

Joe Prom, Director of Business Services, will describe the Truth and Taxation data.

He will also explain the Payable 2013 increase of 1.6% (PowerPoint enclosed).

Joe Prom and I recommend approving the Payable 2013 Levy in the amount of \$7,665,146.

See Below



**Truth in Taxation
For Taxes Payable in 2013
December 3, 2012**

Truth in Taxation Law

Two Major Requirements

- 1) Counties must send out “proposed property tax statements” in November, based on preliminary tax levies set by all taxing jurisdictions (counties, cities, townships, school districts, etc.)
- 2) Most taxing jurisdictions must hold a hearing prior to certifying the final levy

**You are here for the
School District’s annual
required hearing**

Tax Hearing Requirements

- State law requires that we present information on the current year budget and actual revenue and expenses for the prior year
- State law also requires that we present information on the proposed property tax levy
- District must also allow for public comments

Prior Year(2011-12) Activity-General Fund

Fund	6/30/11 Audited Fund Balance	2011-12 Activity			6/30/12 Audited Fund Balance
		Revenues & Other Sources	Expenditures & Other Uses	Variance	
General Fund Total	\$ 937,938	\$ 24,830,841	\$ 24,730,824	\$ 100,017	\$ 1,037,955
Less: Capital Reserves					
Health & Safety	\$ 27,910	\$ 338,040	\$ 247,810	\$ 90,230	\$ 118,140
Operating Capital	\$ 141,882	\$ 1,574,101	\$ 1,689,375	\$ (115,274)	\$ 26,608
Deferred Maintenance	\$ 20,810	\$ 134,662	\$ 148,676	\$ (14,014)	\$ 6,796
Total Capital Reserves	\$ 190,602	\$ 2,046,803	\$ 2,085,861	\$ (39,058)	\$ 151,544
Assigned Fund Balances	\$ 120,396	\$ 186,633	\$ 167,413	\$ 19,220	\$ 139,616
Non-Spendable Fund Balances	\$ 53,346	\$ 151,879	\$ 53,346	\$ 98,533	\$ 151,879
General Fund Unassigned	\$ 573,594	\$ 22,445,526	\$ 22,424,204	\$ 21,322	\$ 594,916

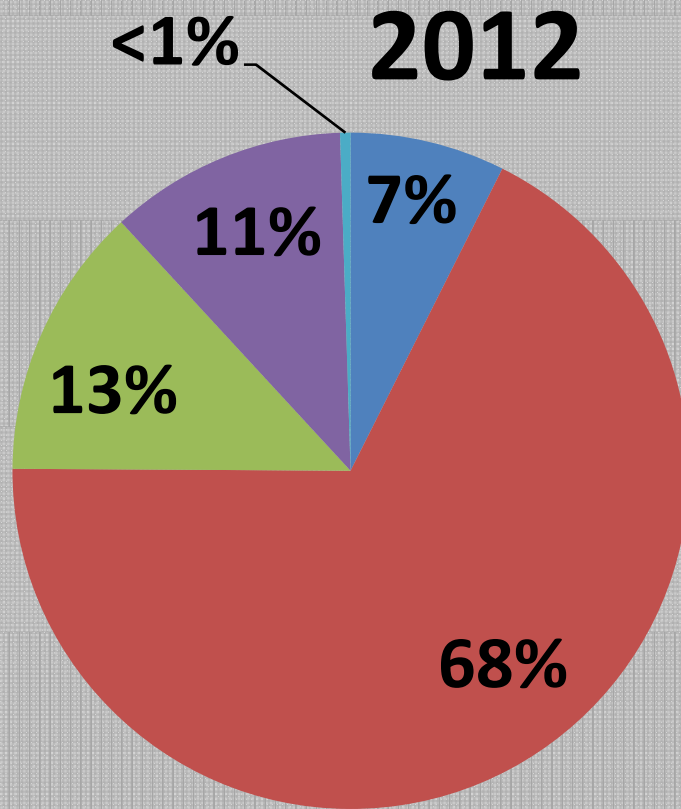
Prior Year(2011-12) Activity by Fund

Fund	6/30/11 Audited Fund Balance	2011-12 Activity			6/30/12 Audited Fund Balance
		Revenues & Other Sources	Expenditures & Other Uses	Variance	
General Fund Total	\$ 937,938	\$ 24,830,841	\$ 24,730,824	\$ 100,017	\$ 1,037,955
Food Service Fund	\$ 296,132	\$ 1,146,550	\$ 1,161,995	\$ (15,445)	\$ 280,687
Unreserved	\$ (8,436)	\$ 10,743	\$ 8,370	\$ 2,373	\$ (6,063)
Reserved for Community Ed	\$ (136,049)	\$ 584,465	\$ 565,264	\$ 19,201	\$ (116,848)
Reserved for ECFE	\$ 32,108	\$ 163,690	\$ 158,331	\$ 5,359	\$ 37,467
Reserved for School Readiness	\$ 23,312	\$ 117,281	\$ 117,940	\$ (659)	\$ 22,653
Community Service Fund	\$ (89,065)	\$ 876,179	\$ 849,905	\$ 26,274	\$ (62,791)
Building Construction Fund	\$ -	\$ 2,988,633	\$ 919,473	\$ 2,069,160	\$ 2,069,160
Debt Service Fund	\$ 715,408	\$ 17,001,877	\$ 17,208,039	\$ (206,162)	\$ 509,246
Total All Funds	\$ 1,860,413	\$ 46,844,080	\$ 44,870,236	\$ 1,973,844	\$ 3,834,257

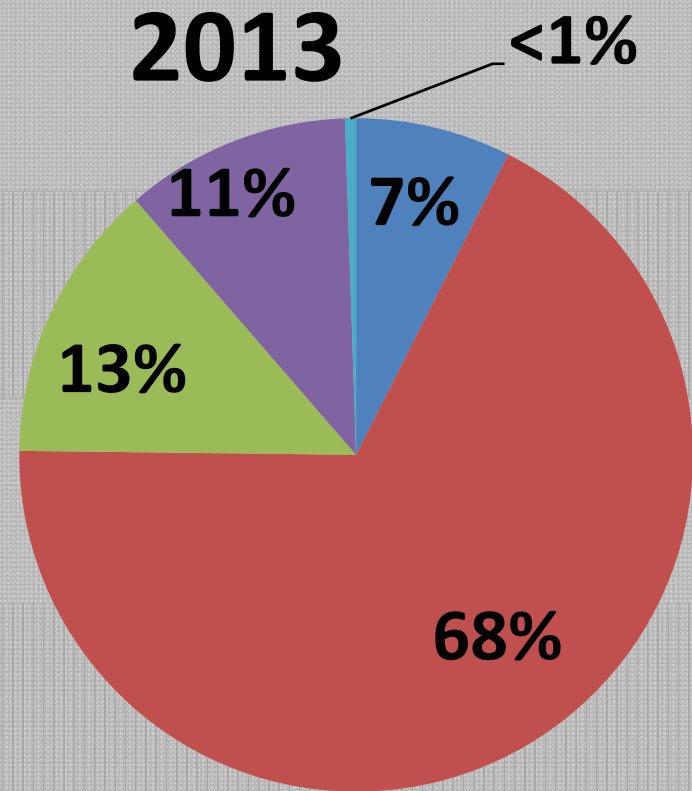
Current Year (2012-13) Budget by Fund

Fund	6/30/12 Audited Fund Balance	2012-13 Original Budget			6/30/13 Proj. Ending Fund Balance
		Revenues	Expenditures	Variance	
General Fund Total	\$ 1,037,955	\$ 24,260,835	\$ 24,325,381	\$ (64,546)	\$ 973,409
Less: Capital Reserves					
Health & Safety	\$ 118,140	\$ 110,054	\$ 200,500	\$ (90,446)	\$ 27,694
Operating Capital	\$ 26,608	\$ 1,012,796	\$ 1,012,629	\$ 167	\$ 26,775
Deferred Maintenance	\$ 6,796	\$ 141,057	\$ 141,057	\$ -	\$ 6,796
Total Capital Reserves	\$ 151,544	\$ 1,263,907	\$ 1,354,186	\$ (90,279)	\$ 61,265
Assigned Fund Balances	\$ 139,616	\$ 107,900	\$ 107,900	\$ -	\$ 139,616
Non-Spendable Fund Balances	\$ 151,879	\$ -	\$ -	\$ -	\$ 151,879
General Fund Unassigned	\$ 594,916	\$ 22,889,028	\$ 22,863,295	\$ 25,733	\$ 620,649
Food Service Fund	\$ 280,687	\$ 1,191,500	\$ 1,190,585	\$ 915	\$ 281,602
Community Service Fund	\$ (62,791)	\$ 897,423	\$ 881,653	\$ 15,770	\$ (47,021)
Building Construction Fund	\$ 2,069,160	\$ -	\$ 2,069,160	\$ (2,069,160)	\$ -
Debt Service Fund	\$ 509,246	\$ 3,481,331	\$ 3,444,574	\$ 36,757	\$ 546,003
Total All Funds	\$ 3,834,257	\$ 29,831,089	\$ 31,911,353	\$ (2,080,264)	\$ 1,753,993

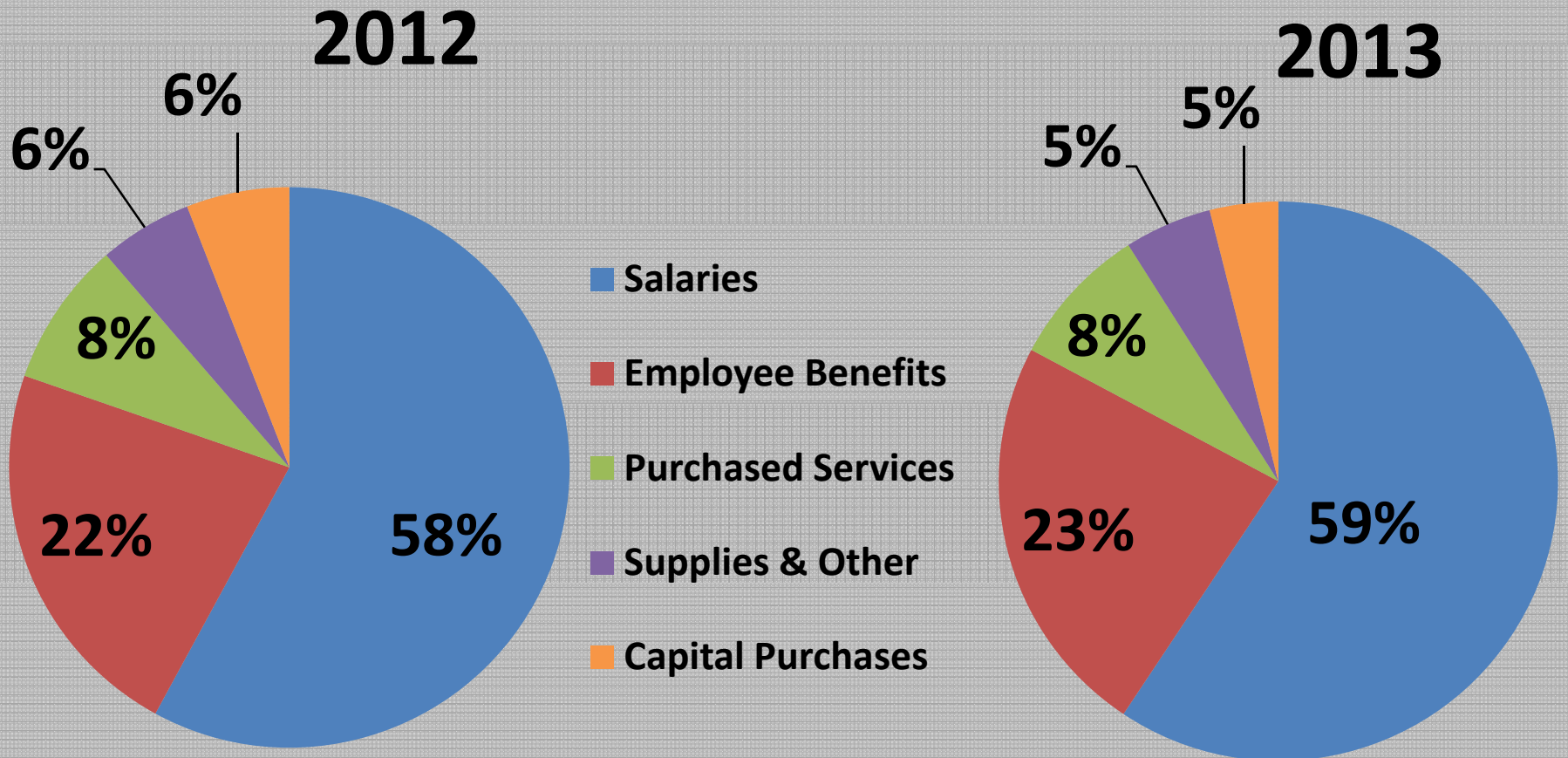
General Fund Expenditures by Program



- Admin and District Support
- Instruction
- Student Support
- Maintenance
- Other

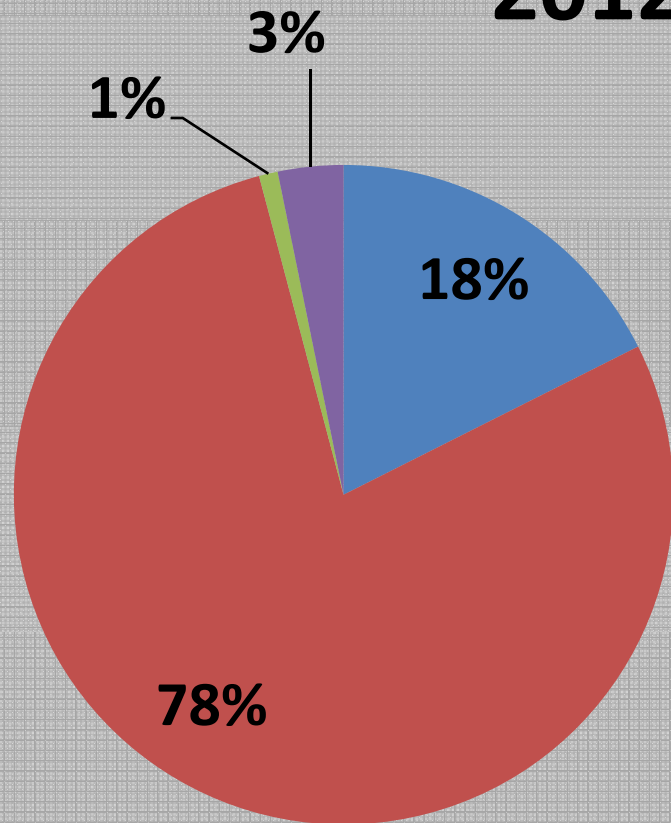


General Fund Expenditures by Category

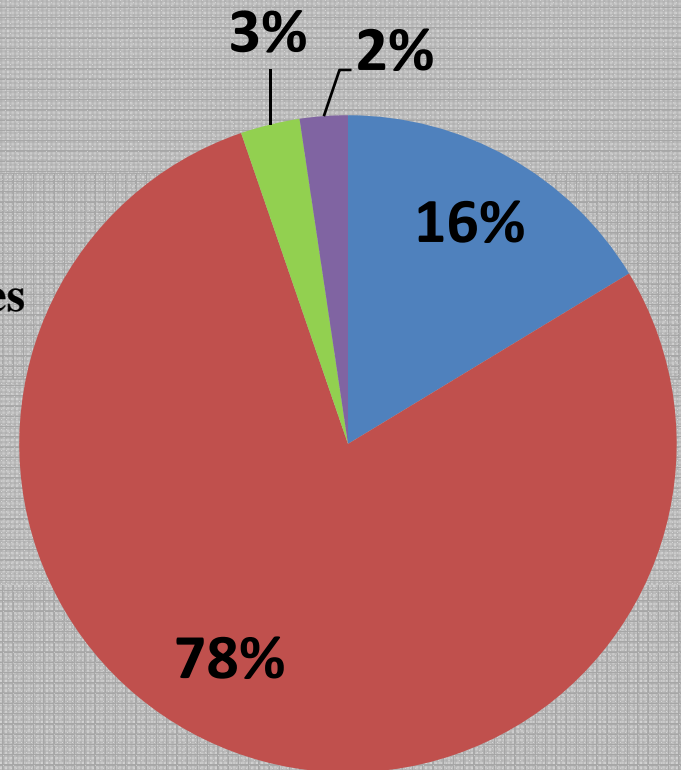


General Fund Revenue % by Major Source

2012



2013



- Local Property Taxes
- State Sources
- Federal Sources
- Other

General Education Funding

Formula Allowance

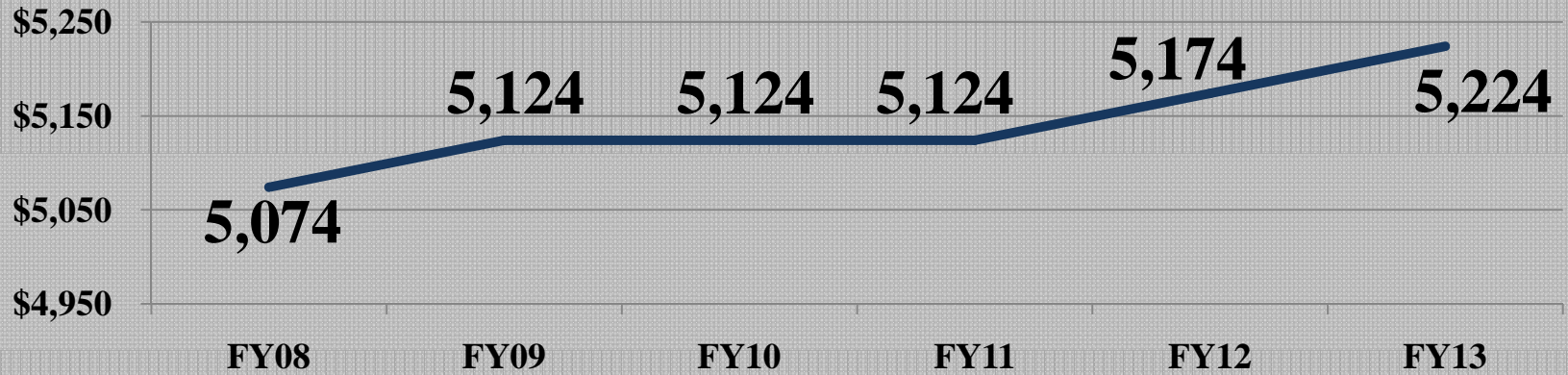
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Students

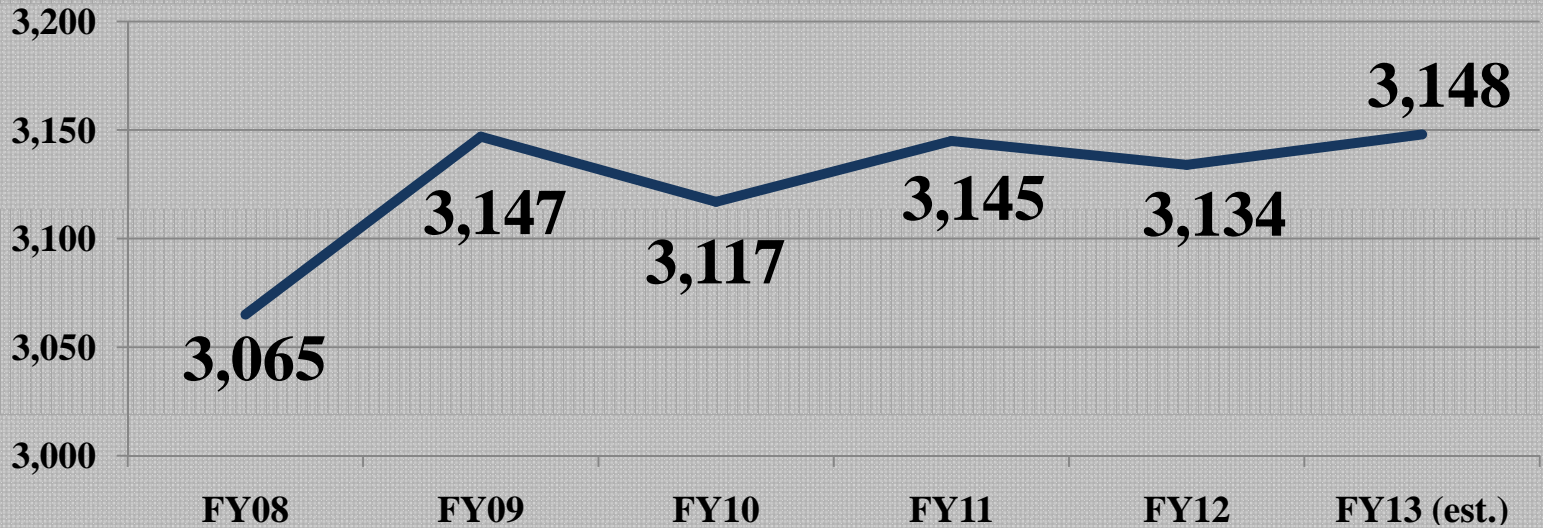
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Revenue

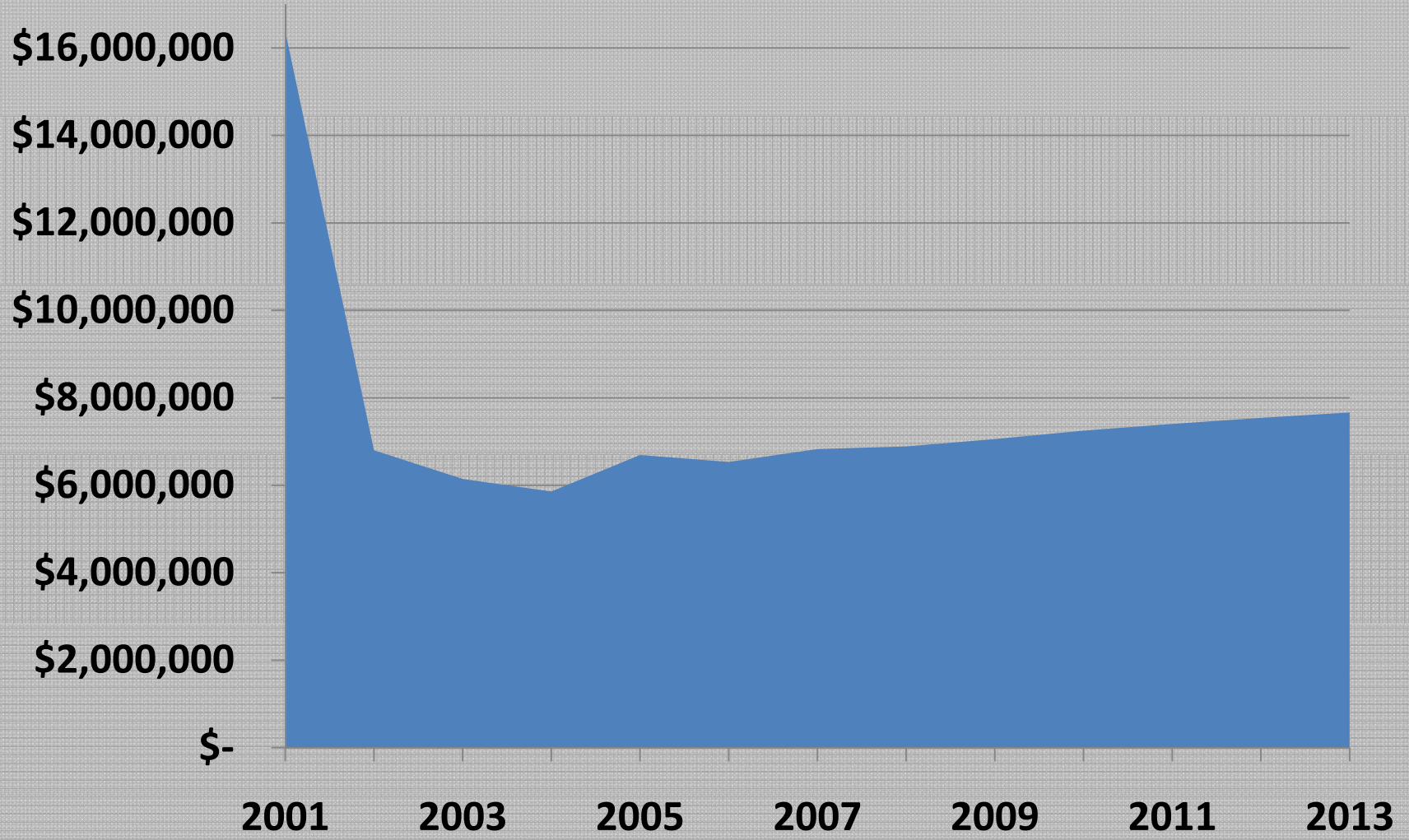
Formula Allowance



Becker Students



Becker Levy Trend



How Are Levy Amounts Determined?



How Are Levy Amounts Determined?

- **Legislature** sets formulas to determine levy limits. Various levies are based on Market Value, Tax Capacity, Enrollment, Spending & Other Factors
- **MN Dept of Ed** calculates levy limits for each District, based on these formulas.
- **Board of Education** adopts proposed levy in September; final levy (approved in December) cannot exceed this amount, except for voter-approved levies.

Payable 2013 Proposed Levy

All Funds

	ACTUAL 2011 PAY 2012	PROPOSED 2012 PAY 2013	DOLLAR DIFFERENCE	% Change
General Fund	\$ 3,865,485	\$ 3,840,240	\$ (25,245)	-0.65%
Community Education Fund	201,587	205,229	3,642	1.81%
Debt Service Fund	<u>3,474,831</u>	<u>3,619,677</u>	<u>144,846</u>	4.17%
TOTAL PROPOSED LEVY	\$ 7,541,903	\$ 7,665,146	\$ 123,243	1.63%

General Fund Levy Changes

Overall Change is decrease of \$25,245

Reemployment Levy: Decreased \$36,015. Amount of levy was adjusted for actual unemployment insurance paid in 2010-11. Will increase next year because of high expenses in 2011-12.

Health & Safety: Increased \$59,852. Levy is based on projects approved by MDE; adjusted annually for historical funding.

Operating Referendum Levies: Decreased \$44,655. Adjusted annually based on enrollment projections.

All other General Fund: Decreased \$4,427. Changes based on various factors (enrollment, tax capacity, inflation, etc.).

Community Education Levy Changes

Overall Change is increase of \$3,642

Early Childhood Levy: Increased \$3,499 based on net tax capacity increase and increase in state formula.

Debt Service Levy Changes

Overall Change is increase of \$144,846

- Levy in debt service fund is based on Principal & Interest Payments of Bonds Outstanding
- Increase in current year is the result of refunding bonds issued in 2011-12 to save in excess of \$1.8 million over 10 years.

How is MY Property Tax Determined?



How is MY Property Tax Determined?

- 1) **County Assessor** determines market value for each parcel of property
- 2) **MN Legislature** sets the formulas for Tax Capacity. Formulas determine how the tax burden falls on different types of property (Residential, Commercial, Ag, etc.)
- 3) **County Auditor** calculates the tax capacity for each parcel based on Steps 1 & 2
- 4) **County Auditor** divides the total levy by total tax capacity of the District to determine tax rate needed. Tax Rate is multiplied by each property's tax capacity*.

*Certain levies are spread based on the Market Value rather than the Tax Capacity

Who can I contact for answers?

District Specific Levy Questions:

Joe Prom, Director of Business Services – Becker Public Schools

jprom@becker.k12.mn.us

(763) 261-4502

Questions Regarding your Property Tax:

Sherburne County Assessor's Office

assessor@co.sherburne.mn.us

(763) 241-2880

Any Questions?

