



Becker Public Schools

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

Truth in Taxation For Taxes Payable in 2016

December 7, 2015



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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**

2014-15 General Fund Results

Fund	6/30/14	Other				6/30/15
	Audited Fund Balance	Revenues	Expenditures & Adjustments	Financing Sources	Variance	Audited Fund Balance
General Fund	\$ 845,285	\$26,655,565	\$ 27,574,763	\$ 635,874	\$ (283,324)	\$ 561,961
Less: Capital Reserves						
Health & Safety	\$ (145,458)	\$ 143,328	\$ 386,202	\$ -	\$ (242,874)	\$ (388,332)
Operating Capital	\$ -	\$ 1,062,948	\$ 1,698,822	\$ 635,874	\$ -	\$ -
Deferred Maintenance	\$ 7,147	\$ 146,074	\$ 139,899	\$ -	\$ 6,175	\$ 13,322
Total Capital Reserves	\$ (66,459)	\$ 1,352,350	\$ 2,224,923	\$ 635,874	\$ (236,699)	\$ (375,010)
Assigned Fund Balances	\$ 189,990	\$ 289,704	\$ 258,208	\$ -	\$ 31,496	\$ 221,486
Non-Spendable Fund Balances	\$ 221,302	\$ 240,140	\$ 221,302	\$ -	\$ 18,838	\$ 240,140
General Fund Unassigned	\$ 572,304	\$24,773,371	\$ 24,870,330	\$ -	\$ (96,959)	\$ 475,345

2014-15 Financial Results (All Funds)

Fund	6/30/14	Other				6/30/15
	Audited Fund Balance	Revenues	Expenditures & Adjustments	Financing Sources	Variance	Audited Fund Balance
General Fund	\$ 845,285	\$26,655,565	\$ 27,574,763	\$ 635,874	\$ (283,324)	\$ 561,961
Food Service Fund	\$ 166,404	\$ 1,173,868	\$ 1,294,792	\$ -	\$ (120,924)	\$ 45,480
Community Service Fund	\$ 82,509	\$ 998,594	\$ 954,530	\$ -	\$ 44,064	\$ 126,573
Building Construction Fund	\$ 4,296,640	\$ 1,457	\$ 3,405,259	\$ -	\$ (3,403,802)	\$ 892,838
Debt Service Fund	\$ 393,578	\$ 3,286,966	\$ 3,444,610	\$ -	\$ (157,644)	\$ 235,934
Total All Funds	\$ 5,784,416	\$32,116,450	\$ 36,673,954	\$ 635,874	\$ (3,921,630)	\$ 1,862,786

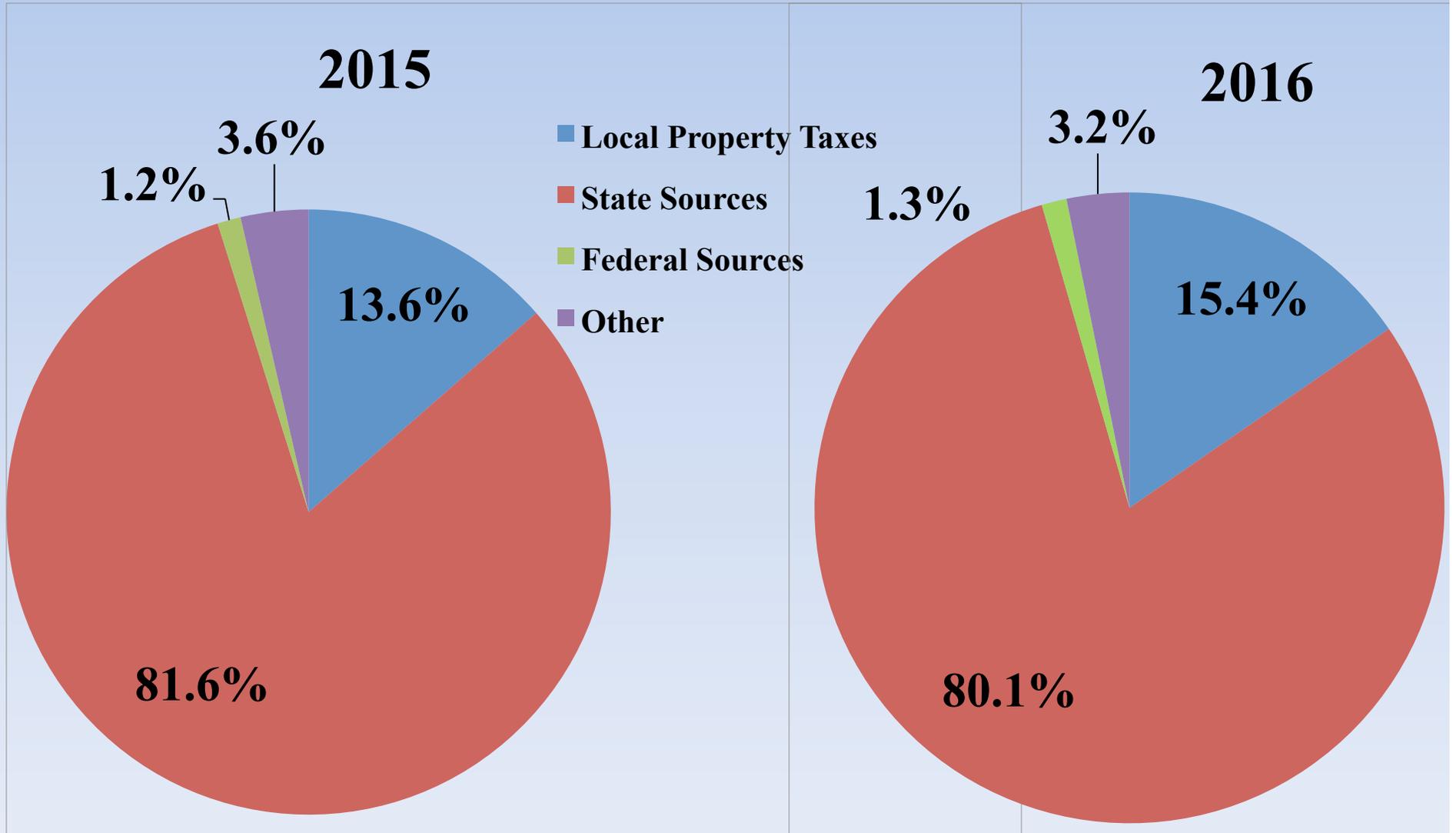
2015-16 General Fund Original Budget

Fund	6/30/15 Audited Fund Balance	Revenues	Expenditures & Adjustments	Other Financing Sources	Variance	6/30/16 Proj. Ending Fund Balance
General Fund	\$ 561,961	\$ 27,212,021	\$ 27,560,244	\$ 614,000	\$ 265,777	\$ 827,738
Less: Capital Reserves						
Health & Safety	\$ (388,332)	\$ 518,061	\$ 295,800	\$ -	\$ 222,261	\$ (166,071)
Operating Capital	\$ -	\$ 1,033,895	\$ 1,647,895	\$ 614,000	\$ -	\$ -
Deferred Maintenance	\$ 13,322	\$ 145,330	\$ 145,330	\$ -	\$ -	\$ 13,322
Total Capital Reserves	\$ (375,010)	\$ 1,697,286	\$ 2,089,025	\$ 614,000	\$ 222,261	\$ (152,749)
Assigned Fund Balances	\$ 221,486	\$ 210,400	\$ 210,400	\$ -	\$ -	\$ 221,486
Non-Spendable Fund Balances	\$ 240,140	\$ -	\$ 22,540	\$ -	\$ (22,540)	\$ 217,600
General Fund Unassigned	\$ 475,345	\$ 25,304,335	\$ 25,238,279	\$ -	\$ 66,056	\$ 541,401

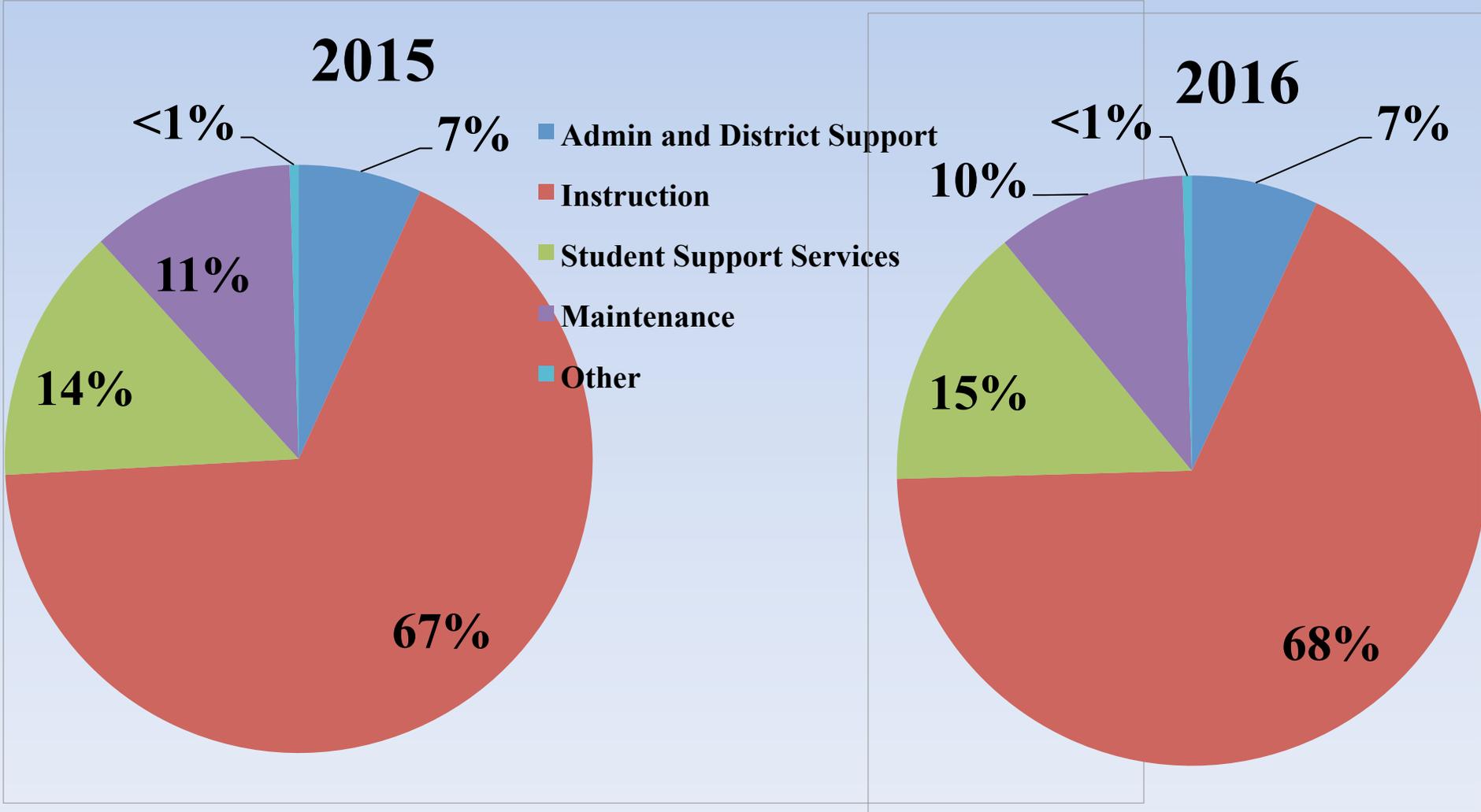
2015-16 Original Budget (All Funds)

Fund	6/30/15 Audited Fund Balance	Revenues	Expenditures & Adjustments	Other Financing Sources	Variance	6/30/16 Proj. Ending Fund Balance
General Fund	\$ 561,961	\$ 27,212,021	\$ 27,560,244	\$ 614,000	\$ 265,777	\$ 827,738
Food Service Fund	\$ 45,480	\$ 1,293,700	\$ 1,292,629	\$ -	\$ 1,071	\$ 46,551
Community Service Fund	\$ 126,573	\$ 973,370	\$ 953,586	\$ -	\$ 19,784	\$ 146,357
Building Construction Fund	\$ 892,838	\$ 1,500	\$ 600,000	\$ -	\$ (598,500)	\$ 294,338
Debt Service Fund	\$ 235,934	\$ 3,339,759	\$ 3,451,083	\$ -	\$ (111,324)	\$ 124,610
Total All Funds	\$ 1,862,786	\$ 32,820,350	\$ 33,857,542	\$ 614,000	\$ (423,192)	\$ 1,439,594

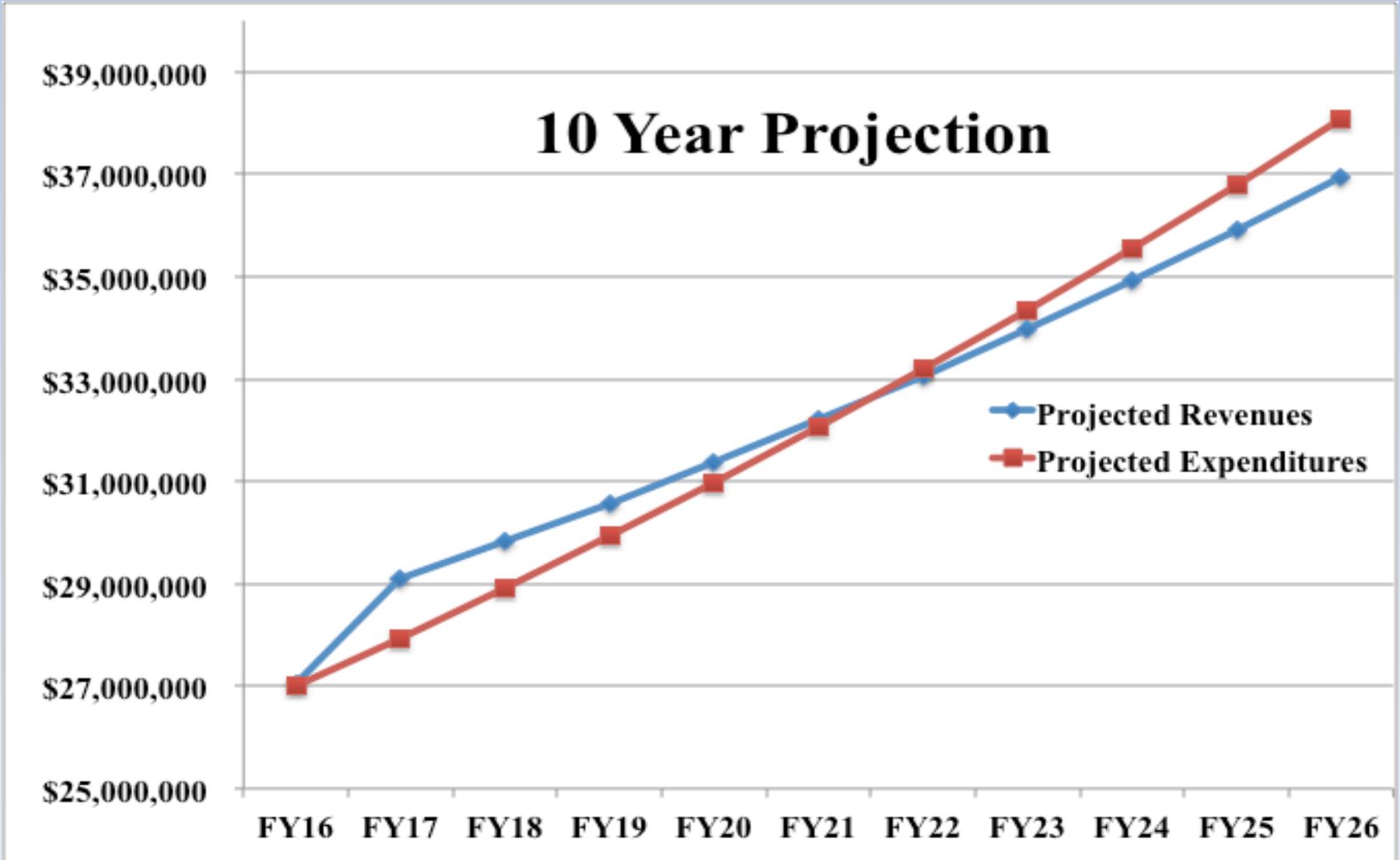
General Fund Revenues



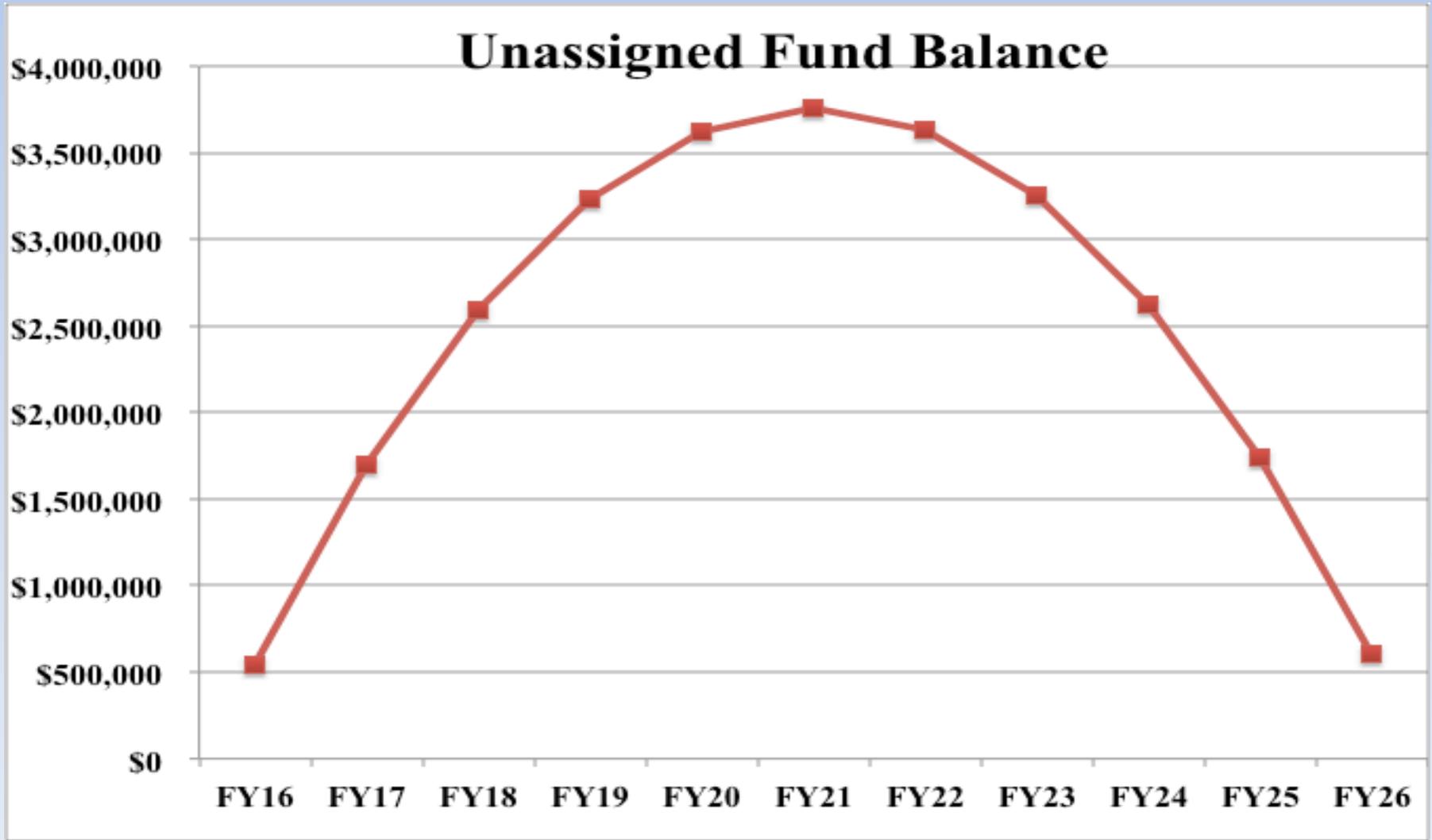
General Fund Expenditures by Program



General Fund



General Fund





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General Education Funding Formula Allowance

X

Students

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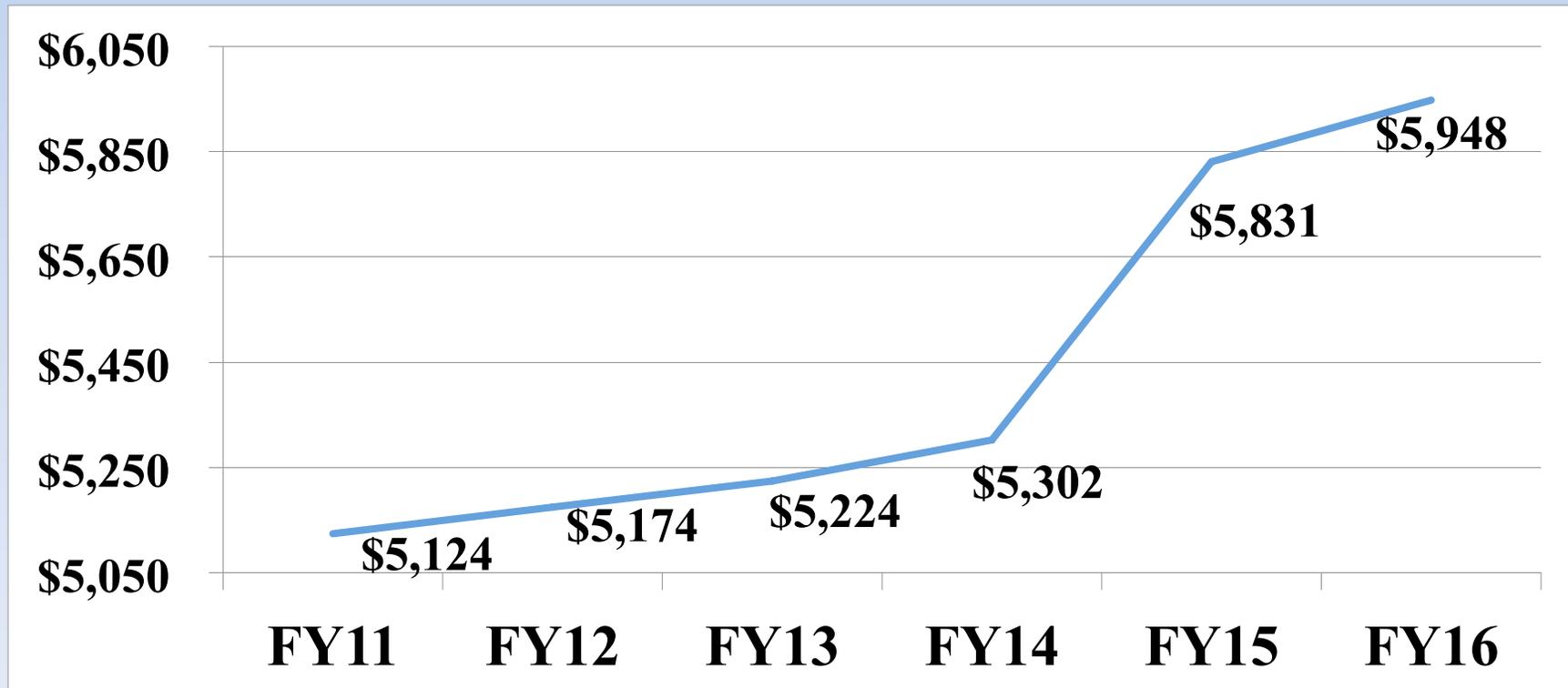
Revenue



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Formula Allowance

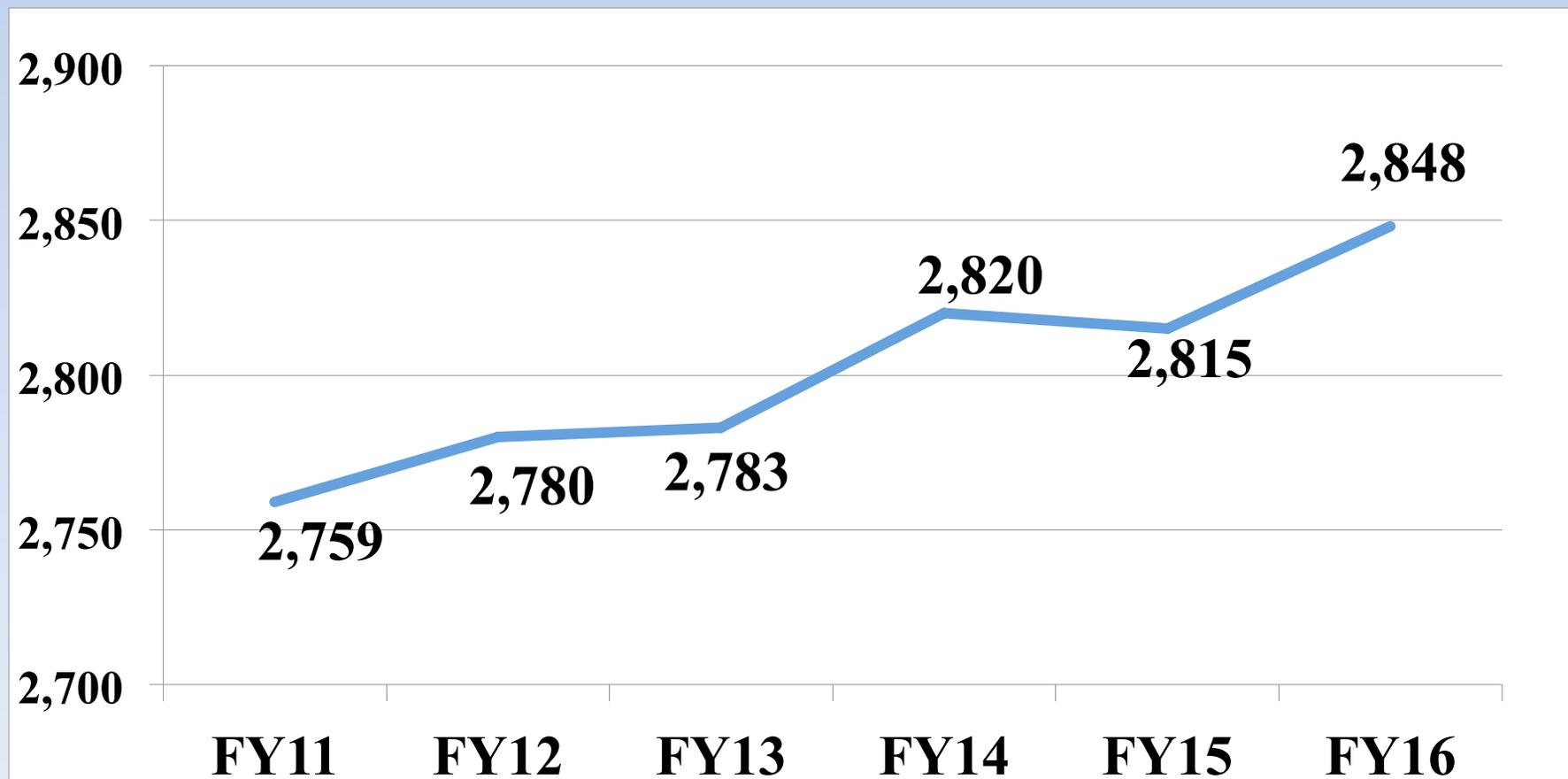




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Becker Students (Oct 1)





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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 2016 Proposed Levy All Funds

	ACTUAL 2014 PAY 2015	PROPOSED 2015 PAY 2016	DOLLAR DIFFERENCE	% Change
General Fund	\$ 4,050,001	\$ 5,916,455	\$1,866,454	46.09%
Community Education Fund	199,522	201,754	\$ 2,232	1.12%
Debt Service Fund	3,334,758	3,593,874	259,116	7.77%
TOTAL PROPOSED LEVY	\$ 7,584,281	\$ 9,712,083	\$2,127,802	28.06%

General Fund Levy Changes

Overall change is \$1,866,454 increase

- **Operating Referendum levies** increased by \$1,655,841. Result of Q1 & Q2 approval on 11/2/15.
- **Health & Safety levy** decreased by \$133,369; result of projects approved by MDE.
- **Deferred Maintenance levy** decreased by \$150,053; replaced by LTFM
- **Long Term Facilities Maintenance (LTFM) levy** increased by \$426,733; replaces other levies

General Fund Levy Changes (continued)

Overall change is \$1,655,841 increase

- **Annual OPEB levy** decreased by \$39,150. Pays retiree health insurance.
- **Operating Capital levies** increased \$84,006 based on Net Tax Capacity.
- **All other levies combined (9 categories)** increased by \$22,446.

Community Ed Levy Changes

Overall change is \$2,232 increase

- **Early Childhood levy** increased \$2,362 as a result of increased funding in statute.
- **Other Community Ed levies** decreased by \$130 combined.

Debt Service Levy Changes

Overall change is \$259,116 increase

- **Reduction for Debt Excess** increased levy by \$285,843. Statute requires 105% of obligations be levied; collections over 100% over time reduce levy in future years. Becker levy is not 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 answers?

District Specific Levy Questions:

Joe Prom, Director of Business Services – Becker Public Schools

jprom@isd726.org

(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?

