

2022-23 Financial Presentation For Year-Ended 6/30/2023 Pre-Audited

October 10, 2023



Local Revenue

In Thousands

| Title | 21-22 Actual | 22-23 Org. Budget | 22-23 Actual | Variance | % Change Budget | Explanation |
|----------------------------|-----------------|----------------------|-----------------|--------------|--------------------|---|
| REAL ESTATE TAXES | 55,491 | 57,707 | 58,055 | 348 | 0.60% | Increase in assessed values |
| INTERIM TAXES | 129 | 80 | 166 | 86 | 107.52% | More construction compared to expectation |
| PUBLIC UTILITY REALTY | 64 | 64 | 63 | (1) | -1.59% | |
| PAY IN LIEU - ST/LOCAL | 436 | 453 | 569 | 116 | 25.47% | Property turned 50% taxable from 30% |
| LST | 130 | 151 | 145 | (6) | -3.97% | |
| EIT | 8,584 | 7,700 | 8,961 | 1,261 | 16.37% | Signs of wage growth and low unemployment |
| REAL ESTATE TRANSFER | 1,312 | 1,200 | 1,215 | 15 | 1.25% | |
| DELINQUENT REAL ESTATE | 1,613 | 1,200 | 1,656 | 456 | 38.01% | Higher collection compared to expectation |
| EARNINGS ON INVESTMENTS | 74 | 430 | 1,169 | 739 | 171.97% | Federal Reserve rates increased beyond expectation |
| | | | | | | \$117K in ESSERS from County which was not expected/in advertising/IDEA funds and chromebook fees |
| OTHER LOCAL REVENUE | 3,987 | 3,712 | 3,888 | 176 | 4.73% | |
| TOTAL | 71,820 | 72,697 | 75,887 | 3,190 | 4.39% | |

State Revenue

In Thousands

| Title | 21-22 Actual | 22-23 Org. Budget | 22-23 Actual | Variance | % Change Budget | Explanation |
|-----------------------------|-----------------|----------------------|-----------------|--------------|--------------------|---|
| BASIC ED - FORMULA | 15,273 | 15,350 | 16,415 | 1,065 | 6.94% | Additional State allocation |
| BASIC ED - SOC SEC | 1,588 | 1,828 | 1,631 | (197) | -10.82% | Budget includes federal positions, but they are not reimbursed, and less salary paid compared to budget |
| TUITION ORPHANS & CHILD | 154 | 110 | 129 | 19 | 17.66% | Wards of State |
| SPECIAL ED SCHOOL AGED | 3,943 | 3,863 | 4,275 | 412 | 10.66% | Additional State allocation |
| TRANSPORTATION PUBLIC | 1,626 | 1,700 | 1,403 | (297) | -17.46% | Less rider and less routes run from lack of drivers |
| TRANSPORTATION NONPUBLIC | 161 | 257 | 177 | (80) | -30.99% | Less nonpublic students' transportation |
| RENTAL REIMBURSEMENT | 548 | 148 | 142 | (6) | -3.84% | State reimbursing based on MV/PI and not .5 |
| HEALTH SERVICES, ACT 25 | 143 | 152 | 143 | (9) | -5.87% | Open positions resulted in less expenses; thus, less reimbursement |
| STATE PROP TAX REDUCTION | 938 | 1,178 | 1,178 | - | 0.00% | |
| SAFE SCHOOLS GRANT | - | - | 279 | 279 | #DIV/0! | Safety grant not expected (State ARP funds) |
| READY TO LEARN BL GRANT | 754 | 754 | 1,054 | 300 | 39.80% | Additional State allocation |
| PA SMART GRANT | 45 | - | 98 | 98 | #DIV/0! | Manufacturing Lab Grant and Smart Grant |
| STATE SHARE RETIRE CONT | 7,870 | 8,371 | 8,114 | (257) | -3.07% | Less salary paid compared to budget; thus, less reimbursement |
| TOTAL | 33,043 | 33,711 | 35,038 | 1,327 | 3.94% | |

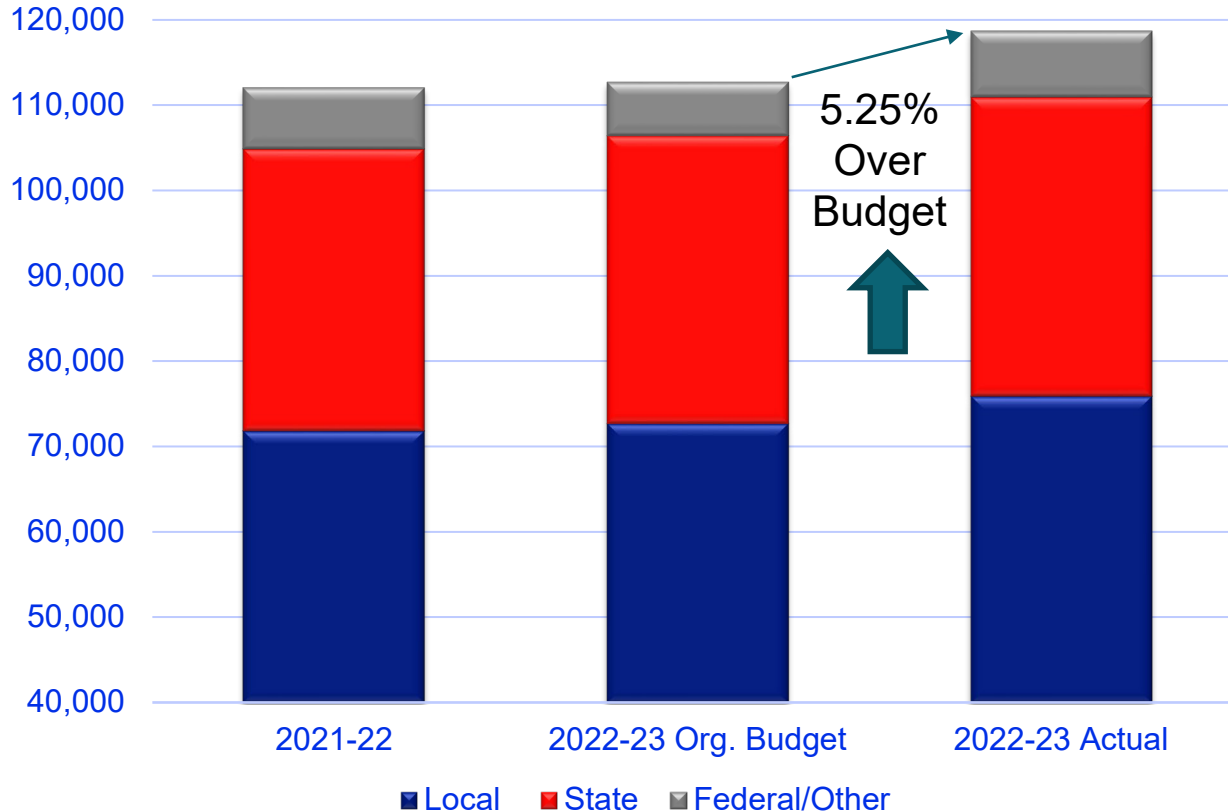
Federal and Other Revenue

In Thousands

| Title | 21-22 Actual | 22-23 Org. Budget | 22-23 Actual | Variance | % Change Budget | Explanation |
|----------------------|-----------------|----------------------|-----------------|--------------|--------------------|------------------|
| COPS Grant | - | 500 | 455 | (45) | -9.03% | |
| ESEA, TITLE I | 1,304 | 1,302 | 1,354 | 52 | 3.98% | |
| TITLE II PART A | 222 | 213 | 217 | 4 | 1.52% | |
| TITLE IV | 64 | 97 | 119 | 22 | 21.84% | Carry over funds |
| ESSER I | 31 | - | 10 | 10 | #DIV/0! | |
| ESSER II | 2,497 | 1,386 | 1,325 | (61) | -4.42% | |
| PCCD – CARES Funding | - | - | - | - | #DIV/0! | |
| ARP | 1,886 | 2,069 | 2,288 | 219 | 10.58% | |
| ARP Set Aside | 418 | - | 390 | 390 | #DIV/0! | See ESSER Report |
| ACCESS | 645 | 650 | 723 | 73 | 11.27% | |
| ACCESS-MAC | 50 | 37 | 36 | (1) | -0.32% | |
| SALE OF FIXED ASSETS | 91 | 40 | 577 | 537 | 1343.40% | Sold MLC |
| INSURANCE RECOVERIES | - | - | 202 | 202 | #DIV/0! | |
| TOTAL | 7,208 | 6,294 | 7,696 | 1,402 | 22.28% | |

Total Revenue

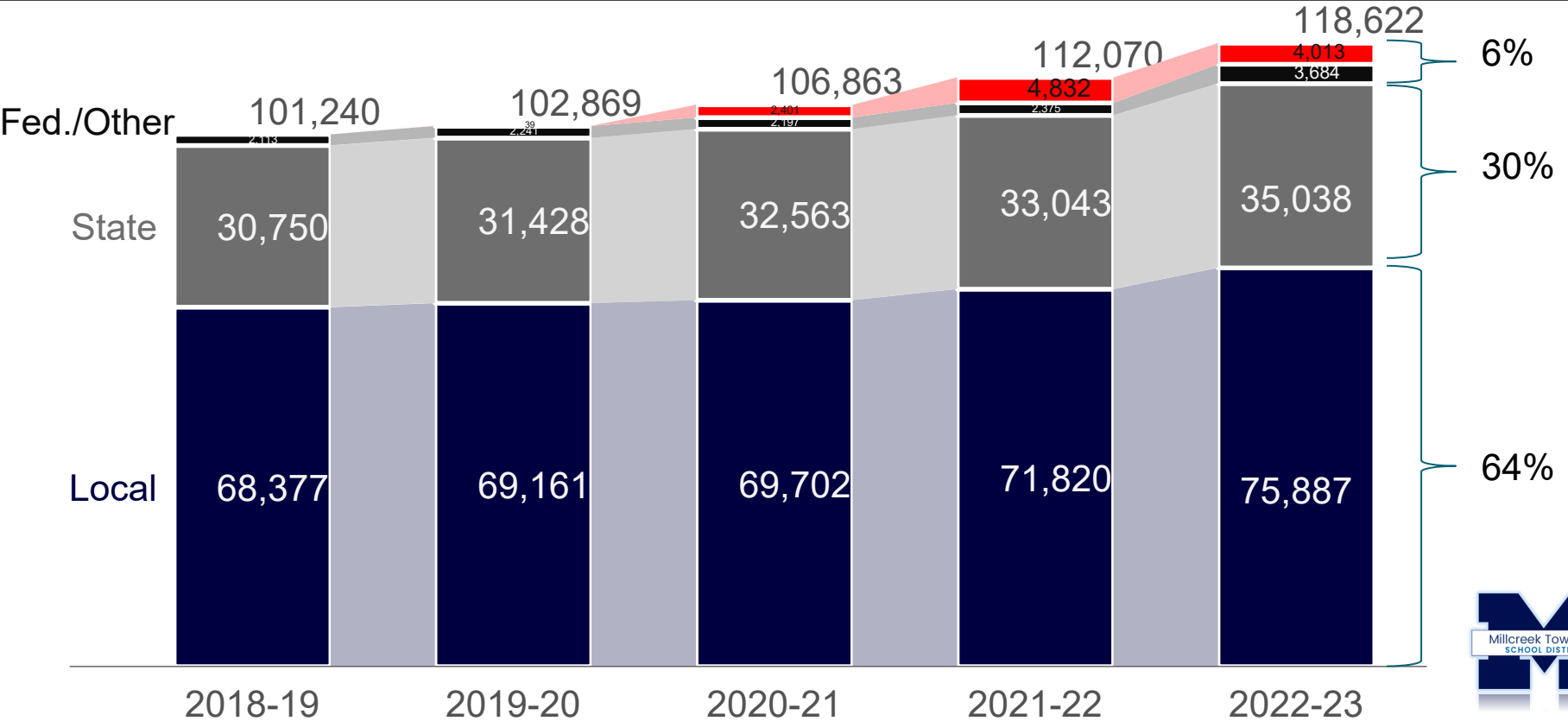
In Thousands



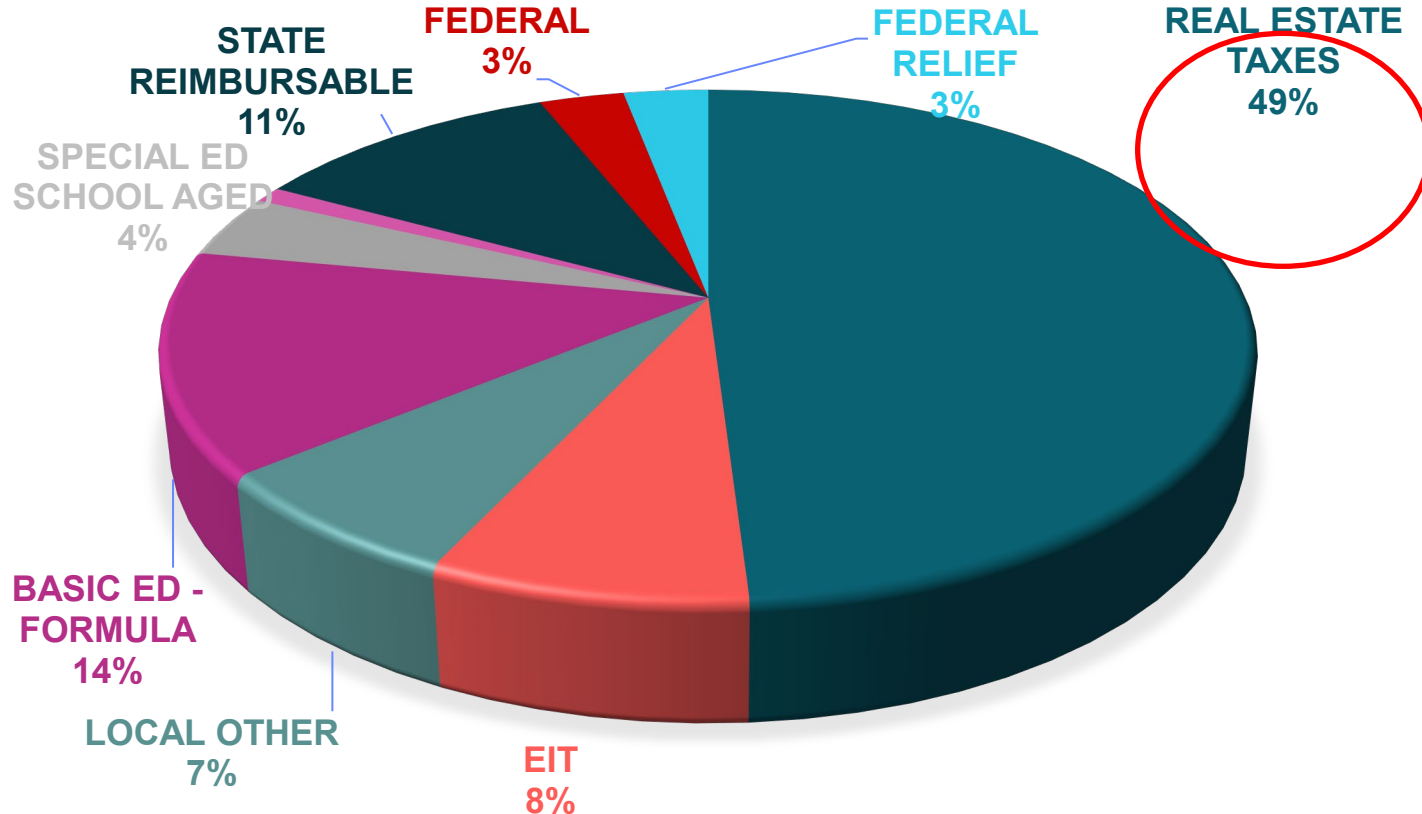
Use of ESSER funds, additional state funding, strong EIT and investment income contributed to the positive variance of 5.25%

Total Revenue

In Thousands



2022-23 Total Revenue



Large Variance Trend

(Does not include Safety or Federal Relief Grants)

| <u>Title</u> | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>2021-22</u> | <u>2022-23</u> |
|--------------------------|----------------|----------------|----------------|----------------|----------------|
| REAL ESTATE TAXES | 52,337 | 54,017 | 54,141 | 55,491 | 58,055 |
| EIT | 7,404 | 7,689 | 7,461 | 8,584 | 8,961 |
| REAL ESTATE TRANSFER | 1,285 | 937 | 1,306 | 1,312 | 1,215 |
| DELINQUENT REAL ESTATE | 1,490 | 1,449 | 1,845 | 1,613 | 1,656 |
| INVESTMENT | 656 | 706 | 175 | 74 | 1,169 |
| BASIC ED | 14,560 | 14,897 | 14,897 | 15,273 | 16,415 |
| SPECIAL ED | 3,715 | 3,747 | 3,930 | 3,943 | 4,275 |
| TRANSPORTATION PUBLIC | 1,516 | 1,575 | 1,616 | 1,626 | 1,403 |
| TRANSPORTATION NONPUBLIC | 286 | 320 | 257 | 161 | 177 |
| READY TO LEARN BL GRANT | 754 | 754 | 754 | 754 | 1,054 |

Salaries

In Thousands

| Title | <u>21-22</u> Actual | <u>22-23 Org.</u> Budget | <u>22-23</u> Actual | Variance | <u>% Change</u> Budget | Explanation |
|-----------------------|------------------------|-----------------------------|------------------------|------------|---------------------------|--|
| Administrative | 4,009 | 4,219 | 4,300 | (81) | -1.91% | Savings from turnover (3 positions)/settlement |
| Insurance Opt-out | 78 | 126 | 163 | (37) | -29.42% | |
| Teacher | 29,899 | 31,399 | 30,225 | 1,174 | 3.74% | 30 open positions in addition to leaves/benchmarks/ESSER funding |
| LOA | 1,265 | 1,118 | 1,022 | 96 | 8.57% | 30 LOA's covering leaves or open positions |
| Extracurricular | 795 | 897 | 954 | (57) | -6.38% | Sunrise Learning/Summer School/PD |
| Secretary/Classified | 3,093 | 3,251 | 3,263 | (12) | -0.38% | Mid year raises offset by turnover (13 positions) |
| Sec./Classified OT | 60 | 25 | 68 | (43) | -170.72% | \$22K Secretary/\$28K HR/\$12K Payroll |
| Technical | 1,101 | 1,144 | 1,129 | 15 | 1.38% | Turnover (3 positions)/1 open position not hired-hired 2 grounds |
| Technical | | | | | | |
| OT/Summer | 75 | 133 | 33 | 100 | 75.28% | Hired 2 grounds which limited summer help |
| Custodial/SSO | 2,009 | 2,244 | 2,197 | 47 | 2.06% | Struggling to fill positions (12) /4 additional SSO's not budgeted |
| Custodial/SSO | | | | | | |
| OT/Sub | 282 | 100 | 347 | (247) | -246.93% | OT needed to offset open positions and lack of subs/SSO OT to cover events |
| Educational Asst's | 2,508 | 2,726 | 2,667 | 59 | 2.17% | Turnover – 34 positions offset by mid year raises |
| Ed. Asst's OT | 27 | - | 58 | (58) | | Needed for bus drop off/pick up |
| Total Salaries | 45,201 | 47,382 | 46,426 | 956 | 2.02% | Overall, 933 unpaid days |

Benefits

In Thousands

| Title | <u>21-22</u> Actual | <u>22-23 Org.</u> Budget | <u>22-23</u> Actual | Variance | <u>% Change</u> Budget | Explanation |
|-----------------------|------------------------|-----------------------------|------------------------|------------|---------------------------|--|
| Life Ins./Vision | 228 | 203 | 203 | 0 | 0.00% | Expect over 20% future increase |
| FICA | 3,403 | 3,657 | 3,492 | 165 | 4.52% | Savings in salaries |
| PSERS | 15,768 | 16,743 | 16,241 | 502 | 3.00% | Savings in salaries |
| Tuition | | | | | | |
| Reimbursement | 220 | 220 | 201 | 19 | 8.85% | |
| U/E | 30 | 8 | 43 | (35) | -442.73% | Claims in review |
| Workers Comp. | 135 | 151 | 134 | 17 | 11.69% | Savings in contract negotiations |
| Healthcare | 10,677 | 11,201 | 11,093 | 108 | 0.96% | |
| Dental | 442 | 452 | 493 | (41) | -9.20% | |
| Other | 323 | 215 | 256 | (41) | -18.88% | With retirements includes sick day payouts |
| Total Benefits | 31,226 | 32,850 | 32,156 | 694 | 2.11% | |

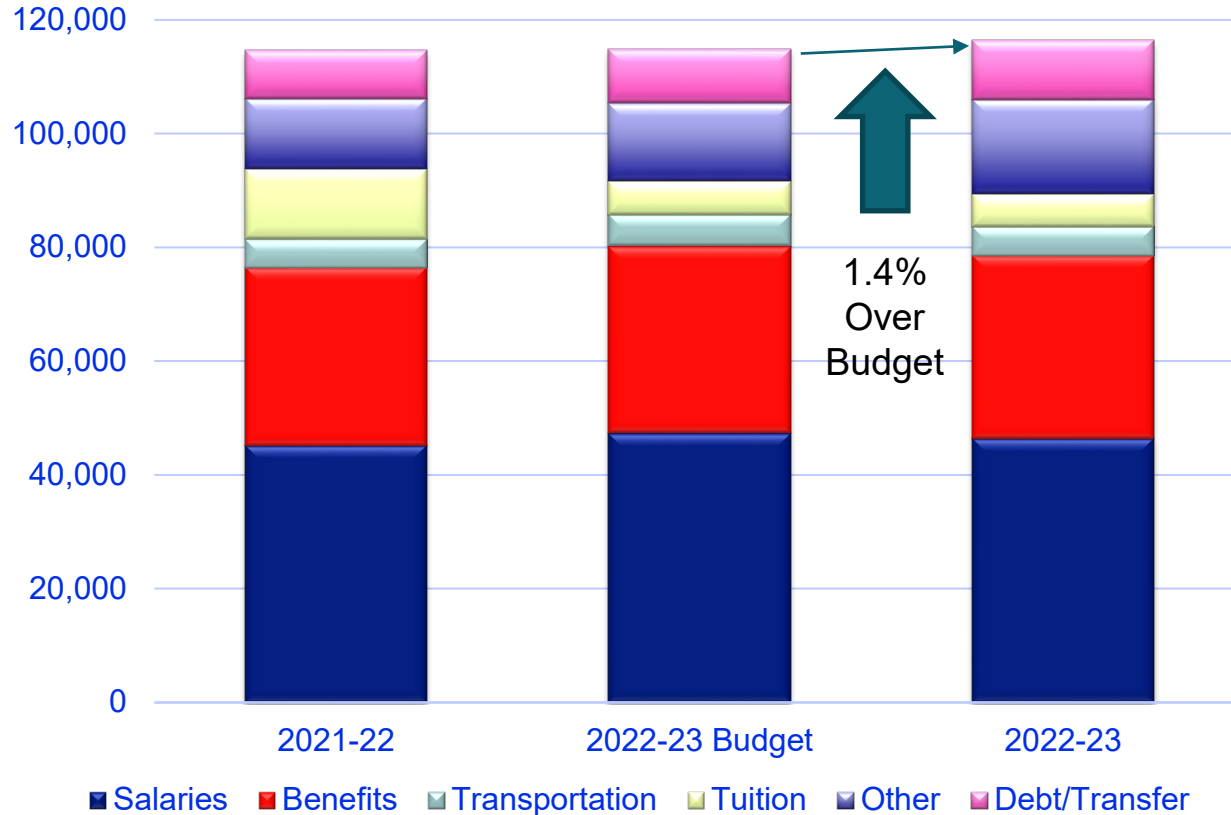
Other Exp.

In Thousands

| Title | <u>21-22</u> Actual | <u>22-23 Org.</u> Budget | <u>22-23</u> Actual | Variance | <u>% Change</u> Budget | Explanation |
|-----------------------------------|------------------------|-----------------------------|------------------------|----------------|---------------------------|--|
| Total Contract Svc | 4,925 | 3,877 | 5,082 | (1,204) | -31.06% | Increased sub rate (\$787K)/Legal Fees/Mental Health Mental Health Contract/Custodial Support |
| Property Svc | 1,215 | 1,705 | 1,041 | 664 | 38.94% | IT Lease now coded in debt (GASB 87) |
| Other Services | 944 | 993 | 974 | 18 | 1.83% | Liability Insurance & requirements more than expected |
| Transportation/Field Trips/Travel | 5,045 | 5,591 | 5,107 | 484 | 8.66% | Less routes from lack of drivers (69 routes averaged for the year, while optimal operations require 83 routes) |
| Tuition | 12,337 | 5,814 | 5,678 | 136 | 2.34% | Primarily outside LEA placements |
| Supplies/Utilities | 4,301 | 5,597 | 5,506 | 91 | 1.63% | |
| Equipment | 668 | 1,229 | 3,694 | (2,465) | -200.52% | IT Replacement Purchases compared to lease and ESSER uses |
| Other | 275 | 327 | 322 | 5 | 1.48% | |
| Debt/CP Transfer | 8,449 | 9,509 | 10,496 | (987) | -10.38% | GASB 87 from above and sold MLC |
| Total | 38,159 | 34,642 | 37,900 | (3,258) | -9.40% | |

Total Expenditures

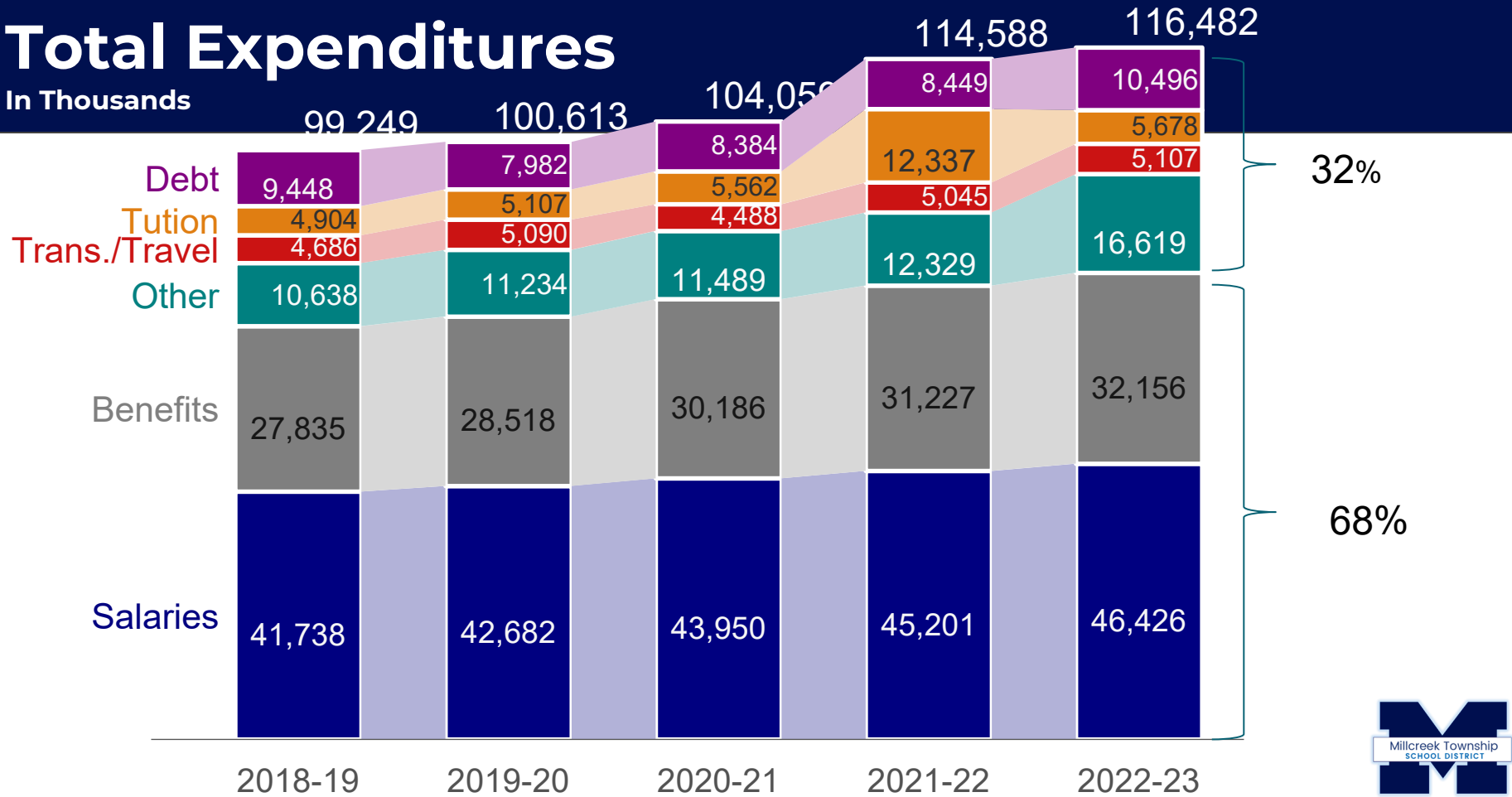
In Thousands



Use of ESSER funds and increased substitute rates contributed to additional spending.

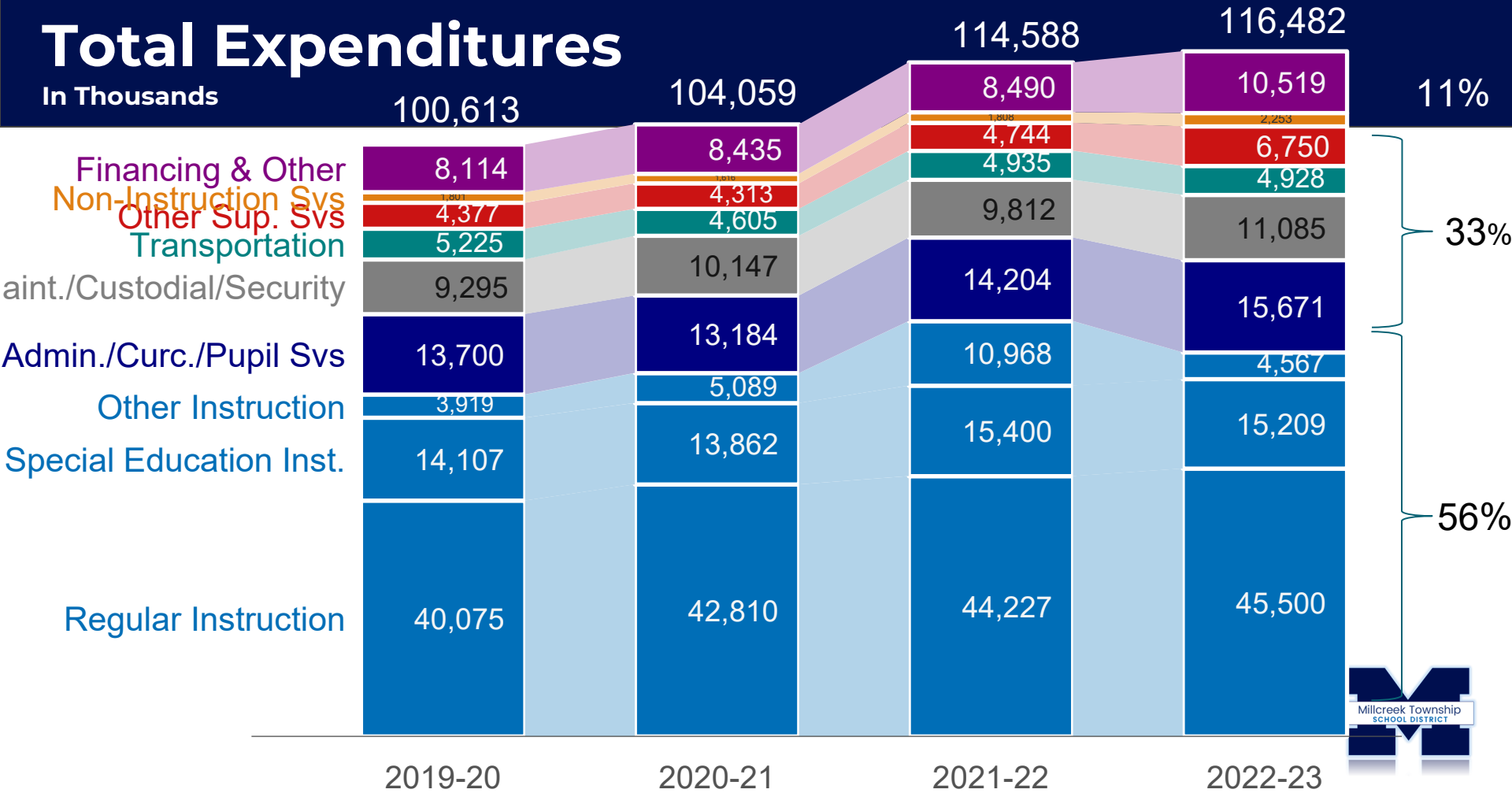
Total Expenditures

In Thousands

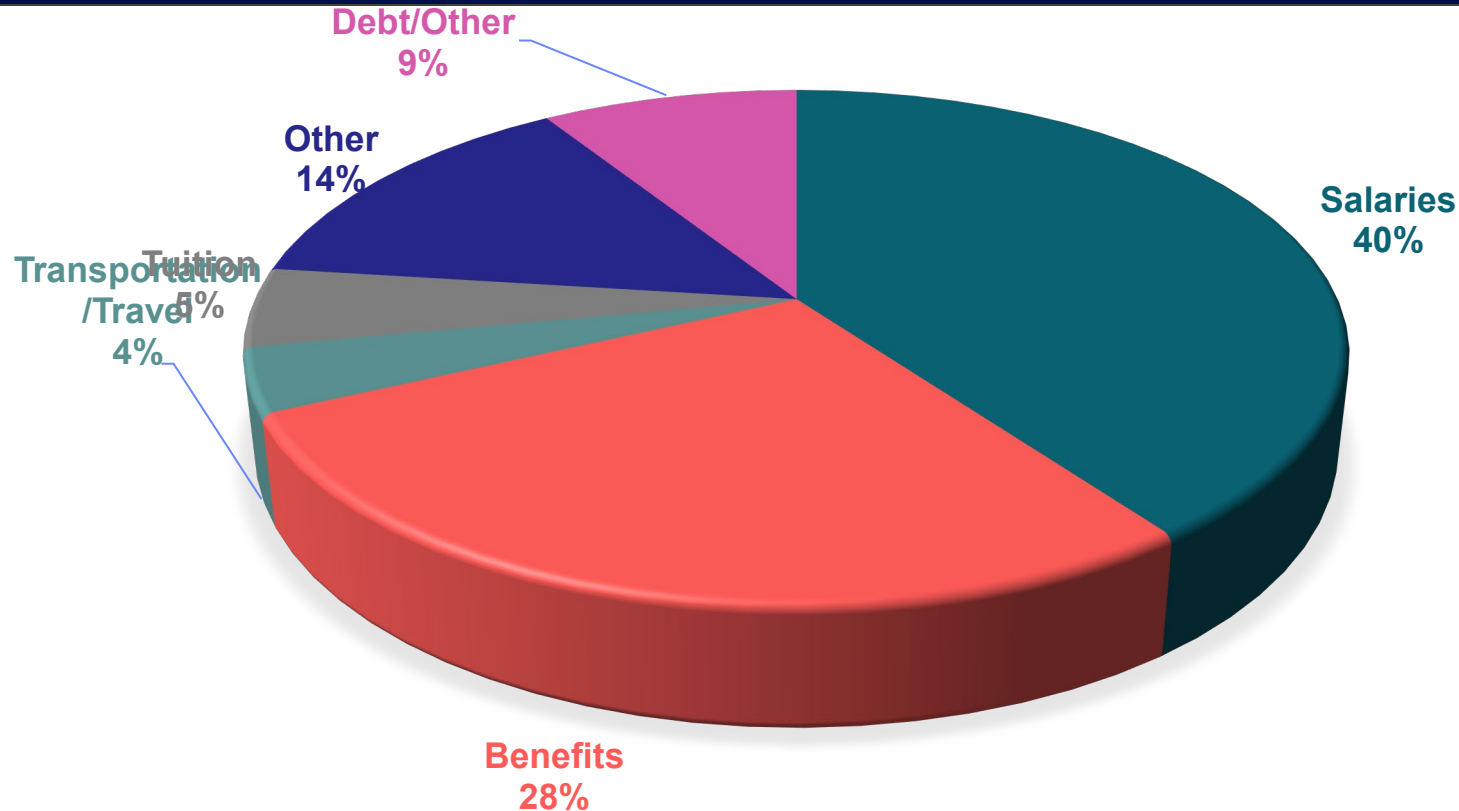


Total Expenditures

In Thousands



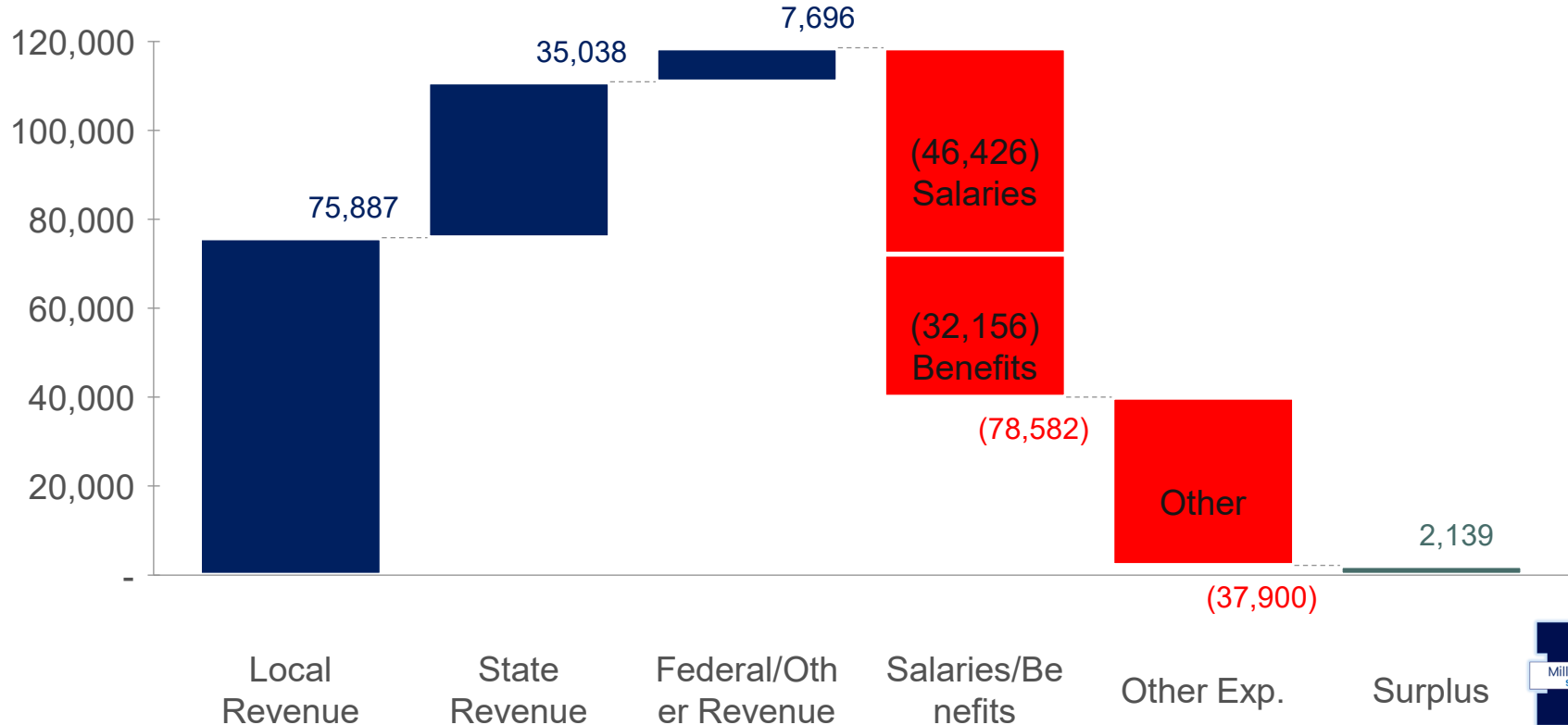
2022-23 Total Expenditures



Less than 6% of expenditures are controllable year over year.

2022-23 Summary

In Thousands



District Reserves/Fund Balances: SY 2022 - 2023

Total School District Expenditure is \$116 Million

| <u>Description</u> | <u>Unassigned</u> This is the District's savings account. Per policy, 8% of the District's budget must be maintained for emergency purposes. | <u>Non-Spendable</u> Not available to balance budget. | <u>Capital Projects</u> This funds major improvements to buildings including roofing, boilers, paint and floors/carpets. | <u>Committed</u> These funds are earmarked for extracurricular improvements. These funds are not taxpayer funds; rather they are fees collected through the use of our facilities. | <u>Assigned: Salary & Benefits</u> These funds are earmarked to offset future budget costs. | <u>Assigned: IT</u> These funds are earmarked for future costs to replace technology. | <u>Total</u> |
|--------------------|---|--|---|---|--|--|--------------|
|--------------------|---|--|---|---|--|--|--------------|

| | | | | | | | |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| 2021-22 Ending Balance | 8,619,790 | 857,453 | 7,613,749 | 1,863,595 | 3,253,389 | 3,134,479 | 25,342,455 |
| 2022-23 | 612,175 | (346,515) | (649,385) | 1,391,047 | 292,366 | 292,365 | 1,592,053 |
| 2022-23 Ending Balance | 9,231,965 | 410,938 | 6,964,364 | 3,254,642 | 3,545,755 | 3,426,844 | 26,834,508 |

Construction Projects (Bond Funds)

In Thousands

| <u>Description - Revenue</u> | <u>Amount</u> |
|--|------------------|
| 2020 Bond Issue | \$50,644 |
| 2022 Bond Issue | 62,797 |
| 2020 Interest | 256 |
| 2021 Interest | 160 |
| 2022 Interest | 146 |
| 2023 Interest | 1,826 |
| 2024 as of September Interest | 597 |
| Projected Interest (varies from 5% to 3% interest earned and includes debt issue of \$33M) | 4,147 |
| Other | 10 |
| Federal Relief Funding | 4,387 |
| HAAS Naming Rights | 350 |
| Total | \$125,320 |



Construction Projects (Bond Funds)

In Thousands

| <u>Description - Expenditures</u> | <u>Amount</u> |
|---|------------------|
| 2020 Projects | \$11,390 |
| 2021 Projects | 25,926 |
| 2022 Projects | 49,041 |
| 2023 Projects (used 3% Change orders on total bid cost) | 53,045 |
| 2024 Projects (used 2.5% Change orders on total bid cost) | 8,586 |
| Window Replacement (CH/RG/BV/MIHS/AB) | 1,500 |
| Exterior Restoration | 2,750 |
| Digital Marque (8 buildings at \$135K) | 1,080 |
| ADA Restroom (study states \$7.2M) | 1,500 |
| Gus Anderson | 5,000 |
| Total | \$159,818 |



Construction Projects (Bond Funds)

In Thousands

| <u>Description</u> | <u>Amount</u> |
|---|-------------------|
| Revenue | \$125,320 |
| Expenditures | 159,818 |
| Total funds needed to complete projects | (\$34,498) |
| Total 2024 Debt Issue | 33,000 |
| Deficit – use fund balance to cover difference | (\$1,498) |

Timeline

2020

Roof Restoration at TY/WL/MEC, McD Lab and Other

- MEC
- GV

2021

New Roof at WC/GV/MIHS/MHS/RG/Bus Garage, Windows at WL

- Belle Valley/ Westlake
- Chestnut Hill/ Ridgefield

2022

Window Replacement at WC/RG, Food Service Equipment

- Belle Valley/ Westlake
- MIHS/ Walnut Creek

2023

Food Service Equipment

- MIHS/ Walnut Creek
- Tracy

2024

Food Service Equipment, Roof Restoration at Asbury & McD

- MIHS
- McDowell/ Asbury



Timeline

2025

- McDowell
- Asbury
- Gus Anderson design work

2026

- McDowell
- Gus Anderson/ADA Restrooms/Windows/Exterior Restoration/Marques

2027

- Exterior Restoration

2028

- JSW



Debt Costs - \$33M

Level Funded 20 years

| Year | Existing | New | Variance |
|------|----------|--------|----------|
| 2025 | 7,887 | 9,489 | (1,602) |
| 2026 | 7,884 | 10,418 | (2,534) |
| 2027 | 7,886 | 10,421 | (2,535) |
| 2028 | 7,616 | 10,150 | (2,534) |
| 2029 | 7,614 | 10,150 | (2,536) |

Wrap Funded 20 years

| Year | Existing | New | Variance |
|------|----------|-------|----------|
| 2025 | 7,887 | 9,495 | (1,608) |
| 2026 | 7,884 | 9,912 | (2,028) |
| 2027 | 7,886 | 9,906 | (2,020) |
| 2028 | 7,616 | 9,873 | (2,257) |
| 2029 | 7,614 | 9,871 | (2,257) |

In current budget is \$9.3M in anticipation of debt issue. Roughly \$500K savings annually if we stretch debt 22 years wrap, but costs \$9M in interest.

Longer we delay paying principal means more interest paid.



FORECAST ASSUMPTIONS

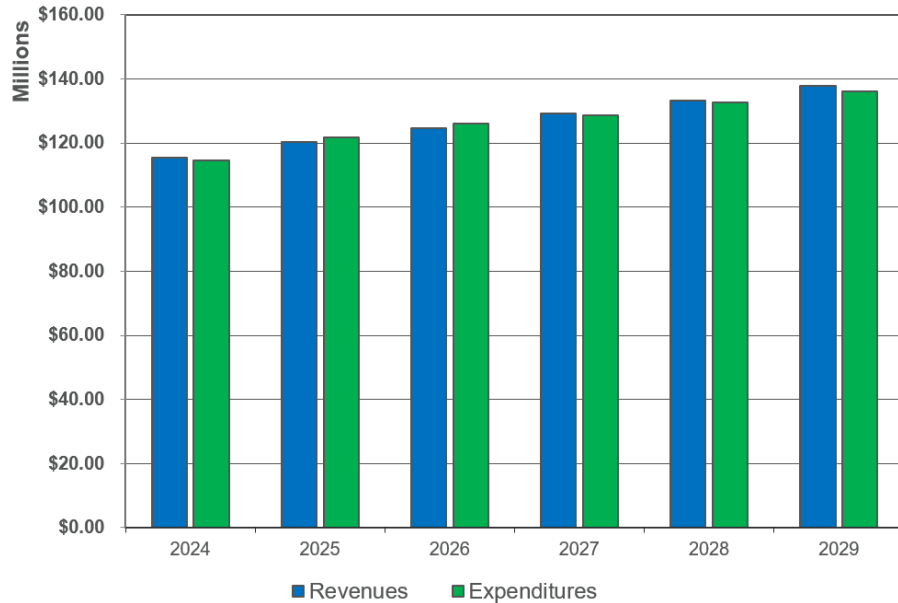
- Projected tax increase of 4% (index is 6.4%) next year and 3% there after
- Salaries increased from 2-3% - net 16 (Less: Pandemic Coord, Director of Curriculum and 3 Administrative Officers: ADD: 2 ES Principal, 3 MS Reading Specialist, 1 Cyber SPED Cyber Teacher, 1 GV Autistic and 2 aids, 1 McD Life Skills and 2 aides, 1 WC LS aide, 8 attendance positions)
- PSERS projected annual increase. Other costs increased between 2-3%.
- Healthcare increase of 4%
- New debt (\$600K compared to current budget with 20 year wrap structure)
- Millions in new curriculum resources (use FB \$1.9M in 2025 and \$1.4M in 2026)
- Increase in IT lease
- Increased Sarah Reed Contracts
- Transportation increase of 15%, 15%, 3%, 3%, 3%
- How or what will change forecasted outcomes?
 - Federal money
 - Labor negotiations
 - Healthcare costs
 - Adjust debt amount, length of debt
 - State funding
 - Transportation
 - Cyber enrollment (min. \$9K savings per student)



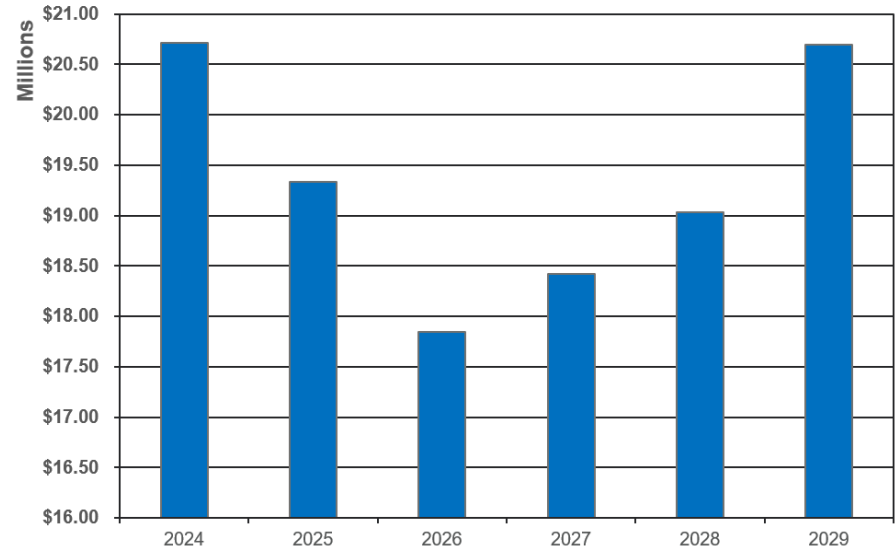
| General Fund Projection Summary | | | | | | | | | | | |
|---|----------------|---------------|---------|---------------|-------|---------------|--------|---------------|-------|---------------|-------|
| October 2024 | | | | | | | | | | | |
| | BUDGET 2024 | 2025 | %Δ | 2026 | %Δ | 2027 | %Δ | 2028 | %Δ | 2029 | %Δ |
| REVENUE | | | | | | | | | | | |
| Local | \$77,108,731 | \$81,391,204 | 5.55% | \$84,228,275 | 3.49% | \$87,732,891 | 4.16% | \$90,958,298 | 3.68% | \$94,800,366 | 4.22% |
| State | \$35,132,913 | \$36,449,908 | 3.75% | \$37,666,951 | 3.34% | \$38,798,088 | 3.00% | \$39,611,534 | 2.10% | \$40,449,387 | 2.12% |
| Federal | \$3,199,995 | \$2,508,387 | -21.61% | \$2,582,289 | 2.95% | \$2,582,289 | 0.00% | \$2,582,289 | 0.00% | \$2,582,289 | 0.00% |
| Other Financing Sources | \$90,000 | \$90,000 | 0.00% | \$90,000 | 0.00% | \$90,000 | 0.00% | \$90,000 | 0.00% | \$90,000 | 0.00% |
| TOTAL REVENUE | \$115,531,639 | \$120,439,499 | 4.25% | \$124,567,515 | 3.43% | \$129,203,268 | 3.72% | \$133,242,121 | 3.13% | \$137,922,042 | 3.51% |
| EXPENDITURES | | | | | | | | | | | |
| Salary and Benefit Costs | \$79,645,960 | \$82,973,789 | 4.18% | \$85,754,029 | 3.35% | \$88,577,145 | 3.29% | \$91,420,379 | 3.21% | \$94,371,284 | 3.23% |
| Other | \$35,038,959 | \$38,844,313 | 10.86% | \$40,308,967 | 3.77% | \$40,048,523 | -0.65% | \$41,207,265 | 2.89% | \$41,885,770 | 1.65% |
| TOTAL EXPENDITURES | \$114,684,919 | \$121,818,102 | 6.22% | \$126,062,996 | 3.48% | \$128,625,668 | 2.03% | \$132,627,644 | 3.11% | \$136,257,054 | 2.74% |
| | | | | | | | | | | | |
| SURPLUS / DEFICIT | \$846,720 | (\$1,378,603) | | (\$1,495,481) | | \$577,600 | | \$614,477 | | \$1,664,988 | |
| Extracurricular Funds Committed | \$1,934,802 | \$1,384,802 | | \$884,802 | | \$884,802 | | \$884,802 | | \$884,802 | |
| Curricular Resources | | (\$1,900,000) | | (\$1,600,000) | | | | | | | |
| Net SURPLUS / DEFICIT | (\$1,088,082) | (\$863,405) | | (\$780,283) | | (\$307,202) | | (\$270,325) | | \$780,186 | |
| BEGINNING FUND BALANCE | \$19,870,144 | \$20,716,864 | | \$19,338,261 | | \$17,842,780 | | \$18,420,380 | | \$19,034,857 | |
| | | | | | | | | | | | |
| PROJECTED YEAR END BALANCE | \$20,716,864 | \$19,338,261 | | \$17,842,780 | | \$18,420,380 | | \$19,034,857 | | \$20,699,845 | |
| | | | | | | | | | | | |
| FUND BALANCE AS % OF EXPENDITURES | 18.06% | 15.87% | | 14.15% | | 14.32% | | 14.35% | | 15.19% | |
| FUND BALANCE AS # OF MONTHS OF EXPEND. | 2.17 | 1.90 | | 1.70 | | 1.72 | | 1.72 | | 1.82 | |

FORECAST – GENERAL FUND ISSUE DEBT 2024

REVENUES VS. EXPENDITURES



YEAR-END FUND BALANCES



Discussion Topics

- What projects to include in debt?
- Structure of debt?
- Use more fund balance to offset total debt issue amount?
- Recommend Board motion to earmark all investment funds to be earmarked to maintaining extracurricular facilities.