



Becker Public Schools

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

Truth in Taxation For Taxes Payable in 2014

December 2, 2013



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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**



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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**

2012-13 General Fund Results

Fund	6/30/12	Other				6/30/13
	Audited Fund Balance	Revenues	Expenditures	Financing Sources	Variance	Audited Fund Balance
General Fund Total	\$ 1,037,955	\$ 25,140,168	\$ 25,532,416	\$ 306,351	\$ (85,897)	\$ 952,058
Less: Capital Reserves						
Health & Safety	\$ 118,140	\$ 110,054	\$ 266,497	\$ -	\$ (156,443)	\$ (38,303)
Operating Capital	\$ 26,608	\$ 1,155,493	\$ 1,417,933	\$ 306,351	\$ 43,911	\$ 70,519
Deferred Maintenance	\$ 6,796	\$ 141,057	\$ 141,847	\$ -	\$ (790)	\$ 6,006
Total Capital Reserves	\$ 151,544	\$ 1,406,604	\$ 1,826,277	\$ 306,351	\$ (113,322)	\$ 38,222
Assigned Fund Balances	\$ 139,616	\$ 300,627	\$ 251,429	\$ -	\$ 49,198	\$ 188,814
Non-Spendable Fund Balances	\$ 151,879	\$ -	\$ 49,375	\$ -	\$ (49,375)	\$ 102,504
General Fund Unassigned	\$ 594,916	\$ 23,432,937	\$ 23,405,335	\$ -	\$ 27,602	\$ 622,518

2012-13 Financial Results (All Funds)

Fund	6/30/12 Audited Fund Balance	Revenues	Expenditures	Other Financing Sources	Variance	6/30/13 Audited Fund Balance
General Fund Total	\$ 1,037,955	\$ 25,140,168	\$ 25,532,416	\$ 306,351	\$ (85,897)	\$ 952,058
Food Service Fund	\$ 280,687	\$ 1,219,513	\$ 1,218,295	\$ -	\$ 1,218	\$ 281,905
Community Service Fund						
Unreserved	\$ (6,063)	\$ 17,353	\$ 14,015	\$ -	\$ 3,338	\$ (2,725)
Reserved for Community Ed	\$ (116,848)	\$ 701,238	\$ 618,150	\$ -	\$ 83,088	\$ (33,760)
Reserved for ECFE	\$ 37,467	\$ 161,960	\$ 151,748	\$ -	\$ 10,212	\$ 47,679
Reserved for School Readiness	\$ 22,653	\$ 129,879	\$ 134,427	\$ -	\$ (4,548)	\$ 18,105
Total Community Service	\$ (62,791)	\$ 1,010,430	\$ 918,340	\$ -	\$ 92,090	\$ 29,299
Building Construction Fund	\$ 2,069,160	\$ 5,357	\$ 5,060,403	\$ 23,415,753	\$ 18,360,707	\$ 20,429,867
Debt Service Fund	\$ 509,246	\$ 3,476,105	\$ 3,444,172	\$ 154,218	\$ 186,151	\$ 695,397
Total All Funds	\$ 3,834,257	\$ 30,851,573	\$ 36,173,626	\$ 23,876,322	\$ 18,554,269	\$ 22,388,526

2013-14 General Fund Budget

Fund	6/30/13	Other				6/30/14
	Audited Fund Balance	Revenues	Expenditures	Financing Sources	Variance	Proj. Ending Fund Balance
General Fund Total	\$ 952,058	\$ 24,023,648	\$ 24,208,868	\$ 170,000	\$ (15,220)	\$ 936,838
Less: Capital Reserves						
Health & Safety	\$ (38,303)	\$ 169,908	\$ 185,600	\$ -	\$ (15,692)	\$ (53,995)
Operating Capital	\$ 70,519	\$ 1,023,455	\$ 1,193,455	\$ 170,000	\$ -	\$ 70,519
Deferred Maintenance	\$ 6,006	\$ 137,947	\$ 137,947	\$ -	\$ -	\$ 6,006
Total Capital Reserves	\$ 38,222	\$ 1,331,310	\$ 1,517,002	\$ 170,000	\$ (15,692)	\$ 22,530
Assigned Fund Balances	\$ 188,814	\$ 107,900	\$ 107,900	\$ -	\$ -	\$ 188,814
Non-Spendable Fund Balances	\$ 102,504	\$ -	\$ -	\$ -	\$ -	\$ 102,504
General Fund Unassigned	\$ 622,518	\$ 22,584,438	\$ 22,583,966	\$ -	\$ 472	\$ 622,990

2013-14 Budget (All Funds)

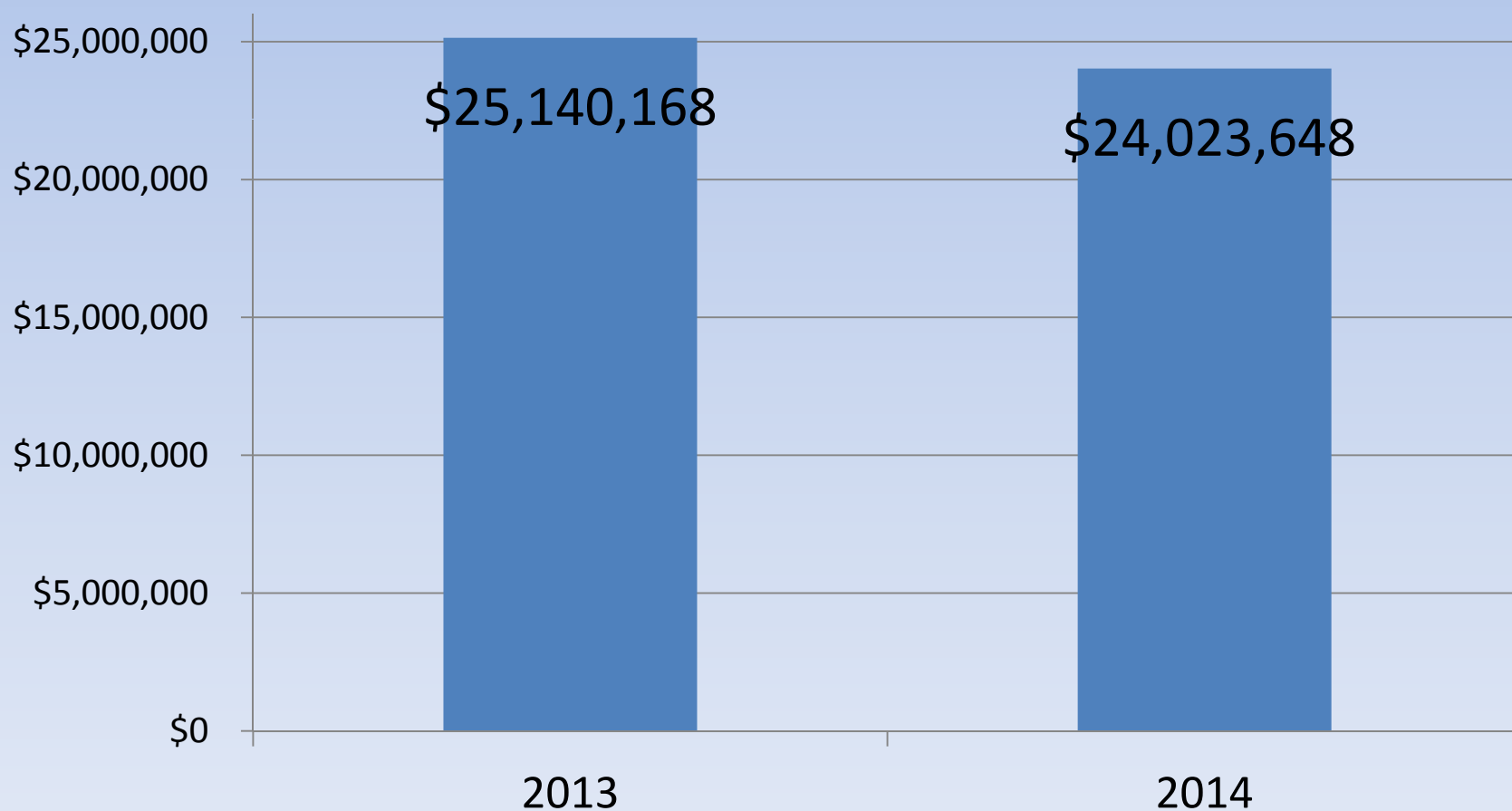
Fund	6/30/13 Audited Fund Balance	Revenues	Expenditures	Other Financing Sources	Variance	6/30/14 Proj. Ending Fund Balance
General Fund Total	\$ 952,058	\$ 24,023,648	\$ 24,208,868	\$ 170,000	\$ (15,220)	\$ 936,838
Food Service Fund	\$ 281,905	\$ 1,250,800	\$ 1,249,136	\$ -	\$ 1,664	\$ 283,569
Community Service Fund						
Unreserved	\$ (2,725)	\$ 14,580	\$ 13,341	\$ -	\$ 1,239	\$ (1,486)
Reserved for Community Ed	\$ (33,760)	\$ 672,452	\$ 642,391	\$ -	\$ 30,061	\$ (3,699)
Reserved for ECFE	\$ 47,679	\$ 159,413	\$ 158,559	\$ -	\$ 854	\$ 48,533
Reserved for School Readiness	\$ 18,105	\$ 139,480	\$ 137,939	\$ -	\$ 1,541	\$ 19,646
Total Community Service	\$ 29,299	\$ 985,925	\$ 952,230	\$ -	\$ 33,695	\$ 62,994
Building Construction Fund	\$ 20,429,867	\$ 25,000	\$ 13,500,000	\$ -	\$ (13,475,000)	\$ 6,954,867
Debt Service Fund	\$ 695,397	\$ 3,626,177	\$ 3,921,182	\$ -	\$ (295,005)	\$ 400,392
Total All Funds	\$ 22,388,526	\$ 29,911,550	\$ 43,831,416	\$ 170,000	\$ (13,749,866)	\$ 8,638,660



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General Fund Revenue Sources

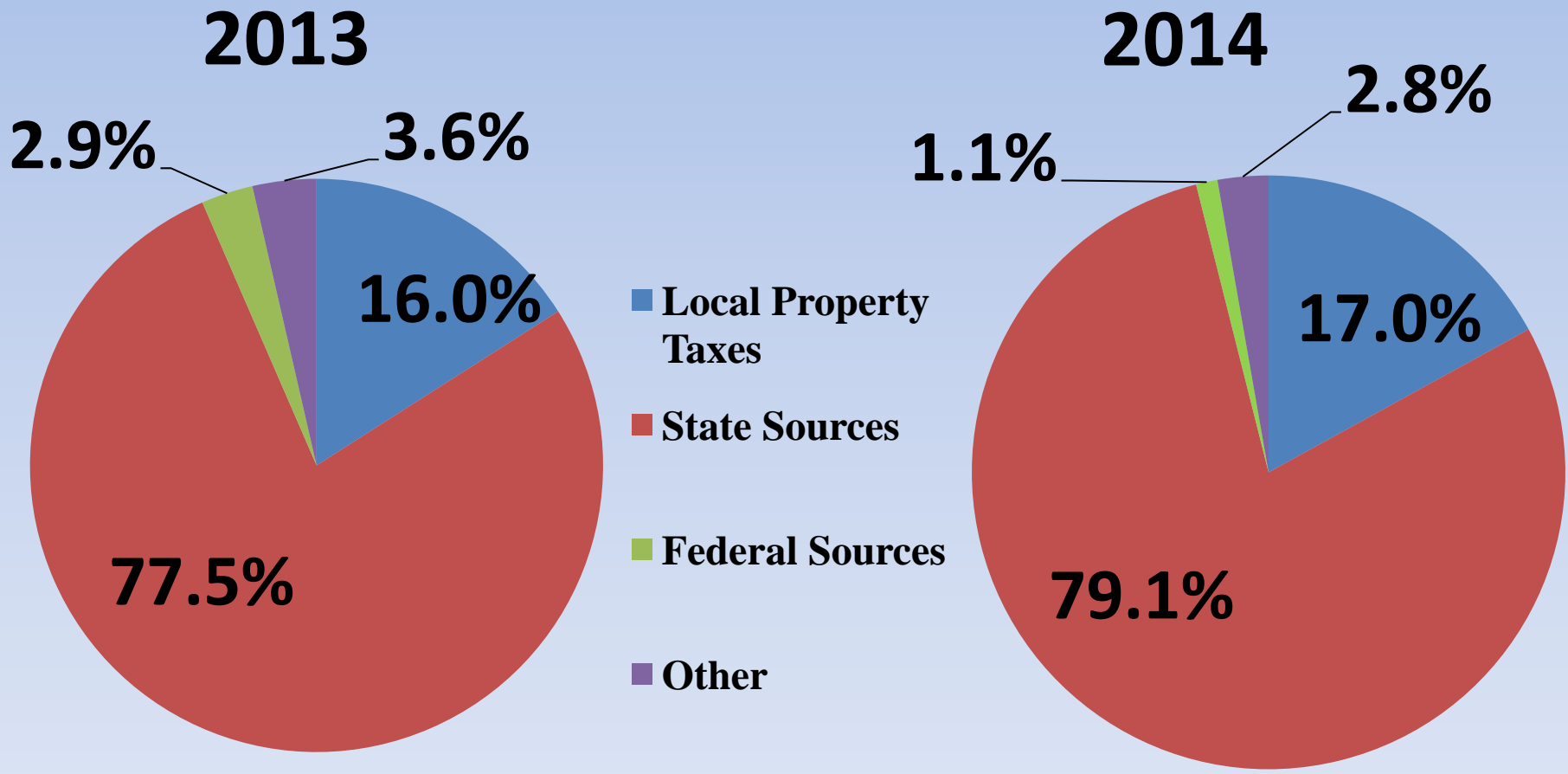


General Fund Revenue Budget

Overall change is \$1.1 M decrease

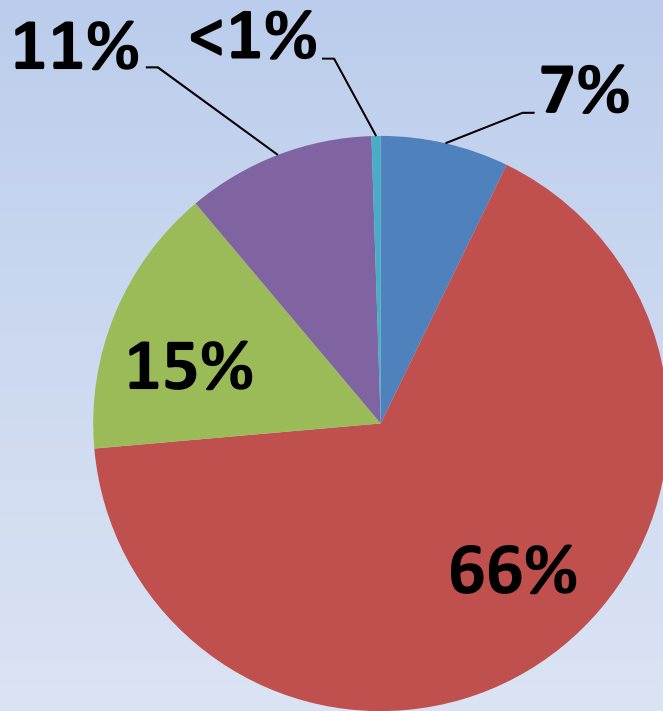
- **ED Jobs federal stimulus** funding was one-time money used in 2013 (\$475,000).
- **ADSIS and Integration** funding status was unknown when budget was set.
- **State aid** increase was assumed in the budget.
- **Special Ed** revenue for 2013 was more than originally budgeted; driven by expenditures.

General Fund Revenues

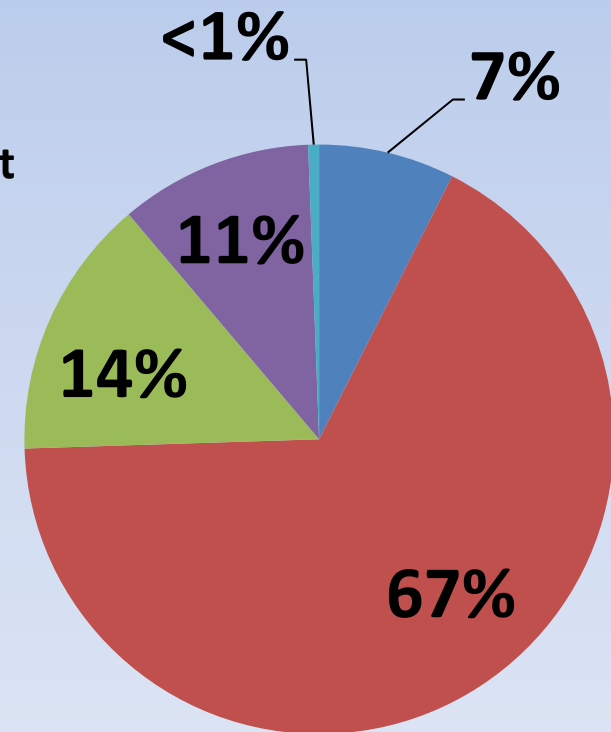


General Fund Expenditures by Program

2013

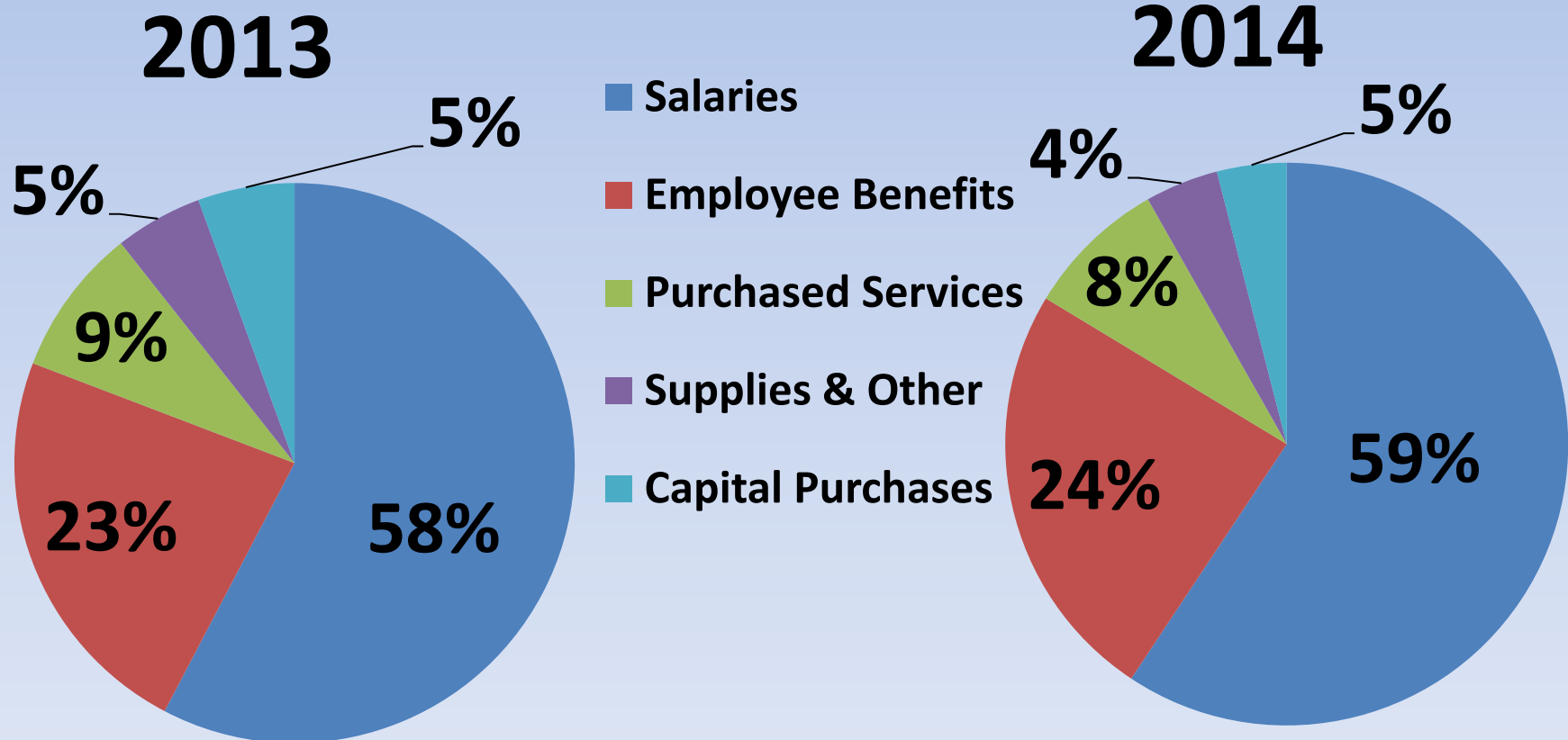


2014



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

General Fund Expenditures by Category





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General Education Funding

Formula Allowance

X

Students

=

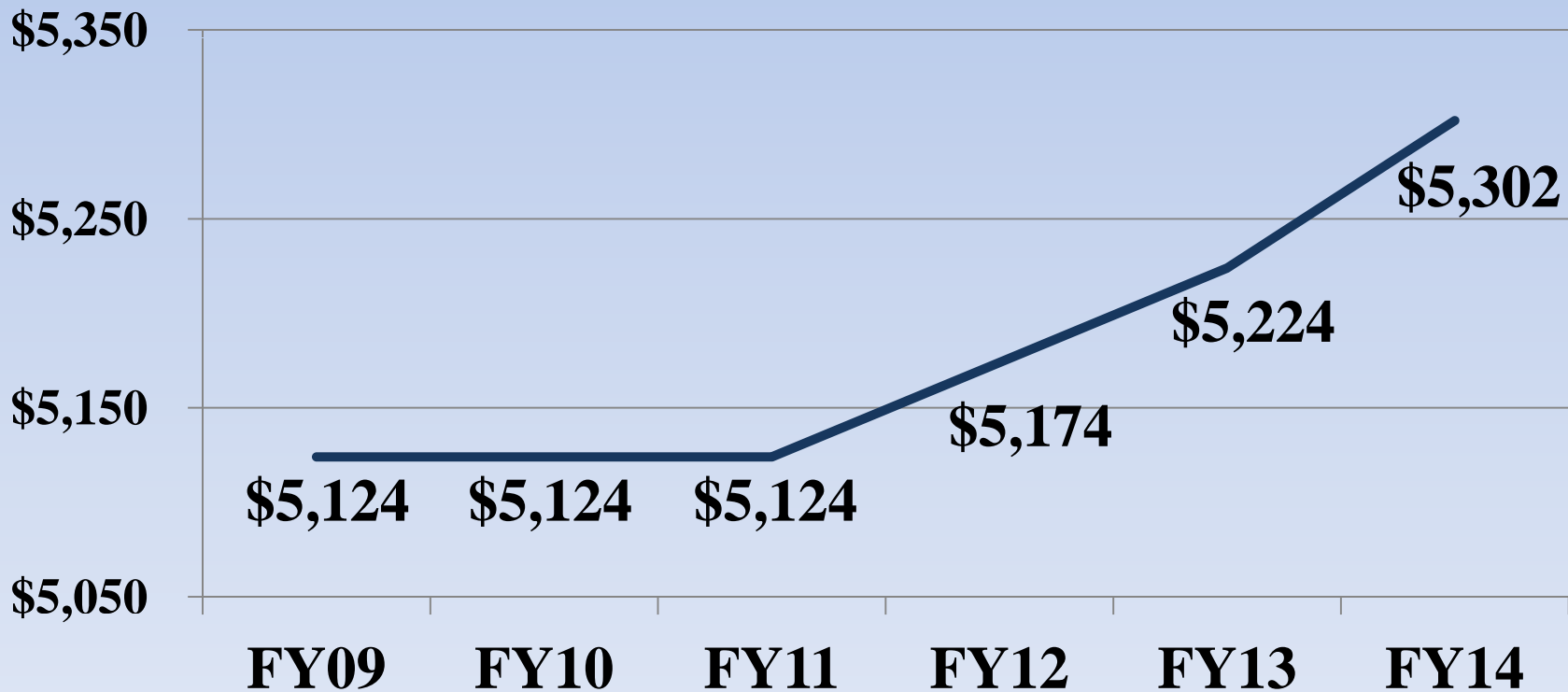
Revenue



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Formula Allowance

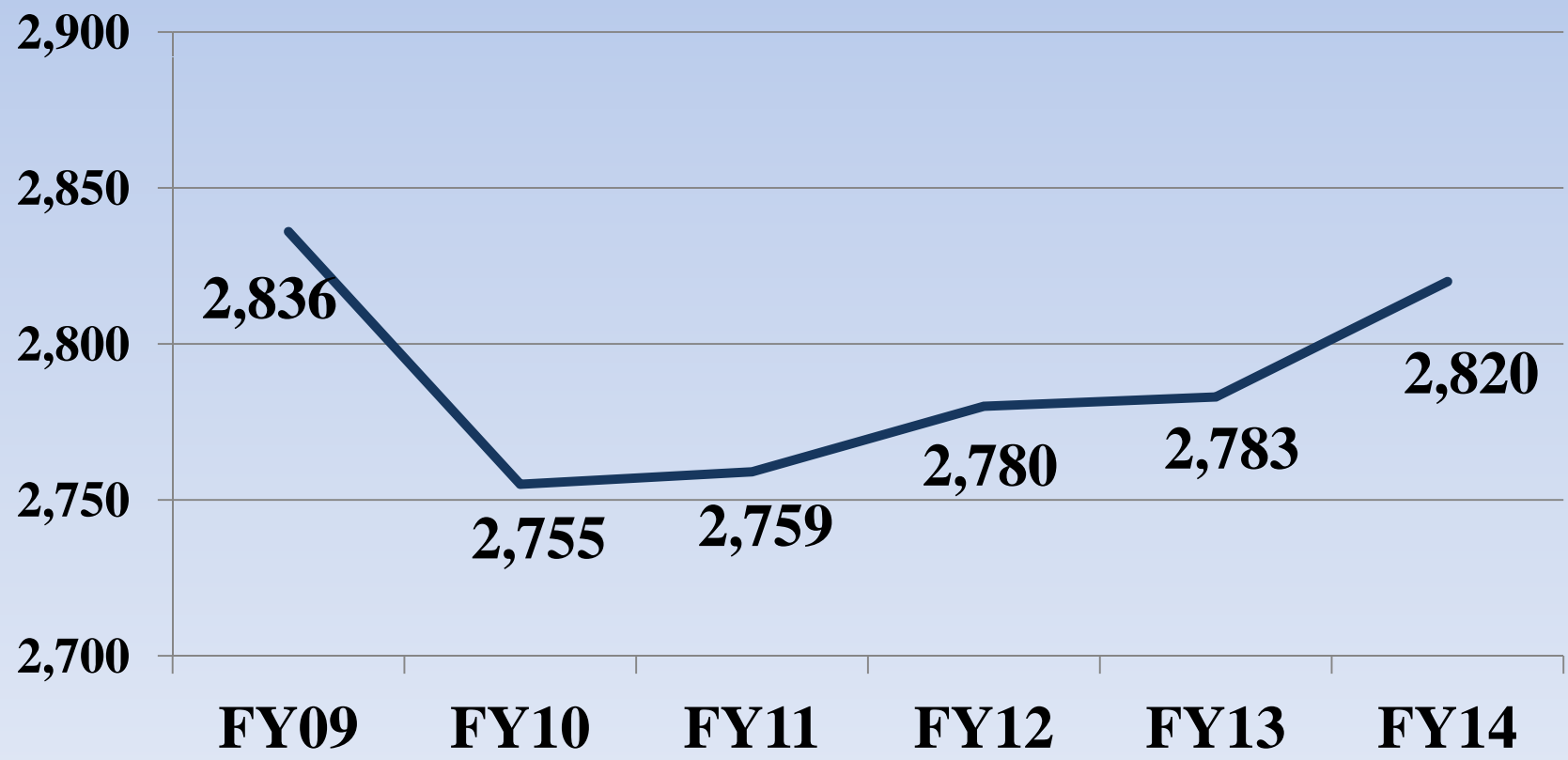




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Becker Students (Oct 1)

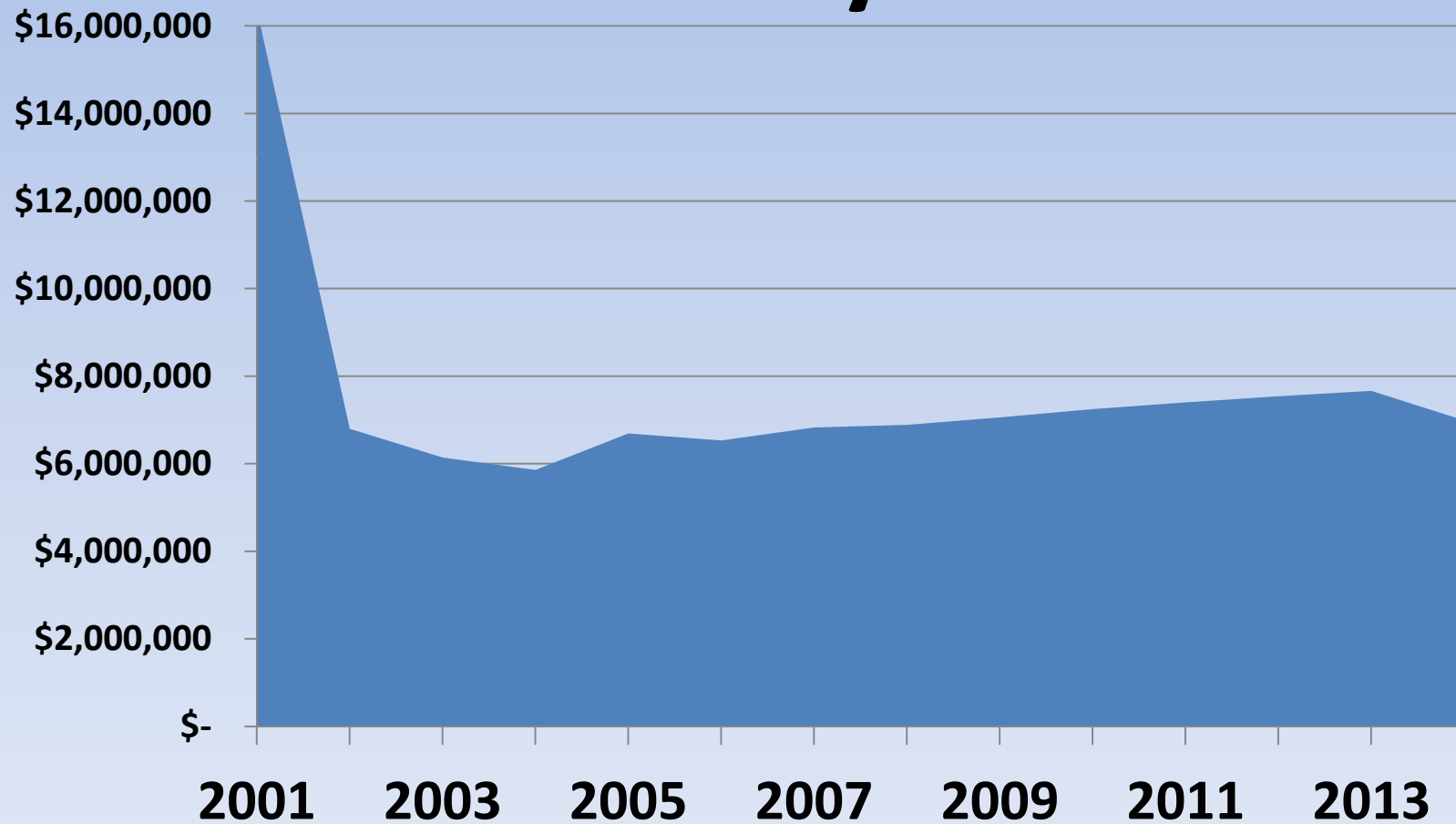




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Becker Levy Trend





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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 2013 Proposed Levy

All Funds

	ACTUAL	PROPOSED	DOLLAR	%
	2012 PAY 2013	2013 PAY 2014	DIFFERENCE	Change
General Fund	\$ 3,840,240	\$ 3,496,881	\$ (343,359)	-8.94%
Community Education Fund	205,229	208,739	3,510	1.71%
Debt Service Fund	3,619,677	3,287,188	(332,489)	-9.19%
TOTAL PROPOSED LEVY	\$ 7,665,146	\$ 6,992,808	\$ (672,338)	-8.77%

General Fund Levy Changes

Overall change is \$343,359 decrease

- **Operating Referendum levies** decreased by \$1,006,305. Offset by increases in Equity levies and Referendum Aid.
- **Equity levies** increased by \$679,929. Location Equity added in statute; \$212 per student (reduces referendum levy).
- **Student Achievement levy** was added in statute; \$73,093 for Becker. Reduces General Ed aid by corresponding amount.

General Fund Levy Changes (continued)

Overall change is \$343,359 decrease

- **Operating Capital levy** decreased by \$81,582.
Replaced by aid.
- **Integration levy** decreased \$28,325 based on new funding structure. District will also lose \$65,000 in aid.
- **All other levies combined (10 categories)** decreased by \$19,831.

Community Ed Levy Changes

Overall change is \$3,510 increase

- **Early Childhood levy** increased \$3,501 as a result of net tax capacity increase. Will be offset by aid reduction.
- **Other Community Ed levies** increased by \$9 combined.

Debt Service Levy Changes

Overall change is \$332,489 decrease

- New debt was issued for \$23,000,000 as a result of November 2012 election, replacing debt that will be paid off.
- **Reduction for Debt Excess** decreases levy by \$328,530. Statute requires 105% of obligations be levied; collections over 100% over time reduce levy in future years.

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 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 Value:

Sherburne County Assessor's Office

assessor@co.sherburne.mn.us

(763) 241-2880



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Any Questions?

