

Downingtown Area School District

Budget

Fiscal Year 2023-2024



540 Trestle Place
Downingtown, Pennsylvania 19335
Chester County

610-269-8460
www.dasd.org

**Downingtown Area School District
Budget 2023-2024**

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This Meritorious Budget Award is presented to

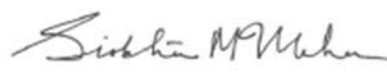
DOWNINGTOWN AREA SCHOOL DISTRICT

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2022-2023.

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.




John W. Hutchison
President


Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

Downingtown Area School District

Executive Summary

Fiscal Year 2023-2024 Budget



Downingtown Area School District
Budget 2023-2024

Downingtown Area School District
Board of School Directors

LeeAnn Wisdom	President
Audrey Blust.....	Vice-President
Jane Bertone	Member
Caryn McCleary Ghrayeb.....	Member
Madhu Gurthy	Member
Joyce Houghton	Member
Margaret Miller	Member
Mindy Ross	Member
Lisa Strobridge	Member
Virginia Warihay (non-voting member)	Secretary
David Matyas (non-voting member)	Treasurer



Downingtown Area School District
Budget 2023-2024

**Downingtown Area School District
Administration Senior Leadership Team**

Dr. Robert O'Donnell	Superintendent
Dr. Louis Chance	Assistant Superintendent
Dr. Robert Reed	Assistant Superintendent
David Matyas	Business Manager
Dr. Ann Berrios.....	Director of Pupil Services
Justin Brown.....	Director of Diversity, Equity and Inclusion
Dr. Caroline Duda	Director of Human Resources
Dale Lauver.....	Director of Facilities
Dr. Gary J. Mattei	Director of Technology
Jennifer Shealy	Director of Communications

Downingtown Area School District
Budget 2023-2024

**Downingtown Area School District
Buildings and Administrators**

Elementary Schools

Beaver Creek Elementary School
601 Pennsylvania Avenue
Downingtown, PA 19335
Principal: Dr. Dawn Lawless

Bradford Heights Elementary School
1330 Romig Road
Downingtown, PA 19335
Principal: Ilana Shipe

Brandywine-Wallace Elementary School
435 Dilworth Road
Downingtown, PA 19335
Principal: Dr. Shawn Wright

East Ward Elementary School
435 Washington Avenue
Downingtown, PA 19335
Principal: Dr. Nick Argonish

Lionville Elementary School
526 W. Uwchlan Avenue
Downingtown, PA 19335
Principal: Shelda Perry

Pickering Valley Elementary School
121 Byers Road
Chester Springs, PA 19425
Principal: Travis Orth

Shamona Creek Elementary School
501 Dorlans Mill Road
Downingtown, PA 19335
Principal: Dr. Melanie Susi

Uwchlan Hills Elementary School
50 Peck Road
Downingtown, PA 19335
Principal: Bob Giering

West Bradford Elementary School
1475 Broad Run Road
Downingtown, PA 19335
Principal: Deborah Kearney

Springton Manor Elementary School
400 Fairview Rd.
Glenmoore, PA 19343
Principal: Robyn Spear

Marsh Creek 6th Grade Center
489 Dorlans Mill Rd.
Downingtown, PA 19335
Principal: Dr. Matthew Barr

Secondary Schools

Downingtown Middle School
115 Rock Raymond Road
Downingtown, PA 19335
Principal: Dr. Nick Indeglio

Lionville Middle School
550 W. Uwchlan Avenue
Downingtown, PA 19335
Principal: Dr. Jonathan Ross

Downingtown High School
West Campus
445 Manor Avenue
Downingtown, PA 19335
Principal: Dr. Kurt Barker

Downingtown High School
East Campus
50 Devon Drive
Exton, PA 19341
Principal: Paul E. Hurley, III

Downingtown STEM Academy
335 Manor Avenue
Downingtown, PA 19335
Headmaster: Art Campbell

Downingtown Area School District
Budget 2023-2024

**Downingtown Area School District
Consultants and Advisors**

Independent Auditors

BBD, LLP
1835 Market Street
Philadelphia, PA 19103

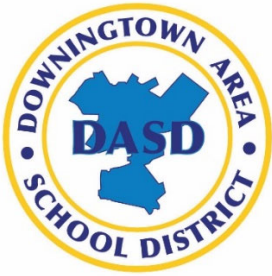
Legal Counsel

Lamb McErlane P.C.
24 East Market Street, PO Box 565
West Chester, PA 19381
(General Counsel)

Financial Advisor

Public Financial Management
One Keystone Plaza, Suite 300
North Front & Market Streets
Harrisburg, PA 17101

Downingtown Area School District
Budget 2023-2024



DOWNINGTOWN AREA SCHOOL DISTRICT

540 Trestle Place, Downingtown, PA 19335, phone 610.269.8460, fax 855.329.3273, www.dasd.org

ROBERT J. O'DONNELL, Ed.D. SUPERINTENDENT

Executive Summary of the 2023-2024 Budget

The following is an executive summary of the District's 2023-2024 budget. It is intended to provide a high level presentation and comprehensive summary of the information included throughout the full document.

Budget Presentation

The Downingtown Area School District strategically budgets an annual spending plan that provides quality educational programs for all students while carefully managing the District's resources. The development, review, and consideration of the 2023-2024 budget was completed with a detailed review of revenue and expenditure items to ensure the necessary resources are available and allocated to meet the needs of the District while minimizing tax increases for the District's taxpayers.

The information included in this document is structured to meet the requirements of the Meritorious Budget Award (MBA) of the Association of School Business Officials International (ASBO). The MBA is the highest form of recognition in budgeting for school entities. Its attainment represents a significant accomplishment by a school entity and its management. The District has received the award since 2005-2006, and we believe this 2023-2024 budget document also meets the requirements to receive the MBA. However, the most important focus in the presentation of the budget data is to communicate to the community and other stakeholders the District's financial plan to support its educational programs and services.

Impact of the Economy, and Government Funding on the 2023-2024 Budget

Local revenue sources continue to be strong with a strong real estate market and healthy earned income tax revenue. Higher interest rates have increased the amount budgeted for investment earnings. Higher inflation is driving higher than normal expenditure growth. The demand for bus drivers, custodians, substitute teachers and aides is much greater than the supply, which has increased the cost needed to provide these services. The nationwide bus driver shortage has caused a significant reduction in the number of buses transporting students. The District will need to raise taxes 3.5% in 2023-2024 to allow revenue growth to keep pace with current expenditure growth. Helping to address the funding needs is the increase in State funding which is budgeted to increase significantly over the 2022-2023 budget, as the legislature has emphasized expanding educational funding in recent years. The majority of Federal COVID grant funding has been spent in prior years, resulting in a significant decrease in budgeted Federal revenue for 2023-2024.

Downingtown Area School District
Budget 2023-2024

Mission Statement and Goals

Mission Statement

Proud of our tradition of excellence, the mission of the Downingtown Area School District is to educate all students to meet the rigorous challenges of a global society by providing an individually responsive learning environment characterized by outstanding academic and personal achievements in partnership with family, students, and community.

Goals for the District

The following are 2023-2024 goals for the District.

- Complete facility renovation projects
- Improve Student Well-Being
- Develop plan for full day kindergarten

Each goal has objectives and measures of success. The budget represents how the financial and human resources are allocated to support educational programs and services defined by the District's mission and goals. Preparing the annual budget requires decisions that represent a delicate balance between the educational needs of students and the ability of the community to support the schools.

Budget Process and Allocation of Resources

The budget process is comprised of five phases – planning, preparation, adoption, implementation and evaluation. The process is driven by two objectives - to provide every child in the District with the best possible educational opportunities and to maximize the use of available resources. Within this framework, the Board attempts to balance the educational needs of students and the resources available to the District from local, state, and federal sources. The timeline for the beginning of the annual budget process starts in September so a preliminary budget can be adopted in February if necessary. This preliminary budget serves to identify any potential tax increase over a state mandated limit (4.1% for 2023-2024) that will need to be addressed through exceptions or voter approval before final adoption of the budget in May or June. If the Board of Directors adopts a resolution that it will not need to raise taxes above the state mandated limit, it can forgo the adoption of the preliminary budget in February.

Planning

For the fiscal year that begins July 1, the planning process for budgeting starts about ten months prior in September of the previous year when the Administration develops a budget timeline that includes all of the important activities in the budgeting process. The timeline represents the guidelines for the preparation and adoption of the School District's annual budget. The following is a summary of the timeline.

Downingtown Area School District
Budget 2023-2024

- September-December – Budget meetings held with each department head to review all budget line items; Revenue budget developed
- January-February – Preliminary budget adopted or resolution adopted
- March-May – Budget refined and proposed budget adopted
- May / June – Final budget adopted

Preparation

The preparation of the budget is the process of defining service levels. Primary inputs into this process are identifying course offerings in the educational program and projecting student enrollment. With service levels defined, the District allocates resources to meet these levels by developing staffing allocations; estimating expenditure needs to support programs and services; and projecting available revenues.

Adoption

For the 2023-2024 budget, the District adopted a resolution that it would not raise taxes above the state mandated limit (Act 1 index) of 4.1%. This resolution was adopted in January, 2023 and eliminated the need to adopt the preliminary budget for purposes of determining a tax rate increase. The budget continued to be reviewed and adjusted through May, and was adopted at the May 2023 Board meeting.

Implementation

Implementation of the budget is accomplished through the budget administration and management process. This involves regulating expenditures during the fiscal year to ensure that they do not exceed authorized amounts and that they are used for intended, proper, and legal purposes. This is done by monitoring expenditure account balances, monitoring purchases through a purchase order approval system, tracking revenue receipts, making corrections in expenditure allocations to reflect changes in costs, service levels, or plans; and reporting to the Board and public on fiscal operations.

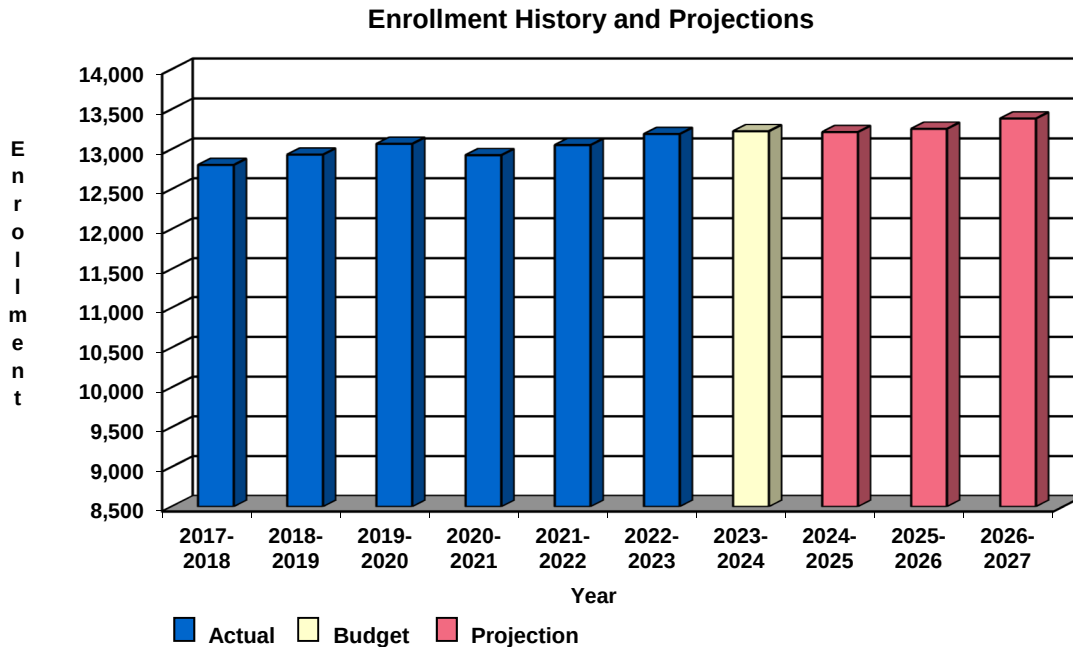
Evaluation

The District maintains a budgetary accounting and control software information system that provides reports to assist Board Members, the Business Office staff, and responsibility cost center managers in evaluating the implementation of the budget. The accounting information system also provides detail transactional information to allow for auditing of expenditure and revenue activity compared to the budget. Information is also produced that allows for evaluating the overall financial condition of the District.

Downingtown Area School District
Budget 2023-2024

Student Enrollment

A primary input into the budget process is the projecting of student enrollment. Below is a chart that shows the District's enrollment trend.



For the budget year 2023-2024 the student enrollment is projected to be 13,226. This is an increase of 35 students over the 2022-2023 actual enrollment. Future year enrollment is estimated to continue to grow as residential development continues in the District and families move into the District to be able to attend Downingtown schools. The District's special education student enrollment continues to grow due to the District's strong support of special education students and their needs. This has resulted in families of special education students moving into the District specifically for the District's special education programs.

Personnel Resources

The 2023-2024 budget includes an increase of 9 teachers to address manage class size, grow programs, and address enrollment growth in certain areas. An additional school psychologist was added to continue the District's emphasis on mental health. The budget also added a custodian and two health room nurses.

Summary of Budgets for All Funds

The following schedule presents a comparison of the total budget revenue and expenditures in the current and prior year for each of the District's funds. It represents the financial resources budgeted to be available from local, state, and federal sources, as well as fund balance, to support the District's programs and services. The General Fund, Capital Fund, and Debt Service Fund are Governmental Funds, and the Proprietary Food Service Fund is a non-governmental fund.

Downingtown Area School District
Budget 2023-2024

	<u>Summary of Governmental Funds</u>	
	2023-2024 Budget	2022-2023 Budget
<u>Revenues:</u>		
General Fund	\$ 272,147,480	\$ 257,333,588
Capital Projects Fund	3,000,000	2,154,806
Debt Service Fund	-	342,090
Total Revenue	275,147,480	259,830,484
<u>Expenditures:</u>		
General Fund	264,246,006	250,313,161
Capital Projects Fund	66,443,849	22,915,451
Debt Service Fund	-	6,510,236
Total Expenditures	330,689,855	279,738,848
Other Financing Sources	300,000	2,000,000
Net Change in Fund Balance	(55,242,375)	(17,908,364)
(1) Adjustment for Est. Actual Net Change	2,587,525	3,757,318
(2) Net Change in Fund Bal. - Est. Actual	(52,654,850)	(14,151,046)
Fund Balance July 1	139,865,095	154,016,141
Fund Balance June 30	\$ 87,210,245	\$ 139,865,095

	<u>Proprietary Fund - Food Service</u>	
	2023-2024 Budget	2022-2023 Budget
Revenues	\$ 5,525,000	\$ 5,436,929
Expenditures	5,075,000	4,952,969
Net Change in Fund Balance	450,000	483,960
Fund Balance July 1	5,332,751	4,848,791
Fund Balance June 30	\$ 5,782,751	\$ 5,332,751

(1) Adjustment for Est. Actual Net Change

Represents the difference in the Budgeted Net Change in Fund Balance and the Estimated Actual Net Change in Fund Balance. This difference is due to anticipated higher than budgeted revenue and lower than budgeted expenditures in the actual results for the year.

(2) Net Change in Fund Bal. – Est. Actual

This represents the estimated actual results for the budget years. It represents the estimated actual amount that revenues will exceed (or be less than) expenditures.

The summary information above is discussed on the following pages by analyzing the trends and details of revenues and expenditures for each fund separately.

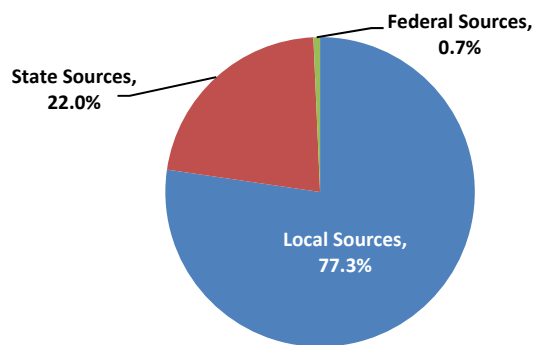
Downingtown Area School District
Budget 2023-2024

General Fund Discussion

General Fund Revenue

The General Fund budget of the School District is funded from local, state and federal sources of revenue. The primary funding source for District operated programs and services is local revenue, which accounts for 77.3% of the \$272,147,480 total budgeted General Fund revenue for the 2023-2024 fiscal year. Other General Fund revenue is primarily derived from state subsidies (22.0%), and Federal sources (0.7%). The percentage amount of each revenue source is consistent with prior years.

General Fund Revenue by Source 2023-2024



Local Sources

The largest portion of local revenue is derived from current taxes on real estate property, about 79%. Current real estate tax revenue is budgeted to increase about \$10.4 million due to a 3.5% tax increase and continued assessment growth. This is the third year of a tax increase after going eight consecutive years with no tax increases. For 2023-2024 the assessed real estate property value is \$6.01 billion, a \$126.7 million (2.15%) increase over the 2022-2023 assessed value.

For 2023-2024, the property taxes due on the average assessed property value in the District is \$5,468. This reflects a \$185 increase from 2022-2023 based on a consistent average assessed property value of \$185,000. Future year tax increases will likely need to be implemented to allow revenue growth to keep pace with expenditure growth.

State Sources

Increases in state funding are uncertain each year, and are dependent on the state budget and political climate. Revenue from the state is budgeted to increase \$1.2 million over the 2022-2023 budget. This increase is primarily due to increases in the basic education and special education subsidies which reflects the state legislature's emphasis on expanding educational funding.

Downingtown Area School District
Budget 2023-2024

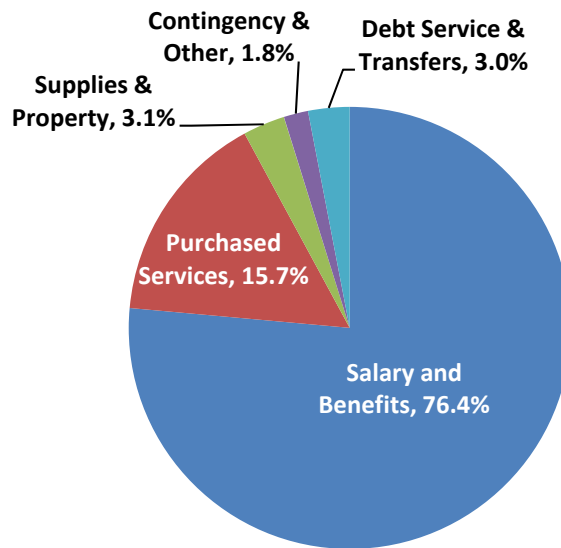
Federal Sources

Federal revenue in the 2023-2024 budget is minimal and about \$1 million less than 2022-2023 due to the majority of Federal COVID grant funding being spent in prior years. Other federal funding includes Title I, II, and III grant funding, and funding for reimbursement of special need students' medical expenditures.

General Fund Expenditures

For the 2023-2024 fiscal year, total expenditures (excluding transfers) in the General Fund are budgeted to increase from \$250,313,161 to \$264,246,006, an increase of \$13,932,845.

General Fund Expenditures by Category 2023-2024



Salaries and benefits account for 76.4% of total expenditures. Salaries generally increase each year due to employee wage increases and new staff. Employee benefit costs are budgeted 10% higher than the 2022-2023 budget, reflecting the significant increase in actual health care claims being experienced. Benefit costs also include the District's Public School Employees Retirement System (PSERS) contributions. The required contribution rate for 2023-2024 is 34% of employee salaries.

Purchased Services expenditures have increased about \$600 thousand for 2023-2024 primarily due to the increased cost of special education services. The Supplies and Property category includes all consumable items that are expendable, and also includes software and utility related expenses. Property includes equipment and capital assets with useful lives greater than one year. This category reflects an increase of about \$500 thousand primarily due to increased utility costs. Contingency and other expenses include a reserve amount for unforeseen expenditures that is consistent with prior years.

Downingtown Area School District
Budget 2023-2024

Debt Service represents the repayment of principal and interest on debt incurred by the District from issuing bonds. The amount of debt service in the General Fund budget for 2023-2024 is \$8 million, which is consistent with prior years. The District's future debt service will remain at \$8 million through 2032-2033. The District has no debt service scheduled beyond 2032-2033.

Capital Projects Fund Discussion

Below is a summary of the Capital Projects Fund revenue and expenditures

Revenue		2023-2024 Budget	2022-2023 Budget
6000	Local Sources - Interest Income	\$ 3,000,000	\$ 2,154,806
Expenditures			
400	Purchased Property Services	59,281,857	17,080,800
700	Property	7,161,992	5,834,651
Total Expenditures		66,443,849	22,915,451

Capital Projects Fund Revenue

The \$3,000,000 budgeted revenue for 2023-2024 in the Capital Projects Fund represents interest earnings on the Capital Projects fund balance which is invested in certificates of deposit and money market accounts in accordance with the state investment laws for governmental entities. The increase over the prior year is due to higher interest rates.

Capital Projects Fund Expenditures

The District's Capital Projects Fund is used to account for construction and renovation of buildings, capital budget expenditures for facility improvements, technology improvements, and equipment. These include improvements to school roofs, windows, HVAC systems, computer equipment and network infrastructure. Total expenditures in 2023-2024 are significantly higher than 2022-2023 due to the major renovation projects at both East and West high schools.

The District estimates the fund balance in the Capital Projects Fund will be approximately \$65.5 million as of June 30, 2024 which includes an \$9.2 million transfer from the General Fund. The Capital Projects Fund fund balance consists of operating surpluses transferred from the General Fund in prior years, and there are no unspent Bond proceeds. The fund balance is used to fund the District's current and future capital expenditure plan and construction projects.

Downingtown Area School District
Budget 2023-2024

Debt Service Fund

The Debt Service Fund funded a portion of the District's \$14.5 million of debt service in 2022-2023. Beginning in 2023-2024 the District's total debt service will drop to \$8 million through 2032-2033. The \$8 million of debt service will be budgeted in the General Fund, and will be sufficient to cover the District's total debt service each year through 2033. The Debt Service fund will not be used, and fund balance was zero as of June 30, 2023.

Proprietary Fund – Food Service Fund

The Food Service Fund is self-supporting, receiving no aid from the General Fund in its operating budget, however the Capital Projects Fund will fund equipment used in the food service operations at the high schools. The Food Service Fund is considered a Proprietary Fund, which is a non-governmental fund that is used to account for District activities that are similar to business operations in the private sector. All funding for the food service operations is through the sale of food, and reimbursements from the state and federal government. The District contracts with a food service company to provide all of the breakfast and lunch meals for students. The majority of expenditures are for payments made directly to the contractor for managing and operating the food services. In 2023-2024 the food service program revenue is estimated to increase slightly from increased meal sales. Expenditures for 2023-2024 are also estimated to increase slightly primarily due to higher food costs.



Downingtown Area School District
Budget 2023-2024

Budget Forecast – Governmental Funds

<u>General Fund</u>				
	2023-2024	2024-2025	2025-2026	2026-2027
Revenue	Budget	Forecast	Forecast	Forecast
Local Revenue	\$ 210,493,181	\$ 218,350,981	\$ 229,573,643	\$ 241,388,490
State Revenue	59,859,299	63,157,110	66,235,776	69,069,796
Federal Revenue	1,795,000	1,500,000	1,500,000	1,500,000
Total Revenue	272,147,480	283,008,091	297,309,419	311,958,286
Expenditures				
Salaries	123,245,013	126,795,054	134,719,745	141,455,732
Benefits	78,744,070	78,576,696	84,181,110	89,314,439
Other Expenditures	54,256,923	55,687,641	57,636,709	59,653,993
Transfer to Other Funds	9,226,200	9,500,500	10,205,000	10,585,000
Debt Service	8,000,000	8,000,000	8,000,000	8,000,000
Total Expenditures	\$ 273,472,206	\$ 278,559,891	\$ 294,742,564	\$ 309,009,164
<u>Capital Projects Fund</u>				
	2023-2024	2024-2025	2025-2026	2026-2027
	Budget	Forecast	Forecast	Forecast
Capital Expenditure Budget	\$ 66,443,849	\$ 53,227,600	\$ 32,205,000	\$ 12,085,000
<u>Debt Service Fund</u>				
	2023-2024	2024-2025	2025-2026	2026-2027
	Budget	Forecast	Forecast	Forecast
Debt Service Expenditures	\$ -	\$ -	\$ -	\$ -

General Fund Forecast

The forecasted growth in General Fund local revenue is mainly due to real estate tax growth from projected assessment growth, real estate tax rate increases, earned income tax growth, and real estate transfer tax growth. The forecast assumes a 3.5% real estate tax increase each year, and a 2.0% assessment growth each year. The State source revenue forecasted increase reflects state subsidy increases that are expected to continue, and 50% reimbursement of the PSERS contribution increase. Federal revenue is forecasted to be fairly consistent.

Total forecasted growth in General Fund expenditures is primarily driven by the increase in salaries and benefits. The forecasted salary increases reflect wage increases for existing staff plus additional increases for new positions. Forecasted benefit expenditures reflect projected health care claim increases plus PSERS increases driven by wage and rate growth. Other Expenditures increases in future years include increased bus contractor costs, and special education contracted services cost increases. The General Fund will budget the District's total debt service of \$8

Downingtown Area School District
Budget 2023-2024

million per year through 2032-2033. There is no forecasted debt service beyond 2032-2033

Transfer to Other Funds represents amounts transferred to the Capital Projects Fund to fund the District's capital spending each year. The capital expenditures are recorded in the Capital Projects Fund but the amount needed to fund them (the transfers) are recorded in the General Fund to show the total District expenditures. The transfer amount is budgeted to cover ongoing annual capital expenses for technology, facility upgrades, and curriculum items. It does not cover major renovation or construction projects which are funded with Capital Projects Fund fund balance.

Capital Projects Fund Forecast

The 2023-2024 through 2025-2026 expenditures include \$54 million, \$41 million, and \$20 million respectively for major renovation and addition projects to East and West high schools, Beaver Creek Elementary, and West Bradford Elementary schools. These projects are being funded with existing fund balance. No bond proceeds are being used, and no new debt is being incurred for these projects. In addition, each forecast year also includes ongoing annual capital expenses for facility improvements to schools such as window replacements, HVAC systems, and roofs. Also included are expenditures for technology devices for students, network infrastructure, and curriculum items.

Debt Service Fund Forecast

Beginning in 2023-2024 the District will budget all of its debt service in the General Fund and the Debt Service Fund will not be used. The Debt Service Fund has zero fund balance as of June 30, 2023.

Budget Forecast – Proprietary Fund-Food Service

<u>Proprietary Fund - Food Service</u>	2023-2024 Budget	2024-2025 Forecast	2025-2026 Forecast	2026-2027 Forecast
Operating Revenue	\$ 3,600,000	\$ 3,672,000	\$ 3,745,000	\$ 3,820,000
Non-Operating Revenue	1,925,000	1,957,000	\$ 1,989,000	\$ 2,021,000
Total Revenue	5,525,000	5,629,000	5,734,000	5,841,000
Total Expenditures	\$ 5,075,000	\$ 5,524,000	\$ 5,680,000	\$ 5,853,000

The revenue growth in the Food Service Fund is primarily due to the anticipated increase in student meal sales due to enrollment growth and new menu items. The increase in expenditures is driven by the increase in sales as well as price increases.

Downingtown Area School District
Budget 2023-2024

Overview of Debt

The District has \$65,137,662 of issued and outstanding debt as of June 30, 2023. This amount is comprised of five bond issues that have been incurred to fund previous school building construction projects over the years with subsequent re-financings. The current projects for East and West high schools, and Beaver Creek and West Bradford Elementary schools will not require new debt to be incurred. The schedule below illustrates the change in outstanding bonds from June 30, 2023 to June 30, 2024.

	Bonds Outstanding
June 30, 2023	65,137,662
2023-2024 Principal Pmts.	<u>(5,639,633)</u>
June 30, 2024	<u>59,498,029</u>

Performance Measurement

The budget process is driven by the number of students enrolled, and yields an instructional expenditure per student amount of \$12,804 for 2023-2024. Capital Projects Fund instructional spending adds another \$522 per student in 2023-2024. Capital instructional spending includes expenditures for the District's one to one laptop device initiative that provides direct access to technology by providing each student with their own device. This level of per student expenditures has allowed the District to continue providing the quality of education necessary to achieve strong student performance. The District's schools' performance and student achievement are among the highest in the state and have been nationally recognized. The District puts student achievement as a top priority, and based on strong performance data, the level of per student expenditures budgeted is appropriate.

The District also determines success of its mission and goals through the measurement of student performance and achievement. Performance data indicates that Downingtown Area School District students have performed considerably better in standardized evaluations of learning such as the Pennsylvania System of School Assessment (PSSA) and the Scholastic Aptitude Test (SAT), compared to other students on a state-wide basis as shown in the following table.

Downingtown Area School District
Budget 2023-2024

PSSA State Performance Testing	District 2023	State 2023
Percent of Students Proficient or Advanced		
English Language Arts (ELA)	%	%
Grade 5 ELA	82	54
Grade 8 ELA	74	53
Grade 11 Literature (Keystone Exam)	84	65
Percent of Students Proficient or Advanced		
Mathematics	%	%
Grade 5 Math	73	43
Grade 8 Math	42	26
Grade 11 Math (Keystone Exam)	64	34
SAT College Entrance Exam (Mean Scores)		
	District 2023	State Historical Average
Reading and Writing	601	539
Math	592	530

Source: Pennsylvania Department of Education

Success in educating the District's students can also be seen in the percentage of students pursuing higher education (92% for the Class of 2023) which has been significantly higher than the historical state-wide percentage (about 66%). Graduating students also receive thousands of dollars in scholarships each year. In addition, the District offers advanced placement courses with about one-third of 11th and 12th graders taking them. Over the past few years, the District has had several students who were finalists, semi-finalists, and commended in the National Merit Scholars program. The District continues to be well respected by the community it serves and is seen as one of the top performing public school districts in the region, the state, and nationally. This is evidenced by a recent Washington Post ranking of high schools that ranked the STEM (Science, Technology, Engineering, Math) Academy as the number one high school in the state, with East high school number 21 and West high school number 31 in the state. The District as a whole was ranked 24th in the state out of 500 Districts by the Pittsburgh Business Times.

Acknowledgements

The District appreciates the support provided by the Downingtown Area School District Board of School Directors and the community for the development, implementation, and maintenance of an excellent educational program for the students of the District.



Downingtown Area School District

Organizational Section

Fiscal Year 2023-2024 Budget



Summary of the information in this section

This section includes descriptive information on the educational structure, organization structure, accounting structure, mission, goals, policies, and processes of the District.



The School Entity

Geographic Location / Area

Downingtown Area School District is located in southeastern Pennsylvania, 30 miles west of Philadelphia in central Chester County. The District covers an area of 82 square miles that includes a mix of suburban and rural communities with a population of approximately 79,000.

The local municipalities included within the District are the borough of Downingtown and the townships of East Brandywine, East Caln, Upper Uwchlan, Uwchlan, Wallace, West Bradford, and West Pikeland. The District has experienced steady population and economic growth over the last 10 years.



Legal Autonomy and Fiscal Independence

The District is a legally autonomous and fiscally independent entity under the laws of Pennsylvania. The laws of Pennsylvania give the District corporate powers that distinguish it as a legally separate entity from the Commonwealth of Pennsylvania and any of its political subdivisions. The District has the power to determine its budget; to approve and modify that budget; to levy taxes, set rates and establish charges; and to issue bonded debt. The powers may be exercised without substantive approval by another government.

The District is a political subdivision of the Commonwealth created to assist in the administration of the General Assembly's duties under the Constitution of Pennsylvania to "provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth."

The District is governed by a board of nine school directors, who are residents of the School District and are elected every two years, on a staggered basis for a four-year term. Each director represents a region of the District. The Directors serve on the Board without compensation. The School Board has the power and duty to establish, equip, furnish and maintain a sufficient number of elementary, secondary and other

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schools necessary to educate every person residing in the District, between the ages of six and twenty-one years, who may attend. The Board meets twice a month at meetings open to the public where they discuss and vote on the instructional, business, and strategic decisions of the District.

The current School Board members are LeeAnn Wisdom - President, Audrey Blust– Vice President, Jane Bertone, Caryn McCleary Ghrayeb, Madhu Gurthy, Joyce Houghton, Margaret Miller, Lisa Strobridge, and Mindy Ross.

The Superintendent is Dr. Robert J. O'Donnell who is the chief administrative officer and chief instructional officer of the District and is responsible for the administration and operation of the public school system and oversees all matters pertaining to instruction.

Number of Schools

The District consists of ten elementary schools (grades K-5), a sixth grade center, two middle schools (grades 7-8), and three high schools (grades 9-12) that includes the STEM Academy. These schools educate a total of 13,226 students.

Education Overview

At Downingtown, we believe that the education of our students should encompass much more than reading, writing and arithmetic. Our goal is to give our students the tools that they need to collaborate with others, communicate openly and honestly, and make informed decisions based on civic responsibility. For this to occur, we not only educate our students academically, we also empower them to respect diversity, take part in community service and develop a high level of ethics and integrity.

Within our school district, students are provided with an environment to grow their intellect and their character. Located in Chester County – a former farming community that is now bustling with economic and residential growth – Downingtown offers students the best of both worlds. Because of the vital economy in our region, we have the resources to offer programs of a breadth and depth that many smaller districts cannot provide. Our region's residential growth has yielded a diverse student body and faculty, allowing students the opportunity to embrace a heightened sense of cultural awareness. At the same time, our attention to the individual and respect for family and community involvement in schools means we can maintain a small-town feel in our classrooms.

Downingtown students study abroad, challenging curriculum that is designed to inspire them and equip them for success outside the classroom. Students are offered a wide range of courses that are taught in creative and meaningful ways.

For example, at the elementary and secondary levels, major subject areas are often creatively linked together to make the curriculum more relevant for students. Students might find that a science lesson can extend over into a language arts activity, or vice

versa. These thematic approaches help children develop a deeper understanding of the topics addressed.

To make sure that students are always receiving the most up-to-date, effective instruction, Downingtown administrators and teachers make it a practice to review curriculum so that it is aligned with federal and state standards, as well as with standards set by national organizations. In addition, teachers and administrators also use the curriculum review cycle to ensure that programs are being updated and monitored on a timely basis. Downingtown also remains at the forefront of educational practices because our teachers make a tremendous effort to stay current through professional development opportunities that are available inside and outside the district. Their commitment ensures that Downingtown students are on the receiving end of the most up-to-date, proven instructional practices in education today.

Elementary Education

Students begin their careers at Downingtown in integrated kindergarten classrooms, where students with varying levels of academic, social and emotional progress learn together. As students progress through the elementary grades, students are encouraged to work cooperatively in groups or as a whole class. Such strategies are regularly employed in elementary classrooms to help students learn how to work together.

Instruction in all elementary schools is child-centered and appropriate to a child's developmental stage, ensuring that students receive the type of instruction that best suits their needs. For students with special needs, Instructional Support Teams are there to develop instructional plans that are appropriate to a student's abilities. These teams help identify a student's need for academic or behavioral support, determine strategies to assist the student, implement prevention strategies through a continuum of services, and monitor progress to ensure continued success.

Language arts instruction is literature-based and balanced, and the subjects of social studies, science and math are integrated into thematic units for depth and breadth of understanding. Technology is used on a consistent basis in all schools to support and deliver the instructional program.

Downingtown elementary school students have a variety of unique learning opportunities available to them. Students have access to television studios where they can write, perform and produce their own news show each morning. Students can also write, illustrate and bind their own books through the school's publishing center. In addition, students have exposure to STEM curriculum. Science fairs, community service events, athletic activities and music and art programs are also key elements of the elementary curriculum, ensuring that students receive a comprehensive academic foundation that will benefit them in higher grade levels.

Sixth Grade Center and Middle School Education

Grades 6th through 8th can be challenging for many students. Knowing that the transition to a new school can be daunting, the faculty and staff of our sixth grade center and two middle schools go to great lengths to create a personal environment for students.

One of the ways this is accomplished is by assigning students and teachers to teams within each school. In addition to fostering a sense of camaraderie, the use of teams allows for the overlap and integration of subject areas such as language arts, science, math and social studies between classrooms.

Technology skills are honed in these grades with computer classes, and the integration of technology into regular classroom activities. Middle school students have their own computing device used for instruction that they can take home with them. Art, music, physical education and health are also important parts of the 6th – 8th grade curriculum.

High School Education

The wide variety of course offerings and extra-curricular activities continues once Downingtown students reach high school. In three state-of-the-art facilities, students have the opportunity to grow academically and socially while also developing a feel for their future.



The emphasis on English, math, social studies and science continues at the high school level, with students exposed to a variety of learning experiences ranging from class discussions, experiments and special projects to reading assignments and homework. At the high school level, students can really begin to explore courses that will help them define their future. Many opportunities are available, including Advanced Placement courses in subjects such as, biology, calculus, English, government, U.S. history, physics, Spanish and French. Students are also offered business education, industrial arts technology and vocational-technical courses. In addition, the use of technology is emphasized throughout the curriculum with the District issuing each student a laptop for their individual use at school and at home during their high school years.

The high school curriculum offers a strong dual enrollment program where students can receive college credit with several colleges for advanced courses taken. Through the Career Work Experience program, students can spend part of their school year working at local employment locations to explore career opportunities not included in the traditional school curriculum. Other options for highly motivated students include Independent Study and Early College Acceptance.

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The District's Science, Technology, Engineering and Math (STEM) academy offers the International Baccalaureate curriculum, and provides students an opportunity to spend their high school years at a school dedicated to preparing interested students to gain entrance into colleges and careers related to science, technology, engineering, and mathematics. There is an individualized learning plan for every student and the school is a state of the art facility providing students with access to cutting edge technology and resources for the 21st century.

The District also operates the Downingtown Cyber Academy which offers students online, self-paced courses from Kindergarten through 12th grade and includes honors, AP, and gifted courses. The cyber courses use interactive tools and resources that get students involved in learning. Tutorials, electronic textbook, and learning games combine graphics, video, and audio to bring ideas and concepts to life in an exciting and engaging way.

Academic Performance

Students in the Downingtown Area School District are among the top performers in the state when it comes to academics. Our highly educated and dedicated teaching staff provides students with a well-rounded and balanced curriculum that is aligned with state standards, ensuring our students are prepared for the rigors of standardized testing as well as the challenges of life after high school.



The desire to learn is instilled in Downingtown students at a young age, and is cultivated so that it continues to grow, long after graduation. Our students' commitment to learning is evidenced by the number of graduates who opt to continue their education. The majority of our graduates go on to further their educational interests, most of them at four-year colleges. Downingtown students have gone on to attend institutions such as Harvard University, Princeton University, the University of Pennsylvania, Penn State University, Temple University, West Chester University, as well as area community colleges, trade schools, and the armed services.

When it comes to the standardized testing that is used to measure performance, Downingtown students' scores are among the highest in the state. The Pennsylvania System of School Assessment (PSSA) test and Keystone Exams are used, and Downingtown students consistently meet and exceed the requirements for achievement on these tests, and score significantly higher than the state average. These tests are key elements in evaluating the academic performance in every Pennsylvania public schools. It is our aim to continue this trend, even as the expectations for student achievement are raised higher.

The PSSA is not the only test that we use to gauge our students' performance. The Scholastic Aptitude Test (SAT) is another important indicator of success. The majority

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of our high school students opt to take this test, and they score consistently above state averages.

These indicators, which are by no means the sole indicators of our district's worth, demonstrate that our staff is fully committed to helping our students to meet state and federal standards. The number of students who continue on to post-secondary education shows that our teachers have also inspired our students to commit to learning throughout their lives, not just in Downingtown classrooms.

Quality Teaching Staff

Downingtown Area School District teachers are superior professionals who are dedicated to drawing out students' strengths while helping them to overcome their weaknesses. Knowing that parental involvement is integral to a child's education, teachers work closely with families to ensure student success.

Our teachers are highly-qualified and experienced, and a majority of them have attained a master's degree or higher. Their extensive schooling means our students are receiving instruction from professionals who are well-versed in their subject areas.

Downingtown teachers are supportive both inside and outside the classroom. They regularly attend extra-curricular activities to support students and are heavily involved in advising and coaching students in these activities. Many of our retired teachers remain active and involved in our schools by volunteering regularly or serving as substitute teachers. This level of commitment means Downingtown students leave our schools feeling like they are part of a family.

Diversity, Equity and Inclusion (DEI)

The diversity in Downingtown's classrooms is embraced and celebrated. Students and staff members learn to foster multicultural knowledge and respect differences.

The District promotes DEI throughout the District with many special events celebrating and learning about cultural differences. In the classroom, children are taught to respect and work out differences, and class studies examine issues like the Holocaust and civil rights.



The diversity of our district is also reflected in the staff and faculty of the Downingtown Area School District. Our employees come from a wide variety of experiences and backgrounds, providing our district with the valuable perspectives of people from all walks of life. The District also has a director of diversity to implement and oversee DEI initiatives.

Extra-Curricular Activities

While our emphasis on academics is strong, we also realize that for our students to be well-rounded, they must have more in their life than their studies. That is why we provide many opportunities for involvement in extra-curricular activities.

Our commitment to the extra-curricular experience is demonstrated by the multitude of clubs and activities available to students at all levels. At the secondary level, students can participate in sports such as track and field, soccer, football, wrestling, field hockey and basketball. Clubs run the gamut, with everything from a Shakespeare Club to an Ecology Club to a Robotics Club. For the musically inclined, students can join the band, chorus or cast of the school musical. Whether your student is interested in playing sports, acting, singing, playing chess, writing, helping the community or saving the environment, Downingtown high schools have a club or team to match it.



Financial Structure and Reporting

Fund Structure and Accounting

The accounting system of the School District is organized on the basis of funds. Each fund is considered a separate accounting entity, with a set of self-balancing accounts that comprise its assets, liabilities and fund equity, revenues and expenditures or expenses, as appropriate. School District resources are allocated to and accounted for in each fund based upon the purpose for which they are to be spent. The fund classifications used by the School District have been defined by generally accepted accounting standards.

The District uses three funds which are considered governmental fund types by generally accepted accounting standards. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. The difference between governmental fund assets and liabilities is reported as fund balance. The District's three types of Governmental Funds are:

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial revenues and expenditures used in the operations of the District.

Capital Projects Fund

The Capital Projects Fund is used to account for capital expenditures incurred for the renovation and improvement of facilities, acquisition of capital equipment, and the acquisition or construction of facilities. Financing sources for these capital expenditures are accumulated in this fund.

Debt Service Fund

The Debt Service Fund accounts for resources accumulated to provide for payment of general long-term debt principal and interest. This fund will not be used in 2023-2024.

The District also uses a **Proprietary Fund** for its food service operations. The Food Service Fund is a Proprietary Fund that is not a governmental fund like the funds described above. Proprietary funds like the District's Food Service Fund are used to account for District activities that are similar to business operations in the private sector.

Basis of Accounting for Revenue and Expenditures

Basis of accounting refers to the timing of recognition of revenues and expenditures in the accounts and in the financial statements. The District uses the modified accrual basis of accounting for each governmental fund. This basis of accounting is the prescribed basis of accounting by the Governmental Accounting Standards Board and is the generally accepted accounting practice for governmental organizations such as the District.

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Under the modified accrual basis of accounting, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt which is recognized when due.

Only current assets and current liabilities are included in the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Proprietary fund accounting uses the full accrual basis of accounting which recognizes all revenue when it is earned and all expenses when they are incurred. The District's Proprietary Food Service Fund reports all current and non-current inflows, outflows, and balances affecting or reflecting its net position. The full accrual basis of accounting is the generally accepted accounting practice for Proprietary funds like the District's Food Service Fund which account for activities that are similar to business operations in the private sector.

Classification and Presentation of Revenue and Expenditures

The Pennsylvania Department of Education has adopted a system for the classification of revenue and expenditures based on generally accepted accounting standards for school entities. The system is used for budgeting, accounting, and financial reporting in compliance with Generally Accepted Accounting Principles (GAAP), as established by the Governmental Accounting Standards Board (GASB).

The classification and coding structure to record financial transactions under the accounting system provides for the identification of revenue and expenditure transactions. For each type of transaction, the specific account code is made up of a combination of dimensions. Revenue and expenditure codes used by the District are discussed below. These codes are used in presenting the detail financial information in the Financial section of this document.

Revenue

As required by the Pennsylvania Department of Education, the District classifies revenues by revenue source dimensions represented by four digit codes. Revenues are segregated into three sources: Local Sources, State Sources, and Federal Sources. Local sources include such receipts as property taxes and interest on investments. State sources consist of monies received by the District from the State of Pennsylvania among which are funds to support the basic instructional program, special education

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services, and the transportation of students. Federal sources are provided by the federal government to support specific programs as designated by the federal government. The following is a description of revenue source dimensions (codes) used by the District.

6000 Local Revenue Sources

Revenue produced within the boundaries of the District and available to the District for its use.

- **6111 Current Real Estate Tax**

Real Estate Tax is the main source of revenue for funding the operation of the Downingtown Area School District. It is based on the assessed valuation, as determined by the Chester County Board of Assessment, of all taxable property within the School District. The District levies a real estate tax on every \$1,000 of assessed property value based on a rate that is stated in mills. The number of mills levied by the District is multiplied by the assessed value divided by 1,000 to determine the real estate tax due.

- **6112 Interim Real Estate Tax**

Interim taxes are levied under Act 544 of 1952 on the increase in assessed valuations of local property as a result of construction or improvements to that property during the school year.

- **6113 Public Utility Realty Tax**

Lands and structures owned by public utilities and used in providing their services are subject to state taxation under Act 66 of 1970. The state collects and then distributes a prescribed sum among local taxing authorities including school districts and that payment of state tax is in lieu of local taxes upon public utility realty.

- **6143 Local Services Tax**

Revenue received under Act 511 and Act 7 of 2007 for flat rate assessment of local services taxes. The local services tax is levied on resident and non-resident individuals employed within the taxing district for the privilege of engaging in an occupation.

- **6151 Earned Income Tax**

Earned income taxes are levied under Act 511 of 1965 (Local Tax Enabling Act) at the rate of one half of one percent (.5%) of wages, salaries, commissions, net profits or other compensation of those who earn income and reside within the School District.

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- **6153 Real Estate Transfer Tax**

Transfer tax is levied under Act 511 at the rate of one half of one percent (.5%) of the value on the transferring of real estate or interest in real property situated within the boundaries of the School District.

- **6411 Delinquent Real Estate Taxes**

Revenue received from taxes assessed and levied upon real property which have become delinquent. Delinquent taxes are taxes that were not collected during the original year of issue.

- **6510 Interest on Investments**

Interest on investments is revenue received from the investing of School District money as it becomes available in investment vehicles as permitted by Pennsylvania law.

- **6710 Admissions**

Revenue from patrons of a school-sponsored activity, such as a concert or athletic event.

- **6740 Activity Fees**

Revenue from fees for participation in school sponsored activities.

- **6831 Revenue From Intermediary Sources – Federal Funds**

Revenue received through an intermediate source as agent of the Federal Government. For the District this represents IDEA funds from the Federal Government received through the Chester County Intermediate Unit. IDEA funds support special education.

- **6910 Rent of Facilities**

Rent of Facilities is revenue received from various government bodies, organizations, and civic groups for the rental of the District's buildings and facilities.

- **6920 Contributions and Donations from Private Sources**

Revenues from philanthropic foundations, private individuals or private organizations for which no repayment or special service is expected.

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- **6940 Tuition from Patrons**

Revenue received from patrons for education provided by the District.

- **6990 Miscellaneous Revenue**

Revenue from local sources not classified elsewhere.



7000 Revenue from State Sources

Revenue originating from Pennsylvania state appropriations and directly disbursed to school districts.

- **7110 Basic Education Subsidy**

Revenue received from the State designated for Basic Education.

- **7140 Charter Schools Subsidy**

Revenue received from the State to fund the Charter Schools initiative.

- **7160 Tuition for Orphans and Children Placed In Private Homes**

Revenue received from the State as tuition for children who are orphans and/or children who are placed in private homes by the court.

- **7230 Alternative Education**

Revenue received from the State as subsidy for alternative education. Alternative education is specialized educational instruction and support services to students that must be removed from regular classrooms because of disruptive behavior. These funds enable schools to provide students with a sound education course of study and counseling designed to modify disruptive behavior and return the students to a regular school curriculum.

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- **7271 Special Education**

Revenue received from the State for expenditures incurred in instructing school age special education students.

- **7310 Transportation**

Revenue received from the State for pupil transportation expenditures and / or board and lodging in lieu of transportation. This account also includes transportation subsidies for nonpublic and charter school students.

- **7320 Rental and Sinking Fund Payments**

Revenue received from the State as a full or partial payment for approved lease rentals, sinking fund obligations, or any approved District debt obligations for which the State Department of Education has assigned a lease number.

- **7330 Health Services**

Revenue received from the State for expenditures for health services including medical, dental, and nurse services.

- **7501 Pennsylvania Accountability Grants**

Revenue received from the State to implement research-based programs to boost student achievement.

- **7810 Social Security and Medicare Taxes – State Share**

Revenue received from the State designated as the State's matching share of the employer's contribution of the Social Security and Medicare Taxes for covered employees who are not Federally funded.

- **7820 Retirement Contributions – State Share**

Revenue received from the State designated as the State's matching share of the employer's contribution of Retirement Contributions for active members of the Public School Employees Retirement System.



8000 Revenue from Federal Sources

Revenue originating from the Federal government.

- **8514 Title I – Improving the Academic Achievement of the Disadvantaged**

Revenue received for the education of disadvantaged children. Includes such programs as Comprehensive School Reform Program, Reading First, Even Start, and Improving Literacy Through Libraries.

- **8515 Title II – Preparing, Training and Recruiting High Quality Teachers And Principals**

Revenue received for the education of children under NCLB Title II. Improving Teacher Quality, and Eisenhower Professional Development are samples of funding.

- **8516 Title III – Language Instruction For Limited English Proficient And Immigrant Students**

Revenue received for the education of children under NCLB, Title III. Includes Grants for English Language Acquisition, and Technology Literacy Challenge.

- **8517 Title IV**

Revenue received for the education of children under ESEA, Title IV. Includes programs for Safe and Drug-Free Schools and Communities, 21st Century Learning Communities and Student Support and Academic Enrichment.

- **8741 Elementary and Secondary School Emergency Relief Fund (ESSER)**

Emergency relief funds authorized by the CARES Act to address the impact that the Novel Coronavirus Disease 2019 (COVID-19) has had and continues to have on elementary and secondary schools across the nation.

- **8742 Governor's Emergency Education Relief Fund (GEER)**

Emergency relief funds authorized by the CARES Act, disbursed under the direction of the State governors to address the impact of COVID-19. GEER funded Special Education Impact Mitigation Grants is funded under this program.

- **8743 ESSER II – Elementary and Secondary School Emergency Relief Fund**

Emergency relief funds authorized by the CRRSA Act to address the impact that the Novel Coronavirus Disease 2019 (COVID-19) has had and continues to have on elementary and secondary schools across the nation.

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- **8744 ARP ESSER (ESSER III) – Elementary and Secondary School Emergency Relief Fund**

Emergency relief funds authorized by the ARP Act to address the impact that the Novel Coronavirus Disease 2019 (COVID-19) has had and continues to have on elementary and secondary schools across the nation.

- **8810 Medical Assistance Reimbursements (ACCESS)**

Reimbursements received from the Federal Government through the Commonwealth of PA for eligible related health services provided to special education students as part of their Individual Education Plan (IEP). Reimbursable services include, but are not limited to, occupational therapy, physical therapy and psychological counseling.

9000 Other Financing Sources

Other financing sources include governmental fund general long-term debt proceeds, fund transfers-in, proceeds from fixed asset dispositions, and other receipts. Such amounts are classified separately from revenues.



Expenditures

The Pennsylvania Department of Education also requires the District to classify expenditures by a combination of dimensions. The required expenditure dimensions for budget preparation are function and object. Function and object dimensions are used together to classify each expenditure. The function dimension (four digit code) is used to classify expenditures according to the principal purpose for which expenditures are made (e.g. Instruction and Support Services). The object dimension (three digit code) applies to the nature of the expenditure, item purchased, or service obtained (e.g. Salaries, Benefits, Supplies and Equipment). The following is a description of expenditure dimensions (codes) used by the District.

Functions

The District uses five major function codes (1000, 2000, 3000, 4000, 5000) to record and control financial transactions. However, expenditures are not charged directly to these major function categories described below but to sub-accounts or sub-functions that provide a more detailed classification of expenditures.

1000 Instruction

Activities dealing directly with the teaching of pupils, or the interaction between teacher and pupils and related costs, which can be directly attributed to a program of instruction. Teaching may be provided for pupils in a school classroom, in another location such as a home or a hospital, and in other learning situations. It may also be provided through some other approved medium. Included in this function are the salaries for teachers and assistants of any type that provide support for the instructional process. Also included in this function are equipment and supplies directly related to instruction and the instructional process.

- **1100 Regular Programs**

Elementary and Secondary programs include activities designed to provide students (grades K through 12) with the learning experiences to prepare them for activities as citizens, family members, and non-vocational workers as contrasted with programs designed to improve or overcome physical, mental, social and/or emotional handicaps.

- **1200 Special Education Programs**

Activities designed primarily for students having special needs. These special programs include services for the gifted, learning disabled and physically handicapped students.

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- **1300 Vocational Education Programs**

Pennsylvania Department of Education approved programs designed to prepare students to pursue occupational fields including agriculture, business, distribution, health, home economics and trade and industry.

- **1400 Other Instructional Programs**

Elementary and Secondary programs that provide students (grades K through 12) with learning experiences not included in the regular, special education or vocational education programs. This includes the Summer School Program, Homebound Instruction, Driver Education Classroom Instruction, and Federal Instructional Programs.

2000 Support Services

Services which provide administrative, technical, personal and logistical support to facilitate and enhance instruction. Support services exist to sustain and enhance instruction, rather than entities within themselves. They include such services as: pupil personnel, guidance, psychology, library, health, attendance, and transportation.

- **2100 Pupil Services**

Activities designed to assess and improve the well-being of students, to supplement the teaching process, and meet the provisions of Article XIII of the Public School Code of 1949, as amended. This includes the Director of Pupil Services, guidance counselors and psychological services.

- **2200 Instructional Staff Services**

Those activities associated with assisting, supporting, advising and directing the instructional staff in improving the content and process of providing learning experiences for students. These activities include audio-visual/multi-media services, library operations, curriculum development and staff development.



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- **2300 Administration**

Those activities concerned with recommending new policies, administering existing policies, and the developing and implementing of procedures in connection with the operation of the School District. It also includes the services of those professional, independent, and separate agencies or individuals that are elected, appointed, or retained to assist in the administration including attorneys, accounting services and tax collection services.

- **2400 Pupil Health Services Programs**

Activities that provide physical and mental health services which are not part of curriculum and instruction. Included are activities that provide students and staff with appropriate medical, dental, and nursing services as required by the State.

- **2500 Business Services**

Those activities concerned with the administering of the District's business functions, the accounting of the District's receipts and expenditures, and the purchasing, storage and maintenance of goods and services.

- **2600 Plant Operation and Maintenance**

Those activities concerned with keeping the physical plant open, comfortable, and safe. This includes keeping the grounds, buildings and equipment in effective working condition and maintaining safety on all school property.

- **2700 Transportation**

Those activities concerned with the conveyance of students to and from school, as provided by state law, including trips between home and school and trips to school activities.

- **2800 Central Support Services**

Activities, other than general administration, which support each of the other instruction and supporting services programs. These activities include planning, research, development, evaluation, information, staff and technical services.

- **2900 Other Support Services**

All other support services not classified elsewhere in the 2000 series. This includes amounts paid for services from the Chester County Intermediate Unit.

3000 Operation of Non-Instructional Services

Activities concerned with providing non-instructional services to students, staff or the community. Expenditures accounted for in this function include student activities and community services.

- **3100 Food Services**

Those activities concerned with providing food to students and staff. This service area includes the preparation and serving of regular and incidental meals, lunches or snacks in connection with school activities and the delivery of food.

- **3200 Student Activities**

School sponsored activities, under the guidance and supervision of the School District's staff, designed to provide students such experiences as motivation, enjoyment, and improvement of skills. Co-curricular activities normally supplement the regular instructional program and include such activities as band, chorus, speech and debate. Also, student activities includes the athletic program, which fields sports teams for interscholastic competition.

- **3300 Community Services**

Activities concerned with providing services for the community as a whole.

4000 Facilities Acquisition, Construction and Improvement Services

Represent capital outlay for the purchase of land, buildings, service systems and built-in equipment. Expenditures include the initial purchase of land and buildings, construction remodeling and additions and improvement to buildings, initial installation, replacement or extension of service systems and other built-in equipment, as well as improvement to sites, and activities related to all of the above.

- **4500 Building Acquisition and Construction Services**

Costs incurred to purchase or construct buildings, additions to buildings, and original or additional installation or extension of service systems and built-in equipment.



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- **4600 Existing Building Improvement Services**

Capital expenditures incurred to renovate or improve existing buildings, service systems and other built-in equipment. Capital expenditures include non-routine and substantial costs incurred to maintain or improve buildings, service systems and other built-in equipment.

5000 Other Expenditures and Financing Uses

Other financing uses represent the disbursement of governmental funds not classified in other functional areas that require budgetary and accounting control. These include transfers of monies from one fund to another and contingency reserve.

- **5100 Debt Service**

This function is used to record and accumulate expenditures incurred to retire current year principal and interest payments on long-term debt.

- **5200 Fund Transfers**

This function provides for funds to be transferred from one fund to another fund without expectation of repayment. Transfers from the General Fund are budgeted to support the Athletic Fund and Capital Reserve Fund.

- **5900 Budgetary Reserve**

The District maintains a budgetary reserve account in order to provide for operating contingencies. Expenditures may not be made through the budgetary reserve, but only against the line items which appear throughout the appropriations. An amount equal to the expenditure shall be transferred from the budgetary reserve into the appropriate line item.

Objects

The District uses nine major object classifications to record and control financial transactions.

- **100 Personnel Services – Salaries**

Gross salaries paid to employees of the District. Salary costs are related to personnel positions, overtime, temporary employees and supplemental pay.

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- **200 Personnel Services – Benefits**

Amounts paid on behalf of employees; these amounts are not included in gross salary, but are in addition to that amount. Such payments are fringe benefit payments; and, while not paid directly to employees, are part of the cost of personnel services. Fringe benefits include health insurance, retirement plans, social security, life insurance, unemployment compensation and workers' compensation.

- **300 Purchased Professional Services**

Services that by their nature require persons or firms with specialized skills and knowledge. Included in this classification are contracted services such as; legal and accounting services, tax collection and administrative services, curriculum improvement and instructional services, counseling and guidance services, computer services and medical and dental services. This classification also includes fees paid to the Chester County Intermediate Unit for special education services and alternative regular education services.

- **400 Purchased Property Services**

Services required to operate, repair, and maintain property used by the District. Also used for facility construction, renovation, and remodeling expenditures paid to contractors.

- **500 Other Purchased Services**

Amounts paid for services not provided by District personnel but rendered by organizations or personnel, other than Professional Services and Purchased Property Services. Such services include those for contractual agreements to transport students, printing and binding, travel, the cost of tuition at approved private schools for special education programs, costs incurred to educate adjudicated or court placed children, liability insurance, and telephone costs. This category also includes the District's share of costs for general and administrative services received from the Chester County Intermediate Unit.

- **600 Supplies**

Amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorated in use. Such costs include textbooks and periodicals, instructional supplies and materials, general and office supplies, custodial supplies, medical supplies, maintenance and transportation materials, and energy costs for electricity and heating.

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- **700 Property**

Expenditures for the acquisition of fixed / capital assets, including expenditures for land or existing buildings and improvements of grounds; initial equipment; additional equipment and replacement of equipment.

- **800 Other Objects**

Amounts paid for expenditures not otherwise classified in objects 100 through 700. Such expenditures include dues and fees, taxpayer refunds, and an amount for operating contingencies (contingency reserve).

- **900 Debt Service and Other Uses of Funds**

Outlays from current funds for debt service. Also used to record transfers to other funds.



Significant Laws Affecting Budget and Fiscal Administration

The Pennsylvania Public School Code of 1949, as amended, gives local Boards the authority to conduct the financial affairs of the District. The School Code contains provisions that require the Board to perform certain acts (mandatory), provisions that provide discretion to the Board to either act or refrain from acting (permissive), and provisions where the Board is prohibited from acting either in total or until certain conditions have been satisfied (prohibited). The School Code laws affect the budget and fiscal administration of the District as discussed below.

Act 1

The Pennsylvania state legislature passed Act 1 in June of 2006. Beginning in 2007-2008, the Act placed annual limits on the percentage increase in property taxes that the District can levy. This is a significant factor in the District's ability to fund its programs and services. The limit is equal to an inflationary index calculated each year by the State (4.1% for 2023-2024), and is imposed upon all school districts in Pennsylvania in order to provide tax relief to taxpayers. There are exceptions to the limit that the District can apply to the State for, which may allow the District to increase its millage (tax rate) above the limit. If the District needs to raise its millage above the limit including any approved exceptions, it must have the increase approved by voters using a ballot question at a primary election preceding the beginning of the fiscal year. If the increase is not approved the District must cut expenditures to stay within the limit.

Act 1 also allocates the state's gaming revenue to school districts for property tax relief. In 2023-2024 the District estimates it will receive \$4.8 million that would equate to a tax credit of about \$254 for each approved property.

Budget Statutes

The School Laws of Pennsylvania, as enacted by the State legislature, mandate that public school districts approve (adopt) an annual budget prior to the start of the fiscal year. The School Code requires that a proposed budget be prepared at least thirty days prior to adoption of the final budget for the following fiscal year. The School Code also mandates that the proposed budget be available for public inspection at least twenty days prior to the date set for adoption. Districts are also required to provide public notice of final budget adoption ten days prior to any final action on the budget. The School Code requires five affirmative votes of the Board of School Directors to adopt the annual budget. The total amount of the adopted annual budget expenditures may exceed annual budget revenues, however, the expenditures may not exceed the amount of funds available to the District. In addition to revenues, funds available to the District may include fund balance (surpluses from prior years), and other financing sources such as borrowings. The adopted budget must be filed with the Pennsylvania Department of Education.

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The adopted budget becomes the approved spending plan of the District for the coming fiscal year, and the Board is prohibited from spending or obligating funds in excess of the amount of funds available. The Board is authorized to transfer funds within the budget from one category to another without changing the total budget.

Bidding and Purchasing Statutes

School Boards are required under Section 801 of the Public School Code to purchase and provide all furniture, equipment, textbooks, school supplies and other items for the use of the District to maintain the educational environment. For District purchases that are subject to competitive bid, the Board must accept the lowest responsible bid (where kind, quality and material are equal). Boards may reject any and all bids or select a single item from any bid. Section 521 of the School Code permits purchases to be made through intergovernmental cooperative agreements (joint purchase agreements). School entities may also “piggy-back” on state or other government contracts following the appropriate legal requirements. Even though purchasing may require competitive bidding, Boards may establish reasonable criteria such as color, unit/size, or any other reasonable criteria specific to the District’s needs. The School Code also provides for the exemption of several items from competitive bids. The exceptions include but are not limited to: textbooks, educational videos, and teacher demonstration devices. Services are also excluded from the competitive bidding requirement but school districts may choose to bid service agreements and contracts.

Cash Management and Investments Statutes

Section 440.1 of the Public School Code permits the investment of funds in (a) United States Treasury bills; (b) short-term obligations of the United States Government or its agencies or instrumentalities; (c) obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America; (d) obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth; (e) obligations of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision; or (f) deposits in savings accounts, time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

Payment of Financial Obligations

Section 439 and 607 of the Public School Code provide direction on the payment of financial obligations. Section 439 requires that all payments be approved by the Board of School Directors. Bills may be paid prior to Board approval for certain conditions that include the receipt of a discount, the avoidance of a late charge, or other advantages

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that may accrue to the District. Section 607 requires proper documentation to support each expenditure prior to payment, and that there be sufficient funds available.

Construction of Facilities

School Boards are charged with the requirement to provide the necessary grounds and suitable buildings to accommodate all school-age children in the district. This authority also includes the renovation and expansion of existing facilities. In most cases, school districts seeking state reimbursement are required to participate in PlanCon, an acronym for the Pennsylvania Department of Education's Planning Construction Workbook. The process involves a number of phases, beginning with a definition of the project and justification of its need. Succeeding steps include: site approval; estimated project cost data; architectural reviews; cost data based on actual bids; and finally, approval of the bond issue or other funding mechanism. As of 2023-2024 there is a moratorium for state reimbursement of new projects through the PlanCon process. School buildings may be financed through a variety of ways that include: local authority financing, state authority financing, District general obligation bonds or local funds.



Audits of Financial Records

All school districts are required to have an annual audit of financial records. The audit must be completed by an independent certified public accountant. The audit report must be prepared in accordance with Generally Accepted Accounting Principles (GAAP) to insure consistency. Completion of the audit and issuance of the audited financial statements marks the end of the budget cycle for a single year. In addition to the requirement of an annual audit by an independent certified public accountant, the state's auditor general's office performs regular audits of the District. The primary purpose of

these audits is to verify that the monies received from the State were properly expended and that the District properly complied with all applicable laws and regulations. There have been no findings in any of the District's audits over the past several years.

Significant Policies and Procedures Affecting Budget and Fiscal Administration

The Board of Directors is an extension of the State Legislature with the responsibility to provide for a thorough and efficient education for the students of the District. To accomplish this responsibility, the Board of Directors is granted authority through the Public School Code and the Pennsylvania constitution to establish policies for the operation of the school system. Policies are plans and procedures that are developed to provide guidelines for desired actions. A number of these policies affect the budget and fiscal administration of the District as discussed below.

Operating Budget Policy

The operating budgets will be prepared within the context of the Board's intent to provide the best possible education for students while minimizing the impact on taxpayers who provide funding for District programs and services. The District will ensure that budgeted expenditures can be paid for with budgeted revenues and any necessary fund balance. The District will continue to maintain an interactive on-line budgetary accounting information system that is employed as a management control device to administer the budget. The data in the budgetary accounting information system will be utilized to prepare management reports for fiscal control and to prepare reports for the Board of Directors that compare actual revenues and expenditures to budget amounts.

The budget will be administered within applicable local, state, and federal laws. Accordingly, the District will not obligate funds in excess of the approved financial plan unless the Board amends the budget by making additional appropriations or increasing existing appropriations to meet emergencies. All expenditures will be made in accordance with approved disbursement practices and legal purchasing requirements.

The delegation of budget management will be based on a philosophy that is consistent with the site-based approach to decision-making through responsibility cost centers (sites or areas of responsibility). Decision making authority is delegated to budget managers of responsibility cost centers who are accountable for the effective and efficient utilization of resources appropriated by the Board.

Capital Improvement Budget Policy

The District will maintain a capital expenditure plan to provide for the improvement of District facilities and technology. Proposed projects will be prioritized based on: (1) the resolution of safety issues; (2) compliance with state and federal mandates; (3) improvement of facilities based an assessment of needs by the Superintendent, Director

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of Facilities and Director of Technology; and (4) the improvement of existing buildings as recommended by the building principals. The District shall also plan any new or replacement construction of school buildings based on state guidelines for school building utilization. The decision to undertake any new or replacement construction shall be based on the needs of the educational program, the condition of existing facilities, and the projected capacity needs of the District. The District will identify the estimated costs and funding sources for its capital expenditure plan before it is submitted to the Board for approval.

Debt Policy

The District will confine long-term borrowing for capital improvements to existing facilities or for the construction of new facilities. Long-term borrowing may therefore be used for the renovation or expansion of current buildings based on the needs of the educational program, the condition of the buildings and the capacity needs of the District. When the District finances capital projects through the issuance of bonds, the payback period (term of the bond issue) will not exceed the expected useful life of the asset renovated or acquired. In no case will the District use long-term debt to fund current operations. However, the District may issue debt for the purpose of refunding certain bonds when there is a significant present value savings in the transaction.

The District will maintain communication with bond rating agencies about its financial condition. The District currently has a AAA rating with both Moody's and S&P rating agencies. The District will follow a policy of full disclosure in every financial report and official statement provided to bond rating agencies; to legal and professional service providers for bond issues; and to investors. The District will meet all debt service obligations when due and payable.

Revenue Estimation Policy

The Business Manager and his staff will estimate annual revenues by an objective, analytical process. Revenue estimates shall be based on objective data such as historical trend analysis and validated state estimates of sources and amounts of subsidy.

Budgetary Reserve Policy

The District will maintain a budgetary reserve in order to provide for operating contingencies. The maintenance of a budgetary reserve is recognized by the Department of Education to be a sound management practice given that there are certain variables over which control is not possible regardless of the care with which the budget is prepared. These variables include unpredictable changes in the cost of goods and services as well as the occurrence of events that are unanticipated during the time of budget preparation and require expenditures by the District during the year for which the budget is prepared. The expenditures will not be made through the budgetary

reserve, but only against the line items which appear throughout the functional appropriations.

Fund Balance Policy

The District will maintain an unassigned General Fund balance not to exceed the amount permitted by the State of Pennsylvania, currently 8% of the expenditure budget. The Board recognizes that the maintenance of a fund balance is essential to the preservation of the sound financial condition of the District, allows the District to contain or reduce costs through participation in self-insurance programs, and protects the bond rating of the District. In addition, the District's fund balance will be used to improve and renovate the District's facilities and technology, purchase capital equipment, and help fund debt service when necessary.

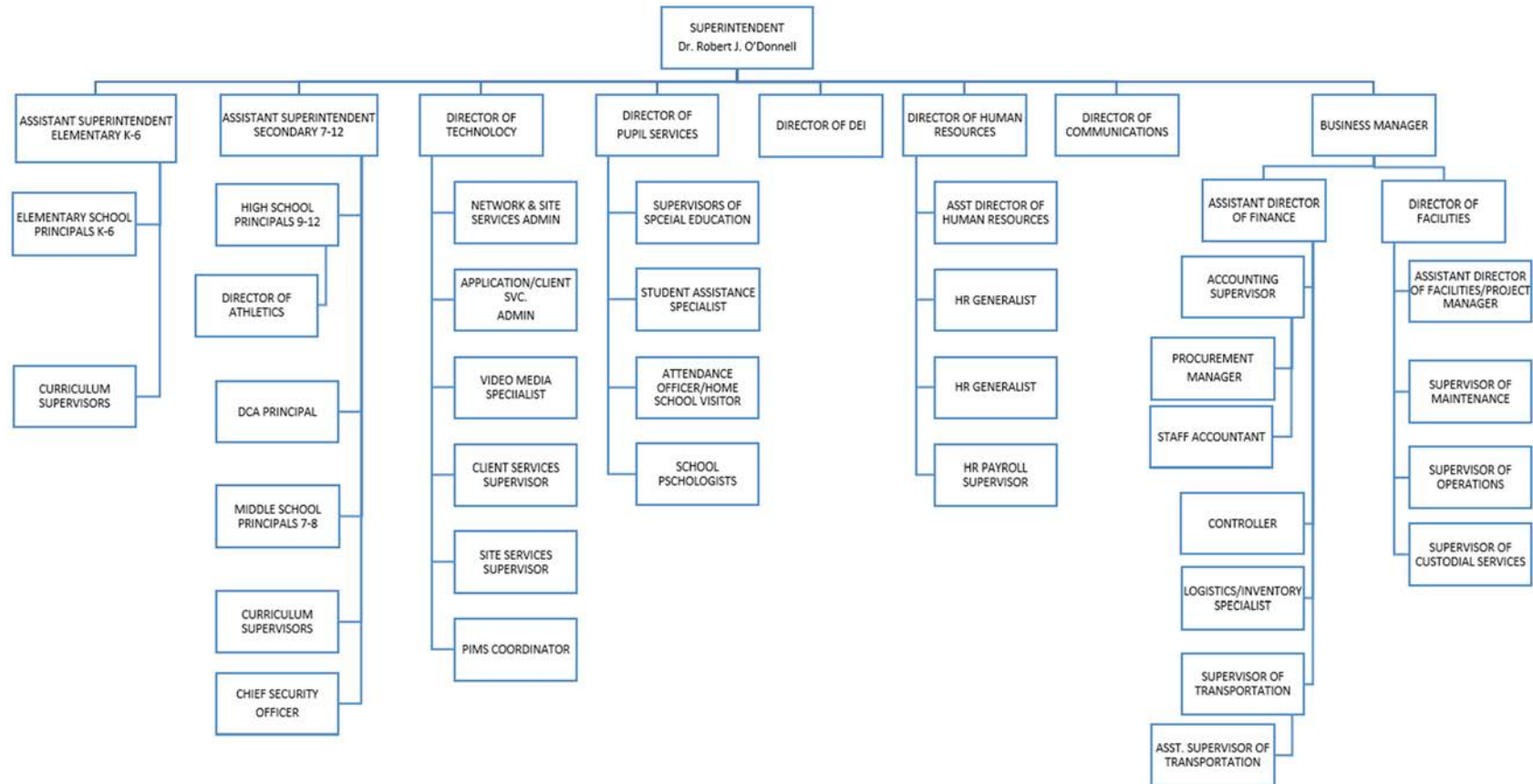
Accounting, Financial Reporting, and Auditing Policies

The accounting system will report financial information in accordance with the Pennsylvania Department of Education requirements and Generally Accepted Accounting Principles (GAAP). Management control and Board oversight will be maintained through the use of regular reports that present financial activity by fund, function, and object as well as by responsibility cost center. An independent public accounting firm will perform an annual audit of the financial records of the District. The audit report will provide an opinion on the financial controls and records of the District.



Downingtown Area School District
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Organization Chart



Downingtown Area School District
Budget 2023-2024

Mission Statement

Proud of our tradition of excellence, the mission of the Downingtown Area School District is to educate all students to meet the rigorous challenges of a global society by providing an individually responsive learning environment characterized by outstanding academic and personal achievements in partnership with family, students, and community.

Major Goals and Objectives

The following are the 2023-2024 goals for the District.

- Complete facility renovation projects
- Improve Student Well-Being
- Develop plan for full day kindergarten

The Board has developed objectives and measures of success in achieving the District goals. The budget represents how the financial and human resources are allocated to support educational programs and services defined by the District's mission and goals. Preparing the annual budget requires decisions that represent a delicate balance between the educational needs of students and the ability of the community to support the schools.

Cost of Goals and Budget Goal

The cost of completing facility renovation projects includes \$50 million in 2023-2024 to complete the \$68 million additions and renovations to both East and West high schools in time for the beginning of the 2024-2025 school year. The District is able to use its existing Capital Projects Fund balance to pay for these projects. The primary initiatives for improving student well-being include planning for a later school start time in 2024-2025, and planning for the implementation of a daily "lunch and learn" period at the high schools. The cost of the later school start time is minimal, but will require re-arranging of bus schedules. The "lunch and learn" initiative will expand the lunch period time so students can meet with teachers or counselors, and have additional time to work on assignments. All students will have this period at the same time. The cost of this initiative includes expenditures to create additional food serving areas which is included in the renovation costs of the high schools as noted above. Planning for the implementation of full day kindergarten will require evaluating the facility needs in our buildings to accommodate additional classrooms, which may require renovations within certain elementary school buildings. Staffing levels will also need to be evaluated, and the estimated cost for additional staffing due to full day kindergarten is about \$2 million.

All of the goals above involve fiscal responsibility, and each year it is always the District's goal to create an operating budget that provides the best possible education for students while minimizing the impact on taxpayers who provide funding for District

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programs and services. This goal ensures that budgeted expenditures can be paid for with budgeted revenues and any necessary fund balance.



Budget Development Process

The budget process is comprised of five phases – planning, preparation, adoption, implementation and evaluation. The process is driven by two objectives - to provide every child in the District with the best possible educational opportunities and to maximize the use of available resources. Within this framework, the Board attempts to balance the educational needs of students and the resources available to the District from local, state, and federal sources.

Factors Affecting the 2023-2024 Budget

Local revenue sources continue to be strong with a strong real estate market and healthy earned income tax revenue. Higher interest rates have increased the amount budgeted for investment earnings. Higher inflation is driving higher than normal expenditure growth. The demand for bus drivers, custodians, substitute teachers and aides is much greater than the supply, which has increased the cost needed to provide these services. The nationwide bus driver shortage has caused a significant reduction in the number of buses transporting students. The District will need to raise taxes 3.5% in 2023-2024 to allow revenue growth to keep pace with current expenditure growth. Helping to address the funding needs is the increase in State funding which is budgeted to increase significantly over the 2022-2023 budget, as the legislature has emphasized expanding educational funding in recent years. The majority of Federal COVID grant funding has been spent in prior years, resulting in a significant decrease in budgeted Federal revenue for 2023-2024.

Similar to prior years, salaries and benefits account for about 74% of the 2023-2024 budget and therefore the increases in those costs have a significant effect on the budget. Salary increases for teachers and support staff are contractually driven, and administrator salary increases are based on current agreements. Healthcare benefit

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costs and PSERS contributions continue to be major factors in developing the budget. Other factors include the increasing costs for special education, technology, and facilities maintenance.

Act 1

Act 1 (discussed above under the Significant Laws Affecting Budget and Fiscal Administration section) imposes a budget timeline on School Districts in addition to tax increase limits. It requires the timeline for the beginning of the annual budget process to begin in September so a preliminary budget can be adopted in February at the latest. This preliminary budget serves to identify any potential tax increases over the index that will need to be addressed through exceptions or voter approval before final adoption of the budget in June.

Act 1 effects each step of the budget process, as the District needs to carefully plan and prepare the budget so that any tax increase will be within the limit imposed by Act 1. Adoption of the budget will be effected if the District needs to seek voter approval for a tax increase over the limit. Implementation and evaluation of the budget will be focused on identifying areas throughout the year that may save the District money in order to stay within future year tax increase limits.

Budget Planning

For the fiscal year that begins July 1, the planning process for budgeting starts about ten months prior in September of the previous year when the Administration finalizes the enrollment forecast and budget timeline that includes all of the important activities in the budgeting process. The timeline represents the guidelines for the preparation and adoption of the School District's annual budget.

Preparation of the Operating Budget (General Fund)

The preparation of the budget is the process of defining service levels such as the course offerings in the educational program; projecting student enrollment; developing staffing allocations; estimating expenditure needs to support programs and services; and projecting available revenues. The process begins with a forecast of elementary and secondary enrollment which establishes an important assumption for budget appropriations, instructional staffing allocations, and service levels such as the number of course sections and the number of transportation vehicles are based. The Administration establishes building and department budgets using a zero based methodology that identifies and accounts for necessary expenditures.

Since salaries and employee benefits constitute over seventy percent of budget expenditures, the Board gives careful consideration to staffing requirements for both instructional and non-instructional positions. The professional staffing needed to support the educational program is a function of the projected student enrollment, the course offerings, and class size guidelines. The District has a centralized approach to the development of the salary and benefit budget.

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Preparation of the Capital Budgets

Each year the District updates its capital expenditure plan that provides for the improvement of District facilities and technology. Capital needs are identified by the Facilities, Technology and Curriculum departments as well as the building principals. Proposed capital improvement projects are specifically identified and prioritized based on resolution of safety matters, compliance with state and federal statutes, and the assessment of improvement needs. The Superintendent and senior leadership directors review the plan each year and determine what is included in the final budget. The capital expenditure plan is budgeted in the Capital Projects Fund and funded with existing fund balance.

New construction projects or major building renovations are planned based on the needs of the educational programs, capacity needs derived from enrollment forecasts, and the physical condition of the buildings. New construction projects are budgeted in the Capital Projects Fund and are funded with bond proceeds or existing fund balance.

Budget Adoption

For 2023-2024 the preliminary budget was not required to be adopted because the Board instead adopted a resolution that it would not raise taxes more than the Act 1 index of 4.1%. A final budget was developed and adopted in May 2023.

Budget Timeline

September-October	<ul style="list-style-type: none">• Act 1 index published• Administration finalizes enrollment forecast
November-January	<ul style="list-style-type: none">• Budget meetings held with each department head to review all budget line items• Revenue budget developed
January - February	<ul style="list-style-type: none">• Salary budget and new staff budgets developed• Benefit projections generated• Capital Expenditure Plan updated; new projects identified and evaluated• Preliminary Budget presented and adopted by the Board OR Resolution adopted to not increase taxes above Act 1 index.• Act 1 exceptions are applied for if necessary

Downingtown Area School District
Budget 2023-2024

March – May	<ul style="list-style-type: none">• General Fund budget is refined by Administration – salaries, benefits and revenues finalized• Proposed Final Budget Adopted by Board in May• New staff budget finalized• Capital Expenditure Plan reviewed with Board
June	<ul style="list-style-type: none">• Board adopts Final General Fund Budget and Capital Budget

Implementation - Budget Administration and Management Process

Budget administration and management is the process of regulating expenditures during the fiscal year to ensure that they do not exceed authorized amounts and that they are used for intended, proper, and legal purposes. The management of the budget is accomplished in a variety of ways: controlling expenditures; tracking revenue receipts; making corrections in expenditure allocations to reflect changes in costs, service levels, or plans; and reporting to the Board and public on fiscal operations.

The budget serves as the vehicle for planning and resource allocation decisions in the District. After the Board adopts the budget in June and the appropriations are made to the various accounts, the budget becomes the major fiscal management tool for administering and controlling expenditures. There are however other budget administration and management issues important to the budget process that are discussed below.

Organization for Budget Management

The overall revenue, expenditure and capital budgets are coordinated by the administrative budget team to keep the District's total expenditures within available revenues and other financing sources. This team includes the Superintendent, Business Manager and other Business Office staff. The budget team meets with individual department and building heads to review each line item in their budgets. Salary costs are primarily determined by contractual agreements and budgeted on a centralized basis.



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Budget 2023-2024

Expenditure Control and Approvals

All of the fund budgets of the District are controlled by a combination of District level oversight and building or department level management. The operating budget (General Fund) of the District is disaggregated into responsibility cost centers. A budget manager (an administrator or coordinator such as a building principal) is accountable for the management of the financial resources budgeted in their cost center. The Superintendent, Business Manager, Director of Facilities, Assistant Superintendent of Operations and K-12 Programs, Assistant Superintendent of Academics and Pupil Services, and Director of Technology are the budget managers for the Capital Project Fund. Overall management and control of fund and responsibility cost center budgets resides at the District level with the Business Office. The Business Office monitors spending and manages expenditures within the context of the accounting structure, focusing on the appropriate function and object classification. Revenue is controlled and managed by the Business Office, ensuring that it is properly recognized and correctly classified by source.

Each of the budget managers is authorized to approve the expenditure of funds within their respective responsibility cost center appropriations, provided that funds are expended in accordance with District purchasing procedures and legal requirements. Administrative regulations require that all purchase orders be approved by the Business Office in addition to the appropriate responsibility cost center approval to verify availability of funds, proper account coding, and compliance with legal purchasing procedures. All bid awards and contracts must be approved by the Board of Directors. The Business Manager and Business Office staff also carefully monitor comparisons between budget and actual expenditures to maintain cost control and to ensure against overspending. The capital budget is monitored by the business office, facilities department, curriculum department, and technology department to ensure capital spending is within the budget.

Encumbrance Control

Another important component in the District's financial control and reporting system is the encumbrance of funds. Encumbrances are obligations in the form of purchase orders, contracts, or salary commitments chargeable to an appropriation and for which part of the appropriation is reserved and not yet spent. The purpose for the encumbrance of funds is to ensure that obligations are recognized as soon as financial commitments are made. Otherwise, the accounting system would only record actual amounts entered into the expenditure accounts, not those that are planned or anticipated. In short, the encumbrance of funds is an important control measure to prevent the inadvertent over-expenditure of budget appropriations due to the lack of information about future commitments. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances at year-end are cancelled.

Transfers Between Budget Accounts

The budget is a spending plan based on a series of assumptions and estimates. Rarely, if ever, will all of the actual expenditures be equal to the detailed budget estimates. As actual expenditures are incurred, adjustments are required in the budget

Downingtown Area School District
Budget 2023-2024

between accounts to cover higher than expected costs or to provide for an unanticipated expense. Transfers between accounts can be requested by responsibility cost center managers, but are executed at a centralized level by Business Office staff. This allows for additional control over the appropriateness of the transfers. The Business Office staff also monitors budget accounts and initiates transfers when appropriate.

Evaluation - Management Information and Financial Reporting

The District maintains a budgetary accounting and control software information system that provides information and reports to assist Board Members, the Business Office staff, and responsibility cost center managers in administering, monitoring and evaluating the implementation of the operating and capital budget. The information from the accounting information system is important and relevant in evaluating the financial condition of the District and the fiscal performance of responsibility cost center managers. The reports produced from the information system are designed for specific District needs and to meet state and federal reporting requirements. They include management control reports that detail expenditure and budget status by responsibility cost center, and by function and object. Revenue reports are also prepared that track receipts against budget. The information system is interactive and provides users with the ability to review up to date accounting information on their computer.

The District produces annual financial statements that are audited by an independent public accounting firm. These financial statements reflect the actual financial activity for the fiscal year. The budget is evaluated against these financial statements which are then used as a tool to begin development of the next year's budget.

Factors Affecting the District's Future

The District will continue to invest in renovations to its school buildings over the next several years. In addition to the East and West high school renovations, there are plans for significant renovations at Beaver Creek and West Bradford elementary schools, and additions of gymnasiums at Lionville and Bradford Heights elementary schools.

The District's bus contractors are experiencing significant shortages of bus drivers which will likely continue over the next year and possibly beyond. The bus driver shortage is nationwide. The District may need to incur higher costs in future years to address driver shortages and provide the necessary level of student transportation service.

The District plans to implement full day kindergarten in the next few years which will require additional staffing expenses. The ability to fund the renovations, bus contractor costs and full day kindergarten are a few of the significant factors that will impact the amount the District will need to raise taxes.

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The District estimates that its property tax assessment base will continue to experience growth along with enrollment growth. Increases in the level of state funding that the District will receive in future years is uncertain, and is influenced by the political decisions and economic climate influencing the state budgets. The District will continue to be limited in how much it can raise taxes each year due to Pennsylvania law (Act 1 – discussed above) that sets a limit each year that has been in the 2% to 4% range.

The District's contributions to PSERS will continue to be significant over the next several years (34% to 37% of total salaries). The projected PSERS employer contribution rate for future years will continue to cause a significant burden to the District to meet this obligation.

The District's Capital spending plan will continue to emphasize technology purchases as the District continues its one to one student laptop program across its schools. Capital expenditures for improvements and replacement of systems and equipment at existing facilities will continue at a steady level as the District is committed to providing outstanding facilities.



Fiscal Year 2023-2024 Budget



This section includes the summary and detail financial information in the budget. It also includes prior year actual comparative results and forecast budgets for future years. This information is shown as a Summary of All Funds view and then on an individual Fund view. These views are further discussed on the following page. Detail information on the capital expenditure plan and the District's outstanding debt obligations are also included in this section.



Downingtown Area School District Budget 2023-2024

Summary of All Funds

The District's funds include Governmental Funds and a Proprietary Fund (Food Service Fund). The revenue and expense information for these fund groups is summarized and combined on the Summary of Funds statement. The combined revenue and expenditures reflect steady growth over the years primarily from tax revenue and wage expense increases. The majority of revenue is from local sources such as real estate taxes, and the majority of expenditures are for salaries and related benefits. The fund balance has decreased over the years primarily due to usage for debt service and renovations to existing buildings. The Summary of Funds combined fund balance is estimated to be about \$93 million at the end of 2023-2024. The combined revenue and expense information reflects the sum of the individual funds. Further description and discussion of revenue and expenditure assumptions and trends are included on the individual fund statements and supplemental pages in this section of the document.

Summary of Governmental Funds

The Governmental Funds are further broken down into three individual funds, the General Fund, the Capital Projects Fund, and the Debt Service Fund. The General Fund is the operating fund of the District. The revenue and expense information for these funds are summarized and combined on the Summary of Governmental Funds statement. The combined revenue and expenditures reflect steady growth over the years primarily from tax revenue and wage expense increases respectively. The majority of revenue is from local sources such as real estate taxes, and the majority of expenditures are for salaries and related benefits, as well as capital projects. The fund balance has decreased over the years primarily due to usage for debt service and renovations to existing buildings. The Governmental Funds combined fund balance is estimated to be about \$87 million at the end of 2023-2024. The combined revenue and expense information reflects the sum of the individual funds. Further description and discussion of revenue and expenditure assumptions and trends are included on the individual fund statements and supplemental pages in this section of the document.

Individual Funds

Each fund also has a separate statement that details the revenue and expense information. There are separate statements for the General Fund (the operating fund of the District), the Capital Projects Fund, the Debt Service Fund, and the Proprietary Fund (the Food Service Fund). Descriptions and discussion of revenue and expenditure assumptions and trends are discussed on these statements and supplemental pages in this section of the document.

**Downingtown Area School District
Budget 2023-2024
Summary of All Funds**

Source / Object	2023-2024 Total Governmental Funds Budget	2023-2024 Proprietary Fund - Food Service Budget	2023-2024 Total Combined Funds Budget	2022-2023 Total Combined Funds Budget	2021-2022 Total Combined Funds Actual	2020-2021 Total Combined Funds Actual	2019-2020 Total Combined Funds Actual
Revenue							
6000 Local Sources	\$ 213,493,181	\$ 3,775,000	\$ 217,268,181	\$ 201,982,912	\$ 191,449,301	\$ 179,363,881	\$ 178,740,407
7000 State Sources	59,859,299	300,000	60,159,299	59,023,306	56,534,495	54,064,899	52,508,225
8000 Federal Sources	1,795,000	1,450,000	3,245,000	4,261,195	10,749,268	8,014,023	3,978,338
Total Revenue	275,147,480	5,525,000	280,672,480	265,267,413	258,733,064	241,442,802	235,226,970
Expenditures							
100 Personnel Services - Salaries	123,245,013	115,000	123,360,013	117,769,009	110,797,849	105,763,725	99,796,072
200 Personnel Services - Employee Benefits	78,744,070	85,000	78,829,070	71,675,456	69,577,389	63,157,667	58,674,413
300 Purchased Professional Services	15,205,547	20,000	15,225,547	14,648,811	14,558,961	13,670,956	13,489,670
400 Purchased Property Services	62,618,701	20,000	62,638,701	20,353,789	6,988,164	14,790,758	34,313,597
500 Other Purchased Services	22,854,488	2,240,000	25,094,488	25,115,958	26,999,215	25,508,290	26,098,630
600 Supplies	7,819,497	2,315,000	10,134,497	9,360,974	8,734,570	8,344,868	7,857,816
700 Property	7,464,031	200,000	7,664,031	6,476,876	6,850,173	6,995,494	9,303,559
800 Other Objects & Contingency	4,738,508	80,000	4,818,508	4,780,708	1,336,692	687,261	749,542
900 Debt Service	8,000,000	-	8,000,000	14,510,236	16,399,461	16,421,560	16,443,185
Total Expenditures	330,689,855	5,075,000	335,764,855	284,691,817	262,242,473	255,340,578	266,726,484
Excess of Revenue Over (Under) Expenditures	(55,542,375)	450,000	(55,092,375)	(19,424,404)	(3,509,409)	(13,897,776)	(31,499,514)
Sale of Bonds	-	-	-	-	-	-	-
Other Financing Sources / (Uses)	300,000	-	300,000	2,000,000	9,201,458	343,795	64,404
Net Change in Fund Balance	(55,242,375)	450,000	(54,792,375)	(17,424,404)	5,692,049	(13,553,981)	(31,435,109)
(1) Adjustment for Estimated Actual Net Change	2,587,525	-	2,587,525	3,757,318			
(2) Net Change in Fund Balance - Estimated Actual	(52,654,850)	450,000	(52,204,850)	(13,667,086)			
Fund Balance July 1	139,865,095	5,332,751	145,197,846	153,172,883	153,172,883	166,726,864	198,161,973
Fund Balance June 30	\$ 87,210,245	\$ 5,782,751	\$ 92,992,996	\$ 139,505,797	\$ 158,864,932	\$ 153,172,883	\$ 166,726,864

(1) Adjustment for Estimated Actual Net Change

Represents the difference in the Budgeted Net Change in Fund Balance and the Estimated Actual Net Change in Fund Balance. This difference is due to the District's conservative budgeting and represents anticipated higher than budgeted revenue and lower than budgeted expenditures in the actual results for the year.

(2) Net Change in Fund Balance - Estimated Actual

This represents the estimated actual results for the budget years. It represents the estimated actual amount that revenues will exceed (or be less than) expenditures. Decrease in fund balances for years shown represents planned use of fund balance for construction and debt service payments. Fund balance decreases are not due to deficits from operations.

Downingtown Area School District

Budget 2023-2024 Summary of All Funds - Forecast

	2023-2024 Total Governmental Funds Budget	2023-2024 Proprietary Fund - Food Service Budget	2023-2024 Total Combined Funds Budget	2024-2025 Total Combined Funds Forecast	2025-2026 Total Combined Funds Forecast	2026-2027 Total Combined Funds Forecast
Source / Object						
Revenue						
6000 Local Sources	\$ 213,493,181	\$ 3,775,000	\$ 217,268,181	\$ 224,201,981	\$ 235,001,643	\$ 246,895,490
7000 State Sources	59,859,299	300,000	60,159,299	63,463,110	66,547,776	69,387,796
8000 Federal Sources	1,795,000	1,450,000	3,245,000	2,972,000	2,994,000	3,016,000
Total Revenue	275,147,480	5,525,000	280,672,480	290,637,091	304,543,419	319,299,286
Expenditures						
100 Personnel Services - Salaries	123,245,013	115,000	123,360,013	126,913,054	134,841,745	141,581,732
200 Personnel Services - Employee Benefits	78,744,070	85,000	78,829,070	78,665,696	84,274,110	89,412,439
300 Purchased Professional Services	15,205,547	20,000	15,225,547	15,758,741	16,310,562	16,881,662
400 Purchased Property Services	62,618,701	20,000	62,638,701	48,901,734	29,061,511	9,172,619
500 Other Purchased Services	22,854,488	2,240,000	25,094,488	25,928,395	26,997,300	27,896,426
600 Supplies	7,819,497	2,315,000	10,134,497	10,889,179	11,284,440	11,704,615
700 Property	7,464,031	200,000	7,664,031	8,238,110	7,188,551	7,094,875
800 Other Objects & Contingency	4,738,508	80,000	4,818,508	4,516,082	4,464,345	4,617,796
900 Debt Service	8,000,000		8,000,000	8,000,000	8,000,000	8,000,000
Total Expenditures	330,689,855	5,075,000	335,764,855	327,810,991	322,422,564	316,362,164
Excess of Revenue Over (Under) Expenditures	(55,542,375)	450,000	(55,092,375)	(37,173,900)	(17,879,145)	2,937,122
Other Financing Sources / (Uses)	300,000		300,000	150,000	150,000	150,000
Net Change in Fund Balance	(55,242,375)	450,000	(54,792,375)	(37,023,901)	(17,729,145)	3,087,122
(1) Adjustment for Estimated Actual Net Change	2,587,525		2,587,525	-	-	-
(2) Net Change in Fund Balance - Estimated Actual	(52,654,850)	450,000	(52,204,850)			
Fund Balance July 1	139,865,095	5,332,751	145,197,846	92,992,996	55,969,096	38,239,951
Fund Balance June 30	\$ 87,210,245	\$ 5,782,751	\$ 92,992,996	\$ 55,969,096	\$ 38,239,951	\$ 41,327,073

The decrease in fund balance for 2023-2024 through 2025-2026 is primarily due to the use of fund balance to pay for the East and West high school renovations, and the Beaver Creek and West Bradford elementary school renovations. The District is fortunate to have the ability to fund these renovations without incurring additional debt. After completion of these one-time expenditures, the fund balance is projected to increase in 2026-2027.

(1) Adjustment for Estimated Actual Net Change

Represents the difference in the Budgeted Net Change in Fund Balance and the Estimated Actual Net Change in Fund Balance. This difference is due to the District's conservative budgeting and represents anticipated higher than budgeted revenue and lower than budgeted expenditures in the actual results for the year.

(2) Net Change in Fund Balance - Estimated Actual

This represents the estimated actual results for the budget years. It represents the estimated actual amount that revenues will exceed (or be less than) expenditures.

**Downingtown Area School District
Budget 2023-2024
Summary of Governmental Funds**

Source / Object	2023-2024 General Fund Budget	2023-2024 Capital Projects Fund Budget	2023-2024 Debt Service Fund Budget	2023-2024 Total Governmental Funds Budget	2022-2023 Total Governmental Funds Budget	2021-2022 Total Governmental Funds Actual	2020-2021 Total Governmental Funds Actual	2019-2020 Total Governmental Funds Actual
Revenue								
6000 Local Sources	\$210,493,181	\$ 3,000,000	\$ -	\$ 213,493,181	\$ 198,300,153	\$ 190,957,568	\$ 179,047,662	\$ 176,084,448
7000 State Sources	59,859,299	-	-	59,859,299	58,676,563	56,302,669	53,930,959	52,437,988
8000 Federal Sources	1,795,000	-	-	1,795,000	2,853,768	4,369,488	5,069,518	3,305,481
Total Revenue	272,147,480	3,000,000	-	275,147,480	259,830,484	251,629,725	238,048,138	231,827,917
Expenditures								
100 Personnel Services - Salaries	123,245,013	-	-	123,245,013	117,656,354	110,683,829	105,642,285	99,678,539
200 Personnel Services - Employee Benefits	78,744,070	-	-	78,744,070	71,607,065	69,500,397	63,059,669	58,566,390
300 Purchased Professional Services	15,205,547	-	-	15,205,547	14,632,185	14,551,001	13,670,557	13,488,850
400 Purchased Property Services	3,336,844	59,281,857	-	62,618,701	20,331,176	6,962,292	14,733,658	34,229,454
500 Other Purchased Services	22,854,488	-	-	22,854,488	22,883,136	24,794,797	24,155,303	24,484,606
600 Supplies	7,819,497	-	-	7,819,497	7,123,962	6,582,756	7,300,159	6,588,119
700 Property	302,039	7,161,992	-	7,464,031	6,296,151	6,682,566	6,848,256	9,178,208
800 Other Objects & Contingency	4,738,508	-	-	4,738,508	4,698,583	1,318,666	676,226	684,889
900 Debt Service	8,000,000	-	-	8,000,000	14,510,236	16,399,461	16,421,560	16,443,185
Total Expenditures	264,246,006	66,443,849	-	330,689,855	279,738,848	257,475,764	252,507,672	263,342,240
Excess of Revenue Over (Under) Expenditures	7,901,474	(63,443,849)	-	(55,542,375)	(19,908,364)	(5,846,039)	(14,459,534)	(31,514,323)
Sale of Bonds	-	-	-	-	-	-	-	-
Other Financing Sources / (Uses) & Transfers	(9,226,200)	9,526,200	-	300,000	2,000,000	9,201,458	343,795	64,404
Net Change in Fund Balance	(1,324,726)	(53,917,649)	-	(55,242,375)	(17,908,364)	3,355,419	(14,115,739)	(31,449,918)
(1) Adjustment for Estimated Actual Net Change	2,587,525			2,587,525	3,757,318	-	-	-
(2) Net Change in Fund Balance - Estimated Actual	1,262,799	(53,917,649)	-	(52,654,850)	(14,151,046)			
Fund Balance July 1	20,481,452	119,383,643	-	139,865,095	154,016,141	150,660,722	164,776,461	196,226,379
Fund Balance June 30	\$ 21,744,251	\$ 65,465,994	\$ -	\$ 87,210,245	\$ 139,865,095	\$ 154,016,141	\$ 150,660,722	\$ 164,776,461

(1) Adjustment for Estimated Actual Net Change

Represents the difference in the Budgeted Net Change in Fund Balance and the Estimated Actual Net Change in Fund Balance. This difference is due to the District's conservative budgeting and represents anticipated higher than budgeted revenue and lower than budgeted expenditures in the actual results for the year.

(2) Net Change in Fund Balance - Estimated Actual

This represents the estimated actual results for the budget years. It represents the estimated actual amount that revenues will exceed (or be less than) expenditures - including transfers. Decrease in fund balances for years shown represents planned use of fund balance for construction and debt service payments. Fund balance decreases are not due to deficits from operations.

The \$9.2 million in the Other Financing Sources/(Uses) & Transfers in 2021-2022 primarily represents the amount the Districts received for the sale of land.

Downingtown Area School District
Budget 2023-2024
Summary of Governmental Funds - Forecast

Source / Object	2023-2024 General Fund Budget	2023-2024 Capital Projects Fund Budget	2023-2024 Debt Service Fund Budget	2023-2024 Total Governmental Funds Budget	2024-2025 Total Governmental Funds Forecast	2025-2026 Total Governmental Funds Forecast	2026-2027 Total Governmental Funds Forecast
Revenue							
6000 Local Sources	\$ 210,493,181	\$ 3,000,000	\$ -	\$ 213,493,181	\$ 220,350,981	\$ 231,073,643	\$ 242,888,490
7000 State Sources	59,859,299	-	-	59,859,299	63,157,110	66,235,776	69,069,796
8000 Federal Sources	1,795,000	-	-	1,795,000	1,500,000	1,500,000	1,500,000
Total Revenue	272,147,480	3,000,000	-	275,147,480	285,008,091	298,809,419	313,458,286
Expenditures							
100 Personnel Services - Salaries	123,245,013			123,245,013	126,795,054	134,719,745	141,455,732
200 Personnel Services - Employee Benefits	78,744,070			78,744,070	78,576,696	84,181,110	89,314,439
300 Purchased Professional Services	15,205,547			15,205,547	15,737,741	16,288,562	16,858,662
400 Purchased Property Services	3,336,844	59,281,857		62,618,701	48,880,734	29,039,511	9,149,619
500 Other Purchased Services	22,854,488			22,854,488	23,654,395	24,689,300	25,553,426
600 Supplies	7,819,497			7,819,497	8,093,179	8,376,440	8,669,615
700 Property	302,039	7,161,992		7,464,031	8,113,110	7,063,551	6,969,875
800 Other Objects & Contingency	4,738,508			4,738,508	4,436,082	4,384,345	4,537,796
900 Debt Service	8,000,000		-	8,000,000	8,000,000	8,000,000	8,000,000
Total Expenditures	264,246,006	66,443,849	-	330,689,855	322,286,991	316,742,564	310,509,164
Excess of Revenue Over (Under) Expenditures	7,901,474	(63,443,849)	-	(55,542,375)	(37,278,900)	(17,933,145)	2,949,122
Other Financing Sources / (Uses) & Transfers	(9,226,200)	9,526,200	-	300,000	150,000	150,000	150,000
Net Change in Fund Balance	(1,324,726)	(53,917,649)	-	(55,242,375)	(37,128,901)	(17,783,145)	3,099,122
(1) Adjustment for Estimated Actual Net Change	2,587,525			2,587,525	-	-	-
(2) Net Change in Fund Balance - Estimated Actual	1,262,799	(53,917,649)	-	(52,654,850)			
Fund Balance July 1	20,481,452	119,383,643	-	139,865,095	87,210,245	50,081,345	32,298,200
Fund Balance June 30	\$ 21,744,251	\$ 65,465,994	\$ -	\$ 87,210,245	\$ 50,081,345	\$ 32,298,200	\$ 35,397,322

The decrease in fund balance for 2023-2024 through 2025-2026 is primarily due to the use of fund balance to pay for the East and West high school renovations, and the Beaver Creek and West Bradford elementary school renovations. The District is fortunate to have the ability to fund these renovations without incurring additional debt. After completion of these one-time expenditures, the fund balance is projected to increase in 2026-2027.

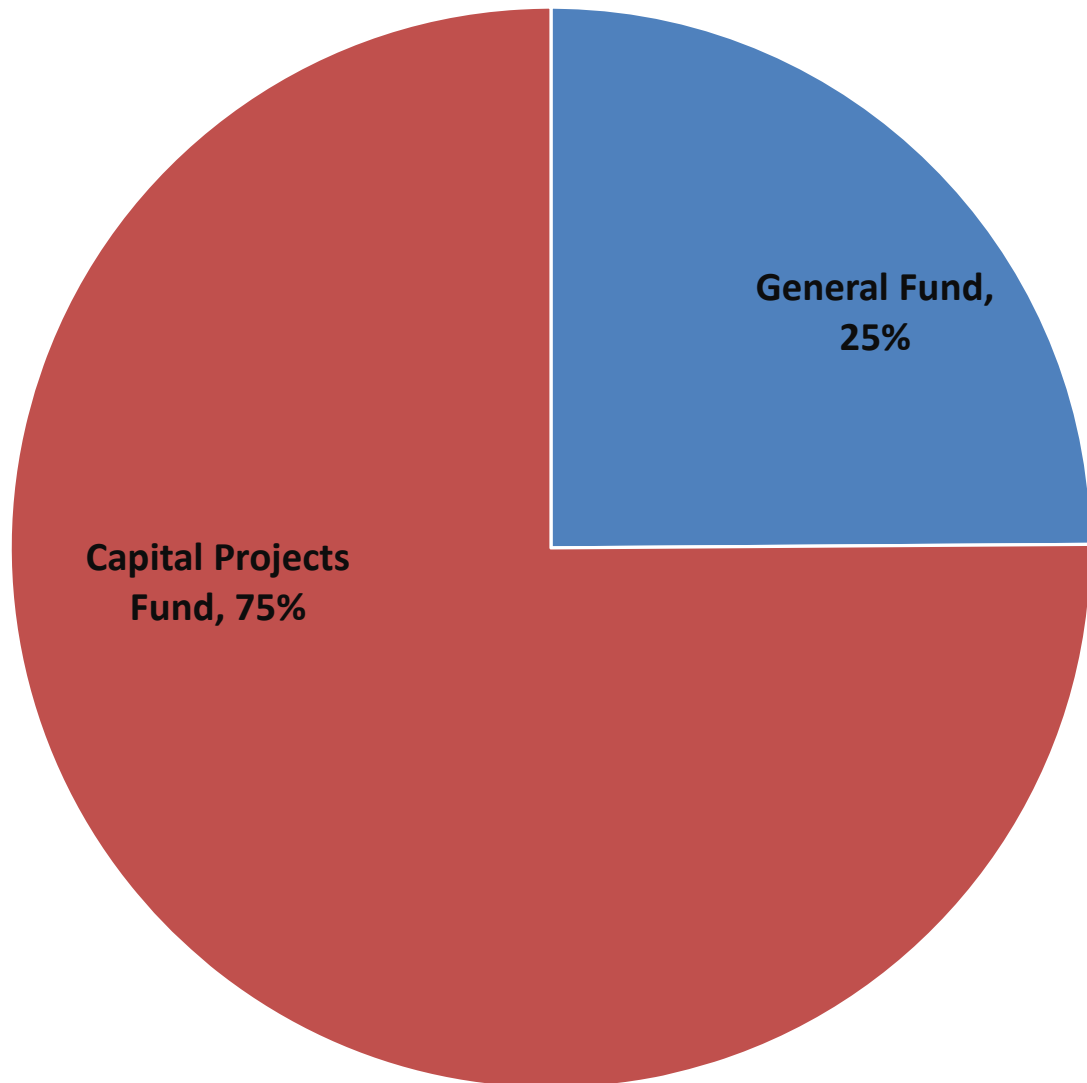
(1) Adjustment for Estimated Actual Net Change

Represents the difference in the Budgeted Net Change in Fund Balance and the Estimated Actual Net Change in Fund Balance. This difference is due to the District's conservative budgeting and represents anticipated higher than budgeted revenue and lower than budgeted expenditures in the actual results for the year.

(2) Net Change in Fund Balance - Estimated Actual

This represents the estimated actual results for the budget years. It represents the estimated actual amount that revenues will exceed (or be less than) expenditures - including transfers.

**Downingtown Area School District
Budget 2023-2024
Percentage of All Governmental Fund Balances as of June 30, 2024**



The chart above shows the projected amount of fund balance in each Governmental fund as a percent of all of the District's Governmental fund balances at the end of 2023-2024. 75% of all Governmental fund balance is in the Capital Projects Fund to fund the District's Capital Budget and construction projects. 25% of all Governmental fund balance is in the General Fund and can be used to fund operations or one-time expenditures.

Downingtown Area School District Budget 2023-2024

General Fund

The General Fund is the general operating fund of the District. The General Fund is the primary fund of the District, and is where the operating revenue and expenditures of the District are budgeted and recorded.



Downingtown Area School District
Budget 2023-2024
Summary of General Fund with Prior Years Comparison

Source / Object	2023-2024 Budget	2022-2023 Budget	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
Revenue					
6000 Local Sources	\$ 210,493,181	\$ 195,803,257	\$ 190,419,771	\$ 178,195,643	\$ 173,069,476
7000 State Sources	59,859,299	58,676,563	56,302,669	53,930,959	52,437,988
8000 Federal Sources	1,795,000	2,853,768	4,027,664	3,787,174	3,305,481
Total Revenue	272,147,480	257,333,588	250,750,104	235,913,775	228,812,945
Expenditures					
100 Personnel Services - Salaries	123,245,013	117,656,354	110,683,829	105,642,285	99,678,539
200 Personnel Services - Employee Benefits	78,744,070	71,607,065	69,500,397	63,059,669	58,566,390
300 Purchased Professional Services	15,205,547	14,632,185	14,551,001	13,670,557	13,488,850
400 Purchased Property Services	3,336,844	3,250,376	3,112,282	2,839,427	3,024,782
500 Other Purchased Services	22,854,488	22,883,136	24,794,797	24,155,303	24,484,606
600 Supplies	7,819,497	7,123,962	6,582,756	7,300,159	6,588,119
700 Property	302,039	461,500	242,926	169,336	164,813
800 Other Objects & Contingency	4,738,508	4,698,583	1,318,666	676,226	684,889
900 Debt Service	8,000,000	8,000,000	9,854,172	9,857,483	9,847,049
Total Expenditures	264,246,006	250,313,161	240,640,825	227,370,444	216,528,037
Excess of Revenue Over (Under) Expenditures	7,901,474	7,020,427	10,109,279	8,543,331	12,284,909
900 Other Financing Uses- Transfers to Other Funds	(9,226,200)	(11,103,425)	(8,978,703)	(7,646,256)	(11,699,163)
Net Change in Fund Balance	(1,324,726)	(4,082,998)	1,130,576	897,075	585,746
(1) Adjustment for Estimated Actual Net Change	2,587,525	3,757,318			
(2) Net Change in Fund Balance - Estimated Actual	1,262,799	(325,680)			
(a) Fund Balance July 1	20,481,452	20,807,132	19,676,556	18,779,481	18,193,735
(a) Fund Balance June 30	<u>\$ 21,744,251</u>	<u>\$ 20,481,452</u>	<u>\$ 20,807,132</u>	<u>\$ 19,676,556</u>	<u>\$ 18,779,481</u>

(a) Unassigned fund balance - The fund balance shown above is in the Unassigned category. There are no restrictions on how an Unassigned fund balance can be spent. The District strives to keep the June 30 unassigned fund balance at about 8% of the next year's budgeted expenditures including transfers, which is the maximum under Pennsylvania law to allow for tax increases.

Other Fund Balance Categories not Applicable

Nonspendable fund balance - This category would include funds that are legally or contractually required to be maintained intact.

Restricted - This category would include funds that are limited by external parties or legislation.

Committed - This category would include amounts limited by Board policy or Board action. Action must be taken by the Board to commit fund balance

Assigned Fund Balance - This category would include amounts intended to be spent for a particular purpose. Board action is not needed to designate amounts as assigned fund balance.

Post-employment healthcare liability

The District has a \$13.3 million actuarially determined liability for its post-employment (retirees) healthcare obligation in accordance with the GASB 75 accounting standard. This represents the estimated present value of all future healthcare benefits that will be paid in retirement to current active and retired employees. The District funds its healthcare claims on a pay as you go basis, and budgets an estimate of total claims expense for each year. It does not pre-fund the actuarial liability.

(1) Adjustment for Estimated Actual Net Change

Represents the difference in the Budgeted Net Change in Fund Balance and the Estimated Actual Net Change in Fund Balance. This difference is due to the District's conservative budgeting and represents anticipated higher than budgeted revenue and lower than budgeted expenditures in the actual results for the year.

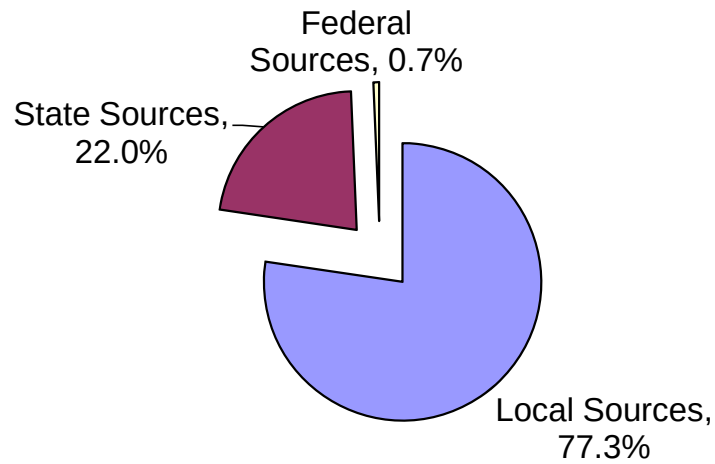
(2) Net Change in Fund Balance - Estimated Actual

This represents the estimated actual results for the budget years. It represents the estimated actual amount that revenues will exceed expenditures - including transfers.

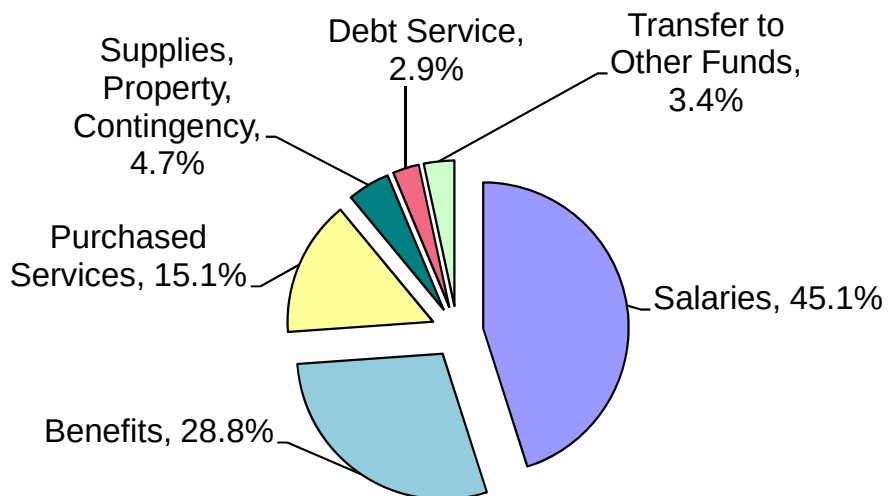
Downingtown Area School District
Budget 2023-2024

Summary of Revenue and Expenditures - General Fund
2023-2024

REVENUE



EXPENDITURES



**Downingtown Area School District
Budget 2023-2024
General Fund Forecast**

Source / Object	2023-2024 Budget	2024-2025 Forecast	2025-2026 Forecast	2026-2027 Forecast
Revenue				
6000 Local Sources	210,493,181	218,350,981	229,573,643	241,388,490
7000 State Sources	59,859,299	63,157,110	66,235,776	69,069,796
8000 Federal Sources	1,795,000	1,500,000	1,500,000	1,500,000
Total Revenue	272,147,480	283,008,091	297,309,419	311,958,286
Expenditures				
100 Personnel Services - Salaries	123,245,013	126,795,054	134,719,745	141,455,732
200 Personnel Services - Employee Benefit	78,744,070	78,576,696	84,181,110	89,314,439
300 Purchased Professional Services	15,205,547	15,737,741	16,288,562	16,858,662
400 Purchased Property Services	3,336,844	3,453,634	3,574,511	3,699,619
500 Other Purchased Services	22,854,488	23,654,395	24,689,300	25,553,426
600 Supplies	7,819,497	8,093,179	8,376,440	8,669,615
700 Property	302,039	312,610	323,551	334,875
800 Other Objects & Contingency	4,738,508	4,436,082	4,384,345	4,537,796
900 Debt Service	8,000,000	8,000,000	8,000,000	8,000,000
Total Expenditures	264,246,006	269,059,391	284,537,564	298,424,164
Excess of Revenue Over (Under) Expenditures	7,901,474	13,948,700	12,771,855	13,534,122
900 Transfers to Other Funds	(9,226,200)	(9,500,500)	(10,205,000)	(10,585,000)
Net Change in Fund Balance	(1,324,726)	4,448,200	2,566,855	2,949,122
(1) Adjustment for Estimated Actual Net Change	2,587,525	-	-	-
(2) Net Change in Fund Bal - Estimated Actual	1,262,799			
Fund Balance July 1	20,481,452	21,744,251	26,192,451	28,759,306
Fund Balance June 30	\$ 21,744,251	\$ 26,192,451	\$ 28,759,306	\$ 31,708,428

Discussion of Forecast Drivers and Assumptions

Revenue: The forecasted growth in General Fund local revenue is mainly due to real estate tax growth from projected assessment growth, real estate tax rate increases, earned income tax growth, and real estate transfer tax growth. The forecast assumes a 3.5% real estate tax increase each year, and a 2.0% assessment growth each year. The State source revenue forecasted increase reflects state subsidy increases that are expected to continue and 50% reimbursement of the PSERS contribution increase. Federal revenue is forecasted to be higher in 2023-2024 due to the use of the remaining COVID relief grants.

Expenditures: The forecast years salaries reflect increase each year for existing staff and new positions. Benefit expenditures are estimated to be similar from 2023-2024 to 2024-2025 due to a projected reduction in health care claims offset by increasing payroll taxes and PSERS costs. 2025-2026 and 2026-2027 are projected to increase as health care claims activity is estimated to increase. Overall, expenditure lines other than salary and benefits reflect an increase each year due to inflation and service contract renewal increases. Debt service will remain at \$8 million per year until 2032-2033. There is no projected debt service beyond 2032-2033.

Transfers to Other Funds and Decline in Fund Balance: Transfers to Other Funds represent amounts transferred to the Capital Projects Fund to fund the District's ongoing capital spending each year. The capital expenditures are recorded in the Capital Projects Fund but the amount needed to fund them are generated in the General Fund.

(1) Adjustment for Estimated Actual Net Change

Represents the difference in the Budgeted Net Change in Fund Balance and the Estimated Actual Net Change in Fund Balance. This difference is due to the District's conservative budgeting and represents anticipated higher than budgeted revenue and lower than budgeted expenditures in the actual results for the year.

(2) Net Change in Fund Balance - Estimated Actual

This represents the estimated actual results for the budget years. It represents the estimated actual amount that revenues will exceed expenditures- including transfers.

Downingtown Area School District
Budget 2023-2024
Detail of General Fund Revenue

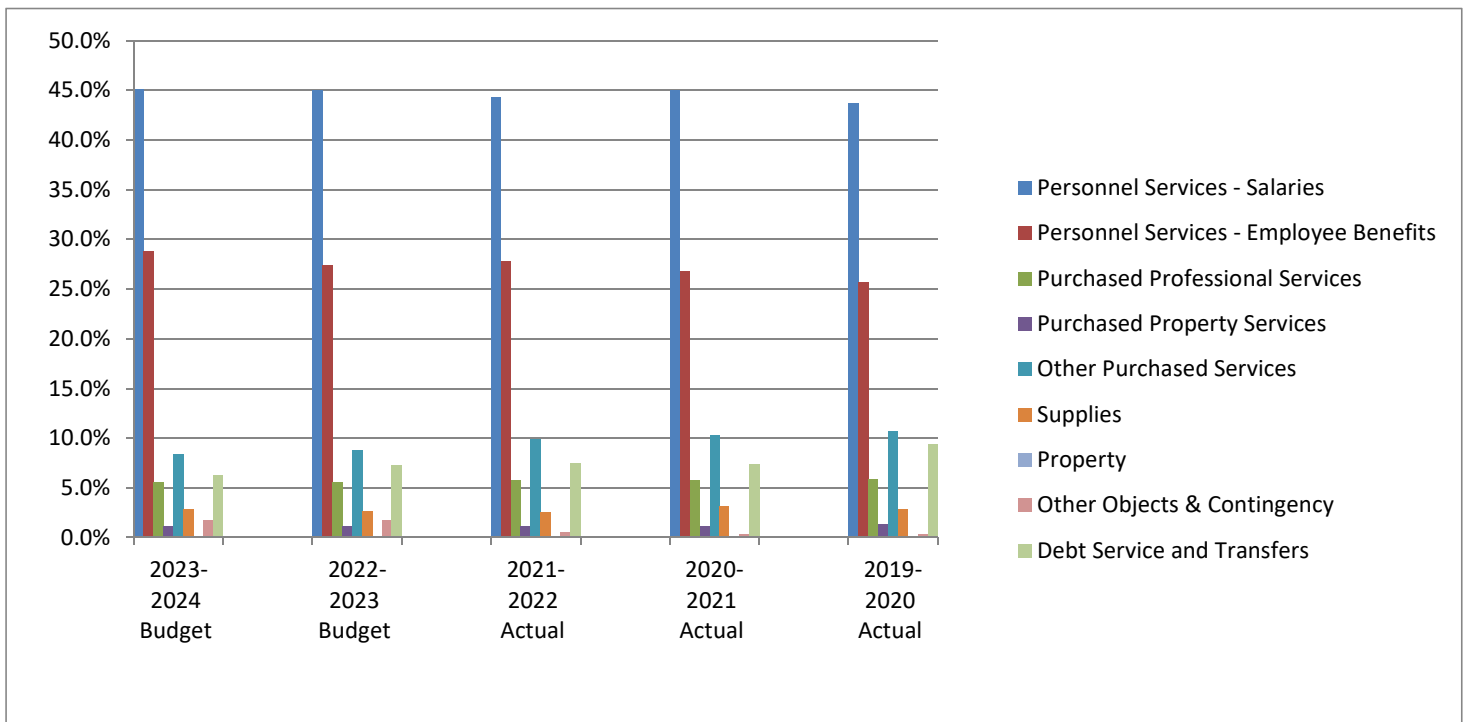
REVENUE		2023-2024 Budget	2022-2023 Budget	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
Source						
Code	<u>LOCAL SOURCES</u>					
6111 Current Real Estate Tax		\$ 166,495,091	\$ 156,048,980	\$ 149,043,822	\$ 142,289,601	\$ 141,921,935
6112 Interim Real Estate Tax		4,500,000	3,800,000	4,818,352	3,372,342	2,074,669
6113 Public Utility Taxes		168,584	167,000	166,162	161,900	150,295
6143 Act 511 - Local Services Tax		235,000	210,000	233,578	206,962	224,184
6151 Act 511 - Earned Income Tax		22,248,000	21,250,000	21,276,193	19,519,517	16,935,044
6153 Act 511 - Real Estate Transfer Tax		4,500,000	5,000,000	5,021,225	4,868,084	2,871,706
6411 Delinquent Real Estate Tax		3,100,000	3,000,000	3,431,935	3,171,913	2,499,954
6510 Interest on Investments		4,150,000	1,000,000	245,166	531,235	1,857,522
6700 Student Activities		2,020,000	2,040,000	2,062,913	1,434,586	1,812,144
6831 Intermediary Sources - IDEA		1,861,326	1,837,270	2,103,447	1,621,017	1,697,945
6837 Intermediary Sources - Cares Act		-	-	443,110	449,950	-
6910 Rentals		420,000	550,000	406,731	62,348	469,922
6940 Tuition from Patrons		100,000	100,000	63,600	94,697	40,914
6990 Miscellaneous Revenue		695,180	800,007	1,103,538	411,492	513,242
TOTAL LOCAL SOURCES		210,493,181	195,803,257	190,419,771	178,195,643	173,069,476
	<u>STATE SOURCES</u>					
7110 Basic Education Subsidy		\$ 17,701,196	\$ 16,390,775	\$ 15,732,745	\$ 15,213,419	15,213,439
7160 Tuition for Court Placed Students		120,000	200,000	109,088	153,276	776,402
7271 Special Education Subsidy		6,845,479	6,490,000	6,528,454	6,146,692	5,804,520
7310 Transportation Subsidy		3,350,000	3,500,000	3,710,133	4,049,334	3,618,939
7320 Rentals & Sinking Fund Payments		598,250	1,133,000	1,773,613	1,236,671	1,248,897
7330 Health Services Subsidy		307,464	305,200	301,906	305,198	305,654
7340 State Property Tax Reduction Allocation		4,770,678	4,904,389	4,010,319	3,983,275	3,954,207
7360 Safe Schools / Other grants		-	-	-	25,000	45,000
7501 PA Ready To Learn Grant		874,969	874,969	874,969	874,969	874,969
7810 Social Security Tax - State Share		4,549,127	4,342,843	4,005,252	3,866,989	3,663,306
7820 Retirement Contribution-State Share		20,742,136	20,535,387	19,256,190	18,076,135	16,932,655
TOTAL STATE SOURCES		59,859,299	58,676,563	56,302,669	53,930,959	52,437,988
	<u>FEDERAL SOURCES</u>					
8514 Title I - Grant - Low income		310,000	320,000	313,744	318,047	273,480
8515 Title II - Grant - Imprv Teach quality		160,000	250,000	152,973	218,224	199,135
8516 Title III - Grant - English Language		35,000	36,000	32,514	34,577	65,992
8732 American Recovery Stimulus - QSCB		-	-	1,853,645	1,851,679	1,846,765
8740 CARES Act Grants		370,000	1,207,768	998,403	745,530	271,002
8690 Other Grants		20,000	40,000	-	25,751	51,456
8810 Medical Assistance Reimbursement		900,000	1,000,000	676,384	593,365	597,651
TOTAL FEDERAL SOURCES		1,795,000	2,853,768	4,027,664	3,787,174	3,305,481
GRAND TOTAL REVENUE		\$ 272,147,480	\$ 257,333,588	\$ 250,750,104	\$ 235,913,775	\$ 228,812,945

**Downingtown Area School District
Budget 2023-2024
General Fund Expenditures by Object**

<u>Expenditures by Object</u>	2023-2024 Budget	2022-2023 Budget	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
100 Personnel Services - Salaries	\$ 123,245,013	\$ 117,656,354	\$ 110,683,829	\$ 105,642,285	\$ 99,678,539
200 Personnel Services - Employee Benefits	78,744,070	71,607,065	69,500,397	63,059,669	58,566,390
300 Purchased Professional Services	15,205,547	14,632,185	14,551,001	13,670,557	13,488,850
400 Purchased Property Services	3,336,844	3,250,376	3,112,282	2,839,427	3,024,782
500 Other Purchased Services	22,854,488	22,883,136	24,794,797	24,155,303	24,484,606
600 Supplies	7,819,497	7,123,962	6,582,756	7,300,159	6,588,119
700 Property	302,039	461,500	242,926	169,336	164,813
800 Other Objects & Contingency	4,738,508	4,698,583	1,318,666	676,226	684,889
900 Debt Service and Transfers	17,226,200	19,103,425	18,832,875	17,503,739	21,546,212
Total	\$ 273,472,206	\$ 261,416,586	\$ 249,619,528	\$ 235,016,700	\$ 228,227,199

Expenditures by Object as a Percent of Total

	2023-2024 Budget	2022-2023 Budget	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
100 Personnel Services - Salaries	45.1%	45.0%	44.3%	45.0%	43.7%
200 Personnel Services - Employee Benefits	28.8%	27.4%	27.8%	26.8%	25.7%
300 Purchased Professional Services	5.6%	5.6%	5.8%	5.8%	5.9%
400 Purchased Property Services	1.2%	1.2%	1.2%	1.2%	1.3%
500 Other Purchased Services	8.4%	8.8%	9.9%	10.3%	10.7%
600 Supplies	2.9%	2.7%	2.6%	3.1%	2.9%
700 Property	0.1%	0.2%	0.1%	0.1%	0.1%
800 Other Objects & Contingency	1.7%	1.8%	0.5%	0.3%	0.3%
900 Debt Service and Transfers	6.3%	7.3%	7.5%	7.4%	9.4%
	100%	100%	100%	100%	100%



The chart reflects the data shown above and represents the percent of each expenditure category compared to the total budget

Downingtown Area School District
Budget 2023-2024
General Fund Expenditures by Function and Object

Function Object	2023-2024 Budget	2022-2023 Budget	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
<u>1100 Regular Programs</u>					
100 Personnel Services - Salaries	\$ 67,532,744	\$ 64,796,243	\$ 61,471,076	\$ 59,027,049	\$ 56,111,776
200 Personnel Svcs. - Employee Benefits	44,266,995	39,752,965	39,597,193	35,521,446	33,009,648
300 Purchased Professional Services	1,824,300	1,609,700	1,831,411	1,596,642	1,385,104
400 Purchased Property Services	486,351	666,052	340,279	287,778	414,086
500 Other Purchased Services	2,376,200	2,539,500	4,513,437	5,400,132	4,862,349
600 Supplies	2,354,743	2,546,776	2,327,211	2,323,327	2,082,682
700 Property	-	-	-	-	3,095
800 Other Objects	218,704	214,576	165,999	163,862	169,691
Total Regular Programs	119,060,037	112,125,812	110,246,607	104,320,237	98,038,430
<u>1200 Special Programs</u>					
100 Personnel Services - Salaries	18,663,548	16,879,807	15,406,739	14,769,100	13,480,691
200 Personnel Svcs. - Employee Benefits	10,165,451	8,862,884	8,643,745	7,791,172	7,086,244
300 Purchased Professional Services	8,004,558	7,695,954	7,527,940	7,267,909	7,164,843
400 Purchased Property Services	-	-	-	-	-
500 Other Purchased Services	3,185,450	2,988,350	4,459,910	4,571,855	4,522,997
600 Supplies	394,140	398,541	206,766	225,123	253,215
700 Property	76,500	48,300	38,999	22,112	25,498
800 Other Objects	53,200	28,175	35,478	20,518	26,212
Total Special Programs	40,542,847	36,902,011	36,319,577	34,667,790	32,559,701
<u>1300 Vocational Education</u>					
100 Personnel Services - Salaries	2,722,481	2,491,747	2,390,942	2,287,066	2,165,078
200 Personnel Svcs. - Employee Benefits	1,626,396	1,528,538	1,420,004	1,378,716	1,305,307
300 Purchased Professional Services	-	-	-	-	-
400 Purchased Property Services	8,400	7,550	3,541	4,588	529
500 Other Purchased Services	3,239,500	2,975,000	2,792,155	2,750,400	2,662,361
600 Supplies	194,931	179,674	160,409	120,660	140,088
700 Property	-	-	-	-	-
800 Other Objects	1,035	1,040	350	300	300
Total Vocational Education	7,792,743	7,183,549	6,767,401	6,541,729	6,273,664
<u>1400 Other Instructional Programs</u>					
100 Personnel Services - Salaries	981,722	1,362,315	1,137,386	648,086	648,594
200 Personnel Svcs. - Employee Benefits	526,078	588,553	578,758	359,847	359,848
300 Purchased Professional Services	174,300	524,300	226,144	160,269	271,135
400 Purchased Property Services	-	700	-	625	-
500 Other Purchased Services	228,500	337,600	82,301	370,041	452,666
600 Supplies	23,000	41,991	44,048	58,894	7,469
700 Property	-	-	-	-	-
800 Other Objects	-	-	-	-	-
Total Other Instructional Programs	1,933,600	2,855,459	2,068,638	1,597,762	1,739,711
<u>1500 Non-Public Schools</u>					
300 Purchased Professional Services	12,000	14,845	-	6,271	4,765
Total Instruction	169,341,227	159,081,677	155,402,223	147,133,789	138,616,271

Downingtown Area School District
Budget 2023-2024
General Fund Expenditures by Function and Object

Function Object	2023-2024 Budget	2022-2023 Budget	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
<u>2100 Support Services - Pupil Personnel</u>					
100 Personnel Services - Salaries	7,106,935	6,797,485	5,893,688	5,429,708	5,213,205
200 Personnel Svcs. - Employee Benefits	4,476,527	4,548,313	3,777,972	3,492,246	3,377,348
300 Purchased Professional Services	162,000	155,690	141,317	93,693	133,324
400 Purchased Property Services	-	350	(861)	(262)	24
500 Other Purchased Services	36,900	33,730	28,477	2,266	30,809
600 Supplies	104,688	107,468	71,447	62,859	183,103
700 Property	-	-	-	-	-
800 Other Objects	214,089	234,884	187,571	134,699	159,017
Total Support Services - Pupil Personnel	12,101,139	11,877,920	10,099,610	9,215,208	9,096,831
<u>2200 Support Services - Instructional Staff</u>					
100 Personnel Services - Salaries	4,481,210	4,302,817	4,545,810	4,503,385	3,850,561
200 Personnel Svcs. - Employee Benefits	3,183,072	3,021,560	2,855,168	2,712,965	2,430,897
300 Purchased Professional Services	462,366	463,657	230,241	161,454	424,579
400 Purchased Property Services	500	8,500	6,189	8,261	3,589
500 Other Purchased Services	159,797	113,530	92,148	99,211	53,924
600 Supplies	54,479	108,347	88,668	99,672	102,889
700 Property	-	-	-	-	-
800 Other Objects	14,860	11,910	4,016	3,630	1,401
Total Support Services - Instructional Staff	8,356,284	8,030,321	7,822,240	7,588,577	6,867,839
<u>2300 Support Services - Administration</u>					
100 Personnel Services - Salaries	7,693,964	7,359,071	7,175,074	6,883,112	6,505,788
200 Personnel Svcs. - Employee Benefits	5,386,237	4,800,229	4,708,813	4,320,699	3,961,279
300 Purchased Professional Services	1,417,238	1,303,263	1,733,254	1,695,374	1,475,389
400 Purchased Property Services	13,555	38,750	23,272	4,935	13,452
500 Other Purchased Services	198,047	215,300	153,994	146,392	124,439
600 Supplies	216,147	181,492	167,657	96,189	104,615
700 Property	-	5,000	62,855	-	-
800 Other Objects	216,578	216,241	152,263	179,481	131,988
Total Support Services - Administration	15,141,766	14,119,346	14,177,182	13,326,182	12,316,951
<u>2400 Support Services - Pupil Health</u>					
100 Personnel Services - Salaries	1,682,318	1,492,333	1,344,850	1,191,485	1,096,642
200 Personnel Svcs. - Employee Benefits	991,799	922,593	834,049	745,215	699,346
300 Purchased Professional Services	1,231,100	1,073,000	1,108,576	1,071,413	924,606
400 Purchased Property Services	-	-	-	-	-
500 Other Purchased Services	750	1,250	364	214	60
600 Supplies	26,450	26,386	21,025	24,069	22,424
700 Property	-	-	-	-	1,669
800 Other Objects	-	-	-	-	-
Total Support Services - Pupil Health	3,932,417	3,515,562	3,308,864	3,032,396	2,744,747
<u>2500 Support Services - Business</u>					
100 Personnel Services - Salaries	1,376,423	1,316,930	1,256,044	1,198,673	1,151,184
200 Personnel Svcs. - Employee Benefits	846,775	813,454	752,694	729,706	736,458
300 Purchased Professional Services	130,000	100,000	188,905	93,015	116,523
400 Purchased Property Services	70,000	18,200	19,267	(14)	10,036
500 Other Purchased Services	900	1,100	22,818	15,798	1,495
600 Supplies	80,000	99,500	69,689	82,936	74,089
700 Property	-	-	-	-	-
800 Other Objects	76,000	83,230	64,932	41,218	43,890
Total Support Services - Business	2,580,098	2,432,414	2,374,349	2,161,333	2,133,675

Downingtown Area School District
Budget 2023-2024
General Fund Expenditures by Function and Object

Function Object	2023-2024 Budget	2022-2023 Budget	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
<u>2600 Operation & Maintenance of Plant Services</u>					
100 Personnel Services - Salaries	6,081,409	5,984,516	5,729,386	5,555,356	5,318,161
200 Personnel Svcs. - Employee Benefits	4,423,309	3,988,498	3,938,734	3,586,373	3,308,871
300 Purchased Professional Services	1,126,577	1,026,081	961,820	975,104	835,117
400 Purchased Property Services	2,053,023	1,893,009	2,312,042	2,043,089	2,009,812
500 Other Purchased Services	478,500	422,455	395,648	355,905	334,631
600 Supplies	2,693,640	2,082,000	2,282,441	3,214,719	2,574,113
700 Property	153,000	300,000	89,199	147,224	127,958
800 Other Objects	-	-	330	1,750	2,547
Total Operation & Maintenance of Plant Services	17,009,458	15,696,559	15,709,600	15,879,519	14,511,209
<u>2700 Support Services - Student Transportation</u>					
100 Personnel Services - Salaries	321,528	345,308	304,100	300,984	246,621
200 Personnel Svcs. - Employee Benefits	191,256	191,588	179,390	169,571	142,512
300 Purchased Professional Services	-	1,500	-	2,132	895
400 Purchased Property Services	35,000	31,500	26,778	22,424	23,034
500 Other Purchased Services	12,227,308	12,563,629	11,534,750	10,080,941	10,560,276
600 Supplies	49,000	60,700	27,817	25,553	17,086
700 Property	54,539	91,200	50,508	-	-
800 Other Objects	1,540	40	350	466	472
Total Support Services - Student Transportation	12,880,171	13,285,465	12,123,692	10,602,071	10,990,897
<u>2800 Support Services - Central</u>					
100 Personnel Services - Salaries	2,487,920	2,425,776	2,050,065	2,039,943	1,981,010
200 Personnel Svcs. - Employee Benefits	1,721,019	1,648,885	1,327,559	1,449,042	1,326,640
300 Purchased Professional Services	272,908	288,795	241,101	308,100	492,292
400 Purchased Property Services	327,265	248,915	137,494	161,236	235,344
500 Other Purchased Services	211,950	206,650	82,113	92,264	226,113
600 Supplies	1,319,004	1,028,812	951,975	741,933	860,803
700 Property	-	-	-	-	-
800 Other Objects	14,525	9,445	5,665	3,901	3,795
Total Support Services - Central	6,354,591	5,857,278	4,795,972	4,796,419	5,125,996
<u>2900 Other Support Services</u>					
100 Personnel Services - Salaries	-	-	-	-	-
200 Personnel Svcs. - Employee Benefits	-	-	-	-	-
300 Purchased Professional Services	-	-	-	-	-
400 Purchased Property Services	-	-	-	-	-
500 Other Purchased Services	95,000	94,000	93,277	93,726	93,730
600 Supplies	-	-	-	-	-
700 Property	-	-	-	-	-
800 Other Objects	-	-	660,313	103,401	109,105
Total Other Support Services	95,000	94,000	753,590	197,127	202,835
Total Support Services	78,450,924	74,908,866	71,165,099	66,798,831	63,990,979

Downingtown Area School District
Budget 2023-2024
General Fund Expenditures by Function and Object

Function Object	2023-2024 Budget	2022-2023 Budget	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
<u>3200 Student Activities</u>					
100 Personnel Services - Salaries	2,063,611	2,055,305	1,942,343	1,798,243	1,860,588
200 Personnel Svcs. - Employee Benefits	918,935	919,930	870,900	798,212	803,985
300 Purchased Professional Services	358,200	345,400	318,543	211,596	221,469
400 Purchased Property Services	86,750	86,850	77,498	57,203	21,304
500 Other Purchased Services	415,686	391,042	543,404	176,157	558,755
600 Supplies	307,775	260,975	163,604	224,091	165,543
700 Property	18,000	17,000	1,365	-	6,593
800 Other Objects	67,977	63,212	41,300	22,999	36,448
Total Student Activities	4,236,934	4,139,714	3,958,958	3,288,501	3,674,686
<u>3300 Community Services</u>					
100 Personnel Services - Salaries	49,200	46,700	36,324	10,096	48,640
200 Personnel Svcs. - Employee Benefits	20,221	19,075	15,419	4,459	18,007
300 Purchased Professional Services	-	-	-	-	-
400 Purchased Property Services	-	-	-	-	-
500 Other Purchased Services	-	-	-	-	-
600 Supplies	1,500	1,300	-	135	-
700 Property	-	-	-	-	-
800 Other Objects	100,000	-	99	-	24
Total Community Services	170,921	67,075	51,843	14,689	66,670
<u>4000 Building Improvement Services / Site Acquisition</u>					
300 Purchased Professional Services	30,000	30,000	41,749	27,586	38,810
400 Purchased Property Services	256,000	250,000	166,780	249,565	293,572
700 Property	-	-	-	-	-
Total Operation of Noninstructional Services	4,693,855	4,486,789	4,219,330	3,580,341	4,073,738
<u>5000 Other Financing Uses</u>					
5900 800 Other Objects & Contingency	3,760,000	3,835,830	-	-	-
5100 900 Debt Service	8,000,000	8,000,000	9,854,172	9,857,483	9,847,049
5200 900 Other Uses of Funds - Transfers	9,226,200	11,103,425	8,978,703	7,646,256	11,699,163
Total Other Financing Uses	20,986,200	22,939,255	18,832,875	17,503,739	21,546,212
Grand Total	\$ 273,472,206	\$ 261,416,586	\$ 249,619,528	\$ 235,016,700	\$ 228,227,199

Downingtown Area School District Budget 2023-2024

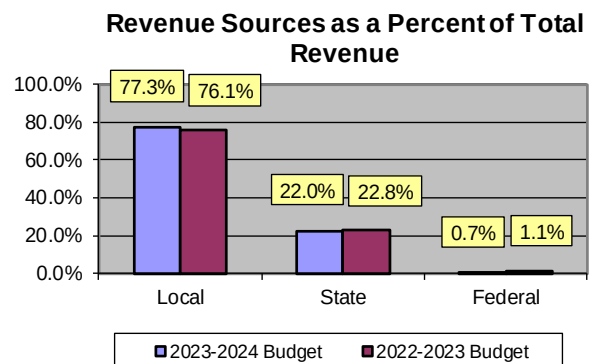
General Fund – Revenue and Expenditure Categories Discussion, Analysis, and Trends

General Fund Discussion and Analysis

General Fund Revenue

The General Fund budget of the School District is funded from local, state and federal sources of revenue. The primary funding source for District operated programs and services is local revenue, which accounts for 76.1% of the \$257,333,588 total budgeted General Fund revenue for the 2022-2023 fiscal year. Other revenue to fund operating expenditures is primarily derived from state subsidies. Federal sources are minimal but higher than 2021-2022 due to additional COVID related grants.

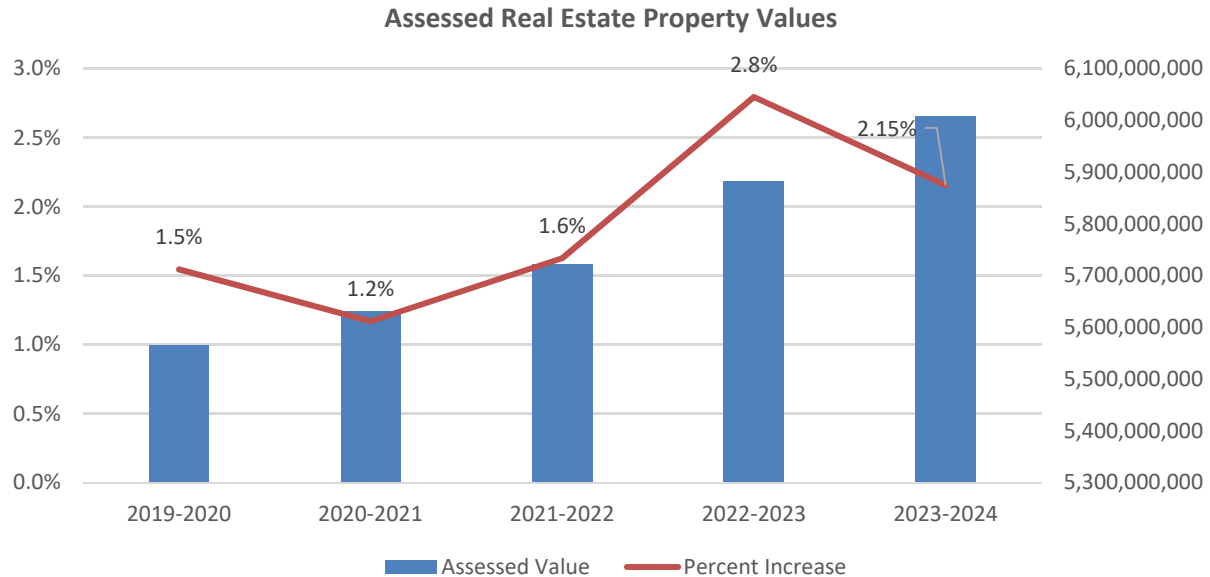
	Revenue Sources		
	2023-2024	2022-2023	%
	Budget	Budget	Change
Local	\$ 210,493,181	\$ 195,803,257	7.5%
State	59,859,299	58,676,563	2.0%
Federal	1,795,000	2,853,768	-37.1%
Total	<u>\$ 272,147,480</u>	<u>\$ 257,333,588</u>	<u>5.8%</u>



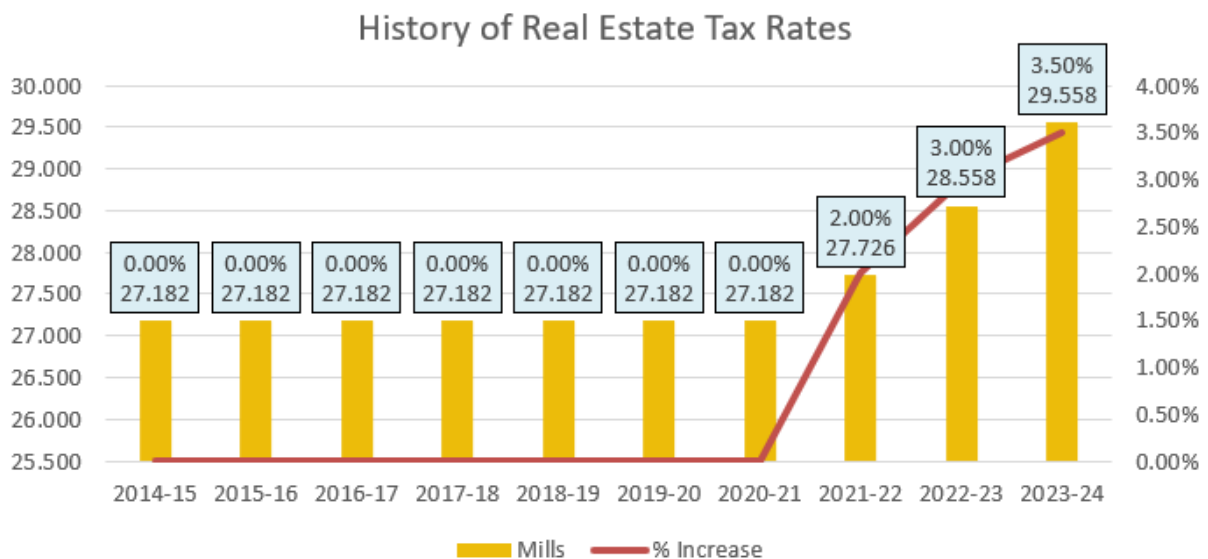
Local Sources

The largest portion of local revenue is derived from current taxes on real estate property, about 79%. Current real estate tax revenue is budgeted to increase about \$10.4 million in 2023-2024 due to a 3.5% tax increase and continued assessment growth. The tax increase is below the Act 1 index limit of 4.1%. For 2023-2024 the assessed real estate property value is \$6.01 billion, a \$126.7 million (2.15%) increase over the 2022-2023 assessed value. The assessed property value is the tax base on which the District levies a real estate tax. As shown in the following chart, growth in the tax base has been in the 1.2% to 2.8% range since 2019-2020. In the five years prior to 2019-2020, the District averaged 1.19% assessment growth each year.

Downingtown Area School District Budget 2023-2024



Residential property accounts for about 80% of the total tax base with commercial, industrial, and agricultural property accounting for the remaining 20%. The real estate tax rate required to fund the District's programs and services in 2023-2024 is 29.558 mills which is a 3.5% increase over the 2022-2023 rate. This is the third tax increase after eight years with no increases. The following chart shows a ten-year history of the District's tax rate and annual increase.



Downingtown Area School District Budget 2023-2024

For 2023-2024, the property taxes due on the average assessed property value in the District is \$5,468. This reflects a \$185 increase from 2022-2023 based on a consistent average assessed property value of \$185,000. To help offset the property tax burden on taxpayers, the Pennsylvania Act 1 taxpayer relief law of 2006 provides qualified homesteads a tax credit that is funded by state gaming revenue. For 2023-2024 the estimated amount of tax credit is \$254 per homestead. The District is proud to continue to fund nationally recognized top performing schools with minimal tax increases. The District has been able to achieve this with prudent financial management, growth in other revenue sources, and controlling unnecessary spending. However, future year tax increases will likely need to be implemented to allow revenue growth to keep pace with expenditure growth.

Revenue from local sources other than current real estate taxes is primarily derived from earned income taxes, real estate transfer taxes, interim real estate taxes, delinquent real estate taxes, and interest earnings. The other local sources of revenue are budgeted about \$4.2 million higher than the 2022-2023. This increase reflects strong earned income tax growth, and a significant increase in interest earnings on investments due to the higher interest rate environment.

State Sources

Increases in state funding are uncertain each year, and are dependent on the state budget and political climate. Revenue from the state is budgeted to increase a net \$1.2 million over the 2022-2023 budget. This increase is primarily due to increases in the basic education and special education subsidies which reflects the state legislature's emphasis on expanding educational funding.

The largest portion of State revenue is from the state's reimbursement of the District's contributions to the Public School Employees Retirement System (PSERS). For 2023-2024 the District will contribute 34% of total salaries to PSERS which is about \$41.5 million. The state will reimburse half of that amount, about \$20.7 million. The PSERS rate is set by the state and the contributions are required for all Pennsylvania school districts.

Federal Sources

Federal revenue in the 2023-2024 budget is minimal and about \$1 million less than 2022-2023 due to the majority of Federal COVID grant funding being spent in prior years. Other federal funding includes Title I, II, and III grant funding, and funding for reimbursement of special need students' medical expenditures.

Downingtown Area School District Budget 2023-2024

General Fund Expenditures

For the 2023-2024 fiscal year, total expenditures in the General Fund are budgeted to increase from \$250,313,161 to \$264,246,006, an increase of \$13,932,845. The following table details this increase by object expenditure category.

General Fund				
Expenditures & Other Uses of Funds (object)	Budget 2023-2024	Budget 2022-2023	\$ Change	Percent Change
Salaries (100)	\$ 123,245,013	\$ 117,656,354	\$ 5,588,659	4.7%
Employee Benefits (200)	78,744,070	71,607,065	7,137,005	10.0%
Salary and Benefits	201,989,083	189,263,419	12,725,664	6.7%
Professional Services (300)	15,205,547	14,632,185	573,362	3.9%
Purchased Property Services(400)	3,336,844	3,250,376	86,468	2.7%
Other Purchased Services(500)	22,854,488	22,883,136	(28,648)	-0.1%
Purchased & Professional Svcs.	41,396,879	40,765,697	631,182	1.5%
 Supplies (600)	 7,819,497	 7,123,962	 695,535	 9.8%
 Property (700)	 302,039	 461,500	 (159,461)	 -34.6%
Other Objects & Contingency(800)	4,738,508	4,698,583	39,925	0.8%
Debt Service (900)	8,000,000	8,000,000	-	0.0%
Other Objects and Uses of Funds (800/900)	12,738,508	12,698,583	39,925	0.3%
 Total	 \$ 264,246,006	 \$ 250,313,161	 13,932,845	 5.6%

Expenditure Analysis

Salaries increased from 2022-2023 to 2023-2024 due to employee wage increases and new staff. Employee benefit costs are up 10.0% reflecting the significant increase in actual health care claims being experienced.

Overall, Purchased and Professional Services expenditures have increased for 2023-2024 primarily due to the increase costs of special education services.

The Supplies category includes all consumable items that are expendable, and also includes software and utility related expenses. The increase in Supplies is primarily due to higher utility costs projected for 2023-2024.

Property includes equipment and capital assets with useful lives greater than one year. The decrease reflects lower facilities equipment spending in 2023-2024.

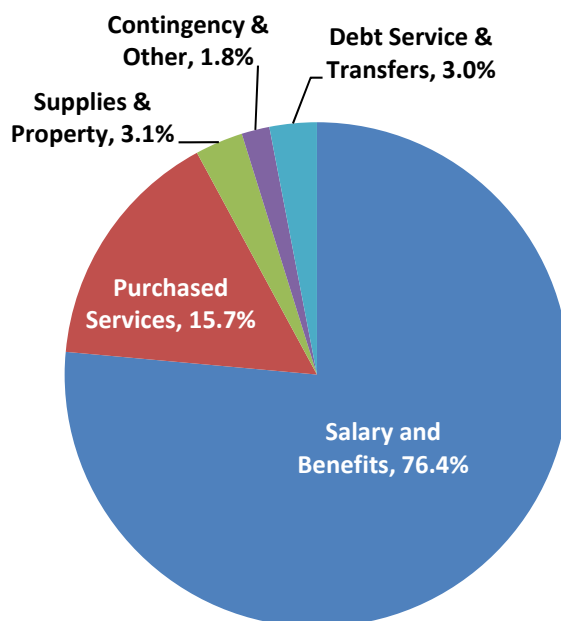
Downingtown Area School District Budget 2023-2024

The Other Objects and Contingency budget increased primarily due to additional contingency reserve in the 2023-2024 budget.

Debt Service represents the repayment of principal and interest on debt incurred by the District from issuing bonds. This amount is projected to remain at \$8 million through 2032-2033.

The following chart displays the expenditure categories discussed above as a percentage of the total General Fund expenditures for the 2023-2024 budget.

General Fund Expenditures by Category 2023-2024



Downingtown Area School District Budget 2023-2024

Capital Projects Fund

The Capital Projects Fund is used to account for capital expenditures incurred for the construction, renovation, and improvement of facilities, along with acquisition of capital equipment. It is the fund where the District budgets its capital budget. The 2023-2024 capital budget includes capital expenditures for facility improvements, technology equipment and improvements, curriculum resources and equipment, and instructional support equipment. Financing sources for these capital expenditures are accumulated in this fund.



**Downingtown Area School District
Budget 2023-2024
Capital Projects Fund with Prior Years Comparison**

Source Object	2023-2024 Budget	2022-2023 Budget	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
Revenue					
6000 Local Sources					
Interest on Investments	\$ 3,000,000	\$ 2,154,806	\$ 465,570	\$ 808,178	\$ 2,491,640
8000 Federal Sources	-	-	341,824	1,282,344	-
Total Revenue	3,000,000	2,154,806	807,394	2,090,522	2,491,640
Expenditures					
4500 Building and Construction Svcs.					
400 Purchased Property Services	59,281,857	17,080,800	3,850,010	11,894,231	31,204,672
700 Property	7,161,992	5,834,651	6,439,640	6,678,920	9,013,395
Total Expenditures	66,443,849	22,915,451	10,289,650	18,573,151	40,218,067
Excess of Revenue Under Expenditures	(63,443,849)	(20,760,645)	(9,482,256)	(16,482,629)	(37,726,427)
9000 Other Financing Sources /(Uses)					
Sale of Bonds	-	-	-	-	-
Sale of Assets / Other	300,000	2,000,000	9,201,458	343,795	64,404
Interfund Transfers In	9,226,200	15,763,613	8,978,703	7,646,256	11,699,163
Net Change in Fund Balance	(53,917,649)	(2,997,032)	8,697,905	(8,492,578)	(25,962,860)
Fund Balance July 1	119,383,643	122,380,675	113,682,770	122,175,348	148,138,208
Fund Balance June 30	\$ 65,465,994	\$ 119,383,643	\$ 122,380,675	\$ 113,682,770	\$ 122,175,348
Bond Proceeds included in June 30 Fund Balance	-	-	-	3,407,797	8,885,952

Discussion of Capital Projects Fund Revenue and Expenditures

Interest on investments represents interest earnings on the Capital Projects fund balance. The Federal source revenue in 2021-2022 and 2020-2021 was from COVID relief grants.

The District's Capital Projects Fund is used to account for capital budget expenditures for facility construction and improvements, technology improvements, equipment, and curriculum resources. These include improvements to school roofs, windows, HVAC systems, technology equipment, network infrastructure, and textbooks. Major construction renovations are also funded from this fund.

The 2023-2024 budget includes \$54 million for major construction renovation projects to two high schools and two elementary schools. The 2022-2023 budget includes expenditures for other facility improvement projects. In 2018-2019, the District borrowed \$30 million to fund the construction of the new Uwchlan Hills Elementary school completed in 2020-2021. The District also constructed an addition to the STEM Academy completed in 2020-2021. These expenditures account for the majority of the Purchased Property Services amount shown above for 2019-2020 through 2020-2021. The amount for Property expenditures for all years shown above is primarily for technology and curriculum equipment.

The District's fund balance in the Capital Projects Fund is being used to fund the capital expenditure and building renovation plan. The fund balance consists of operating surpluses transferred from the General Fund in prior years, and no remaining bond proceeds. The transfers from the General Fund are on the "Interfund Transfers In" line above.

The \$9.2 million in the "Sale of Assets / Other" line in 2021-2022 and \$2 million in 2022-2023 represent amounts the District received for the sale of land.

The unused bond proceeds in the Capital Projects Fund fund balance at 6/30/20 and 6/30/21 were for remaining construction payments on the new Uwchlan Hills Elementary school. A portion of the unused bond proceeds was also used for the STEM

**Downingtown Area School District
Budget 2023-2024
Capital Projects Fund Forecast**

Source Object	2023-2024 Budget	2024-2025 Forecast	2025-2026 Forecast	2026-2027 Forecast
Revenue				
6000 Local Sources				
Interest on Investments	\$ 3,000,000	\$ 2,000,000	\$ 1,500,000	\$ 1,500,000
8000 Federal Sources	-	-	-	-
Total Revenue	3,000,000	2,000,000	1,500,000	1,500,000
Expenditures				
400 Purchased Property Services	59,281,857	45,427,100	25,465,000	5,450,000
700 Property	7,161,992	7,800,500	6,740,000	6,635,000
Total Expenditures	66,443,849	53,227,600	32,205,000	12,085,000
Excess of Revenue Under Expenditures	(63,443,849)	(51,227,600)	(30,705,000)	(10,585,000)
9000 Other Financing Sources / (Uses)				
Sale of Assets / Other	300,000	150,000	150,000	150,000
Interfund Transfers In	9,226,200	9,500,500	10,205,000	10,585,000
Net Change in Fund Balance	(53,917,649)	(41,577,100)	(20,350,000)	150,000
Fund Balance July 1	119,383,643	65,465,994	23,888,894	3,538,894
Fund Balance June 30	\$ 65,465,994	\$ 23,888,894	\$ 3,538,894	\$ 3,688,894

The District's Capital Projects Fund is used to account for capital budget expenditures for facility improvements, technology improvements, equipment, and curriculum resources. It is also used to fund major construction renovation projects to school buildings. The expenditures shown in each budget / forecast year represent the capital expenditures in the District's long-range capital improvement and construction renovation plan. These include improvements to school roofs, windows, HVAC systems, technology equipment, network infrastructure, and textbooks. The majority of expenditures in 2023-2024 through 2025-2026 are for major construction renovation projects to two high schools and two elementary schools.

Further discussion and detail on these capital expenditures are on the following pages.

Capital Plan Funding Sources and Fund Balance

The District has a significant fund balance in the Capital Projects Fund which will be used to fund the capital expenditure and construction plan over the next several years. The school construction projects at the two high schools and two elementary schools are causing the decline in fund balance. The construction is a planned use of fund balance for 2023-2024 through 2025-2026, and will not impact fund balance in subsequent years. The fund balance consists of operating surpluses transferred from the General Fund in prior years. The Capital Projects Fund will continue to be funded with transfers from the General Fund in the budget and forecast years and be sufficient to fund ongoing capital expenditures.

**Downingtown Area School District
Budget 2023-2024
Capital Expenditure Budget**

	2023-2024 Budget	2024-2025 Forecast	2025-2026 Forecast	2026-2027 Forecast
<u>Capital Expenditures:</u>				
West High School Renovations	\$ 26,150,000	\$ 5,000,000	\$ -	\$ -
East High School Renovations	23,850,000	5,000,000	-	-
Beaver Creek Elementary Renovations	2,000,000	17,000,000	10,000,000	
West Bradford Elementary Renovations	2,000,000	14,000,000	10,000,000	
Facility Improvements	5,281,857	4,427,100	5,465,000	5,450,000
Technology Equipment and Improvements	5,036,904	5,595,500	5,280,000	5,270,000
Curriculum Resources and Equipment	1,867,588	1,930,000	1,110,000	1,010,000
Vehicles, Copiers, Other Equip.	257,500	275,000	350,000	355,000
Total Capital Expenditures	\$ 66,443,849	\$ 53,227,600	\$ 32,205,000	\$ 12,085,000
<u>Funding Source:</u>				
Capital Projects Fund Balance and Transfers from General Fund	40,293,849	48,227,600	32,205,000	12,085,000
Total Funding Sources	\$ 66,443,849	\$ 53,227,600	\$ 32,205,000	\$ 12,085,000

Discussion of Capital Expenditure Budget and Improvement Plan

The District maintains a capital expenditure budget and improvement plan that allocates funds to the categories shown above. The plan is reviewed annually by the Administration and the Board. Additional information on these categories is described below:

High School Renovations: Significant renovations and additions are being done to both East and West high schools which will address capacity issues, update infrastructure and create modern learning spaces. These projects began in 2022-2023 and will be completed in the beginning of 2024-2025.

Elementary Renovations: Significant renovations and additions are being done to both Beaver Creek and West Bradford elementary schools. These projects will create new and improved learning spaces, a new gym and cafeteria (Beaver Creek), update infrastructure and improve administrative areas. These projects will begin in 2023-2024 and will be completed in the beginning of 2025-2026.

Facility Improvements: **The list of facility improvement projects totaling each year's budget / forecast are on the following pages.** Projects are prioritized based on: (1) the resolution of safety issues; (2) compliance with state and federal mandates; (3) improvements based on an assessment of needs by the District's Director of Facilities and the Board (4) the improvement of existing buildings as recommended by the building principals.

Technology Equipment and Improvements: **The list of technology equipment and improvement expenditures totaling each year's budget / forecast are on the following pages.** Equipment and projects to be funded are determined by the District's Technology Director and the Board based on technology initiatives and equipment replacement cycles. A significant portion of the technology expenditures are for providing each student their own laptop device.

Curriculum Resources and Equipment: Includes new curriculum textbook adoptions and large quantity replacement / update of textbooks scheduled by the Curriculum department based on the District's curriculum cycle. Also includes equipment needs directly related to the curriculum.

Vehicles, Copiers, Other Equip.: Vehicles are replaced at the end of a vehicle's life, and copiers are replaced based on an annual analysis of copier age and maintenance history in each building.

Capital Expenditure Funding Sources

The District has a significant fund balance in the Capital Projects Fund which will be used to fund the capital expenditure plan over the next several years. The fund balance consists of operating surpluses transferred from the General Fund in prior years. The Capital Projects Fund will continue to be funded with transfers from the General Fund in the budget and forecast years. These transfers of \$9 to \$10 million per year are built into the General Fund budget as an expense to cover ongoing annual capital expenditures. The amount of existing fund balance will be able to fund the major construction renovation projects to the high schools and elementary schools discussed above without incurring any debt.

**Downingtown Area School District
Budget 2023-2024
Capital Plan Detail**

FISCAL YEAR	FACILITIES IMPROVEMENTS PROJECT DESCRIPTION	Budget
2023-2024	Asphalt Paving	\$ 100,000
2023-2024	Central Office Generator	\$ 379,837
2023-2024	Cooling Towers - LMS & DMS	\$ 400,000
2023-2024	DHSE Cooling Tower	\$ 465,000
2023-2024	Districtwide BAS Upgrades/Controls	\$ 171,500
2023-2024	DMS and LMS Gyms / Floors	\$ 1,750,000
2023-2024	DMS Boiler Replacement	\$ 680,000
2023-2024	Flooring - District Wide	\$ 155,520
2023-2024	Furniture	\$ 500,000
2023-2024	LMS Boiler Replacement	\$ 680,000
TOTAL 2023-2024		\$ 5,281,857
2024-2025	Asphalt Paving	\$ 200,000
2024-2025	Districtwide BAS Controls	\$ 300,000
2024-2025	DMS Generator Replacement	\$ 350,000
2024-2025	Flooring - District Wide	\$ 100,000
2024-2025	Furniture	\$ 500,000
2024-2025	SCES GYM RTU/Direct Fire	\$ 200,000
2024-2025	SCES Roof Restoration (Partial)	\$ 50,000
2024-2025	West Bradford Boiler / Gas Line	\$ 1,000,000
2024-2025	West Bradford Windows	\$ 1,727,100
TOTAL 2024-2025		\$ 4,427,100
2025-2026	Asphalt Paving	\$ 150,000
2025-2026	BHES Chiller	\$ 375,000
2025-2026	DHSW Roof Restoration (Partial - Auditorium)	\$ 200,000
2025-2026	DHSW RTU 4 & 5 Replacement	\$ 40,000
2025-2026	Districtwide BAS Controls	\$ 100,000
2025-2026	Furniture	\$ 500,000
2025-2026	PVES Boiler Replacements	\$ 400,000
2025-2026	PVES Chiller Replacement	\$ 375,000
2025-2026	PVES Exterior block cleaning and sealing	\$ 200,000
2025-2026	PVES Roof Coating	\$ 300,000
2025-2026	SCES Generator Replacement	\$ 350,000
2025-2026	SCES Window Replacement	\$ 1,200,000
2025-2026	SMES Chiller Replacement	\$ 375,000
2025-2026	WBES Chiller Replacement	\$ 250,000
2025-2026	WBES Emergency Generator	\$ 300,000
2025-2026	WBES Roof Restoration (partial-gym)	\$ 350,000
TOTAL 2025-2026		\$ 5,465,000

**Downingtown Area School District
Budget 2023-2024
Capital Plan Detail**

FISCAL YEAR	FACILITIES IMPROVEMENTS PROJECT DESCRIPTION	Budget
2026-2027	Asphalt Paving	\$ 200,000
2026-2027	BWES Boiler Replacements & Natural Gas	\$ 500,000
2026-2027	BWES Emergency Generator Replacement	\$ 300,000
2026-2027	BWES Public Water Services	\$ 1,000,000
2026-2027	Districtwide BAS Controls	\$ 600,000
2026-2027	Furniture	\$ 500,000
2026-2027	LES Windows & Efis, Sealant	\$ 1,200,000
2026-2027	SMES Boiler Replacement	\$ 400,000
2026-2027	SMES Exterior block cleaning and sealing	\$ 200,000
2026-2027	SMES Roof Coating	\$ 300,000
2026-2027	STEM RTU #10 Replacement	\$ 250,000
TOTAL 2026-2027		\$ 5,450,000

Downingtown Area School District
Budget 2023-2024
Capital Plan Detail

FISCAL YEAR	TECHNOLOGY EQUIPMENT AND IMPROVEMENTS PROJECT DESCRIPTION	Budget
2023-2024	Building: Elementary Device 1:1 Grade K	\$ 571,504
2023-2024	Building: Elementary 1:1 Device Grade 5	\$ 622,496
2023-2024	Building: High School 1:1 grade 9	\$ 1,320,000
2023-2024	Building: High School Art Stationary Labs	\$ 38,000
2023-2024	STEM Music	\$ 29,000
2023-2024	STEM Tech Ed Labs	\$ 151,139
2023-2024	STEM Art Cart	\$ 45,000
2023-2024	Staff Laptops - Replacements	\$ 678,000
2023-2024	Middle Schools: DMS Cafetorium Projector Control System & Sound	\$ 37,500
2023-2024	Middle Schools: LMS Cafetorium Projector Control System & Sound	\$ 37,500
2023-2024	Central Office Paging System	\$ 69,765
2023-2024	Building: Projectors/Smart Boards/Interactive Needs: DM, LM	\$ 364,500
2023-2024	Network Operations Center - AC	\$ 105,000
2023-2024	Physical Servers (Virtualization)	\$ 250,000
2023-2024	Central Office Printers	\$ 7,500
2023-2024	Video Surveillance Storage	\$ 150,000
2023-2024	Upgrade School Internal copper (cat cable)	\$ 75,000
2023-2024	Security Cameras	\$ 485,000
TOTAL 2023-2024		\$ 5,036,904
2024-2025	Building: Elementary device 1:1 Grade K or 1	\$ 590,000
2024-2025	Building: Elementary 1:1 Device Grade 5	\$ 650,000
2024-2025	Building: Elementary Shared Laptop (Loaner)	\$ 695,000
2024-2025	Building: High School 1:1 Grade 9	\$ 1,403,000
2024-2025	Building: High School PLTW/Technology Education	\$ 230,000
2024-2025	Building: High School Staff PLTW Laptops	\$ 22,500
2024-2025	Building: Middle School PLTW/Technology Education Teacher Laptops	\$ 10,000
2024-2025	Staff Laptops - New Positions Approved	\$ 25,000
2024-2025	HS: West Auditorium Projector Control System & Sound Upgrade	\$ 40,000
2024-2025	HS: East Auditorium Projector Control System & Sound Upgrade	\$ 40,000
2024-2025	Building: Projectors/Smart Boards/Interactive Needs: East+West Phase 1	\$ 275,000
2024-2025	Internet Content Filter	\$ 300,000
2024-2025	Firewall Replacement	\$ 350,000
2024-2025	Security Camera Software	\$ 125,000
2024-2025	Nimble SAN	\$ 275,000
2024-2025	Security Cameras	\$ 465,000
2024-2025	Upgrade School Internal copper (cat cable)	\$ 100,000
TOTAL 2024-2025		\$ 5,595,500

Downingtown Area School District
Budget 2023-2024
Capital Plan Detail

FISCAL YEAR	TECHNOLOGY EQUIPMENT AND IMPROVEMENTS PROJECT DESCRIPTION	Budget
2025-2026	Administration: Office style desktops	\$ 64,000
2025-2026	Building: Elementary device 1:1 Grade K plus cases	\$ 645,000
2025-2026	Building: Elementary 1:1 Device Grade 5	\$ 780,000
2025-2026	Building: High School 1:1 Grade 9	\$ 1,453,000
2025-2026	Building: Middle School Music	\$ 48,000
2025-2026	Building: Middle School PLTW/Technology Education	\$ 195,000
2025-2026	Staff Laptops - New Positions Approved	\$ 25,000
2025-2026	Elem: Elementary Multipurpose Room AV Replacement Cycle	\$ 70,000
2025-2026	Building: Projectors/Smart Boards/Interactive Needs: East+West Phase 2	\$ 275,000
2025-2026	Network Switches	\$ 450,000
2025-2026	Telephone System / VOIP	\$ 75,000
2025-2026	Upgrade School Internal copper (cat cable) that's 20 years old	\$ 100,000
2025-2026	Wireless System	\$ 1,100,000
TOTAL 2025-2026		\$ 5,280,000
2026-2027	Building: Elementary device 1:1 Grade K plus cases	\$ 655,000
2026-2027	Building: Elementary 1:1 Device Grade 5	\$ 830,000
2026-2027	Building: High School 1:1 Grade 9	\$ 1,503,000
2026-2027	Building: High School PLTW/Technology Education	\$ 199,000
2026-2027	Building: High School PLTW Laptops	\$ 25,000
2026-2027	Building: Middle School Music	\$ 48,000
2026-2027	Building: Middle School PLTW/Technology Education Teacher Laptops	\$ 15,000
2026-2027	Staff Laptops - New Positions Approved	\$ 25,000
2026-2027	Staff Laptops - Replacements	\$ 770,000
2026-2027	Admin: Staff Development Room AV Replacement Cycle	\$ 75,000
2026-2027	Elem: Elementary Multipurpose Room AV Replacement Cycle	\$ 75,000
2026-2027	Building: Projectors/Smart Boards/Interactive Needs: STEM Academy	\$ 225,000
2026-2027	Core Routers and Data Center Switches	\$ 300,000
2026-2027	Network Switches	\$ 450,000
2026-2027	Telephone System / VOIP	\$ 75,000
TOTAL 2026-2027		\$ 5,270,000

Downingtown Area School District Budget 2023-2024

Debt Service Fund

The District uses a Debt Service Fund to level the General Fund annual debt service budget at \$8 million. Total annual debt service requirements over \$8 million budgeted in the General Fund are funded by the Debt Service Fund. In 2023-2024 and beyond, the total annual debt service will not exceed the \$8 million budgeted in the General Fund. Therefore, the Debt Service Fund will have no activity beginning in 2023-2024.



**Downingtown Area School District
Budget 2023-2024
Debt Service Fund with Prior Years Comparison**

Source Object	2023-2024 Budget	2022-2023 Budget	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
Revenue					
6000 Local Sources					
Interest /Gain on Investments	\$ -	\$ 342,090	\$ 72,227	\$ 43,841	\$ 523,332
Total Revenue	-	342,090	72,227	43,841	523,332
Expenditures					
900 Debt Service	-	6,510,236	6,545,289	6,564,077	6,596,136
Total Expenditures	-	6,510,236	6,545,289	6,564,077	6,596,136
Excess of Revenue Under Expenditures	-	(6,168,146)	(6,473,062)	(6,520,236)	(6,072,804)
9000 Other Financing Sources /(Uses)					
Debt Retirement	-	-	-	-	-
Interfund Transfers In/(Out)	-	(4,660,188)	-	-	-
Net Change in Fund Balance	-	(10,828,334)	(6,473,062)	(6,520,236)	(6,072,804)
Fund Balance July 1	-	10,828,334	17,301,396	23,821,632	29,894,436
Fund Balance June 30	\$ -	\$ -	\$ 10,828,334	\$ 17,301,396	\$ 23,821,632

The Debt Service Fund was used to contribute to the District's debt service expense along with the amount of debt service budgeted in the General Fund. The prior year debt service expense shown above was in addition to the amount charged to the General Fund. Beginning in 2023-2024, all of the District's debt service will be paid out of the General Fund and the Debt Service fund will not be used.

**Downingtown Area School District
Budget 2023-2024
Debt Service Fund Forecast**

Source Object	2023-2024 Budget	2024-2025 Forecast	2025-2026 Forecast	2026-2027 Forecast
Revenue				
6000 Local Sources				
Interest on Investments	\$ -	\$ -	\$ -	\$ -
Total Revenue	-	-	-	-
Expenditures				
900 Debt Service	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenue Under Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance July 1	-	-	-	-
Fund Balance June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beginning in 2023-2024, all of the District's debt service will be paid out of the General Fund and the Debt Service Fund will not be used. The Debt Service Fund fund balance had been used in prior years to help fund the District's debt service, and was depleted as of 6/30/23. The debt service amount budgeted in the General Fund in prior years will be sufficient for 2023-2024 and beyond. No additional General Fund debt service budget will be required as the District's debt service will remain at around \$8 million through 2032-2033. There is no projected debt service beyond 2032-2033.

**Downingtown Area School District
Budget 2023-2024
Schedule of Outstanding Debt**

As of June 30,	Series					Total Outstanding Debt
	2010 QSCB Bonds	2011 QSCB Bonds	2017 Bonds	2018 A Bonds	2018 C Bonds	
2023	8,324,412	5,143,250	15,850,000	9,955,000	25,865,000	65,137,662
2024	6,659,529	4,408,500	13,785,000	8,785,000	25,860,000	59,498,029
2025	4,994,647	3,673,750	11,675,000	7,550,000	25,855,000	53,748,397
2026	3,329,765	2,939,000	9,495,000	6,250,000	25,850,000	47,863,765
2027	1,664,882	2,204,250	7,230,000	4,865,000	25,845,000	41,809,132
2028		1,469,500	4,885,000	3,360,000	25,840,000	35,554,500
2029		734,750	2,475,000	1,720,000	24,125,000	29,054,750
2030					22,295,000	22,295,000
2031					15,230,000	15,230,000
2032					7,805,000	7,805,000
2033						

Description of the Projects Funded by Outstanding Bond Issues

The 2010 QSCB and 2011 QSCB Bonds funded the original renovation of the STEM Academy building and the construction of the 6th Grade Center Building. The 2017 Bonds were issued to take advantage of lower interest rates by refunding a portion of 2009 bonds used to renovate elementary schools. The 2018A Bond was issued to take advantage of lower interest rates by refunding 2006 and 2010 Bonds which were originally incurred to purchase land for possible future schools and to fund renovations to West Bradford Elementary, Shamona Creek Elementary and both Middle Schools. The 2018C Bonds were issued to fund the new Uwchlan Hills Elementary school which opened in 2020. All Bond proceeds have been spent and all projects funded with bond proceeds have been completed.

Bond Rating

The District's bond rating is AAA with Moody's and S&P rating services, which is their highest rating. This strong rating allows the District to minimize borrowing / interest costs when it needs to issue new bonds.

The schedule above shows the District's outstanding balance for each bond, and the amortization of the balance each year due to principal payments. The schedule below illustrates the change in outstanding bonds from June 30, 2023 to June 30, 2024.

	Bonds Outstanding
June 30, 2023	65,137,662
2023-2024 Principal Pmts.	(5,639,633)
June 30, 2024	<u>59,498,029</u>

**Downingtown Area School District
Budget 2023-2024
Debt Amortization (Debt Service) Schedule**

continued on next page>>>

Fiscal Year Ended 06/30	2010 Qualified School Construction (QSCB) Bonds Original Issue \$28,303,000			2011 Qualified School Construction (QSCB) Bonds Original Issue \$11,766,000			2017 General Obligation Bonds Original Issue \$16,910,000			2018 A General Obligation Bonds Original Issue \$14,635,000		
	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total
2024	48,115	1,664,882	1,712,997	0	734,750	734,750	591,325	2,065,000	2,656,325	450,300	1,170,000	1,620,300
2025	48,115	1,664,882	1,712,997	0	734,750	734,750	529,100	2,110,000	2,639,100	402,200	1,235,000	1,637,200
2026	48,115	1,664,882	1,712,997	0	734,750	734,750	450,950	2,180,000	2,630,950	345,000	1,300,000	1,645,000
2027	48,115	1,664,882	1,712,997	0	734,750	734,750	345,825	2,265,000	2,610,825	277,875	1,385,000	1,662,875
2028	24,058	1,664,882	1,688,940	0	734,750	734,750	242,300	2,345,000	2,587,300	205,625	1,505,000	1,710,625
2029				0	734,750	734,750	147,200	2,410,000	2,557,200	127,000	1,640,000	1,767,000
2030				0	734,750	734,750	49,500	2,475,000	2,524,500	43,000	1,720,000	1,763,000
2031												
2032												
2033												
Totals	216,518	8,324,412	8,540,930	0	5,143,250	5,143,250	2,356,200	15,850,000	18,206,200	1,851,000	9,955,000	11,806,000

Effect of Debt Level on Current and Future Budgets

The District has \$8 million budgeted for debt service in 2023-2024 which will meet the total debt service requirements of \$8 million each year from 2023-2024 through 2032-2033 as shown on the next page. The District will not need to increase expenditures for debt service in future budgets. There are currently no plans to incur additional debt.

Note that the 2010 QSCB and 2011 QSCB bonds are Federally funded and interest reimbursable. The 2010 QSCB bonds carry a minimal interest cost and the 2011 QSCB bonds are fully reimbursed causing the interest on these bonds to be zero.

**Downingtown Area School District
Budget 2023-2024
Debt Amortization (Debt Service) Schedule**

<<< continued from previous page

Fiscal Year Ended 06/30	2018 C General Obligation Bonds Original Issue \$26,655,000			Grand Total		
	Interest	Principal	Total	Interest	Principal	Total
2024	1,274,438	5,000	1,279,438	2,364,178	5,639,633	8,003,810
2025	1,274,313	5,000	1,279,313	2,253,728	5,749,632	8,003,360
2026	1,274,175	5,000	1,279,175	2,118,240	5,884,632	8,002,872
2027	1,274,025	5,000	1,279,025	1,945,840	6,054,632	8,000,472
2028	1,273,825	5,000	1,278,825	1,745,808	6,254,632	8,000,440
2029	1,230,825	1,715,000	2,945,825	1,505,025	6,499,750	8,004,775
2030	1,151,350	1,830,000	2,981,350	1,243,850	6,759,750	8,003,600
2031	938,125	7,065,000	8,003,125	938,125	7,065,000	8,003,125
2032	575,875	7,425,000	8,000,875	575,875	7,425,000	8,000,875
2033	195,125	7,805,000	8,000,125	195,125	7,805,000	8,000,125
Totals	10,462,075	25,865,000	36,327,075	14,885,793	65,137,662	80,023,455

Downingtown Area School District
Budget 2023-2024
Legal Debt Limit and Borrowing Capacity

The Local Government Unit Debt Act (Act 52 of 1978, re-enacting and amending Act 185 of 1972) imposes debt limits for all local government units in Pennsylvania. Act 50 of 1998 amended the Debt Act resulting in a debt limit of 225% of the District's borrowing base. The "Debt Act" is administered by the Pennsylvania Department of Community Affairs.

Below is the calculation prescribed by the Debt Act in determining the District's debt limit and remaining borrowing capacity. It uses the three most recent actual annual revenue amounts as the primary basis for the calculation. Therefore the results of this calculation will change each year.

	2020-2021 Actual	2021-2022 Actual	2022-2023 Actual
Total General Fund Revenue	\$235,913,775	\$ 250,750,104	\$263,469,374
Less: Required Deductions if Included in Total Revenue			
- Rental and Sinking Fund reimbursement	<u>1,133,270</u>	<u>1,113,299</u>	<u>1,141,194</u>
Net Revenue	<u><u>234,780,505</u></u>	<u><u>249,636,805</u></u>	<u><u>262,328,180</u></u>
Total Net Revenue for Three Years			<u><u>746,745,490</u></u>
Borrowing Base - Average Net Revenue for Three Year Period			248,915,163
Multiplier			<u>225%</u>
Total Nonelectoral Debt Limit			560,059,117
Less Amount of Debt Issued and Outstanding (as of 6/30/23)			<u>65,137,662</u>
Total Debt Margin (Remaining Borrowing Capacity)			<u><u>\$494,921,455</u></u>
Total Debt Margin Percentage (Remaining Borrowing Capacity)			88.37%

**Downingtown Area School District
Budget 2023-2024**

Proprietary Fund – Food Service Fund

The District contracts with a food service company to provide breakfast and lunch for all students and staff who wish to participate. The current food service vendor is ARAMARK. The Food Service Fund is self-supporting, receiving no aid from the General Fund in its operating budget. The food service operation is able to offer expanded food choices at the high schools (grades 9-12) by not participating in the federal national school lunch program and its related restrictions. Elementary and middle schools continue to participate in the national school lunch program.

All funding for the food service operation is through the sale of food, and reimbursements from the state and federal government.

	Federal Reimbursement	State Reimbursement
Breakfast		
Paid	\$0.38	\$2.00
Reduced price	\$1.98	\$0.40
Free	\$2.28	\$0.10
Lunch		
Paid	\$0.48	\$0.12
Reduced price	\$3.93	\$0.12
Free	\$4.33	\$0.12



Downingtown Area School District
Budget 2023-2024
Proprietary Fund - Food Service Fund with Prior Years Comparison

Summary Budget					
	2023-2024 Budget	2022-2023 Budget	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
Operating Revenue					
Local Sources	\$ 3,600,000	\$ 3,503,362	\$ 323,512	\$ 19,836	\$ 2,626,500
Operating Expenses					
Non-Instructional Operations	5,075,000	4,952,969	4,766,709	2,832,906	3,384,244
Operating Loss	(1,475,000)	(1,449,607)	(4,443,197)	(2,813,070)	(757,744)
Non-operating Revenue					
Non-Operating Revenue	1,925,000	1,933,567	6,779,827	3,374,828	772,553
Change in Net Assets	450,000	483,960	2,336,630	561,758	14,809
Total Net Assets July 1	5,332,751	4,848,791	2,512,161	1,950,403	1,935,594
Total Net Assets June 30	\$ 5,782,751	\$ 5,332,751	\$ 4,848,791	\$ 2,512,161	\$ 1,950,403

Detail Budget					
Source/Function Object	2023-2024 Budget	2022-2023 Budget	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
Operating Revenue					
6600 Food Service	\$ 3,600,000	\$ 3,503,362	\$ 323,512	\$ 19,836	\$ 2,626,500
Operating Expenses					
3100 Food Services					
100 Personnel Svcs - Salaries	115,000	112,655	114,020	121,440	117,533
200 Personnel Svcs - Employee Benefits	85,000	68,391	76,992	97,998	108,023
300 Purchased Professional Services	20,000	16,626	7,960	399	820
400 Purchased Property Services	20,000	22,613	25,872	57,100	84,143
500 Other Purchased Services	2,240,000	2,232,822	2,204,418	1,352,987	1,614,024
600 Supplies	2,315,000	2,237,012	2,151,814	1,044,709	1,269,697
700 Property / Depreciation	200,000	180,725	167,607	147,238	125,351
800 Other Objects	80,000	82,125	18,026	11,035	64,653
Total Operating Expenses	5,075,000	4,952,969	4,766,709	2,832,906	3,384,244
Operating Loss	(1,475,000)	(1,449,607)	(4,443,197)	(2,813,070)	(757,744)
Non-operating Revenue					
6510 Interest on Investments	150,000	147,434	7,494	9,236	28,115
6990 Miscellaneous revenue	25,000	31,963	160,727	287,147	1,344
7000 State Sources	300,000	346,743	231,826	133,940	70,237
8000 Federal Sources	1,450,000	1,407,427	6,379,780	2,944,505	672,857
Total Non-Operating Revenue	1,925,000	1,933,567	6,779,827	3,374,828	772,553
Change in Net Assets	450,000	483,960	2,336,630	561,758	14,809
Total Net Assets July 1	5,332,751	4,848,791	2,512,161	1,950,403	1,935,594
Total Net Assets June 30	\$ 5,782,751	\$ 5,332,751	\$ 4,848,791	\$ 2,512,161	\$ 1,950,403

The District contracts with a food service management company to operate the District's food service operations. The budgets for 2022-2023 and 2023-2024 reflects the shift back to revenue primarily from meals purchased by students, as the Federal COVID funding in previous years has ended. Expenditures are primarily for food, and costs paid to the food service management company to operate the District's food service operations.

For 2020-2021 and 2021-2022 the food service program was funded primarily with Federal funding programs to provide support during the COVID pandemic. With this Federal funding, meals were provided at no cost to students. As a result, revenue shifted from local source operating revenue (meal purchased by students) to Federal source non-operating revenue for those years.

Downingtown Area School District
Budget 2023-2024
Proprietary Fund - Food Service Fund Forecast

Source/Function Object	2023-2024 Budget	2024-2025 Forecast	2025-2026 Forecast	2026-2027 Forecast
Operating Revenue				
Local Sources				
6600 Food Service	\$3,600,000	\$3,672,000	\$3,745,000	\$3,820,000
Operating Expenses				
3100 Food Services				
100 Personnel Svcs - Salaries	115,000	118,000	122,000	126,000
200 Personnel Svcs - Employee Benefits	85,000	89,000	93,000	98,000
300 Purchased Professional Services	20,000	21,000	22,000	23,000
400 Purchased Property Services	20,000	21,000	22,000	23,000
500 Other Purchased Services	2,240,000	2,274,000	2,308,000	2,343,000
600 Supplies	2,315,000	2,796,000	2,908,000	3,035,000
700 Property / Depreciation	200,000	125,000	125,000	125,000
800 Other Objects	80,000	80,000	80,000	80,000
Total Operating Expenses	5,075,000	5,524,000	5,680,000	5,853,000
Operating Loss	(1,475,000)	(1,852,000)	(1,935,000)	(2,033,000)
Non-operating Revenue				
6510 Interest on Investments	150,000	153,000	156,000	159,000
6990 Miscellaneous revenue	25,000	26,000	27,000	28,000
7000 State Sources	300,000	306,000	312,000	318,000
8000 Federal Sources	1,450,000	1,472,000	1,494,000	1,516,000
Total Non-Operating Revenue	1,925,000	1,957,000	1,989,000	2,021,000
Change in Net Assets	450,000	105,000	54,000	(12,000)
Total Net Assets July 1	5,332,751	5,782,751	5,887,751	5,941,751
Total Net Assets June 30	<u>\$5,782,751</u>	<u>\$5,887,751</u>	<u>\$5,941,751</u>	<u>\$5,929,751</u>

The budget and forecast years' local revenue reflects meals purchased by students. Revenue growth is driven by the estimate of the number of meals served and enrollment. Expenditure growth is driven by food costs, and costs paid to the food service management company to operate the District's food service operations.

Non-operating revenue is primarily from State and Federal lunch and breakfast reimbursement programs.

Downingtown Area School District

Informational Section

Fiscal Year 2023-2024 Budget



Summary of the information in this section

This section includes data on the District's taxes and assessments, student enrollment, outstanding bonds, student performance data, and other District information.



**Downingtown Area School District
Budget 2023-2024
Assessed and Market Value of Taxable Property**

	District Fiscal Year			(a) STEB	
		Total Assessed Value Billed (b)	% Increase in Assessed Value Billed	Common Level Ratio (CLR) (b)	Total Market Value (b)
(1)	2026-27 Forecast	6,376,390,460	2.00%	0.360	17,712,195,721
(1)	2025-26 Forecast	6,251,363,196	2.00%	0.360	17,364,897,766
(1)	2024-25 Forecast	6,128,787,447	2.00%	0.360	17,024,409,575
(1)	2023-24	6,008,615,144	2.15%	0.360	16,690,597,622
	2022-23	5,881,881,302	2.79%	0.395	14,890,838,739
	2021-22	5,721,982,227	1.63%	0.450	12,715,516,060
	2020-21	5,630,398,228	1.17%	0.470	11,979,570,698
	2019-20	5,565,330,880	1.54%	0.493	11,288,703,611
	2018-19	5,480,678,574	0.92%	0.513	10,683,583,965
	2017-18	5,430,876,807	1.04%	0.530	10,246,937,372
	2016-17	5,374,998,255	1.35%	0.538	9,990,703,076
	2015-16	5,303,352,509	1.12%	0.554	9,572,838,464
	2014-15	5,244,804,987	1.53%	0.577	9,089,783,340
	2013-14	5,165,841,057	0.75%	0.602	8,581,131,324

(a) Source: Pennsylvania State Tax Equalization Board (STEB)

(b) The Common Level Ratio (CLR) is independently calculated by STEB each year and is used to calculate the assessed value of taxable property by multiplying the CLR by the current market value of taxable property.

The CLR represents an adjustment factor that restates the current market value of a property to its estimated market value in 1996 (the last time a full reassessment valuation of taxable property was done by the county). The estimated 1996 value then becomes the assessed value that is taxed.

The total assessed value billed shown above represents the total market value shown above times the CLR. This is the amount of taxable property in the District.

(1) The 2023-2024 and prior years Total Assessed Value Billed are the actual amounts billed. The forecast years assume the CLR remains the same.

**Downingtown Area School District
Budget 2023-2024
Real Estate Tax Rate and Collection Data**

Year	Assessed Value Billed	Tax Rate stated in Mills (a)	Tax Levy (b)	Tax Collection (c)	% of Levy Collected
2023-2024 (1)	6,008,615,144	29.558	\$ 172,831,968	\$ 166,495,091	96.33%
2022-2023 (1)	5,881,881,302	28.558	\$ 167,974,766	\$ 156,048,980	92.90%
2021-2022	5,721,982,227	27.726	\$ 153,743,290	\$ 149,043,822	96.94%
2020-2021	5,630,398,228	27.182	\$ 149,062,210	\$ 142,289,601	95.46%
2019-2020	5,565,330,880	27.182	\$ 147,322,617	\$ 141,921,935	96.33%
2018-2019	5,480,678,574	27.182	\$ 145,100,411	\$ 139,238,919	95.96%
2017-2018	5,430,876,807	27.182	\$ 143,682,307	\$ 137,897,085	95.97%
2016-2017	5,374,998,255	27.182	\$ 142,196,255	\$ 136,816,786	96.22%
2015-2016	5,303,352,509	27.182	\$ 140,346,829	\$ 134,549,959	95.87%
2014-2015	5,244,804,987	27.182	\$ 138,682,352	\$ 132,009,040	95.19%
2013-2014	5,165,841,057	27.182	\$ 136,604,720	\$ 130,277,236	95.37%

(a) One mill of tax is equal to \$1.00 for every \$1,000 of assessed valuation of real estate property.

(b) The Tax Levy reflects a reduction for the homestead credit that approved property owners receive. This homestead credit is reimbursed to the District from State gaming funds and is reflected in State Source revenue. The reimbursed amount is about \$4.77 million for 2023-2024, and has been about \$4.0 million each prior year since 2008-2009 when the homestead credits were implemented.

The Tax Levy does not include any adjustments for discounts, penalties or assessment changes

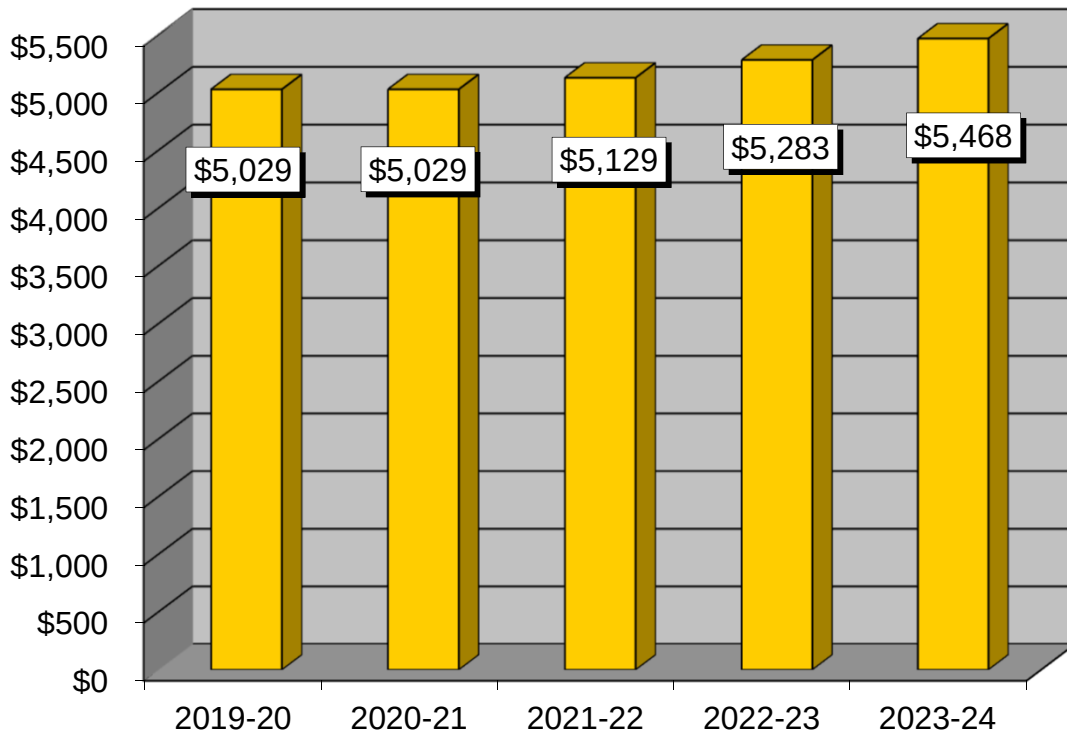
(c) Tax Collection is the amount of Tax Levy actually paid by taxpayers. Collections are affected by early payment discounts and taxpayers that fail to remit payment.

Tax bills are mailed on July 1 and may be paid at a two percent discount during the months of July and August. After October 31, a ten percent penalty is added, and all taxes not paid by December 31 are turned over to the Chester County Tax Claim Bureau for collection.

(1) 2023-2024 and 2022-2023 Assessed Value Billed represents Actual billings, not Budgeted billings.
The 2023-2024 Tax Collection amount is the Estimated Actual amount
The 2022-2023 Tax Collection amount is the Actual amount

**Downingtown Area School District
Budget 2023-2024
Analysis of Property Tax Burden**

Property Tax on Average Assessed Property Value



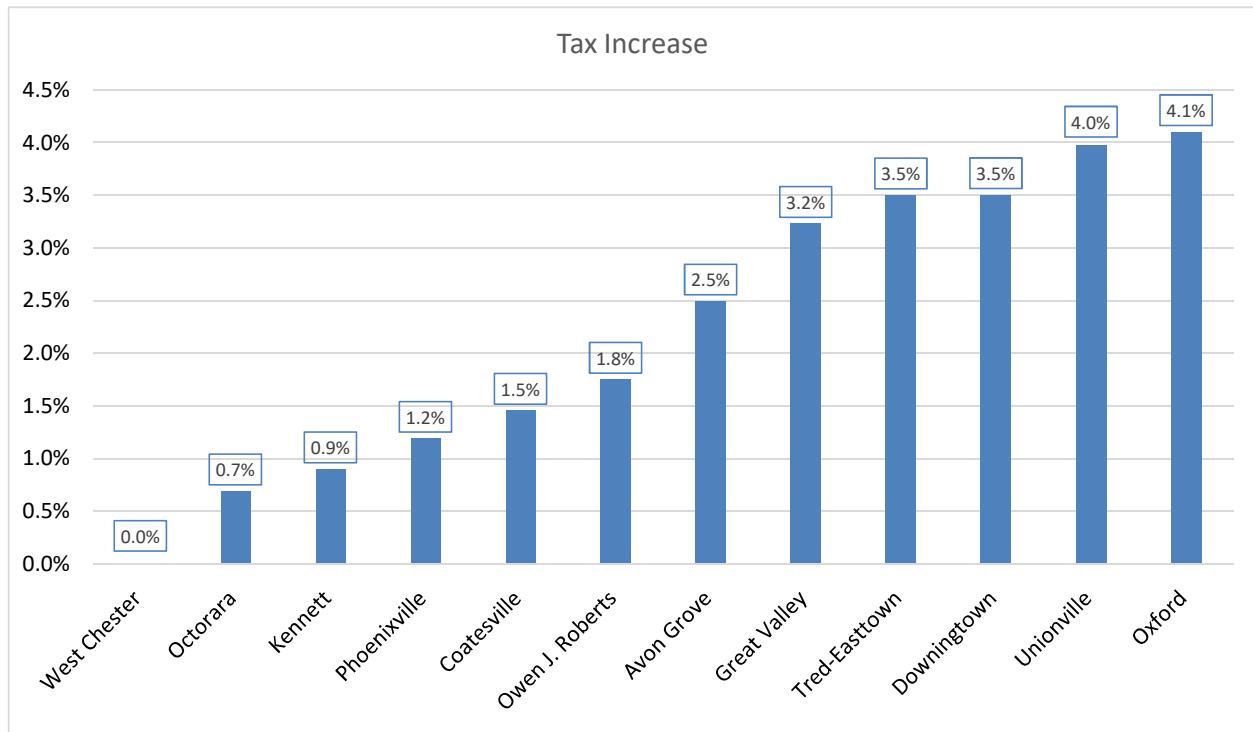
	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Average Assessed Property Value	\$185,000	\$185,000	\$185,000	\$185,000	\$185,000
Tax Rate (Mills)	27.182	27.182	27.726	28.558	29.558
Tax Rate % Increase	0.00%	0.00%	2.00%	3.00%	3.50%
Property Tax Due	\$5,029	\$5,029	\$5,129	\$5,283	\$5,468
Change in Average Property Tax	\$0	\$0	\$100	\$154	\$185

For 2023-2024, the District increased the tax rate by 3.5% over 2022-2023's tax rate to 29.558, resulting in a change in the average property tax by \$185. The District did not raise the tax rate for 8 years from 2013-2014 to 2020-2021.

The Pennsylvania State legislature passed a law (Act 1) that places annual limits on the amount of tax rate percentage increases. The limit is equal to an inflationary index calculated each year by the State, and is imposed upon all school districts in Pennsylvania. For 2023-2024 the increase limit is 4.1%.

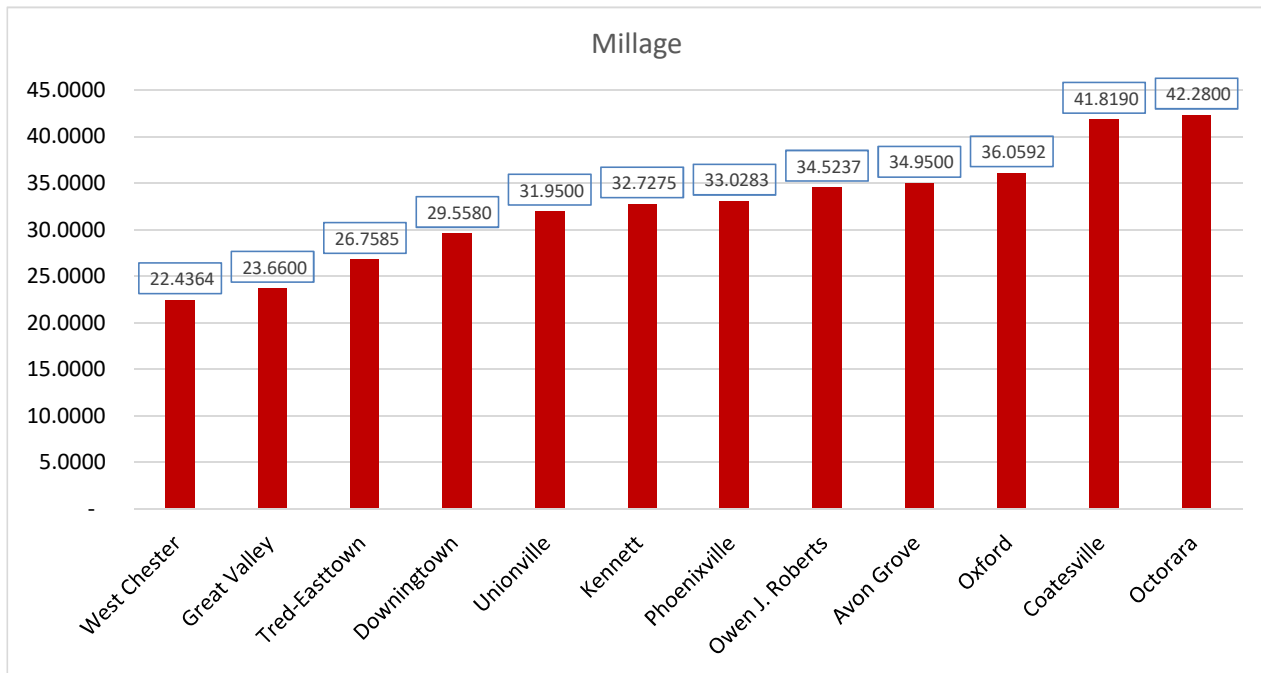
In 2023-2024 the state will be allocating about \$4.77 million of gaming revenue to the District to fund tax relief per Act 1. This amount will be equally allocated to approved residential property owners and will result in an estimated \$254 credit on their 2023-2024 tax bill.

**Downingtown Area School District
Budget 2023-2024
Chester County School District Property Tax Comparison**



Source: Chester County Assessment Office

The chart above shows the 2023-2024 percentage increase in property tax (millage) for each school district in Chester County.



Source: Chester County Assessment Office

The chart above shows the 2023-2024 millage rate used for property taxes in each school district in Chester County. 1 mill = \$1 of tax for every \$1000 of assessed valuation of real estate property.

**Downingtown Area School District
Budget 2023-2024
District's Ten Largest Real Estate Taxpayers**

<u>Owner</u>	<u>Property</u>	<u>Assessed Property Value</u>	<u>Taxes Due</u>
Brandywine Square LLC	Shopping Complex	\$ 62,446,800	\$ 1,845,803
Hankin Group	Office Complexes	36,763,990	1,086,670
Marchwood Associates	Apartments	32,758,019	968,262
Free Range Ashbridge LLC	Shopping Complex	31,058,000	918,012
Meridian at Eagleview LP	Apartments	24,120,000	712,939
Claremont Apartments LP	Apartments	23,400,000	691,657
Woodbine Owner LLC	Apartments	22,872,080	676,053
Brandywine Station LP	Apartments	20,112,990	594,500
AGNL SIT LLC	Business	20,025,000	591,899
Downingtown Fee Owner LLC	Apartments	<u>19,842,452</u>	<u>586,503</u>
Total		<u>\$ 293,399,331</u>	<u>\$ 8,672,297</u>

Percent of Budgeted Current Real Estate Tax Revenue

5.2%

This table shows the ten largest taxpayers in the District who have the highest value of assessed property, which correlates to the amount of taxes paid. As shown above, these ten taxpayers account for 5.2% of the 2023-2024 budgeted current real estate tax revenue.

The District has about 20% of its tax base come from commercial property. The District needs to generate 80% of its tax revenue from residential property owners, thus placing more tax burden on them.

**Downingtown Area School District
Budget 2023-2024
Detail of District Tax Revenue**

Source Code	Tax Revenue	2023-2024 Budget	2022-2023 Budget	2021-2022 Actual	2020-2021 Actual	2019-2020 Actual
6111	Current Real Estate Tax	\$ 166,495,091	\$ 156,048,980	\$ 149,043,822	\$ 142,289,601	\$ 141,921,935
6112	Interim Real Estate Tax	\$ 4,500,000	\$ 3,800,000	\$ 4,818,352	\$ 3,372,342	\$ 2,074,669
6113	Public Utility Taxes	\$ 168,584	\$ 167,000	\$ 166,162	\$ 161,900	\$ 150,295
6142	Act 511 - Local Services Tax	\$ 235,000	\$ 210,000	\$ 233,578	\$ 206,962	\$ 224,184
6151	Act 511 - Earned Income Tax	\$ 22,248,000	\$ 21,250,000	\$ 21,276,193	\$ 19,519,517	\$ 16,935,044
6153	Act 511 - Real Estate Transfer Tax	\$ 4,500,000	\$ 5,000,000	\$ 5,021,225	\$ 4,868,084	\$ 2,871,706
6411	Delinquent Real Estate Tax	\$ 3,100,000	\$ 3,000,000	\$ 3,431,935	\$ 3,171,913	\$ 2,499,954
Total Tax Revenue		\$ 201,246,675	\$ 189,475,980	\$ 183,991,267	\$ 173,590,318	\$ 166,677,787

The taxes listed above represent the revenue from all taxes levied and collected by the District.

The Current Real Estate Tax revenue includes a 3.5% tax rate increase in 2023-2024 and a 3.0% tax increase in 2022-2023.

**Downingtown Area School District
Budget 2023-2024**

Enrollment Forecasting Methodology and Techniques

The District uses an enrollment forecasting consultant to assist in forecasting student enrollment. Their primary methodology used is the cohort-survival method which is a common forecasting method used by many school districts. It has a good record of reliability, the calculations are straightforward, and the data requirements are reasonably fulfilled. Adjustments are made by the consultant based on discussions with the District regarding growth trend data, so the results are not reflective of a strict cohort-survival calculation as discussed below.

The Cohort-Survival Method

The basic assumption of the cohort-survival method for projecting school enrollments is that what has happened in the past will, to a large extent, continue to occur in the future; that is, given the number of births, the net effect of all other influences on enrollment will remain proportionately similar, and the percentage of students “surviving” to subsequent grades will be consistent with prior years.

The basic technique requires calculating the ratio of the number of children in one grade in one year, compared to the number of children who “survive” the year and enroll in the next grade, the following year. Fluctuations in such data from year to year create a pattern from which an average survival rate can be calculated to project an enrollment. Thus, if over a period of years, an average of 96 percent of the enrollment in Grade 3 goes on to Grade 4 and if 300 children are enrolled in Grade 3, then next year’s Grade 4 enrollment may be estimated at 96 percent of 300 or 288 students. Eleven average rates of survival are calculated for a system with twelve grades. These rates can then be applied to the present enrollment and used to project enrollments for each succeeding year. Thus if the average survival rate from Grade 4 , with 288 students, to Grade 5 is 1.10 or 110 percent, then for the second projected year the estimate for Grade 5 is 1.10 times 288 or 317 students.

Forecasts for successive years must take as their starting point an estimate of the number of children entering kindergarten or first grade. An average birth survival rate may be obtained by comparing known enrollments in kindergarten or first grade with birth data five or six years earlier. This rate may then be used to project enrollments for the initial school years from birth. Thus, if an average birth survival rate, births to Grade 1, was found to be 1.17 or 117 percent in recent years, reflecting a net influx of pre-school age children, the District could reasonably project future first grade enrollment from the number of recent births.

**Downingtown Area School District
Budget 2023-2024
Enrollment History and Projections**

		GRADE															
	Year	K	1	2	3	4	5	6	7	8	9	10	11	12	Total	Change	% Change
Actual Enrollment	2011-2012	721	846	856	968	938	942	944	954	956	917	975	902	880	11,799	(17)	(0.14%)
	2012-2013	692	877	880	878	989	936	975	970	962	963	925	968	902	11,917	118	1.00%
	2013-2014	640	861	930	911	908	1,011	954	979	1,029	992	964	921	976	12,076	159	1.33%
	2014-2015	641	776	921	958	935	935	1,047	994	998	1,007	990	961	920	12,083	7	0.06%
	2015-2016	642	850	840	972	985	974	985	1,064	1,003	1,023	1,010	986	956	12,290	207	1.71%
	2016-2017	732	846	919	904	1,009	1,049	1,033	1,022	1,078	1,037	1,027	1,016	996	12,668	378	3.08%
	2017-2018	720	877	896	971	947	1,032	1,095	1,050	1,037	1,083	1,050	1,017	1,029	12,804	136	1.07%
	2018-2019	745	885	916	938	1,011	981	1,051	1,137	1,052	1,058	1,087	1,044	1,028	12,933	129	1.01%
	2019-2020	730	870	941	960	969	1,037	1,042	1,076	1,158	1,086	1,053	1,080	1,066	13,068	135	1.04%
	2020-2021	746	797	889	947	967	963	1,080	1,049	1,084	1,156	1,083	1,052	1,113	12,926	(142)	(1.09%)
	2021-2022	774	882	872	964	976	1,010	1,016	1,109	1,068	1,081	1,156	1,073	1,072	13,053	127	0.98%
	2022-2023	774	886	933	937	999	997	1,044	1,061	1,135	1,081	1,078	1,163	1,103	13,191	138	1.06%
Budget	2023-2024	696	899	925	973	972	1,051	1,035	1,051	1,080	1,154	1,095	1,080	1,215	13,226	35	1.33%
Projected	2024-2025	732	822	957	989	1,008	1,009	1,101	1,055	1,077	1,112	1,155	1,092	1,106	13,215	(11)	(0.08%)
	2025-2026	662	870	875	1,023	1,027	1,050	1,055	1,122	1,081	1,105	1,112	1,154	1,120	13,256	41	0.31%
	2026-2027	768	786	925	932	1,066	1,066	1,097	1,075	1,150	1,116	1,107	1,111	1,183	13,382	126	0.95%

5 Year Enrollment by School

	2023-24	2022-23	2021-22	2020-21	2019-20
Beaver Creek Elementary	503	531	516	469	486
Bradford Heights Elementary	566	557	539	542	573
Brandywine-Wallace Elementary	476	478	497	478	530
East Ward Elementary	558	537	519	511	538
Lionville Elementary	671	648	641	628	640
Pickering Valley Elementary	454	458	439	414	435
Shamona Creek Elementary	517	545	565	578	600
Springton Manor Elementary	616	618	603	594	598
Uwchlan Hills Elementary	531	518	503	485	477
West Bradford Elementary	624	636	656	610	630
Marsh Creek 6th Grade Center	1,035	1,044	1,016	1,080	1,042
Downingtown Middle School	1,093	1,152	1,146	1,093	1,127
Lionville Middle School	1,038	1,044	1,031	1,040	1,107
STEM Acadedmy	960	924	886	855	825
Downingtown High School East	1,774	1,698	1,698	1,732	1,723
Downingtown High School West	1,810	1,803	1,798	1,817	1,737
	13,226	13,191	13,053	12,926	13,068

**Downingtown Area School District
Budget 2023-2024
School Building Information**

Building	Original Construction Date	Most Recent Renovation Date	Square Footage	Grades	Student Capacity
Beaver Creek Elementary School	1960	2004	57,794	K-5	525
Bradford Heights Elementary School	1990	N/A	65,566	K-5	550
Brandywine-Wallace Elementary School	1960	2008	45,905	K-5	600
East Ward Elementary School	1968	1997	74,300	K-5	650
Lionville Elementary School	1960	1997	84,405	K-5	600
Pickering Valley Elementary School	2006	N/A	86,926	K-5	650
Shamona Creek Elementary School	1990	2006	62,603	K-5	700
Springton Manor Elementary School	2008	N/A	86,926	K-5	650
Uwchlan Hills Elementary School	2020	N/A	81,969	K-5	600
West Bradford Elementary School	1966	2006	66,864	K-5	575
Marsh Creek 6th Grade Center	2014	N/A	149,288	6	1,250
Downingtown Middle School	1997	2006	158,861	7-8	1,350
Lionville Middle School	1997	2006	158,861	7-8	1,350
Downingtown High School-East Campus	1968	2024	253,000	9-12	1,700
Downingtown High School-West Campus	1959	2024	265,600	9-12	1,800
STEM Academy	1932	2020	152,500	9-12	1,100

**Downingtown Area School District
Budget 2023-2024
Personnel Resource Allocation**

Personnel Type	Full Time Equivalents (FTEs)					
	2023-2024 Budget FTEs	2022-2023 Budget FTEs	2021-2022 Budget FTEs	2020-2021 FTEs	2019-2020 FTEs	2018-2019 FTEs
Teachers & Specialists	1,019.93	1,010.93	998.93	993.43	965.07	953.40
Administrators						
- Educational	68.00	67.00	64.00	64.00	64.00	64.00
- All Other	50.00	50.00	48.00	48.00	45.00	36.00
Total Administrators	118.00	117.00	112.00	112.00	109.00	100.00
Support Staff						
- Secretarial / Clerical	118.36	118.36	116.36	100.56	104.62	99.22
- Custodial	83.50	82.50	82.50	82.50	81.00	81.00
- Maintenance	18.00	18.00	18.00	18.00	18.00	18.00
- Computer Tech	25.00	25.00	25.00	25.00	19.00	14.00
- Aides /Other (nurses)	304.16	302.16	302.16	301.90	282.16	267.96
Total Support Staff	549.02	546.02	544.02	527.96	504.78	480.18
Total All Staff	1,686.95	1,673.95	1,654.95	1,633.39	1,578.85	1,533.58

Discussion of Increases in Staff

The increase in Teachers and Specialists in the 2023-2024 budget is primarily due to additional teachers to manage class size, grow programs, and address enrollment growth in certain areas.

The increase Administrators in the 2023-2024 budget is for an additional school psychologist.

The increase in Support Staff positions are for additional health room nurses and an additional custodian.

**Downingtown Area School District
Budget 2023-2024
Schedule of Outstanding Debt**

As of June 30,	Series					Total Outstanding Debt
	2010 QSCB Bonds	2011 QSCB Bonds	2017 Bonds	2018 A Bonds	2018 C Bonds	
2023	8,324,412	5,143,250	15,850,000	9,955,000	25,865,000	65,137,662
2024	6,659,529	4,408,500	13,785,000	8,785,000	25,860,000	59,498,029
2025	4,994,647	3,673,750	11,675,000	7,550,000	25,855,000	53,748,397
2026	3,329,765	2,939,000	9,495,000	6,250,000	25,850,000	47,863,765
2027	1,664,882	2,204,250	7,230,000	4,865,000	25,845,000	41,809,132
2028		1,469,500	4,885,000	3,360,000	25,840,000	35,554,500
2029		734,750	2,475,000	1,720,000	24,125,000	29,054,750
2030					22,295,000	22,295,000
2031					15,230,000	15,230,000
2032					7,805,000	7,805,000
2033						

Description of the Projects Funded by Outstanding Bond Issues

The 2010 QSCB and 2011 QSCB Bonds funded the original renovation of the STEM Academy building and the construction of the 6th Grade Center Building. The 2017 Bonds were issued to take advantage of lower interest rates by refunding a portion of 2009 bonds used to renovate elementary schools. The 2018A Bond was issued to take advantage of lower interest rates by refunding 2006 and 2010 Bonds which were originally incurred to purchase land for possible future schools and to fund renovations to West Bradford Elementary, Shamona Creek Elementary and both Middle Schools. The 2018C Bonds were issued to fund the new Uwchlan Hills Elementary school which opened in 2020. All Bond proceeds have been spent and all projects funded with bond proceeds have been completed.

Bond Rating

The District's bond rating is AAA with Moody's and S&P rating services, which is their highest rating. This strong rating allows the District to minimize borrowing / interest costs when it needs to issue new bonds.

The schedule above shows the District's outstanding balance for each bond, and the amortization of the balance each year due to principal payments. The schedule below illustrates the change in outstanding bonds from June 30, 2023 to June 30, 2024.

	Bonds Outstanding
June 30, 2023	65,137,662
2023-2024 Principal Pmts.	(5,639,633)
June 30, 2024	<u>59,498,029</u>

**Downingtown Area School District
Budget 2023-2024
Debt Amortization (Debt Service) Schedule**

continued on next page>>>

Fiscal Year Ended 06/30	2010 Qualified School Construction (QSCB) Bonds Original Issue \$28,303,000			2011 Qualified School Construction (QSCB) Bonds Original Issue \$11,766,000			2017 General Obligation Bonds Original Issue \$16,910,000			2018 A General Obligation Bonds Original Issue \$14,635,000		
	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total
2024	48,115	1,664,882	1,712,997	0	734,750	734,750	591,325	2,065,000	2,656,325	450,300	1,170,000	1,620,300
2025	48,115	1,664,882	1,712,997	0	734,750	734,750	529,100	2,110,000	2,639,100	402,200	1,235,000	1,637,200
2026	48,115	1,664,882	1,712,997	0	734,750	734,750	450,950	2,180,000	2,630,950	345,000	1,300,000	1,645,000
2027	48,115	1,664,882	1,712,997	0	734,750	734,750	345,825	2,265,000	2,610,825	277,875	1,385,000	1,662,875
2028	24,058	1,664,882	1,688,940	0	734,750	734,750	242,300	2,345,000	2,587,300	205,625	1,505,000	1,710,625
2029				0	734,750	734,750	147,200	2,410,000	2,557,200	127,000	1,640,000	1,767,000
2030				0	734,750	734,750	49,500	2,475,000	2,524,500	43,000	1,720,000	1,763,000
2031												
2032												
2033												
Totals	216,518	8,324,412	8,540,930	0	5,143,250	5,143,250	2,356,200	15,850,000	18,206,200	1,851,000	9,955,000	11,806,000

Effect of Debt Level on Current and Future Budgets

The District has \$8 million budgeted for debt service in 2023-2024 which will meet the total debt service requirements of \$8 million each year from 2023-2024 through 2032-2033 as shown on the next page. The District will not need to increase expenditures for debt service in future budgets. There are currently no plans to incur additional debt.

Note that the 2010 QSCB and 2011 QSCB bonds are Federally funded and interest reimbursable. The 2010 QSCB bonds carry a minimal interest cost and the 2011 QSCB bonds are fully reimbursed causing the interest on these bonds to be zero.

**Downingtown Area School District
Budget 2023-2024
Debt Amortization (Debt Service) Schedule**

<<< continued from previous page

Fiscal Year Ended 06/30	2018 C General Obligation Bonds Original Issue \$26,655,000			Grand Total		
	Interest	Principal	Total	Interest	Principal	Total
2024	1,274,438	5,000	1,279,438	2,364,178	5,639,633	8,003,810
2025	1,274,313	5,000	1,279,313	2,253,728	5,749,632	8,003,360
2026	1,274,175	5,000	1,279,175	2,118,240	5,884,632	8,002,872
2027	1,274,025	5,000	1,279,025	1,945,840	6,054,632	8,000,472
2028	1,273,825	5,000	1,278,825	1,745,808	6,254,632	8,000,440
2029	1,230,825	1,715,000	2,945,825	1,505,025	6,499,750	8,004,775
2030	1,151,350	1,830,000	2,981,350	1,243,850	6,759,750	8,003,600
2031	938,125	7,065,000	8,003,125	938,125	7,065,000	8,003,125
2032	575,875	7,425,000	8,000,875	575,875	7,425,000	8,000,875
2033	195,125	7,805,000	8,000,125	195,125	7,805,000	8,000,125
Totals	10,462,075	25,865,000	36,327,075	14,885,793	65,137,662	80,023,455

Downingtown Area School District Budget 2023-2024

Performance Measurements

The District determines success of its mission and comprehensive education plan through the measurement of student performance and achievement. The mission of the Downingtown Area School District, proud of our tradition of excellence, is to educate all students to meet the challenges of a global society by providing an individually responsive learning environment characterized by outstanding academic and personal achievements in partnership with family, students, and community.

In support of this mission, the District has established a comprehensive educational plan with an instructional vision that wants our students to be career and / or college ready upon graduation. This vision is based upon three prongs: Academic Rigor, Student Engagement, and Student Agency.

The District believes its mission and comprehensive education plan have been successful based on student performance and achievement data. Performance data indicates that Downingtown Area School District students have performed considerably better in standardized evaluations of learning such as the Pennsylvania System of School Assessment (PSSA) and the Scholastic Aptitude Test (SAT), compared to other students on a state-wide basis. Success in educating the District's students can also be seen in the percentage of students pursuing higher education (92% for the Class of 2023) which has been significantly higher than the state-wide percentage (about 66% historically). These students have also received several thousands of dollars in scholarships. The District offers twenty-nine advanced placement courses with almost half of 11th and 12th graders taking them. Over the past few years, the District has had several students who were finalists, semi-finalists, and commended in the National Merit Scholars program.



The budget process is driven by the number of students enrolled, and yields an instructional expenditure per student amount of \$12,804 for 2023-2024. Capital Projects Fund instructional spending adds another \$522 per student in 2023-2024. Capital instructional spending includes expenditures for the District's one to one laptop device initiative that provides direct access to technology by providing each student with their own device. This level of per student expenditures has allowed the District to continue providing the quality of education necessary to achieve strong student performance. The District's schools' performance and student achievement are among the highest in the state and have been nationally recognized. The District puts student achievement as a top priority, and based on strong performance data, the level of per student expenditures budgeted is appropriate.

Downingtown Area School District Budget 2023-2024

PSSA assessment

One of the main student performance measures for Pennsylvania school districts is the PSSA assessment. The annual Pennsylvania System of School Assessment (PSSA) is a standards based criterion-referenced assessment used to measure a student's attainment of the academic standards while also determining the degree to which school programs enable students to attain proficiency of the standards. Every Pennsylvania student in 3rd through 8th grade is assessed in reading and math. 11th graders take a similar test called the Keystone Exam.

There are four performance levels defined by the PSSA: Advanced, Proficient, Basic, and Below Basic. The District strives to enable its students to perform at the Advanced and Proficient levels. These higher levels are defined as follows:

Advanced - The Advanced Level reflects superior academic performance. Advanced work indicates an in-depth understanding and exemplary display of the skills included in the Pennsylvania Academic Content Standards.

Proficient - The Proficient Level reflects satisfactory academic performance. Proficient work indicates a solid understanding and adequate display of the skills included in the Pennsylvania Academic Content Standards.

The percent of District students achieving advanced and proficient scores on the PSSA tests are seen on the following pages and compared to state percentages.



SAT Test

Another performance measure that the District uses to determine the success of its mission and strategies is the SAT test. The SAT test is a measure of the critical thinking skills needed for academic success in college. The SAT assesses analysis and problem solving skills in mathematics, reading and writing. Each area is scored on a scale of 200—800. The test is typically taken by high school juniors and seniors. The

Downingtown Area School District Budget 2023-2024

average SAT test scores for the District's students is shown on a following page and compared to state average scores.

District Recognition and Communication

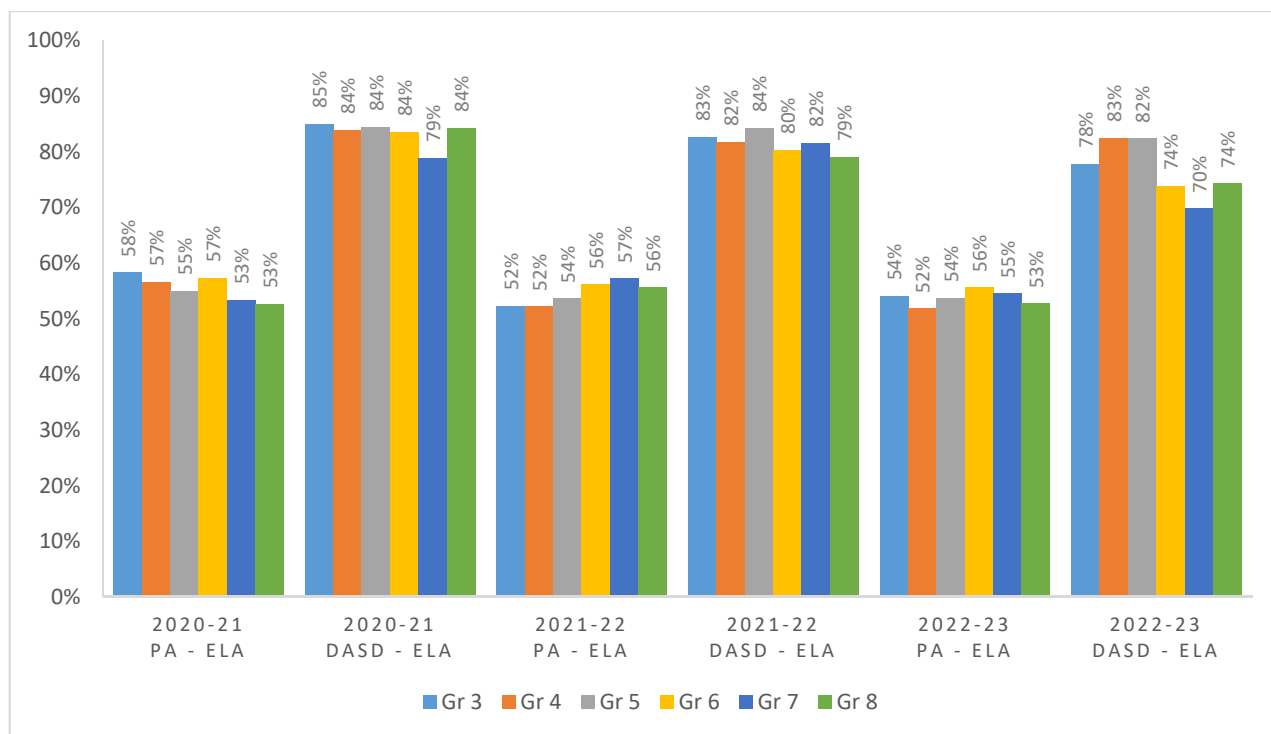
The District continues to be well respected by the community it serves and is seen as one of the top performing public school districts in the state and nationally. This is evidenced by a recent Washington Post ranking of high schools that ranked the STEM Academy as the number one high school in the state, with East high school number 21 and West high school number 31 in the state. The District as a whole was ranked 24th in the state out of 500 Districts by the Pittsburgh Business Times. The STEM Academy was also ranked 44th nationally by a recent US News ranking of high schools

Our communication efforts have allowed us to keep in close contact with all of our stakeholders. Our efforts include direct e-mailing of regular newsletters and pertinent information throughout the year, Superintendent communication with the public, and extensive web-site communication including blogs and survey requests. This communication on various issues has yielded tremendous feedback from parents, students, and taxpayers that let the District know what these stakeholders are happy with, what they would like to see changed, and what recommendations they may have. This feedback has allowed the District to feel that its stakeholders are generally very positive about the District's performance. Perhaps the most important communication tool is the open culture in our schools among teachers, principals, students, and parents that promote effective communication to provide the best education possible.



Downingtown Area School District **Budget 2023-2024** **Performance Measurements**

2020-21 through 2022-23 Grades 3-8 English Language Arts (ELA) PSSA Testing
 % of DASD Students Advanced and Proficient

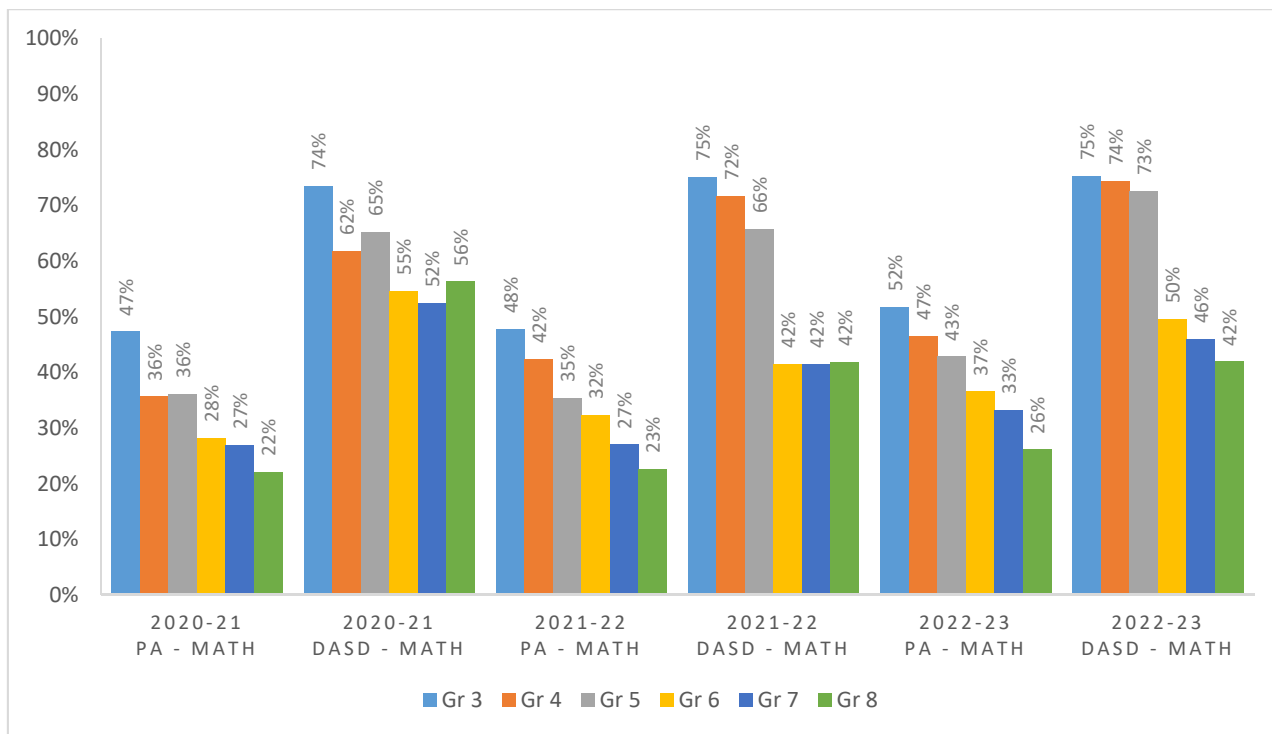


Source: Pennsylvania Department of Education

This shows the Pennsylvania System of School Assessment (PSSA) standardized test data that measures students' proficiency in English Language Arts. This is the primary test used to measure a District's learning proficiency in Pennsylvania for Grades 3-8. In the chart above, "PA" is the state data and "DASD" is the District data.

Downingtown Area School District Budget 2023-2024 Performance Measurements

2020-21 through 2022-23 Grades 3-8 Mathematics PSSA Testing
% of PA & DASD Students Advanced and Proficient

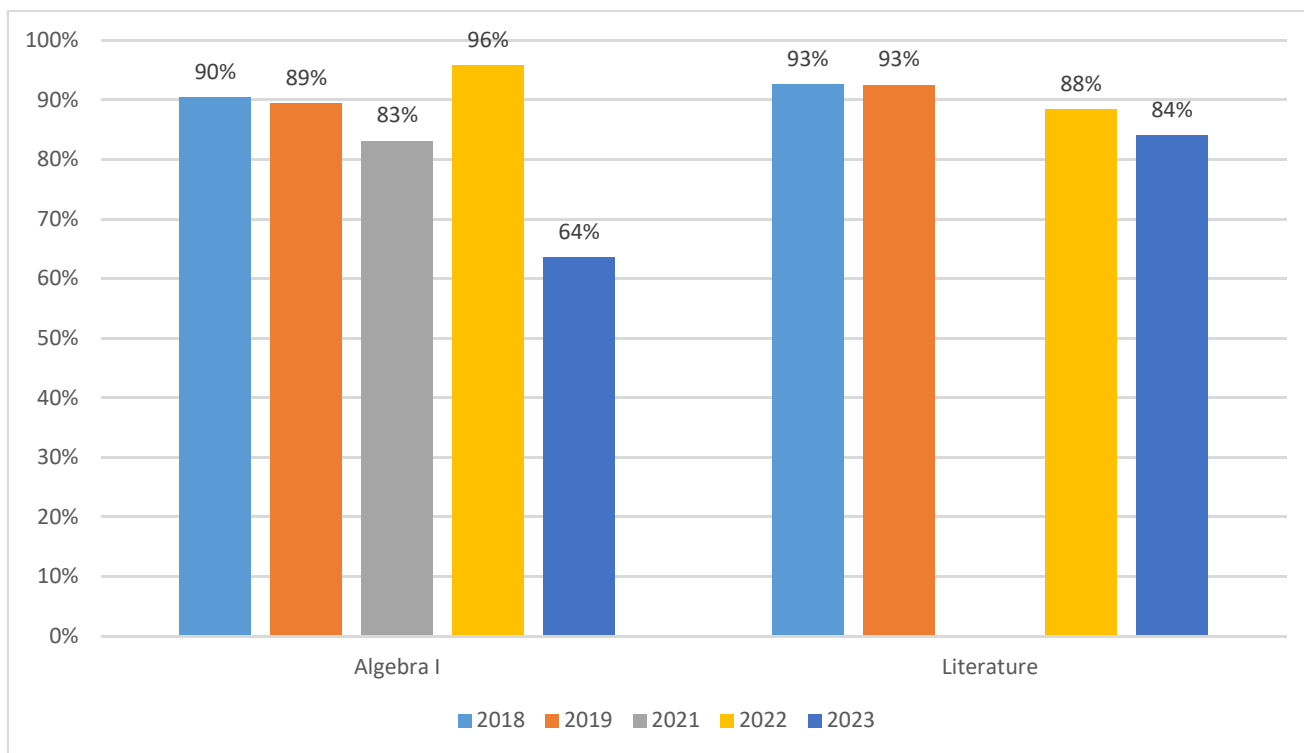


Source: Pennsylvania Department of Education

This shows the Pennsylvania System of School Assessment (PSSA) standardized test data that measures students' proficiency in Math. This is the primary test used to measure a District's learning proficiency in Pennsylvania for Grades 3-8. In the chart above, "PA" is the state data and "DASD" is the District data.

**Downingtown Area School District
Budget 2023-2024
Performance Measurements**

**Grade 11 Results
2017-18 through 2022-23 Keystone Exams
% of DASD Students Advanced and Proficient**



Notes: Due to the COVID pandemic, Algebra I and Literature were not administered in 2020, and Literature was not administered in 2021.

Comparative Pennsylvania State Percentages

Keystone Algebra I

	2018	2019	2021	2022	2023
State	65%	63%	62%	64%	34%
DASD	90%	89%	83%	96%	64%

Keystone Literature

	2018	2019	2021	2022	2023
State	73%	72%	n/a	65%	65%
DASD	93%	93%	n/a	88%	84%

Source: Pennsylvania Department of Education

The Keystone Exam is the primary test used to measure a District's learning proficiency in Pennsylvania for Grade 11. The COVID pandemic contributed to the lower proficiency rates for Algebra I in 2023.

**Downingtown Area School District
Budget 2023-2024
Performance Measurements**

Early Indicators of Success (grades 3 Reading and 7 Math)
Rigorous Courses of Study (grade 11)

% of students Advanced + Proficient		
2021	2022	2023

On-Track - Early Indicator of Success: Grade 3 Reading

Beaver Creek El	72.4	77.5	70.1
Bradford Hgts El	80.0	71.8	61.8
Brandywine-Wallace El	89.8	89.7	90.1
East Ward El	87.8	83.8	86.0
Lionville El	76.7	78.7	61.0
Pickering Valley El	88.1	80.6	85.3
Shamona Creek El	86.0	88.0	81.9
Springton Manor El	81.1	83.1	71.9
Uwchlan Hills El	93.1	84.3	83.3
West Bradford El	85.4	80.7	82.4

On-Track - Early Indicator of Success: Grade 7 Mathematics

Downingtown MS	43.7	37.1	40.1
Lionville MS	57.2	45.6	51.3

% of students completing rigorous courses

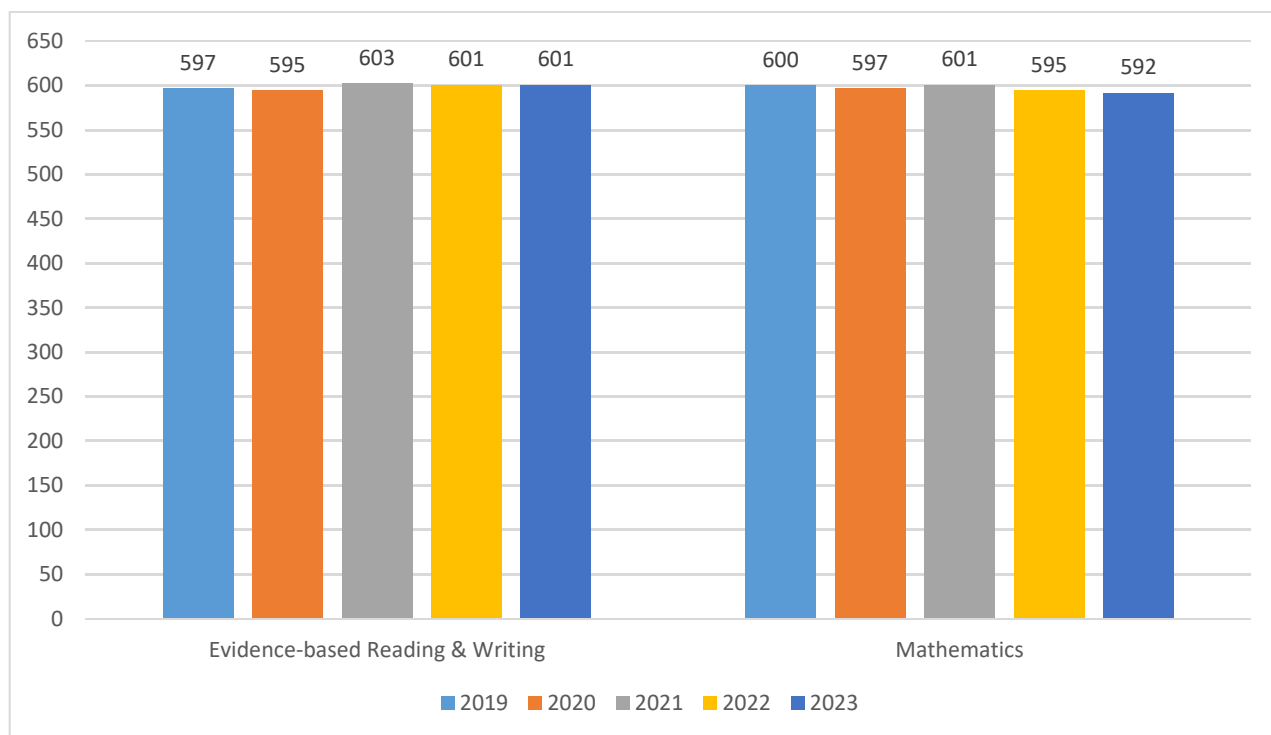
2021 2022 2023

Rigorous Courses of Study (AP/IB, Dual enrollment, CTE Program of Study)

Downingtown HS East	73.4	77.7	76.7
Downingtown HS West	64.9	62.3	62.8
Downingtown STEM	100.0	100.0	100.0

The Early Indicators of Success scores and the Rigorous Courses of Study scores are part of the Future Ready Pennsylvania index and intend to provide a comprehensive relationship between student knowledge and skills in these grades and content areas, and future academic success.

**Downingtown Area School District
Budget 2023-2024
Performance Measurements
DASD Mean SAT Scores**



Comparative Pennsylvania State Mean SAT Scores

Note: The state no longer makes state-wide SAT scores available. 2019 was the last year.

Evidence-based Reading & Writing

	2019	2020	2021	2022	2023
DASD	597	595	603	601	601
State	526	n/a	n/a	n/a	n/a

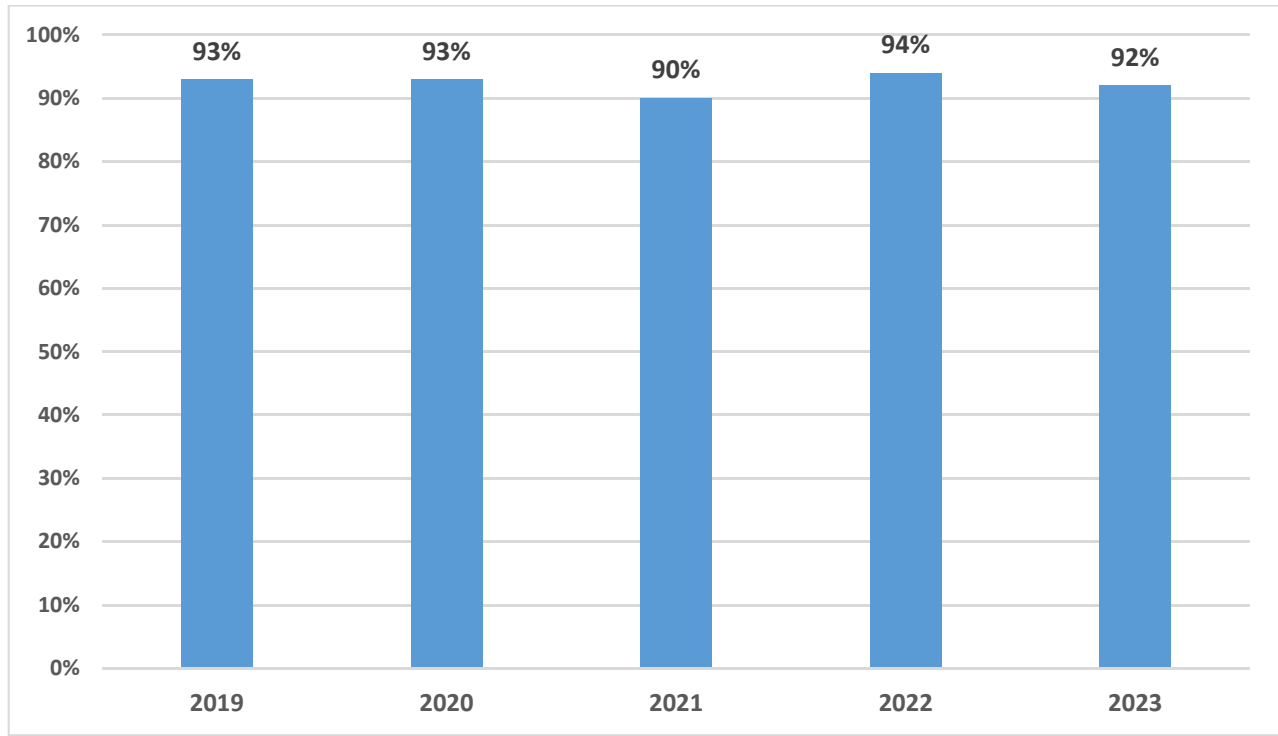
Mathematics

	2019	2020	2021	2022	2023
DASD	600	597	601	595	592
State	515	n/a	n/a	n/a	n/a

The Scholastic Aptitude Test (SAT) is a standard college-board examination taken by students interested in pursuing higher education.

**Downingtown Area School District
Budget 2023-2024
Performance Measurements**

% of DASD Graduates Pursuing Higher Education



Comparative Pennsylvania State Percentages

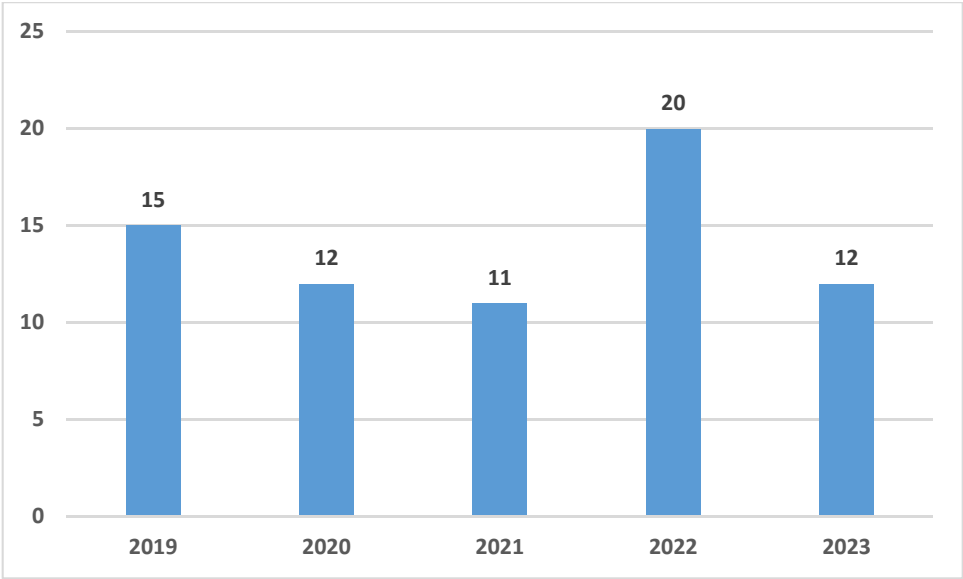
	2019	2020	2021	2022	2023
DASD	93%	93%	90%	94%	92%
State	67%	64%	62%	Not available	Not available

Source: Pennsylvania Department of Education

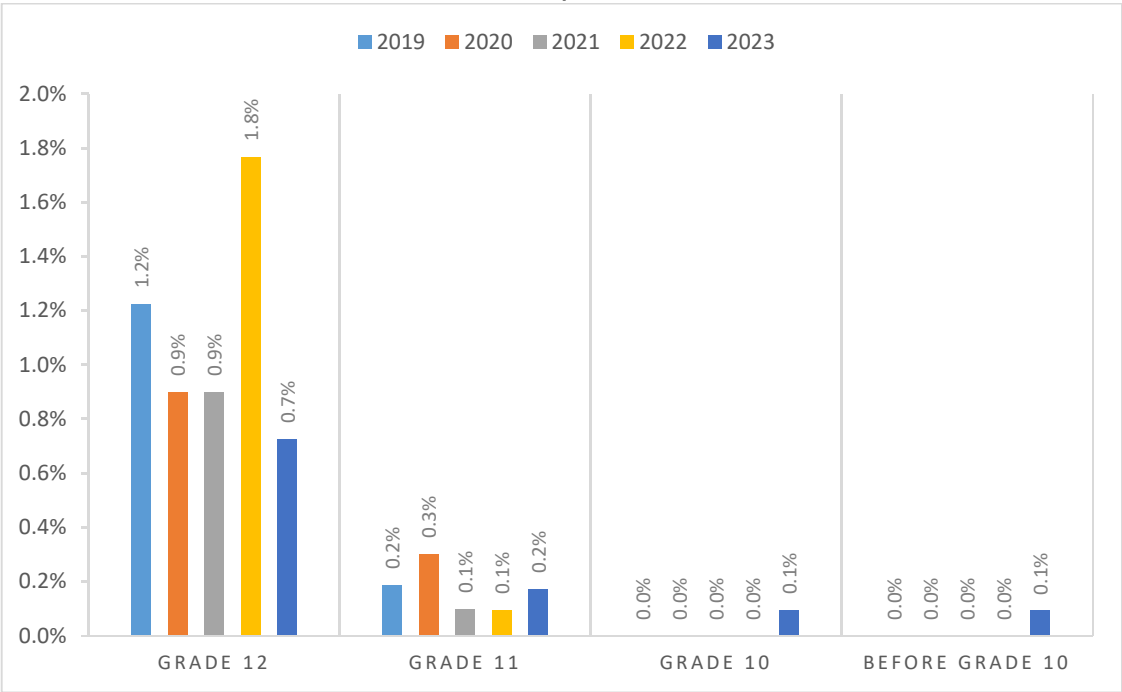
**Downingtown Area School District
Budget 2023-2024
Performance Measurements**

DASD Numbers of Dropouts

All Grades



DASD Dropout Rates



Dropout Rate is calculated by dividing the number of dropouts per grade by the total enrollment for that grade.

Downingtown Area School District
Budget 2023-2024
Students Eligible for Free and Reduced Meals

School	2023-2024			2022-2023			2021-2022			2020-2021			2019-2020		
	School Enrollment	Total # Free & Reduced	% Free & Reduced	School Enrollment	Total # Free & Reduced	% Free & Reduced	School Enrollment	Total # Free & Reduced	% Free & Reduced	School Enrollment	Total # Free & Reduced	% Free & Reduced	School Enrollment	Total # Free & Reduced	% Free & Reduced
Beaver Creek Elementary	503	101	20.1%	531	99	18.6%	516	91	17.6%	469	91	19.4%	486	89	18.3%
Bradford Heights Elementary	566	112	19.8%	557	109	19.6%	539	90	16.7%	542	86	15.9%	573	82	14.3%
Brandywine Wallace Elementary	476	52	10.9%	478	51	10.7%	497	47	9.5%	478	36	7.5%	530	35	6.6%
East Ward Elementary	558	145	26.0%	537	142	26.4%	519	109	21.0%	511	113	22.1%	538	113	21.0%
Lionville Elementary	671	91	13.6%	648	89	13.7%	641	84	13.1%	628	83	13.2%	640	83	13.0%
Pickering Valley Elementary	454	29	6.4%	458	28	6.1%	439	28	6.4%	414	18	4.3%	435	18	4.1%
Shamona Creek Elementary	517	37	7.2%	545	36	6.6%	565	27	4.8%	578	26	4.5%	600	26	4.3%
Springton Manor Elementary	616	55	8.9%	618	54	8.7%	603	44	7.3%	594	51	8.6%	598	51	8.5%
Uwchlan Hills Elementary	531	59	11.1%	518	58	11.2%	503	40	8.0%	485	37	7.6%	477	37	7.8%
West Bradford Elementary	624	55	8.8%	636	54	8.5%	656	50	7.6%	610	49	8.0%	630	49	7.8%
Total Elementary	5,516	736	13.3%	5,526	720	13.0%	5,478	610	11.1%	5,309	590	11.1%	5,507	583	10.6%
Marsh Creek Sixth Grade Center	1,035	140	13.5%	1,044	137	13.1%	1,016	124	12.2%	1,080	125	11.6%	1,042	125	12.0%
Downingtown Middle School	1,093	154	14.1%	1,152	150	13.0%	1,146	130	11.3%	1,093	131	12.0%	1,127	131	11.6%
Lionville Middle School	1,038	146	14.1%	1,044	143	13.7%	1,031	109	10.6%	1,040	122	11.7%	1,107	122	11.0%
Total Middle Schools	3,166	440	13.9%	3,240	430	13.3%	3,193	363	11.4%	3,213	378	11.8%	3,276	378	11.5%
Downingtown East High School	1,774	320	18.0%	1,698	312	18.4%	1,698	249	14.7%	1,732	214	12.4%	1,723	214	12.4%
Downingtown West High School	1,810	350	19.3%	1,803	342	19.0%	1,798	284	15.8%	1,817	260	14.3%	1,737	260	15.0%
STEM Academy	960	52	5.4%	924	51	5.5%	886	35	4.0%	855	34	4.0%	825	34	4.1%
Total High Schools	4,544	722	15.9%	4,425	705	15.9%	4,382	568	13.0%	4,404	508	11.5%	4,285	508	11.9%
Total All District Schools	13,226	1,898	14.4%	13,191	1,855	14.1%	13,053	1,541	11.8%	12,926	1,476	11.4%	13,068	1,469	11.2%

**Downingtown Area School District
Budget 2023-2024
Glossary**

The District has tried to define or explain most terms in the document when they have been used. This glossary serves as a supplemental reference and contains definitions of certain terms used in the budget document as well as terms useful in understanding the District's financial operations. The glossary is arranged alphabetically.

Accounting System - The total structure of records and procedures which discover, record, classify, and report information on the financial position and operations of a school district or any of its funds, accounts, and organizational components.

Act 1 - This Act places annual limits on the percentage increase in property taxes that the District can levy. The limit is equal to an inflationary index calculated each year by the State. When state gaming revenue is allocated to the District, it will also fund property tax reductions to homeowners.

Act 511 - The local tax enabling act of 1965 that allows public school districts to levy certain taxes in order to obtain funding from local sources. For the District, these taxes include Occupation Tax, Earned Income Tax, and Real Estate Transfer Tax.

Allocation – A method of distributing a fixed amount of funds equitably among the recipients of the funds.

Alternative Education – The delivery of education programs to students in private residential rehabilitative institutions, youth development centers, or detention homes.

Appropriation - An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

ARP – American Rescue Plan Act, 2021. Federal funding in response to coronavirus pandemic.

Assessed Value - The value placed on property, both land and building, by the Chester County Board of Assessment Appeals. This is the value upon which the District levies a property tax.

Association of School Business Officials (ASBO) - ASBO is a professional association which provides programs and services to promote the highest standards of school business management practices, professional growth, and the effective use of educational resources.

Basic Education Subsidy – An amount of money provided by the state to help fund basic education expenditures of the District. Amount is determined by an allocation formula done at the state.

Downingtown Area School District
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Glossary

Board of School Directors - The elected or appointed body which has been created according to state law and vested with responsibilities for educational activities in a given geographical area. The District is governed by a Board of School Directors.

Bond (or Note)- A written promise to pay specified amounts of money that have been borrowed. The repayment is at certain times in the future, and there is a principal and interest component to the amounts paid. The obligation to pay is backed by the taxing authority of the District. The proceeds (money borrowed) are primarily used to pay for capital projects and improvements.

Budget - A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

Budget Owner – Person responsible for managing an assigned number of budgetary accounts.

Budgetary Control - The control or management of the business affairs of the District in accordance with an approved budget with a responsibility to keep expenditures within the authorized amounts.

Budgetary Reserve – An amount budgeted for unforeseen expenditures.

Capital Expenditures - Expenditures which result in the acquisition of, or addition to, fixed assets. Examples are expenditures for buildings, equipment, and substantial improvements to such assets.

Capital Projects Fund – accounts for financial resources that are restricted for capital expenditures

CARES – Coronavirus Aid Relief and Economic Security Act, 2020. Federal funding in response to coronavirus pandemic.

Charter School - An independent public school designed by local citizens, established and operated under a charter from the local board of school directors. A charter school must be organized as a public nonprofit corporation. Charter schools are exempt from most state mandates, except those ensuring the health, safety and civil rights of students.

CLR – Common Level Ratio. Is the ratio of assessed value to current market value used in the county as last determined by the State Tax Equalization Board (see STEB definition). The ratio converts a property's market value into an assessed value on which the property is taxed.

**Downingtown Area School District
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Glossary**

Community Services – Services provided by the District for the benefit of the community.

Comprehensive Education Plan – A document filed with the state that details the District's plan to comply with state and federal mandates on the delivery of education to its students

Contracted Services - Labor, material and other costs for services rendered by personnel who are not on the payroll of the District.

COVID-19 – Coronavirus disease that caused the pandemic.

CRRSA – Coronavirus Response and Relief Supplemental Appropriations Act, 2021. Federal funding in response to coronavirus pandemic.

DASD – Acronym for Downingtown Area School District

Debt Limit - The maximum amount of debt that the District is legally permitted to have outstanding. Limit is imposed by Pennsylvania state law on all local government units in the state.

Debt Service - Repayment of all borrowings of the District (such as bonds) that includes both principal and interest.

Debt Service Fund – accounts for resources accumulated to provide for payment of general long-term debt principal and interest.

Delinquent Taxes - Revenue received from all levies that have become delinquent. Delinquent, for accounting purposes only, means taxes recognized as revenue in a fiscal year subsequent to the fiscal year of levy.

Dropout - A student who chooses to leave school before graduation without transferring to another school / institution.

Earned Income Tax - A proportional tax levied on the wages, salaries, commissions, net profits or other compensation of residents within the taxing district.

Encumbrances - Purchase orders, contracts, and/or other commitments, which are chargeable to an appropriation. Encumbrances are not liabilities and therefore are not recorded as expenditures until receipt of the goods or services. Encumbrances are used in the accounting records for budgetary control.

ELA – English Language Arts. The area of curriculum teaching reading and writing.

**Downingtown Area School District
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Elementary - As defined by state practice, expenditures of a school organization composed of the grades prekindergarten through grade six (6).

ESSER – Elementary and Secondary School Emergency Relief federal funds. Federal funding in response to coronavirus pandemic.

Expenditures - Charges incurred, whether paid or not paid, which benefit the current period.

Fiscal Independence – The ability to fund expenditures by having the autonomy to set revenue rates such as real estate taxes

Fiscal Year - A twelve month period of time to which the annual budget applies, and at the end of which, the District determines its financial position and results of its operations.

Full-time Equivalent Positions (FTE) – Full-time equivalent positions are the total number of full-time employees plus the full-time equivalent of the part-time employees. The result may be the actual calculation determined by the number of hours worked by all part-time employees divided by the average number of hours worked by a full-time employee.

Function - An expenditure account dimension used to denote the expenditure activity or service aimed at accomplishing a certain purpose. Examples include Regular Instruction Programs, Plant Operation and Maintenance, and Instructional Staff Services.

Fund - A fiscal and accounting entity, with a self-balancing set of accounts recording cash and other financial resources. It also contains all related liabilities and residual equities or balances or changes therein.

Fund Balance - The excess of assets of a fund over its liabilities and reserves.

Fund Transfers - The transfer of funds from one fund to another.

GAAP – General Accepted Accounting Principles. These are accounting standards used to record and report financial information.

GASB – Government Accounting Standards Board. This organization develops accounting standards for governmental entities such as school Districts. GASB standards are part of GAAP.

General Fund – The operating fund of the District that is used to account for operating revenue and expenditures.

**Downingtown Area School District
Budget 2023-2024
Glossary**

HVAC – Heating Ventilation and Air Conditioning

Levy - To impose taxes or special assessments.

Mill - Property tax rate per thousand dollars of assessed value. One mill is equal to \$1.00 per \$1,000 of assessed value.

Non-electoral Debt limit - the bonds or notes the District issues directly, without voter approval is non-electoral debt. The state prescribes a limit on the amount of such debt at 225% of the average net revenue of the District for the past 3 years.

Object - An expenditure account dimension used to describe the service or commodity obtained as the result of a specific expenditure. Examples include Personnel Services, Professional Services, Supplies, and Property.

PDE – Pennsylvania Department of Education

PSERS – Acronym for Pennsylvania School Employees Retirement System. This is the pension plan for school employees that the District is required to contribute to.

PSSA – Pennsylvania System of School Assessment. Standardized test that measures students' proficiency in Math and English Language Arts.

QSCB – Qualified School Construction Bond. Federally subsidized bonds that reimburse the District for most or all of the interest paid on the bonds.

Real Estate Taxes – Revenue received from taxes assessed and levied upon real property.

Resources – a supply of funds, materials, staff, and other assets that can be drawn on by the District in order to function effectively.

Revenue - Monies received from taxes, fees, state and federal subsidies, and other sources that are available to the District to fund expenditures.

Scholastic Aptitude Test (SAT) – The Scholastic Aptitude Test is a College Board examination administered annually by the District to students interested in pursuing higher education.

Secondary - As defined by state practice, expenditures of a school organization composed of the grades seven (7) through twelve (12).

Special Education – Instruction designed primarily for students with special needs such as mental, physical, emotional, or behavioral.

**Downingtown Area School District
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SSO – U.S. Department of Agriculture Food and Nutrition Services Seamless Summer Option program. The Seamless Summer Option allows schools to provide meals free of charge to all students, under the school meal program. A nationwide waiver was given to allow schools Seamless Summer Option through the 2022-2023 school year.

STEB – State Tax Equalization Board. The state agency that calculates a common level ratio (see CLR definition) for each county that is used to reflect the level of assessment in a county at a particular time.

STEM – Science, Technology, Engineering, and Math. A curriculum that focuses on these areas.

Student Enrollment – The number of students the District is responsible for educating.

Taxes - Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

