



**2012-2013 Proposed Final
Budget Discussion**

**Northwestern Lehigh School
District**

May 9, 2012

[Agenda]

- 2012-13 Proposed Final Budget Discussion

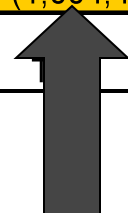
[Budget Goals]

- Maintain instructional programs with modifications, as necessary
- Provide appropriate class sizes
- Align the budget with strategic planning mission, vision, & goals
- Develop a budget with a long-term & short-term focus
- Continue to identify areas to maximize efficiencies and reduce costs without negatively impacting programs

2012-2013

[Budget Timeline]

2012-2013 Budget Timeline	Dates	Estimated Revenue	Estimated Expenditures	Estimated Budget Shortfall w/ No Millage Increase	Estimated Budget Shortfall w/ 1.01 Millage Increase
Budget Overview	Dec 7, 2011	\$ 35,673,840	\$ 36,814,438	\$ (1,140,598)	\$ (702,631)
Budget Discussion *	March 15, 2012	\$ 35,945,144	\$ 36,947,684	\$ (1,002,540)	\$ (564,148)
Budget Discussion *	April 11, 2012	\$ 35,945,144	\$ 37,036,122	\$ (1,090,978)	\$ (652,586)
Proposed Final Budget Adoption	May 9, 2012	\$ 35,884,519	\$ 36,888,976	\$ (1,004,457)	\$ (565,965)
Final Budget Adoption	June 13, 2012	TBD	TBD		TBD



* No change to Salaries & Benefits from initial budget projections.

Assumes max millage increase of 1.01 mills

2012-13 Proposed Final Budget Summary

May 9th

	Actual 2010-11	Final Budget 2011-12	April 11th Budget 2012-13	May 9th Budget 2012-13	Change from April 11th
Total Bldg & Dept	3,266,963	4,136,396	4,214,837	4,225,119	10,282
Total Salaries & Benefits	21,555,565	22,791,998	23,788,864	23,516,436	(272,428)
District Wide	7,675,043	8,875,627	8,812,421	8,927,421	115,000
Grant Expenditures	543,036	213,142	220,000	220,000	-
Total Expenditures	33,040,607	36,017,163	37,036,122	36,888,976	(147,146)
Total Revenue	36,569,987	35,281,565	35,945,144	35,884,519	(60,625)
Excess/(Shortfall)			(1,090,978)	(1,004,457)	86,521
Estimated Millage Increase	3,529,380	(735,598)	437,964	438,679	
Excess/(Shortfall) to Balance Budget			(653,014)	(565,778)	

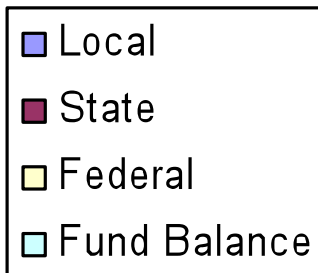
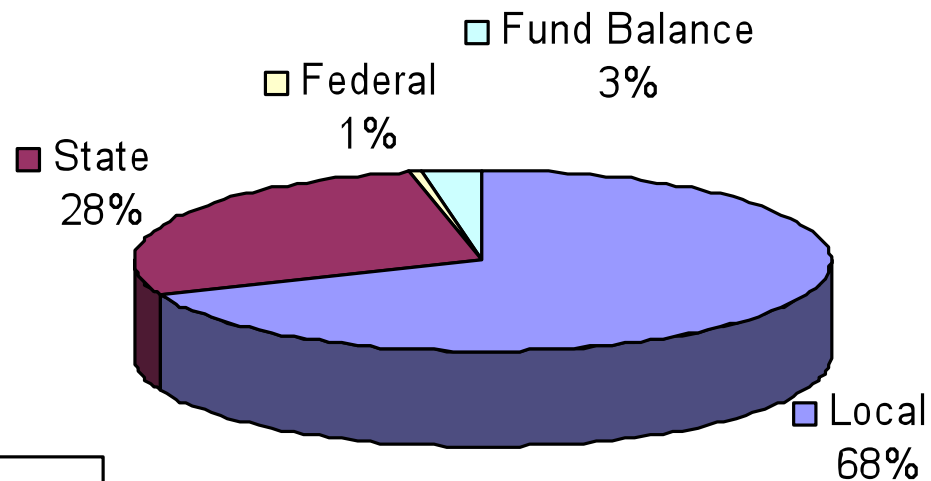
(\$86,521)
Additional Reduction

2012-13 Proposed Final Budget Overview Packet

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Revenues \$35,884,519

(before use of fund balance)



	2012-13 Proposed Final	Percentage (%) Total Budget
Local	25,325,913	68.65%
State	10,338,606	28.03%
Federal	220,000	0.60%
Fund Balance	1,004,457	2.72%
	<hr/> 36,888,976	<hr/> 100.00%

[2012-13 Revenues]

[Variances compared to 2011-12]

- **Local Sources:**
 - (+) \$154,461 increase
- **State Sources:**
 - (+) \$441,635 increase
- **Federal Sources:**
 - (+) \$6,858 increase

NOTE: Explanations of changes can be found in the 2012-2013 Budget Overview Packet

NET INCREASE TO REVENUES (+) \$602,954

[Assessment Values]

See board packet for chart on Tax
Millage and Assessed Values and
Rate Chart

[Homestead/Farmstead Act]

- Gaming Revenue

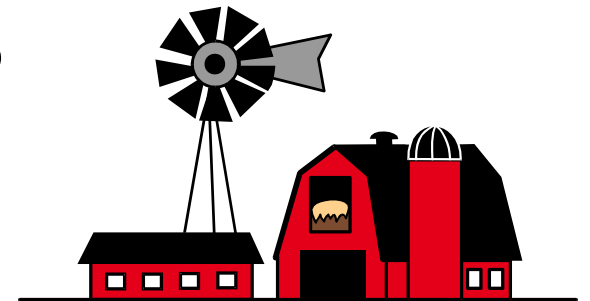
- 2012-13 Allocation \$665,883
 - 2011-12 Allocation \$665,966
- (-) \$83 Reduction

- Homestead Properties \$148.29

- 2012-13 4,482
 - 2011-12 4,474
- Increased by 8 ptys

- Farmstead Properties \$6.43

- 2012-13 192
 - 2011-12 203
- Decreased by 11 ptys



[QUESTIONS?]

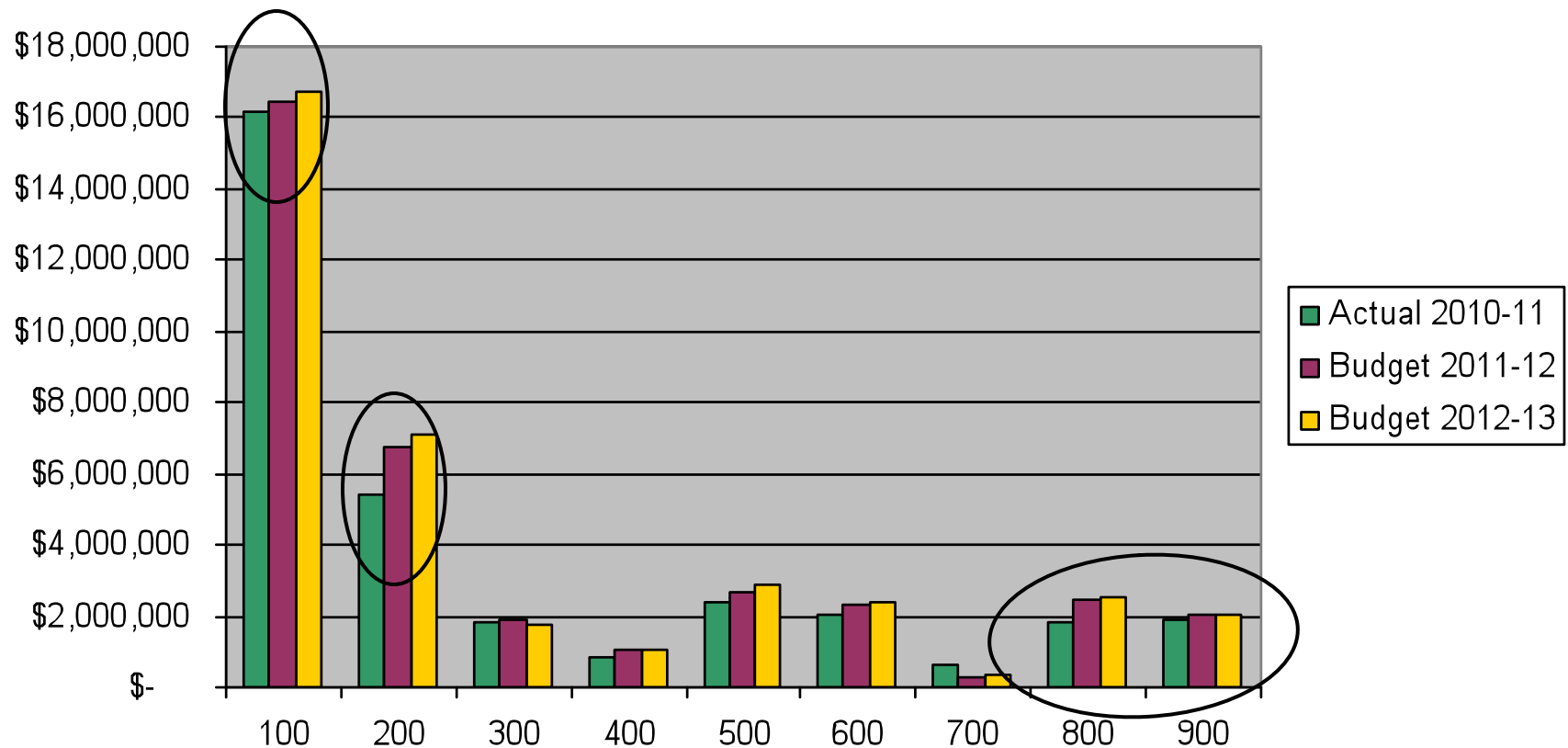
[2012-13 Expenditures]

[Variances compared to 2011-12]

- Salaries (100)
 - (+) \$333,932
- Benefits (200)
 - (+) \$390,505
- Prof. & Tech. Svcs (300)
 - (-) \$192,243
- Property Svcs (400)
 - (+) \$9,562
- Other Purch. Svcs (500)
 - (+) \$182,349
- Supplies (600)
 - (+) \$69,970
- Property (700)
 - (+) \$40,485
- Other Financing Uses (800/900)
 - (+) \$37,253

NET INCREASE TO EXPENDITURES (+) \$871,813

Three Year Comparison- 2010-11, 2011-12, 2012-13

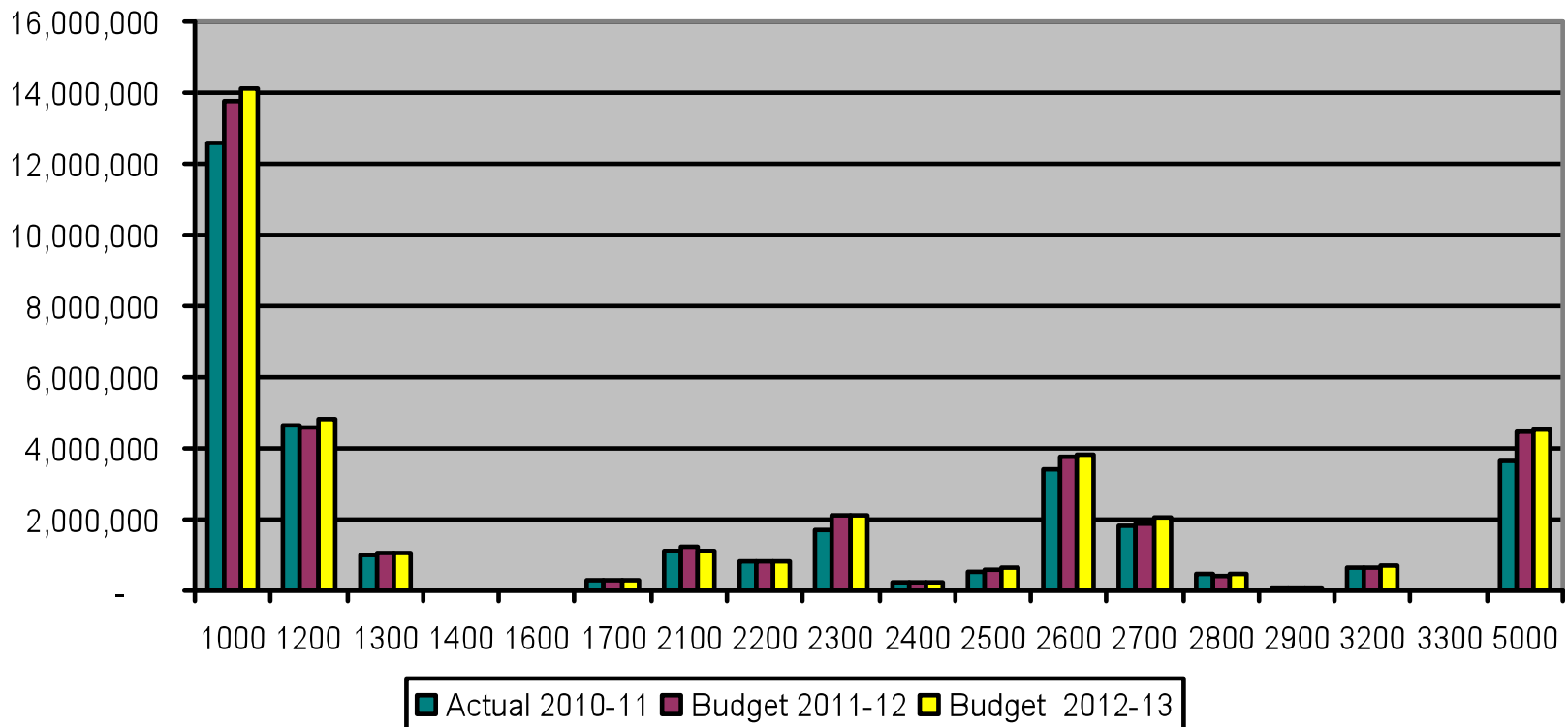


[Expenditure History- By Object]

	Actual 2010-11	Budget 2011-12	Budget 2012-13	% Increase 11-12	% Increase 10-11
Salaries (100)	\$ 16,154,164	\$ 16,419,829	\$ 16,753,761	2.03%	3.71%
Benefits (200)	\$ 5,401,401	\$ 6,726,385	\$ 7,116,890	5.81%	31.76%
Prof & Tech Svcs (300)	\$ 1,829,551	\$ 1,928,084	\$ 1,735,841	-9.97%	-5.12%
Property Svcs (400)	\$ 866,331	\$ 1,076,996	\$ 1,086,558	0.89%	25.42%
Other Svcs (500)	\$ 2,385,693	\$ 2,704,138	\$ 2,886,487	6.74%	20.99%
Supplies (600)	\$ 2,030,324	\$ 2,317,789	\$ 2,387,759	3.02%	17.60%
Property (700)	\$ 660,778	\$ 310,984	\$ 351,469	13.02%	-46.81%
Other Objects (800)	\$ 1,807,364	\$ 2,477,958	\$ 2,522,711	1.81%	39.58%
Other Financing Uses (900)	\$ 1,905,000	\$ 2,055,000	\$ 2,047,500	-0.36%	7.48%
	\$ 33,040,606	\$ 36,017,163	\$ 36,888,976	2.42%	11.65%

NOTE: Explanations of changes can be found in the 2012-13 Budget Overview Packet

Expenditures by Function-Object



[QUESTIONS?]

[2012-13 Budget Summary]

Total Revenues	\$35,884,519
Total Expenditures	<u>\$36,888,976</u>
Shortfall	(\$ 1,004,457)

**This budget includes a
0 TAX MILLAGE INCREASE, and includes
\$1,004,457 USE OF FUND BALANCE
to fund the estimated shortfall.**

[Planned Use of Fund Balance]

Estimated Shortfall-5/9/12	\$ 1,004,457	←	Shortfall assume 0 mill increase
Unassigned			
Budgetary Reserve	\$ 400,000		
	\$ 400,000	←	Unreserved/Undesignated Use of Fund Balance
Committed/Assigned			
OPEB	\$ 100,000	*	
Rate Stabilization Fund	168,279	*	
Fleet Replacements	12,500		
Diesel/Heating Oil	122,500	*	
Textbooks	90,000		
PSERS Stabilization	111,178	*	
	\$ 604,457	←	Designated/Reserved Use of Fund Balance
Total Use of Fund Balance	\$ 1,004,457		

* Amount requires board action for use in 2012-13

Estimated Fund Balance – 2011-12

Composition	Balance June 30, 2011	Current Budget 2011-12	Additions 2011-12	Appropriations 2012-13	Est Balance 12-13
Nonspendable	\$110,053	\$0	0		\$110,053
Restricted	\$813	\$0	0	\$0	\$813
Committed	\$7,940,805	\$335,598	\$1,539,216	(\$501,957)	\$9,313,662
Assigned	\$1,860,598	(\$735,598)	\$100,000	(\$90,000)	\$1,135,000
Unassigned	\$2,730,030	\$400,000	\$20,654	(\$412,500)	\$2,738,184
Total Fund Balance	\$12,642,299	\$0	\$1,659,870	(\$1,004,457)	\$13,297,712

Unassigned Fund Balance 6/30/13

Total Budget \$36,932,065

Unassigned- % of Budget 7.392%

**2011-12
Estimated Variances**

**2012-13
Estimated Use of
Fund Balance**

\$2,738,184

\$36,888,976

7.423%

**June 30, 2013 Estimated
Unreserved/Undesignated
Fund Balance**

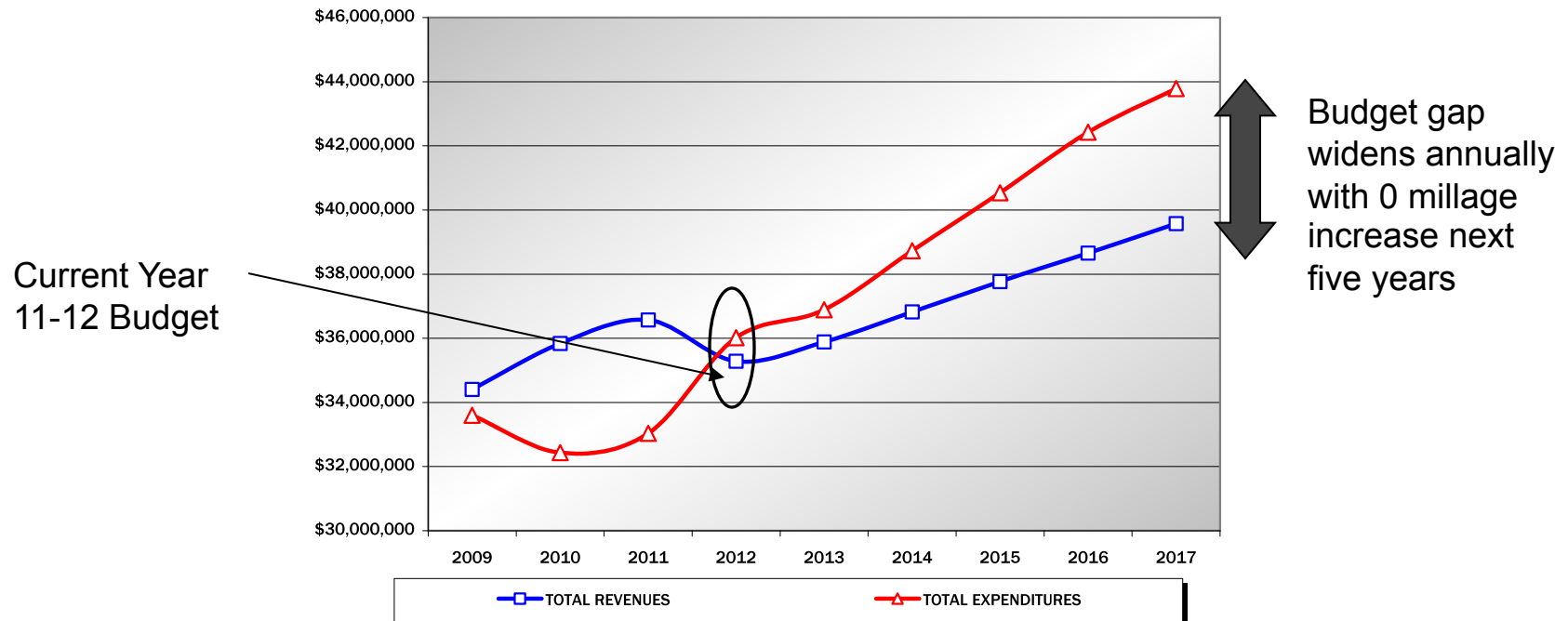
[2011-12 Budget Variances]

Estimated Favorable Variance	\$ 2,395,468	
11-12 Appropriation	(735,598)	
Net Estimated Variances	\$ 1,659,870	← Variances minus 11-12 Use of Fund Balance
Planned Variances-Expenditures		
OPEB	\$ (354,216)	
PSERS	(150,000)	
EBP Rate Stabilization	(260,000)	
LCTI refund	(70,000)	
Debt Refund	(200,000)	
	\$ (1,034,216)	← Planned Variances
Unplanned Variances-Expenditures		
Salaries & Benefits	\$ (411,873)	
Diesel/Heating Oil	(332,000)	
Cyber/Charter	(100,000)	
Budgetary Reserve	(400,000)	
Other	(17,379)	
	\$ (1,261,252)	← Unplanned Variances
Unfavorable Variances-Revenues	\$ (100,000)	← REVENUE Variances
Net Variances	\$ (2,395,468)	

Five Year Projection- Assuming 0 Annual Millage Increase

BASELINE	2012	2013	2014	2015	2016	2017
TOTAL REVENUES	\$35,281,565	\$35,884,519	\$36,825,100	\$37,767,599	\$38,658,629	\$39,572,579
TOTAL EXPENDITURES	\$36,017,163	\$36,888,976	\$38,725,803	\$40,536,422	\$42,422,551	\$43,782,831
BASELINE OPERATING BALANCE (Pre Initiatives)	(\$735,598)	(\$1,004,457)	(\$1,900,702)	(\$2,768,823)	(\$3,763,922)	(\$4,210,251)
TOTAL INITIATIVES	-	-	-	-	-	-
BASELINE OPERATING BALANCE (Post Initiatives)	(\$735,598)	(\$1,004,457)	(\$1,900,702)	(\$2,768,823)	(\$3,763,922)	(\$4,210,251)
FUND BALANCE (Beginning of Year)	\$12,642,299	\$11,906,701	\$10,902,244	\$9,001,542	\$6,232,719	\$2,468,796
FUND BALANCE (End of Year)	\$11,906,701	\$10,902,244	\$9,001,542	\$6,232,719	\$2,468,796	(\$1,741,455)

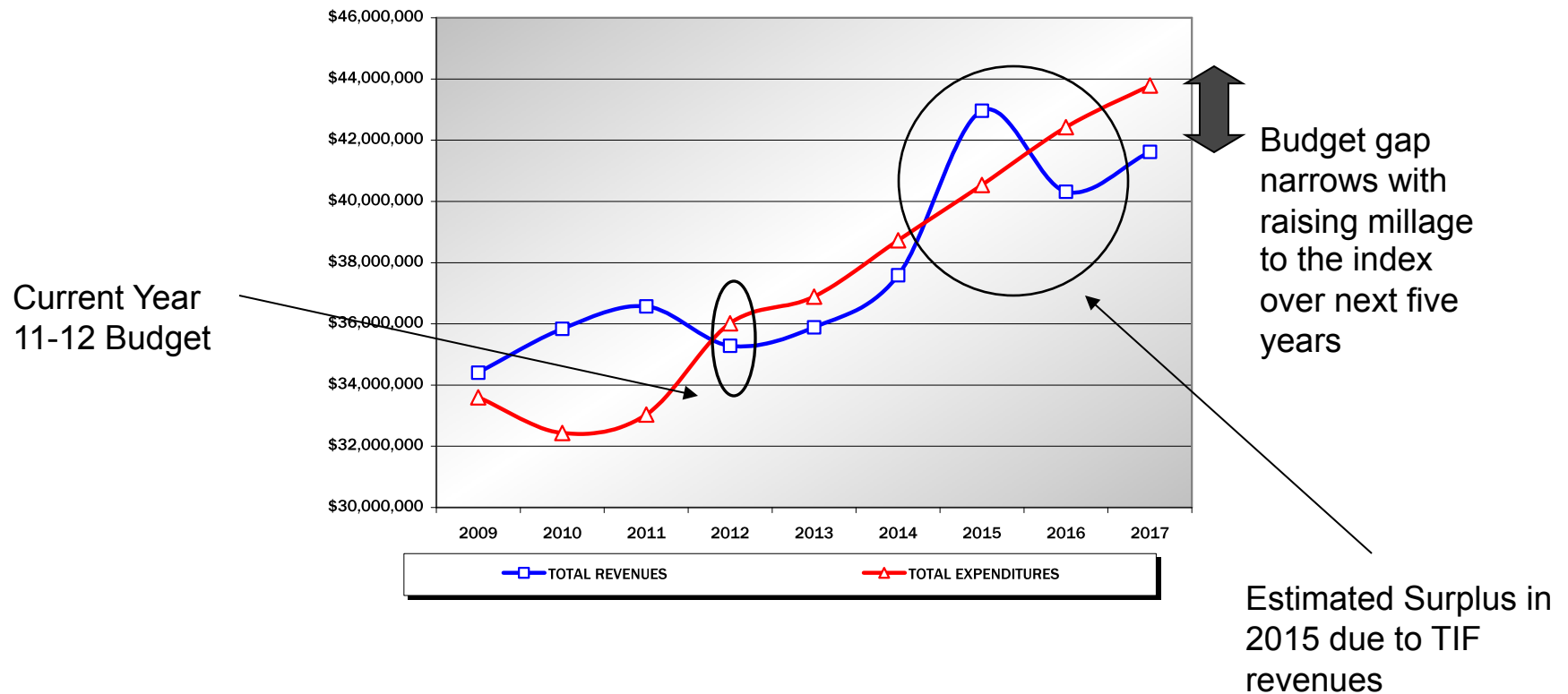
General Fund Fiscal Gap Analysis




Five Year Projection- Assuming 2.0% Annual Index & Millage Increase

BASELINE	2012	2013	2014	2015	2016	2017
TOTAL REVENUES	\$35,281,565	\$35,884,519	\$37,587,399	\$42,960,412	\$40,313,387	\$41,620,875
TOTAL EXPENDITURES	\$36,017,163	\$36,888,976	\$38,725,803	\$40,536,422	\$42,422,551	\$43,782,831
BASELINE OPERATING BALANCE (Pre Initiatives)	(\$735,598)	(\$1,004,457)	(\$1,138,403)	\$2,423,990	(\$2,109,164)	(\$2,161,955)
TOTAL INITIATIVES	-	-	-	-	-	-
BASELINE OPERATING BALANCE (Post Initiatives)	(\$735,598)	(\$1,004,457)	(\$1,138,403)	\$2,423,990	(\$2,109,164)	(\$2,161,955)
FUND BALANCE (Beginning of Year)	\$12,642,299	\$11,906,701	\$10,902,244	\$9,763,841	\$12,187,831	\$10,078,666
FUND BALANCE (End of Year)	\$11,906,701	\$10,902,244	\$9,763,841	\$12,187,831	\$10,078,666	\$7,916,711

General Fund Fiscal Gap Analysis



Capital Reserve & Capital Projects Balances

	<u>Est. Balance June 30, 2012</u>	
Capital Reserve		
Capital Projects	\$ 1,090,363	
Buses	97,806	
Technology	294,957	
Total	<u>\$ 1,483,126</u>	
Capital Projects Funds	1,219,552	
Remaining Expenditures	<u>(735,505)</u>	
Estimated Available Balance	<u>\$ 484,047</u>	
Total Available Funds for Use	<u>\$ 1,967,173</u>	

**Estimated funds to be used
for Capital Improvements**

[Thank you]

This presentation will be posted along with the board packet and the formal PDE-2028 budget document on our website after tonight's board meeting.