

Wasatch Taxpayers Association Calls for \$5 Million Tax Cut From Wasatch School District 2013 Budget

Wasatch County – The Wasatch Taxpayers Association is calling for a conservative property tax cut from Wasatch School District (WSD) in their adopted 2013 budget of at least \$5 Million. **SAVINGS- on a \$300,000 home, the reduction of taxes would be \$194.00 a year, and will not affect the day to day operations of WSD.**

The WSD Board of Education’s online statement of purpose does not mention fiscal responsibility, nor do they acknowledge any fiduciary responsibility to the taxpayers who elect them and who they are representing. As the WTPA, we are eager to work with the Wasatch School District to remedy this oversight in being fiscally responsible to the patrons of the district they serve.

Over the past few years, revenues and expenditures for the Wasatch School District have far exceeded the increase in student enrollment. In the last five years (since 2007) enrollment has increased about 18%, but local property taxes have increased nearly 56%, with a proposed additional 3.8% for FY 2013. There have been increases in **District Administrative Supervisor’s salaries (160 % - just from 2011 to 2012)** and an **additional 12%**, from 2012 to 2013. **All salaries of District Administration increased 42% from 2011-2013.**

In the Fiscal Year (FY) 2011 Wasatch School District Audit report, the WSD Manager indicated the school district follows, “the concept that the revenues provided to a District are intended to be used during the period for which they were generated. The focus of the District’s governmental funds is to provide information on how money flows into and out of the funds and to show balances left at year-end available for spending. **Under Utah law, it is illegal to budget for an undesignated fund balance.**” **WTPA members agree with this policy, but the WSD apparently did not follow it.** See below excerpt from audit.

<u>Cash in Banks and On Hand – FY 2011 WSD AUDIT</u>	06/30/11	Fund balance
General Fund	\$7,736,055	\$5,664,646 Unassigned
Student activity	\$868,427	None
NonK-12	\$468,817	\$476,040 Unassigned
Debt Service	\$2,558,329	\$2,600,897 Unassigned
Capital Projects	\$4,347,310	\$4,623,809 Retracted=capital Outlay
Building Reserve	None	None
Food Service	\$1,875	\$22,878 Unassigned
Other Funds	\$44,519	44519 Unassigned
	\$16,025,332	\$13,432,789.00

In analyzing the 2011 WSD amended budget, WTPA has found **apparent unassigned reserves, or slush funds, nearing 9 million.** In the FY 2013 budget there are still millions of unassigned reserves.

UTAH STATE CODE 53A-19-103. Undistributed reserve in school board budget. (1) A local school board may adopt a budget with an undistributed reserve. **The reserve may not exceed 5%** of the maintenance and operation budget adopted by the board in accordance with a scale developed by the State Board of Education. The scale is based on the size of the school district's budget.

Since a 49.33% unsubstantiated tax increase in 2007, approximately **23 million** has already been spent, without a public bond election, to finish the new high school, build a 3.1 million football stadium, and to add on to an existing elementary. It is not clear which fund(s) this was drawn from, and WTPA would appreciate an explanation from the WSD.

WSD Board of Education has put the already adopted 2013 budget out for a public 30 Day Review, after quickly adopting it in June 2012, without adhering to the state code to post the budget to the public at least 10 days prior to adoption. **Wasatch School District- 2013 budget public hearing** will be: Thursday, July 19, 2012, 6:30pm | Wasatch Education Center 435 654-0280 | 101 East 200 North, Heber City, UT. 84032.

Based on the figures included here, which were supplied to the Wasatch County taxpayers by the Wasatch School District, the Wasatch Taxpayers Association is calling for a conservative \$5 Million reduction in property taxes, from the existing unassigned cash funds, for the adopted 2013 budget year.