

Truth and taxation information will be presented by Joe Prom, Director Of Business Services. **I recommend approving the payable 2018 levy in the amount of \$9,992,798.** This represents a 2.97% increase compared to the 2017 levy.



Becker Public Schools

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

Truth in Taxation

For Taxes Payable in 2018

December 4, 2017



Becker Public Schools

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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

2016-17 General Fund Results

Fund	6/30/16 Audited Fund Balance	Revenues & Adjustments	Expenditures	Other Financing Sources	Variance	6/30/17 Audited Fund Balance
General Fund	\$ 501,409	\$ 30,704,823	\$ 30,091,998	\$ 505,892	\$ 1,118,717	\$ 1,620,126
Less: Capital Reserves						
Health & Safety	\$ (462,612)	\$ 384,692	\$ -	\$ -	\$ 384,692	\$ (77,920)
Operating Capital	\$ 4,407	\$ 1,208,993	\$ 1,579,316	\$ 441,957	\$ 71,634	\$ 76,041
Long-Term Facilities Maint	\$ (13,413)	\$ 465,425	\$ 453,630	\$ -	\$ 11,795	\$ (1,618)
Total Capital Reserves	\$ (471,618)	\$ 2,059,110	\$ 2,032,946	\$ 441,957	\$ 468,121	\$ (3,497)
Assigned Fund Balances	\$ 249,334	\$ 346,072	\$ 348,502	\$ -	\$ (2,430)	\$ 246,904
Restricted for Integration	\$ -	\$ 198,574	\$ 191,918	\$ -	\$ 6,656	\$ 6,656
Non-Spendable Fund Balances	\$ 153,002	\$ 464,457	\$ 153,002	\$ -	\$ 311,455	\$ 464,457
General Fund Unassigned	\$ 570,691	\$ 27,636,610	\$ 27,365,630	\$ 63,935	\$ 334,915	\$ 905,606

2016-17 Results (All Funds)

Fund	6/30/16 Audited Fund Balance	Revenues & Adjustments	Expenditures	Other Financing Sources	Variance	6/30/17 Audited Fund Balance
General Fund	\$ 501,409	\$ 30,704,823	\$ 30,091,998	\$ 505,892	\$ 1,118,717	\$ 1,620,126
Food Service Fund	\$ (5,879)	\$ 1,408,376	\$ 1,391,899	\$ -	\$ 16,477	\$ 10,598
Community Service Fund	\$ 195,727	\$ 1,183,248	\$ 1,056,185	\$ -	\$ 127,063	\$ 322,790
Debt Service Fund	\$ 130,043	\$ 3,655,553	\$ 3,494,618	\$ 2,282,969	\$ 2,443,904	\$ 2,573,947
Total All Funds	\$ 821,300	\$ 36,952,000	\$ 36,034,700	\$ 2,788,861	\$ 3,706,161	\$ 4,527,461

2017-18 General Fund Original Budget

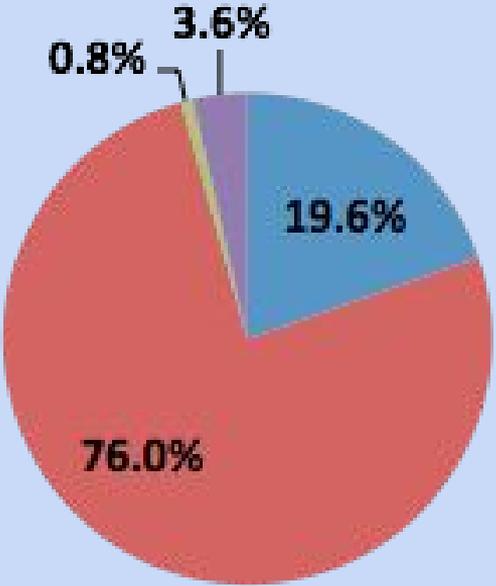
Fund	6/30/17 Audited Fund Balance	Revenues	Expenditures & Adjustments	Other Financing Sources	Variance	6/30/18 Proj. Ending Fund Balance
General Fund	\$ 1,620,126	\$ 31,091,504	\$ 30,465,786	\$ 230,000	\$ 855,718	\$ 2,475,844
Less: Capital Reserves						
Health & Safety	\$ (77,920)	\$ 112,491	\$ 34,571	\$ -	\$ 77,920	\$ -
Operating Capital	\$ 76,041	\$ 1,099,394	\$ 1,413,029	\$ 230,000	\$ (83,635)	\$ (7,594)
Long-Term Facilities Maint	\$ (1,618)	\$ 657,861	\$ 649,930	\$ -	\$ 7,931	\$ 6,313
Total Capital Reserves	\$ (3,497)	\$ 1,869,746	\$ 2,097,530	\$ 230,000	\$ 2,216	\$ (1,281)
Assigned Fund Balances	\$ 246,904	\$ 228,000	\$ 228,000	\$ -	\$ -	\$ 246,904
Restricted for Integration	\$ 6,656	\$ 258,830	\$ 265,486	\$ -	\$ (6,656)	\$ -
Non-Spendable Fund Balances	\$ 464,457	\$ 131,004	\$ 131,004	\$ -	\$ -	\$ 464,457
General Fund Unassigned	\$ 905,606	\$ 28,603,924	\$ 27,743,766	\$ -	\$ 860,158	\$ 1,765,764

2017-18 Original Budget (All Funds)

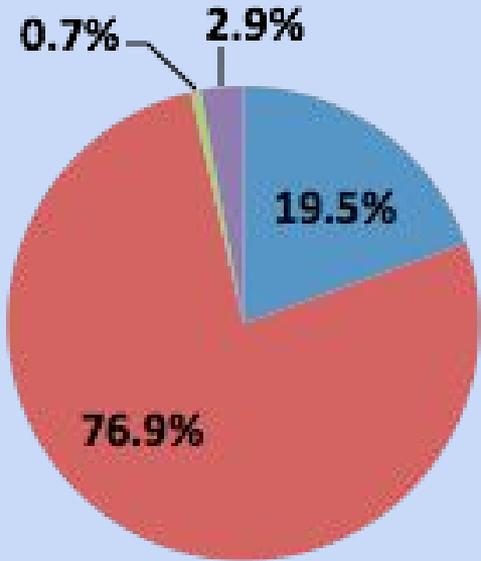
Fund	6/30/17 Audited Fund Balance	Revenues	Expenditures & Adjustments	Other Financing Sources	Variance	6/30/18 Proj. Ending Fund Balance
General Fund	\$ 1,620,126	\$ 31,091,504	\$ 30,465,786	\$ 230,000	\$ 855,718	\$ 2,475,844
Food Service Fund	\$ 10,598	\$ 1,415,700	\$ 1,410,949	\$ -	\$ 4,751	\$ 15,349
Community Service Fund	\$ 322,790	\$ 1,207,984	\$ 1,169,344	\$ -	\$ 38,640	\$ 361,430
Debt Service Fund	\$ 2,573,947	\$ 3,618,140	\$ 3,507,163	\$ -	\$ 110,977	\$ 2,684,924
Total All Funds	\$ 4,527,461	\$ 37,333,328	\$ 36,553,242	\$ 230,000	\$ 1,010,086	\$ 5,537,547

General Fund Revenues

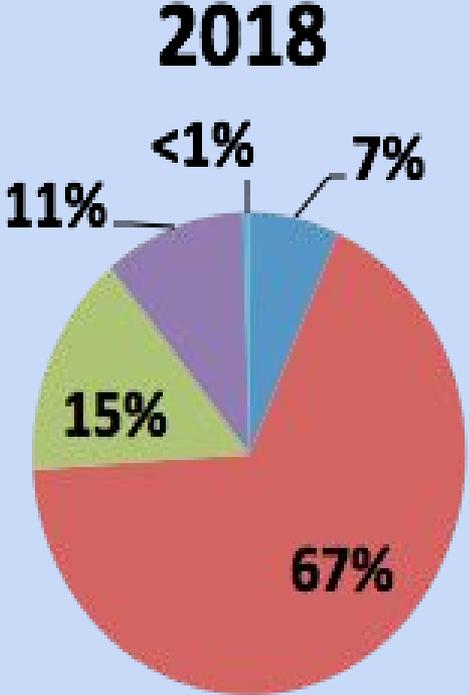
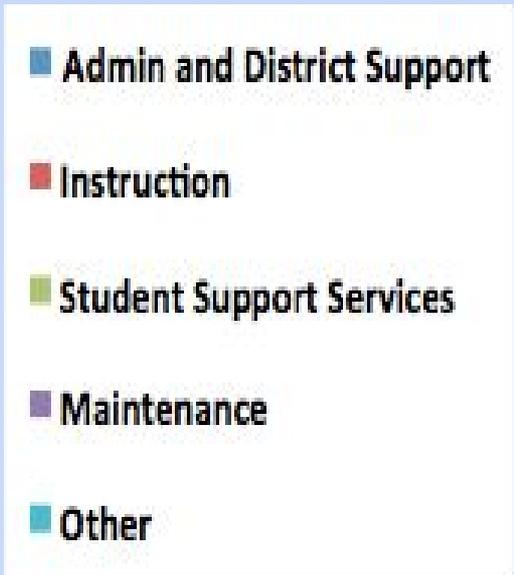
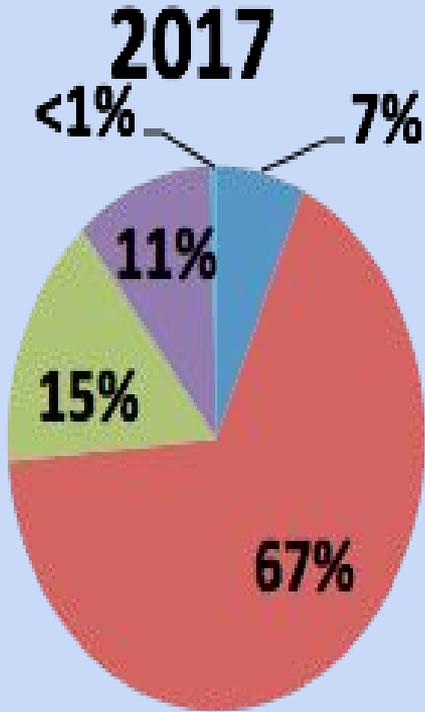
2016-17



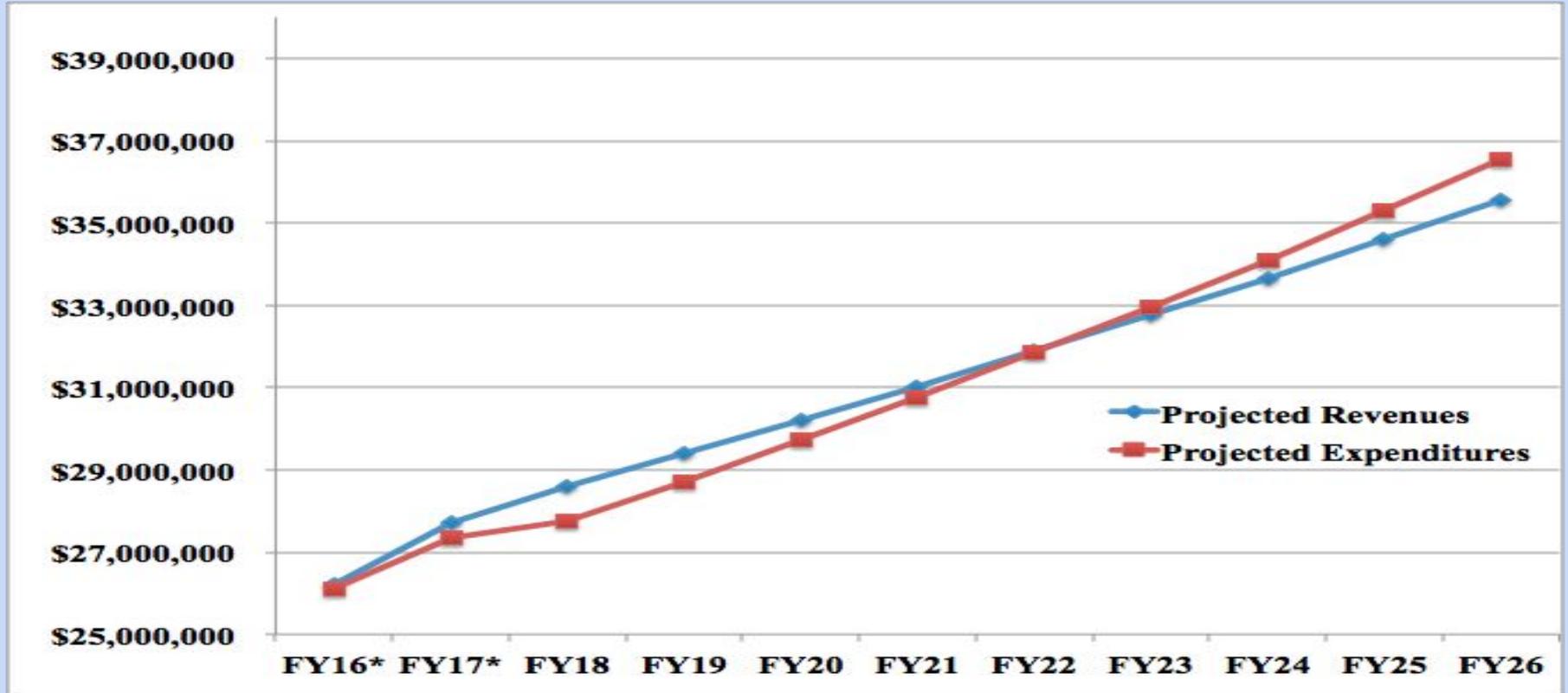
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General Fund Expenditures

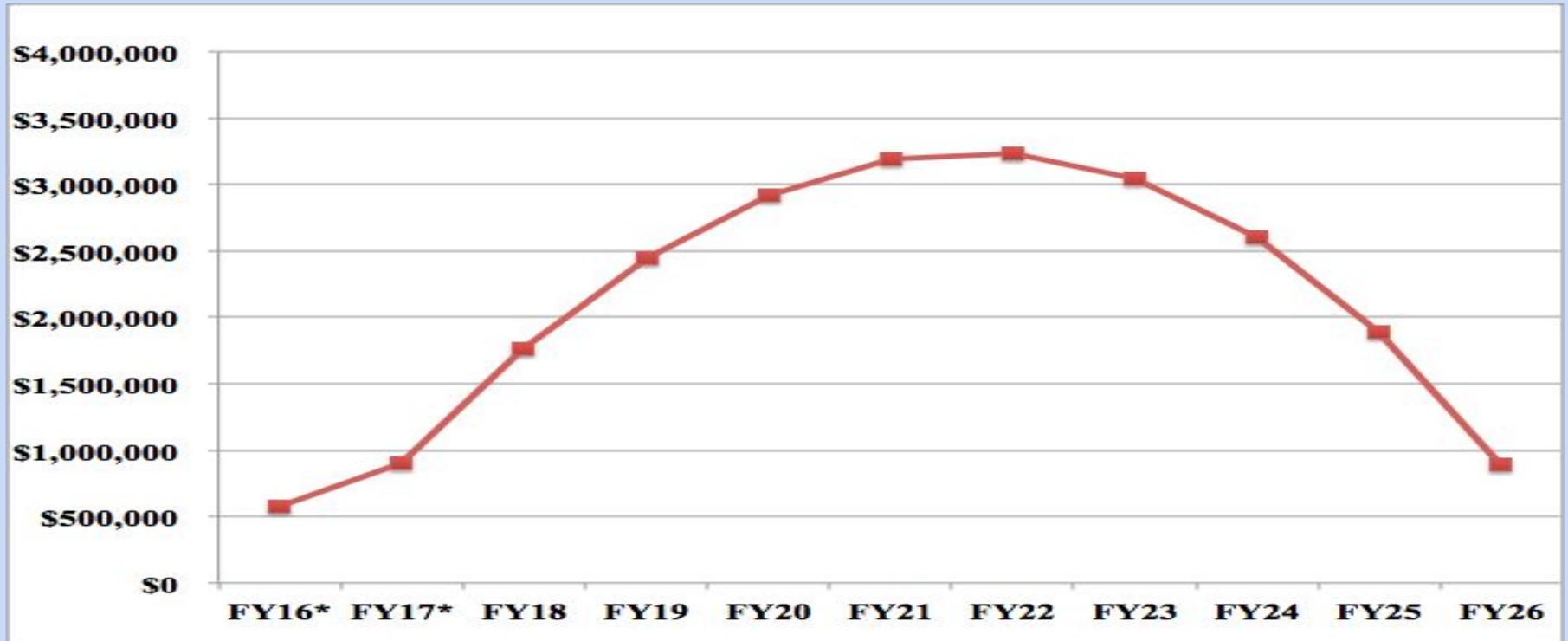


General Fund - 10 Year Projection



*Actual

General Fund - Projected Unassigned Fund Balance



*Actual

General Education Funding

Formula Allowance

X

Students

=

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 2018 Proposed Levy - All Funds

	ACTUAL 2016 PAY 2017	PROPOSED 2017 PAY 2018	DOLLAR DIFFERENCE	% Change
General Fund	\$ 5,917,921	\$ 6,206,826	\$ 288,905	4.88%
Community Education Fund	203,368	197,983	\$ (5,385)	-2.65%
Debt Service Fund	<u>3,583,685</u>	<u>3,587,989</u>	<u>\$ 4,304</u>	0.12%
TOTAL PROPOSED LEVY	\$ 9,704,974	\$ 9,992,798	\$ 287,824	2.97%

General Fund Levy Changes

Overall change is \$288,905 increase.

- **Operating Referendum levies** increased by \$147,864. Result of enrollment and inflation increases.
- **Health & Safety levy** decreased by \$112,807 due to previous year being last year of this levy component.
- **Long Term Facilities Maintenance (LTFM) levy** increased by \$238,027; 2nd year of this levy that replaces Health & Safety & Deferred Maintenance. Increase is result of statutory formula.
- **All other General fund levies (12 components)** increased by \$15,821; mostly the result of increased net tax capacity.

Community Ed Levy Changes

Overall change is \$5,385 decrease.

- **School Age Care levy** decreased \$4,643 as a result of reduction in qualifying expenditures.
- **Other Community Ed levies** decreased by \$742 combined.

Debt Service Levy Changes

Overall change is \$4,304 increase.

- 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

(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?

