

# Upper Adams School District **Financial Update** **Budget 2022/2023**

Tuesday, May 3, 2022



## Board of Directors

Susan Crouse

Mikel Grimm

James Rutkowski

Ronald Ebbert

Cindy Janczyk

Gerald Walmer

Chris Fee

Jim Lady

Tom Wilson

Wesley T. Doll, Superintendent

Shelley L. Hobbs, Business Administrator/Board Secretary



# AGENDA



- ❖ Recap FY22 (July 1, 2021-June 30, 2022)
- ❖ Recap FY23 (July 1, 2022-June 30, 2023)
- ❖ FY23 Final Proposed budget for 5/17
- ❖ Timeline

# FY22 Recap



- FY22 Budget was approved on 6/15/21
  - with a 2.1% tax increase
  - Revenues = \$30,925,009
  - Expenditures = \$31,656,531  
(\$731,522)

# FY22 Year-end Projections

(Estimated with data as of 3/31/2022)



|                 | <u>Budget 2021/22</u> | <u>YTD as of 3/31/22</u> | <u>FY22 Projection</u><br><u>(estimated through</u><br><u>6/30/22)</u> |
|-----------------|-----------------------|--------------------------|------------------------------------------------------------------------|
| Local           | 16,538,059            | 16,544,715.44            | 17,145,311.24                                                          |
| State           | 13,173,283            | 9,410,551.61             | 13,497,323.68                                                          |
| Federal         | 1,213,667             | 408,413.18               | 1,271,608.60                                                           |
| Total Revenue   | 30,925,009            | 26,363,680               | 31,914,244                                                             |
| Total Expense   | 31,656,531            | 21,876,491               | 31,348,365                                                             |
| <b>Variance</b> | \$ (731,522)          | \$ 4,487,189             | \$ 565,879                                                             |

Note: This is only an estimate and does not assume that all \$565,879 will be allocated to the unassigned fund balance

**Revenue:** actual revenue received through 3/31/2022

**Expenses:** represents invoices paid through 3/31/2022, however, many are February 2022 invoices (1 month delay)

# FY22 Fund Balance



|                           | As of July 1, 2020 | YE 6/30/21 Change: | Audited 6/30/2021  | <b>Estimated 6/30/2022</b> |
|---------------------------|--------------------|--------------------|--------------------|----------------------------|
| Nonspendable              | 2,390,154          | 424,576            | 2,814,730          | 2,814,730                  |
| Restricted                |                    |                    | 0                  | -                          |
| Committed                 |                    |                    | 0                  | -                          |
| Assigned:                 |                    |                    | 0                  | -                          |
| Debt                      | 2,001,270          | 0                  | 2,001,270          | 2,001,270                  |
| PSERS (Retirement)        | 231,000            | 0                  | 231,000            | 231,000                    |
| Capital Reserve           | 0                  | 0                  | 0                  |                            |
| Medical                   | 350,000            | 0                  | 350,000            | 350,000                    |
| Unassigned                | 2,234,777          | 49,128             | 2,283,905          | <b>2,333,905</b>           |
| <b>Total Fund Balance</b> | <b>\$7,207,201</b> | <b>\$473,704</b>   | <b>\$7,680,905</b> | <b>7,730,905</b>           |

Estimated 6/30/22 - Assuming adding \$50K to Unassigned Fund Balance as of 5/2/22

# Projected FY23 Revenue

(updated May 2, 2022)



| <u>Account</u> | <u>Description</u>          | <u>Actual</u>    | <u>Actual</u>    | <u>Actual</u>    | <u>Budget</u>    | <u>Projection</u> | <u>Proposed Budget</u> |
|----------------|-----------------------------|------------------|------------------|------------------|------------------|-------------------|------------------------|
|                |                             | <u>2018-2019</u> | <u>2019-2020</u> | <u>2020-2021</u> | <u>2021-2022</u> | <u>2021-2022</u>  | <u>2022-2023</u>       |
| 6000           | LOCAL SOURCES               | 16,575,040       | 16,247,158       | 16,864,223       | 16,538,059       | 17,145,311        | 17,772,133             |
| 7000           | STATE SOURCES               | 12,649,236       | 13,410,311       | 13,145,114       | 13,173,283       | 13,497,324        | 13,094,623             |
| 8000           | FEDERAL SOURCES             | 369,098          | 280,880          | 917,413          | 1,213,667        | 1,271,609         | 1,182,525              |
|                | <b>Grand Total Revenues</b> | 29,593,374       | 29,938,349       | 30,926,750       | 30,925,009       | 31,914,244        | 32,049,281             |

Local Revenue: Does **not** include a tax increase, does reflect current County assessment and 96.75% collection rate on real estate tax collection

State Revenue: Does **not** include Homestead/Farmstead amount. This is certified in May 2022.

FY22 = \$817,388

***Increased State Revenue by \$200,000, assuming the District will receive an additional \$200,000 in Basic Education Funding (BEF)***

Federal Revenue: Does include anticipated expenditures with ESSER funding



# FY23 RECAP



| <u>Account</u> | <u>Description</u>          | <u>Actual</u><br><u>2018-2019</u> | <u>Actual</u><br><u>2019-2020</u> | <u>Actual</u><br><u>2020-2021</u> | <u>Budget</u><br><u>2021-2022</u> | <u>Projection</u><br><u>2021-2022</u> | <u>Proposed Budget</u><br><u>2022-2023</u> |
|----------------|-----------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|--------------------------------------------|
| 6000           | LOCAL SOURCES               | 16,575,040                        | 16,247,158                        | 16,864,223                        | 16,538,059                        | 17,145,311                            | 17,772,133                                 |
| 7000           | STATE SOURCES               | 12,649,236                        | 13,410,311                        | 13,145,114                        | 13,173,283                        | 13,497,324                            | 13,094,623                                 |
| 8000           | FEDERAL SOURCES             | 369,098                           | 280,880                           | 917,413                           | 1,213,667                         | 1,271,609                             | 1,182,525                                  |
|                | <b>Grand Total Revenues</b> | 29,593,374                        | 29,938,349                        | 30,926,750                        | 30,925,009                        | 31,914,244                            | 32,049,281                                 |
|                | <b>Grand Total Expenses</b> | 29,175,984                        | 28,314,134                        | 30,160,861                        | 31,656,531                        | 31,348,365                            | 33,982,665                                 |
|                | <b>Variance</b>             | 417,390                           | 1,624,214                         | 765,889                           | (731,522)                         | 565,879                               | (1,933,384)                                |

# How to Balance FY23 Budget



- Contract negotiations settled
- Remove the additional “asks” in the FY23 budget (presented on 4/5/2022)
  - Central Registration - \$25K
  - Nexgen maintenance agreement - \$41,500
  - School Resource Officer - \$87,565
- Use funds from the Assigned Debt Service Fund Balance
- Use Unassigned Fund Balance (Reference Policy 623)
  - Unassigned fund balance can only be 1%-8% of expenditures
- Tax increase

# FY23 Tax Increase Options



January 2022, the Board voted not to increase taxes above the Index, 4.8%

| ASSUMED<br>BEGINNING<br>UNASSIGNED<br>FUND BALANCE | PROPOSED<br>MILL RATE | INCREASE<br>TAX RATE BY | TOTAL<br>REVENUES | TOTAL<br>EXPENSES | AMOUNT FROM<br>UNASSIGNED<br>FUND BALANCE | AMOUNT FROM<br>ASSIGNED<br>DEBT FUND<br>BALANCE | AMOUNT FROM<br>ASSIGNED PSERS<br>FUND BALANCE | PROJECTED<br>ENDING<br>UNASSIGNED<br>FUND<br>BALANCE | PROJECTED<br>ENDING<br>ASSIGNED<br>DEBT FUND<br>BALANCE | PROJECTED<br>ENDING<br>ASSIGNED<br>PSERS<br>FUND<br>BALANCE | Fund Balance<br>as a % of<br>Expenditures |
|----------------------------------------------------|-----------------------|-------------------------|-------------------|-------------------|-------------------------------------------|-------------------------------------------------|-----------------------------------------------|------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------|
| 2,333,905                                          | 15.6383               | 0%                      | 32,049,281        | 33,982,665        | 1,933,384                                 |                                                 |                                               | 400,521                                              |                                                         |                                                             | 1.18%                                     |
|                                                    |                       |                         |                   |                   | 1,398,384                                 | 520,000                                         | 15,000                                        | 935,521                                              | 1,481,270                                               | 216,000                                                     | 2.75%                                     |
|                                                    |                       |                         |                   |                   | 1,383,384                                 | 520,000                                         | 30,000                                        | 950,521                                              | 1,481,270                                               | 201,000                                                     | 2.80%                                     |
|                                                    |                       |                         |                   |                   | 1,368,384                                 | 520,000                                         | 45,000                                        | 965,521                                              | 1,481,270                                               | 186,000                                                     | 2.84%                                     |
|                                                    |                       |                         |                   |                   | 1,353,384                                 | 520,000                                         | 60,000                                        | 980,521                                              | 1,481,270                                               | 171,000                                                     | 2.89%                                     |

| ASSUMED<br>BEGINNING<br>UNASSIGNED<br>FUND BALANCE | PROPOSED<br>MILL RATE | INCREASE<br>TAX RATE BY | TOTAL<br>REVENUES | TOTAL<br>EXPENSES                    | AMOUNT FROM<br>UNASSIGNED<br>FUND BALANCE | AMOUNT FROM<br>ASSIGNED<br>DEBT FUND<br>BALANCE | AMOUNT FROM<br>ASSIGNED PSERS<br>FUND BALANCE | PROJECTED<br>ENDING<br>UNASSIGNED<br>FUND<br>BALANCE | PROJECTED<br>ENDING<br>ASSIGNED<br>DEBT FUND<br>BALANCE | PROJECTED<br>ENDING<br>ASSIGNED<br>PSERS<br>FUND<br>BALANCE | Fund Balance<br>as a % of<br>Expenditures |
|----------------------------------------------------|-----------------------|-------------------------|-------------------|--------------------------------------|-------------------------------------------|-------------------------------------------------|-----------------------------------------------|------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------|
| 2,333,905                                          | 15.8729               | 1.50%                   | 32,250,342        | 33,982,665                           | 1,732,323                                 |                                                 |                                               | 601,582                                              |                                                         |                                                             | 1.77%                                     |
|                                                    |                       |                         |                   |                                      | 1,197,323                                 | 520,000                                         | 15,000                                        | 1,136,582                                            | 1,481,270                                               | 216,000                                                     | 3.34%                                     |
|                                                    |                       |                         |                   |                                      | 1,182,323                                 | 520,000                                         | 30,000                                        | 1,151,582                                            | 1,481,270                                               | 201,000                                                     | 3.39%                                     |
|                                                    |                       |                         |                   |                                      | 1,167,323                                 | 520,000                                         | 45,000                                        | 1,166,582                                            | 1,481,270                                               | 186,000                                                     | 3.43%                                     |
|                                                    |                       |                         |                   |                                      | 1,152,323                                 | 520,000                                         | 60,000                                        | 1,181,582                                            | 1,481,270                                               | 171,000                                                     | 3.48%                                     |
| Increases Local Revenue by:                        |                       | \$ 201,061              |                   | *Increase to homeowner for the year: | \$ 43.57                                  |                                                 |                                               | Increase to homeowner by the month:                  |                                                         |                                                             | \$ 3.63                                   |

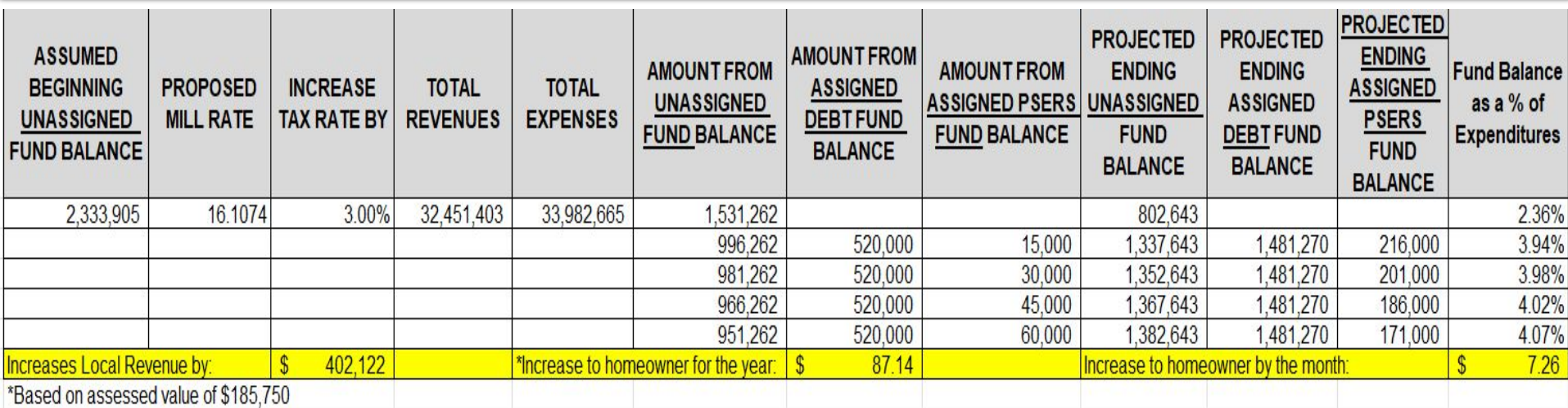
\*Based on assessed value of \$185,750



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# FY23 Board Direction



May 17, 2022 the Preliminary Final Budget needs to be presented.

From now until the Final Adoption, June 21, 2022, proposed tax increase, if any, can only go down from May 17, 2022 to June 21, 2022.

How would the Board like  
me to prepare the  
Preliminary Budget for  
May 17, 2022?



# Timeline



- ☒ ~~March 1, 2022 highlights from Governor Wolf's address, review revenues~~
- ☒ ~~April 5, 2022~~
- ☒ ~~April 19, 2022 present FY23 revenues~~
- ☒ ~~May 3, 2022, present preliminary FY23 budget~~
- ☒ May 17, 2022, adopt proposed final FY23 budget
- ☒ June 21, 2022, final approval of FY23 budget

# QUESTIONS?

