



**Becker Public Schools**

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

# **Truth in Taxation For Taxes Payable in 2021**

## **December 7, 2020**



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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**

# 2019-20 General Fund Results

Fund	6/30/19	Other				6/30/20
	Audited Fund Balance	Revenues & Adjustments	Expenditures	Financing Sources	Variance	Audited Fund Balance
<b>General Fund</b>	\$ 462,128	\$35,207,172	\$34,447,039	\$ 122,957	\$ 883,090	\$ 1,345,218
<b>Less: Capital Reserves</b>						
Operating Capital	\$ 1,648	\$ 1,549,903	\$ 1,651,977	\$ 122,957	\$ 20,883	\$ 22,531
Long-Term Facilities Maint	\$ (64,072)	\$ 1,045,626	\$ 980,304	\$ -	\$ 65,322	\$ 1,250
<b>Total Capital Reserves</b>	<b>\$ (62,424)</b>	<b>\$ 2,595,529</b>	<b>\$ 2,632,281</b>	<b>\$ 122,957</b>	<b>\$ 86,205</b>	<b>\$ 23,781</b>
Assigned Fund Balances	\$ 153,911	\$ 332,124	\$ 276,843	\$ -	\$ 55,281	\$ 209,192
Non-Spendable Fund Balances	\$ 194,665	\$ 447,815	\$ 194,665	\$ -	\$ 253,150	\$ 447,815
<b>General Fund Unassigned</b>	<b>\$ 175,976</b>	<b>\$31,831,704</b>	<b>\$31,343,250</b>	<b>\$ -</b>	<b>\$ 488,454</b>	<b>\$ 664,430</b>

# 2019-20 Financial Results (All Funds)

Fund	6/30/19	Other			6/30/20	
	Audited Fund Balance	Revenues & Adjustments	Expenditures	Financing Sources	Variance	Audited Fund Balance
General Fund	\$ 462,128	\$35,207,172	\$34,447,039	\$ 122,957	\$ 883,090	\$ 1,345,218
Food Service Fund	\$ 55,738	\$ 1,533,414	\$ 1,470,740	\$ -	\$ 62,674	\$ 118,412
Community Service Fund	\$ 131,304	\$ 1,285,599	\$ 1,311,817	\$ 100,000	\$ 46,782	\$ 178,086
Debt Service Fund	\$ 734,727	\$ 3,439,493	\$ 3,431,348	\$ -	\$ 8,146	\$ 742,873
<b>Total All Funds</b>	<b>\$ 1,383,897</b>	<b>\$41,465,678</b>	<b>\$40,660,944</b>	<b>\$ 222,957</b>	<b>\$1,000,691</b>	<b>\$ 2,384,588</b>

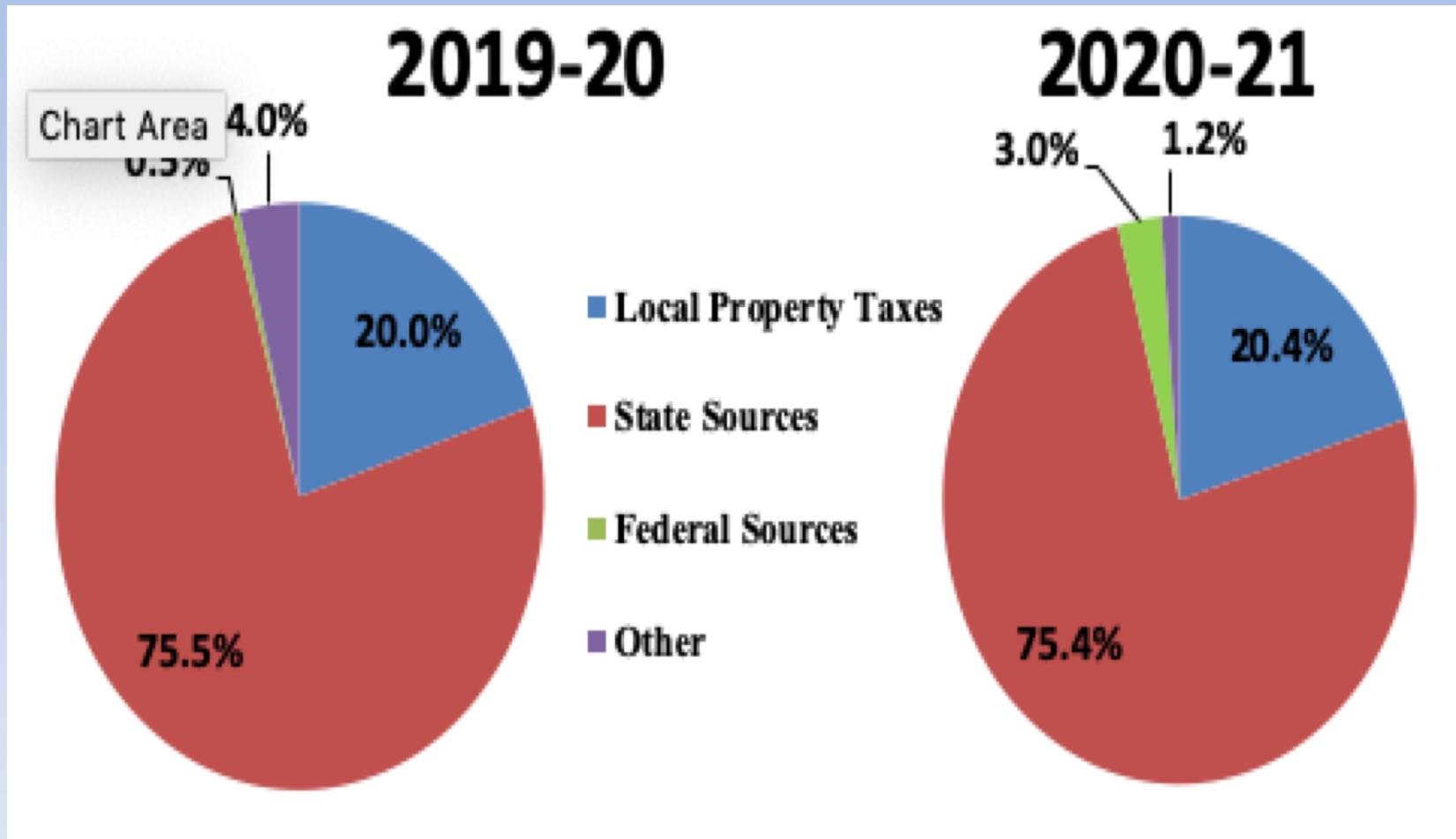
# 2020-21 General Fund Original Budget

Fund	6/30/20	Other				6/30/21
	Audited	Financing			Proj. Ending	
	Fund Balance	Revenues	Expenditures	Sources	Variance	Fund Balance
<b>General Fund</b>	\$ 1,345,218	\$ 35,921,739	\$ 35,492,542	\$ 240,000	\$ 669,197	\$ 2,014,415
<b>Less: Capital Reserves</b>						
Operating Capital	\$ 22,531	\$ 1,526,311	\$ 1,772,635	\$ 240,000	\$ (6,324)	\$ 16,207
Long-Term Facilities Maint	\$ 1,250	\$ 1,027,206	\$ 997,079	\$ -	\$ 30,127	\$ 31,377
<b>Total Capital Reserves</b>	<b>\$ 23,781</b>	<b>\$ 2,553,517</b>	<b>\$ 2,769,714</b>	<b>\$ 240,000</b>	<b>\$ 23,803</b>	<b>\$ 47,584</b>
Assigned Fund Balances	\$ 209,192	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ 209,192
Non-Spendable Fund Balances	\$ 447,815	\$ 194,665	\$ 194,665	\$ -	\$ -	\$ 447,815
<b>General Fund Unassigned</b>	<b>\$ 664,430</b>	<b>\$ 32,873,557</b>	<b>\$ 32,228,163</b>	<b>\$ -</b>	<b>\$ 645,394</b>	<b>\$ 1,309,824</b>

# 2020-21 Original Budget (All Funds)

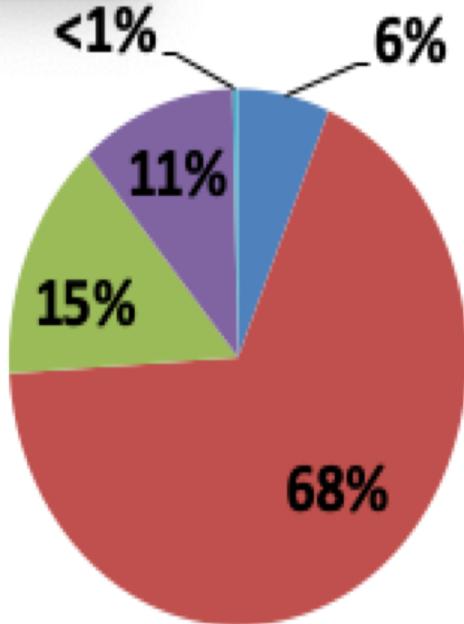
Fund	6/30/20 Audited Fund Balance	Revenues & Adjustments	Expenditures	Other Financing Sources	Variance	6/30/21 Unaudited Fund Balance
General Fund	\$ 1,345,218	\$35,921,739	\$35,492,542	\$ 240,000	\$ 669,197	\$ 2,014,415
Food Service Fund	\$ 118,412	\$ 1,511,200	\$ 1,506,360	\$ -	\$ 4,840	\$ 123,252
Community Service Fund	\$ 178,086	\$ 1,452,662	\$ 1,491,067	\$ -	\$ (38,405)	\$ 139,681
Debt Service Fund	\$ 742,873	\$ 3,383,137	\$ 3,427,413	\$ -	\$ (44,276)	\$ 698,597
<b>Total All Funds</b>	<b>\$ 2,384,589</b>	<b>\$42,268,738</b>	<b>\$41,917,382</b>	<b>\$ 240,000</b>	<b>\$ 591,356</b>	<b>\$ 2,975,945</b>

# General Fund Revenues



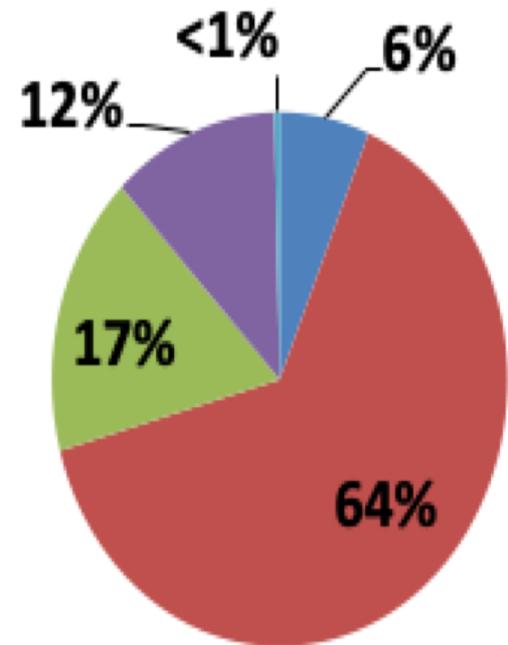
# General Fund Expenditures by Program

Chart Area **2020**



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

**2021**





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# **General Education Funding**

**Formula Allowance**

**X**

**Students**

**=**

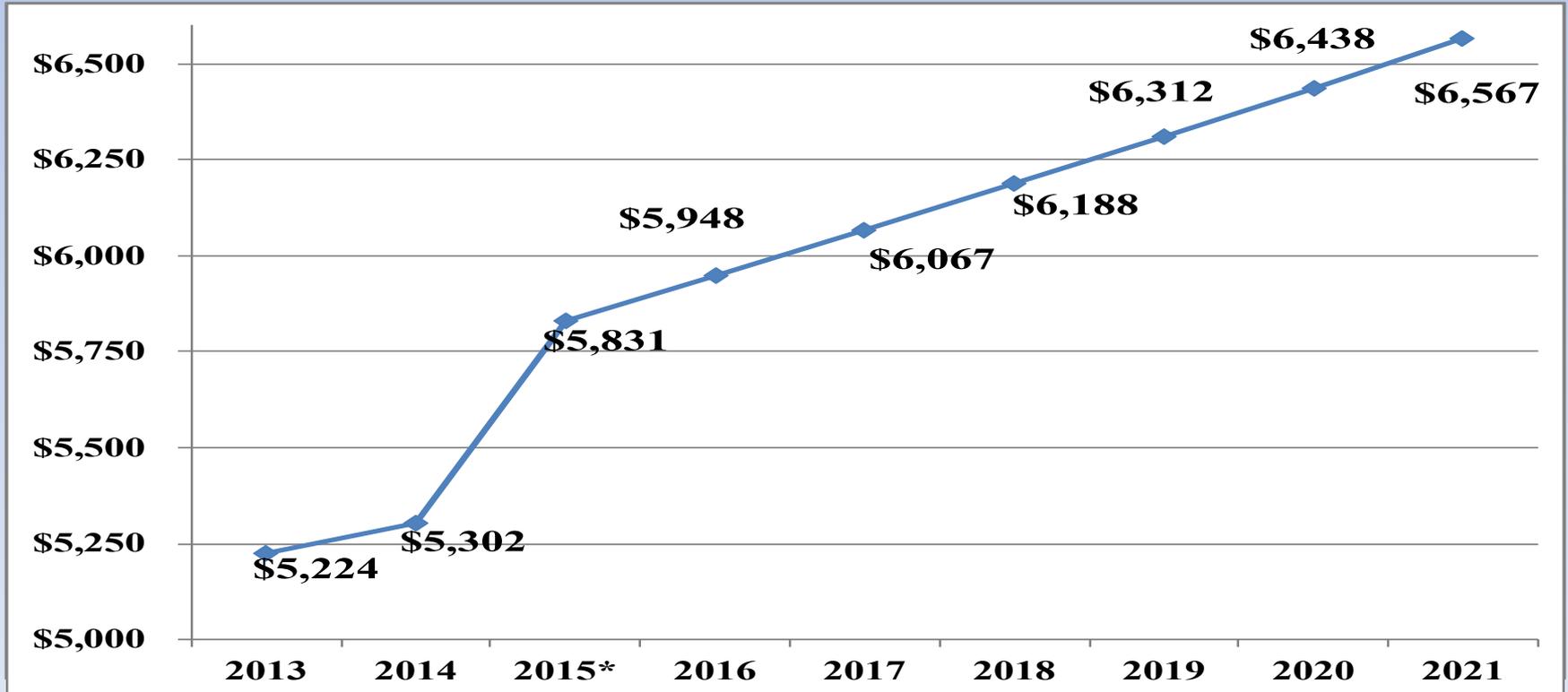
**Revenue**



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# Formula Allowance

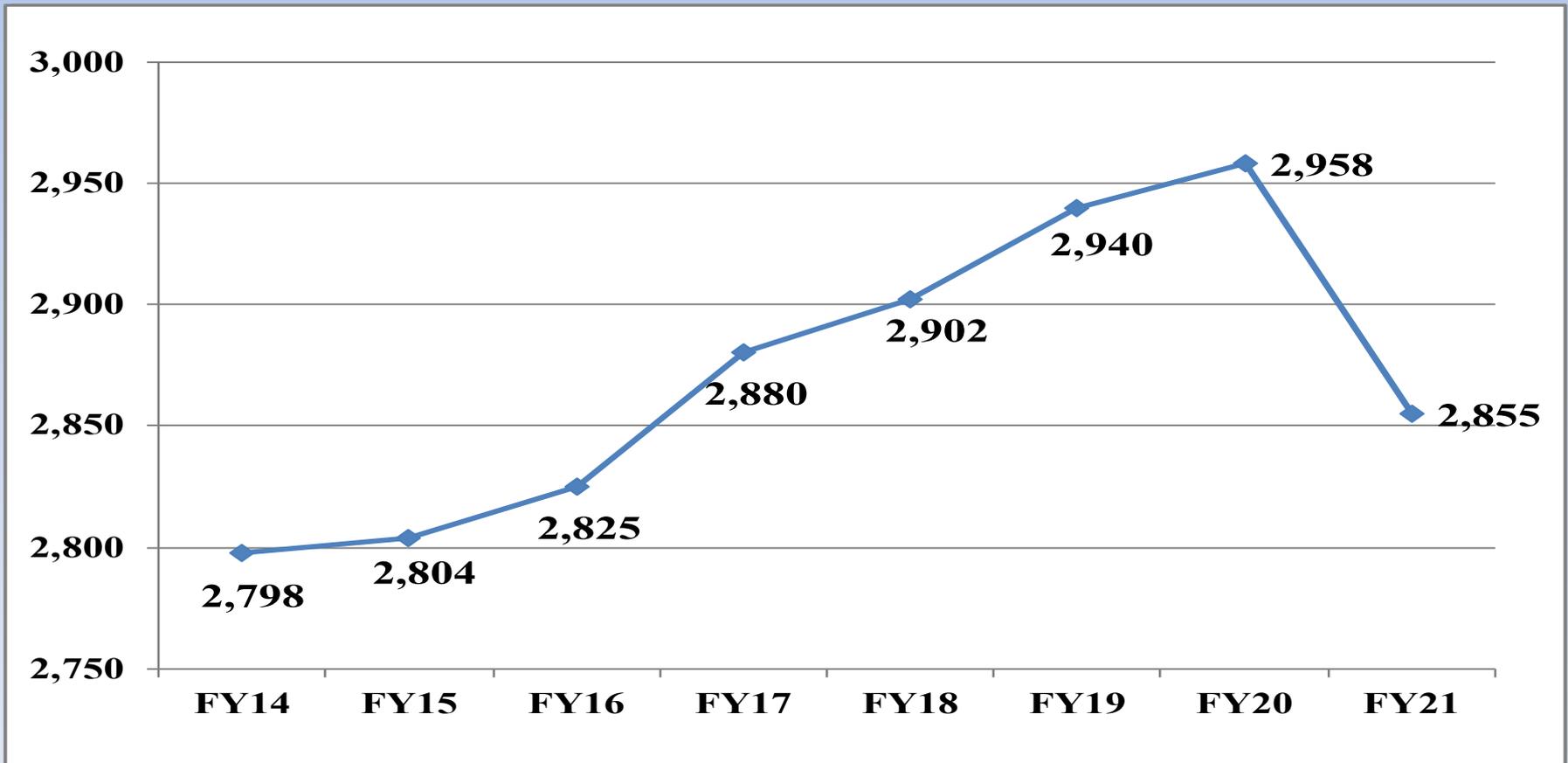




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## Becker Students (Oct 1)





## 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 2021 Proposed Levy All Funds

	<b>ACTUAL 2019 PAY 2020</b>	<b>PROPOSED 2020 PAY 2021</b>	<b>DOLLAR DIFFERENCE</b>	<b>% Change</b>
<b>General Fund</b>	\$ 7,235,061	\$ 7,280,679	\$ 45,618	0.63%
<b>Community Education Fund</b>	213,342	213,885	543	0.25%
<b>Debt Service Fund</b>	<u>3,292,211</u>	<u>3,390,869</u>	<u>98,658</u>	3.00%
<b>TOTAL PROPOSED LEVY</b>	\$ 10,740,614	\$ 10,885,433	\$ 144,819	1.35%

# General Fund Levy Changes

**Overall change is \$45,618 increase**

- **Reemployment Levy** increased by \$57,035. Result of layoffs of employees in spring of 2020 due to COVID.
- **All other General Fund levies (12 categories)** decreased by \$11,417; mostly the result of enrollment adjustments.

# Community Ed Levy Changes

Overall change is \$543 increase

- **School Age Care levy** increased \$4,694 as a result of increased expenditures for the program.
- **Other Community Ed levies** decreased by \$4,151 combined.

# Debt Service Levy Changes

**Overall change is \$98,658 increase**

- **Reduction for Debt Excess** increased levy by \$109,383. replaces the one time decreased levy from prior year.
- **All other debt service levies** decreased by \$10,725.

# 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?

## Questions regarding District Specific Levy:

**Kevin Januszewski, Director of Business Services – Becker Public Schools**

[kjanuszewski@isd726.org](mailto:kjanuszewski@isd726.org)

(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?

