

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

Tuesday, June 7, 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



- ❖ UPDATED Recap FY22 (July 1, 2021-June 30, 2022)
- ❖ UPDATED Recap FY23 (July 1, 2022-June 30, 2023)
- ❖ Timeline

FY22 Revenue Review



			ACTUALS	
	<u>ESTIMATED</u> Projections as of 5/31/2022	<u>ESTIMATED</u> Projections as of 4/30/2022	YTD Revenue 2021-2022 5/31/22	Budgeted July 1, 2021 - June 30, 2022
Revenue				
Local (6000)	17,884,636	17,296,286	17,660,130	16,538,059
State (7000)	13,515,861	13,531,744	10,644,948	13,173,283
Federal (8000)	1,276,623	1,271,610	701,257	1,213,667
Other Sources				
Total Revenues	\$32,677,119	32,099,640	\$29,006,335	\$30,925,009

Why the increase in LOCAL Revenue Projections from April 30, 2022 to May 31, 2022 by \$588,350?

1. During the month of April 2022, there was a commercial property that sold, District received the transfer tax funds in May 2022, **increase of \$372,900** (note: sale of property accounts for \$320,000)
2. Increased projections for Local EIT, from \$2.7M to \$2.85M, **increase of \$150,000**
3. Increase projections for Interim taxes, from \$10K to \$25K, **increase of \$15,000**
4. Increase delinquent real estate taxes from \$365K to \$400K, **increase of \$35,000**
5. Miscellaneous adjustments in Local overall, **increase by \$15,450**

FY22 Year-end Projections

(Estimated with data as of 5/31/2022)



	<u>Budget 2021/22</u>	<u>FY22 Projection (estimated through 3/31/22)</u>	<u>FY22 Projection (estimated through 6/30/22 as of 4/30/22)</u>	<u>YTD as of 5/31/2022</u>	<u>FY22 Projection (estimated through 6/30/22 as of 5/31/22)</u>
Local	16,538,059	17,145,311.24	17,296,286.00	17,660,125.34	17,884,635.89
State	13,173,283	13,497,323.68	13,531,744.00	10,644,948.19	13,515,860.60
Federal	1,213,667	1,271,608.60	1,271,610.00	701,256.76	1,276,622.60
Total Revenue	30,925,009	31,914,244	32,099,640	29,006,330	32,677,119
Total Expense	31,656,531	31,348,365	31,465,957	26,545,714	31,419,966
Variance	\$ (731,522)	\$ 565,879	\$ 633,683		\$ 1,257,153

Note: This is only an estimate and does not assume that all \$1,257,153 will be allocated to the unassigned fund balance

Revenue: actual revenue received through 5/31/2022

Expenses: represents invoices paid through 5/31/2022, however, many are April 2022 invoices (1 month delay)

FY22 Fund Balance



	As of July 1, 2020	YE 6/30/21 Change:	Audited 6/30/2021	Estimated 6/30/2022
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	2,333,905
Total Fund Balance	\$7,207,201	\$473,704	\$7,680,905	7,730,905

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

Note: as stated on slide 4 and 5, it is unknown exactly how much will be added to the Unassigned fund balance.

Projection is estimated to higher than noted, but exact increase is unknown.

Projected FY23 Revenue

(updated May 31, 2022) - INCLUDES 1.5% Proposed Tax Increase



<u>Description</u>	<u>Actual</u>	<u>Budget</u>	<u>Projection</u>	<u>Projection</u>	<u>Proposed Budget as of</u>	<u>Proposed Budget</u>	<u>Proposed Budget as</u>
	<u>2020-2021</u>	<u>2021-2022</u>	<u>2021-2022</u>	<u>2021-2022</u>	<u>5/3/22</u>	<u>as of 5/17/22</u>	<u>of 5/31/22</u>
			<u>as of 4/30/22</u>	<u>as of 5/31/22</u>	<u>2022-2023</u>	<u>2022-2023</u>	<u>2022-2023</u>
LOCAL SOURCES	16,864,223	16,538,059	17,296,286	17,884,636	17,772,133	16,942,930	16,963,118
STATE SOURCES	13,145,114	13,173,283	13,531,744	13,515,861	13,094,623	14,124,889	14,231,191
FEDERAL SOURCES	917,413	1,213,667	1,271,610	1,276,623	1,182,525	1,182,525	1,182,525
Grand Total Revenues	30,926,750	30,925,009	32,099,640	32,677,120	32,049,281	32,250,344	32,376,834
Grand Total Expenses	30,160,861	31,656,531	31,465,957	31,419,966	33,982,665	33,895,100	33,781,639
Variance	765,889	(731,522)	633,683	1,257,154	(1,933,384)	(1,644,756)	(1,404,805)

Local Revenue: Does include a tax increase (1.5% = \$201,061), does reflect current County assessment and 96.75% collection rate on real estate tax collection and removes Homestead/Farmstead amount from Local Revenue to State Revenue (\$1,030,265.99)

State Revenue: Does include Homestead/Farmstead amount. FY23 = \$1,030,265.99

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

Projected FY23 - con't

(updated May 31, 2022) - INCLUDES 1.5% Proposed Tax Increase



	As of July 1, 2020	YE 6/30/21 Change:	Audited 6/30/2021	Estimated 6/30/2022	Amount to be used in FY23 (7/1/22-6/30/23) as of 4/30/22	Amount to be used in FY23 (7/1/22-6/30/23) as of 5/31/22	Estimated Ending Balance FY23 (6/30/2023)
Nonspendable	2,390,154	424,576	2,814,730	2,814,730	-	-	2,814,730
Restricted			0	-			
Committed			0	-			
Assigned:			0	-			
Debt	2,001,270	0	2,001,270	2,001,270	520,000	520,000	1,481,270
PSERS (Retirement)	231,000	0	231,000	231,000	60,000	60,000	171,000
Capital Reserve	0	0	0				
Medical	350,000	0	350,000	350,000	-		350,000
Unassigned	2,234,777	49,128	2,283,905	2,333,905	1,064,756	824,805	1,509,100
Total Fund Balance	\$7,207,201	\$473,704	\$7,680,905	7,730,905	1,644,756	1,404,805	6,326,100

- Use funds from the Assigned Debt Service Fund Balance
- Use Funds from the Assigned PSERS Fund
- Use Unassigned Fund Balance (Reference Policy 623)
 - Unassigned fund balance can only be 1%-8% of expenditures

Projected FY23 Revenue

(updated May 31, 2022) - REPRESENTS a 0% Tax Increase



<u>Description</u>	<u>Actual</u> <u>2020-2021</u>	<u>Budget</u> <u>2021-2022</u>	<u>Projection</u> <u>2021-2022</u>	<u>Proposed</u> <u>Budget as</u> <u>of 5/3/22</u> <u>2022-2023</u>	<u>Proposed</u> <u>Budget as</u> <u>of 5/17/22</u> <u>2022-2023</u>	<u>Proposed</u> <u>Budget</u> <u>Remove</u> <u>1.5% Tax</u> <u>increase</u> <u>as of</u> <u>5/31/22</u> <u>2022-2023</u>
LOCAL SOURCES	16,864,223	16,538,059	17,296,286	17,772,133	17,772,133	16,762,057
STATE SOURCES	13,145,114	13,173,283	13,531,744	13,094,623	13,094,623	14,231,191
FEDERAL SOURCES	917,413	1,213,667	1,271,610	1,182,525	1,276,623	1,182,525
Grand Total Revenues	30,926,750	30,925,009	32,099,640	32,049,281	32,143,379	32,175,773
Grand Total Expenses	28,314,134	30,453,046	31,465,957	33,982,665	33,982,665	33,781,639
Variance	2,612,616	471,963	633,683	(1,933,384)	(1,839,286)	(1,605,866)

Local Revenue: **Tax Increase - 0%**, does reflect current County assessment and 96.75% collection rate on real estate tax collection and removes Homestead/Farmstead amount from Local Revenue to State Revenue (\$1,030,265.99)

State Revenue: Does include Homestead/Farmstead amount. FY23 = \$1,030,265.99

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

Projected FY23 - con't

(updated May 31, 2022) - REPRESENTS a 0% Tax Increase



	As of July 1, 2020	YE 6/30/21 Change:	Audited 6/30/2021	Estimated 6/30/2022	Amount to be used in FY23 (7/1/22- 6/30/23) as of 4/30/22	Amount to be used in FY23 (7/1/22- 6/30/23) as of 5/31/22 - 0% Tax Increase	Estimated Ending Balance FY23 (6/30/2023) - 0% Tax Increase
Nonspendable	2,390,154	424,576	2,814,730	2,814,730	-	-	2,814,730
Restricted			0	-			
Committed			0	-			
Assigned:			0	-			
Debt	2,001,270	0	2,001,270	2,001,270	520,000	520,000	1,481,270
PSERS (Retirement)	231,000	0	231,000	231,000	60,000	60,000	171,000
Capital Reserve	0	0	0				
Medical	350,000	0	350,000	350,000	-		350,000
Unassigned	2,234,777	49,128	2,283,905	2,333,905	1,064,756	1,025,866	1,308,039
Total Fund Balance	\$7,207,201	\$473,704	\$7,680,905	7,730,905	1,644,756	1,605,866	6,125,039

- Use funds from the Assigned Debt Service Fund Balance
- Use Funds from the Assigned PSERS Fund
- Use Unassigned Fund Balance (Reference Policy 623)
 - Unassigned fund balance can only be 1%-8% of expenditures

FY23 RECAP



- Contract negotiations settled
- Remove the additional “asks” in the FY23 budget (presented on 4/5/2022)
 - Central Registration - \$25K
 - Nexgen maintenance agreement - ~~\$41,500~~ \$38,600
 - ~~School Resource Officer - \$87,565~~
- Includes a 1.5% tax increase
- All Revenues and Expenditures have been reviewed and updated, as needed
- includes transition of Autism classroom from IU to UASD

HOW to Prepare FINAL FY23 Budget



During the June 21, 2022 Voting Meeting, the School Board Directors will need to vote on the FINAL Upper Adams School District budget for Fiscal Year 2023, which covers July 1, 2022 - July 2023.

How would the Board direct the FINAL FY 2023 budget to be prepared?

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?

