



**Becker Public Schools**

Preparing self-directed learners to thrive in a changing global community

# Truth in Taxation

For Taxes Payable in 2017

December 5, 2016



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## **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 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 revenues and expenses for prior year
- State law also requires that we present information on the proposed property tax levy
- District must also allow for public comments

# 2015-16 General Fund Results

Fund	6/30/15 Audited Fund Balance	Revenues	Expenditures	Other Financing Sources	Variance	6/30/16 Audited Fund Balance
<b>General Fund</b>	\$ 561,961	\$ 28,167,384	\$ 28,514,021	\$ 286,085	\$ (60,552)	\$ 501,409
<b>Less: Capital Reserves</b>						
Health & Safety	\$ (388,332)	\$ 518,061	\$ 592,341	\$ -	\$ (74,280)	\$ (462,612)
Operating Capital	\$ -	\$ 1,057,053	\$ 1,311,683	\$ 259,037	\$ 4,407	\$ 4,407
Deferred Maintenance	\$ 13,322	\$ 145,330	\$ 172,065	\$ -	\$ (26,735)	\$ (13,413)
<b>Total Capital Reserves</b>	<b>\$ (375,010)</b>	<b>\$ 1,720,444</b>	<b>\$ 2,076,089</b>	<b>\$ 259,037</b>	<b>\$ (96,608)</b>	<b>\$ (471,618)</b>
Assigned Fund Balances	\$ 221,486	\$ 258,181	\$ 230,333	\$ -	\$ 27,848	\$ 249,334
Non-Spendable Fund Balances	\$ 240,140	\$ -	\$ 87,138	\$ -	\$ (87,138)	\$ 153,002
<b>General Fund Unassigned</b>	<b>\$ 475,345</b>	<b>\$ 26,188,759</b>	<b>\$ 26,120,461</b>	<b>\$ 27,048</b>	<b>\$ 95,346</b>	<b>\$ 570,691</b>

# 2015-16 Results (All Funds)

Fund	6/30/15 Audited Fund Balance	Revenues	Expenditures	Other Financing Sources	Variance	6/30/16 Audited Fund Balance
General Fund	\$ 561,961	\$ 28,167,384	\$ 28,514,021	\$ 286,085	\$ (60,552)	\$ 501,409
Food Service Fund	\$ 45,480	\$ 1,283,327	\$ 1,334,686	\$ -	\$ (51,359)	\$ (5,879)
Community Service Fund	\$ 126,573	\$ 1,067,440	\$ 998,286	\$ -	\$ 69,154	\$ 195,727
Building Construction Fund	\$ 892,838	\$ 42,064	\$ 934,902	\$ -	\$ (892,838)	\$ -
Debt Service Fund	\$ 235,934	\$ 3,344,340	\$ 3,450,231	\$ -	\$ (105,891)	\$ 130,043
<b>Total All Funds</b>	<b>\$ 1,862,786</b>	<b>\$ 33,904,555</b>	<b>\$ 35,232,126</b>	<b>\$ 286,085</b>	<b>\$ (1,041,486)</b>	<b>\$ 821,300</b>

# 2016-17 General Fund Original Budget

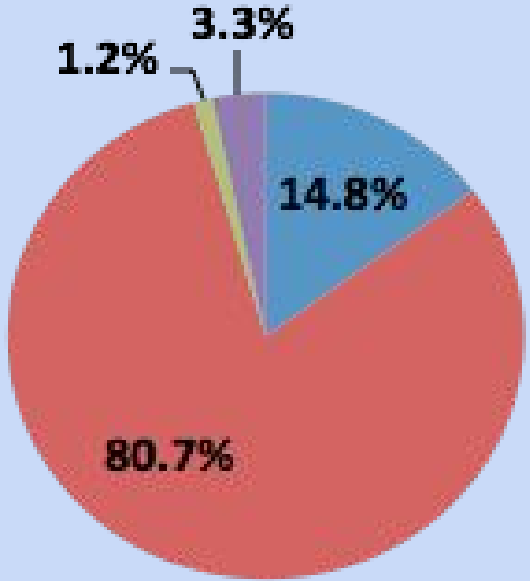
Fund	6/30/16 Audited Fund Balance	Revenues	Expenditures	Other Financing Sources	Variance	6/30/17 Proj. Ending Fund Balance
<b>General Fund</b>	\$ 501,409	\$29,727,871	\$ 28,556,106	\$ 427,000	\$1,598,765	\$ 2,100,174
<b>Less: Capital Reserves</b>						
Health & Safety	\$ (462,612)	\$ 384,692	\$ -	\$ -	\$ 384,692	\$ (77,920)
Operating Capital	\$ 4,407	\$ 1,096,443	\$ 1,510,905	\$ 427,000	\$ 12,538	\$ 16,945
Long-Term Facilities Maint	\$ (13,413)	\$ 465,405	\$ 440,000	\$ -	\$ 25,405	\$ 11,992
<b>Total Capital Reserves</b>	<b>\$ (471,618)</b>	<b>\$ 1,946,540</b>	<b>\$ 1,950,905</b>	<b>\$ 427,000</b>	<b>\$ 422,635</b>	<b>\$ (48,983)</b>
Assigned Fund Balances	\$ 249,334	\$ 228,000	\$ 215,000	\$ -	\$ 13,000	\$ 262,334
Non-Spendable Fund Balances	\$ 153,002	\$ -	\$ -	\$ -	\$ -	\$ 153,002
<b>General Fund Unassigned</b>	<b>\$ 570,691</b>	<b>\$27,553,331</b>	<b>\$ 26,390,201</b>	<b>\$ -</b>	<b>\$1,163,130</b>	<b>\$ 1,733,821</b>

# 2016-17 Original Budget (All Funds)

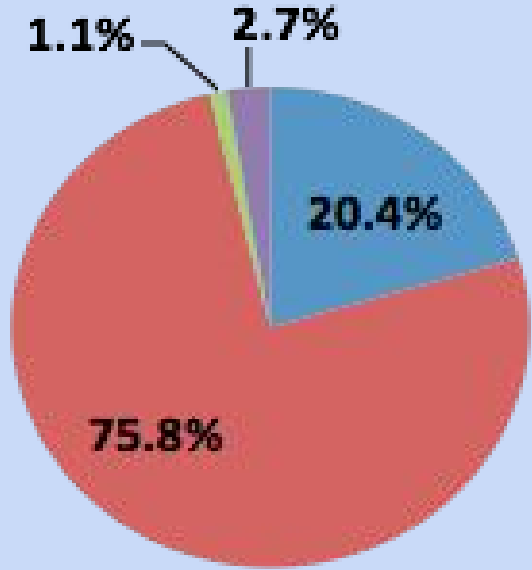
Fund	6/30/16 Audited Fund Balance	Revenues	Expenditures	Other Financing Sources	Variance	6/30/17 Proj. Ending Fund Balance
General Fund	\$ 501,409	\$29,727,871	\$ 28,556,106	\$ 427,000	\$1,598,765	\$ 2,100,174
Food Service Fund	\$ (5,879)	\$ 1,315,500	\$ 1,311,899	\$ -	\$ 3,601	\$ (2,278)
Community Service Fund	\$ 195,727	\$ 1,103,840	\$ 1,060,086	\$ -	\$ 43,754	\$ 239,481
Debt Service Fund	\$ 122,710	\$ 3,593,874	\$ 3,449,757	\$ -	\$ 144,117	\$ 266,827
<b>Total All Funds</b>	<b>\$ 813,967</b>	<b>\$35,741,085</b>	<b>\$ 34,377,848</b>	<b>\$ 427,000</b>	<b>\$1,790,237</b>	<b>\$ 2,604,204</b>

# General Fund Revenues

## 2015-16

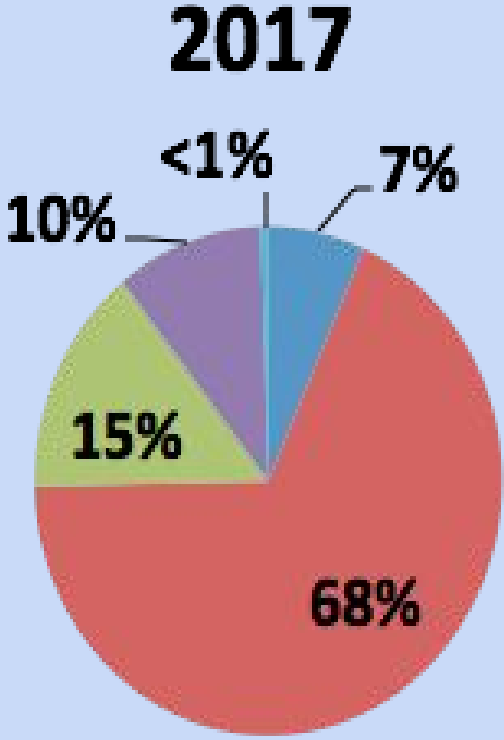
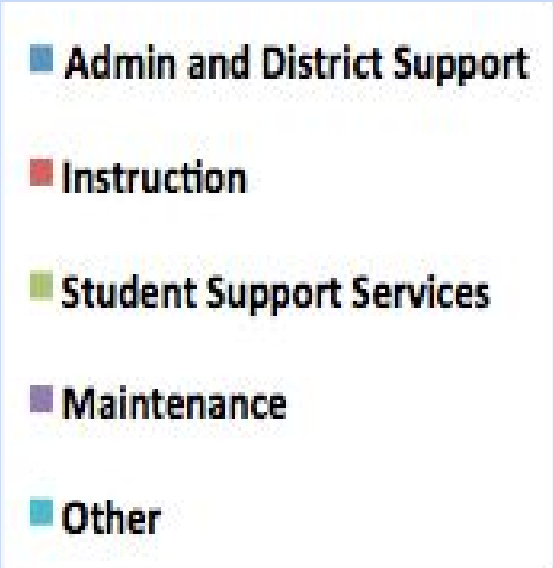
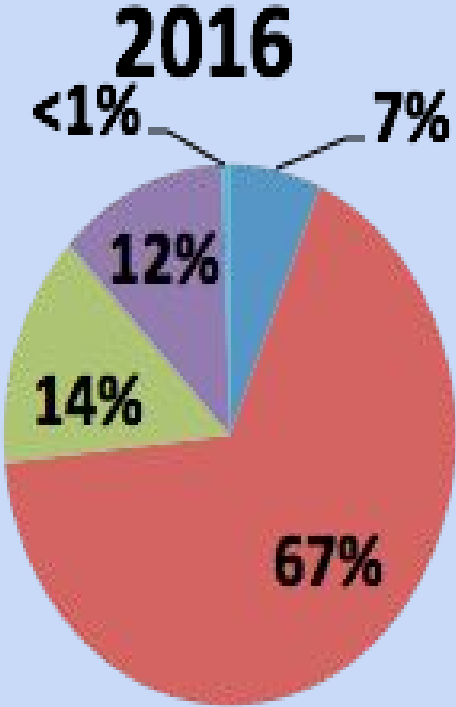


## 2016-17

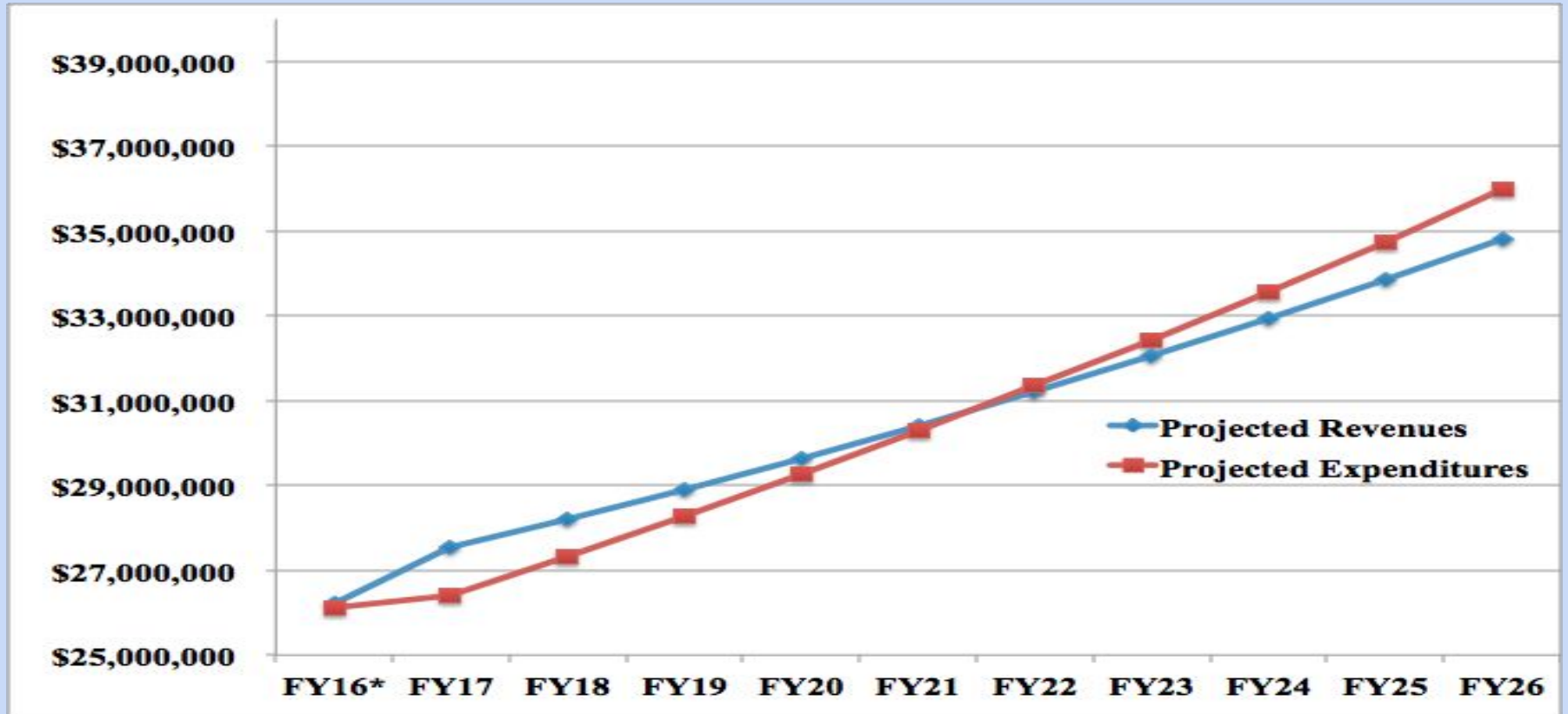




# General Fund Expenditures

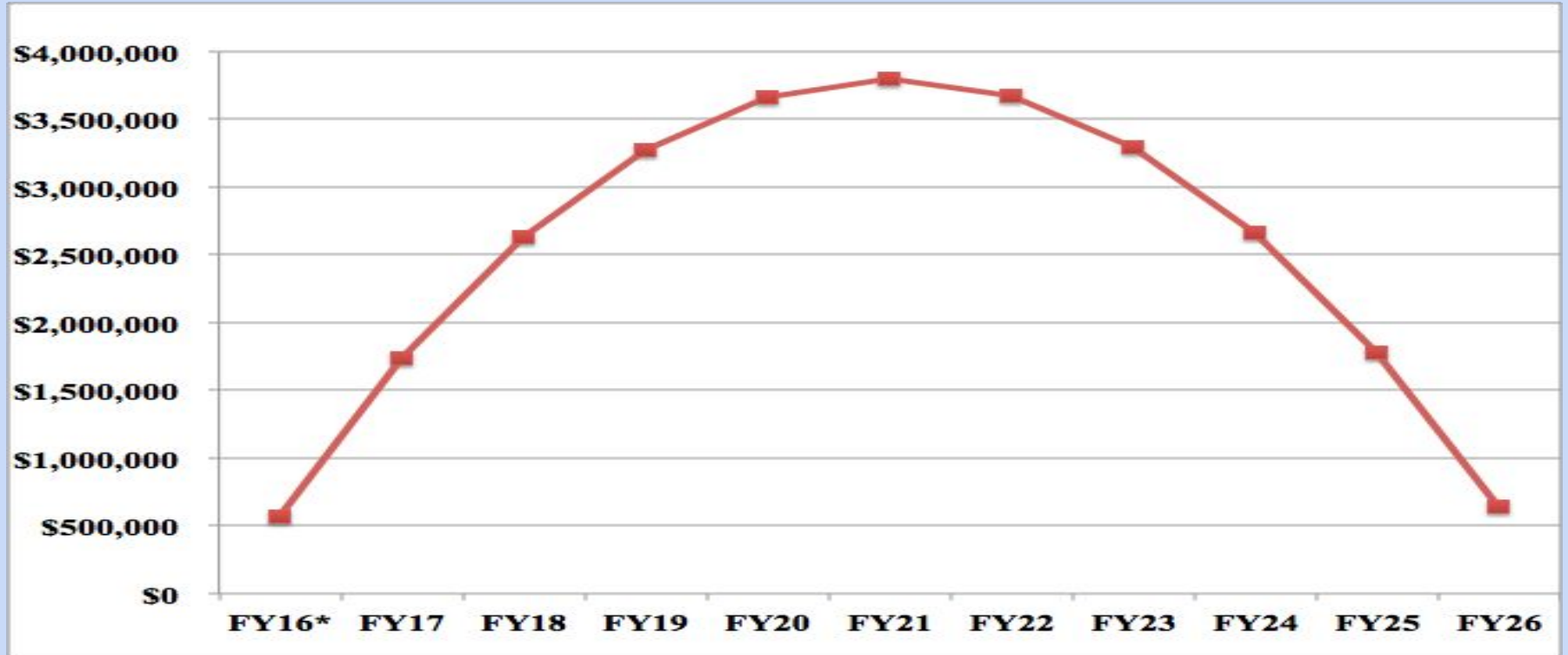


# General Fund - 10 Year Projection



\*Actual

# General Fund - Projected Unassigned Fund Balance



\*Actual

# General Education Funding

Formula Allowance

X

Students

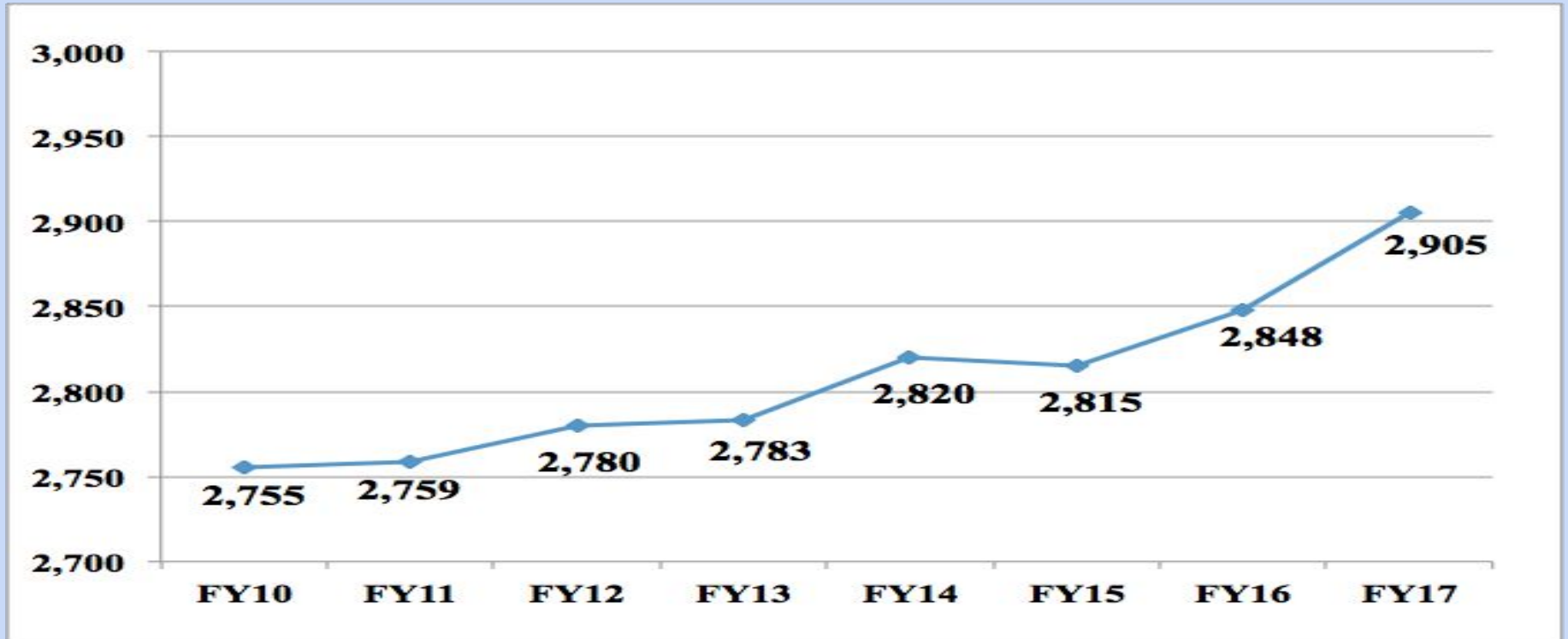
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Revenue

# Formula Allowance



# Becker Students (Oct 1)



## How Are Levy Amounts Determined?

- **Legislature** sets formulas in statute to determine levy limits.
- **Mn Dept of Ed** calculates levy limits for each District, based on these formulas.
- **Board of Education** adopts proposed levy in September; final levy cannot exceed this, except for voter-approved levies.

## Payable 2017 Proposed Levy - All Funds

	<b>ACTUAL</b>	<b>PROPOSED</b>	<b>DOLLAR</b>	<b>%</b>
	<b>2015 PAY 2016</b>	<b>2016 PAY 2017</b>	<b>DIFFERENCE</b>	<b>Change</b>
<b>General Fund</b>	\$ 5,916,455	\$ 5,917,921	\$ 1,466	0.02%
<b>Community Education Fund</b>	201,754	203,368	\$ 1,614	0.80%
<b>Debt Service Fund</b>	<u>3,593,874</u>	<u>3,583,685</u>	<u>\$ (10,189)</u>	<u>-0.28%</u>
<b>TOTAL PROPOSED LEVY</b>	\$ 9,712,083	\$ 9,704,974	\$ (7,109)	-0.07%



# General Fund Levy Changes

**Overall change is \$1,466 increase.**

- **Operating Referendum levies** increased by \$216,615. Result of Q1 & Q2 approval on 11/2/15 and enrollment increases.
- **Health & Safety levy** decreased by \$272,200; this is the last year of this levy.
- **Long Term Facilities Maintenance (LTFM) levy** increased by \$132,241; replaces Health & Safety & Deferred Maintenance levies.
- **Operating Capital levy** decreased by \$108,066; statutory changes shifted more of this funding to state aid.
- **All other General fund levies (9 components)** increased by \$32,876; mostly the result of increased net tax capacity.

# Community Ed Levy Changes

**Overall change is \$1,614 increase.**

- **School Age Care levy** increased \$2,811 as a result of program participation.
- **Other Community Ed levies** decreased by \$1,197 combined.

# Debt Service Levy Changes

**Overall change is \$10,189 decrease.**

- Statute requires 105% of obligations be levied; collections over 100% over time reduce levy in future years. Becker levy is no longer being reduced for excess collections.

# How is MY Property Tax Determined?

1. **County Assessor** determines market value for each parcel of property.
2. **MN Legislature** sets formulas for Tax Capacity. These formulas determine how the tax burden is split 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 questions?

## **District Specific Levy Questions:**

**Joe Prom, Director of Business Services – Becker Public Schools**

[jprom@isd726.org](mailto:jprom@isd726.org)

(763) 261-4502

## **Questions regarding your Property Value:**

**Sherburne County Assessor's Office**

[assessor@co.sherburne.mn.us](mailto:assessor@co.sherburne.mn.us)

(763) 241-2880



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**Any Questions?**

