

# TAX RATES 2021-22 & RESERVE FUND ALLOCATION



"EVERY STUDENT, ONE COMMUNITY, READY FOR THE FUTURE."

**Sweet Home Central School District  
Board of Education  
August 17, 2021**

# Tax Levy vs. Tax Rate

**Tax Levy**: Total amount of property taxes to be collected

- Developed during the budget process
- Property Tax Cap law applies to the **levy**
- Tax Levy, state aid, other local revenue, and fund balance/reserves finance the budget to operate the District

# Tax Levy vs. Tax Rate

Sweet Home Tax Levy for 2021-22: \$51,105,559

- Increase of \$1,573,354
- Percentage increase of 3.18%
- Within the New York State Tax Cap Law

# Tax Levy vs. Tax Rate

Tax Rate: The rate per thousand of assessed value that is needed to attain the Tax Levy

Variables Affecting Tax Rate:

- Amount of the Tax Levy (set by school district)
- Total assessed value of real property (set by assessor)
- Equalization Rate (determined by the State)

# Tax Rate Projection May 2021

## Assumptions:

- **Assessed Values remain at 2020 levels**
- Amherst Equalization Rate reduced from 91% to 88%
- Tonawanda Equalization Rate remained steady at 33%

| School Tax on an Average Market Value Home of \$150,000 |           |                  |           |                 |
|---------------------------------------------------------|-----------|------------------|-----------|-----------------|
|                                                         | Amherst   |                  | Tonawanda |                 |
|                                                         | 2020-21   | 2021-22          | 2020-21   | 2021-22         |
| Equalization Rate                                       | 91.0%     | <b>88.0%</b>     | 33.0%     | <b>33.0%</b>    |
| Assessed Value                                          | \$150,000 | <b>\$150,000</b> | \$55,500  | <b>\$55,500</b> |
| Tax Rate                                                | \$14.03   | \$14.53          | \$38.94   | \$38.99         |
| Calculated Tax Bill                                     | \$2,105   | \$2,180          | \$2,161   | \$2,164         |
| Estimated Change in Tax Bill for 2021-22                |           | <b>\$75</b>      |           | <b>\$3</b>      |

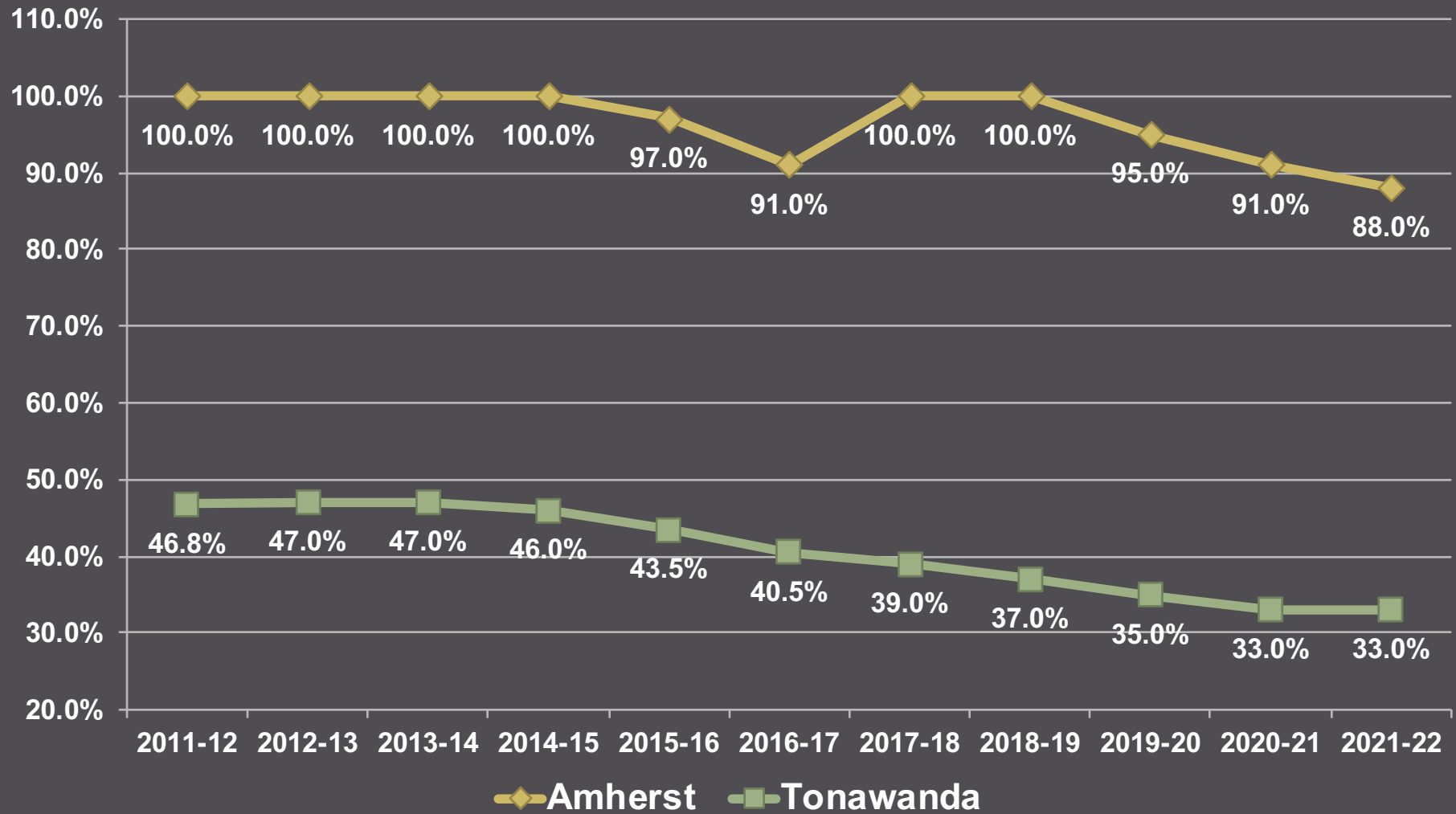
# Tax Rate August 2021

Changes from June:

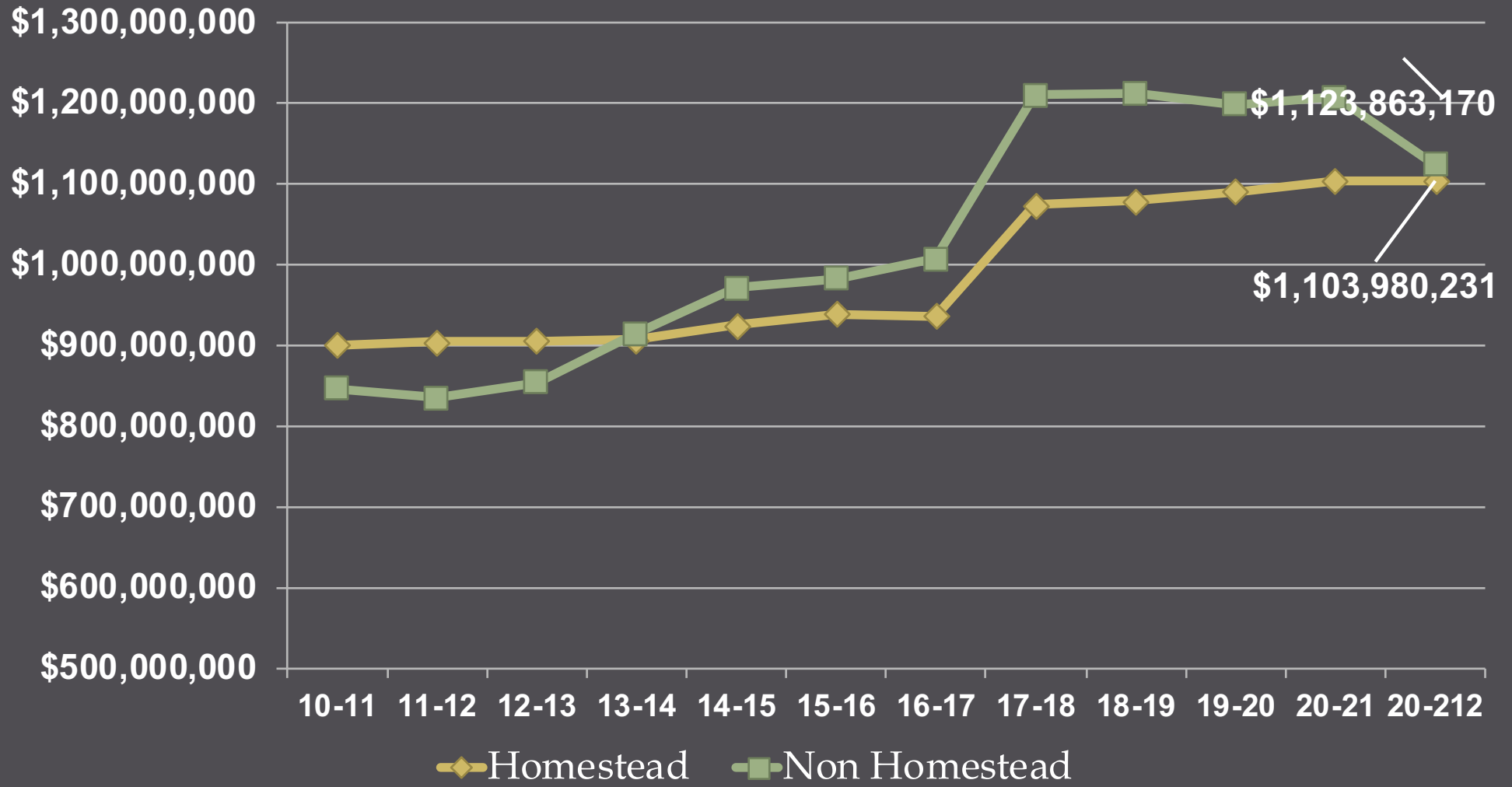
- **Assessed Values set to actual 2021 levels**
- Amherst Equalization Rate reduced from 91% to 88%
- Tonawanda Equalization Rate remained steady at 33%

| School Tax on an Average Assessed Value Home |           |           |           |          |
|----------------------------------------------|-----------|-----------|-----------|----------|
|                                              | Amherst   |           | Tonawanda |          |
|                                              | 2020-21   | 2021-22   | 2020-21   | 2021-22  |
| Equalization Rate                            | 91.0%     | 88.0%     | 33.0%     | 33.0%    |
| Assessed Value                               | \$150,000 | \$150,000 | \$55,500  | \$55,500 |
| Tax Rate                                     | \$14.03   | \$14.72   | \$38.94   | \$39.48  |
| Calculated Tax Bill                          | 2,105     | \$2,208   | \$2,161   | \$2,191  |
| Estimated Increase                           |           | \$103     |           | \$30     |

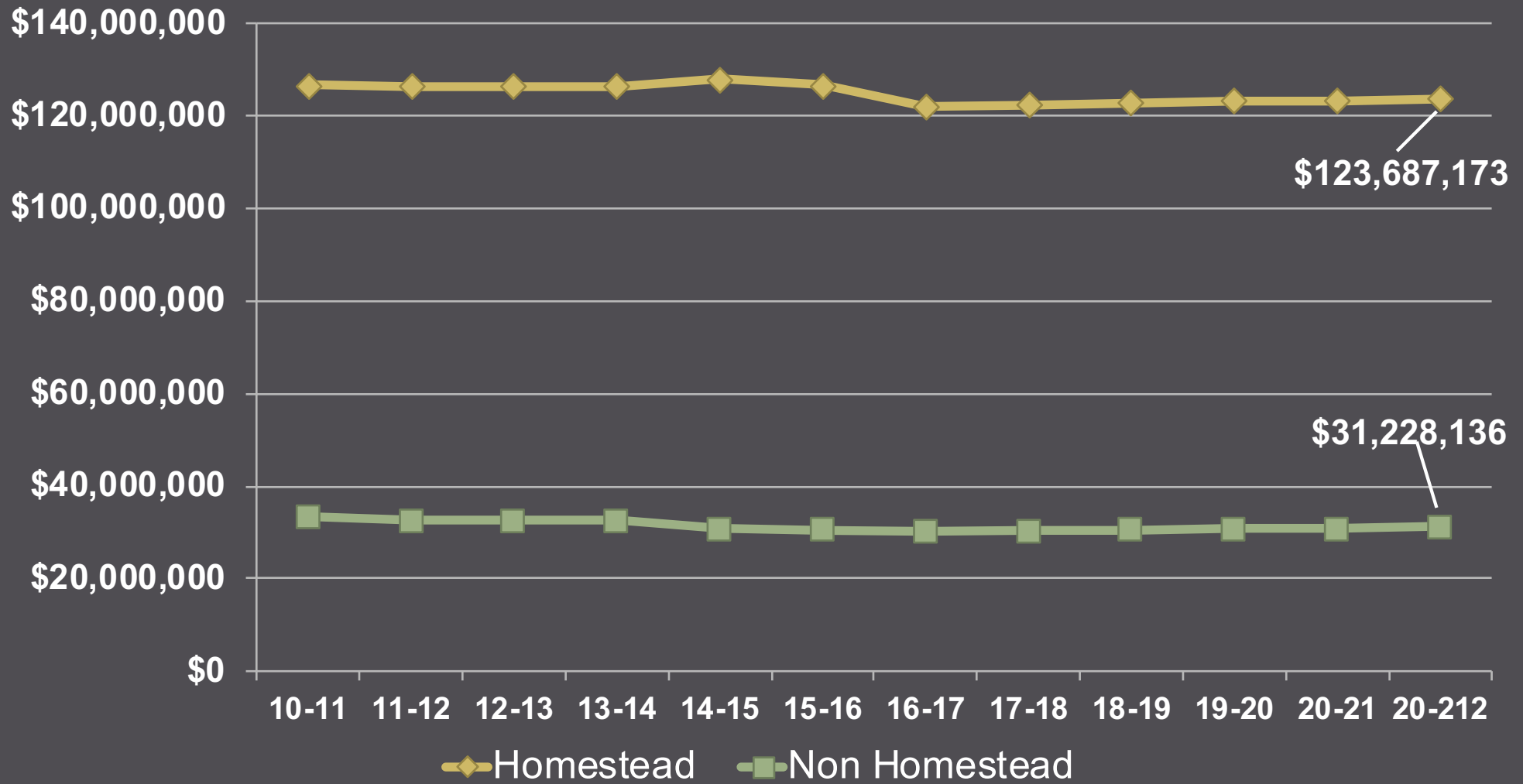
# Equalization Rates



# Amherst Taxable Assessed Value



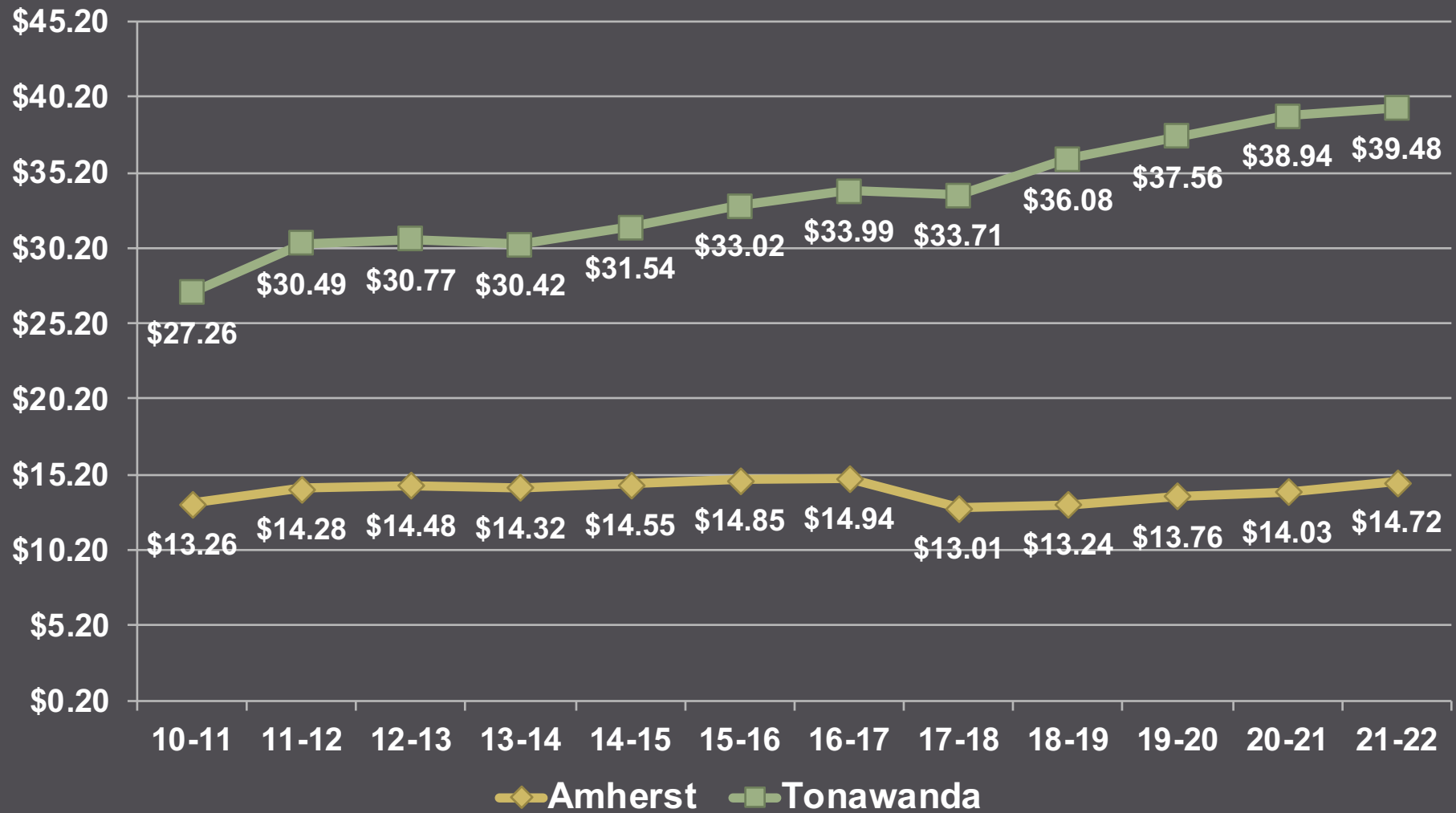
# Tonawanda Taxable Assessed Value



# Proposed Tax Levy

|                        | 2020-21             | 2021-22             |
|------------------------|---------------------|---------------------|
| <b>Amherst</b>         |                     |                     |
| Homestead              | \$15,487,507        | \$16,546,865        |
| Non-Homestead          | \$27,325,275        | \$27,728,269        |
| <b>Total Amherst</b>   | <b>\$42,812,782</b> | <b>\$44,275,134</b> |
| <b>Tonawanda</b>       |                     |                     |
| Homestead              | \$4,804,405         | \$4,882,892         |
| Non-Homestead          | \$1,915,018         | \$1,947,533         |
| <b>Total Tonawanda</b> | <b>\$6,719,423</b>  | <b>\$6,830,425</b>  |
| <b>Total Tax Levy</b>  | <b>\$49,532,205</b> | <b>\$51,105,559</b> |

# Sweet Home Homestead Tax Rate History



# Tax Rate Summary

| Tax Rate to the Nearest Cent | 2020-21 | May Projection | 2021-22 |
|------------------------------|---------|----------------|---------|
| Amherst Homestead            | \$14.03 | \$14.53        | \$14.72 |
| Amherst Non-Homestead        | \$22.63 | \$23.47        | \$23.54 |
| Tonawanda Homestead          | \$38.94 | \$38.99        | \$39.48 |
| Tonawanda Non-Homestead      | \$62.29 | \$62.47        | \$62.36 |

# Fund Balance & Reserve Fund Activity: 2020-21 Year End

## 2020-21 Budget Year Key Points of Interest

- Began the year with a 5.49% Unassigned Fund Balance = \$1,241,533 surplus (over 4%)
- Realized an additional \$412,450 in revenue as part of Erie County's CARES Act allocation
- Realized significant savings while no in-person attendance mid-November through early January as a result of COVID pandemic

# Fund Balance & Reserve Fund Activity: 2020-21 Year End

|                   | Employee Benefits | Tax Certiorari | Workers Comp | ERS/TRS     | Debt        | Unemployment | Capital      | Total Reserves | Unassigned Fund Balance |
|-------------------|-------------------|----------------|--------------|-------------|-------------|--------------|--------------|----------------|-------------------------|
| Balance 6/30/20   | \$631,649         | \$616,600      | \$611,645    | \$1,794,333 | \$3,662,321 | \$323,831    | \$1,599,819  | \$9,243,649    | \$4,575,440             |
| Interest Income   | \$500             | \$488          | \$487        | \$1,094     | \$37,148    | \$172        | \$1,265      | \$41,154       |                         |
| Use of Reserve    | \$0               | \$0            | \$0          | \$0         | -\$900,000  | \$0          | -\$700,000   | -\$1,600,000   |                         |
| Additions Per BOE | \$0               | \$0            | \$200,000    | \$854,070   | \$0         | \$0          | \$1,200,000* | \$2,254,070    |                         |
| Balance 6/30/20   | \$632,148         | \$617,088      | \$815,583    | \$2,649,497 | \$2,799,469 | \$324,003    | \$2,101,084  | \$9,938,874    |                         |

\*Potential use for Capital Reserves – Replacement B&G and transportation vehicles – Possible proposition on May ballot

# Unassigned Fund Balance

**2021-22 Approved Budget:** \$85,923,559

**4% of Budget:** \$3,436,942

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**Recommendation Unassigned Fund Balance:** \$4,765,798

**Percentage of 2020-21 Budget:** 5.55%

**Difference:** \$1,328,855

## Why the Recommendation?

**GASB 84 – regulation regarding District 105h funds for employee medical expenses**

- Traditionally booked as a long term expense in a Trust & Agency Account
- Regulation mandates funds must be moved into General Fund
  - Initial impact to General Fund in this budget year
  - Can move money two two places:
    - Unassigned fund balance
    - Reserves
- **RECOMMENDATION:** Move entire 105h balance to Unassigned Fund Balance = \$1,328,555
  - We believe it gives us more flexibility to use money over reserves
  - Can justify to auditors & NYS Comptroller
  - Can opt to go back to 4% in 22-23 and/or put 105h monies in reserves



Questions?