



# Mexico Academy & Central School District



**February 29, 2024**

Mexico Academy & Central School District | 16 Fravor Road, Suite A | Mexico, NY 13114 | Phone: 315-963-8400



# Let's Talk about Taxes

What are School District Taxes & Why do we have them? 🍏

- **School District Taxes** are the 2<sup>nd</sup> largest revenue source for schools, and they support the District's operating budget. The 2<sup>nd</sup> largest behind State Aid, without them we would not be able to operate.

How are they calculated?

- There are several factors that go into calculating the tax levy and tax rates
  - Tax Levy
  - Assessed Value
  - Property Tax Rates
  - Equalization Rates







# More Tax Talk

## Where do you start?

*Basically...with your budget*

1. *Determine* your required & desired *Expenditures* to operate the District
2. *Calculate* your anticipated *State Aid & other Misc. Revenue*
3. *Calculate* the required *Tax Levy needed* to balance your budget
  - Balanced Budget: Expenses = Revenues
  - **Tax Levy = 1** (determined expenses) – **2** (anticipated revenues)

If this amount is too much for your community, then you need to reduce your Expenditures...or find other sources to help balance your budget  
(ex. Reserves, Appropriated Fund Balance)





# MEXICO EXAMPLE

Required & Desired Expenditures: \$ 64,336,701

State Aid & other Misc. Revenue: \$ 47,666,477

Required Tax Levy needed to balance the budget: \$ 16,670,224

**BASELINE ... now make decisions**

- Is this over the Tax Cap?

Is this too much for taxpayers?

Do we have other revenue options? Reserves? Appropriated Fund Balance?

Do we have to reduce our Expenditures?





# Tax Cap Calculation

Tax Cap Calculator Results Report		
Base Projection - Actuals (4% Weight on A Fund Expenses)		
	BUDGET 2024	PROJECTION 2025
<b>Tax Levy Limit (Cap) Before Exclusions</b>		
Tax Levy Prior Year	\$12,694,435	\$13,011,795
Prior Year Reserve Offset	\$0	\$0
Reserve Amount	\$0	\$0
Tax Base Growth Factor	1.0098	1.0132
PILOTS Receivable Prior Year	\$9,040,083	\$9,052,210
Tort/ Judgement Exclusion Prior Year	\$0	\$0
Capital Tax Levy for Prior Year	\$1,037,834	\$844,577
Allowable Levy Growth Factor	1.0200	1.0200
PILOTS Receivable Current FYE	\$9,052,210	\$9,052,474
Available Carryover from Prior FYE	\$0	\$0
<b>Total Levy Limit Before Exclusions</b>	<b>\$12,185,301</b>	<b>\$12,766,533</b>
<b>Exclusions</b>		
Tax Levy Necessary for Expenditures Resulting from Tort Judgements Over 5%	\$0	\$0
Capital Levy for Current Year	\$844,577	\$899,780
ERS contribution increase greater than 2%	\$0	\$0
TRS contribution increase greater than 2%	\$0	\$0
<b>Total Exclusions</b>	<b>\$844,577</b>	<b>\$899,780</b>
<b>Tax Levy Limit, Adjusted For Transfers, Plus Exclusions</b>	<b>\$13,029,878</b>	<b>\$13,666,313</b>
Reserve Amount Used to Reduce Current Year Levy	\$0	\$0
Proposed Levy for Current Year, Net of Reserve \$	\$13,011,795	\$0
OR Proposed Levy for Current Year, Net of Reserve %	0.00%	2.00%
	2024	2025
<b>CURRENT FYE PROPOSED LEVY, \$ entry</b>	<b>\$13,011,795</b>	<b>\$0</b>
<b>CURRENT FYE PROPOSED LEVY, % entry</b>	<b>\$0</b>	<b>\$13,272,031</b>
<b>CURRENT FYE PROPOSED LEVY, NET OF RESERVE %</b>	<b>2.50%</b>	<b>2.00%</b>
<b>TAX LEVY LIMIT %</b>	<b>2.64%</b>	<b>5.03%</b>
DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY	\$18,083	\$394,282
YEAR OVER YEAR CHANGE IN CURRENT FYE PROPOSED LEVY	\$317,360	\$260,236



## Tax Levy Limit

2024 - \$13,029,878

2025 - \$13,666,313

## Tax Levy Limit %

2024 - 2.64%

2025 - 5.03%



# Should we maximize our Tax Cap?

**Before we decide, we  
need to understand  
it's impact**





# Understanding Taxes

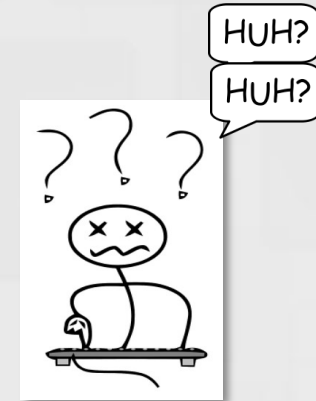
Your **Tax Levy** drives yours **Tax Rates**, which drives residents **Tax Bills**

🍏 *End Result – are the Taxes Owed by our residents acceptable?*

The parts and pieces of the Taxes Owed amount:



**Assessed Value**  
**Equalization Rates**  
**Property Tax Rates**



*Taxes owed = taxable Full Value assessment × property tax rate per thousand*





# More Tax Talk

$$\frac{\text{Assessed Value}^*}{\text{Equalization Rates}^* \times \text{Property Tax Rates}} = \text{Taxes Owed by residents}$$



Taxes Owed by Residents  
**has to =**  
 District's Tax Levy

\* These amounts determined by outside agencies

## EXAMPLE:

Taxpayer's House  
 assessed at \$100,000

Assessed Value per local municipality



Equalization Rate = 80%

Each municipality determines its own level of assessment

The level of assessment of each municipality must be *equalized* to **full market value**.

Equalization rates wouldn't be necessary if all municipalities assessed property at 100% of market value.

Property Tax Rate = \$14.141508

Per \$1,000 of assessed value

$$\text{Assessed Value} / \text{Equalization Rate} = \text{Full Market Value}$$

$$\text{Full Market Value} \times \text{Property Tax Rate} = \text{Taxes Owed}$$

$$\$100,000 / .80 = \$125,000 \text{ Full Market Value}$$

$$\$125,000 / 1,000 \times \$14.141508 = \$1,768 \text{ Taxes Owed}$$





# Why is this important?

Let's take a look at Mexico's  
Estimated Tax Information & Data



# Mexico Estimated Taxes at 2% increase

MEXICO ACADEMY & CENTRAL SCHOOL DISTRICT  
School Taxes  
2024 - 2025 EST for Budget

\*\*\* 2.0% \*\*\*

Town	Taxable Assessed Valuation	2023-24 DATA		Equalization Rate	PROJECTED 2% INC	% Tax	Budget 2024 - 2025 EST for Budget		2023 - 2024		
		Clergy Exemptions	Assessed value for Apportionment		Full Valuation		Tax Levy	Tax Rate/1000	Tax Rate/1000	Increase (Decrease)	% Change
Hastings	6,745,578		6,745,578	0.8600	8,000,569	0.852%	\$113,140.11	16.772486	16.443614	0.3289	2.00%
Mexico	264,186,940	3,000	264,189,940	0.7000	384,962,484	41.018%	\$5,443,950.20	20.606432	20.202384	0.4040	2.00%
New Haven	166,970,417	1,500	166,971,917	0.7700	221,183,578	23.567%	\$3,127,869.43	18.733076	18.365760	0.3673	2.00%
Palermo	140,449,541	1,500	140,451,041	0.8800	162,795,525	17.346%	\$2,302,174.29	16.391469	16.070067	0.3214	2.00%
Parish	252,585		252,585	0.7400	348,158	0.037%	\$4,923.47	19.492329	19.120217	0.3721	1.95%
Richland	22,843,564		22,843,564	0.6200	37,581,347	4.004%	\$531,456.94	23.265062	23.971627	-0.7066	-2.95%
Scriba	63,939,656		63,939,656	0.6800	95,909,484	10.219%	\$1,356,304.78	21.212263	19.670533	1.5417	7.84%
Volney	19,033,680		19,033,680	0.7000	27,734,790	2.955%	\$392,211.77	20.606198	20.076237	0.5300	2.64%
<b>Totals</b>	<u>684,421,961</u> 8/4/2023	6,000	<u>684,427,961</u>		<u>938,515,935</u>	100.00%	<u>\$13,272,031.00</u> << check rounding!				
	Tax Levy on True Valuation						<u>\$13,272,031</u>	<u>14.141508</u>	/1000		
	\$ Increase (Decrease)						\$260,236	0.000000	/1000		
	Prior Year Tax Levy on True Valuation						\$13,011,795	14.141508	/1000		
	% Increase (Decrease)						2.00%	0.00%			
							↑ LEVY	↑ RATE			

Full Valuation: \$ 938,515,935  
Tax Rate (per \$1,000 FV): \$14.141508

$$\begin{aligned}
 & \$938,515,935 \\
 & \quad / 1,000 \\
 & \quad \times \$14.141508 \\
 & = \$13,272,031 \text{ Total Taxes}
 \end{aligned}$$

2.0% LEVY increase  
(discussed at last meeting)

0.0% TAX RATE increase





# Mexico Estimated Taxes at 5.03% increase

\*\*\* 5.03% \*\*\*

MEXICO ACADEMY & CENTRAL SCHOOL DISTRICT  
School Taxes  
2024 - 2025 E ST for Budget

Town	Taxable Assessed Valuation	2023-24 DATA		Equalization Rate	PROJECTED 2% INC	% Tax	Budget 2024 - 2025 E ST for Budget		2022 - 2023			
		Clergy Exemptions	Assessed value for Apportionment		Full Valuation		Tax Levy	Tax Rate/1000	Tax Rate/1000	Increase (Decrease)	% Change	
Hastings	6,745,578		6,745,578	0.8600	8,000,569	0.852%	\$116,501.25	17.270759	16.443614	0.8271	5.03%	
Mexico	264,186,940	3,000	264,189,940	0.7000	384,962,484	41.018%	\$5,605,677.64	21.218602	20.202384	1.0162	5.03%	
New Haven	166,970,417	1,500	166,971,917	0.7700	221,183,578	23.567%	\$3,220,791.35	19.289593	18.365760	0.9238	5.03%	
Palermo	140,449,541	1,500	140,451,041	0.8800	162,795,525	17.346%	\$2,370,566.68	16.878422	16.070067	0.8084	5.03%	
Parish	252,585		252,585	0.7400	348,158	0.037%	\$5,069.74	20.071422	19.120217	0.9512	4.97%	
Richland	22,843,564		22,843,564	0.6200	37,581,347	4.004%	\$547,245.32	23.956215	23.971627	-0.0154	-0.06%	
Scriba	63,939,656		63,939,656	0.6800	95,909,484	10.219%	\$1,396,597.52	21.842431	19.670533	2.1719	11.04%	
Volney	19,033,680		19,033,680	0.7000	27,734,790	2.955%	\$403,863.50	21.218361	20.076237	1.1421	5.69%	
<b>Totals</b>	<u>684,421,961</u> <small>8/4/2023</small>	6,000	<u>684,427,961</u>		<u>938,515,935</u>	100.00%	<u>\$13,666,313.00</u>					
Tax Levy on True Valuation							<u>\$13,666,313</u>	<u>14.561621</u> /1000				
\$ Increase (Decrease)							\$654,518	0.420113 /1000				
Prior Year Tax Levy on True Valuation							\$13,011,795	14.141508 /1000				
% Increase (Decrease)							5.03%	2.97%				
							↑ LEVY	↑ RATE				

Full Valuation: \$ 938,515,935  
Tax Rate (per \$1,000 FV): \$14.141508

$$\begin{aligned}
 & \$938,515,935 \\
 & \quad / 1,000 \\
 & \quad \times \$14.561621 \\
 & = \$13,666,313 \text{ Total Taxes}
 \end{aligned}$$

5.03% LEVY increase  
(Tax Cap Limit)

2.97% TAX RATE increase



# Tax Levy & Rate History – 10 Year

## Tax Levy & Rate History 10-Year Analysis

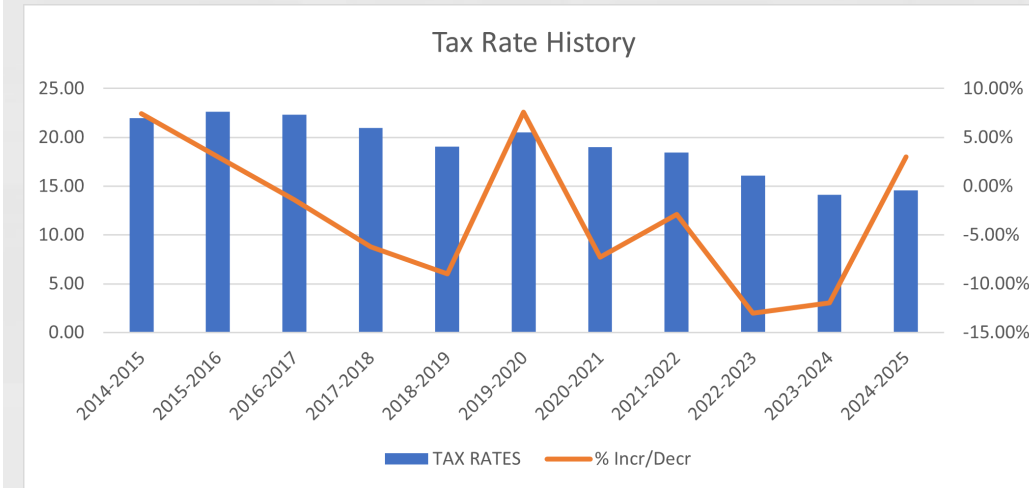
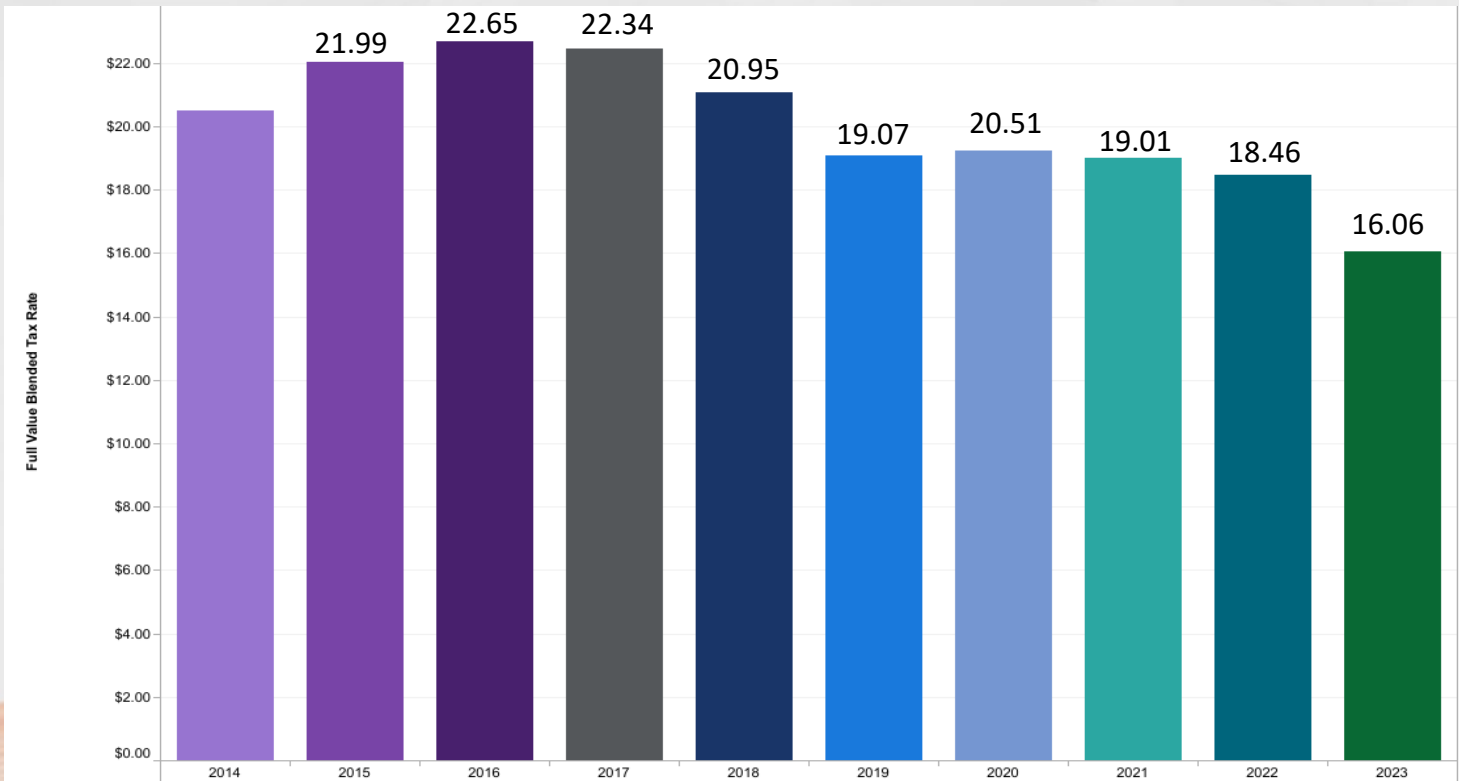
	(Energy ON Tax Rolls) \$12,750,683 Tax Payers		(Energy ON Tax Rolls)		(Excelon ON Tax Rolls) \$11,764,904 Tax Payers						2.00%	5.03%
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	PROJECTED 2024-25	PROJECTED 2024-25
<b>Tax Levy</b>	\$24,842,526.00	\$25,689,366.00	\$13,233,881.00	\$13,233,881.00	\$22,237,610.00	\$12,568,748.00	\$12,568,748.00	\$12,694,435.00	\$12,694,435.00	\$13,011,795.00	\$13,272,031.00	\$13,666,313.00
Tax Levy Change \$\$	\$901,117.00	\$846,840.00	-\$12,455,485.00	\$0.00	\$9,003,729.00	-\$9,668,862.00	\$0.00	\$125,687.00	\$0.00	\$317,360.00	\$260,236.00	\$654,518.00
Tax Levy Change %	3.76%	3.41%	-48.48%	0.00%	68.04%	-43.48%	0.00%	1.00%	0.00%	2.50%	2.00%	5.03%
<b>Tax Rate (/1,000)*</b>	\$21.985170	\$22.646337	\$22.336161	\$20.945186	\$19.066307	\$19.238332	\$19.014573	\$18.464528	\$16.060990	\$14.141508	\$14.141508	\$14.561621
Tax Rate Change (/1,000)	\$1.524264	\$0.661167	-\$0.310000	-\$1.390975	-\$1.878879	\$0.172025	-\$0.223759	-\$0.550045	-\$2.403538	-\$1.919482	\$0.000000	\$0.420113
Tax Rate Change %	7.45%	3.01%	-1.37%	-6.23%	-9.25%	0.90%	-1.16%	-2.89%	-13.02%	-11.95%	0.00%	2.97%
<b>Tax Cap \$\$</b>	\$24,842,526.00	\$25,689,366.00	\$17,409,150.00	\$13,957,562.00	\$14,377,611.00	\$13,983,916.00	\$12,974,650.00	\$12,807,631.00	\$13,371,196.00	\$13,029,878.00	\$13,666,313.00	\$13,666,313.00
Tax Cap %	3.80%	3.40%	-32.20%	5.47%	8.64%	-37.10%	3.23%	1.90%	5.33%	2.64%	5.03%	5.03%
Tax Dollars Left "on the table"	\$0.00	\$0.00	\$0.00	\$723,681.00	\$0.00	\$1,415,168.00	\$405,902.00	\$113,196.00	\$676,761.00	\$18,083.00	\$394,282.00	\$0.00
Cumulative Amt Left	\$0.00	\$0.00	\$0.00	\$723,681.00	\$723,681.00	\$2,138,849.00	\$2,544,751.00	\$2,657,947.00	\$3,334,708.00	\$3,352,791.00	\$3,747,073.00	\$3,352,791.00
<b>EXAMPLE Tax Bill Change</b>												
\$100,000 Assessment	\$2,198.52	\$2,264.63	\$2,233.62	\$2,094.52	\$1,906.63	\$1,923.83	\$1,901.46	\$1,846.45	\$1,606.10	\$1,414.15	\$1,414.15	\$1,456.16
Change in Taxes		\$66.12	-\$31.02	-\$139.10	-\$187.89	\$17.20	-\$22.38	-\$55.00	-\$240.35	-\$191.95	\$0.00	\$42.01
Avg Assessment - \$116,000	\$2,550.28	\$2,626.98	\$2,590.99	\$2,429.64	\$2,211.69	\$2,231.65	\$2,205.69	\$2,141.89	\$1,863.07	\$1,640.41	\$1,640.41	\$1,689.15
Change in Taxes		\$76.70	-\$35.98	-\$161.35	-\$217.95	\$19.95	-\$25.96	-\$63.81	-\$278.81	-\$222.66	\$0.00	\$48.73
*Based on Full Valuation	\$1,129,967,430	\$1,134,371,811	\$592,486,820	\$631,834,030	\$1,169,931,015	\$653,317,970	\$661,006,060	\$687,503,908	\$790,389,312	\$920,113,662	\$938,515,935	\$938,515,935
Valuation Change/Yr		\$4,404,381	\$8,115,009	\$39,347,210	-\$12,876,940	\$34,360,880	\$7,688,090	\$26,497,848	\$102,885,404	\$129,724,350	\$18,402,273	\$18,402,273
		0.76%	1.39%	6.64%	-2.04%	5.55%	1.18%	4.01%	14.97%	16.41%	2.00%	2.00%





# Full Value Tax Rates – 10 Year History

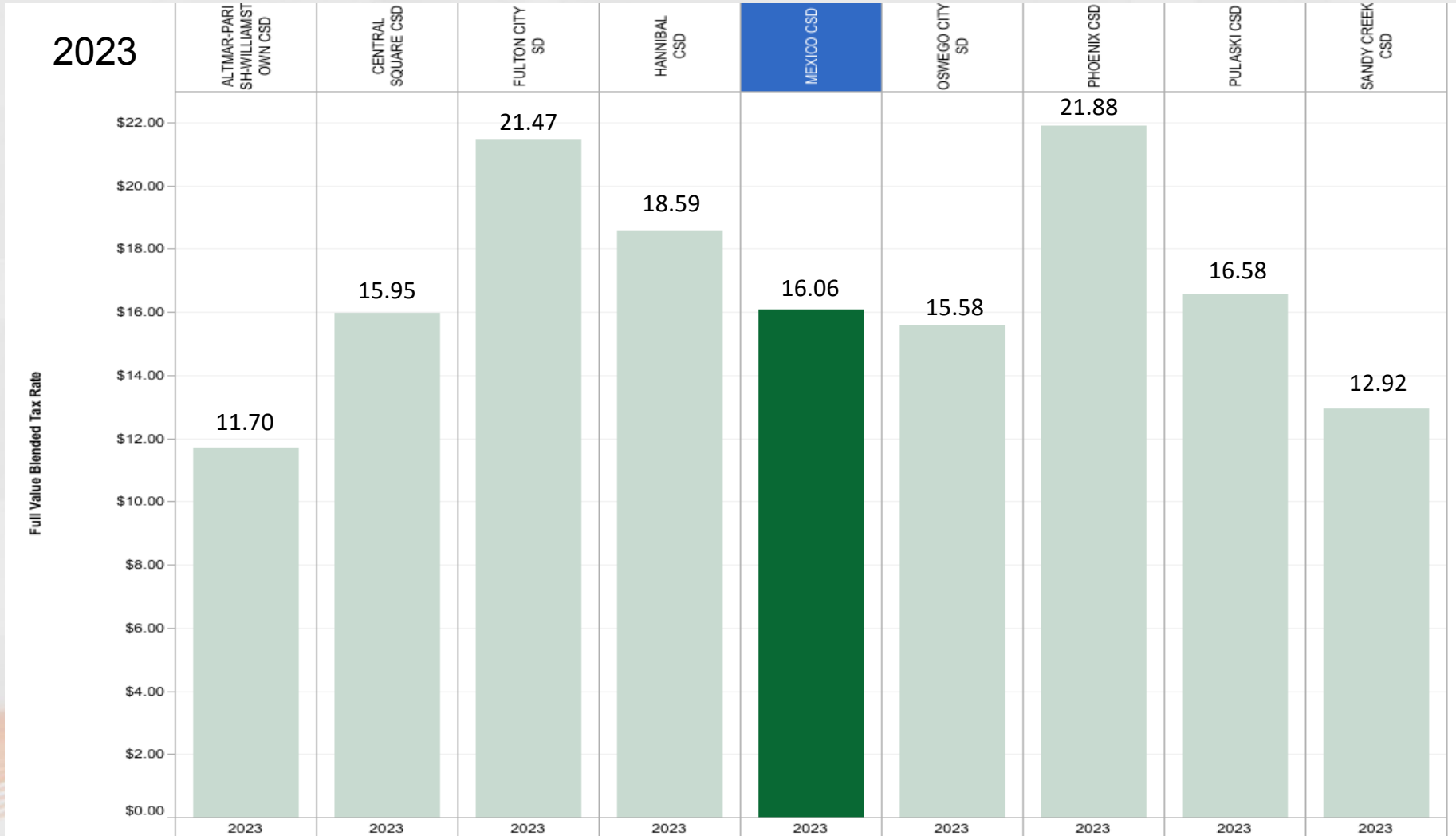
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	PROJECTED 2024-2025
<b>TAX RATES</b>	21.99	22.65	22.34	20.95	19.07	20.51	19.01	18.46	16.06	14.14	14.56
<b>% Incr/Decr</b>	7.45%	3.01%	-1.37%	-6.23%	-8.97%	7.56%	-7.28%	-2.89%	-13.02%	-11.95%	2.97%



Source: NY Office of the State Comptroller For districts with differing tax rates a blended rate is calculated using the Full Value and Tax Levy



# Full Value Tax Rates – District Comparison



Source: NY Office of the State Comptroller For districts with differing tax rates a blended rate is calculated using the Full Value and Tax Levy





# Use data to make informed Decisions

A landscape photograph showing a dirt road winding through a field of tall grasses at sunset. The sun is low on the horizon, casting a warm, golden glow over the scene. The road is partially covered with patches of snow or ice. A black rectangular box with white text is overlaid on the center of the image.

Data is not useful until  
it becomes information.

Seth Godin

quote fancy





# Tax decisions to be made

	2024-2025 Draft Budget	2023-2024 Approved Budget	\$\$ Change	% Change
<b>Source of Revenue</b>				
General Aids (Foundation)	\$ 24,141,104	\$ 23,211,370	\$ 929,734	3.85%
High Cost Aid	\$ 1,130,000	\$ 950,000	\$ 180,000	15.93%
Private Excess Cost Aid		\$ -	\$ -	0.00%
Hardware & Technology Aid	\$ 33,709	\$ 33,428	\$ 281	0.83%
Software, Library & Textbook Aid	\$ 158,154	\$ 156,114	\$ 2,040	1.29%
Transportation Aids	\$ 3,950,000	\$ 3,800,000	\$ 150,000	3.80%
BOCES Aids	\$ 3,600,000	\$ 3,500,000	\$ 100,000	2.78%
Building Aid	\$ 3,350,000	\$ 3,398,618	\$ (48,618)	-1.45%
<b>Total Budgeted State Aid</b>	\$ 36,362,967	\$ 35,049,530	\$ 1,313,437	
<b>Local Tax Levy</b>	\$ 13,272,031	\$ 13,011,795	\$ 260,236	1.96%
<b>PILOT</b>	\$ 9,100,000	\$ 9,052,146	\$ 47,854	0.53%
Miscellaneous Non-tax	\$ 2,103,510	\$ 975,000	\$ 1,128,510	53.65%
Debt Service Fund	\$ 100,000	\$ 100,000	\$ -	0.00%
<b>Total Local &amp; Non-tax</b>	\$ 24,575,541	\$ 23,138,941	\$ 1,436,600	
<b>Reserves</b>	\$ -	\$ 1,213,029	\$ (1,213,029)	-100.00%
<b>Appropriated Fund Balance</b>	\$ -	\$ 3,750,000	\$ (3,750,000)	-100.00%
<b>Total Revenue</b>	\$ 60,938,508	\$ 63,151,500	\$ (2,212,992)	-3.63%
<b>Budget Appropriations</b>	\$ 64,336,701	\$ 63,151,500		
<b>\$\$ Proposed Budget Increase</b>	\$ 1,185,201	\$ 1,770,500		
<b>% Proposed Budget Increase</b>	1.88%	2.88%		
<b>% Estimated Tax Levy Increase</b>	2.00%	2.50%		
<b>POTENTIAL BUDGET GAP</b>	\$ (3,398,193)	\$ -		

	2024-2025 Draft Budget	2023-2024 Approved Budget	\$\$ Change	% Change
<b>Source of Revenue</b>				
General Aids (Foundation)	\$ 24,141,104	\$ 23,211,370	\$ 929,734	3.85%
High Cost Aid	\$ 1,130,000	\$ 950,000	\$ 180,000	15.93%
Private Excess Cost Aid		\$ -	\$ -	0.00%
Hardware & Technology Aid	\$ 33,709	\$ 33,428	\$ 281	0.83%
Software, Library & Textbook Aid	\$ 158,154	\$ 156,114	\$ 2,040	1.29%
Transportation Aids	\$ 3,950,000	\$ 3,800,000	\$ 150,000	3.80%
BOCES Aids	\$ 3,600,000	\$ 3,500,000	\$ 100,000	2.78%
Building Aid	\$ 3,350,000	\$ 3,398,618	\$ (48,618)	-1.45%
<b>Total Budgeted State Aid</b>	\$ 36,362,967	\$ 35,049,530	\$ 1,313,437	
<b>Local Tax Levy</b>	\$ 13,666,313	\$ 13,011,795	\$ 654,518	4.79%
<b>PILOT</b>	\$ 9,100,000	\$ 9,052,146	\$ 47,854	0.53%
Miscellaneous Non-tax	\$ 2,103,510	\$ 975,000	\$ 1,128,510	53.65%
Debt Service Fund	\$ 100,000	\$ 100,000	\$ -	0.00%
<b>Total Local &amp; Non-tax</b>	\$ 24,969,823	\$ 23,138,941	\$ 1,830,882	
<b>Reserves</b>	\$ -	\$ 1,213,029	\$ (1,213,029)	-100.00%
<b>Appropriated Fund Balance</b>	\$ -	\$ 3,750,000	\$ (3,750,000)	-100.00%
<b>Total Revenue</b>	\$ 61,332,790	\$ 63,151,500	\$ (1,818,710)	-2.97%
<b>Budget Appropriations</b>	\$ 64,336,701	\$ 63,151,500		
<b>\$\$ Proposed Budget Increase</b>	\$ 1,185,201	\$ 1,770,500		
<b>% Proposed Budget Increase</b>	1.88%	2.88%		
<b>% Estimated Tax Levy Increase</b>	5.03%	2.50%		
<b>POTENTIAL BUDGET GAP</b>	\$ (3,003,911)	\$ -		

\*Includes a 5.03% Levy increase, Tax Cap

## Change in Budget Gap: \$ 394,282 decrease





# Next Steps – Budget Decisions

## Current Year ASKS - Expenses

- Behavior Specialist - \$113,000
- Social Worker - \$111,000
- Psychologist - \$98,000
- Guidance Counselor - \$104,000
- ELA Coach (MS & HS) - \$190,000
- Math Coach (MS & HS) - \$190,000
- TA's (7 - \$58,000 each) - \$406,000
- SRO (Shared Elem Schools) - \$68,000
- SRO rate increase - \$20,000
- Capital Outlay - \$100,000
- IT/Curriculum - \$100,000
- ❖ Total for all = \$1,500,000

## Revenues:

- Tax Levy Increase Amount?
- Reserve Usage?
- Appropriated Fund Balance Usage?
- Expecting additional amount from Foundation Aid Formula – approx. \$278,000



Questions?