

Truth and taxation information will be presented by Kevin Januszewski, Director of Business Services. **I recommend approving the payable 2019 levy in the amount of \$10,502,780.** This represents a 5.1% increase compared to the 2018 levy.



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Truth in Taxation For Taxes Payable in 2019

December 3, 2018



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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**

2017-18 General Fund Results

Fund	6/30/17	Other				6/30/18
	Audited Fund Balance	Revenues & Adjustments	Expenditures	Financing Sources	Variance	Audited Fund Balance
General Fund	\$ 1,620,126	\$ 31,579,876	\$ 32,636,654	\$ 682,127	\$ (374,651)	\$ 1,245,475
Less: Capital Reserves						
Health & Safety	\$ (77,920)	\$ 77,920	\$ -	\$ -	\$ 77,920	\$ 0
Operating Capital	\$ 76,041	\$ 1,107,307	\$ 1,599,979	\$ 436,666	\$ (56,006)	\$ 20,035
Long-Term Facilities Maint	\$ (1,618)	\$ 694,973	\$ 722,858	\$ -	\$ (27,885)	\$ (29,503)
Total Capital Reserves	\$ (3,497)	\$ 1,880,200	\$ 2,322,837	\$ 436,666	\$ (5,971)	\$ (9,468)
Assigned Fund Balances	\$ 246,904	\$ 353,652	\$ 349,512	\$ -	\$ 4,140	\$ 251,044
Restricted for Integration	\$ 6,656	\$ 253,655	\$ 260,311	\$ -	\$ (6,656)	\$ 0
Non-Spendable Fund Balances	\$ 464,457	\$ 254,734	\$ 464,457	\$ -	\$ (209,723)	\$ 254,734
General Fund Unassigned	\$ 905,606	\$ 28,837,635	\$ 29,239,537	\$ 245,461	\$ (156,441)	\$ 749,165

2017-18 Financial Results (All Funds)

Fund	6/30/17 Audited Fund Balance	Revenues & Adjustments	Expenditures	Other Financing Sources	Variance	6/30/18 Audited Fund Balance
General Fund	\$ 1,620,126	\$ 31,579,876	\$ 32,636,654	\$ 682,127	\$ (374,651)	\$ 1,245,475
Food Service Fund	\$ 10,598	\$ 1,448,016	\$ 1,444,000	\$ -	\$ 4,016	\$ 14,614
Community Service Fund	\$ 322,790	\$ 1,202,977	\$ 1,249,256	\$ -	\$ (46,279)	\$ 276,511
Building Construction Fund	\$ -	\$ 4,479	\$ 952,629	\$ 2,266,813	\$ 1,318,663	\$ 1,318,663
Debt Service Fund	\$ 2,573,947	\$ 3,651,283	\$ 3,505,311	\$ 59,662	\$ 205,634	\$ 2,779,581
Total All Funds	\$ 4,527,461	\$ 37,886,631	\$ 39,787,850	\$ 3,008,602	\$ 1,107,383	\$ 5,634,844

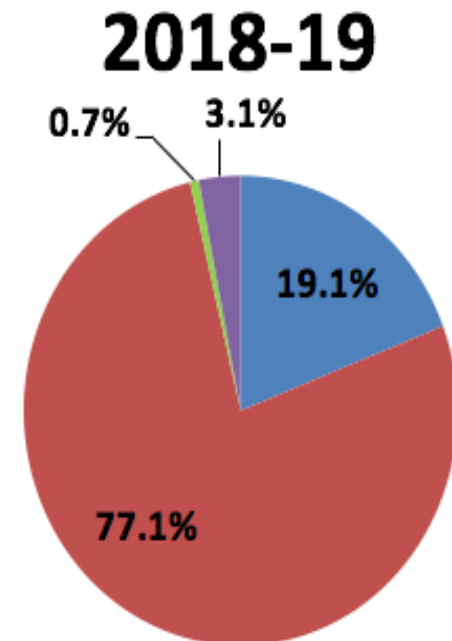
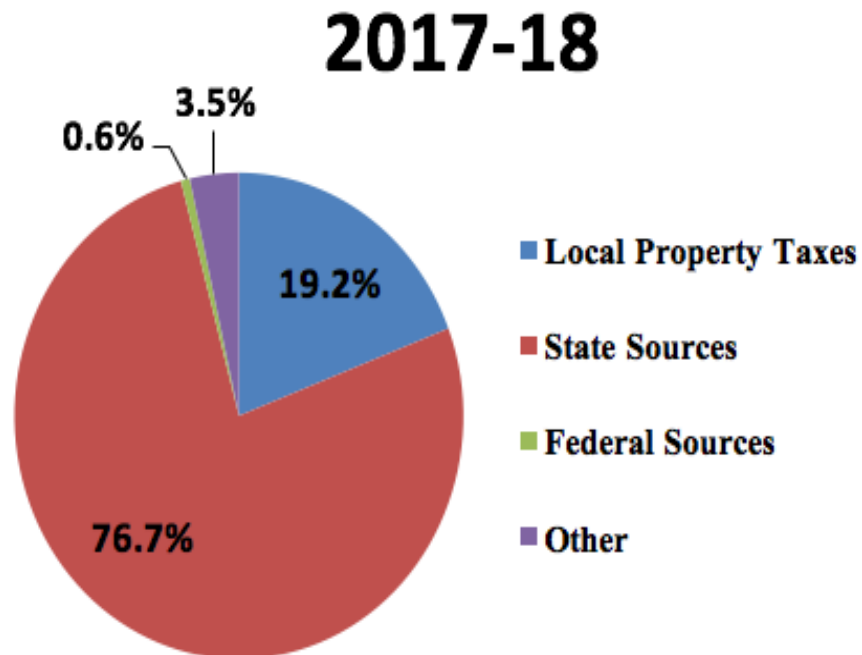
2018-19 General Fund Original Budget

Fund	6/30/18	Other			6/30/19	
	Audited Fund Balance	Revenues	Expenditures	Financing Sources	Variance	Proj. Ending Fund Balance
General Fund	\$ 1,245,475	\$ 33,113,168	\$ 32,421,350	\$ 115,000	\$ 806,818	\$ 2,052,293
Less: Capital Reserves						
Health & Safety	\$ -	\$ (315)	\$ 34,256	\$ -	\$ (34,571)	\$ (34,571)
Operating Capital	\$ 20,035	\$ 1,102,483	\$ 1,215,949	\$ 115,000	\$ 1,534	\$ 21,569
Long-Term Facilities Maint	\$ (29,503)	\$ 954,558	\$ 897,853	\$ -	\$ 56,705	\$ 27,202
Total Capital Reserves	\$ (9,468)	\$ 2,056,726	\$ 2,148,058	\$ 115,000	\$ 23,668	\$ 14,200
Assigned Fund Balances	\$ 251,044	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ 251,044
Non-Spendable Fund Balances	\$ 254,734	\$ 173,397	\$ 173,397	\$ -	\$ -	\$ 254,734
General Fund Unassigned	\$ 749,165	\$ 30,633,045	\$ 29,849,895	\$ -	\$ 783,150	\$ 1,532,315

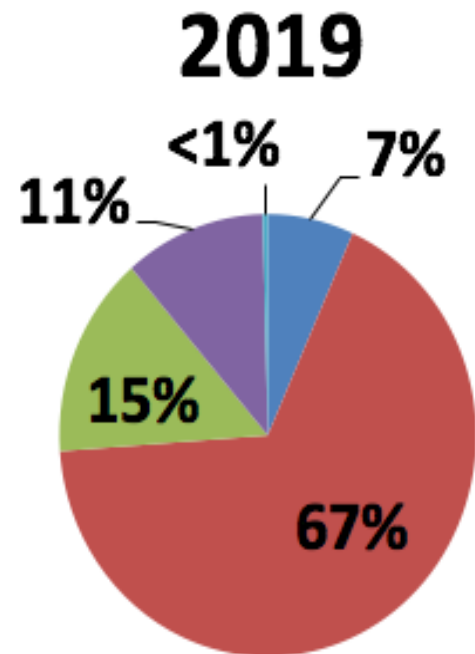
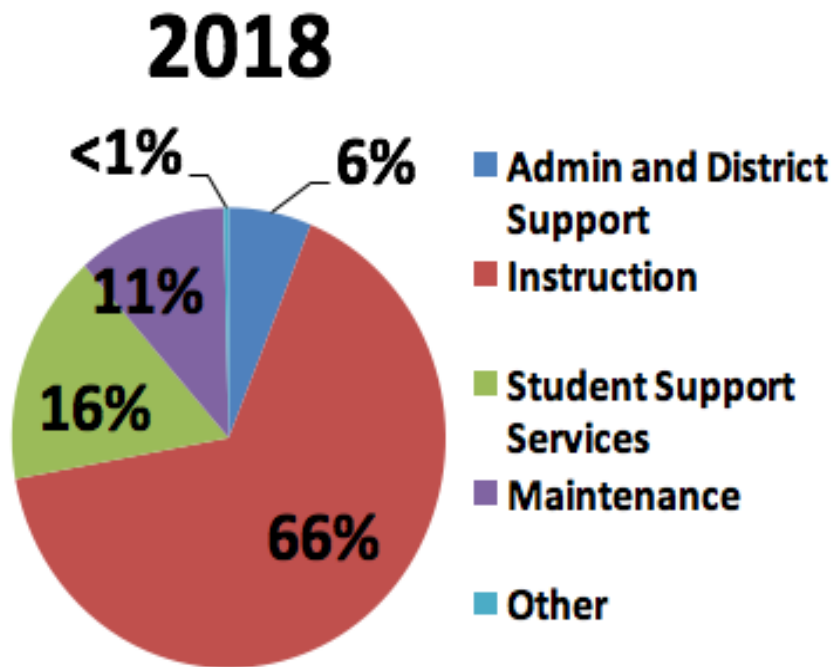
2018-19 Original Budget (All Funds)

Fund	6/30/18 Audited Fund Balance	Revenues	Expenditures	Other Financing Sources	Variance	6/30/19 Proj. Ending Fund Balance
General Fund	\$ 1,245,475	\$ 33,113,168	\$ 32,421,350	\$ 115,000	\$ 806,818	\$ 2,052,293
Food Service Fund	\$ 14,614	\$ 1,459,400	\$ 1,456,644	\$ -	\$ 2,756	\$ 17,370
Community Service Fund	\$ 276,511	\$ 1,263,724	\$ 1,256,117	\$ -	\$ 7,607	\$ 284,118
Building Construction	\$ 1,318,663	\$ -	\$ 1,000,000	\$ -	\$ (1,000,000)	\$ 318,663
Debt Service Fund	\$ 2,779,581	\$ 3,629,065	\$ 3,557,569	\$ -	\$ 71,496	\$ 2,851,077
Total All Funds	\$ 5,634,844	\$ 39,465,357	\$ 39,691,680	\$ 115,000	\$ (111,323)	\$ 5,523,521

General Fund Revenues



General Fund Expenditures by Program





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General Education Funding

Formula Allowance

X

Students

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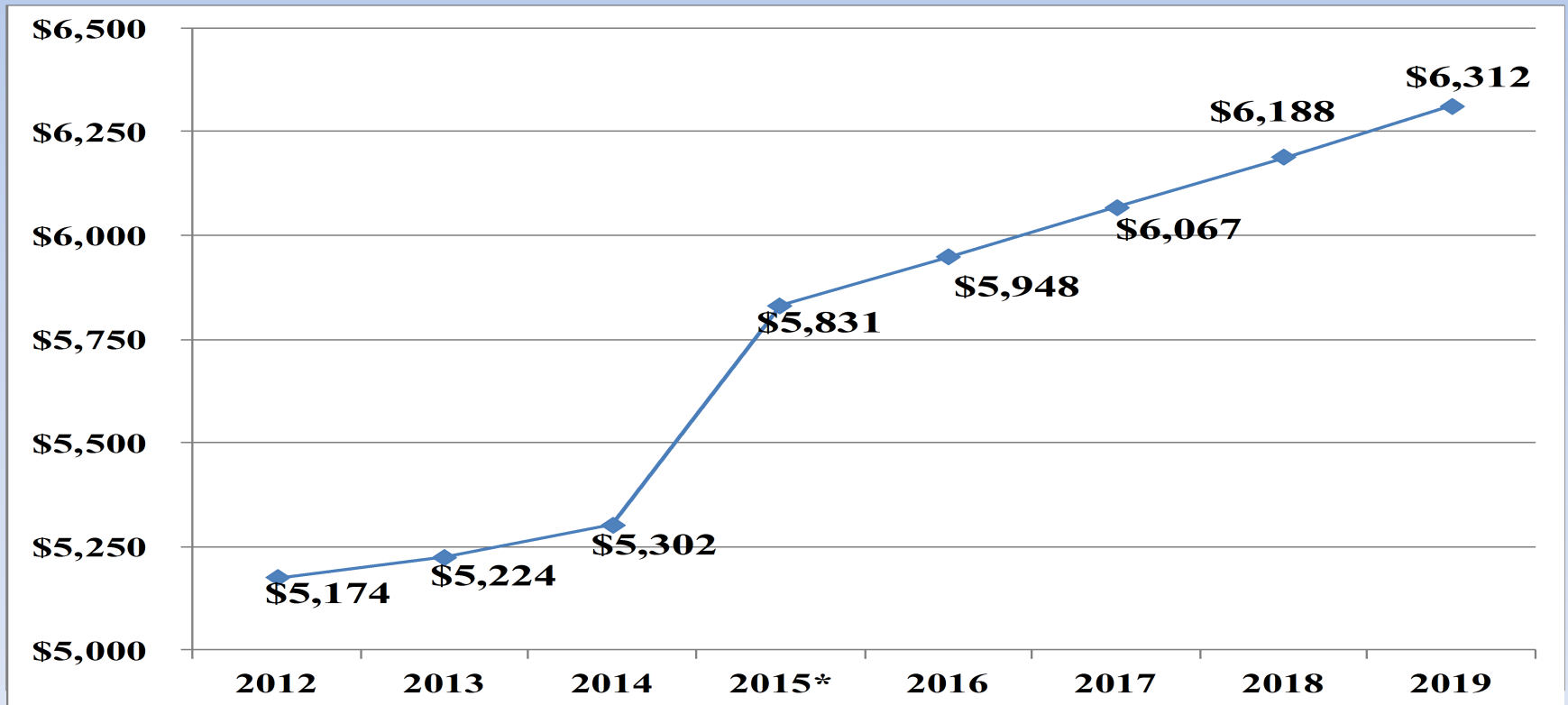
Revenue



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Formula Allowance

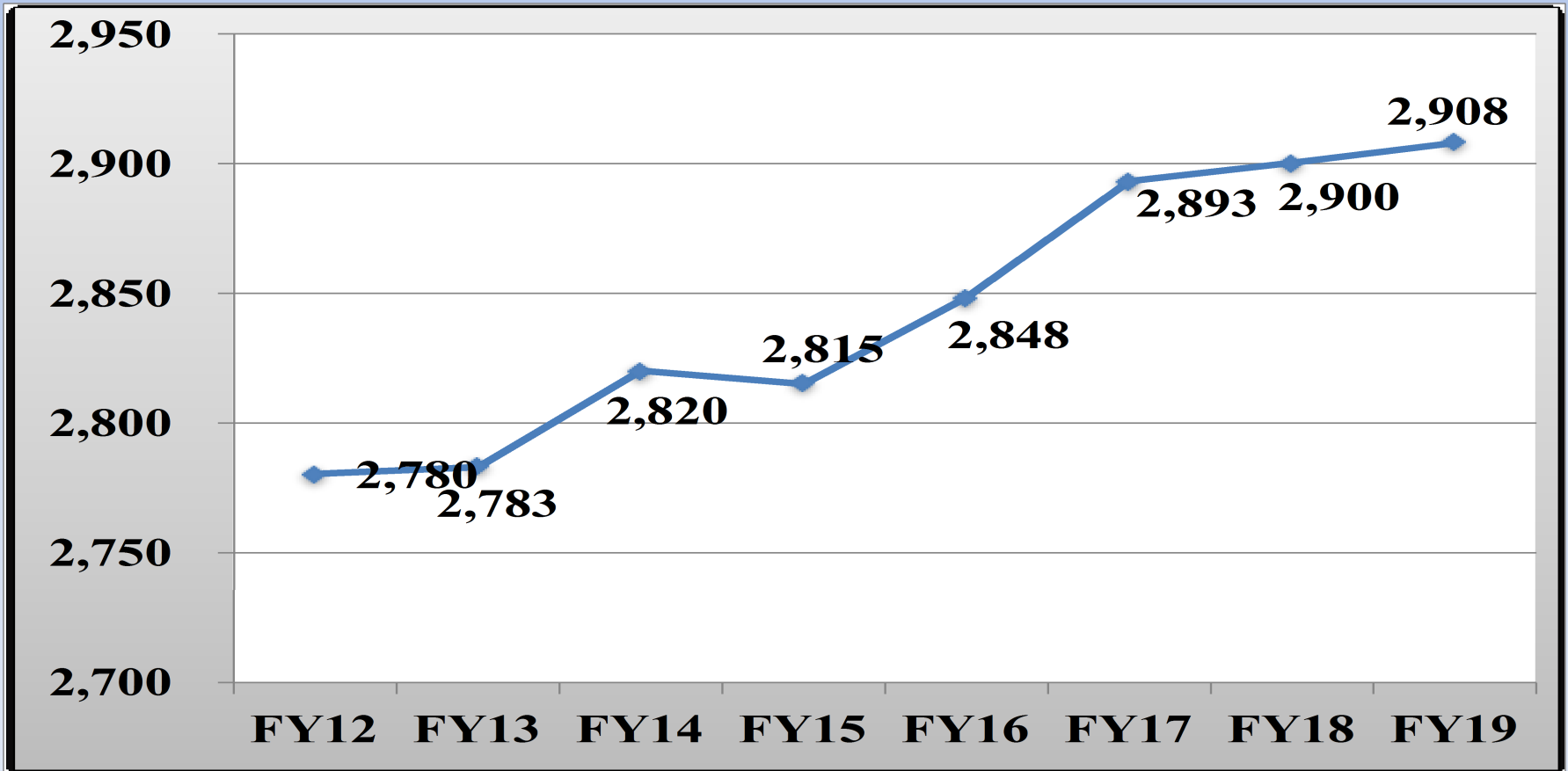




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Becker Students (Oct 1)





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 2019 Proposed Levy All Funds

	ACTUAL 2017 PAY 2018	PROPOSED 2018 PAY 2019	DOLLAR DIFFERENCE	% Change
General Fund	\$ 6,206,826	\$ 6,880,703	\$ 673,877	10.86%
Community Education Fund	197,983	198,724	741	0.37%
Debt Service Fund	<u>3,587,989</u>	<u>3,423,353</u>	<u>(164,636)</u>	-4.59%
TOTAL PROPOSED LEVY	\$ 9,992,798	\$ 10,502,780	509,982	5.10%

General Fund Levy Changes

Overall change is \$673,877 increase

- **Operating Referendum levies** increased by \$317,493. Result of enrollment and inflation increases.
- **Building Lease levy** increased by \$232,436 due to levy for repayment of certificates of participation debt for Primary School addition.
- **Long Term Facilities Maintenance (LTFM) levy** increased by \$55,351. Increase is result of statutory formula.
- **Operating Capital Levies** increased by \$36,290; based on net tax capacity.

General Fund Levy Changes (continued)

Overall change is \$673,877 increase

- **Capital Projects referendum levy** increased by \$24,172 based on net tax capacity.
- **All other General Fund levies (10 categories)** increased by \$8,135; mostly the result of increased net tax capacity.

Community Ed Levy Changes

Overall change is \$741 increase

- **School Age Care levy** increased \$2,760 as a result of increased expenditures for the program.
- **Other Community Ed levies** decreased by \$2,020 combined.

Debt Service Levy Changes

Overall change is \$164,636 decrease

- **Reduction for Debt Excess** decreased levy by \$136,093. Statute requires 105% of obligations be levied; collections over 100% over time reduce levy in future years.
- **All other debt service levies** decreased by \$28,543; mostly due to abated taxes.

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:

Kevin Januszewski, Director of Business Services – Becker Public Schools

kjanuszewski@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?

