

# Budget Prep

# Tax Cap Revenue Reserves



February 22, 2024

## Tax Cap

- Based upon

- Last year's tax levy
- Tax Base Growth Factor
- PILOT
  - Payment in Lieu of Taxes
  - Current & Prior
- Exclusions
  - Capital Assets less Aid Received
  - Current and Prior
- Allowable Growth Factor
  - MAXIMUM OF 2%
  - Where the 2% comes from

- Based upon

- \$7,354,399
- 1.0127
- PILOT
  - Prior \$382
  - Current \$403
- Exclusions
  - Prior \$221,774
  - Current \$254,774
- Allowable Growth Factor
  - MAXIMUM OF 2%
  - **CALCULATED TAX CAP = 3.68%**

## Revenue Sources

- Taxes (Property Owners & State Lands)
- Tuition (Inlet, Raquette & Other)
- Other (Fees, Interest, Refunds, Medicaid)
- State Aid (Per student, Need & Wealth Ratio)
  - We used to have a hold harmless on our amount
- Fund Balance
  - Funds from budgeted expenditures that were not realized and recognized revenue.
  - This years fund balance: Fuel Oil, Special Education, Teachers, Benefits, Support Staff

## Fund Balance

### Two Types of Fund Balance

- Restricted
  - Reserves-Money established for a particular purpose normally by voter authorization or board action.
  - Encumbrances-Previous earmarked funds for a particular purpose that has not yet happened.
  - Reserved for Tax Levy-used to maintain a stable tax rate.
- Unrestricted
  - Held to 4% of the budget

## TOW UFSD- Reserves-Policy 5512

- **2015 Capital Reserve** -used for roof & balance for heating project-VOTERs control
- **2020 Capital Reserve** -used for heating project-VOTERs control
- **Bus Reserve**-Enough for 1 bus in case of budget failure, and help offset costs for lower tax impact.-VOTERs control
- **Capital Equipment**-Enough to replace a plow/utility vehicle in case of budget failure, and help offset costs for lower tax impact. VOTERs control
- **Repair Reserve**-Costs to repair capital equipment or improvements, short term-BOE, long-term VOTER
- **Unemployment**-Pay costs associated with unemployment claims-BOE Controls
- **Workers Compensation**-Pay costs associated with worker's comp claims-BOE Controls
- **Retirement Reserve**-Pay any portion of retirement contributions (ERS)-BOE controls

## Current Reserve Balances (1/31/2024)

- **2015 Capital Reserve** -\$361,079.05 (will be zero after state approves project)
- **2020 Capital Reserve** -\$543,716.52 (will be less after state approves project)
- **Bus Reserve**-\$271,780.11 (will be using to help offset the electric mandate)
- **Capital Equipment**-\$100,543.05 (plan to use during this upcoming vote)
- **Repair Reserve**-\$361,079.05
- **Unemployment**-\$34,075.72
- **Worker's Compensation**-\$20,018.06
- **Retirement Reserve**-\$265,458.34
  - \$1,957,749.90

Budget Overview					
	2023-2024 Budget	2024-2025 Proposed Budget	% of Budget	Dollar Change	Percent Change
General Support	\$ 2,092,250.00	\$ 2,086,710.00	18.3%	\$ (5,540.00)	-0.26%
Instruction	\$ 5,074,500.00	\$ 5,171,500.00	45.3%	\$ 97,000.00	1.91%
Transportation	\$ 705,875.00	\$ 731,431.00	6.4%	\$ 25,556.00	3.62%
Community Services	\$ 22,300.00	\$ 16,000.00	0.1%	\$ (6,300.00)	-28.25%
Employee Benefits	\$ 3,162,920.00	\$ 3,265,900.00	28.6%	\$ 102,980.00	3.26%
Interfund Transfer	\$ 145,000.00	\$ 140,000.00	1.2%	\$ (5,000.00)	-3.45%
<b>TOTAL</b>	<b>\$ 11,202,845.00</b>	<b>\$ 11,411,541.00</b>	<b>100.0%</b>	<b>\$ 208,696.00</b>	<b>1.86%</b>
State Aid	\$ 1,122,683.00	\$ 885,469.00	7.8%	\$ (237,214.00)	-21.13%
Property Tax Levy	\$ 7,354,399.00	<b>\$ 7,625,307.00</b>	66.8%	\$ 270,908.00	3.68%
Tuition	\$ 1,050,000.00	\$ 1,135,800.00	10.0%	\$ 85,800.00	8.17%
Other	\$ 175,763.00	\$ 160,182.00	1.4%	\$ (15,581.00)	-8.86%
Fund Balance to Reduce Taxes	\$ 1,500,000.00	<b>\$ 1,604,783.00</b>	14.1%	\$ 104,783.00	6.99%
<b>TOTAL</b>	<b>\$ 11,202,845.00</b>	<b>\$ 11,411,541.00</b>	<b>100.0%</b>	<b>\$ 208,696.00</b>	<b>1.86%</b>

## Upcoming Meetings

- March
  - Equipment Reserve-Proposition
  - Continue to Look at Revenues/Fund Balance
  - Tax Rate Projections
- April 1-Final State Budget?
- April 17-Property Tax Report Card
  - Reserves Reported to the State
- May 6 Woodgate
- May 7 Big Moose
- May 14 Old Forge
- May 21 Vote