

POTTSGROVE SCHOOL DISTRICT



BUDGET 2025-2026

Pottsgrove School District
1301 Kauffman Rd
Pottstown, PA 19464
www.pgsd.org

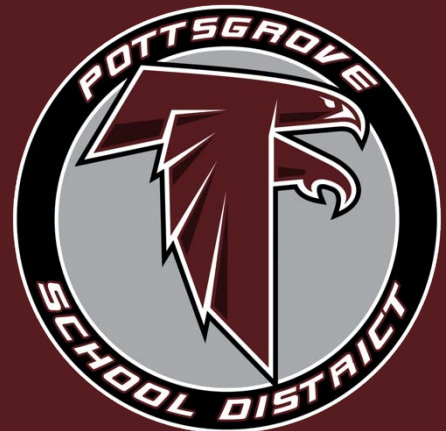


Table of Contents

Table of Contents.....	i
Executive Summary.....	1
Board of School Directors.....	1
Board of Directors Committee Assignments.....	1
Consultants & Advisors	1
Central Office Administration.....	2
Buildings	2
2025-2026 Budget Executive Summary	3
Organizational Section	3
Budget Presentation	3
Mission Statement, Vision, Core Values, and Goals	4
Budget Process & Timeline.....	4
Educational Community.....	5
Financial Section	6
Budget Summary for all Funds.....	6
General Fund Overview	7
Capital Projects Fund Overview	12
Food Service Fund Overview	12
Internal Service Fund Overview	12
Fund Balance Forecast.....	12
Budget Forecast.....	13
Informational Section	15
Student Enrollment.....	15
Personnel Resources	15
Change in Debt	16
Acknowledgements.....	16
Organizational Section	17
Legal Autonomy and Fiscal Independence	17
Level of Education Provided	17
Geographic Area Served.....	17
District Facilities.....	19
Governance Structure	19
Board of School Directors.....	19
Organization Chart	20
Mission Statement, Vision, Core Values, and Goals	21
Significant Laws Affecting Budget and Fiscal Administration.....	21
Budget Development.....	21
Fund balance policy	22
Financial Reporting and Accounting Structure.....	23
Revenue Sources	25
Expenditure Codes	29
Financial Section	33
Summary of all Funds.....	33
General Fund.....	36
General Fund Revenues.....	36
General Fund Expenditures	39

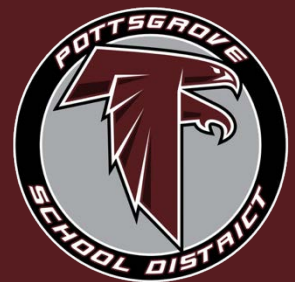
General Fund Budget Forecast	44
Capital Projects Fund	46
Food Service Fund	46
Internal Service Fund	48
Debt Limit and Remaining Borrowing Capacity	49
General Obligation Bonds and Notes.....	50
Other Post-employment Benefits Other Than Pensions (OPEB).....	52
Fund Balance Designations.....	53

Informational Section..... 54

Current Real Estate Tax.....	54
Homestead/Farmstead Reduction	56
Top Ten Largest Real Estate Taxpayers	57
Other Local Revenue Sources	57
Enrollment Projections.....	58
Projected 2025-2026 Student Enrollment.....	59
General Obligation Bonds and Notes.....	60
School Nutrition and Performance Measurement Data	62
Future Ready PA Index	64
Glossary.....	71



Executive Summary



Pottsgrove School District
Fiscal Year 2025-2026
1301 Kauffman Rd
Pottstown, PA 19464
Dr. David Finnerty, Superintendent

Board of School Directors



Jay Strunk
Bill Thompson
Patricia Grimm
Ashley Custer
James Lopic
Charles Nippert
Tanya Taylor
Annique Ruiz-Brown
Louis Corominas

President, Term 2021-2025
Vice President, Term 2023-2027
Treasurer, Term 2021-2025
Secretary, Term 2021-2025
Member, Term 2023-2027
Member, Term 2021-2025
Member, Term 2021-2025
Member, Term 2023-2027
Member, Term 2021-2025

Board of Directors Committee Assignments

Finance & Operations Committee

Charles Nippert –Chair
Bill Thompson
Tanya Taylor
Louis Corominas

Western Center - JOC

Jay Strunk
Patricia Grimm
Charles Nippert

Personnel Committee

Jay Strunk – Chair
Bill Thompson
James Lopic
Annique Ruiz-Brown

Athletics/Co-curricular/Community Relations Committee

Patricia Grimm – Chair
Charles Nippert
Tanya Taylor
Louis Corominas

Curriculum, Instruction, and Technology Committee

James Lopic – Chair
Ashley Custer
Tanya Taylor
Annique Ruiz-Brown

Policy Committee

Bill Thompson – Chair
Jay Strunk
Annique Ruiz-Brown
Louis Corominas

Montgomery County Intermediate Unit

Annique Ruiz-Brown

Consultants & Advisors

Independent Auditors

Herbein & Company, Inc.
2763 Century Blvd
Reading, PA 19610

Legal Counsel - General

Fox Rothschild LLP
980 Jolly Rd, Suite 110
Blue Bell, PA 19422

Financial Advisor

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

Legal Counsel – Special Education

Sweet, Stevens, Katz, & Williams LLP
331 E Butler Ave
New Britain, PA 18901

Central Office Administration

Dr. David Finnerty
Superintendent of Schools

Ronald Linke
Business Administrator

Amy Thompson
Director of Human Resources

Dr. AnnMarie Lucas
Director of Pupil Services

Daniel Vorhis
Director of Education & Assessment

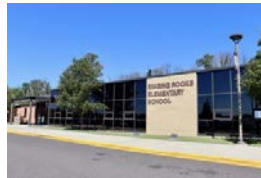
Jeff Buettler
Director of Technology

Casey Blankenbiller
Director of Facilities

Buildings



Lower Pottsgrove Elementary
1329 Buchert Rd
Pottstown, PA 19464
Principal: Erik Sawchuk
Assistant Principal: Jesse Roth



Ringing Rocks Elementary
1401 Kauffman Rd
Pottstown, PA 19464
Principal: Stephanie Myers



West Pottsgrove Elementary
25 Grosstown Rd
Stowe, PA 19464
Principal: Dr. Christopher Stango



Pottsgrove Middle School
1351 N Hanover St
Pottstown, PA 19464
Principal: Steven Palladino
Assistant Principal: Thomas Frevert

:



Pottsgrove High School
1345 Kauffman Rd
Pottstown, PA 19464
Principal: Dr. Felicia Gonzalez
Assistant Principal: Christopher Stein



POTTSGROVE SCHOOL DISTRICT

ADMINISTRATIVE OFFICES

1301 Kauffman Road
Pottstown, PA 19464-2398
Phone: (610) 327-2277
Fax: (610) 327-2530

June 30, 2025

Board of School Directors
Pottsgrove School District
1301 Kauffman Rd
Pottstown, PA 19464

Dear School Directors:

The 2025-2026 fiscal year budget for the Pottsgrove School District is presented herein. The Superintendent and Business Administrator assume responsibility for the data accuracy and completeness. This budget presents the District's financial and operational plan along with all necessary disclosures.

2025-2026 Budget Executive Summary Organizational Section

Budget Presentation

The Pottsgrove School District strategically budgets an annual spending plan in order to provide the best possible educational program for all students while prudently managing and allocating the District's resources. The development and consideration of the 2025-2026 Governmental, Enterprise, and Internal Service Fund budgets were completed with a detailed and thorough review of all revenue and expenditure line items while maintaining the integrity of the District's mission statement, goals, and fiscal policies. Budget information on each individual fund is provided in this document.

This budget presentation was prepared using the Association of School Business Officials International's (ASBO) Meritorious Budget Award (MBA) criteria and framework. The MBA is the highest form of recognition in school business budgeting and the administration is committed to presenting a high-quality budget document to you and to the community. The administration is pleased to create and distribute this budget to the Board of School Directors and to the Pottsgrove community.

Mission Statement, Vision, Core Values, and Goals

Mission Statement	The mission of the Pottsgrove School District is to educate and inspire all students to excel as productive, responsible citizens, and lifelong learners.
Vision Statement	<ul style="list-style-type: none">• Our students will attain their fullest potential while exhibiting a love of learning, a passion for excellence, and respect for humanity.• Our students will demonstrate proficiency relative to state and district standards.• Our graduates will be productive contributors to a changing global society.
Goals	<p>The 2022-2025 Comprehensive Plan Goals and Strategies outlined the following goals which drive decisions for the Pottsgrove School District:</p> <ul style="list-style-type: none">• Design and implement a District-wide multi-tiered systems of supports (MTSS) to collect and analyze the effectiveness of academic and behavioral interventions.• Increase the percentage of student achievement metrics categorized as Above and Well Above from the 2022 Spring PSSA/Keystone exam data file compared to the 2019 levels.• Measurably improve communication and collaboration to improve student outcomes that include higher levels of performance, rigorous coursework, internships, and community service projects.• Improve student performance levels with a focused assessment calendar informed by current data and use to create cyber programming and financial planning for the future. <p>The District's Finance Committee's budget goal is to develop an operating budget, including future year projections within the legal limits established by Pennsylvania Law and the Act 1 Index. The budget was prepared with careful consideration of the educational needs of students and the ability of the community to support those needs.</p>

Budget Process & Timeline

The administration and Board of School Directors are committed to providing each child in the District with the best possible educational opportunity while maximizing the use of available resources. This consideration goes into the budget process each year as both parties attempt to balance these needs with the available local, state, and federal resources.

Normally, the annual budget process begins in September so that a preliminary budget can be presented and adopted in January/February. The base Act 1 index is published by the Pennsylvania Department of Education (PDE) and is the state mandated limit for tax increases (4.0% for 2025-2026) unless exceptions are utilized, or voter approval is given to raise taxes above the index. However, for school districts that have a market value aid ratio greater than 0.4000, the PA Department of Education will publish an adjusted index for those school districts. For the 2024-2025 school year, Pottsgrove's aid ratio is 0.5657. If the Board of School Directors adopts a resolution that it will not need to raise taxes above the state mandated limit, the District can forgo the adoption of a preliminary budget.

The administration develops a timeline that works backwards from the final budget adoption date in June to the previous September. The following timeline by month summarizes the Pottsgrove School District budget process:

Budget Timeline

September

- Act 1 Index and timeline published by PDE

November

- Adoption of board resolution not to raise taxes above the Act 1 index
- Building per pupil allocations are distributed
- District enrollment projections are calculated
- Final budget timeline is created

December

- Deadline to notify residents of homestead/farmstead exclusion
- Building and department budget requests are due to the business office
- Budget meetings held with building/department administrators

January

- Deadline to opt out of Act 1 exceptions
- Budget meetings are held with building/department administrators

February

- Deadline to adopt preliminary budget unless resolution not to exceed Act 1 index adopted
- Deadline for referendum exception request to PDE
- Deadline to submit primary election referendum question seeking voter approval of tax increase in excess of the Act 1 index

March

- Homestead/farmstead application deadline
- Deadline for PDE ruling on referendum exception request

April

- Board adoption of the proposed final budget

May

- County provides certified homestead/farmstead information
- PDE provides property tax relief allocation information
- Public notice of intent to adopt final budget
- Budget presented for public inspection

June

- Board adoption of the final budget

For the 2025-2026 budget, the Board of Directors adopted a resolution to not exceed the Act 1 tax limitations on November 12, 2024, and the proposed final budget on April 22, 2025. The final budget was adopted by the Board of Directors at the June 10, 2025 meeting. The district elected to pass a resolution to not exceed the Act 1 index for a fourth year in a row.

Educational Community

The Pottsgrove School District is a small suburban district of approximately 2,900 students located in southeastern Pennsylvania. The District encompasses approximately 16 square miles including the municipalities of Lower Pottsgrove Township, Upper Pottsgrove Township, and West Pottsgrove Township. The 2020 census identifies the total population of the District as 21,885. Overall, the district has 3.2% of its students qualifying for English Language Learner (ELL) services, with individual schools ranging as high as 4.5% ELL. Similarly, the number of economically disadvantaged students resulted in 47.14% of Pottsgrove School District students with individual schools ranging as high as 51.7%.

Financial Section

Budget Summary for all Funds

The following is a summary of the 2025-2026 budgets for each of the District's funds. Budgeted revenues include resources from local, state, and federal sources and expenditures represent those resources allocated towards supporting the District's programs and services. Enterprise Funds consist of the Food Service Fund. The Internal Service Fund is used to account for self-insurance expenditures paid for at actual cost by the District.

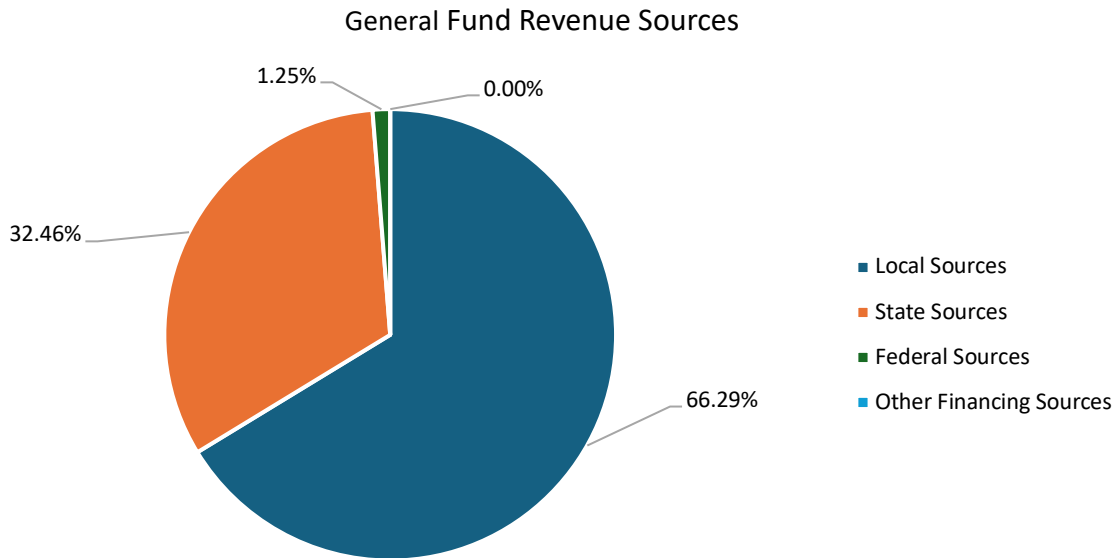
Summary of All Funds

Fund	2024-2025 Budget	2025-2026 Budget	Budget Change FY 2025 to FY 2026	Percent Change FY 2025 to FY 2026
General Fund				
Beginning Fund Balance	\$ 26,401,308	\$ 25,546,294	\$ (855,014)	-3.24%
Revenues	75,238,337	80,042,964	4,804,627	6.39%
Expenditures	76,093,351	81,242,964	5,149,613	6.77%
Other Financing Sources/(Uses)	-	-	-	0.00%
Net Change in Fund Balance*	(855,014)	(1,200,000)	(344,986)	40.35%
Ending Fund Balance	\$ 25,546,294	\$ 24,346,294	(1,200,000)	-4.70%
Capital Projects Fund				
Beginning Fund Balance	\$ 11,368,052	\$ 4,825,935	\$ (6,542,117)	-57.55%
Revenues	300,000	275,000	(25,000)	-8.33%
Expenditures	6,842,117	500,000	(6,342,117)	-92.69%
Other Financing Sources/(Uses)	-	-	-	0.00%
Net Change in Fund Balance	(6,542,117)	(225,000)	6,317,117	-96.56%
Ending Fund Balance	\$ 4,825,935	\$ 4,600,935	(225,000)	-4.66%
Enterprise Funds				
Beginning Fund Balance	\$ 845,651	\$ 789,957	\$ (55,694)	-6.59%
Revenues	1,829,530	2,018,676	189,146	10.34%
Expenditures	1,885,224	2,051,875	166,651	8.84%
Other Financing Sources/(Uses)	-	-	-	0.00%
Net Change in Fund Balance	(55,694)	(33,199)	22,495	-40.39%
Ending Fund Balance	\$ 789,957	\$ 756,758	(33,199)	-4.20%
Internal Service Fund				
Beginning Fund Balance	\$ 6,317,664	\$ 6,317,664	\$ -	0.00%
Revenues	7,000,000	7,280,000	280,000	4.00%
Expenditures	7,000,000	7,280,000	280,000	4.00%
Other Financing Sources/(Uses)	-	-	-	0.00%
Net Change in Fund Balance	-	-	-	0.00%
Ending Fund Balance	\$ 6,317,664	\$ 6,317,664	-	0.00%
Total All Funds				
Beginning Fund Balance	\$ 44,932,675	\$ 37,479,850	\$ (7,452,825)	-16.59%
Revenues	84,367,867	89,616,640	5,248,773	6.22%
Expenditures	91,820,692	91,074,839	(745,853)	-0.81%
Other Financing Sources/(Uses)	-	-	-	0.00%
Net Change in Fund Balance	(7,452,825)	(1,458,199)	5,994,626	-80.43%
Ending Fund Balance	\$ 37,479,850	\$ 36,021,651	(1,458,199)	-3.89%

General Fund Overview

Revenues

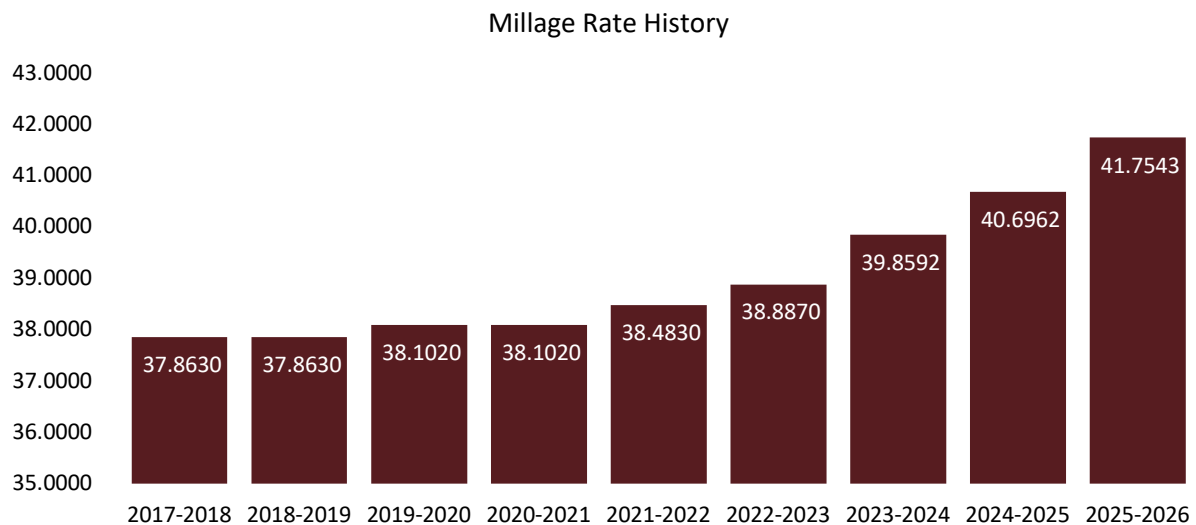
The General Fund of the District is funded from local, state, and federal sources of revenue. Local revenue is the largest source of revenue which accounts for 66.29% of the \$80,042,964 in total budgeted revenue for the 2025-2026 fiscal year. The remaining 33.71% of revenue budgeted is comprised of state subsidies and grants (32.46%) as well as federal grant funds (1.25%).



Local sources

The largest portion of local revenue is made up of current taxes on real estate. Local current real estate tax revenue is budgeted to be \$43,362,857 which is 81.72% of local revenues budgeted and 54.17% of total revenue sources budgeted. Current real estate tax revenue is budgeted \$1,591,389 higher than the previous year.

The 2025-2026 real estate tax rate required to fund the District's programs and services is 41.7543 mills.



IMPACT OF TAX INCREASES ON AVERAGE RESIDENTIAL PROPERTY OWNER

Assessment	2020-2021 Tax	2021-2022 Tax	2022-2023 Tax	2023-2024 Tax	2024-2025 Tax	2025-2026 Tax
121,440	4,627	4,673	4,722	4,841	4,942	5,071
Millage Rate	38.1020	38.4830	38.8870	39.8592	40.6962	41.7543

The second largest source of local revenue is from proportional tax assessments including earned income taxes (EIT) and real estate transfer taxes. Both of these taxes are collected at a rate of 50% of the total tax levy. The remaining 50% is received by the local municipality. The District anticipates collecting \$4.0 million in EIT and \$800,000 in real estate transfer taxes. Other local sources of revenue include interim real estate taxes, delinquent payments on real estate taxes, earnings on investments, revenues from District activities, and other various sources.

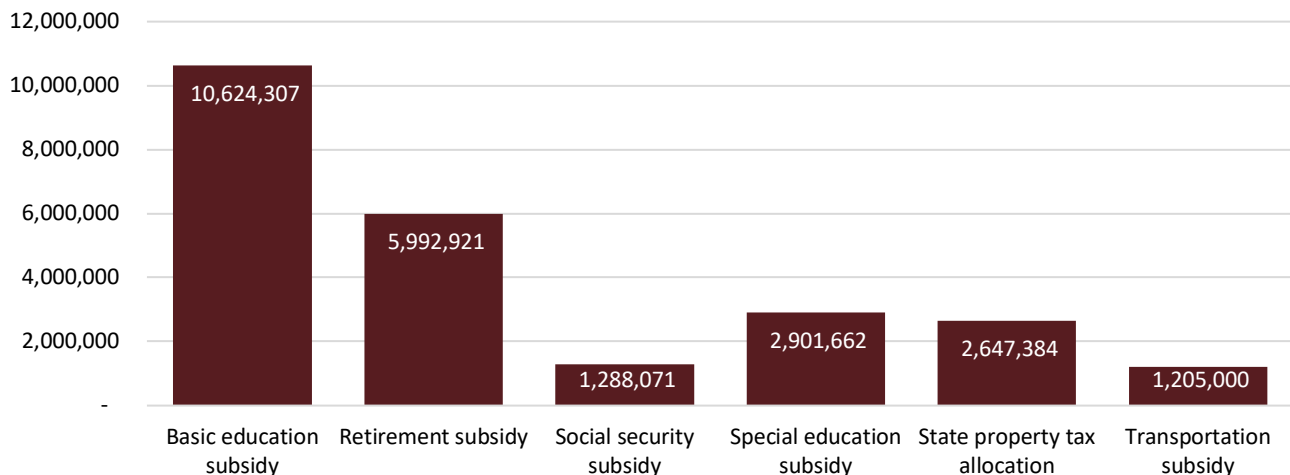
OTHER LOCAL REVENUE SOURCES

Revenue Sources	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026
Interim Taxes	\$ 198,674	\$ 263,263	\$ 746,716	\$ 200,000	\$ 310,000
Earned Income Tax (EIT)	3,546,318	3,820,874	4,171,953	3,600,000	4,000,000
Real Estate Transfer Tax	934,438	1,250,254	790,208	720,000	800,000
Delinquent Real Estate Tax	1,281,639	687,696	1,181,234	1,000,000	1,000,000
Mercantile tax	518,204	593,594	536,309	550,000	550,000
Per capita tax	98,648	109,450	103,096	100,000	106,000
Total	\$ 6,479,273	\$ 6,615,681	\$ 7,426,420	\$ 6,170,000	\$ 6,766,000

State sources

State sources comprise 32.46% of the total budget at \$25,980,000 which is an increase of \$2,185,225 from the 2024-2025 fiscal year. State sources include subsidies from basic education, special education, transportation, property tax reduction allocation, retirement, Social Security/Medicare subsidy, and rental (or building reimbursement) payments. The chart below shows the budgeted subsidy payments for the 2025-2026 school year.

Major State Revenue Sources

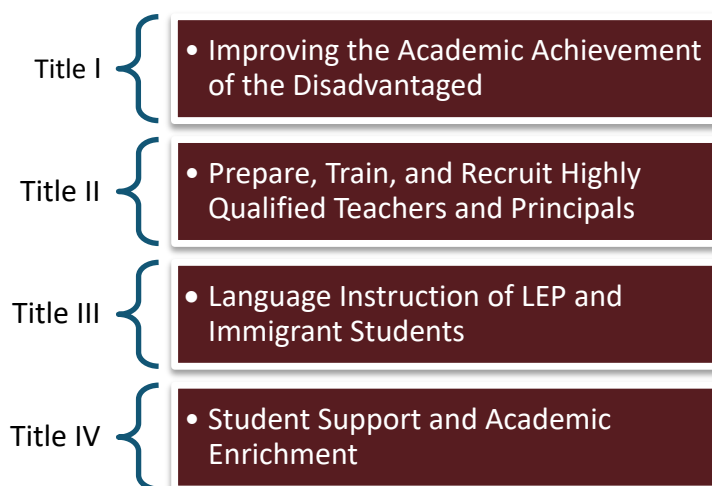


The second largest line item in state sources comes from the state's share of retirement contributions. The state reimburses the District for one-half of its Public School Employees' Retirement System (PSERS) retirement costs. For 2025-2026, the rate the District is required to pay into PSERS is 34.00% of qualifying earnings and in return the state reimburses one-half of this expenditure. This amount is \$5,992,921 which is a \$204,439 (1.97%) increase from the previous year. This increase is attributed to the new positions incorporated into the budget as well as contracted salary increases. The state also reimburses the District for one-half of the Social Security and Medicare taxes which in 2025-2026 equates to \$1,288,071.

The District also receives money from the state to offset property taxes from Act 1 of 2006. These funds are collected by the state through gaming revenues and other tax programs which are then distributed to school districts to pass on as a tax reduction to approved homestead and farmstead properties to reduce property taxes. This allocation for the 2025-2026 school year is \$2,647,384 which equates to a tax reduction of \$509.69 for each eligible property.

Federal sources

Revenue from federal sources is comprised of grant money for specific programs. The District receives money for the following programs:



The District also receives funding through the School-Based ACCESS Medicaid Program which provides reimbursement for eligible health care service costs.

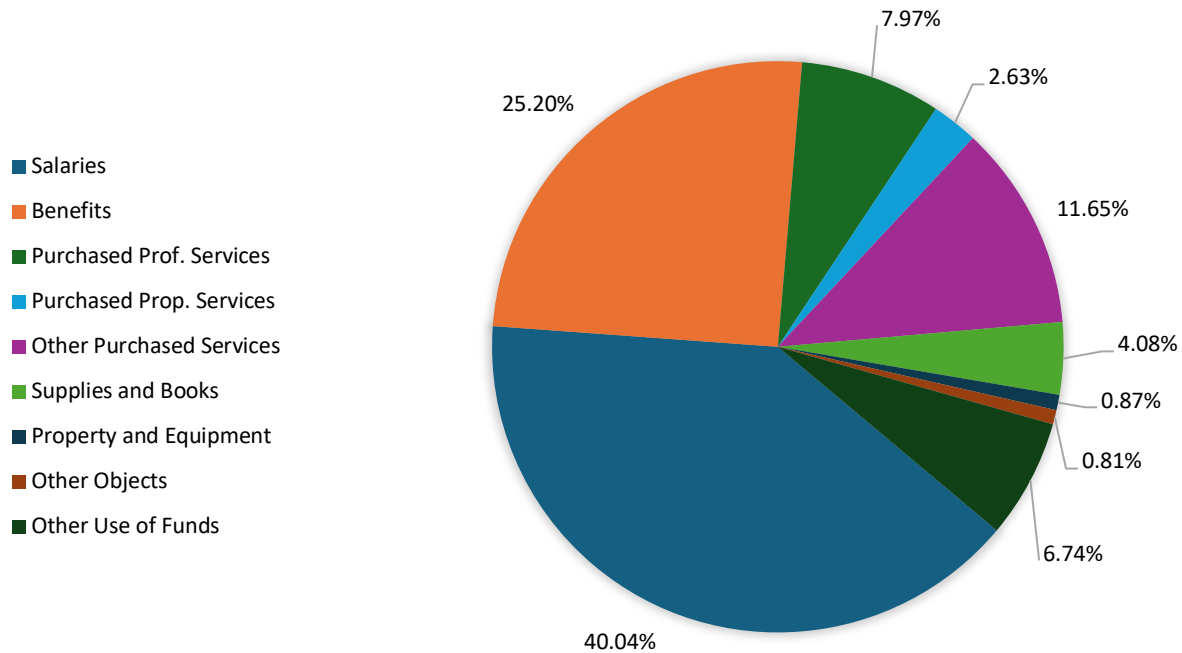
Expenditures

For the 2025-2026 school year, budgeted expenditures in the General Fund are \$81,242,964 which is an increase of \$5,149,613 (6.77%) from 2024-2025. The chart on the following page compares these expenditures by category:

Expenditure analysis

Mandated costs are a significant challenging aspect of budgeting. Providing mandated special education services to eligible students is a financial challenge to the District. School districts have limited flexibility in controlling these costs. For example, when students require special education services, such as private placements or transportation, the District must absorb the cost. The District's special education population has been increasing each year resulting in a corresponding increase in costs. State subsidies are estimated to cover only 16.13% of the budgeted special education costs.

EXPENDITURES BY MAJOR OBJECT

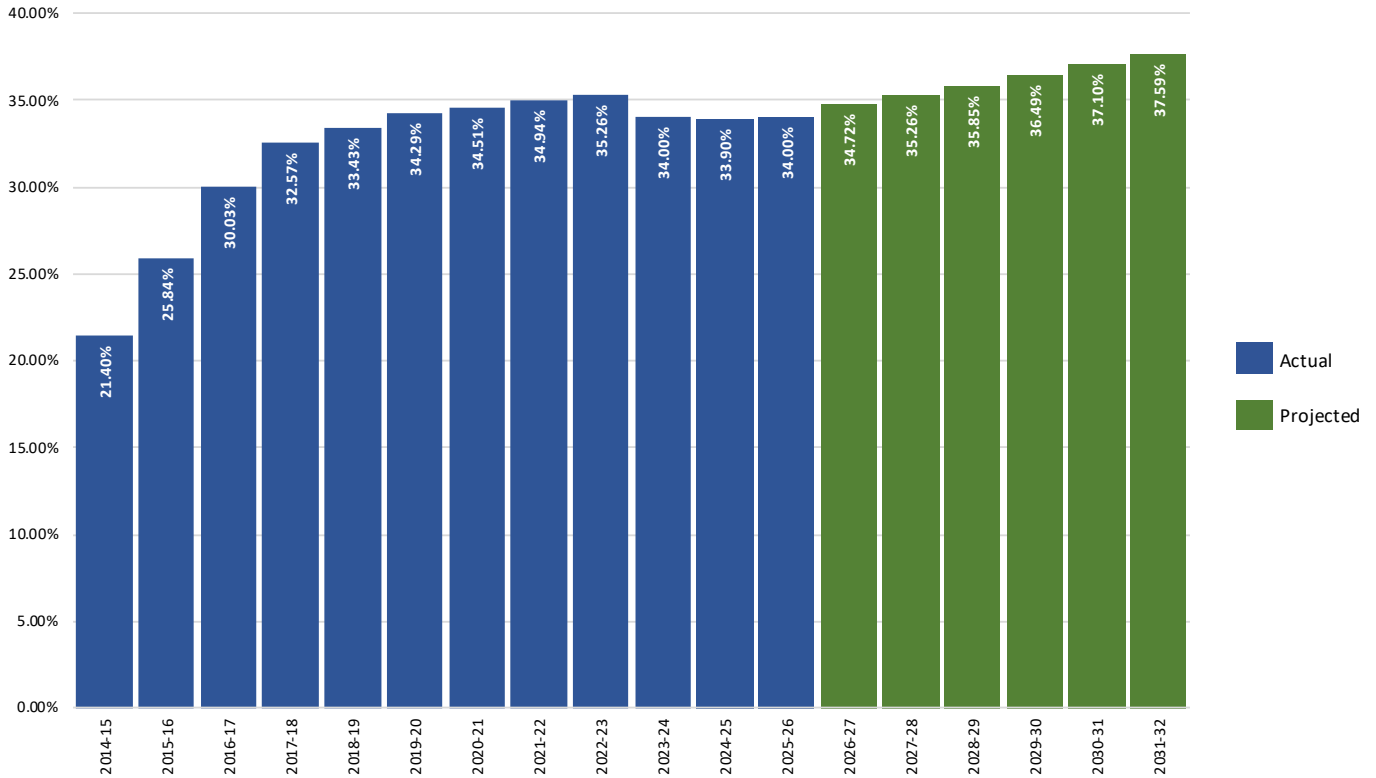


Another budget challenge is to accurately forecast healthcare costs. These costs typically fluctuate from year to year depending on the health of the employees and covered dependents. The District is self-insured and accounts for this activity in its Internal Service Fund.

Charter school tuition rates are another challenging aspect to the budgeting process. Charter school tuition rates are calculated based on the District's budget, rather than each charter school's actual costs. Cyber charter schools that have no building costs receive the same tuition rate as brick-and-mortar charter schools. Charter school funding reform will be necessary to make costs sustainable for school districts.

Additionally, the Pottsgrove School District, as well as the other 499 public school districts in the Commonwealth, are required to contribute to the Public School Employees' Retirement System (PSERS). The District is required to pay a defined contribution amount towards employee pensions each year to PSERS. For the 2025-2026 school year, this amount is 34.00% which means that for each \$1 in eligible salaries the District must contribute 34 cents to PSERS. The chart on the next page shows the historical, current, and projected PSERS contribution rates:

PSERS EMPLOYER CONTRIBUTION RATES



Source: Public School Employees Retirement System

The following table shows the budgeted expenditures by object (major category) for 2025-2026 along with the dollar and percentage changes from the 2024-2025 budget.

GENERAL FUND CHANGE IN EXPENDITURE OBJECTS

Expenditures	Budget 2024-2025	Budget 2025-2026	Dollar Change	Percent Change
Salaries	\$ 31,122,488	\$ 32,533,728	\$ 1,411,240	4.53%
Benefits	19,314,951	20,474,625	1,159,674	6.00%
Purchased Prof. Services	5,521,805	6,478,606	956,801	17.33%
Purchased Prop. Services	1,735,160	2,133,420	398,260	22.95%
Other Purchased Services	8,564,972	9,466,089	901,117	10.52%
Supplies and Books	3,073,288	3,318,651	245,363	7.98%
Property and Equipment	503,000	706,240	203,240	40.41%
Other Objects	801,564	658,605	(142,959)	-17.84%
Other Use of Funds	5,456,123	5,473,000	16,877	0.31%
Total Expenditures	\$ 76,093,351	\$ 81,242,964	\$ 5,149,613	6.77%

Along with the PSERS contribution, the other major items impacting the expenditure budget are as follows:

- Salaries & benefits – salaries and related benefits have increased by 5.10%. This is due to new positions being added to the budget along with contractual salary and benefit increases.
- Other purchased services – Increase in the costs of providing special education services of approximately \$680,000, increase in the amount for charter school tuition in the amount of approximately \$640,000, and an increase in the contracted transportation of approximately \$330,000, the District is replacing technology equipment at the elementary level with iPads costing approximately \$215,000, the District began a Pre-K counts program of approximately \$145,500.

The net increase in these major items totals approximately \$4.71 million.

Capital Projects Fund Overview

The Capital Projects Funds are comprised of the Capital Reserve Fund and any capital funds where bond proceeds are deposited to use for construction projects. For the 2025-2026 there is a projected beginning fund balance of \$4,825,935 in bond and Capital Reserve funds available. The District recently completed a renovation of West Pottsgrove Elementary. The District has contracted with a design consultant to prepare a feasibility report for improvements of the Pottsgrove High School stadium. The District plans on paving at Lower Pottsgrove Elementary and Pottsgrove Middle School and resurfacing of the tennis courts at the High School.

Food Service Fund Overview



For the 2025-2026 school year, the District's Food Service Fund is budgeting revenues of \$2,018,676. Local revenues, which are comprised of sales to students and staff, are budgeted to increase by \$2,869 (0.89%). State and federal revenues are budgeted to increase by \$186,277 (12.35%) due to the District participating in the Community Eligibility Program. The proposed state budget includes universal school breakfast to be funded by the Commonwealth. The District plans to continue the Community Eligibility Program at all schools for the 2025-2026 school year. This program allows all students to receive lunch without the need to complete a free/reduced lunch application.

The expenditure budget of \$2,051,875 is an increase of \$166,651 (8.84%) over the previous year. Approximately \$53,000 is related to increased costs in food and supplies.

Internal Service Fund Overview

The Pottsgrove School District is self-insured which means all medical, prescription, and dental claims are paid at the actual cost by the District. The Internal Service Fund is used to account for these expenditures on a cost reimbursement basis. For the 2025-2026 school year, budgeted revenues (which include transfers from the General Fund from both employer and employee cost sharing and interest revenue), are \$7,280,000 and expenditures (the cost of claims) are \$7,280,000.

Fund Balance Forecast

The District will maintain an unassigned General Fund balance at a minimum of 5% of expenditures and not to exceed the amount permitted by the Commonwealth of Pennsylvania, currently 8% of budgeted expenditures. The Board of Directors recognizes that the maintenance of fund balance is essential to the preservation of the sound financial condition of the District and protects the bond rating of the District.

Budget Forecast

The following budget forecast shows the estimated budget for all Pottsgrove School District funds through the 2028-2029 school year.

The following assumptions were made in these forecasts:

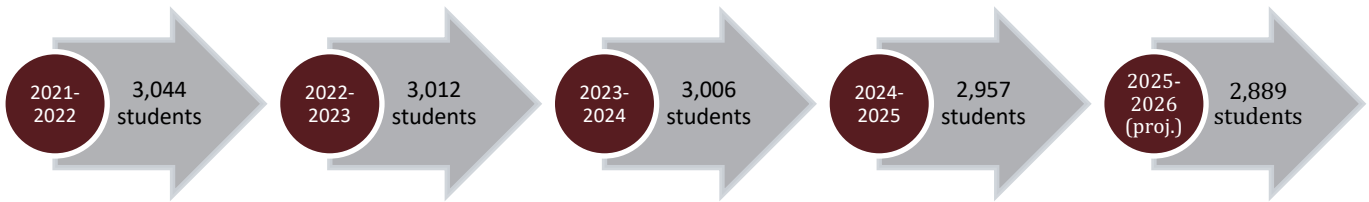
- Millage increases equal to 2.0% each year
- Tax base growth of 0.40% per year
- 96.80% tax collection rate
- 2.75% annual increase in earned income taxes
- 2.00% increase in real estate transfer taxes
- 2.50% increase in interim real estate taxes and other local revenue
- 2.00% increase to basic education and special education state subsidies
- \$50,000 annual increase to property tax reductions allocation and transportation subsidy
- 2.00% annual increase from federal funding
- 3.25% increase annually in salaries for professional staff, net of retirements and new positions
- 2.75% increase for all other staff, net of retirements and new positions
- Pension rates using the Public School Employees Retirement System's projected rates as of May 2025.
- 3.00% increases in other benefits
- 5.00% annual increase in professional/technical services, purchased property services, other purchased services, supplies, property & equipment, and other objects
- Budgetary reserve equal to \$1,200,000
- Dropoff in debt service added to Capital Reserve Fund transfer

	2025/2026 Final Budget	2026/2027 Projection	2027/2028 Projection	2028/2029 Projection
GENERAL FUND				
Total Revenues	\$ 80,042,964	\$ 83,150,174	\$ 85,261,808	\$ 86,435,050
Total Expenses	81,242,964	84,766,292	87,815,661	89,436,312
Other Financing Sources/(Uses)	-	(2,854)	(3,091)	(1,571,827)
Revenues Over (Under) Expenses	(1,200,000)	(1,618,972)	(2,556,944)	(4,573,089)
Beginning Fund Balance 7/1 Assigned + Unassigned	25,546,294	24,346,294	22,727,322	20,170,378
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 24,346,294	\$ 22,727,322	\$ 20,170,378	\$ 15,597,289
CAPITAL PROJECTS FUND				
Total Revenues	\$ 275,000	\$ 280,500	\$ 286,110	\$ 291,832
Total Expenses	500,000	525,000	551,250	578,813
Other Financing Sources/(Uses)	-	-	-	-
Revenues Over (Under) Expenses	(225,000)	(244,500)	(265,140)	(286,981)
Beginning Fund Balance 7/1 Assigned + Unassigned	4,825,935	4,600,935	4,356,435	4,091,295
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 4,600,935	\$ 4,356,435	\$ 4,091,295	\$ 3,804,314
ENTERPRISE FUNDS				
Total Revenues	\$ 2,018,676	\$ 2,038,863	\$ 2,059,251	\$ 2,079,844
Total Expenses	2,051,875	2,103,172	2,155,751	2,209,645
Revenues Over (Under) Expenses	(33,199)	(64,309)	(96,500)	(129,801)
Beginning Fund Balance 7/1 Assigned + Unassigned	789,957	756,758	692,449	595,949
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 756,758	\$ 692,449	\$ 595,949	\$ 466,148
INTERNAL SERVICE FUND				
Total Revenues	\$ 7,280,000	\$ 7,571,200	\$ 7,874,048	\$ 8,189,010
Total Expenses	7,280,000	7,571,200	7,874,048	8,189,010
Revenues Over (Under) Expenses	-	-	-	-
Beginning Fund Balance 7/1 Assigned + Unassigned	6,317,664	6,317,664	6,317,664	6,317,664
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 6,317,664	\$ 6,317,664	\$ 6,317,664	\$ 6,317,664
TOTAL ALL FUNDS				
Total Revenues	\$ 89,616,640	\$ 93,040,737	\$ 95,481,217	\$ 96,995,736
Total Expenses	91,074,839	94,965,664	98,396,710	100,413,780
Other Financing Sources/(Uses)	-	(2,854)	(3,091)	(1,571,827)
Revenues Over (Under) Expenses	(1,458,199)	(1,927,781)	(2,918,584)	(4,989,871)
Beginning Fund Balance 7/1 Assigned + Unassigned	37,479,850	36,021,651	34,093,870	31,175,286
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 36,021,651	\$ 34,093,870	\$ 31,175,286	\$ 26,185,415

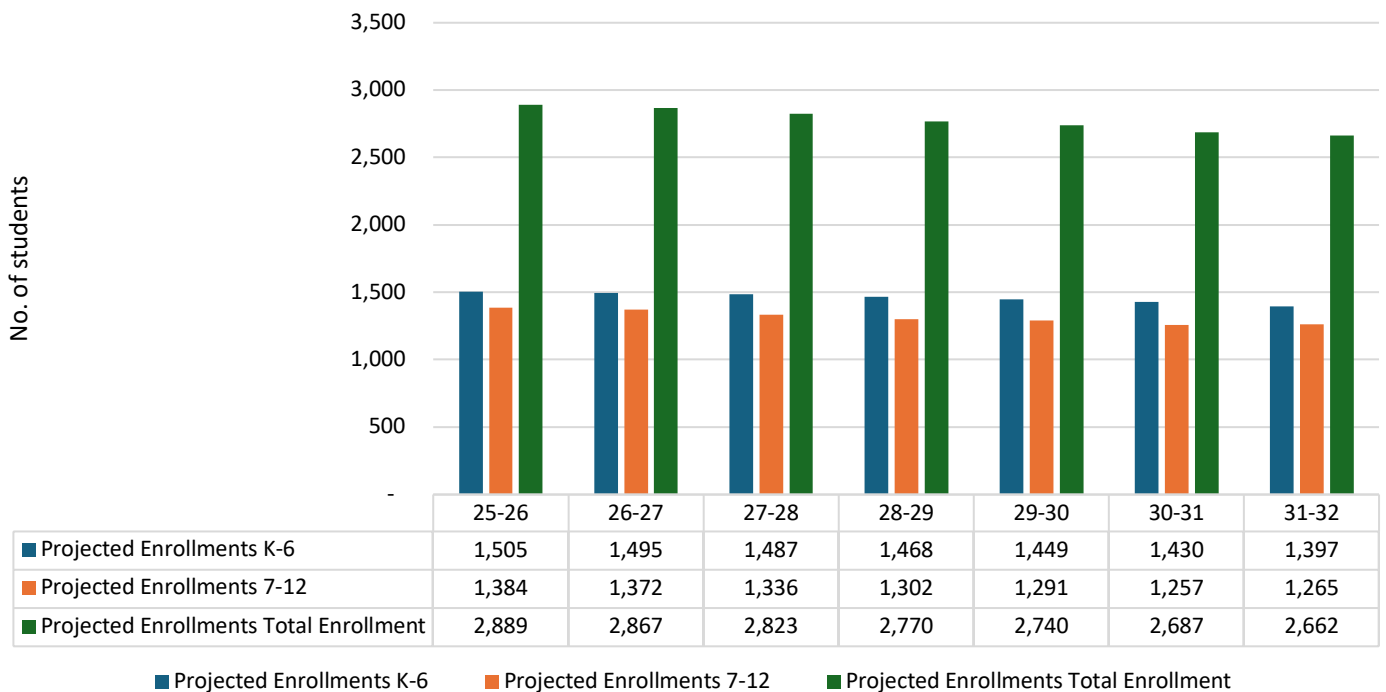
Informational Section

Student Enrollment

The projected student enrollment for the 2025-2026 school year is 2,889 total students. The District uses a Cohort Progression Model (also known as Cohort survival) to project enrollment. Kindergarten enrollment is projected using the four-year average of the percent of live births that enroll in kindergarten.



Projected enrollment



Source: PA Department of Education

Personnel Resources

The budget includes an overall increase of 5 staff positions. Staffing allocations are based on school board review and approval. The increase in positions are three additional special education teachers and two instructional assistants. These positions have been added although student enrollment remains relatively stable. The District has seen an increased need for supports for the students due to a variety of reasons.

Change in Debt

Pottsgrove School District utilizes debt service funds to support construction and building improvement projects. The District is not planning on any major projects for the 2025-2026 school year.

ANALYSIS OF OUTSTANDING GENERAL OBLIGATION BONDS

	Principal Balance		
	2023-2024	2024-2025	2025-2026
Debt at Beginning of Year	\$ 22,875,760	\$ 28,354,123	\$ 24,098,000
Additional Debt Incurred During Year	9,690,000	-	-
Retirements/Repayments	4,211,637	4,256,123	4,273,000
Debt at End of Year	<u>\$ 28,354,123</u>	<u>\$ 24,098,000</u>	<u>\$ 19,825,000</u>

Acknowledgements

We appreciate the fiscal support provided by the Pottsgrove Board of School Directors and the community for the development, implementation, and maintenance of an excellent educational setting for all school-aged children.

We express sincere thanks to the Pottsgrove District staff who help carry out the District's main purpose of educating the children of the Pottsgrove community.

We also acknowledge the business office staff for their commitment to the budget process which demand long hours and additional work and effort.

This budget document represents the contribution of many Pottsgrove School District employees and we thank everyone who helped in its preparation.



David Finnerty, Ed.D.
Superintendent



Ronald D. Linke
Business Administrator



Organizational Section



Pottsgrove School District
Fiscal Year 2025-2026
1301 Kauffman Rd
Pottstown, PA 19464
Dr. David Finnerty, Superintendent

Legal Autonomy and Fiscal Independence

The Pottsgrove School District is a political subdivision of the Commonwealth of Pennsylvania located in the central western section of Montgomery County, Pennsylvania. The District is comprised of the municipal subdivisions of the townships of Lower Pottsgrove, Upper Pottsgrove, and West Pottsgrove.

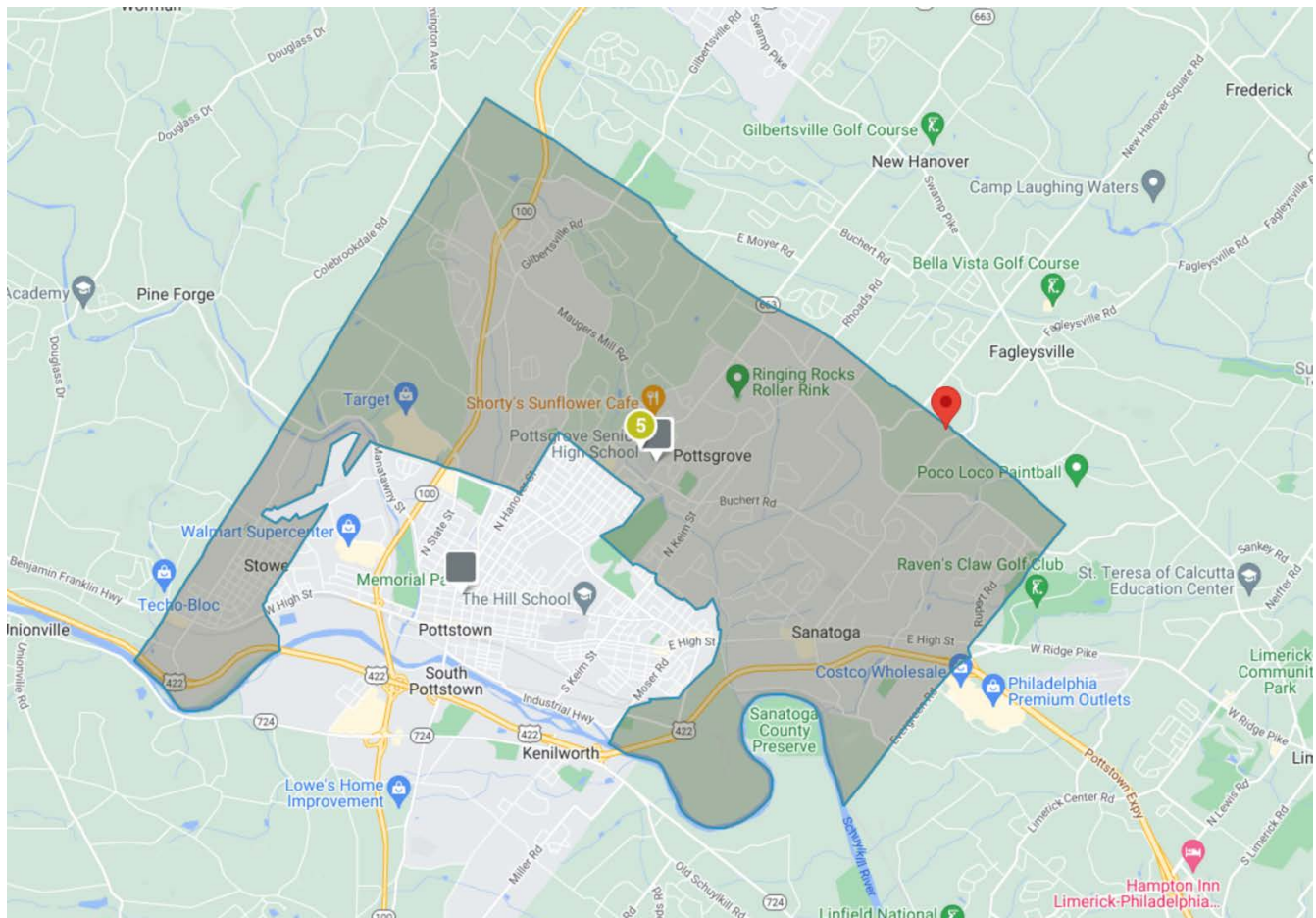
Authority is given to an elected nine-member board of directors elected for a four-year term to govern the District. The Superintendent is the chief administrative officer of the District with overall responsibility for all aspects of operations including education and finance. The Business Administrator is responsible for budget and financial operations. Both of these officials are selected by the board of directors.

Level of Education Provided

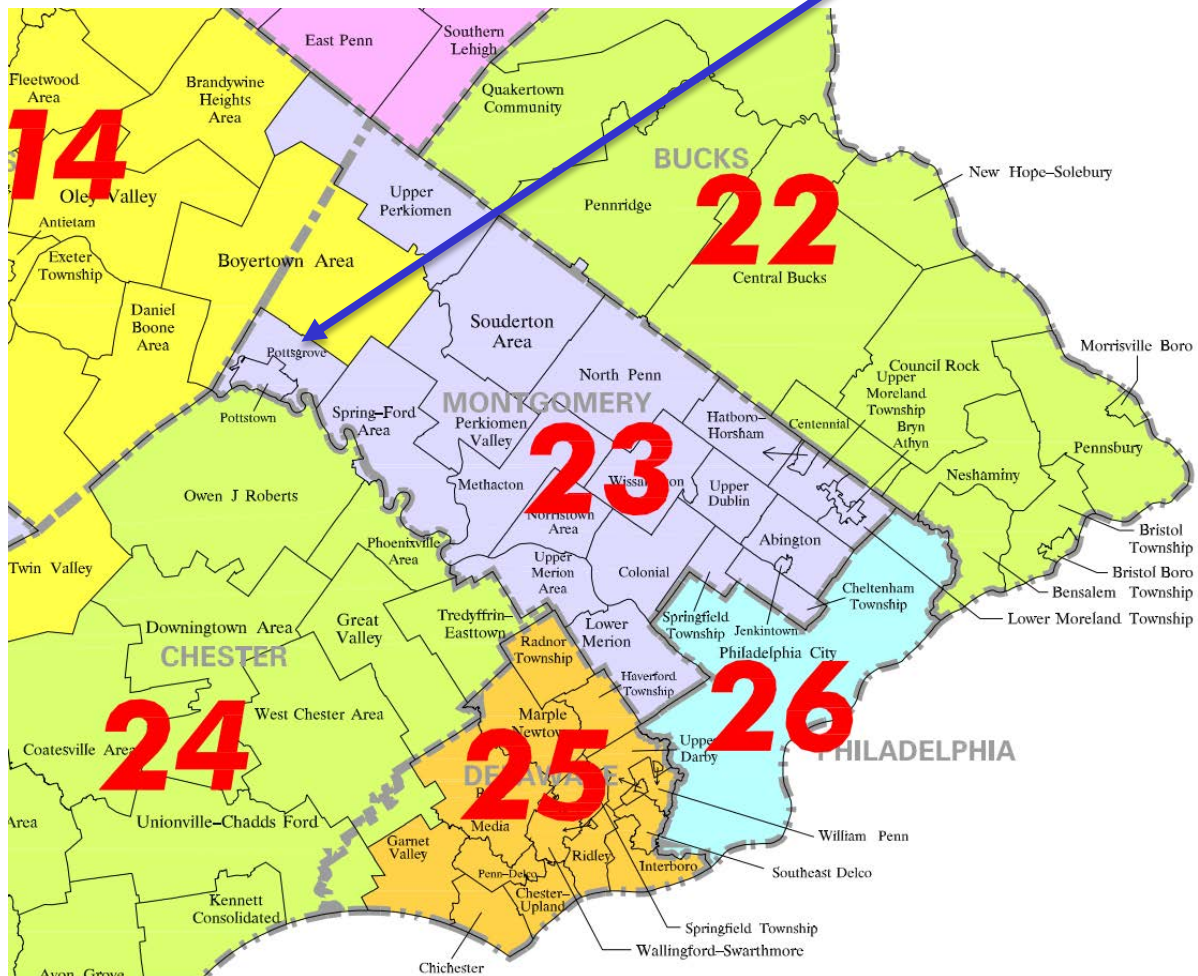
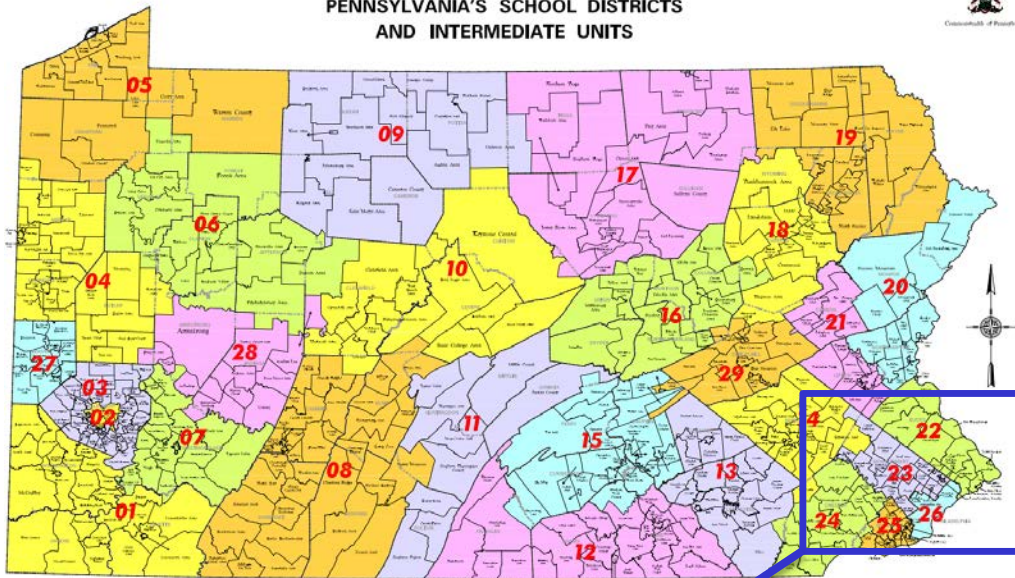
The District presently provides K-12 educational services for approximately 2,900 students enrolled from kindergarten through grade 12. Vocational education for students in grades 9 through 12 is provided by the Western Montgomery Career and Technical Center.

Geographic Area Served

The Pottsgrove School District is a small suburban district of approximately 2,900 students enrolled across 5 school buildings located in Montgomery County in southeastern Pennsylvania. The District encompasses approximately 16 square miles, including the municipalities of Lower Pottsgrove Township, Upper Pottsgrove Township, and West Pottsgrove Township. The 2020 census identifies the total population of the District as 21,885.



PENNSYLVANIA'S SCHOOL DISTRICTS
AND INTERMEDIATE UNITS



District Facilities

The Pottsgrove School District currently owns three elementary schools, one middle schools, and one high school.

Elementary Buildings K-5	<ul style="list-style-type: none">• Ringing Rocks• West Pottsgrove• Lower Pottsgrove	<ul style="list-style-type: none">- Constructed 1962 & Renovated 1983, 1989, 2011- Constructed 1980 & Renovated 1984, 1994, 1997, 2008, 2024- Constructed 1972 & Renovated 1989, 2003
Secondary Buildings MS 6-8 HS 9-12	<ul style="list-style-type: none">• Pottsgrove MS• Pottsgrove HS	<ul style="list-style-type: none">- Constructed 1999- Constructed 1958 & Renovated 1967, 1992, 2014

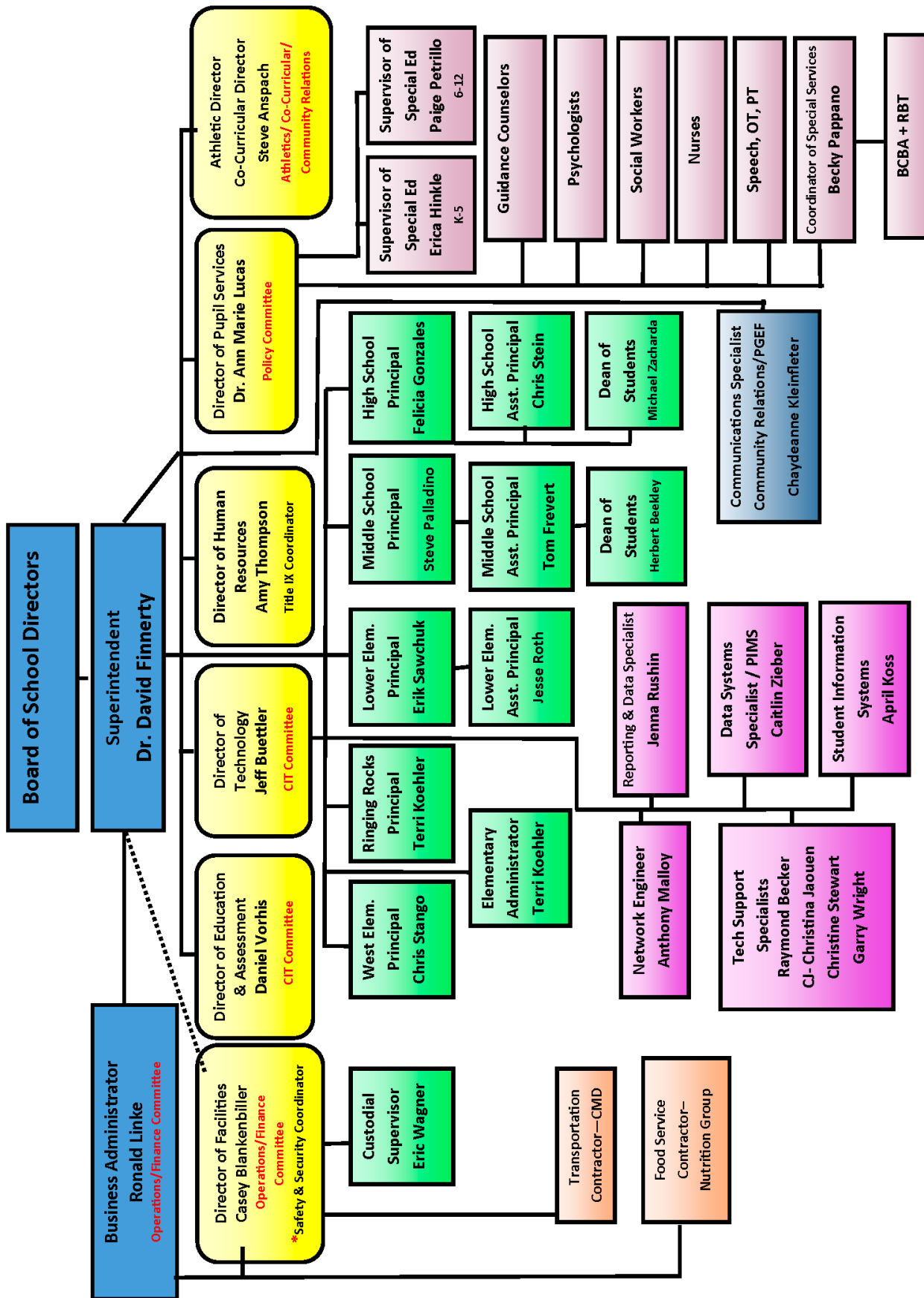
Governance Structure

The Pottsgrove School District is led by the nine elected board of directors who are responsible for oversight of all district operations and activities. The board is responsible for hiring a Superintendent who acts as the leader and Chief Executive Officer of the organization. The Business Administrator, Director of Education & Assessment, Director of Technology, Director of Human Resources, Director of Pupil Services, and the Athletic and Co-Curricular Activities Director all report directly to the Superintendent. The organization chart on the next page shows the administrative structure of the District as it currently exists.

Board of School Directors



Jay Strunk	President, Term 2021-2025
Bill Thompson	Vice President, Term 2023-2027
Patricia Grimm	Treasurer, Term 2021-2025
Ashley Custer	Secretary, Term 2021-2025
James Lopic	Member, Term 2023-2027
Charles Nippert	Member, Term 2021-2025
Tanya Taylor	Member, Term 2021-2025
Annique Ruiz-Brown	Member, Term 2023-2027
Louis Corominas	Member, Term 2021-2025



Mission Statement, Vision, Core Values, and Goals

Mission Statement	The mission of the Pottsgrove School District is to educate and inspire all students to excel as productive, responsible citizens, and lifelong learners.
Vision Statement	<ul style="list-style-type: none">• Our students will attain their fullest potential while exhibiting a love of learning, a passion for excellence, and respect for humanity.• Our students will demonstrate proficiency relative to state and district standards.• Our graduates will be productive contributors to a changing global society.
Goals	<p>The 2022-2025 Comprehensive Plan Goals and Strategies outlined the following goals which drive decisions for the Pottsgrove School District:</p> <ul style="list-style-type: none">• Design and implement a District-wide multi-tiered systems of supports (MTSS) to collect and analyze the effectiveness of academic and behavioral interventions.• Increase the percentage of student achievement metrics categorized as Above and Well Above from the 2022 Spring PSSA/Keystone exam data file compared to the 2019 levels.• Measurably improve communication and collaboration to improve student outcomes that include higher levels of performance, rigorous coursework, internships, and community service projects.• Improve student performance levels with a focused assessment calendar informed by current data and use to create cyber programming and financial planning for the future. <p>The District's Finance Committee's budget goal is to develop an operating budget, including future year projections within the legal limits established by Pennsylvania Law and the Act 1 Index. The budget was prepared with careful consideration of the educational needs of students and the ability of the community to support those needs.</p>

Significant Laws Affecting Budget and Fiscal Administration

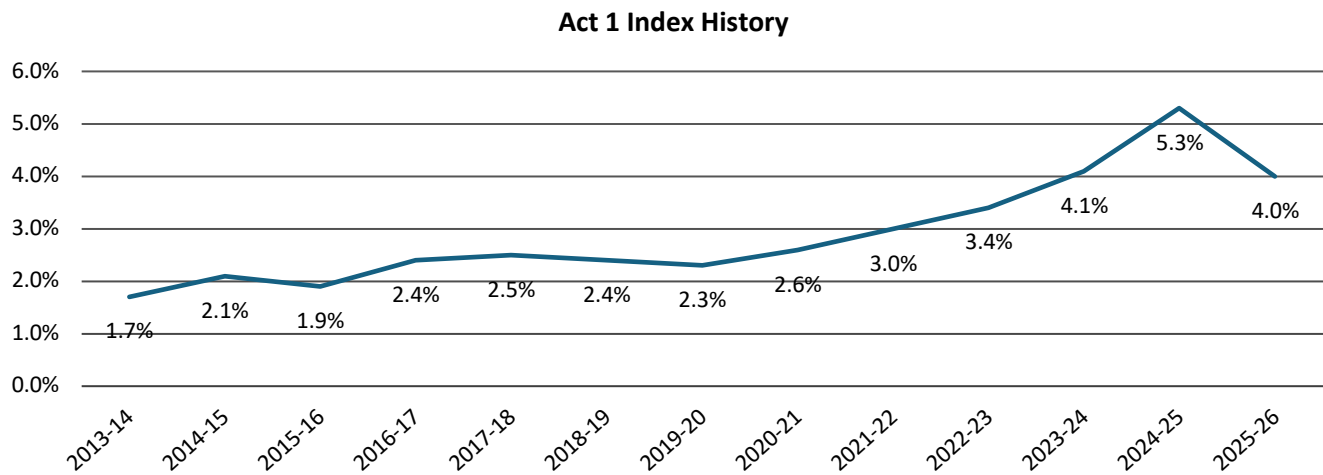
The Pennsylvania Public School Code of 1949, as amended, gives local school boards the authority to conduct the financial affairs of the District. The School Code contains provisions that require the board to perform certain acts (mandatory), provision that provide discretion to the board to either act 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.

The Pennsylvania state legislature passed Act 1 in June of 2006. Beginning in 2007-2008 school year, the Act placed annual limits on the percentage increases 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 (4.0% for 2025-2026) 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, that 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 the 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 reduce expenditures to stay within the limit.

Budget Development

The administration and Board of School Directors are committed to providing each child in the District with the best possible educational opportunity while maximizing the use of available resources. This consideration goes into the budget process each year as both parties attempt to balance these needs with the available local, state, and federal resources.

Normally the annual budget process begins in September so that a preliminary budget can be presented and adopted in February. The base Act 1 index is published by the Pennsylvania Department of Education (PDE) and is the state mandated limit for real estate tax increases unless exceptions are utilized or voter approval is given to raise taxes above the index. If the Board of School 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. The chart below shows the history of the base Act 1 index. The administration develops a timeline that works backwards from the final budget adoption date in June to the previous September.



Source: PA Dept. of Education

The Commonwealth of Pennsylvania mandates that no school district with a budget greater than or equal to \$19 million shall approve an increase in real property taxes unless it has adopted a budget that includes an estimated unassigned fund balance less than or equal to 8% of budgeted expenditures. School board policy adopts this maximum fund balance limitation.

The District administers and manages the budget by entering a line-item budget in the financial software and putting controls in place that prevent over-expenditure on any line item. Budget transfers between line items are allowed beginning October 1st of each fiscal year. Each month for the school board meeting, a report is prepared showing actual expenditures and projected expenditures compared to budget.

Fund balance policy

The District will maintain an unassigned General Fund balance at a minimum of 5% of expenditures and not to exceed the amount permitted by the Commonwealth of Pennsylvania, currently 8% of budgeted expenditures. The Board of Directors recognizes that the maintenance of fund balance is essential to the preservation of the sound financial condition of the District and protects the bond rating of the District.

Budget Timeline

September

- Act 1 Index and timeline published by PDE

November

- Adoption of board resolution not to raise taxes above the Act 1 index
- Building per pupil allocations are distributed
- District enrollment projections are calculated
- Final budget timeline is created

December

- Deadline to notify residents of homestead/farmstead exclusion
- Building and department budget requests are due to the business office
- Budget meetings held with building/department administrators

January

- Deadline to opt out of Act 1 exceptions
- Budget meetings are held with building/department administrators

February

- Deadline to adopt preliminary budget unless resolution not to exceed Act 1 index adopted
- Deadline for referendum exception request to PDE
- Deadline to submit primary election referendum question seeking voter approval of tax increase in excess of the Act 1 index

March

- Homestead/farmstead application deadline
- Deadline for PDE ruling on referendum exception request

April

- Board adoption of the proposed final budget

May

- County provides certified homestead/farmstead information
- PDE provides property tax relief allocation information
- Public notice of intent to adopt final budget
- Budget presented for public inspection

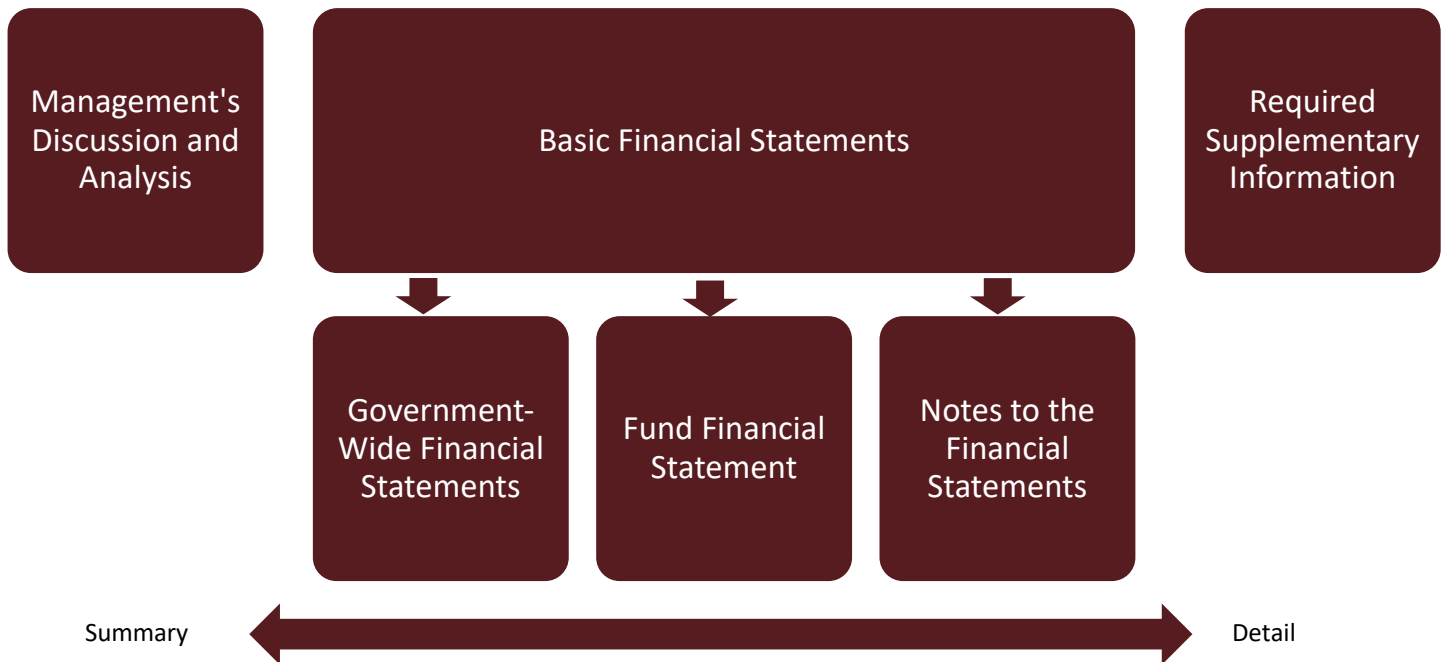
June

- Board adoption of the final budget

Financial Reporting and Accounting Structure

The District's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34 and present both the government-wide and fund level financial statements using both the accrual and modified accrual basis of accounting, respectively. The following chart illustrates how the various parts of the District's annual report is arranged and relate to one another.

ORGANIZATION OF POTTS GROVE SCHOOL DISTRICT ANNUAL FINANCIAL REPORT



Government-wide statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. These statements are reported using the full accrual method of accounting. Both statements report the District's net position (the difference between assets and liabilities) and how it has changed and are divided into two categories; governmental-type activities which includes basic services and business-type activities which includes the District's food service program.

Fund financial statements

The fund financial statements provide more detailed information about the District's funds and not on the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending in particular programs. The fund financial statements are reported using the modified accrual basis of accounting. The District has three kinds of funds:

- Governmental funds – most of the District's basic services are included here and generally focus on how cash and other assets can be converted to cash and the balances left at the end of the year that are available. Governmental funds utilized by Pottsgrove School District include the General Fund and Capital Projects Funds.
- Proprietary funds – services for which the District charges a fee are reported here. This includes the Food Service Fund. These types of funds are collectively referred to as Enterprise Funds in the budget and financial statements. Additionally, the District utilizes an Internal Service Fund to account for self-insured medical, dental, and prescription plans for employee benefits.
- Fiduciary funds – The District is the trustee, or fiduciary, for assets that belong to others such as the Scholarship Fund and Student-sponsored Activities Fund. These activities are excluded from the District-wide financial statements because they cannot be used as assets to finance the District's operations.

Major Features of the Government-Wide and Fund Financial Statements				
	Government-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire School District (except Fiduciary Funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the School District operates similar to private businesses; school nutrition services and community education	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due to payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Revenue Sources

This dimension permits segregation of revenues by source. The primary classification differentiates local, state, and federal revenue sources. Other financing sources are included in the dimension breakdown; although in a strict accounting sense, these are not revenues.

Local revenues

6111 Current Real Estate Taxes

Revenue received from taxes assessed and levied upon real property. Include Clean and Green roll-back tax revenue.

6112 Interim Real Estate Taxes

Taxes levied under Act 544 of 1952 (Section 677.1) on new construction not appearing on the tax duplicate.

6113 Public Utility Realty Tax

Revenue received under terms of the Public Utility Realty Tax Act (Act 66 of 1970). 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 then collects and distributes a prescribed sum among local taxing authorities, and that payment of state tax shall be in lieu of local taxes upon utility realty.

6151 Current Act 511 Earned Income Taxes

Revenue received under Act 511 for taxes levied upon wages, salaries, commissions, net profits or other compensation of those who earn income within the taxing jurisdiction of the LEA.

6153 Current Act 511 Real Estate Transfer Taxes

Revenue received under Act 511 for percentage assessment on the transfer price of real property within the jurisdiction of the LEA.

6157 Mercantile Taxes

Revenue received under Act 511 for percentage assessment of gross receipts on wholesale and retail business.

6411 Delinquent Real Estate Taxes

Revenue received from taxes assessed and levied upon real property, that have become delinquent.

6510 Interest on Investments and Interest-Bearing Checking Accounts

Interest revenue received on temporary or permanent interest-bearing investments and interest-bearing checking accounts. (Investments would include U.S. treasury bills, notes, savings accounts, certificates of deposit, mortgages, or other interest-bearing investments).

6700 Revenues from District Activities

Revenues resulting from school sponsored co-curricular and extra-curricular activities controlled and administered by the LEA. These revenues are not to be commingled with the proceeds from student activities which should be accounted for in agency funds.

6832 Federal IDEA Revenue Received as Pass Through

Federal IDEA revenue received by a school entity passed through from a Pennsylvania LEA or another primary recipient.

6910 Rentals

Revenues from the rental of school property which is being used for school purposes, and the net earnings from rents and leases of school property that is not being used for school purposes, but is being held for future use or disposal. The credit to this account should include only receipts from flat rate rental charges not identifiable as an offset against expenditures. Include here gas lease or royalty revenues.

6920 Contributions/Donations/Grants from Private Sources

Contributions, donations and grants from private sources are revenues from philanthropic foundations, private individuals or organizations for which no repayment or service is expected.

6942 Summer School Tuition

Revenue received from students, their parents or their guardians for summer school education provided by the LEA.

6944 Receipts from Other LEAs in Pennsylvania – Education

Monies received from other LEAs in Pennsylvania for education provided to pupils from the paying LEA. Note: Charter Schools should record payments from the sending districts to this account, whether by direct payment or deduction.

6960 Services Provided Other Local Governmental Units/LEAs

Revenues from services provided other local governmental units. These services could include transportation, data processing, purchasing, maintenance, cleaning, cash management, consulting, and a variety of other educational related services.

6990 Refunds and Other Miscellaneous Revenue

Revenue from local sources not classified elsewhere.

State revenues

7111 Basic Education

Revenue received from the Commonwealth of PA, in accordance with Act 35 of 2016 for Basic Education Funding Formula.

7160 Tuition for Orphans and Children Placed in Private Homes

Revenue received from the Commonwealth of PA as tuition for children who are orphans and/or children placed in private homes by the court. Payments are made in accordance with Section 1305 and 1306 of the Public School Code.

7271 Special Education Funding For School Aged Pupils

Revenue received from the Commonwealth of PA for expenditures incurred in instructing school age special education students.

7311 Pupil Transportation Subsidy

Revenue received from the Commonwealth of PA for regular pupil transportation, and payments for board and lodging in lieu of transportation in accordance with sections 2541-2542 of the PA School Code.

7312 Nonpublic and Charter School Pupil Transportation Subsidy

Revenue received from the Commonwealth of PA for nonpublic and charter school transportation in accordance with section 2509.3 of the PA School Code.

7320 Rental and Sinking Fund Payments/Building Reimbursement Subsidy

Revenue received from the Commonwealth of PA as a payment for approved lease rentals, sinking fund obligations, or any approved LEA debt obligations for which the Department of Education has assigned a lease number.

7330 Health Services (Medical, Dental, Nurse, Act 25)

Revenue received from the Commonwealth of PA for health service expenditures. Payments are made in accordance with Section 2505.1 of the Public School Code and include revenue for medical, dental, nurse and Act 25 health services.

7340 State Property Tax Reduction Allocation

Revenue received from the Commonwealth of PA designated for school district property tax reduction. Payments are made in accordance with section 505 of Special Session Act 1 of 2006.

7361 School Safety and Security Grants

Revenue received from the Pennsylvania Commission on Crime and Delinquency (PCCD) for the School Safety and Security Grant program in accordance with Article XIII-B of the PA School Code, as amended by Act 44 of 2018.

7505 Ready to Learn Block Grant

Revenue received from the Commonwealth of PA for to provide resources for public schools that focus on student achievement and academic success and for pre-k and full day kindergarten and other proven educational programs.

7533 Tax Equity Supplement

Revenue received by a school district from the Commonwealth of PA that provides resources to school districts for mitigating property tax increases, providing tax relief, or reducing debt.

7810 – State Share of Social Security

Revenue received from the Commonwealth of PA designated as the Commonwealth's matching share of the employer's contributions of the Social Security and Medicare taxes for covered employees who are not federally funded.

7820 State Share of Retirement Contributions

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

Federal revenues

8514 Title I – Improving the Academic Achievement of the Disadvantaged

Revenue received for the education of disadvantaged children under ESEA, Title I.

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

Revenue received for the education of children under Title II. Improving Teacher Quality, and Eisenhower Professional Development (list not all inclusive) are samples of funding.

8517 Title IV – 21st Century Schools

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

8810 School Based Access Medicaid Reimbursement Program (SBAP) Reimbursements (ACCESS)

SBAP is an MA program that reimburses school entities for direct, eligible health-related services including transportation. These services are provided to MA enrolled, special needs students, and reimbursement claims are processed through Public Consulting Group. Reimbursable services include, but are not limited to, occupational therapy, physical therapy and psychological counseling. Payments for SBAP costs come from the Department of Education (PDE) through the completion of the PDE-352 ACCESS Funds Request Form.

8820 Medical Assistance Reimbursement for Administrative Claiming (Quarterly) Program

The Administrative Claiming Program reimburses LEAs for the costs associated with administrative Medicaid-related activities. These funds also include the partial reimbursement that schools receive on behalf of the service fees paid to Public Consulting Group for the processing of their SBAP claims. Payments for SBAP Administrative Claiming are received from the Department of Public Welfare. Expenditures utilizing this source of funding should be reported as federal expenditures on the Annual Financial Report.

Other revenues

9000 Other Financing Sources

Other financing sources include governmental fund general long-term debt proceeds, interfund transfers-in, proceeds of fixed asset dispositions and other transfer-in and receipts. Such amounts are classified separately from revenues. (Other Financing Sources represent revenues in the Debt Service Fund.)

Expenditure Codes

Expenditure functions

The Function dimension describes the activities for which a service or material is acquired. The functions of a local education agency (LEA) are classified into five broad areas:

1. Instruction
2. Support services
3. Operation of non-instructional services
4. Facilities, acquisition, construction and improvement services
5. Other financing uses

Functions consist of activities which have somewhat the same general operational objectives.

Instruction expenditures

1100 Regular Programs – Elementary/Secondary

Activities designed to provide grades K–12 students with 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 Programs – Elementary/Secondary

Activities designed primarily for students having special needs. The Special Programs include support classes for pre-kindergarten, kindergarten, elementary and secondary students identified as exceptional.

1300 Vocational Education

PDE approved programs under public supervision and control that provide organized learning experiences designed to develop skills, knowledge, attitudes and work habits in order to prepare individuals for entrance into and progress through various levels of employment in occupational fields including agriculture, business, distribution, health, gainful and useful home economics, and trade and industry. PDE approved programs are those programs approved by the Pennsylvania Department of Education as reflected in the approved program listing of the Career and Technical Education Information System (CATS).

1400 Other Instructional Programs – Elementary/Secondary

Activities that provide grades K-12 students with learning experiences not included in the function codes 1100-1300, 1500, 1600 and 1800.

1800 Pre-Kindergarten

Activities designed to provide Pre-K students with 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.

Support services expenditures

2100 Support Services - Students

Activities designed to assess and improve the well-being of students to supplement the teaching process and to meet the applicable provisions of Article XIII of the Public School Code of 1949, as amended, and Chapter 7 of the State Board of Education Regulations. Included in this sub-function are program coordination, consultation, and services to the pupil personnel staff of the LEA.

2200 Support Services – Instructional Staff

Activities associated with assisting, supporting, advising and directing the instructional staff with or on the content and process of providing learning experiences for students.

2300 Support Services - Administration

Activities concerned with establishing and administering policy in connection with operating the LEA.

2400 Support Services – Pupil Health

Physical and mental health services, which are not direct instruction. Included are activities that provide students with appropriate medical, dental and nurse services.

2500 Support Services – Business

Activities concerned with paying, transporting, exchanging and maintaining goods and services for the LEA. Included are the fiscal and internal services necessary for operating the LEA.

2600 Operation and Maintenance of Plant Services

The activities concerned with keeping the physical plant open, comfortable and safe for use, and keeping the grounds, buildings and equipment in effective working condition and state of repair.

2700 Student Transportation Services

Expenditures include those activities concerned with the conveyance of students to and from school, as provided by State and Federal law. It includes transportation costs only for trips between home and school and from school to school.

2800 Support Services - Central

Activities, other than general administration, which support each of the other instructional and supporting services program. These activities include planning, research, development, evaluation, information, staff and data processing services.

2900 Other Support Services

All other support services not classified elsewhere in the 2000 series.

Operation of non-instructional services

3200 Student Activities

School sponsored activities under the guidance and supervision of the LEA staff.

3300 Community Services

Those activities concerned with providing community services to students, staff or other community participants. Examples of this function would be the operation of a community swimming pool, a recreation program for the elderly, a child-care center for working mothers, etc.

Facilities acquisition, construction and improvement services

4600 Existing Building Improvement Services

Record to this sub function the capital expenditures incurred to renovate or improve existing buildings, service systems and other built-in equipment. Capital expenditures include non-routine and extraordinary (or substantial) costs incurred to maintain or improve buildings, service systems and other built-in equipment.

Other financing uses

5110 Debt Service

This account is used to record and accumulate expenditures incurred to retire current year principal and interest payments on long-term debt other than refunded bond issues.

5130 Refund of Prior Year Revenues/Receipts

Record to this account the recognition of all refunds of prior year revenues and receipts. This account is also used to record refunds and deductions taken from your State subsidies to adjust for prior year audits and subsidy calculation changes. This account should be reported as an expenditure on your financial statements consistent with GASB #33.

5200 Interfund Transfers - Out

Included are transactions that withdraw money from one fund and place it in another without recourse.

5900 Budgetary Reserve

Budgetary Reserve is not an expenditure function or account. It is strictly a budgetary account.

In addition to the appropriations, it is sound fiscal practice to provide for operating contingencies through a budgetary reserve. Experience indicates that there are certain variables over which control is impossible regardless of the care with which the budget is prepared. These variables include unpredictable changes in the costs of goods and services, and the occurrences of events which are vaguely perceptible during the time of budget preparations, but which nevertheless, may require expenditures by the District during the year for which the budget is being prepared. Even though the operating contingencies for which provision is being made may contain certain unknowns, the budgetary reserve should be composed of components for which estimates are made. For example, there may be federal, state, or local programs, which may or may not, require expenditures by the District in the fiscal year for which the budget is being prepared.

Rather than provide for such contingencies by “padding” the functional appropriations, it is preferable to limit the functional appropriations to amounts that are supportable by estimates based upon financial, enrollment, and other statistics as related to the more definite educational plans and programs for the budget year and earmark a reserve for the less predictable requirements. The budgetary reserve should be reasonable in amount and in proper proportion to the known operating requirements of the District. Board policy sets the budgetary reserve at \$1.2 million.

Expenditures may not be made against the budgetary reserve, but only against the line items, which appear throughout the functional appropriations. Whatever may be needed from the budgetary reserve may not be used until after the transfer from the budgetary reserve to the line items against which the expenditure is to be charged. Each such transfer requires the prior authorization of the Board of School Directors and may be made only during the last nine (9) months of the fiscal year.

To the extent that the contingencies for which the budgetary reserve has been provided fail to materialize in the budget year, there will be a balance remaining in the budgetary reserve at the close of the budget year. If covered by revenues realized during the budget year, as it should be in all school systems operating on a pay-as-you-go basis, such a balance becomes a part of the total resources available for application against the requirements of the next fiscal year.

Expenditure objects

The object dimension is the service or commodity bought. This manual identifies nine major object categories:

1. Personnel services – salaries
2. Personnel services – employee benefits
3. Purchased professional and technical services
4. Purchased property services
5. Other purchased services
6. Supplies
7. Property
8. Other objects
9. Other financing uses

100 Personnel Services - Salaries

Gross salaries paid to employees of the LEA who are considered to be in positions of a permanent nature or hired temporarily, including personnel substituting for those in permanent positions. This includes gross salary for personnel services rendered while on the payroll of the LEA.

200 Personnel Services – Employee Benefits

Amounts paid by the LEA 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.

300 Purchased Professional and Technical Services

Services that by their nature require persons or firms with specialized skills and knowledge. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, accountants, tax collectors etc. Payments for services provided by Intermediate Units to LEAs should be recorded to this object.

400 Purchased Property Services

Services purchased to operate, repair, maintain and rent property owned and / or used by the LEA. These services are performed by persons other than LEA employees

500 Other Purchased Services

Amounts paid for services not provided by LEA personnel but rendered by organizations or personnel, other than Professional and Technical Services and Purchased Property Services.

600 Supplies

Amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorate in use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances.

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.

900 Other Uses of Funds

This series of codes is used to classify transactions which record redemption of principal on long-term debt, authority obligations, fund transfers, and transfers to component units (as defined by GASB Statement #14).



Financial Section



Pottsgrove School District
Fiscal Year 2025-2026
1301 Kauffman Rd
Pottstown, PA 19464
Dr. David Finnerty, Superintendent

Summary of all Funds

The following is a summary of the 2025-2026 budgets for each of the District's funds. Budgeted revenues include resources from local, state, and federal sources and expenditures represent those resources allocated towards supporting the District's programs and services.

Summary of all funds								
	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026	Projection 2026-2027	Projection 2027-2028	Projection 2028-2029
TOTAL OF ALL FUNDS								
Fund Balance July 1, 20XX	\$ 32,096,043	\$ 32,180,695	\$ 34,798,373	\$ 44,932,675	\$ 37,479,850	\$ 36,021,651	\$ 34,123,949	\$ 31,236,046
Revenue								
Local Sources	53,328,131	56,691,389	60,212,493	58,052,965	60,939,720	64,107,183	65,795,959	66,530,774
State Sources	21,117,509	22,847,769	23,680,702	23,943,616	26,152,941	26,374,309	27,090,195	27,833,517
Federal Sources	4,228,305	4,041,113	4,205,311	2,371,286	2,523,979	2,589,324	2,625,745	2,662,740
Other Sources	28,615,517	2,575,732	10,833,281	-	-	-	-	-
Total Revenue	107,289,462	86,156,003	98,931,787	84,367,867	89,616,640	93,070,816	95,511,898	97,027,031
Expenditures								
Salaries	28,553,179	29,141,213	29,899,610	31,122,488	32,533,728	33,531,741	34,560,558	35,621,134
Benefits	24,792,054	26,826,662	25,718,964	26,314,951	27,754,625	29,461,850	30,617,734	31,835,367
Purchased Prof. Services	4,345,116	4,858,880	5,442,164	5,521,805	6,478,606	6,802,536	7,142,663	7,499,796
Purchased Property Services	1,475,285	2,425,907	1,780,118	1,735,160	2,133,420	2,240,091	2,352,096	2,469,701
Other Purchased Services	8,033,769	8,826,351	10,101,733	10,440,196	11,507,964	12,032,315	12,581,608	13,157,057
Supplies and Books	2,571,139	3,429,175	3,456,363	3,083,288	3,328,651	3,494,834	3,669,319	3,852,523
Property and Equipment	3,887,502	1,282,515	6,727,093	7,345,117	1,206,240	1,266,552	1,329,880	1,396,375
Other Objects	889,515	409,105	456,206	801,564	1,858,605	1,824,745	1,790,852	1,769,827
Other Uses of Funds	30,964,153	5,146,538	4,211,637	5,456,123	4,273,000	4,311,000	4,352,000	2,812,000
Total Expenditures	105,511,712	82,346,346	87,793,888	91,820,692	91,074,839	94,965,664	98,396,710	100,413,780
Excess of Revenue Over (Under) Expenditures	1,777,750	3,809,657	11,137,899	(7,452,825)	(1,458,199)	(1,894,848)	(2,884,812)	(3,386,749)
Fund Transfers/Other Financing	(1,693,098)	(1,191,979)	(1,003,597)	-	-	(2,854)	(3,091)	(1,571,827)
Net Change in Fund Balance	84,652	2,617,678	10,134,302	(7,452,825)	(1,458,199)	(1,897,702)	(2,887,903)	(4,958,576)
Fund Balance June 30, 20XX	\$ 32,180,695	\$ 34,798,373	\$ 44,932,675	\$ 37,479,850	\$ 36,021,651	\$ 34,123,949	\$ 31,236,046	\$ 26,277,470

General Fund								
	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026	Projection 2026-2027	Projection 2027-2028	Projection 2028-2029
Fund Balance July 1, 20XX	\$ 17,618,555	\$ 19,627,099	\$ 22,367,517	\$ 26,401,308	\$ 25,546,294	\$ 24,346,294	\$ 22,757,401	\$ 20,231,138
Revenue								
Local Sources	46,627,355	48,534,528	51,531,510	50,431,468	53,060,354	55,927,873	57,304,915	57,715,737
State Sources	21,072,350	22,706,294	23,520,368	23,794,775	25,980,000	26,199,639	26,913,778	27,655,336
Federal Sources	2,664,313	2,801,496	2,629,100	1,012,094	1,002,610	1,052,741	1,073,796	1,095,272
Other Sources	26,925,517	1,375,732	3,597		-	-	-	-
Total Revenue	97,289,535	75,418,050	77,684,575	75,238,337	80,042,964	83,180,253	85,292,489	86,466,345
Expenditures								
Salaries	28,553,179	29,141,213	29,899,610	31,122,488	32,533,728	33,531,741	34,560,558	35,621,134
Benefits	17,773,913	18,522,241	18,741,732	19,314,951	20,474,625	21,890,650	22,743,686	23,646,357
Purchased Prof. Services	4,345,116	4,858,880	5,442,164	5,521,805	6,478,606	6,802,536	7,142,663	7,499,796
Purchased Prop. Services	1,475,285	2,425,907	1,712,562	1,735,160	2,133,420	2,240,091	2,352,096	2,469,701
Other Purchased Services	6,419,574	7,138,295	8,224,328	8,564,972	9,466,089	9,939,393	10,436,363	10,958,181
Supplies and Books	2,560,592	3,408,178	3,435,384	3,073,288	3,318,651	3,484,584	3,658,813	3,841,754
Property and Equipment	609,664	427,275	527,161	503,000	706,240	741,552	778,630	817,562
Other Objects	889,515	409,105	456,206	801,564	1,858,605	1,824,745	1,790,852	1,769,827
Other Uses of Funds	30,964,153	5,146,538	4,211,637	5,456,123	4,273,000	4,311,000	4,352,000	2,812,000
Total Expenditures	93,590,991	71,477,632	72,650,784	76,093,351	81,242,964	84,766,292	87,815,661	89,436,312
Excess of Revenue Over (Under) Expenditures	3,698,544	3,940,418	5,033,791	(855,014)	(1,200,000)	(1,586,039)	(2,523,172)	(2,969,967)
Fund Transfers	(1,690,000)	(1,200,000)	(1,000,000)		-	(2,854)	(3,091)	(1,571,827)
Net Change in Fund Balance	2,008,544	2,740,418	4,033,791	(855,014)	(1,200,000)	(1,588,893)	(2,526,263)	(4,541,794)
Fund Balance June 30, 20XX	\$ 19,627,099	\$ 22,367,517	\$ 26,401,308	\$ 25,546,294	\$ 24,346,294	\$ 22,757,401	\$ 20,231,138	\$ 15,689,344

Capital Projects Fund								
	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026	Projection 2026-2027	Projection 2027-2028	Projection 2028-2029
Fund Balance July 1, 20XX	\$ 7,239,836	\$ 5,661,858	\$ 6,254,884	\$ 11,368,052	\$ 4,825,935	\$ 4,600,935	\$ 4,356,435	\$ 4,091,295
Revenue								
Local Sources	7,747	240,422	550,972	300,000	275,000	280,500	286,110	291,832
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Other Sources	1,690,000	1,200,000	10,829,684	-	-	-	-	-
Total Revenue	1,697,747	1,440,422	11,380,656	300,000	275,000	280,500	286,110	291,832
Expenditures								
Salaries	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Purchased Prof. Services	-	-	-	-	-	-	-	-
Purchased Property Services	-	-	67,556	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-
Supplies and Books	-	-	-	-	-	-	-	-
Property and Equipment	3,275,725	847,396	6,199,932	6,842,117	500,000	525,000	551,250	578,813
Other Objects	-	-	-	-	-	-	-	-
Other Uses of Funds	-	-	-	-	-	-	-	-
Total Expenditures	3,275,725	847,396	6,267,488	6,842,117	500,000	525,000	551,250	578,813
Excess of Revenue Over (Under) Expenditures	(1,577,978)	593,026	5,113,168	(6,542,117)	(225,000)	(244,500)	(265,140)	(286,981)
Fund Transfers/Other Financing	-	-	-	-	-	-	-	-
Net Change in Fund Balance	(1,577,978)	593,026	5,113,168	(6,542,117)	(225,000)	(244,500)	(265,140)	(286,981)
Fund Balance June 30, 20XX	\$ 5,661,858	\$ 6,254,884	\$ 11,368,052	\$ 4,825,935	\$ 4,600,935	\$ 4,356,435	\$ 4,091,295	\$ 3,804,314

Enterprise Funds									
	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026	Projection 2026-2027	Projection 2027-2028	Projection 2028-2029	
Fund Balance July 1, 20XX	\$ 152,724	\$ 357,487	\$ 630,677	\$ 845,651	\$ 789,957	\$ 756,758	\$ 692,449	\$ 595,949	
Revenue									
Local Sources	225,565	600,974	380,410	321,497	324,366	327,610	330,886	334,195	
State Sources	45,159	141,475	160,334	148,841	172,941	174,670	176,417	178,181	
Federal Sources	1,563,992	1,239,617	1,576,211	1,359,192	1,521,369	1,536,583	1,551,949	1,567,468	
Other Sources	-	-	-	-	-	-	-	-	
Total Revenue	1,834,716	1,982,066	2,116,955	1,829,530	2,018,676	2,038,863	2,059,251	2,079,844	
Expenditures									
Salaries	-	-	-	-	-	-	-	-	
Benefits	-	-	-	-	-	-	-	-	
Purchased Prof. Services	-	-	-	-	-	-	-	-	
Purchased Property Services	-	-	-	-	-	-	-	-	
Other Purchased Services	1,614,195	1,688,056	1,877,405	1,875,224	2,041,875	2,092,922	2,145,245	2,198,876	
Supplies - Food and Consum.	10,547	20,997	20,979	10,000	10,000	10,250	10,506	10,769	
Property and Equipment	2,113	7,844	-	-	-	-	-	-	
Other Objects	-	-	-	-	-	-	-	-	
Other Uses of Funds	-	-	-	-	-	-	-	-	
Total Expenditures	1,626,855	1,716,897	1,898,384	1,885,224	2,051,875	2,103,172	2,155,751	2,209,645	
Excess of Revenue Over (Under) Expenditures	207,861	265,169	218,571	(55,694)	(33,199)	(64,309)	(96,500)	(129,801)	
Fund Transfers/Other Financing	(3,098)	8,021	(3,597)	-	-	-	-	-	
Net Change in Fund Balance	204,763	273,190	214,974	(55,694)	(33,199)	(64,309)	(96,500)	(129,801)	
Fund Balance June 30, 20XX	\$ 357,487	\$ 630,677	\$ 845,651	\$ 789,957	\$ 756,758	\$ 692,449	\$ 595,949	\$ 466,148	

Internal Service Fund									
	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026	Projection 2026-2027	Projection 2027-2028	Projection 2028-2029	
INTERNAL SERVICE FUND									
Fund Balance July 1, 20XX	\$ 7,084,928	\$ 6,534,251	\$ 5,545,295	\$ 6,317,664	\$ 6,317,664	\$ 6,317,664	\$ 6,317,664	\$ 6,317,664	
Revenue									
Local Sources	6,467,464	7,315,465	7,749,601	7,000,000	7,280,000	7,571,200	7,874,048	8,189,010	
State Sources	-	-	-	-	-	-	-	-	
Federal Sources	-	-	-	-	-	-	-	-	
Other Sources	-	-	-	-	-	-	-	-	
Total Revenue	6,467,464	7,315,465	7,749,601	7,000,000	7,280,000	7,571,200	7,874,048	8,189,010	
Expenditures									
Salaries	-	-	-	-	-	-	-	-	
Benefits	7,018,141	8,304,421	6,977,232	7,000,000	7,280,000	7,571,200	7,874,048	8,189,010	
Purchased Prof. Services	-	-	-	-	-	-	-	-	
Purchased Property Services	-	-	-	-	-	-	-	-	
Other Purchased Services	-	-	-	-	-	-	-	-	
Supplies and Books	-	-	-	-	-	-	-	-	
Property and Equipment	-	-	-	-	-	-	-	-	
Other Objects	-	-	-	-	-	-	-	-	
Other Uses of Funds	-	-	-	-	-	-	-	-	
Total Expenditures	7,018,141	8,304,421	6,977,232	7,000,000	7,280,000	7,571,200	7,874,048	8,189,010	
Excess of Revenue Over (Under) Expenditures	(550,677)	(988,956)	772,369	-	-	-	-	-	
Net Change in Fund Balance	(550,677)	(988,956)	772,369	-	-	-	-	-	
Fund Balance June 30, 20XX	\$ 6,534,251	\$ 5,545,295	\$ 6,317,664	\$ 6,317,664	\$ 6,317,664	\$ 6,317,664	\$ 6,317,664	\$ 6,317,664	

General Fund

The General Fund is the main operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund and is where operating revenue and expenditures are budgeted and recorded. Currently, \$20.1 million of fund balance has been committed for anticipated capital projects, \$1.5 million committed for other post-employment benefits (OPEB), \$350,000 for compensated absences, and \$505,000 committed for vocational education.

General Fund								
	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026	Projection 2026-2027	Projection 2027-2028	Projection 2028-2029
Fund Balance July 1, 20XX	\$ 17,618,555	\$ 19,627,099	\$ 22,367,517	\$ 26,401,308	\$ 25,546,294	\$ 24,346,294	\$ 22,757,401	\$ 20,231,138
Revenue								
Local Sources	46,627,355	48,534,528	51,531,510	50,431,468	53,060,354	55,927,873	57,304,915	57,715,737
State Sources	21,072,350	22,706,294	23,520,368	23,794,775	25,980,000	26,199,639	26,913,778	27,655,336
Federal Sources	2,664,313	2,801,496	2,629,100	1,012,094	1,002,610	1,052,741	1,073,796	1,095,272
Other Sources	26,925,517	1,375,732	3,597	-	-	-	-	-
Total Revenue	97,289,535	75,418,050	77,684,575	75,238,337	80,042,964	83,180,253	85,292,489	86,466,345
Expenditures								
Salaries	28,553,179	29,141,213	29,899,610	31,122,488	32,533,728	33,531,741	34,560,558	35,621,134
Benefits	17,773,913	18,522,241	18,741,732	19,314,951	20,474,625	21,890,650	22,743,686	23,646,357
Purchased Prof. Services	4,345,116	4,858,880	5,442,164	5,521,805	6,478,606	6,802,536	7,142,663	7,499,796
Purchased Prop. Services	1,475,285	2,425,907	1,712,562	1,735,160	2,133,420	2,240,091	2,352,096	2,469,701
Other Purchased Services	6,419,574	7,138,295	8,224,328	8,564,972	9,466,089	9,939,393	10,436,363	10,958,181
Supplies and Books	2,560,592	3,408,178	3,435,384	3,073,288	3,318,651	3,484,584	3,658,813	3,841,754
Property and Equipment	609,664	427,275	527,161	503,000	706,240	741,552	778,630	817,562
Other Objects	889,515	409,105	456,206	801,564	1,858,605	1,824,745	1,790,852	1,769,827
Other Uses of Funds	30,964,153	5,146,538	4,211,637	5,456,123	4,273,000	4,311,000	4,352,000	2,812,000
Total Expenditures	93,590,991	71,477,632	72,650,784	76,093,351	81,242,964	84,766,292	87,815,661	89,436,312
Excess of Revenue Over (Under) Expenditures	3,698,544	3,940,418	5,033,791	(855,014)	(1,200,000)	(1,586,039)	(2,523,172)	(2,969,967)
Fund Transfers	(1,690,000)	(1,200,000)	(1,000,000)	-	-	(2,854)	(3,091)	(1,571,827)
Net Change in Fund Balance	2,008,544	2,740,418	4,033,791	(855,014)	(1,200,000)	(1,588,893)	(2,526,263)	(4,541,794)
Fund Balance June 30, 20XX	\$ 19,627,099	\$ 22,367,517	\$ 26,401,308	\$ 25,546,294	\$ 24,346,294	\$ 22,757,401	\$ 20,231,138	\$ 15,689,344

General Fund Revenues

The General Fund of the District is funded from local, state, and federal sources of revenue. Local revenue is the largest source of revenue which accounts for 66.29% of the \$80,042,964 total budgeted revenue for the 2025-2026 fiscal year. The remaining 33.71% of revenue budgeted is comprised of state subsidies and grants (32.46%) as well as federal grant funds (1.25%) and other financing sources (0.00%).

Local sources

The largest portion of local revenue is comprised of current taxes on real estate. Local current real estate tax revenue is budgeted to be \$43,362,857 which is 81.72% of local revenue sources budgeted and 54.17% of total revenue sources budgeted. Current real estate tax revenue is budgeted \$1,591,389 higher than budgeted in the previous year. The assessed property value used for is \$1,138,438,150 for the 2025-2026 school year.

The second largest source of local revenue is from proportional tax assessments including earned income taxes (EIT) and real estate transfer taxes. Both of these taxes are collected at a rate of 50% of the total tax levy. The remaining 50% is received by the local municipality. The District anticipates collecting \$4.0 million in EIT revenue and \$0.8 million in real estate transfer taxes. Other local revenue sources include interim and delinquent payments on real estate taxes, earnings on investments, revenues from district activities, and other various sources.

State sources

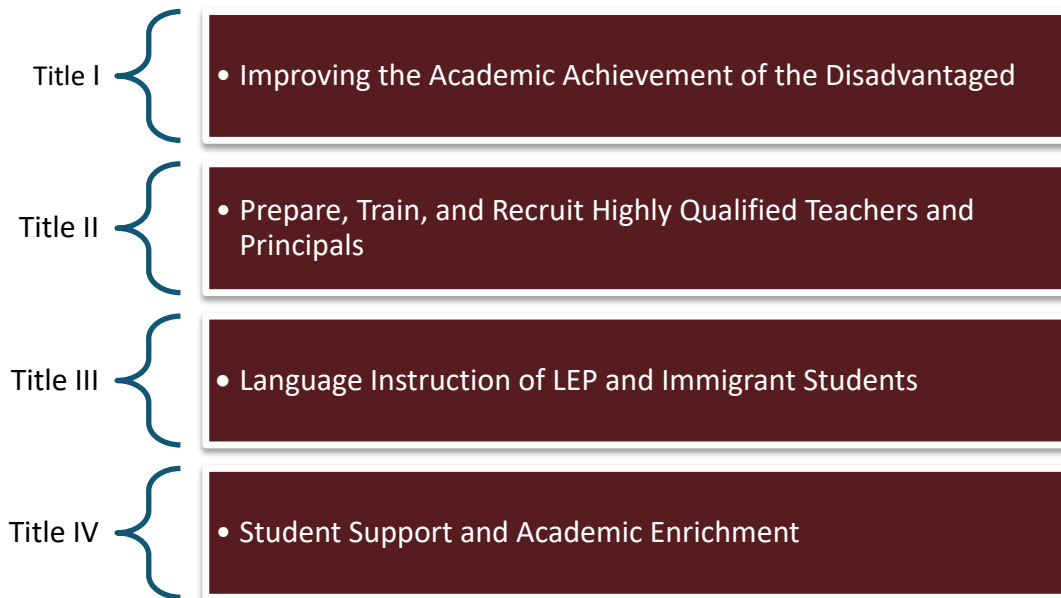
State sources comprise 32.46% of the total budget at \$25,980,000 which is an increase of \$2,185,225 from the 2024-2025 fiscal year. State sources include subsidies from basic education, special education, transportation, property tax reduction allocation, retirement, Social Security/Medicare subsidy, and rental (or building reimbursement) payments. The chart on the next page shows the budgeted subsidy payments for the 2025-2026 fiscal year.

The second largest line item in the state sources comes from the state's share of retirement contributions. The state reimburses the District for one-half of its Public School Employees' Retirement System (PSERS) retirement costs. For 2025-2026, the rate that the District pays into PSERS is 34.00% for qualifying earnings and in return the state reimburses one-half of this cost. This amount is \$5,992,921 which is a \$186,878 (3.22%) increase from the previous year. The increase is attributed to an increase in salaries and the addition of positions to the budget. The state also reimburses the District for one-half of its Social Security and Medicare payroll taxes which equates to \$1,288,071.

The District also receives money from the state to offset property taxes from Act 1 of 2006. These funds are collected by the state through gaming revenues and other tax programs which are then distributed to school districts to pass on as a tax reduction to approved homestead and farmstead properties. The allocation for the 2025-2026 school year is \$2,647,384 which equates to a tax reduction of \$509.69 for each eligible property.

Federal sources

Revenue from federal sources is comprised primarily of grant money for specific programs. The District receives money for the following programs:



The District also receives funds through the School-Based Access Medical Program which provides reimbursement for eligible health care service costs.

General Fund Revenue Detail

	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 202-2026
6000 - Revenue from Local Sources					
6111 - Current Real Estate Taxes	\$ 38,259,486	\$ 38,965,535	\$ 40,311,201	\$ 41,771,468	\$ 43,362,857
6112 - Interim Real Estate Taxes	198,674	263,263	746,716	200,000	310,000
6113 - Public Utility Realty Tax	43,150	42,399	38,345	38,000	38,000
6120 - Per Capita Tax, Sect 679	49,324	54,725	51,548	50,000	53,000
6140 - Per Capita Tax, Act 511	49,324	54,725	51,548	50,000	53,000
6143 - Local Service Tax	28,300	32,705	33,240	32,000	32,000
6151 - Earned Income Tax	3,546,318	3,820,874	4,171,953	3,600,000	4,000,000
6153 - Real Estate Transfer Tax	934,438	1,250,254	790,208	720,000	800,000
6157 - Mercantile Tax	518,204	593,594	536,309	550,000	550,000
6400 - Delinquent Taxes Levied	1,300,121	708,570	1,214,160	1,020,000	1,024,000
6500 - Earnings on Investments	97,656	1,344,604	2,153,685	1,400,000	1,450,000
6700 - Revenue from Student Activ.	54,559	68,801	56,429	50,000	60,000
6821 - State Revenue Pass Through					178,500
6832 - Federal IDEA Pass Through	643,529	642,765	726,009	675,000	740,997
6833 - Federal IDEA ARP Pass Through	32,230	114,991	2,903		
6839 - Other Pass Thorough Federal	1,663	592	1,444		33,000
6910 - Rentals	16,062	29,453	25,804	25,000	25,000
6920 - Donations	5,465	41,663	132,374		50,000
6944 - Receipts from Other PA LEAS	46,972	-			
6961 - Transportation from Other PA LEAs	85,388	129,855	156,567	100,000	125,000
6999 - All Other Local Revenues	716,492	375,160	331,067	150,000	175,000
Total from Local Sources	46,627,355	48,534,528	51,531,510	50,431,468	53,060,354
7000 - Revenue from State Sources					
7110 - Basic Education Funding	8,759,556	9,373,391	10,275,441	10,275,818	10,624,307
7112 - Basic Education Funding -Social Security	1,112,643	1,109,127			
7160 - Tuition - Orphans/Priv. Homes	149,744	156,484	83,638	150,000	80,000
7271 - Special Education Funding	2,132,862	2,516,614	2,602,820	2,366,675	2,901,662
7310 - Transportation	763,324	940,655	1,080,960	1,081,000	1,205,000
7320 - Rental Payments	424,492	421,333	65,821		65,000
7330 - Health Services	63,972	64,929	67,391	65,000	70,000
7340 - State Property Tax Red. Alloc.	1,536,367	1,928,142	1,937,137	2,305,991	2,647,384
7361 - School Safety and Security Grants			145,678	178,950	200,000
7505 - Ready to Learn Block Grant	422,968	422,968	422,968	422,968	422,968
7533 - Tax Equity Supplement					482,687
7810 - Social Security Payment Rev.			1,178,279	1,142,330	1,288,071
7820 - Retirement Payment Rev.	5,706,422	5,772,651	5,660,235	5,806,043	5,992,921
Total from State Sources	21,072,350	22,706,294	23,520,368	23,794,775	25,980,000
8000 - Revenue from Federal Sources					
8512 - IDEA Part B	22,349				
8514 - Title I	546,628	595,653	604,849	672,094	646,761
8515 - Title II	149,701	102,218	100,211	90,000	96,515
8517 - Title IV	35,584	71,571	39,506	40,000	49,334
8741 - ESSER	1,477				
8742 - GEER	4,990				
8743 - ESSER II	929,501	820,024	66,628		
8744 - ARP ESSER	960,182	1,017,873	967,564		
8749 - Other CARES Act Funding		112,097	117,784		
8751 - ARP ESSER Learning Loss	5,250	37,234	138,389		
8752 - ARP ESSER Summer Programs		10,799	3,609		
8753 - ARP ESSER Afterschool Programs			75,696		
8754 - ARP ESSER Homeless Children and Youth	990	6,669	826		
8755 - ARP ESSER Emergency Relief for Other Entities		16,277			
8810 - Medical Access Reimb.			510,966	200,000	200,000
8820 - Medical Access Admin Reimb.	7,661	11,081	3,072	10,000	10,000
Total from Federal Sources	2,664,313	2,801,496	2,629,100	1,012,094	1,002,610
9000 - Other Financing Sources	26,925,517	1,375,732	3,597		
Grand Total Revenue	\$ 97,289,535	\$ 75,418,050	\$ 77,684,575	\$ 75,238,337	\$ 80,042,964

General Fund Expenditures

For the 2025-2026 school year, budgeted expenditures in the General Fund are \$81,242,964 which is an increase of \$5,149,613 (6.77%) from 2024-2025. One of the many challenges facing Pottsgrove School District, as well as the other 499 public school district in the Commonwealth, is the required contribution to the Public School Employees' Retirement System (PSERS). Districts are required to pay a defined contribution amount towards employee pensions each year to PSERS. For the 2025-2026 school year, this amount is 34.00% which means that for each \$1 in eligible salaries the District must contribute 34 cents to PSERS. The total budgeted PSERS expenditures is \$10,599,437 for 2025-2026 which is an increase of \$204,439 (1.97%) from the previous year.

Along with the PSERS contributions, the other major items impacting the budget are:

- Salaries & benefits – salaries and related benefits have increased by 5.10%. This is due to new positions being added to the budget along with contractual salary and benefit increases.
- Other purchased services – Increase in the costs of providing special education services of approximately \$680,000, increase in the amount for charter school tuition in the amount of approximately \$640,000, and an increase in the contracted transportation of approximately \$330,000, the District is replacing technology equipment at the elementary level with iPads costing approximately \$215,000, the District began a Pre-K counts program of approximately \$145,500.

The net increase in these major items totals approximately \$4.71 million.

General Fund Expenditure Detail

	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026
1100 - Regular Programs					
100 - Salaries	\$ 15,385,199	\$ 15,639,844	\$ 15,836,497	\$ 16,424,708	\$ 16,664,594
200 - Benefits	9,304,844	9,517,316	9,542,549	10,023,457	10,016,516
300 - Purchased Prof. Services	737,083	1,108,643	1,107,207	1,033,100	1,123,100
400 - Purchased Property Services	2,127	3,499	4,084	5,410	4,570
500 - Other Purchased Services	1,636,529	1,811,068	1,843,875	1,775,000	1,994,125
600 - Supplies and Books	569,598	1,175,792	829,283	415,494	560,923
700 - Property and Equipment	75,458	34,082	27,443		69,240
800 - Other Objects	994	3,714	2,754	11,490	4,380
Total Regular Programs	27,711,832	29,293,958	29,193,692	29,688,659	30,437,448
1200 - Special and Gifted Education					
100 - Salaries	4,639,177	4,942,869	5,279,847	5,723,911	6,325,116
200 - Benefits	3,256,108	3,600,963	3,691,837	3,939,103	4,495,759
300 - Purchased Prof. Services	1,251,617	1,301,317	1,703,774	2,049,124	2,639,826
500 - Other Purchased Services	2,018,567	2,502,260	3,314,126	3,908,510	4,314,393
600 - Supplies and Books	120,668	150,070	123,351	178,712	145,344
700 - Property and Equipment	10,576	2,294		30,000	40,000
800 - Other Objects	25,001	49,087	161,412	50,880	26,505
Total Special Education	11,321,714	12,548,860	14,274,347	15,880,240	17,986,943
1300 - Vocational Education					
500 - Other Purchased Services	2,159,439	2,160,595	2,183,251	2,160,965	2,217,303
Total Vocational Education	2,159,439	2,160,595	2,183,251	2,160,965	2,217,303
1400 - Other Instructional Programs					
100 - Salaries	146,360	185,251	178,897	100,000	188,532
200 - Benefits	61,413	75,454	72,572	41,550	78,424
300 - Purchased Prof. Services	4,560	27,029			
500 - Other Purchased Services	11,743	23,464	35,571		
600 - Supplies and Books	69		3,910	10,600	10,600
800 - Other Objects	400				
Total Other Instructional Programs	224,545	311,198	290,950	152,150	277,556
1800 - Pre Kindergarten					
100 - Salaries					105,459
200 - Benefits					53,790
300 - Purchased Prof. Services					54,000
600 - Supplies and Books					53,500
700 - Property and Equipment					38,000
Total Pre Kindergarten	-	-	-	-	304,749

	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026
2100 - Pupil Personnel					
100 - Salaries	1,415,902	1,432,353	1,349,781	1,447,260	1,406,019
200 - Benefits	839,281	890,575	835,812	887,827	861,739
300 - Purchased Prof. Services	310,384	271,572	287,461	73,000	111,000
500 - Other Purchased Services	540	661	165	2,605	4,205
600 - Supplies and Books	74,417	56,711	38,102	59,095	51,175
700 - Property and Equipment		884			
800 - Other Objects	50	303	140	540	1,140
Total Pupil Personnel	2,640,574	2,653,059	2,511,461	2,470,327	2,435,278
2200 - Instructional Support					
100 - Salaries	1,084,788	1,047,146	1,058,424	1,097,994	1,135,316
200 - Benefits	657,864	638,109	648,404	665,148	737,996
300 - Purchased Prof. Services	73,994	91,168	48,147	18,300	21,800
500 - Other Purchased Services	3,001	6,351	11,920	16,525	13,525
600 - Supplies and Books	54,752	58,393	66,029	50,346	50,630
700 - Property and Equipment	2,110				
800 - Other Objects	1,557	2,090	342	1,740	1,955
Total Instructional Support	1,878,066	1,843,257	1,833,266	1,850,053	1,961,222
2300 - Administration Services					
100 - Salaries	2,153,791	2,037,783	2,277,523	2,309,818	2,320,005
200 - Benefits	1,267,174	1,273,625	1,360,816	1,253,499	1,422,542
300 - Purchased Prof. Services	306,720	236,814	193,821	269,500	297,365
400 - Purchased Property Services	4,828	4,828	3,998	3,500	4,800
500 - Other Purchased Services	64,735	25,892	26,919	22,000	66,800
600 - Supplies and Books	99,482	93,982	105,095	111,640	78,353
700 - Property and Equipment	6,098	6,007			6,000
800 - Other Objects	162,283	26,825	28,344	32,450	31,620
Total Administration Services	4,065,111	3,705,756	3,996,516	4,002,407	4,227,485
2400 - Pupil Health Services					
100 - Salaries	372,010	350,644	351,304	329,172	394,010
200 - Benefits	226,995	220,824	207,451	190,284	252,049
300 - Purchased Prof. Services	19,733	17,560	109,645	108,640	35,665
400 - Purchased Property Services					
500 - Other Purchased Services					
600 - Supplies and Books	24,130	28,537	25,478	36,475	53,570
700 - Property and Equipment		449			
800 - Other Objects					
Total Pupil Health Services	642,868	618,014	693,878	664,571	735,294

	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026
2500 - Business Services					
100 - Salaries	266,346	395,029	425,673	446,505	558,708
200 - Benefits	169,191	219,487	262,494	217,100	393,306
300 - Purchased Prof. Services	19,954	34,170	8,638	3,400	13,200
400 - Purchased Property Services	57,590	53,996	125,843	112,500	122,000
500 - Other Purchased Services	200	221	419	1,250	1,500
600 - Supplies and Books	29,085	37,943	53,461	64,395	64,980
700 - Property and Equipment	160,798	180			
800 - Other Objects	826	1,345	1,534	1,000	3,750
Total Business Services	703,990	742,371	878,062	846,150	1,157,444
2600 - Operation and Maintenance					
100 - Salaries	1,846,954	1,809,860	1,852,223	1,971,694	1,989,469
200 - Benefits	1,170,157	1,191,015	1,224,072	1,264,997	1,268,978
300 - Purchased Prof. Services	185,351	175,255	166,914	199,000	209,000
400 - Purchased Property Services	422,032	368,562	389,407	512,000	669,300
500 - Other Purchased Services	262,760	291,448	318,521	352,926	377,260
600 - Supplies and Books	1,013,177	1,073,946	982,489	1,053,000	1,054,000
700 - Property and Equipment	71,881	36,161		40,000	125,000
800 - Other Objects	2,571	380	45	4,000	5,000
Total Operation and Maintenance	4,974,883	4,946,627	4,933,671	5,397,617	5,698,007
2700 - Transportation Services					
300 - Purchased Prof. Services	1,332,788	1,486,867	1,704,003	1,613,000	1,795,000
400 - Purchased Property Services	340,912	430,449	445,384	408,000	448,000
500 - Other Purchased Services	220,032	265,073	433,077	267,454	417,970
600 - Supplies and Books	285,237	300,329	268,164	258,500	267,000
700 - Property and Equipment	230,083	220,000	295,989	260,000	250,000
800 - Other Objects	4,729	5,195	8,800	6,750	10,250
Total Transportation	2,413,781	2,707,913	3,155,417	2,813,704	3,188,220
2800 - Data Processing Services					
100 - Salaries	586,717	588,053	552,121	577,608	602,333
200 - Benefits	504,191	557,377	550,903	500,269	516,952
300 - Purchased Prof. Services	29,973	34,029	25,670	72,490	106,400
400 - Purchased Property Services	629,633	1,542,469	724,957	673,000	864,000
500 - Other Purchased Services	4,027	7,959	14,955	17,300	17,300
600 - Supplies and Books	180,500	287,357	749,968	705,555	787,100
700 - Property and Equipment	46,242	69,166	247,580	173,000	160,000
800 - Other Objects	3,162	3,075	335	1,300	1,300
Total Data Processing	1,984,445	3,089,485	2,866,489	2,720,522	3,055,385

	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026
2900 - Other Support Services					
500 - Other Purchased Services	27,975	28,183	28,904	28,904	30,175
Total Other Support Services	27,975	28,183	28,904	28,904	30,175
3200 - Student Activities					
100 - Salaries	655,938	712,382	737,320	705,821	844,165
200 - Benefits	316,695	337,497	344,823	331,716	376,576
300 - Purchased Prof. Services	72,958	74,456	86,883	72,250	72,250
400 - Purchased Property Services	18,164	22,103	18,889	20,750	20,750
500 - Other Purchased Services	9,845	15,119	12,624	11,533	11,533
600 - Supplies and Books	109,475	145,118	190,055	127,475	141,476
700 - Property and Equipment	6,418	58,051	(43,851)		18,000
800 - Other Objects	27,316	37,301	37,405	37,675	37,675
Total Student Activities	1,216,809	1,402,027	1,384,148	1,307,220	1,522,425
3300 - Community Services					
100 - Salaries					
200 - Benefits					
300 - Purchased Prof. Services					
500 - Other Purchased Services	180				
800 - Other Objects	16,310	16,310	16,310	16,310	16,310
Total Community Services	16,490	16,310	16,310	16,310	16,310
4600 - Building Improvement					
300 - Purchased Prof. Services					
400 - Purchased Property Services					
700 - Property and Equipment					
Total Building Improvement	-	-	-	-	-
5100 - Debt Service					
800 - Other Objects	644,316	263,481	198,785	637,429	518,720
900 - Other Uses of Funds	30,964,153	5,146,538	4,211,637	4,256,123	4,273,000
Total Debt Service	31,608,469	5,410,019	4,410,422	4,893,552	4,791,720
5200 - Fund Transfers					
900 - Other Uses of Funds	1,690,000	1,200,000	1,000,000		
Total Fund Transfers	1,690,000	1,200,000	1,000,000	-	-
5900 - Budgetary Reserve					
800 - Other Objects	-	-	-	1,200,000	1,200,000
Total Budgetary Reserve	-	-	-	1,200,000	1,200,000
Grand Total Expenditures	\$ 95,280,991	\$ 72,677,632	\$ 73,650,784	\$ 76,093,351	\$ 81,242,964

General Fund Budget Forecast

The Pottsgrove School District has developed a General Fund budget forecast to anticipate future revenues and expenditures and how this will impact the District's fund balance. As with the current year budget, the largest factors in the forecast include the Act 1 index and the state budget for revenues as well as salaries, benefits, PSERS retirement contributions, charter schools, special education costs and building improvements.

The following budget forecast shows the estimated budget for all Pottsgrove School District funds through the 2028-2029 school year.

The following assumptions were made in these forecasts:

- Millage increases equal to 2.0% each year
- Tax base growth of 0.40% per year
- 96.80% tax collection rate
- 2.75% annual increase in earned income taxes
- 2.00% increase in real estate transfer taxes
- 2.50% increase in interim real estate taxes and other local revenue
- 2.00% increase to basic education and special education state subsidies
- \$50,000 annual increase to property tax reductions allocation and transportation subsidy
- 2.00% annual increase from federal funding
- 3.25% increase annually in salaries for professional staff, net of retirements and new positions
- 2.75% increase for all other staff, net of retirements and new positions
- Pension rates using the Public School Employees Retirement System's projected rates as of May 2025.
- 3.00% increases in other benefits
- 5.00% annual increase in professional/technical services, purchased property services, other purchased services, supplies, property & equipment, and other objects
- Budgetary reserve equal to \$1,200,000
- Dropoff in debt service added to Capital Reserve Fund transfer

The District plans on continuing to explore cost savings options and other revenue sources in the upcoming years. The current total fund balance is over 29% of expenditures. The District employs a conservative budgeting approach with sufficient budgetary reserve so that actual results will produce a positive variance from the budget.

	2025-2026 Final Budget	2026-2027 Projection	2027-2028 Projection	2028-2029 Projection
Revenues				
Total Net Collectible Current Real Estate Taxes	\$ 43,362,857	\$ 45,981,939	\$ 47,104,137	\$ 47,253,545
Percent Increase Millage	2.50%	2.00%	2.00%	2.00%
Earned Income Tax	4,000,000	4,110,000	4,223,025	4,339,158
Real Estate Transfer Taxes	800,000	816,000	832,320	848,966
Interim Real Estate Taxes	310,000	317,750	325,694	333,836
Other Local Revenue	4,587,497	4,702,184	4,819,739	4,940,232
Total Local Revenue - 6000	53,060,354	55,927,873	57,304,915	57,715,737
Basic Education Funding	10,624,307	10,836,793	11,053,529	11,274,600
Special Education Funding	2,901,662	2,959,695	3,018,889	3,079,267
Property Tax Reduction Allocation	2,647,384	2,697,384	2,747,384	2,797,384
Retirement Subsidy	5,992,921	5,821,110	6,093,026	6,385,088
Social Security Subsidy	1,288,071	1,282,589	1,321,941	1,362,508
Transportation Subsidy	1,205,000	1,255,000	1,305,000	1,355,000
Other State Revenue	1,320,655	1,347,068	1,374,009	1,401,489
Total State Revenue - 7000	25,980,000	26,199,639	26,913,778	27,655,336
Total Federal Revenue - 8000	1,002,610	1,052,741	1,073,796	1,095,272
Total Other Revenue - 9000	-	-	-	-
Total Revenues	80,042,964	83,180,253	85,292,489	86,466,345
Expenditures				
Salaries - 100	32,533,728	33,531,741	34,560,558	35,621,134
Retirement - 230	10,599,437	11,642,220	12,186,053	12,770,177
Social Security - 220	2,415,720	2,565,178	2,643,883	2,725,017
Other Employee Benefits - 200	7,459,468	7,683,252	7,913,750	8,151,163
Purchased Professional & Technical Services - 300	6,478,606	6,802,536	7,142,663	7,499,796
Purchased Property Services - 400	2,133,420	2,240,091	2,352,096	2,469,701
Other Purchased Services - 500	9,466,089	9,939,393	10,436,363	10,958,181
Supplies - 600	3,318,651	3,484,584	3,658,813	3,841,754
Property - 700	706,240	741,552	778,630	817,562
Interest on Bonds	518,720	477,866	436,629	407,893
Principal on Bonds	4,273,000	4,311,000	4,352,000	2,812,000
Other Objects - 800	139,885	146,879	154,223	161,934
Capital Reserve Transfer		2,854	3,091	1,571,827
Budgetary Reserve	1,200,000	1,200,000	1,200,000	1,200,000
Total Expenses	81,242,964	84,769,146	87,818,752	91,008,139
Revenues Over (Under) Expenses	(1,200,000)	(1,588,893)	(2,526,263)	(4,541,794)
Beginning Fund Balance 7/1 Assigned + Unassigned	25,546,294	24,346,294	22,757,401	20,231,138
Ending Fund Balance 6/30 Assigned + Unassigned	24,346,294	22,757,401	20,231,138	15,689,344

Capital Projects Fund

The Capital Projects Funds are comprised of the Capital Reserve Fund and any capital funds where bond proceeds are deposited to use for construction projects. For 2025-2026, there is a projected beginning fund balance of \$4,825,935 in bond and capital reserve funds available that will be used for future capital projects. The District plans to resurface the high school tennis courts and do paving at two elementary schools.

Annually the District evaluates the General Fund budget results to determine the amount, if any, available to transfer to the Capital Projects Fund to fund major projects.

Capital Projects Fund								
	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026	Projection 2026-2027	Projection 2027-2028	Projection 2028-2029
Fund Balance July 1, 20XX	\$ 7,239,836	\$ 5,661,858	\$ 6,254,884	\$ 11,368,052	\$ 4,825,935	\$ 4,600,935	\$ 4,356,435	\$ 4,091,295
Revenue								
Local Sources	7,747	240,422	550,972	300,000	275,000	280,500	286,110	291,832
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Other Sources	1,690,000	1,200,000	10,829,684	-	-	-	-	-
Total Revenue	1,697,747	1,440,422	11,380,656	300,000	275,000	280,500	286,110	291,832
Expenditures								
Salaries	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Purchased Prof. Services	-	-	-	-	-	-	-	-
Purchased Property Services	-	-	67,556	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-
Supplies and Books	-	-	-	-	-	-	-	-
Property and Equipment	3,275,725	847,396	6,199,932	6,842,117	500,000	525,000	551,250	578,813
Other Objects	-	-	-	-	-	-	-	-
Other Uses of Funds	-	-	-	-	-	-	-	-
Total Expenditures	3,275,725	847,396	6,267,488	6,842,117	500,000	525,000	551,250	578,813
Excess of Revenue Over (Under) Expenditures	(1,577,978)	593,026	5,113,168	(6,542,117)	(225,000)	(244,500)	(265,140)	(286,981)
Fund Transfers/Other Financing	-	-	-	-	-	-	-	-
Net Change in Fund Balance	(1,577,978)	593,026	5,113,168	(6,542,117)	(225,000)	(244,500)	(265,140)	(286,981)
Fund Balance June 30, 20XX	\$ 5,661,858	\$ 6,254,884	\$ 11,368,052	\$ 4,825,935	\$ 4,600,935	\$ 4,356,435	\$ 4,091,295	\$ 3,804,314

Food Service Fund

For the 2025-2026 school year, the District's Food Service Fund is budgeting revenues of \$ 2,018,676. Local revenues, which are comprised of sales to students and staff, are budgeted to increase by \$2,869 (0.89%). State and federal revenues are budgeted to increase by \$186,277 (12.35%) due to the District participating in the Community Eligibility Program. The proposed state budget includes universal school breakfast to be funded by the Commonwealth. The District plans to continue the Community Eligibility Program at all schools for the 2025-2026 school year. This program allows all students to receive lunch without the need to complete a free/reduced lunch application.

The expenditure budget of \$2,051,875 is an increase of \$166,651 (8.84%) over the previous year. Approximately \$53,000 is related to increased costs in food and supplies.

The Pottsgrove Food Service program is operated by an outside contract with the Nutrition Group. The program provides breakfast and lunch for all students and staff who wish to participate. The Food Service program is self-supporting, receiving no aid from the General Fund in its operating budget. All funding for the Food Service operations is through the sale of food and reimbursement from the state and federal government.

At the time this document was created, the federal government has not released the 2025-2026 reimbursement rates. The 2024-2025 reimbursement rates for meals for grades kindergarten through 12th grade are:

2024-2025 School Nutrition Service Meal
Reimbursement Rates

Federal			
Meal Type	Breakfast Non-Severe Need/Severe Need	Lunch Less than 60%/60% or more	After School Snack
Paid	\$0.39 / \$0.39	\$0.42 / \$0.44	\$0.11
Reduced	2.07 / 2.54	4.03 / 4.05	0.60
Free	2.37 / 2.84	4.43 / 4.45	1.21

* Federal Performance-Based Reimbursement Rates - An additional \$0.09 for all lunch meal types.

State			
Meal Type	Breakfast	Lunch/ADP <=20% / >20%	After School Snack
Paid	\$0.10	\$0.02 / \$0.04	\$0.00
Reduced	0.10	0.02 / 0.04	0.00
Free	0.10	0.02 / 0.04	0.00

Source: PA Dept. of Education

Breakfast is offered at all levels for free. For the 2025-2026 school year, the Commonwealth of Pennsylvania is continuing the universal free breakfast program.

A la carte items are offered at every level. The Food Service program follows the Smart Snacks in Schools regulations.

Food Service Fund								
	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026	Projection 2026-2027	Projection 2027-2028	Projection 2028-2029
Fund Balance July 1, 20XX	\$ 152,724	\$ 357,487	\$ 630,677	\$ 845,651	\$ 789,957	\$ 756,758	\$ 692,449	\$ 595,949
Revenue								
Local Sources	225,565	600,974	380,410	321,497	324,366	327,610	330,886	334,195
State Sources	45,159	141,475	160,334	148,841	172,941	174,670	176,417	178,181
Federal Sources	1,563,992	1,239,617	1,576,211	1,359,192	1,521,369	1,536,583	1,551,949	1,567,468
Other Sources	-	-	-	-	-	-	-	-
Total Revenue	1,834,716	1,982,066	2,116,955	1,829,530	2,018,676	2,038,863	2,059,251	2,079,844
Expenditures								
Salaries	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Purchased Prof. Services	-	-	-	-	-	-	-	-
Purchased Property Services	-	-	-	-	-	-	-	-
Other Purchased Services	1,614,195	1,688,056	1,877,405	1,875,224	2,041,875	2,092,922	2,145,245	2,198,876
Supplies - Food and Consum.	10,547	20,997	20,979	10,000	10,000	10,250	10,506	10,769
Property and Equipment	2,113	7,844	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Other Uses of Funds	-	-	-	-	-	-	-	-
Total Expenditures	1,626,855	1,716,897	1,898,384	1,885,224	2,051,875	2,103,172	2,155,751	2,209,645
Excess of Revenue Over (Under) Expenditures	207,861	265,169	218,571	(55,694)	(33,199)	(64,309)	(96,500)	(129,801)
Fund Transfers/Other Financing	(3,098)	8,021	(3,597)	-	-	-	-	-
Net Change in Fund Balance	204,763	273,190	214,974	(55,694)	(33,199)	(64,309)	(96,500)	(129,801)
Fund Balance June 30, 20XX	\$ 357,487	\$ 630,677	\$ 845,651	\$ 789,957	\$ 756,758	\$ 692,449	\$ 595,949	\$ 466,148

Internal Service Fund

The Pottsgrove School District is self-funded which means all medical, prescription, and dental claims are paid at the actual cost by the District. The Internal Service Fund is used to account for these expenses on a cost-reimbursement basis. For the 2025-2026 school year, budgeted revenues (which includes transfers from the General Fund for both employer and employee cost-sharing and interest income), are \$7,280,000 and expenditures (the cost of claims) are \$7,280,000.

Internal Service Fund								
	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026	Projection 2026-2027	Projection 2027-2028	Projection 2028-2029
INTERNAL SERVICE FUND								
Fund Balance July 1, 20XX	\$ 7,084,928	\$ 6,534,251	\$ 5,545,295	\$ 6,317,664	\$ 6,317,664	\$ 6,317,664	\$ 6,317,664	\$ 6,317,664
Revenue								
Local Sources	6,467,464	7,315,465	7,749,601	7,000,000	7,280,000	7,571,200	7,874,048	8,189,010
State Sources								
Federal Sources								
Other Sources								
Total Revenue	6,467,464	7,315,465	7,749,601	7,000,000	7,280,000	7,571,200	7,874,048	8,189,010
Expenditures								
Salaries	-	-	-	-	-	-	-	-
Benefits	7,018,141	8,304,421	6,977,232	7,000,000	7,280,000	7,571,200	7,874,048	8,189,010
Purchased Prof. Services	-	-	-	-	-	-	-	-
Purchased Property Services	-	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-
Supplies and Books	-	-	-	-	-	-	-	-
Property and Equipment	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Other Uses of Funds	-	-	-	-	-	-	-	-
Total Expenditures	7,018,141	8,304,421	6,977,232	7,000,000	7,280,000	7,571,200	7,874,048	8,189,010
Excess of Revenue Over (Under) Expenditures	(550,677)	(988,956)	772,369	-	-	-	-	-
Net Change in Fund Balance	(550,677)	(988,956)	772,369	-	-	-	-	-
Fund Balance June 30, 20XX	<u>\$ 6,534,251</u>	<u>\$ 5,545,295</u>	<u>\$ 6,317,664</u>	<u>\$ 6,317,664</u>	<u>\$ 6,317,664</u>	<u>\$ 6,317,664</u>	<u>\$ 6,317,664</u>	<u>\$ 6,317,664</u>

Debt Limit and Remaining Borrowing Capacity

The statutory borrowing limit of Pottsgrove School District under the Local Government Unit Debt Act (Act 52 of 1978) is computed as a percentage of the school district's borrowing base. The borrowing base is defined as the annual arithmetic average of total revenues (as defined by the Act), for the three full fiscal years ended next preceding the date of incurring the debt. Revenues, as defined by the Act, are all funds received by the District except subsidies from the Federal or State government for projects financed by debt, project revenues, user charges, or special assessments pledged for debt, interest on funds in sinking funds, grants or gifts measured by the construction project, proceeds from the disposition of capital assets, and other nonrecurring revenues. The calculation of the present borrowing base and the borrowing capacity is as follows:

	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Total General Fund revenue	97,289,535	75,418,051	77,684,576
Less:			
Rental subsidies	(424,492)	(421,333)	(65,820)
Insurance recoveries			
Gain on Sale of fixed assets			
Bond proceeds issued	(26,762,000)		
Other state revenue			
Fund transfers in	(3,098)	8,021	(3,597)
Revenues for borrowing base calc	<u>70,099,945</u>	<u>75,004,739</u>	<u>77,615,159</u>
Total Revenues - Past Three Years		<u>\$ 222,719,843</u>	
Borrowing Base (annual arithmetic average)		<u>\$ 74,239,948</u>	

Under the Debt Act as presently in effect, no school district shall incur any nonelectoral debt or lease rental debt if the aggregate net principal amount of such new debt, together with any other net nonelectoral debt and lease rental debt then outstanding, would cause the net nonelectoral debt plus net lease rental debt to exceed 225% of the borrowing base. The application of the aforesaid percentage to the District's borrowing base produces the following:

<u>Net Nonelectoral Debt and</u>		<u>Net Debt</u>	
<u>Lease Rental Debt Limit</u>	<u>Legal Limit</u>	<u>Outstanding</u>	<u>Remaining</u>
		<u>(Principal only)</u>	<u>Borrowing Capacity</u>
225% of Borrowing Base	\$167,039,883	\$ 24,098,000	\$ 142,941,883

Current debt levels are at 14.43% of the legal limit. The District has ample borrowing capacity if the need arises.

General Obligation Bonds and Notes

The District issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. The outstanding debt was issued to finance improvements at West Pottsgrove Elementary and refinance old bond issues. The following table illustrates the debt service (or debt payment) schedules as well as the amount of outstanding debt. For 2025-2026, the total debt service payments owed are \$4,791,720 which is 5.90% of the total expenditures for the fiscal year.

Debt Service Summary (Principal & interest)

<u>YEAR</u>	<u>2021 Note</u>	<u>2021A Note</u>	<u>2023 Bond</u>	<u>Total</u>	<u>Principal Outstanding *</u>
2025 - 26	2,325,803	2,060,167	405,750	4,791,720	\$ 19,825,000
2026 - 27	2,322,381	2,060,985	405,500	4,788,866	\$ 15,514,000
2027 - 28	2,319,818	2,063,561	405,250	4,788,629	\$ 11,162,000
2028 - 29	-	1,499,893	1,720,000	3,219,893	\$ 8,350,000
2029 - 30	-	-	2,174,000	2,174,000	\$ 6,510,000
2030 - 31	-	-	1,350,400	1,350,400	\$ 5,420,000
2031 - 32	-	-	1,306,800	1,306,800	\$ 4,330,000
2032 - 33	-	-	723,200	723,200	\$ 3,780,000
2033 - 34	-	-	721,200	721,200	\$ 3,210,000
2034 - 35			723,400	723,400	\$ 2,615,000
2035 - 36			724,600	724,600	\$ 1,995,000
2036 - 37			719,800	719,800	\$ 1,355,000
2037 - 38			719,200	719,200	\$ 690,000
2038 - 39			717,600	717,600	\$ -
Totals	6,968,002	7,684,606	12,816,700	27,469,308	

** Principal outstanding reflects the balance at the end of the fiscal year.*

Debt Service and Interest Payments

<u>YEAR</u>	<u>2021 Note</u>	<u>2021A Note</u>	<u>2023 Bond</u>	<u>Total</u>
2025 - 26				
Principal	2,277,000	1,991,000	5,000	4,273,000
Interest	48,803	69,167	400,750	518,720
	2,325,803	2,060,167	405,750	4,791,720
2026- 27				
Principal	2,293,000	2,013,000	5,000	4,311,000
Interest	29,381	47,985	400,500	477,866
	2,322,381	2,060,985	405,500	4,788,866
2027-28				
Principal	2,310,000	2,037,000	5,000	4,352,000
Interest	9,818	26,561	400,250	436,629
	2,319,818	2,063,561	405,250	4,788,629
2028-29				
Principal	-	1,492,000	1,320,000	2,812,000
Interest	-	7,893	400,000	407,893
	-	1,499,893	1,720,000	3,219,893
2029-30				
Principal	-	-	1,840,000	1,840,000
Interest	-	-	334,000	334,000
	-	-	2,174,000	2,174,000
2030-31				
Principal	-	-	1,090,000	1,090,000
Interest	-	-	260,400	260,400
	-	-	1,350,400	1,350,400
2031-32				
Principal	-	-	1,090,000	1,090,000
Interest	-	-	216,800	216,800
	-	-	1,306,800	1,306,800
2032-33				
Principal	-	-	550,000	550,000
Interest	-	-	173,200	173,200
	-	-	723,200	723,200
2033-34				
Principal	-	-	570,000	570,000
Interest	-	-	151,200	151,200
	-	-	721,200	721,200
2034-35				
Principal	-	-	595,000	595,000
Interest	-	-	128,400	128,400
	-	-	723,400	723,400
2035-36				
Principal	-	-	620,000	620,000
Interest	-	-	104,600	104,600
	-	-	724,600	724,600
2036-37				
Principal	-	-	640,000	640,000
Interest	-	-	79,800	79,800
	-	-	719,800	719,800
2037-38				
Principal	-	-	665,000	665,000
Interest	-	-	54,200	54,200
	-	-	719,200	719,200
2038-39				
Principal	-	-	690,000	690,000
Interest	-	-	27,600	27,600
	-	-	717,600	717,600
Principal	\$ 6,880,000	\$ 7,533,000	\$ 9,685,000	\$ 24,098,000
Interest	88,002	151,606	3,131,700	3,371,308
Debt Service	\$ 6,968,002	\$ 7,684,606	\$ 12,816,700	\$ 27,469,308

Other Post-employment Benefits Other Than Pensions (OPEB)

The District provides medical and prescription drug insurance benefits to eligible retired employees, spouses, and dependents through a single-employer defined benefit plan. All aspects of the plan are administered by the District and can be amended through personnel manuals and contracts. The activity of the plan is reported in the District's General Fund.

The District negotiates the contribution percentage between the District and employees through union contracts and personnel policy and may vary depending on the applicable agreement. The District currently contributes enough funds to the plan to satisfy current obligations on a pay-as-you-go basis.

The District's OPEB expense is an amount actuarially determined in accordance with GASB Statement No. 75 for purposes of fulfilling employer accounting requirements.

Pottsgrove School District Postemployment Benefits Plan Actuarial Valuation as of July 1, 2022 for Fiscal Year Ending June 30, 2024 Required Supplementary Information

Fiscal Year Ending ¹	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 191,471	\$ 382,188	\$ 383,065	\$ 359,816	\$ 358,494	\$ 316,268	\$ 312,643
Interest	134,971	98,105	75,689	129,781	107,590	116,861	85,452
Changes of Benefit Terms	0	0	0	0	0	0	0
Differences between Expected and Actual Experience	0	(593,686)	0	(586,963)	0	(488,455)	0
Changes of Assumptions	49,648	(518,547)	(114,747)	390,079	(98,337)	7,475	51,900
Benefit Payments	(185,347)	(120,807)	(96,287)	(124,506)	(107,987)	(128,872)	(179,020)
Other Changes	0	0	0	0	0	0	0
Net Change	190,743	(752,747)	247,720	168,207	259,760	(176,723)	270,975
Total OPEB Liability - Beginning	3,233,341	3,986,088	3,738,368	3,570,161	3,310,401	3,487,124	3,216,149
Total OPEB Liability - Ending	\$ 3,424,084	\$ 3,233,341	\$ 3,986,088	\$ 3,738,368	\$ 3,570,161	\$ 3,310,401	\$ 3,487,124
Covered-Employee Payroll	\$ 26,021,383	\$ 26,021,383	\$ 26,271,960	\$ 26,271,960	\$ 28,009,273	\$ 28,009,273	\$ 24,123,414
Total OPEB Liability as a % of Covered-Employee Payroll	13.16%	12.43%	15.17%	14.23%	12.75%	11.82%	14.46%

¹This information is shown for the last 10 years, if available.

Fund Balance Designations

The District has previously implemented GASB Statement No. 54 which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the District's fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

- *Non-spendable* – amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints. Fund balance types of this category are inventories and prepaid expenditures.
- *Restricted* – amounts that can be spent only for specific purposes stipulated by external resource providers or through enabling legislation. Fund balance types in this category include amounts for capital projects.
- *Committed* – amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the school board and do not lapse at year end. Fund balance of this type is for capital projects. The District prepares a 10-year capital plan which estimates the cost of future capital project improvements.
- *Assigned* – amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Business Administrator.
- *Unassigned* – amount not contained in the other classifications above. Unassigned amounts are technically available for any purpose. It is the policy of the District to follow state requirements that unassigned fund balance will not exceed 8% of the subsequent year operating budget in this category. For 2025-2026, the anticipated ending unassigned fund balance amount is \$2,741,205 or 3.37% of the operating budget.



Informational Section



Pottsgrove School District
Fiscal Year 2025-2026
1301 Kauffman Rd
Pottstown, PA 19464
Dr. David Finnerty, Superintendent

Current Real Estate Tax

Real estate tax is the main source of revenue for funding the operations of Pottsgrove School District. The tax is based on the assessed valuation, as determined by the Montgomery County Board of Assessment, of all taxable property within the District and is collected through elected tax collectors in each municipality. The millage rate is the rate which the Board of School Directors sets for the taxation of the assessment on a property. The millage rate for the 2025-2026 school year is 41.7543 mills.

The current school district real estate tax can be calculated by taking the millage rate and multiplying it by the property assessment.

Example

$$\begin{array}{rclclcl} 0.0417543 & \times & 200,000 & = & \$ & 8,350.86 \\ \text{Millage rate} & & \text{Assessed value} & & & \text{Real estate tax} \end{array}$$

The current real estate tax bill payment schedule is as follows:

Payment Period		Payment Schedule
Discount		Payments received from July 1 to August 31 receive a 2% discount from the face value.
Face		Payments received from September 1 through October 31 are applied at the face value.
Penalty		Payments received after October 31 are subject to a 10% penalty on the face value.
Liened		Payments not received by December 31 will be considered delinquent and will be sent to collection through Portnoff Law Associates.

The District does offer taxpayers to pay their real estate taxes over 3 installments. The due dates of the installments are:

August 15
September 15
October 15

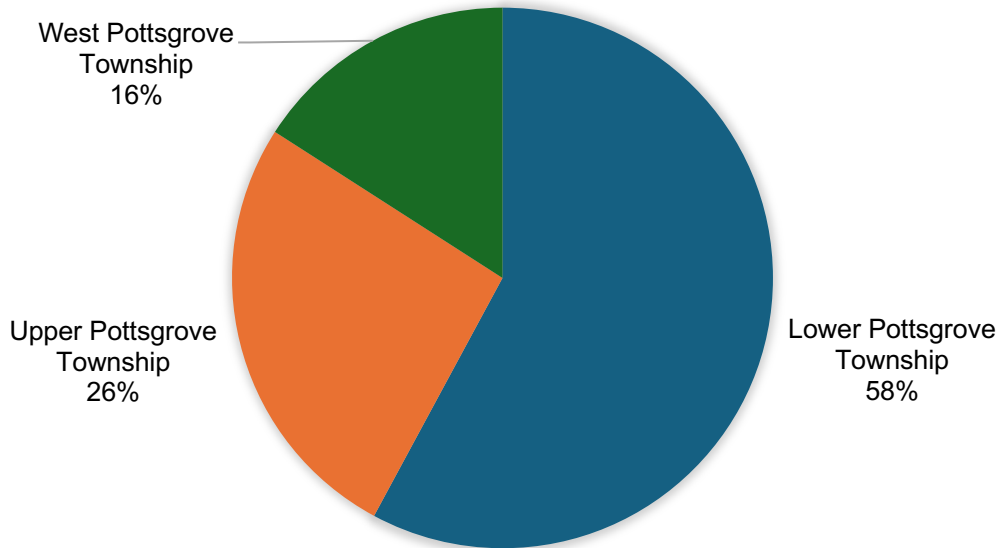
Each municipality has an elected tax collector where payments should be sent. The tax collectors as of July 1, 2025 are:

Municipality	Tax Collector
Lower Pottsgrove Township	Jennifer Marsteller
Upper Pottsgrove Township	Diane Delong
West Pottsgrove Township	Danielle Van Horn

Assessed Value History

	TAX BASE 2020-2021	TAX BASE 2021-2022	TAX BASE 2022-2023	TAX BASE 2023-2024	TAX BASE 2024-2025	TAX BASE 2025-2026
<u>Township/Borough</u>	Assessment (Fixed as of May)	Assessment (Fixed as of May)	Assessment (Fixed as of May)	Assessment (Fixed as of May)	Assessment (Fixed as of May)	Assessment (Fixed as of May)
Lower Pottsgrove Township	\$ 616,791,259	\$ 618,995,019	\$ 623,781,244	\$ 627,856,344	\$ 629,458,484	\$ 658,879,395
Upper Pottsgrove Township	278,497,949	283,176,949	283,378,959	283,663,999	284,055,759	298,398,539
West Pottsgrove Township	181,882,121	181,683,011	181,037,571	180,960,241	180,904,291	181,160,216
Total Assessment	1,077,171,329	1,083,854,979	1,088,197,774	1,092,480,584	1,094,418,534	1,138,438,150
Total Taxes	\$ 41,042,382	\$ 41,709,991	\$ 42,316,747	\$ 43,545,402	\$ 44,538,676	\$ 47,534,688
Millage Rate	38.1020	38.4830	38.8870	39.8592	40.6962	41.7543

2025-26 ASSESSED TAX BASE



Assessed Value Projections

<u>Township/Borough</u>	Assessment (Fixed as of May)			
	TAX BASE	TAX BASE	TAX BASE	TAX BASE
	2025-2026	2026-2027	2027-2028	2028-2029
Lower Pottsgrove Township	\$ 658,879,395	\$ 661,514,913	\$ 664,160,973	\$ 666,817,617
Upper Pottsgrove Township	298,398,539	299,592,133	300,790,502	301,993,664
West Pottsgrove Township	181,160,216	181,884,857	182,612,396	183,342,846
Total Assessment	\$ 1,138,438,150	\$ 1,142,991,903	\$ 1,147,563,871	\$ 1,152,154,127
% Increase	4.00%	0.4%	0.4%	0.4%

Homestead/Farmstead Reduction

The homestead/farmstead real estate tax reduction was created by the Taxpayer Relief Act (Act 1 of Special Session of 2006) that was signed into law by Governor Rendell on June 27, 2006. In order for a resident to qualify for the homestead/farmstead reduction, the property in which the taxpayer resides must be the primary residence. Commercial and rental properties do not qualify.

If the property has been homestead/farmstead approved, residents will see a homestead/farmstead reduction on the tax bill when there are gaming funds passed on to the District from the state. The District mails notifications/applications in December to residents who do not already have an approved homestead/farmstead. Taxpayers must apply to the county assessor's office by March 1.

If a resident is a primary residential approved homestead property owner, the taxpayer will see a reduction in the tax bill. This reduction is revenue from the Commonwealth using funds collected from gambling within the state. The amount may vary year to year based upon the number of approved homesteads/farmsteads and the amount of funds that are received by the District from the state.

Property owners will have the option of paying the tax using an installment method. The installment method permits a taxpayer to pay in three equal installments by October 31. The installment method is based strictly on the face amount of the tax bill. If a taxpayer elects to use the installment method, the taxpayer is ineligible for the 2% discount. If two installments are late, the taxpayer is precluded from being able to use the installment method in the following year.

Local Current Property Tax Collection History

<u>Township/Borough</u>	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026
Lower Pottsgrove Township	\$ 21,612,904	\$ 22,373,339	\$ 23,099,895	\$ 24,515,369	\$ 25,096,570
Upper Pottsgrove Township	10,144,042	10,100,445	10,560,823	10,627,831	11,365,934
West Pottsgrove Township	6,502,541	6,491,751	6,650,483	6,628,268	6,900,353
Total	\$ 38,259,487	\$ 38,965,535	\$ 40,311,201	\$ 41,771,468	\$ 43,362,857
Collection Percentage	94.80%	96.80%	95.80%	95.80%	96.80%
Tax rate	38.4830	38.8870	39.8592	40.6962	41.7543

IMPACT OF TAX INCREASES ON AVERAGE RESIDENTIAL PROPERTY OWNER

Assessment	2020-2021 Tax	2021-2022 Tax	2022-2023 Tax	2023-2024 Tax	2024-2025 Tax	2025-2026 Tax
121,440	4,627	4,673	4,722	4,841	4,942	5,071

Millage Rate	38.1020	38.4830	38.8870	39.8592	40.6962	41.7543
--------------	---------	---------	---------	---------	---------	---------

Top Ten Largest Real Estate Taxpayers

Owner	Property type	Assessed Value	Taxes Due
UH US UPLANF 2022 LLC	Shopping Centers	\$ 27,985,340	\$ 1,168,508
Target Corpoation	Store	7,346,860	306,763
Sanatoga Ridge Community	Retirement Community	7,164,495	299,148
BCW Associates	Industrial Park	5,988,190	250,033
Rolling Hills Apartments LP	Apartments	5,862,500	244,785
North End Power LLC	Shopping Centers	5,032,580	210,132
Home Depot USA	Store	4,595,880	191,898
Cedar Paramount Upland LLC	Movie theater	4,081,530	170,421
Sanatoga RE LLC	Apartments	3,762,000	157,080
ET Sub-Sanatoga Limnted Partner	Apartments	3,555,960	148,477
Top 10 Assessments		<u>\$ 75,375,335</u>	<u>3,147,244</u>
Total Assessments		1,138,438,150	47,534,688
Percentage of Total		6.62%	6.62%

Other Local Revenue Sources

The second largest source of local revenue is from proportional tax assessments including earned income taxes (EIT) and real estate transfer taxes. Both of these taxes are collected at a rate of 50% of the total tax levy. The remaining 50% is received by the local municipality. The District anticipates collecting \$4.0 million in EIT revenue and \$0.8 million in real estate transfer taxes. Other local sources of revenue include interim and delinquent payments on real estate taxes, earnings on investments, revenues from district activities, and other various sources.

OTHER LOCAL REVENUE SOURCES

Revenue Sources	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Budget 2024-2025	Budget 2025-2026
Interim Taxes	\$ 198,674	\$ 263,263	\$ 746,716	\$ 200,000	\$ 310,000
Earned Income Tax (EIT)	3,546,318	3,820,874	4,171,953	3,600,000	4,000,000
Real Estate Transfer Tax	934,438	1,250,254	790,208	720,000	800,000
Delinquent Real Estate Tax	1,281,639	687,696	1,181,234	1,000,000	1,000,000
Mercantile tax	518,204	593,594	536,309	550,000	550,000
Per capita tax	98,648	109,450	103,096	100,000	106,000
Total	<u>\$ 6,479,273</u>	<u>\$ 6,615,681</u>	<u>\$ 7,426,420</u>	<u>\$ 6,170,000</u>	<u>\$ 6,766,000</u>

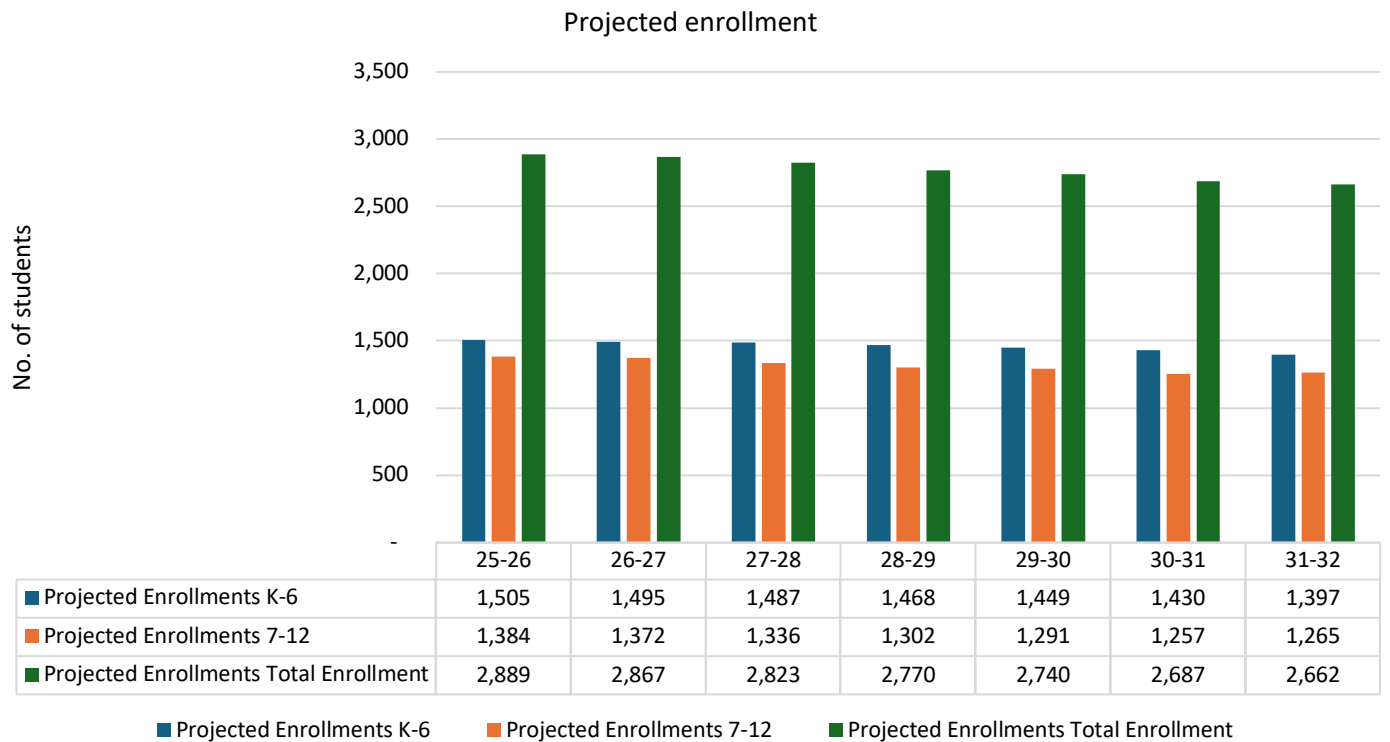
Enrollment Projections

The District uses a four-year average cohort movement from grade to grade to project enrollment. Kindergarten enrollment is projected using the four-year average of the percent of live births that enroll in kindergarten.

	Grade K						Grade 1						Grade 2											
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026						
Ringling Rocks	112	119	121	139	132	138	127	123	119	116	137	129	124	122	128	123	116	122						
West Pottsgrove	80	86	82	88	77	80	90	82	90	89	89	84	87	98	81	96	86	90						
	Grade 3						Grade 4						Grade 5											
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026						
Lower Pottsgrove	230	216	221	210	219	213	210	234	205	226	208	213	242	218	236	212	222	209						
District Elementary	422	421	424	437	428	431	427	439	414	431	434	426	453	438	445	431	424	421						
	Grade 6						Grade 7						Grade 8											
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026						
Pottsgrove Middle School	244	240	216	240	213	227	242	244	238	218	245	206	262	240	250	249	226	241						
	Grade 9						Grade 10						Grade 11						Grade 12					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Pottsgrove High School	256	261	248	242	240	221	254	257	269	237	242	246	259	239	251	260	240	233	252	265	257	261	265	237
District Secondary	500	501	464	482	453	448	496	501	507	455	487	452	521	479	501	509	466	474	252	265	257	261	265	237
District Total	3,071	3,044	3,012	3,006	2,957	2,889																		

Projected 2025-2026 Student Enrollment

School	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Ringling Rocks	138	129	122											389
West Pottsgrove	80	84	90											254
Lower Pottsgrove				213	213	209								635
Elementary Total	218	213	212	213	213	209								1,278
Pottsgrove Middle							227	206	241					674
Pottsgrove HS										221	246	233	237	937
District Total	218	213	212	213	213	209	227	206	241	221	246	233	237	2,889



Source: PA Department of Education

General Obligation Bonds and Notes

The District issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. The outstanding debt was issued to finance improvements at West Pottsgrove Elementary and refinance old bond issues. The following table illustrates the debt service (or debt payment) schedules as well as the amount of outstanding debt. For 2025-2026, the total debt service payments owed are \$4,791,720 which is 5.90% of the total expenditures for the fiscal year.

Debt Service Summary (Principal & interest)

<u>YEAR</u>	<u>2021 Note</u>	<u>2021A Note</u>	<u>2023 Bond</u>	<u>Total</u>	<u>Principal Outstanding *</u>
2025 - 26	2,325,803	2,060,167	405,750	4,791,720	\$ 19,825,000
2026 - 27	2,322,381	2,060,985	405,500	4,788,866	\$ 15,514,000
2027 - 28	2,319,818	2,063,561	405,250	4,788,629	\$ 11,162,000
2028 - 29	-	1,499,893	1,720,000	3,219,893	\$ 8,350,000
2029 - 30	-	-	2,174,000	2,174,000	\$ 6,510,000
2030 - 31	-	-	1,350,400	1,350,400	\$ 5,420,000
2031 - 32	-	-	1,306,800	1,306,800	\$ 4,330,000
2032 - 33	-	-	723,200	723,200	\$ 3,780,000
2033 - 34	-	-	721,200	721,200	\$ 3,210,000
2034 - 35			723,400	723,400	\$ 2,615,000
2035 - 36			724,600	724,600	\$ 1,995,000
2036 - 37			719,800	719,800	\$ 1,355,000
2037 - 38			719,200	719,200	\$ 690,000
2038 - 39			717,600	717,600	\$ -
Totals	6,968,002	7,684,606	12,816,700	27,469,308	

** Principal outstanding reflects the balance at the end of the fiscal year.*

Debt Service and Interest Payments

<u>YEAR</u>	<u>2021 Note</u>	<u>2021A Note</u>	<u>2023 Bond</u>	<u>Total</u>
2025 - 26				
Principal	2,277,000	1,991,000	5,000	4,273,000
Interest	48,803	69,167	400,750	518,720
	2,325,803	2,060,167	405,750	4,791,720
2026- 27				
Principal	2,293,000	2,013,000	5,000	4,311,000
Interest	29,381	47,985	400,500	477,866
	2,322,381	2,060,985	405,500	4,788,866
2027-28				
Principal	2,310,000	2,037,000	5,000	4,352,000
Interest	9,818	26,561	400,250	436,629
	2,319,818	2,063,561	405,250	4,788,629
2028-29				
Principal	-	1,492,000	1,320,000	2,812,000
Interest	-	7,893	400,000	407,893
	-	1,499,893	1,720,000	3,219,893
2029-30				
Principal	-	-	1,840,000	1,840,000
Interest	-	-	334,000	334,000
	-	-	2,174,000	2,174,000
2030-31				
Principal	-	-	1,090,000	1,090,000
Interest	-	-	260,400	260,400
	-	-	1,350,400	1,350,400
2031-32				
Principal	-	-	1,090,000	1,090,000
Interest	-	-	216,800	216,800
	-	-	1,306,800	1,306,800
2032-33				
Principal	-	-	550,000	550,000
Interest	-	-	173,200	173,200
	-	-	723,200	723,200
2033-34				
Principal	-	-	570,000	570,000
Interest	-	-	151,200	151,200
	-	-	721,200	721,200
2034-35				
Principal	-	-	595,000	595,000
Interest	-	-	128,400	128,400
	-	-	723,400	723,400
2035-36				
Principal	-	-	620,000	620,000
Interest	-	-	104,600	104,600
	-	-	724,600	724,600
2036-37				
Principal	-	-	640,000	640,000
Interest	-	-	79,800	79,800
	-	-	719,800	719,800
2037-38				
Principal	-	-	665,000	665,000
Interest	-	-	54,200	54,200
	-	-	719,200	719,200
2038-39				
Principal	-	-	690,000	690,000
Interest	-	-	27,600	27,600
	-	-	717,600	717,600
Principal	\$ 6,880,000	\$ 7,533,000	\$ 9,685,000	\$ 24,098,000
Interest	88,002	151,606	3,131,700	3,371,308
Debt Service	\$ 6,968,002	\$ 7,684,606	\$ 12,816,700	\$ 27,469,308

School Nutrition and Performance Measurement Data

Free and Reduced Lunch Meal Counts by Building and Level

	Free					Reduced					Total meals					Percent Free/Reduced				
	2020-21*	2021-22*	2022-23	2023-24**	2024-25	2020-21*	2020-21*	2022-23	2023-24**	2024-25	2020-21*	2021-22*	2022-23	2023-24**	2024-25	2020-21*	2021-22*	2022-23	2023-24**	2024-25
Lower Pottsgrove Elem	58,755	56,553	38,750	75,620	76,641	-	-	-	2,074	-	-	58,755	56,533	62,754	75,620	76,641	100%	100%	65%	100%
Ringling Rocks Elem	32,321	31,058	22,220	40,901	41,897	-	-	-	669	-	-	32,321	31,058	33,371	40,901	41,897	100%	100%	69%	100%
West Pottsgrove Elem	23,287	22,404	15,091	26,733	25,658	-	-	-	249	-	-	23,287	22,404	20,968	26,733	25,658	100%	100%	73%	100%
Pottsgrove MS	67,326	64,988	37,323	78,268	81,846	-	-	-	1,687	-	-	67,326	64,988	61,466	78,268	81,846	100%	100%	63%	100%
Pottsgrove HS	76,521	75,087	34,741	88,325	93,025	-	-	-	1,396	-	-	76,521	75,087	63,567	88,325	93,025	100%	100%	57%	100%
District Total	258,210	250,090	148,125	309,847	319,067	-	-	-	6,075	-	-	258,210	250,070	242,126	309,847	319,067	100%	100%	64%	100%

* Meals were provided free to all students via the USDA extended free meal waivers due to the COVID-19 pandemic.

** - District began participating in the Community Eligibility Program where all students eat meals for free.

School Nutrition Meal Prices					
	2020-21*	2021-22*	2022-23**	2023-24 ^x	2024-25 ^x
Breakfast (all levels)	FREE	FREE	FREE	FREE	FREE
Lunch					
Elementary	FREE	FREE	\$ 2.70	FREE	FREE
Middle	FREE	FREE	\$ 3.05	FREE	FREE
High	FREE	FREE	\$ 3.40	FREE	FREE

**Meals for the 2021-2022 school year were offered free to all students due to the district's participation in the Seamless Simmer Option due to the COVID-19 pandemic.*

*** The District returned to traditional National School Lunch program operations after the COVID-19 pandemic.*

^x The District is participating in the Community Eligibility Program where all students eat meals for free.

Student Performance Measurements				
Indicator	2020-21	2021-22	2022-23	2023-24
Graduation Rate (4 Year Cohort)	92.91%	90.23%	94.94%	92.16%
Dropout Rate (Annual)	0.33%	0.53%	0.93%	0.95%
Percent Proficient on Keystones	Algebra 1: 61.5% Literature: 11.8% Biology: 73.3%	Algebra 1: 71.6% Literature: 70.2% Biology: 30.0%	Algebra 1: 40.7% Literature: 66.5% Biology: 45.5%	Algebra 1: 36.2% Literature: 62.9% Biology: 52.8%

Future Ready PA Index

The Pennsylvania Department of Education recognizes that students – and the schools that serve them – are more than just standardized test scores. Launched in November 2018, the Future Ready PA Index is the result of discussions with thousands of educators, parents, advocates, policymakers, and business leaders across Pennsylvania about how communities should evaluate schools.

The tool moves beyond a single, summative score to increase transparency around school and student group performance – it features a dashboard approach to present data and information. The Future Ready PA Index illustrates student and school success via three color-coded categories: academic performance, student progress, and college and career readiness, providing the public with a more comprehensive look at how Pennsylvania’s schools are educating students.

The following graphics shows the Pottsgrove School District’s Future Ready PA Index results for state assessment measures by building for the 2023-2024 academic year, which is the most recent available data from the PA Department of Education.

Lower Pottsgrove El Sch

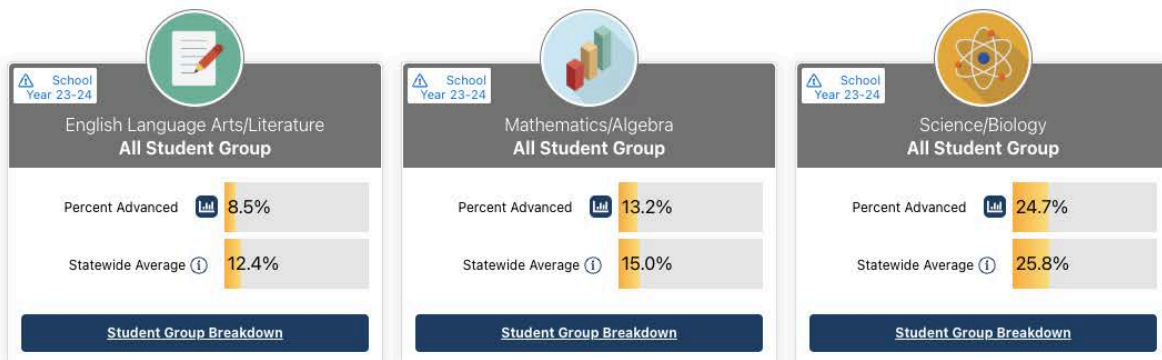
Proficient or Advanced on Pennsylvania State Assessments ①



Meeting Annual Academic Growth Expectations (PVAAS) ①

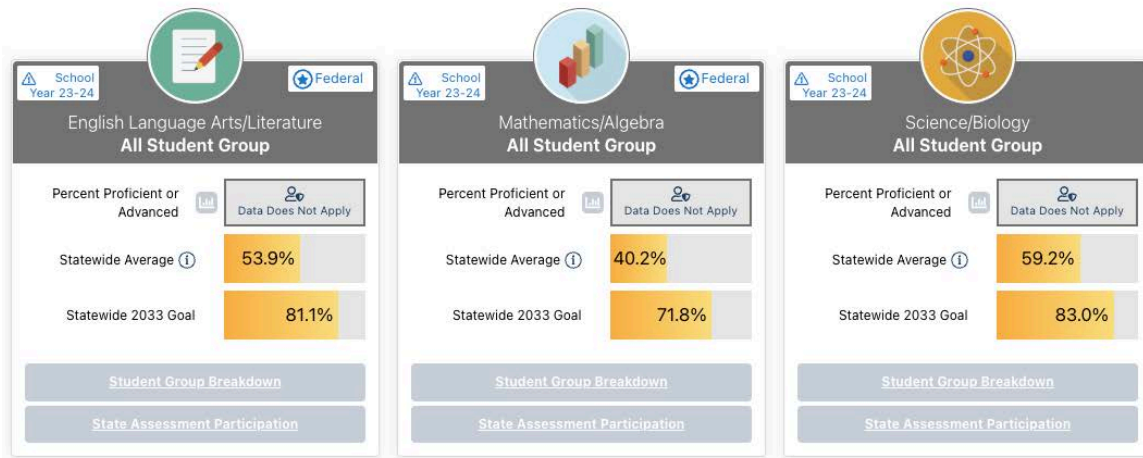


Advanced on Pennsylvania State Assessments ①

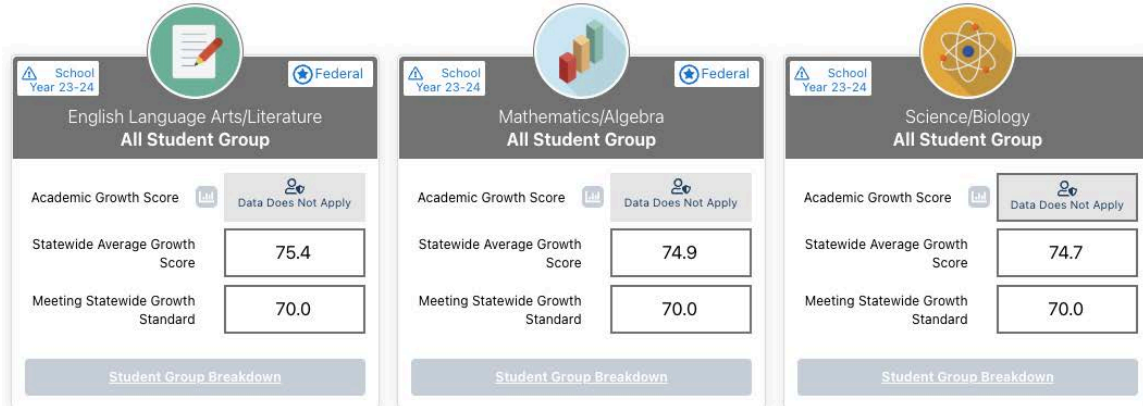


Ringling College of Art and Design

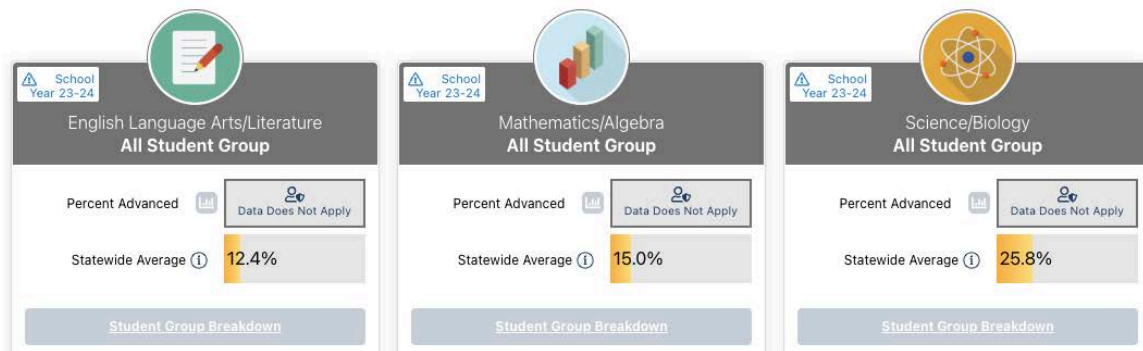
Proficient or Advanced on Pennsylvania State Assessments ⓘ



Meeting Annual Academic Growth Expectations (PVAAS) ⓘ

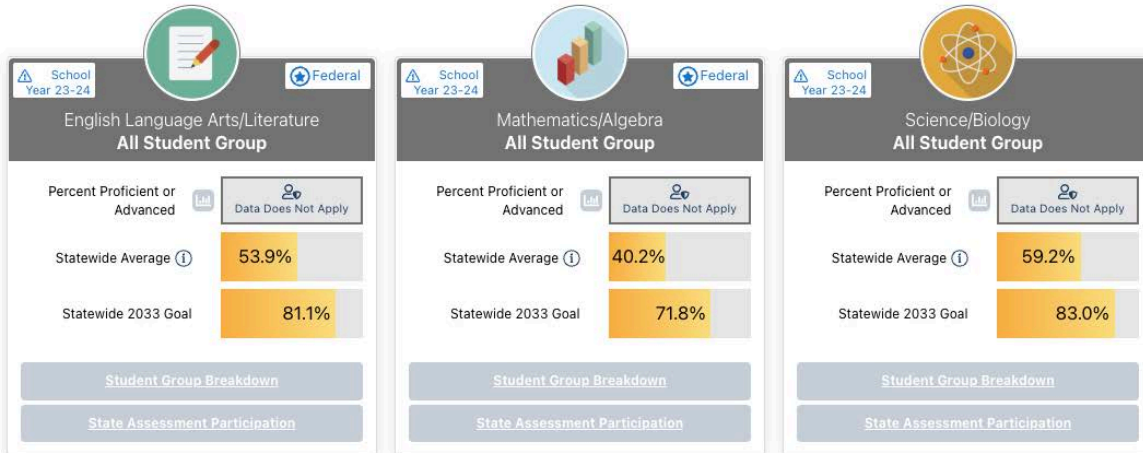


Advanced on Pennsylvania State Assessments ⓘ

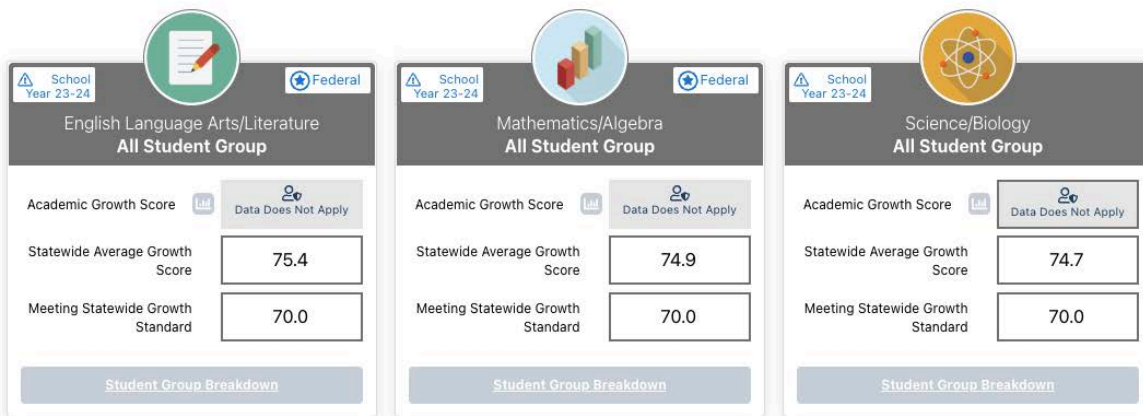


West Pottsgrove El Sch

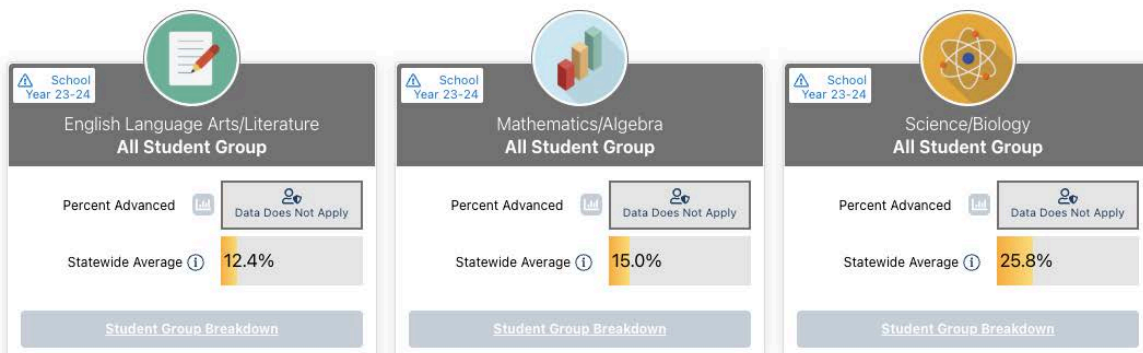
Proficient or Advanced on Pennsylvania State Assessments ⓘ



Meeting Annual Academic Growth Expectations (PVAAS) ⓘ



Advanced on Pennsylvania State Assessments ⓘ

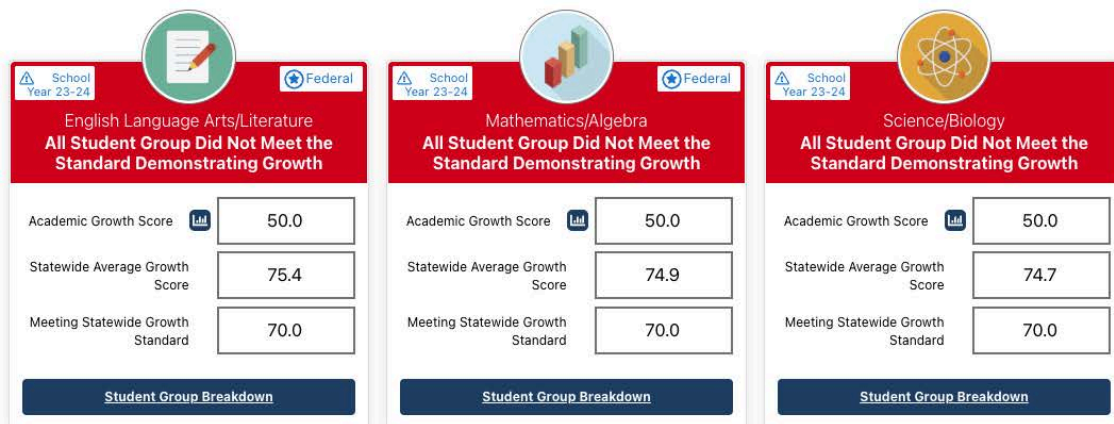


Pottsgrove MS

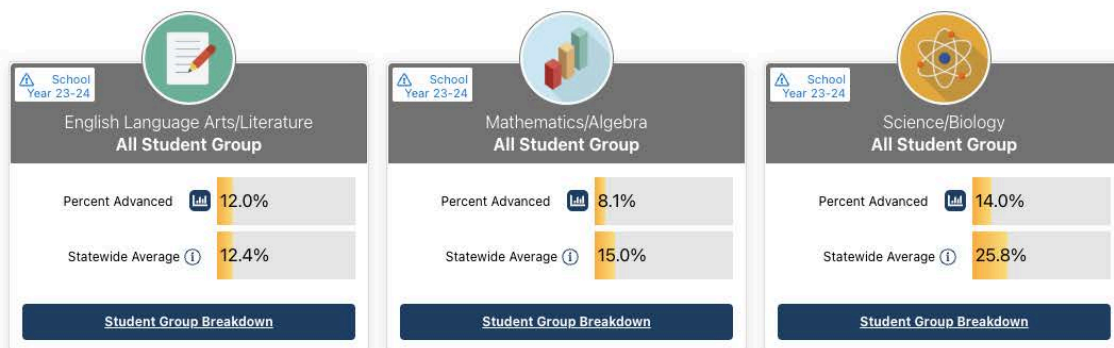
Proficient or Advanced on Pennsylvania State Assessments ①



Meeting Annual Academic Growth Expectations (PVAAS) ①



Advanced on Pennsylvania State Assessments ①



Pottsgrove SHS

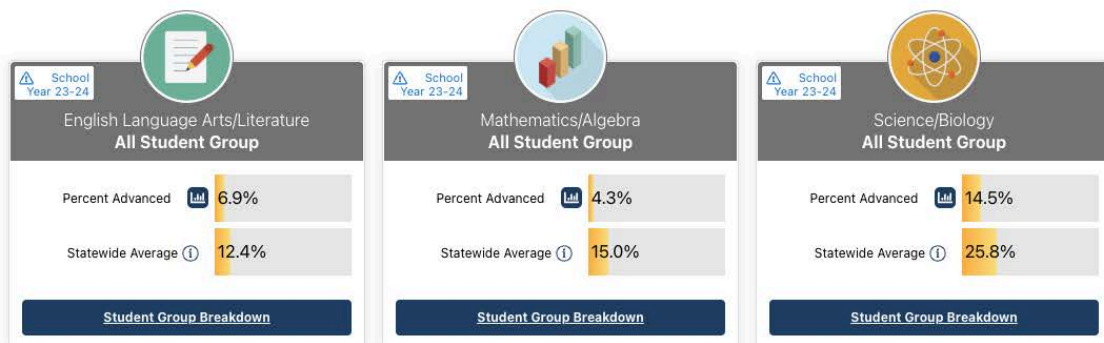
Proficient or Advanced on Pennsylvania State Assessments ①



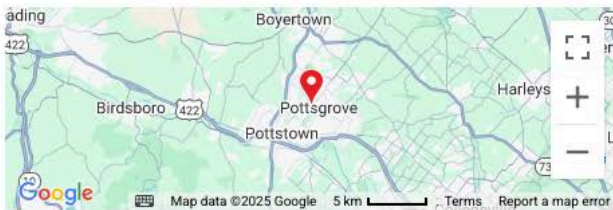
Meeting Annual Academic Growth Expectations (PVAAS) ①



Advanced on Pennsylvania State Assessments ①



📌 Pottsgrove SD

[School Performance](#)
[School Fast Facts](#)
[District Fast Facts](#)


1301 Kauffman Rd
Pottstown, PA 19464
610-327-2277

[District Website](#)

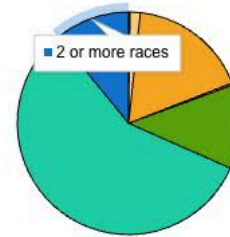
Percent Enrollment by Student Groups

Economically Disadvantaged	51.8%
English Language Learner	2.1%
Special Education	22.2%
Foster Care	NA
Homeless	1.7%
Military Connected	1.1%

Percent Enrollment by Gender

Male	51.5%
Female	48.5%

Percent Enrollment by Race/Ethnicity



American Indian/Alaskan Native	0.2%
Asian	1.5%
Black	17.4%
Native Hawaiian or other Pacific Islander	0.3%
Hispanic	12.2%
White	57.5%
2 or More Races	10.9%

District Schools

[Compare Tool](#)

School Name

[Lower Pottsgrove El Sch](#)

[Pottsgrove MS](#)

[Pottsgrove SHS](#)

5 Results

1 2 [Next](#) »

Number of Schools

5

Grades Offered

K5F, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12

District Enrollment

3006

Percent of Gifted Students

3.1%

Enrollment in Partnering Career and Technical Center(s)

173

Charter School Enrollment

150

Geographic Size of District(Square Miles)

15.44

Partnering Career and Technical Center

[Western Montgomery CTC](#)

Supporting Intermediate Unit(IU)

[Montgomery County IU 23](#)

Glossary

Accounting method – The method by which income and expenses are reported. The District uses two methods of accounting:

- **Full accrual** - An accounting method that measures the performance and position of a company by recognizing economic events regardless of when cash transactions occur. The general idea is that economic events are recognized by matching revenues to expenses (the matching principle) at the time in which the transaction occurs rather than when payment is made (or received).
- **Modified accrual** - An accounting method commonly used by government agencies that combines accrual-basis accounting with cash-basis accounting. Modified accrual accounting recognizes revenues when they become available and measurable and, with a few exceptions, recognizes expenditures when liabilities are incurred.

Act 1 - Special Session Act 1 of 2006, the Taxpayer Relief Act, was signed on June 27, 2006, and modified in June 2011 by Act 25 of 2011. This law eases the financial burden of home ownership by providing school districts the means to lower property taxes to homeowners, especially senior citizens, via the funding provided by gaming revenue. Act 1 establishes an index rate in which property tax millage cannot be raised by unless exceptions are granted to the District.

Act 511 – Act 511 allows a public school district of the second, third, and fourth class to levy certain taxes in order to obtain funding from local sources.

ADP – Average daily participation. The ratio represents the number of students who elect to purchase a meal as a percentage of the building's student population.

Assessed value - The dollar value assigned to a property for purposes of measuring applicable taxes. Assessed valuation is used to determine the value of a residence for tax purposes and takes comparable home sales and inspections into consideration. It is the price placed on a home by the corresponding government municipality to calculate property taxes.

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.

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

Bond - A bond is a debt investment in which an investor loans money to an entity (typically corporate or governmental) which borrows the funds for a defined period of time at a variable or fixed interest rate. Bonds are used by companies, municipalities, states and sovereign governments to raise money and finance a variety of projects and activities. Owners of bonds are debtholders, or creditors of the issuer.

Budget - An estimation of the revenue and expenses over a specified future period of time.

Budgetary reserve – This account is not an expenditure function or account. It is strictly a budgetary account to provide for contingencies.

Capital expenditure - Funds used by a district to acquire or upgrade physical assets such as property, buildings or equipment. These expenditures can include everything from repairing a roof to a building, to purchasing a piece of equipment, or building a brand-new school.

Charter School – An independent public school designated by local citizens, established and operated under a charter from the local board of school directors or from the Pennsylvania Department of Education. A charter school must be organized as a public nonprofit corporation. Charter schools are exempt from most state mandates.

Community Eligibility Provision (CEP) – The Community Eligibility Provision (CEP) is a non-pricing meal service option for schools and school districts in low-income areas. CEP allows the nation's highest poverty schools and districts to serve breakfast and lunch at no cost to all enrolled students without collecting household applications.

Current and Interim Real Estate – Revenue received from taxes assessed and levied upon real property, including taxes levied under Act 544 of 1952 on new construction not appearing on the current real estate tax rolls.

Debt limit - The statutory borrowing limit of a district under the Local Government Unit Debt Act (Act 52 of 1978) is computed as a percentage of the School District's "Borrowing Base". The "Borrowing Base" is defined as the annual arithmetic average of "Total Revenues" (as defined by the Debt Act), for the three full fiscal years ended next preceding the date of incurring the debt. Under the Debt Act as presently in effect, no school district shall incur any nonelectoral debt or lease rental debt if the aggregate net principal amount of such new debt, together with any other net nonelectoral debt and lease rental debt then outstanding, would cause the net nonelectoral debt plus net lease rental debt to exceed 225% of the Borrowing Base.

Debt service - The cash that is required for a particular time period to cover the repayment of interest and principal on a debt.

Delinquent taxes – Revenue received from all levies that have become delinquent.

Dropout – A student, for any reason other than death, leaves school before graduation without transferring to another school/institution.

English Language Learner (ELL) – A national-origin-minority student who is limited-English proficient. This term is often preferred over limited-English-proficient (LEP) as it highlights accomplishments rather than deficits.

Earned income tax (EIT) – Earned income tax. A proportional tax that is levied under Act 511 upon wages, salaries, commissions, net profits, or other compensation of residents within the taxing district.

Exceptions - A school district that adopts a preliminary budget with real estate taxes that exceed its index may seek approval for referendum exceptions to increase tax rates by more than its adjusted index. Section 333 of the Taxpayer Relief Act, as amended by Act 25 of 2011, provides for four exceptions that require approval by the Pennsylvania Department of Education including special education expenditures and PSERS retirement contributions.

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

Fiscal year – The twelve-month period of time which the annual budget applies, and at the end of which, the District determines its financial position and results of its operations. This period is normally from July 1 to June 30.

Function – An expenditure dimension that captures activity aimed towards accomplishing a specific purpose. Examples include regular education, special education, and transportation services.

Fund – A fiscal or accounting entity with a self-balancing set of accounts recording financial transactions.

Fund balance – The excess of assets in a fund over its liabilities and reserves.

GASB – The Governmental Accounting Standards Board is the source of generally accepted accounting principles used by State and Local governments in the United States. The mission of the Governmental Accounting Standards Board is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports.

LEA – Local Education Agency such as a school district.

Levy – The act of imposing a tax or assessment.

Mill – The current property tax rate per thousand dollars of assessed value. One mill is equal to \$1.00 per \$1,000 of assessed value.

Object – An expenditure dimension that describes the service or commodity obtained for a specific expenditure. Examples include salaries, benefits, supplies, and equipment.

OPEB- Other Postemployment Benefits (or OPEB) are benefits (other than pensions) that U.S. state and local governments provide to their retired employees. These benefits principally involve health care benefits, but also may include life insurance, disability, legal and other services.

PSERS – The Public School Employees' Retirement System (PSERS) is an agency of the Commonwealth of Pennsylvania that administers the pension plan for Pennsylvania's public school employees. Under the Internal Revenue Service (IRS) Code, the PSERS pension plan is classified as a 401(a) governmental defined benefit plan. A defined benefit plan means that the retirement benefit is determined by a formula which includes a retirement factor, years of credited service, and the final average salary.

Pennsylvania System of School Assessment (PSSA) – State mandated annual achievement testing for grades 3-8.

Real estate transfer tax – A proportional tax levied on the transfer price of real property within the taxing district.

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.

School Based ACCESS Medicaid Reimbursement Program (SBAP) – SBAP is a medical access program that reimburses school entities for direct eligible health-related services including transportation. These services are provided to Medicaid enrolled, special needs students.

Self-insured - Type of plan usually present in larger companies where the employer itself collects premiums from enrollees and takes on the responsibility of paying employees' and dependents' medical claims.

Western Center – Western Center Technical Career Center is a vocational technical school formed by Pottsgrove School District, Spring-Ford Area School District, and the Upper Merion School District. The school is dedicated to delivering technical and educational programs to meet the needs of the students and prospective employers.