the debt service fund balance to meet the current year debt service requirements. The Board may consider increasing the debt rate to eliminate the use of fund balance. Any increase to the \$1.49 proposed tax rate would require a new posting or advertisement and budget hearing.