



**Becker Public Schools**

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

# **Truth in Taxation For Taxes Payable in 2015**

## **December 1, 2014**



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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**

# 2013-14 General Fund Results

Fund	6/30/13 Audited Fund Balance	Revenues	Expenditures	Other Financing Sources	Variance	6/30/14 Audited Fund Balance
<b>General Fund Total</b>	<b>\$ 952,058</b>	<b>\$ 25,185,923</b>	<b>\$ 25,527,679</b>	<b>\$ 234,983</b>	<b>\$ (106,773)</b>	<b>\$ 845,285</b>
<b>Less: Capital Reserves</b>						
Health & Safety	\$ (38,303)	\$ 169,907	\$ 277,062	\$ -	\$ (107,155)	\$ (145,458)
Operating Capital	\$ 70,519	\$ 1,025,687	\$ 1,193,869	\$ 169,515	\$ 1,333	\$ 71,852
Deferred Maintenance	\$ 6,006	\$ 137,947	\$ 191,753	\$ 54,947	\$ 1,141	\$ 7,147
<b>Total Capital Reserves</b>	<b>\$ 38,222</b>	<b>\$ 1,333,541</b>	<b>\$ 1,662,684</b>	<b>\$ 224,462</b>	<b>\$ (104,681)</b>	<b>\$ (66,459)</b>
Assigned Fund Balances	\$ 188,814	\$ 182,344	\$ 181,168	\$ -	\$ 1,176	\$ 189,990
Non-Spendable Fund Balances	\$ 102,504	\$ 149,450	\$ 102,504	\$ -	\$ 46,946	\$ 149,450
<b>General Fund Unassigned</b>	<b>\$ 622,518</b>	<b>\$ 23,520,588</b>	<b>\$ 23,581,323</b>	<b>\$ 10,521</b>	<b>\$ (50,214)</b>	<b>\$ 572,304</b>

# 2013-14 Financial Results (All Funds)

Fund	6/30/13	Other				6/30/14
	Audited Fund Balance	Revenues	Expenditures	Financing Sources	Variance	Audited Fund Balance
General Fund	\$ 952,058	\$25,185,923	\$25,527,679	\$ 234,983	\$ (106,773)	\$ 845,285
Food Service Fund	\$ 281,905	\$ 1,142,179	\$ 1,257,680	\$ -	\$ (115,501)	\$ 166,404
Community Service Fund	\$ 29,299	\$ 1,067,682	\$ 1,014,472	\$ -	\$ 53,210	\$ 82,509
Building Construction Fund	\$ 20,429,867	\$ 23,908	\$16,157,135	\$ -	\$(16,133,227)	\$ 4,296,640
Debt Service Fund	\$ 695,397	\$ 3,617,490	\$ 3,919,309	\$ -	\$ (301,819)	\$ 393,578
<b>Total All Funds</b>	<b>\$ 22,388,526</b>	<b>\$31,037,182</b>	<b>\$47,876,275</b>	<b>\$ 234,983</b>	<b>\$(16,604,110)</b>	<b>\$ 5,784,416</b>

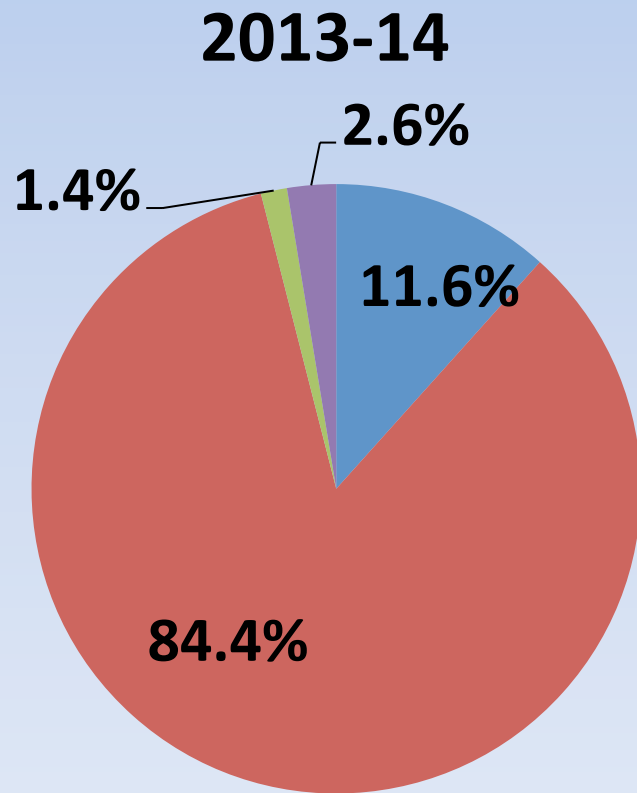
# 2014-15 General Fund Budget

Fund	6/30/14 Audited Fund Balance	Revenues	Expenditures	Other Financing Sources	Variance	6/30/15 Proj. Ending Fund Balance
<b>General Fund Total</b>	<b>\$ 845,285</b>	<b>\$ 25,632,100</b>	<b>\$ 25,684,098</b>	<b>\$ 170,000</b>	<b>\$ 118,002</b>	<b>\$ 963,287</b>
<b>Less: Capital Reserves</b>						
Health & Safety	\$ (145,458)	\$ 143,328	\$ 137,000	\$ -	\$ 6,328	\$ (139,130)
Operating Capital	\$ 71,852	\$ 1,056,560	\$ 1,223,455	\$ 170,000	\$ 3,105	\$ 74,957
Deferred Maintenance	\$ 7,147	\$ 146,075	\$ 145,000	\$ -	\$ 1,075	\$ 8,222
<b>Total Capital Reserves</b>	<b>\$ (66,459)</b>	<b>\$ 1,345,963</b>	<b>\$ 1,505,455</b>	<b>\$ 170,000</b>	<b>\$ 10,508</b>	<b>\$ (55,951)</b>
Assigned Fund Balances	\$ 189,990	\$ 152,688	\$ 152,688	\$ -	\$ -	\$ 189,990
Non-Spendable Fund Balances	\$ 149,450	\$ -	\$ -	\$ -	\$ -	\$ 149,450
<b>General Fund Unassigned</b>	<b>\$ 572,304</b>	<b>\$ 24,133,449</b>	<b>\$ 24,025,955</b>	<b>\$ -</b>	<b>\$ 107,494</b>	<b>\$ 679,798</b>

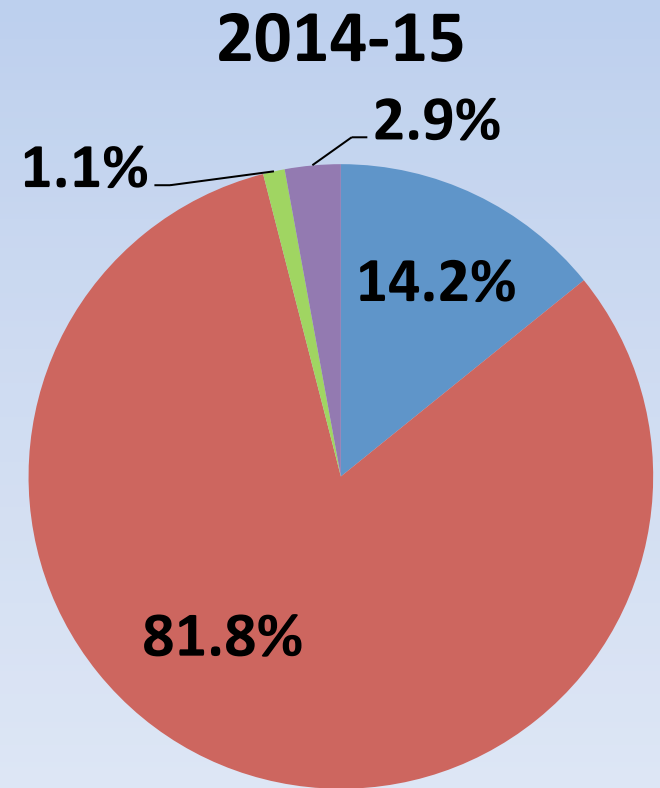
# 2014-15 Budget (All Funds)

Fund	6/30/14	Other				6/30/15
	Audited Fund Balance	Revenues	Expenditures	Financing Sources	Variance	Proj. Ending Fund Balance
General Fund	\$ 845,285	\$ 25,632,100	\$ 25,684,098	\$ 170,000	\$ 118,002	\$ 963,287
Food Service Fund	\$ 166,404	\$ 1,245,000	\$ 1,291,615	\$ -	\$ (46,615)	\$ 119,789
Community Service Fund	\$ 82,509	\$ 845,447	\$ 824,314	\$ -	\$ 21,133	\$ 103,642
Building Construction Fund	\$ 4,296,640	\$ 5,000	\$ 3,050,000	\$ -	\$ (3,045,000)	\$ 1,251,640
Debt Service Fund	\$ 393,578	\$ 3,294,689	\$ 3,446,710	\$ -	\$ (152,021)	\$ 241,557
Total All Funds	\$ 5,784,416	\$ 31,022,236	\$ 34,296,737	\$ 170,000	\$ (3,104,501)	\$ 2,679,915

# General Fund Revenues

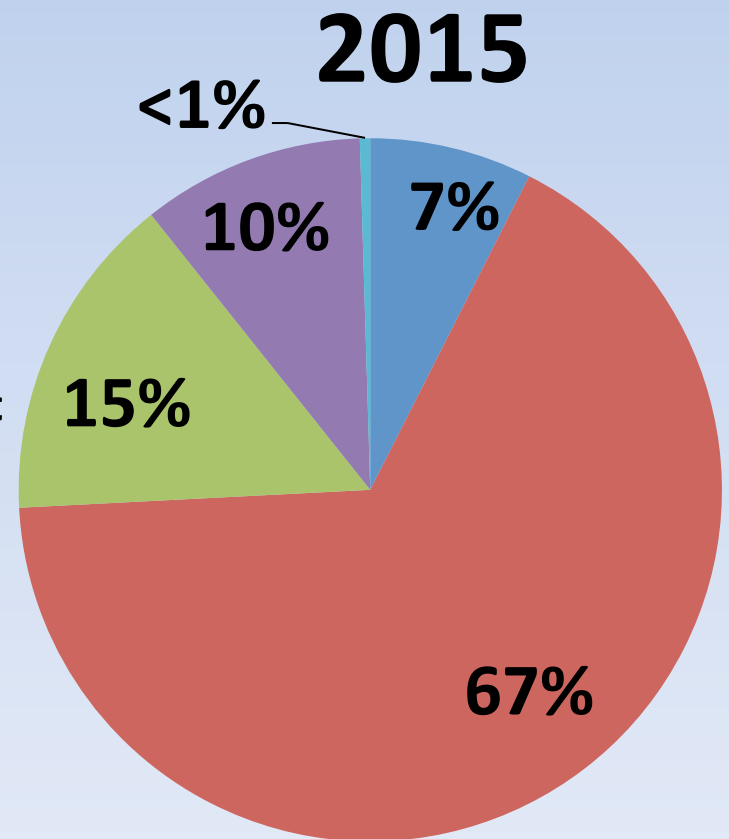
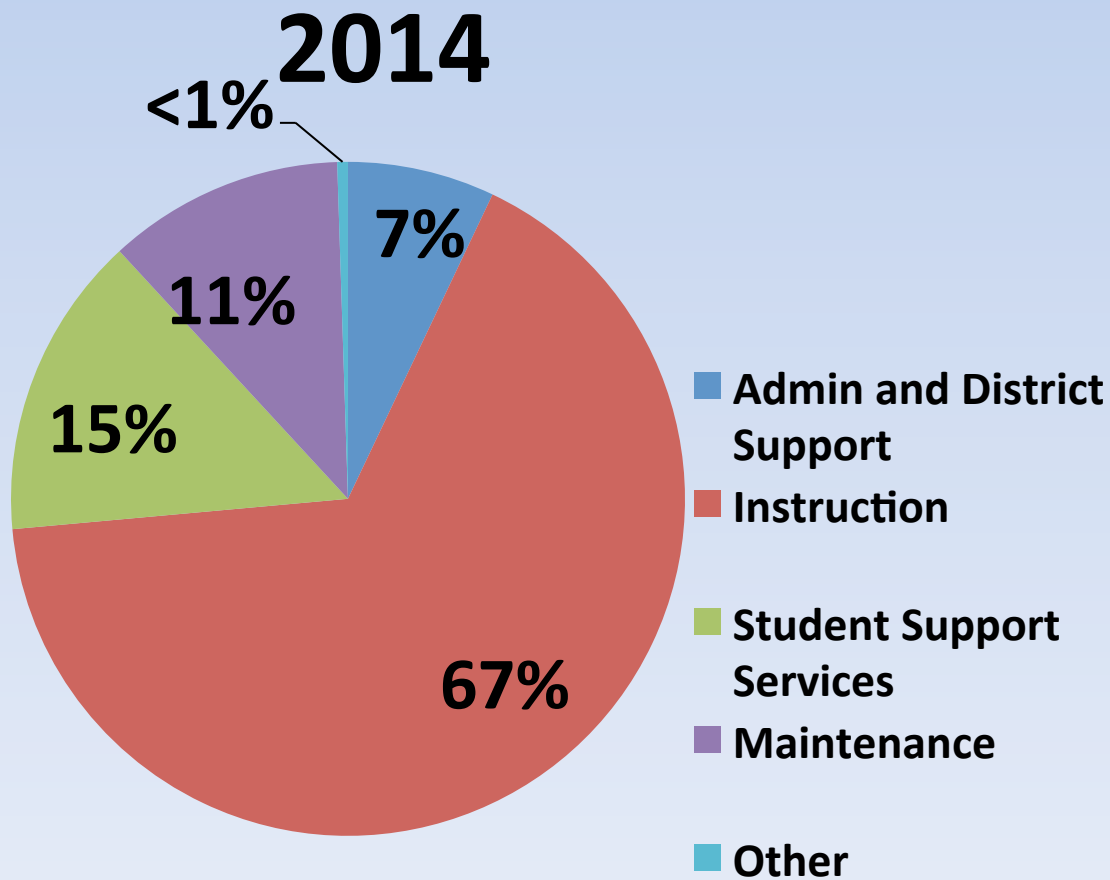


■ Local Property Taxes  
■ State Sources  
■ Federal Sources  
■ Other

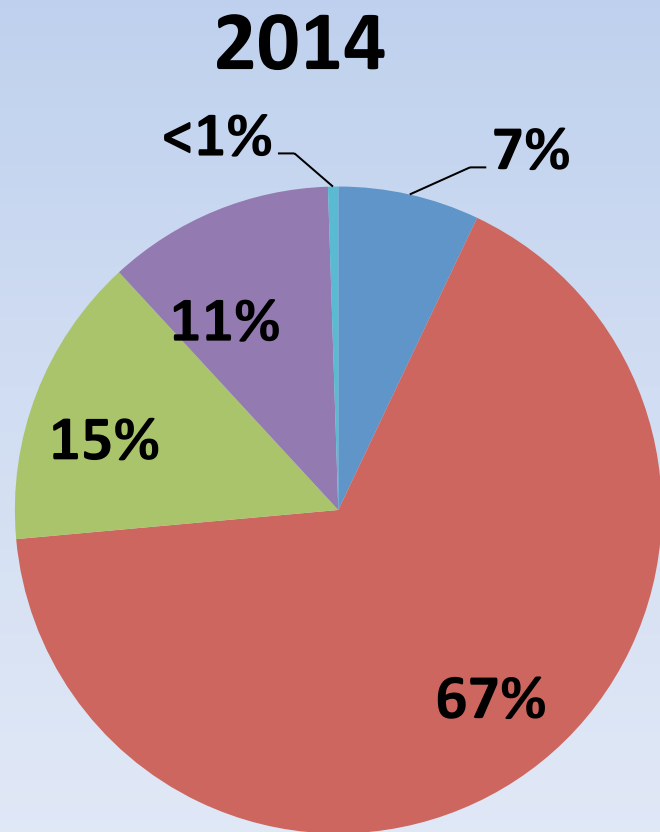




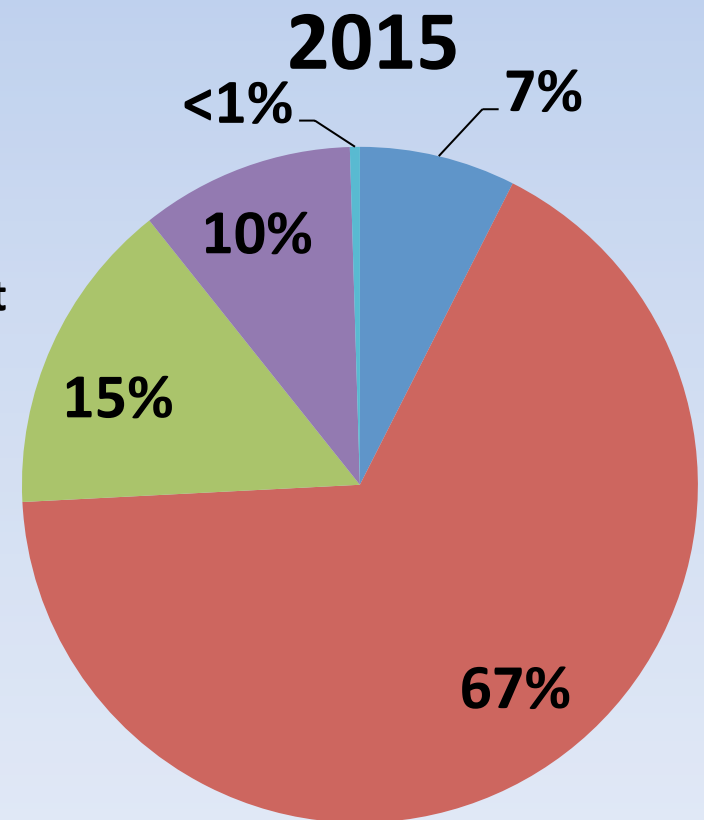
# General Fund Expenditures by Program



# General Fund Expenditures by Category



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





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# **General Education Funding Formula Allowance**

**X**

**Students**

**=**

**Revenue**



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## Formula Allowance

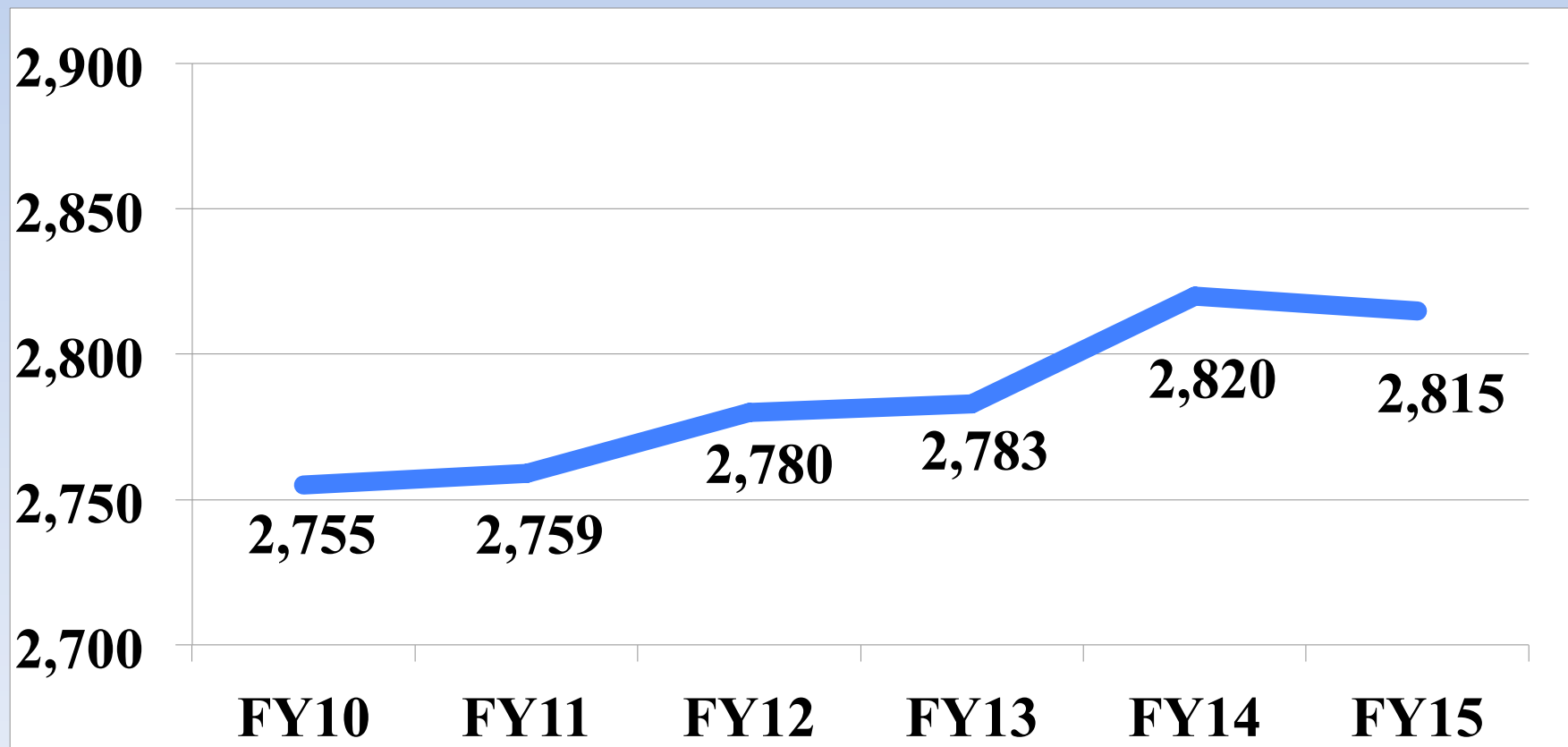




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## Becker Students (Oct 1)





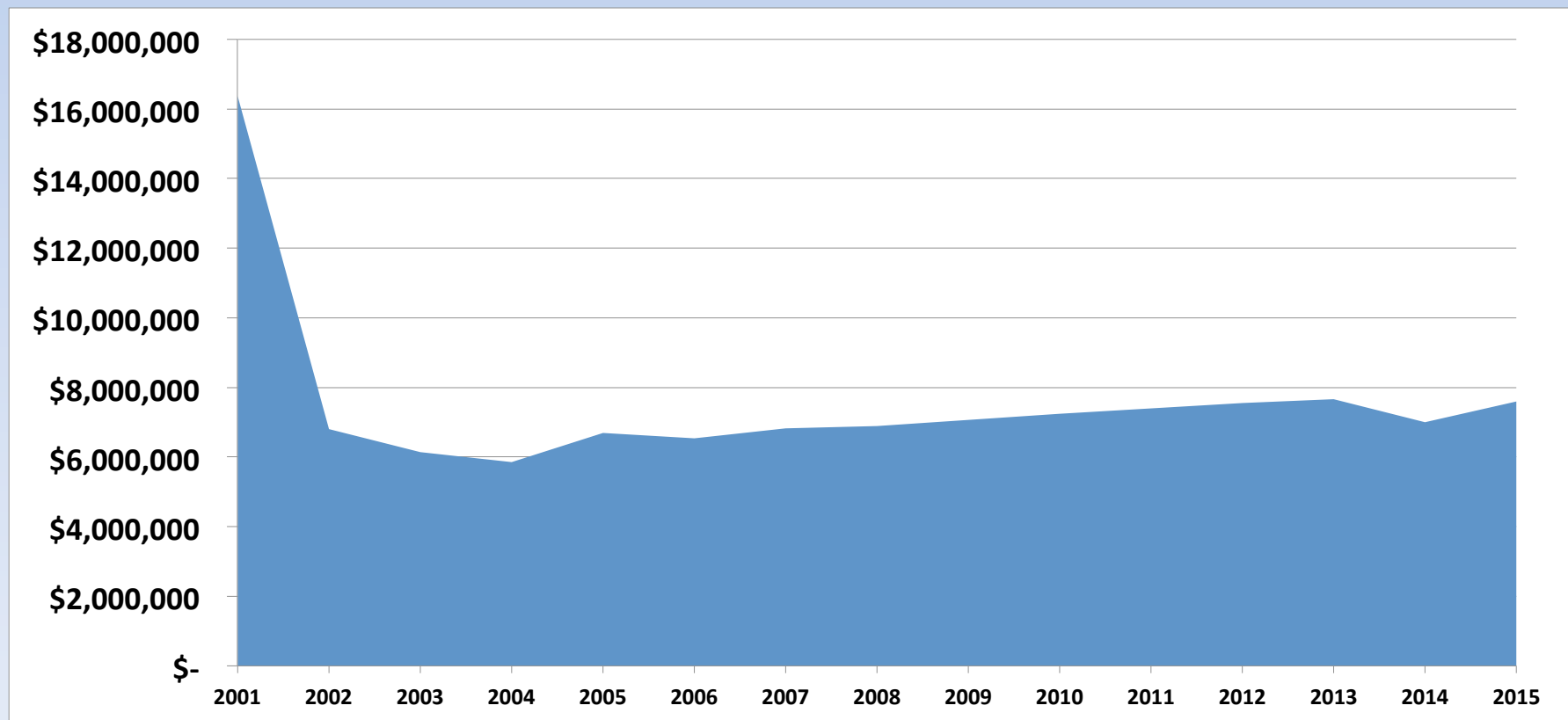
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# How Are Levy Amounts Determined?

- **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.

## Becker Levy Overall



# Payable 2015 Proposed Levy

## All Funds

	ACTUAL		ACTUAL		PROPOSED		PAY 14 to PAY 15		PAY 13 to PAY 15	
	2012 PAY 2013		2013 PAY 2014		2014 PAY 2015		DOLLAR	%	DOLLAR	%
							DIFF.	Change	DIFF.	Change
General Fund	\$	3,840,240	\$	3,496,881	\$	4,050,001	\$553,120	15.82%	\$209,761	6.00%
Community Education Fund		205,229		208,739		199,522	\$ (9,217)	-4.42%	(5,707)	-2.73%
Debt Service Fund		3,619,677		3,287,188		3,334,758	47,570	1.45%	(284,919)	-8.67%
<b>TOTAL PROPOSED LEVY</b>	\$	7,665,146	\$	6,992,808	\$	7,584,281	\$591,473	8.46%	\$ (80,865)	-1.16%



# General Fund Levy Changes

**Overall change is \$553,120 increase**

- **Operating Referendum levies** decreased by \$526,155. Offset by increases in Equity and Local Optional Revenues.
- **Equity and Local Optional Revenue levies** increased by \$656,430. Location Optional Revenue is \$424 per student (changes from “Voter Approved” to “Other Local Levies”).
- **Health & Safety levy** increased by \$374,733; result of projects approved by MDE.

# **General Fund Levy Changes (continued)**

**Overall change is \$533,120 increase**

- **Annual OPEB levy** increased by \$108,966. Result of sunset provision in BEA contract.
- **Reemployment levy** decreased \$23,152 based on unemployment insurance paid to state.
- **All other levies combined (9 categories)** decreased by \$33,011.

# **Community Ed Levy Changes**

**Overall change is \$9,217 decrease**

- **Early Childhood levy** decreased \$9,312 as a result of a change in the state aid formula. Will be offset by aid increase.
- **Other Community Ed levies** increased by \$95 combined.

# **Debt Service Levy Changes**

**Overall change is \$47,570 increase**

- **Reduction for Debt Excess** increased levy by \$42,687. 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](mailto:jprom@becker.k12.mn.us)**

**(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?

