

POTTSGROVE SCHOOL DISTRICT



BUDGET 2026-2027

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

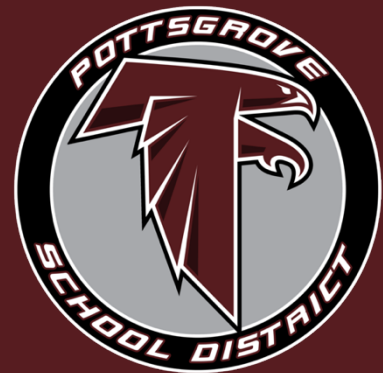


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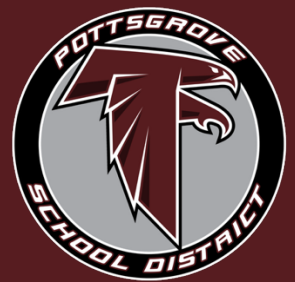
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Executive Summary



Pottsgrove School District
Fiscal Year 2026-2027
1301 Kauffman Rd
Pottstown, PA 19464
Dr. Gregory Puckett, Superintendent

Board of School Directors



Jay Strunk	President, Term 2025-2029
Bill Thompson	Vice President, Term 2023-2027
Patricia Grimm	Treasurer, Term 2023-2027
Tanya Taylor	Secretary, Term 2025-2029
James Lopic (not pictured)	Member, Term 2023-2027
Steven Parker (not pictured)	Member, Term 2025-2029
Tina McIntyre	Member, Term 2025-2027
Annique Ruiz-Brown	Member, Term 2023-2027
Louis Corominas	Member, Term 2025-2029

Board of Directors Committee Assignments

Finance & Operations Committee

Louis Corominas –Chair
Bill Thompson
Tina McIntyre
Steven Parker

Western Center - JOC

Jay Strunk
Patricia Grimm
Bill Thompson

Personnel Committee

Jay Strunk – Chair
Bill Thompson
James Lopic
Tina McIntyre

Athletics/Co-curricular/Community Relations Committee

Patricia Grimm – Chair
Steven Parker
Tanya Taylor
Louis Corominas

Curriculum, Instruction, and Technology Committee

James Lopic – Chair
Tina McIntyre
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

Cherry Bekaert
2763 Century Blvd
Reading, PA 19610

Legal Counsel - General

McNees, Wallace, & Nurick LLC
100 Pine St, PO Box 1166
Harrisburg, PA 17108

Financial Advisor

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

Legal Counsel – Special Education

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

Central Office Administration

Dr. Gregory Puckett
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 & Assment.

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



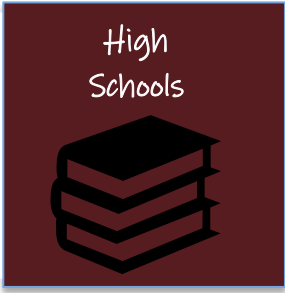
Ringing Rocks Elementary
1401 Kauffman Rd
Pottstown, PA 19464
Principal: Stephanie Myers



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: Michael Zacharda



POTTSGROVE SCHOOL DISTRICT

ADMINISTRATIVE OFFICES

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

June 30, 2026

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

Dear School Directors:

The 2026-2027 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.

2026-2027 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 2026-2027 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

<p>Mission Statement</p>	<p>The mission of the Pottsgrove School District is to provide a high-quality experience that educates, engages, and empowers students to achieve their fullest potential.</p>
<p>Vision Statement</p>	<ul style="list-style-type: none"> • Our graduates will be productive contributors within the global society. • Our students will demonstrate high levels of growth. • Our students will exhibit a love of learning, a passion for excellence, and respect for humanity. • The Pottsgrove community will embrace the Falcon Four (be respectful, be responsible, be safe, and be positive).
<p>Goals</p>	<p>The 2025-2028 Comprehensive Plan Goals and Strategies outlined the following goals which drive decisions for the Pottsgrove School District:</p> <ul style="list-style-type: none"> • Students in grades K-12 will demonstrate a 5% improvement in their proficiency in both math and literacy, as measured by District wide and state assessments. • Develop and implement a 10-year capital plan for the District, prioritizing key capital projects with clear timelines and budgets. • Develop an internal team structure and action plan to coordinate the development of alternative revenue sources with the goal of increasing revenues by at least 10%. • Develop a plan to measurably improve student and staff attendance based upon annual performance metrics. • Maintain high levels of student participation in co-curricular and athletic programs at Pottsgrove High School and Pottsgrove Middle School while increasing the participation at the elementary level. • Increase volunteer participation in athletics and co-curricular activities by 10% while integrating alumni involvement in program support, mentorship, and fundraising. • Emphasize communication to all stakeholder groups in all areas of operation. • Commit to embracing the Falcon Four for staff and students. <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 student 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 (3.5% for 2026-2027) 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 2025-2026 school year, Pottsgrove's aid ratio is 0.5594. 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. One the following page is a timeline by month that summarizes the Pottsgrove School District budget process.

For the 2026-2027 budget, the Board of Directors adopted a resolution to not exceed the Act 1 tax limitations on December 2, 2025, and the proposed final budget on April 28, 2026. The final budget was adopted by the Board of Directors at the June 10, 2026 meeting. The district elected to pass a resolution to not exceed the Act 1 index for a fifth 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 3.28% of its students qualifying for English Language Learner (ELL) services, with individual schools ranging as high as 4.93% ELL. Similarly, the number of economically disadvantaged students resulted in 46.01% of Pottsgrove School District students with individual schools ranging as high as 50.85%.

Budget Timeline

September

- Act 1 Index and timeline published by PDE

October

- District enrollment projections are calculated
- Building per pupil allocations are distributed
- Final budget timeline is created

December

- Adoption of board resolution not to raise taxes above the Act 1 index
- Deadline to notify residents of homestead/farmstead exclusion
- Building and department budget requests are due to the Business Office

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
- Presentation of budget at Finance & Operation Committee

March

- Homestead/farmstead application deadline
- Deadline for referendum exception request to PDE
- Deadline for PDE ruling on referendum exception request
- Deadline to submit primary election referendum question seeking voter approval of tax increase in excess of the Act 1 index
- Presentation of departmental budgets and general budget update at Finance & Operation Committee

April

- Presentation of departmental budgets and general budget update at Finance & Operation Committee
- Board adoption of the proposed final budget

May

- County provides certified homestead/farmstead information
- PDE provides property tax relief allocation information
- General budget update at the Finance & Operations Committee
- Public notice of intent to adopt final budget
- Budget presented for public inspection

June

- Board adoption of the final budget

Financial Section

Budget Summary for all Funds

The following is a summary of the 2026-2027 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.

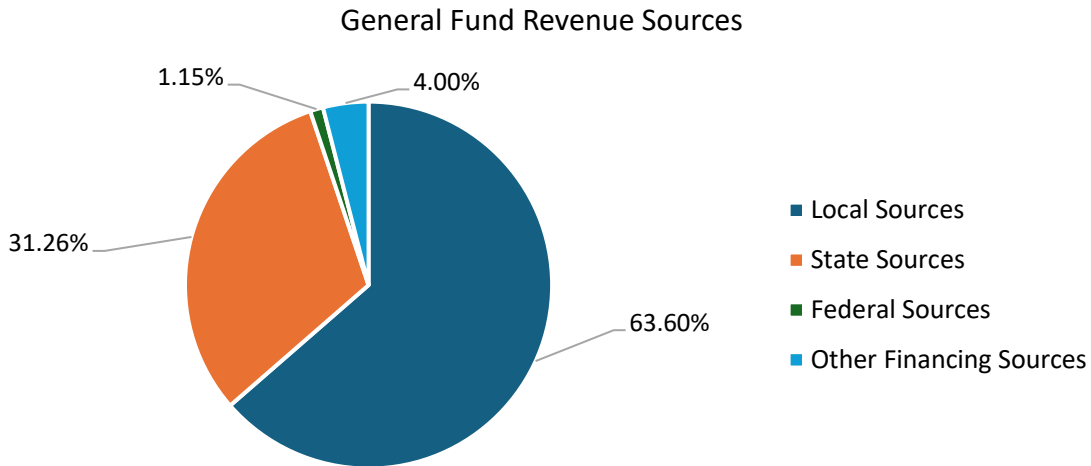
Summary of All Funds

Fund	2025-2026 Budget	2026-2027 Budget	Budget Change FY 2026 to FY 2027	Percent Change FY 2026 to FY 2027
General Fund				
Beginning Fund Balance	\$ 28,243,127	\$ 27,043,127	\$ (1,200,000)	-4.25%
Revenues	80,042,964	86,653,197	6,610,233	8.26%
Expenditures	81,242,964	91,078,229	9,835,265	12.11%
Other Financing Sources/(Uses)	-	-	-	0.00%
Net Change in Fund Balance	(1,200,000)	(4,425,032)	(3,225,032)	268.75%
Ending Fund Balance	\$ 27,043,127	\$ 22,618,095	(4,425,032)	-16.36%
Capital Projects Fund				
Beginning Fund Balance	\$ 4,778,866	\$ 14,349,403	\$ 9,570,537	200.27%
Revenues	10,273,326	275,000	(9,998,326)	-97.32%
Expenditures	702,789	11,000,000	10,297,211	1465.19%
Other Financing Sources/(Uses)	-	-	-	0.00%
Net Change in Fund Balance	9,570,537	(10,725,000)	(20,295,537)	-212.06%
Ending Fund Balance	\$ 14,349,403	\$ 3,624,403	(10,725,000)	-74.74%
Enterprise Funds				
Beginning Fund Balance	\$ 922,307	\$ 889,108	\$ (33,199)	-3.60%
Revenues	2,018,676	2,027,417	8,741	0.43%
Expenditures	2,051,875	2,085,741	33,866	1.65%
Other Financing Sources/(Uses)	-	-	-	0.00%
Net Change in Fund Balance	(33,199)	(58,324)	(25,125)	75.68%
Ending Fund Balance	\$ 889,108	\$ 830,784	(58,324)	-6.56%
Internal Service Fund				
Beginning Fund Balance	\$ 4,815,590	\$ 4,815,590	\$ -	0.00%
Revenues	7,000,000	9,600,000	2,600,000	37.14%
Expenditures	7,000,000	11,515,000	4,515,000	64.50%
Other Financing Sources/(Uses)	-	-	-	0.00%
Net Change in Fund Balance	-	(1,915,000)	(1,915,000)	0.00%
Ending Fund Balance	\$ 4,815,590	\$ 2,900,590	(1,915,000)	-39.77%
Total All Funds				
Beginning Fund Balance	\$ 38,759,890	\$ 47,097,228	\$ 8,337,338	21.51%
Revenues	99,334,966	98,555,614	(779,352)	-0.78%
Expenditures	90,997,628	115,678,970	24,681,342	27.12%
Other Financing Sources/(Uses)	-	-	-	0.00%
Net Change in Fund Balance	8,337,338	(17,123,356)	(25,460,694)	-305.38%
Ending Fund Balance	\$ 47,097,228	\$ 29,973,872	(17,123,356)	-36.36%

General Fund Overview

Revenues

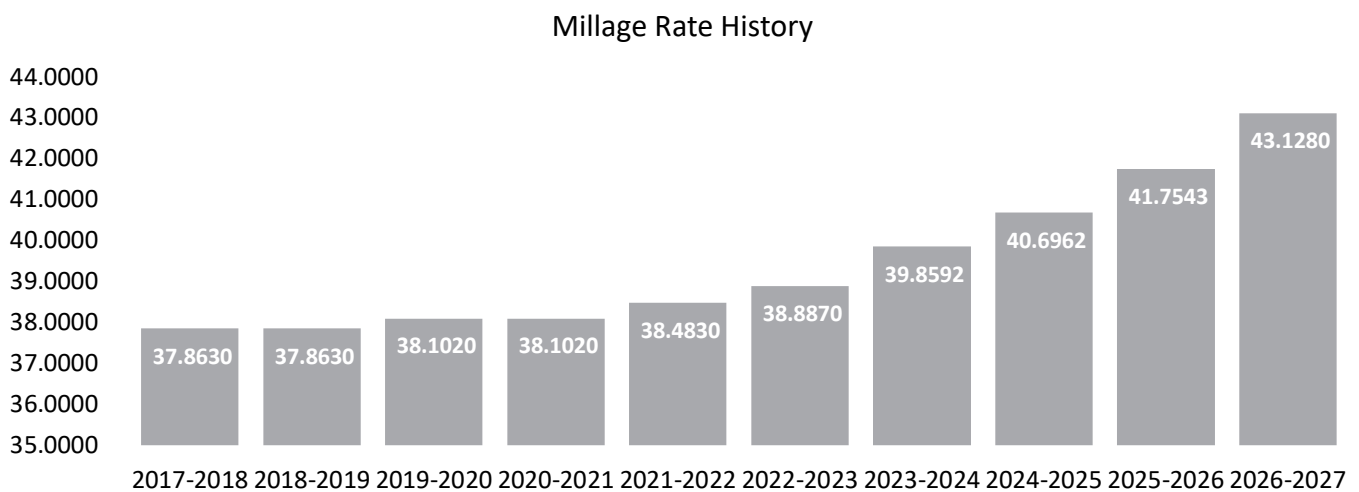
The General Fund of the District is funded from local, state, and federal sources of revenue. Local revenue is the largest source of revenue which accounts for 63.60% of the \$86,653,197 in total budgeted revenue for the 2026-2027 fiscal year. The remaining 36.40% of revenue budgeted is comprised of state subsidies and grants (31.26%) as well as federal grant funds (1.15%). The remaining 4.00% is comprised of the sale of school buses to the new transportation contractor and a transfer from the Internal Service Fund.



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 \$45,005,872 which is 81.67% of local revenues budgeted and 51.94% of total revenue sources budgeted. Current real estate tax revenue is budgeted \$1,643,015 higher than the previous year.

The 2026-2027 real estate tax rate required to fund the District's programs and services is 43.1280 mills.



IMPACT OF TAX INCREASES ON AVERAGE RESIDENTIAL PROPERTY OWNER

Assessment	2021-2022 Tax	2022-2023 Tax	2023-2024 Tax	2024-2025 Tax	2025-2026 Tax	2026-2027 Tax
121,440	4,673	4,722	4,841	4,942	5,071	5,237
Millage Rate	38.4830	38.8870	39.8592	40.6962	41.7543	43.1280

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 \$4.7 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.

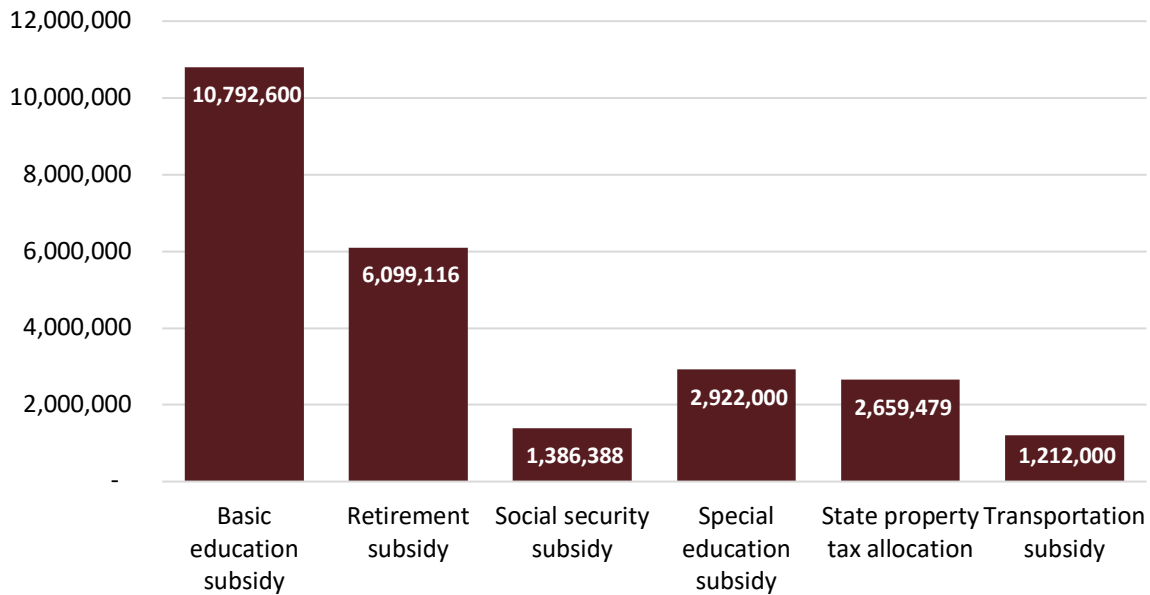
OTHER LOCAL REVENUE SOURCES

Revenue Sources	Actual 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027
Interim Taxes	\$ 263,263	\$ 746,716	\$ 298,888	\$ 310,000	\$ 305,000
Earned Income Tax (EIT)	3,820,874	4,171,953	4,429,186	4,000,000	4,700,000
Real Estate Transfer Tax	1,250,254	790,208	661,568	800,000	800,000
Delinquent Real Estate Tax	687,696	1,181,234	990,347	1,000,000	1,000,000
Mercantile tax	593,594	536,309	378,350	550,000	550,000
Per capita tax	109,450	103,096	104,347	106,000	105,700
Total	\$ 6,725,131	\$ 7,529,516	\$ 6,862,686	\$ 6,766,000	\$ 7,460,700

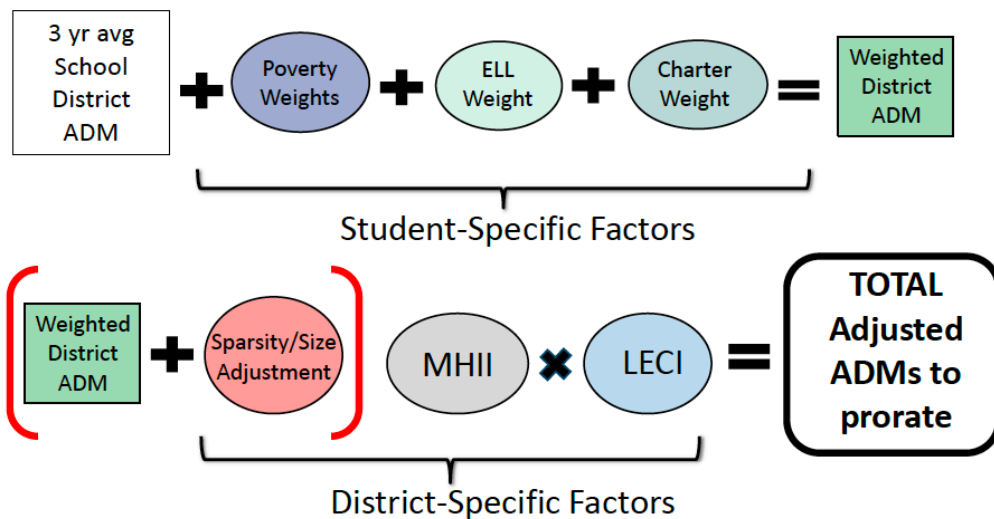
State sources

State sources comprise 31.26% of the total budget at \$27,084,925 which is an increase of \$1,104,925 from the 2025-2026 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 following page shows the budgeted subsidy payments for the 2026-2027 school year.

Major State Revenue Sources



The largest line item from state sources is from the Basic Education Subsidy. This funding stream is formula driven with several data points needed to calculate the subsidy. The formula is made up of student specific factors and district specific factors.



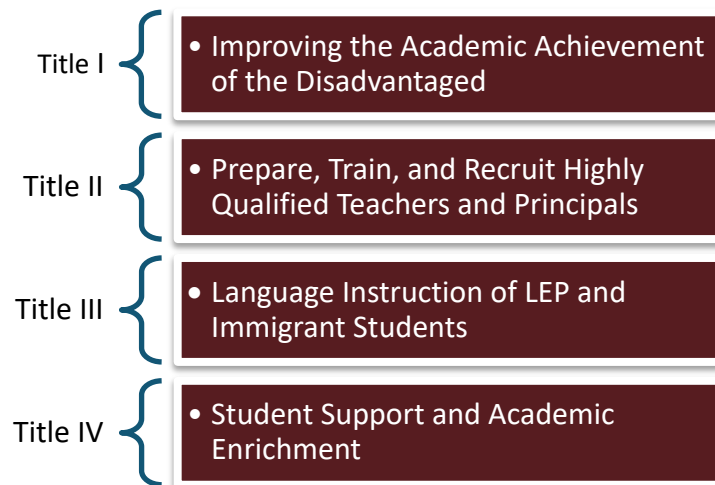
The Commonwealth reset the base of the formula in the 2024-2025 school year. This means that every school district will receive at least the amount they received in 2024-2025 school year moving forward. Any new funding proposed by the Governor is allocated through the funding formula. For the 2026-2027 school year, the Governor proposed adding \$375 million to this line item for the Commonwealth. Pottsgrove's estimate share of the increase is approximately \$168,000.

The second largest line item in state sources comes from the state’s share of retirement contributions. The state reimburses the District for approximately one-half of its Public School Employees’ Retirement System (PSERS) retirement costs. For 2026-2027, the rate the District is required to pay into PSERS is 33.59% of qualifying earnings and in return the state reimburses approximately one-half of this expenditure. This amount is \$6,099,116 which is a \$106,195 (1.77%) increase from the previous year. This increase is attributed to contracted salary increases. The state also reimburses the District for approximately one-half of the Social Security and Medicare taxes which in 2026-2027 equates to \$1,386,388.

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 2026-2027 school year is \$2,659,479 which equates to a tax reduction of \$508.65 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:

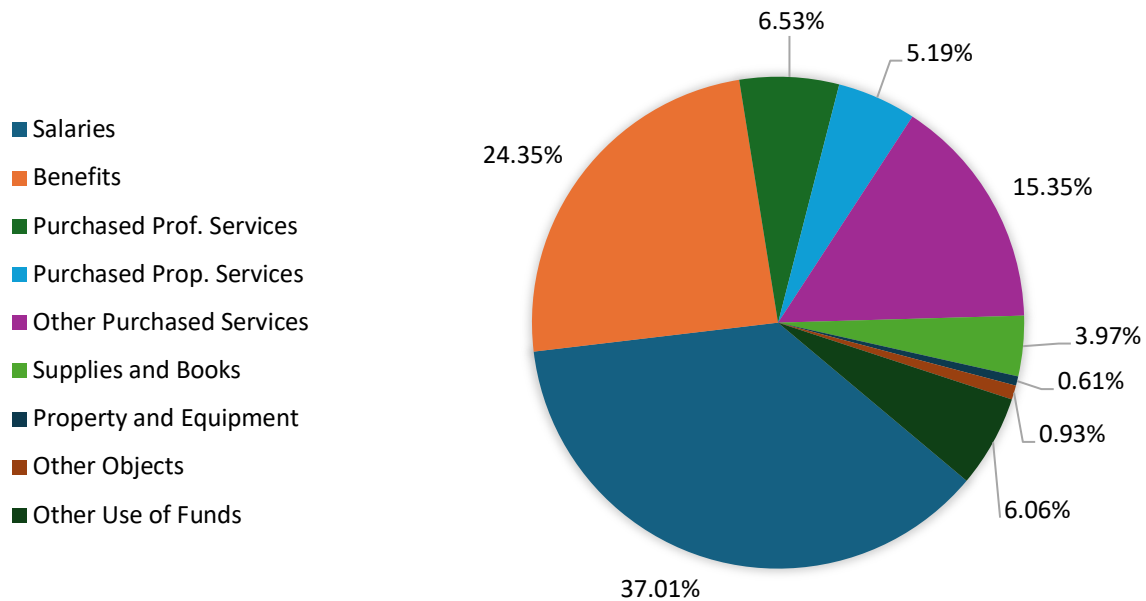


The District also receives funding through the School-Based ACCESS Medicaid Program which provides reimbursement for eligible health care service costs.

Expenditures

For the 2026-2027 school year, budgeted expenditures in the General Fund are \$91,078,229 which is an increase of \$9,835,265 (12.11%) from 2025-2026. The chart on the following page compares these expenditures by category.

EXPENDITURES BY MAJOR OBJECT



Expenditure analysis

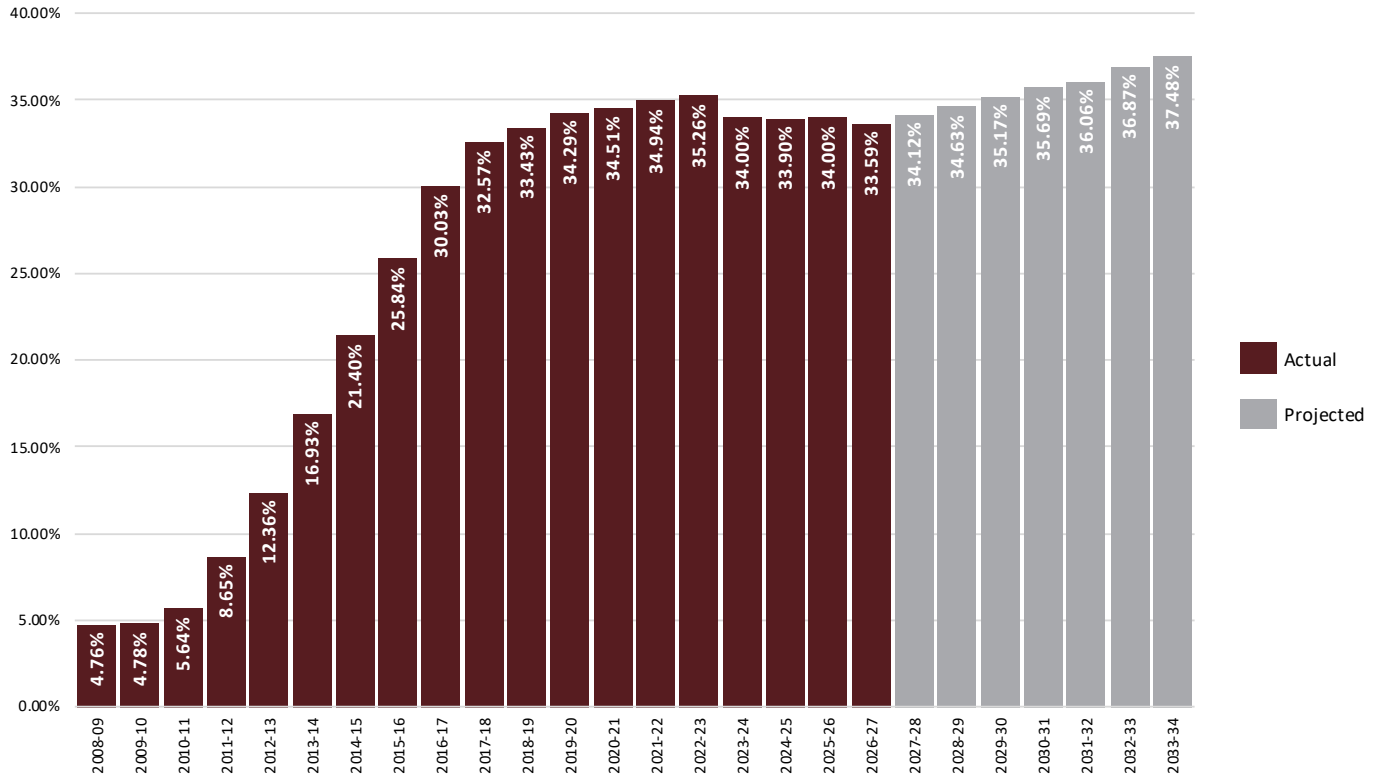
Mandated costs are a significant challenging aspect of budgeting. Providing mandated special education services to eligible students is a financial challenge to the District. School districts have limited flexibility in controlling these costs. For example, when students require special education services, 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 13.86% of the budgeted special education costs.

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.

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 2026-2027 school year, this amount is 33.59%; which means that for each \$1 in eligible salaries the District must contribute 33.59 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 2026-2027 along with the dollar and percentage changes from the 2025-2026 budget.

GENERAL FUND CHANGE IN EXPENDITURE OBJECTS

Expenditures	Budget 2025-2026	Budget 2026-2027	Dollar Change	Percent Change
Salaries	\$ 32,540,728	\$ 33,707,566	\$ 1,166,838	3.59%
Benefits	20,474,625	22,179,963	1,705,338	8.33%
Purchased Prof. Services	6,471,606	5,944,828	(526,778)	-8.14%
Purchased Prop. Services	2,133,420	4,730,394	2,596,974	121.73%
Other Purchased Services	9,466,089	13,979,298	4,513,209	47.68%
Supplies and Books	3,318,651	3,612,298	293,647	8.85%
Property and Equipment	706,240	559,000	(147,240)	-20.85%
Other Objects	658,605	848,882	190,277	28.89%
Other Use of Funds	5,473,000	5,516,000	43,000	0.79%
Total Expenditures	\$ 81,242,964	\$ 91,078,229	\$ 9,835,265	12.11%

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 5.42%. This is due to contractual salary and benefit increases, unbudgeted staff additions during the 2025-26 school year, and proposing adjusting the compensation for classified support staff.
- **Other purchased services** – Increase in the costs of providing special education services of approximately \$1,000,000, increase in the amount for charter school tuition in the amount of approximately \$208,000, an increase in the contracted transportation of approximately \$1,352,000, approximately \$445,000 for curriculum renewals, Technology is refreshing the devices students use as well as replacing classroom projectors with interactive boards at an approximate cost of \$395,000
- **Construction** – The District awarded design contracts for the Facilities and Athletic Improvement Project. Funds were borrowed to finance the project costs. However, the District has budgeted the use of approximately \$3.205 million from its committed fund balance.

The net increase in these major items totals approximately \$9.48 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 2026-2027 there is a projected beginning fund balance of \$14,349,403 in bond and Capital Reserve funds available. The District has contracted to begin the Facilities and Athletic Improvement Project at the Pottsgrove High School stadium. This project is scheduled to go to bid in the winter of 2026 with construction beginning in the spring of 2027.

Food Service Fund Overview



For the 2026-2027 school year, the District’s Food Service Fund is budgeting revenues of \$2,027,417. Local revenues, which are comprised of sales to students and staff, are budgeted to increase by \$17,711 (5.46%). State and federal revenues are budgeted to decrease by \$8,970 (0.53%). 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 2026-2027 school year. This program allows all students to receive lunch without the need to complete a free/reduced lunch application.

The expenditure budget of \$2,085,741 is an increase of \$33,866 (1.65%) over the previous year. The increase is attributable to increased costs in labor, 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 2026-2027 school year, budgeted revenues (which include transfers from the General Fund from both employer and employee cost sharing and interest revenue), are \$9,600,000 and expenditures (the cost of claims) are \$11,515,000. Included in the expenditure total is a one-time transfer to the General Fund of \$1,915,000.

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 2029-2030 school year.

The following assumptions were made in these forecasts:

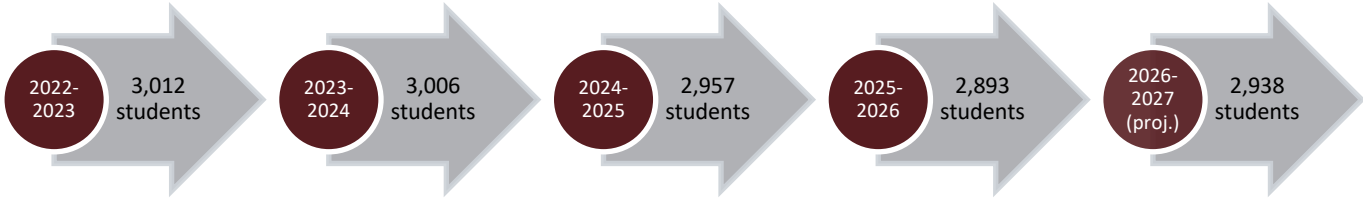
- Millage increases equal to 2.5% each year
- Tax base growth of 0.40% per year
- 96.80% tax collection rate
- 2.00% annual increase in earned income taxes
- 2.00% increase in real estate transfer taxes
- 2.50% increase in interim real estate taxes and other local revenue
- 1.50% increase to basic education subsidy
- 2.5% increase to special education subsidy
- \$50,000 annual increase to property tax reductions allocation and transportation subsidy
- 2.00% annual increase from federal funding
- 2.00% increase annually in salaries for professional staff, net of retirements and new positions
- 1.50% 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 June 2026.
- 3.00% increases in other benefits
- 3.00% 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

	2026/2027 Final Budget	2027/2028 Projection	2028/2029 Projection	2029/2030 Projection
GENERAL FUND				
Total Revenues	\$ 86,653,197	\$ 87,033,021	\$ 89,207,902	\$ 91,547,935
Total Expenses	91,078,229	90,661,831	93,002,627	94,775,020
Other Financing Sources/(Uses)	-	-	-	(998,543)
Revenues Over (Under) Expenses	(4,425,032)	(3,628,810)	(3,794,725)	(4,225,628)
Beginning Fund Balance 7/1 Assigned + Unassigned	27,043,127	22,618,095	18,989,285	15,194,560
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 22,618,095	\$ 18,989,285	\$ 15,194,560	\$ 10,968,932
CAPITAL PROJECTS FUND				
Total Revenues	\$ 275,000	\$ 280,500	\$ 286,110	\$ 1,290,375
Total Expenses	11,000,000	795,564	525,000	551,250
Other Financing Sources/(Uses)	-	-	-	-
Revenues Over (Under) Expenses	(10,725,000)	(515,064)	(238,890)	739,125
Beginning Fund Balance 7/1 Assigned + Unassigned	14,349,403	3,624,403	3,109,339	2,870,449
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 3,624,403	\$ 3,109,339	\$ 2,870,449	\$ 3,609,574
ENTERPRISE FUNDS				
Total Revenues	\$ 2,027,417	\$ 2,067,966	\$ 2,109,325	\$ 2,151,512
Total Expenses	2,085,741	2,137,885	2,191,332	2,246,115
Revenues Over (Under) Expenses	(58,324)	(69,919)	(82,007)	(94,603)
Beginning Fund Balance 7/1 Assigned + Unassigned	889,108	830,784	760,865	678,859
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 830,784	\$ 760,865	\$ 678,859	\$ 584,256
INTERNAL SERVICE FUND				
Total Revenues	\$ 9,600,000	\$ 9,984,000	\$ 10,383,360	\$ 10,798,694
Total Expenses	11,515,000	9,984,000	10,383,360	10,798,694
Revenues Over (Under) Expenses	(1,915,000)	-	-	-
Beginning Fund Balance 7/1 Assigned + Unassigned	4,815,590	2,900,590	2,900,590	2,900,590
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 2,900,590	\$ 2,900,590	\$ 2,900,590	\$ 2,900,590
TOTAL ALL FUNDS				
Total Revenues	\$ 98,555,614	\$ 99,365,487	\$ 101,986,697	\$ 105,788,516
Total Expenses	115,678,970	103,579,280	106,102,319	108,371,079
Other Financing Sources/(Uses)	-	-	-	(998,543)
Revenues Over (Under) Expenses	(17,123,356)	(4,213,793)	(4,115,622)	(3,581,106)
Beginning Fund Balance 7/1 Assigned + Unassigned	47,097,228	29,973,872	25,760,079	21,644,458
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 29,973,872	\$ 25,760,079	\$ 21,644,458	\$ 18,063,352

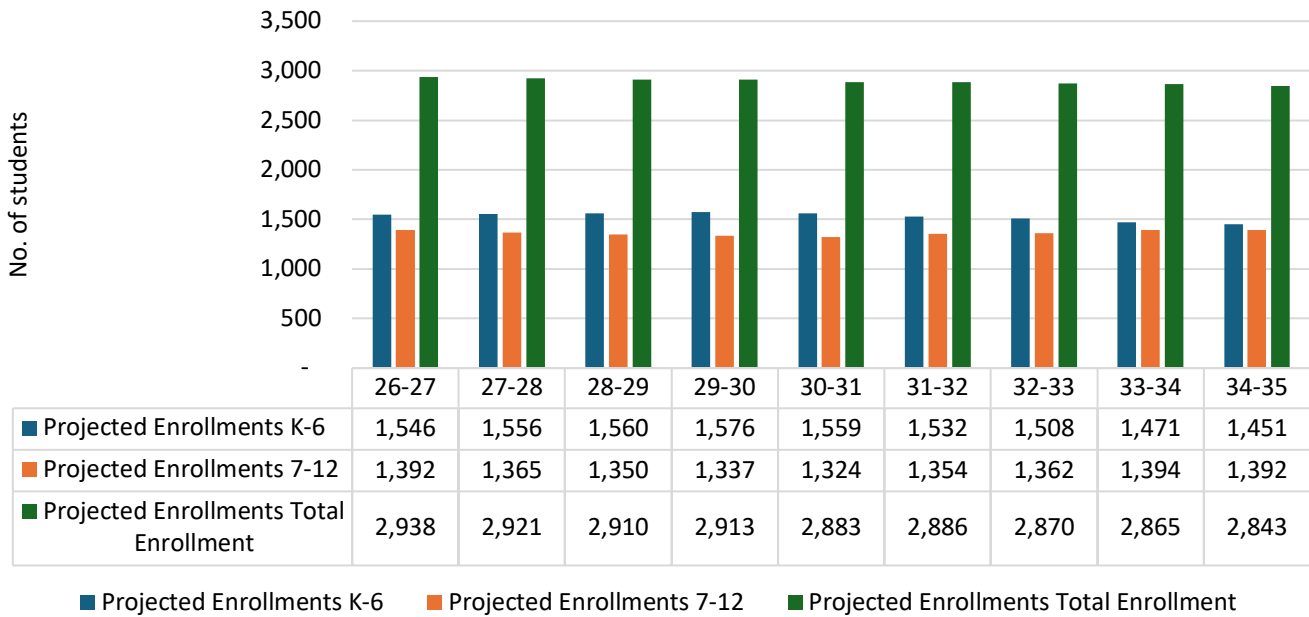
Informational Section

Student Enrollment

The projected student enrollment for the 2026-2027 school year is 2,938 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 reduction of 4 teaching positions. Staffing allocations are based on school board review and approval. The change in positions are reducing six (6) regular education teaching positions through attrition. Two positions were added for special education. 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 under contract for the design of the Facilities and Athletic Improvement project. Construction is scheduled to begin in the Spring of 2027.

ANALYSIS OF OUTSTANDING GENERAL OBLIGATION BONDS

	Principal Balance		
	2024-2025	2025-2026	2026-2027
Debt at Beginning of Year	\$ 28,354,123	\$ 24,098,000	\$ 29,135,000
Additional Debt Incurred During Year	-	9,310,000	
Retirements/Repayments	4,256,123	4,273,000	4,316,000
Debt at End of Year	<u>\$ 24,098,000</u>	<u>\$ 29,135,000</u>	<u>\$ 24,819,000</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.

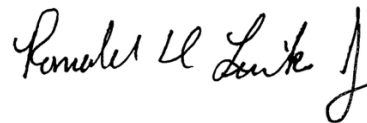
We express sincere thanks to the Pottsgrove District staff who help carry out the District’s main purpose of educating the children of the Pottsgrove community.

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.



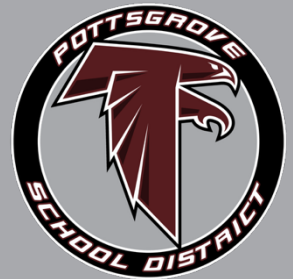
David Finnerty, Ed.D.
Superintendent



Ronald D. Linke
Business Administrator



Organizational Section



Pottsgrove School District
Fiscal Year 2026-2027
1301 Kauffman Rd
Pottstown, PA 19464
Dr. Gregory Puckett, 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.

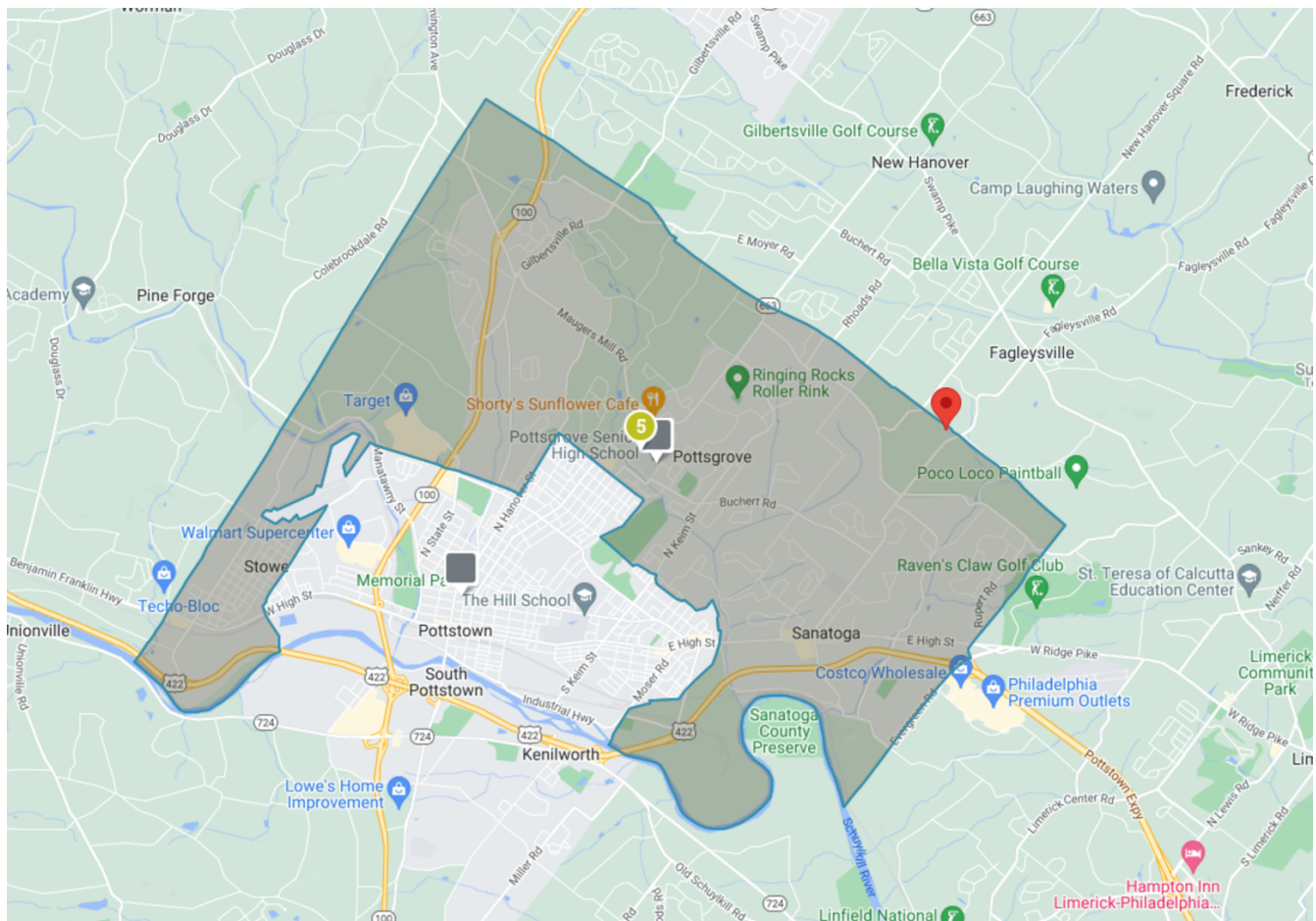
Authority is given to an elected nine-member board of directors elected for a four-year term to govern the District. The Superintendent is the chief administrative officer of the District with overall responsibility for all aspects of operations including education and finance. The Business Administrator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

Level of Education Provided

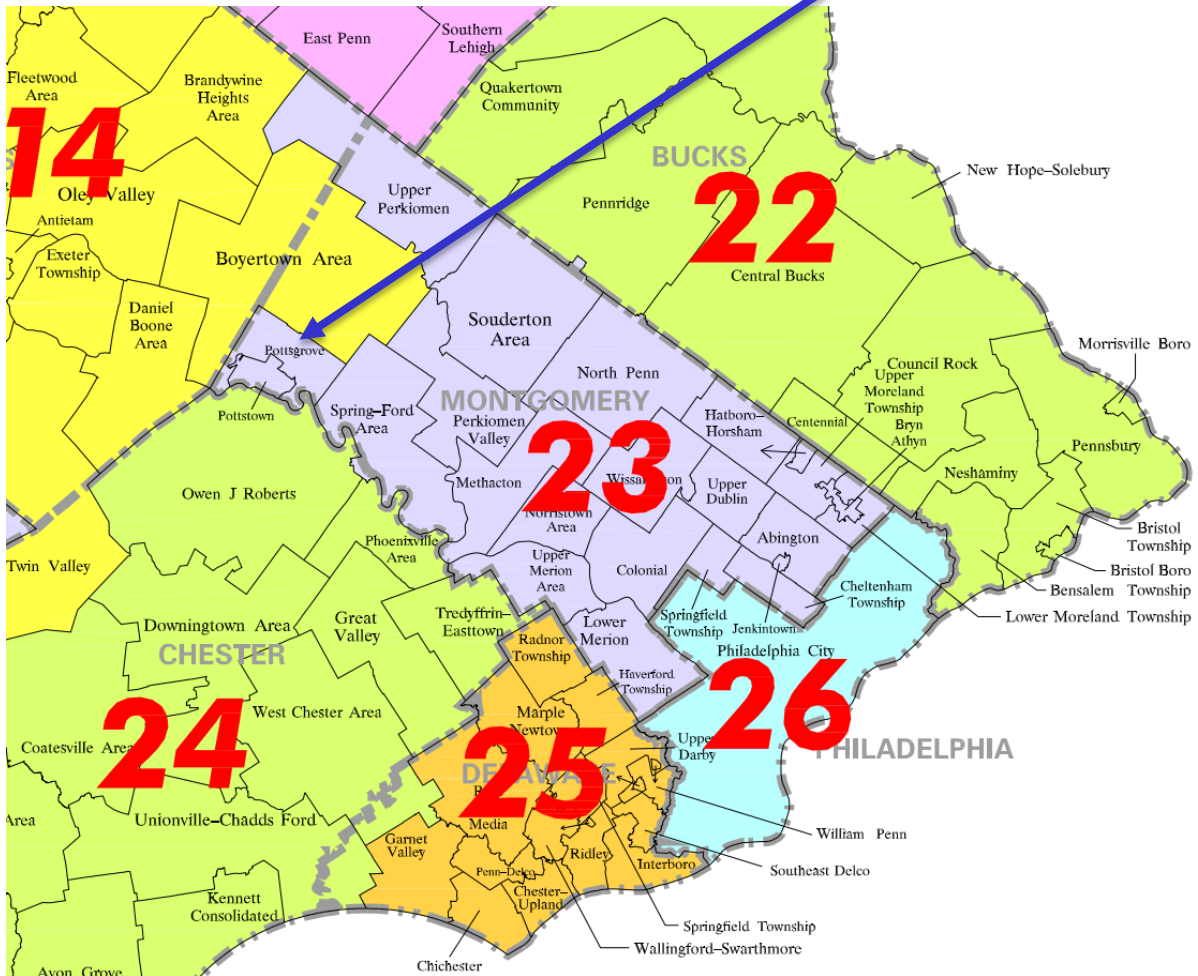
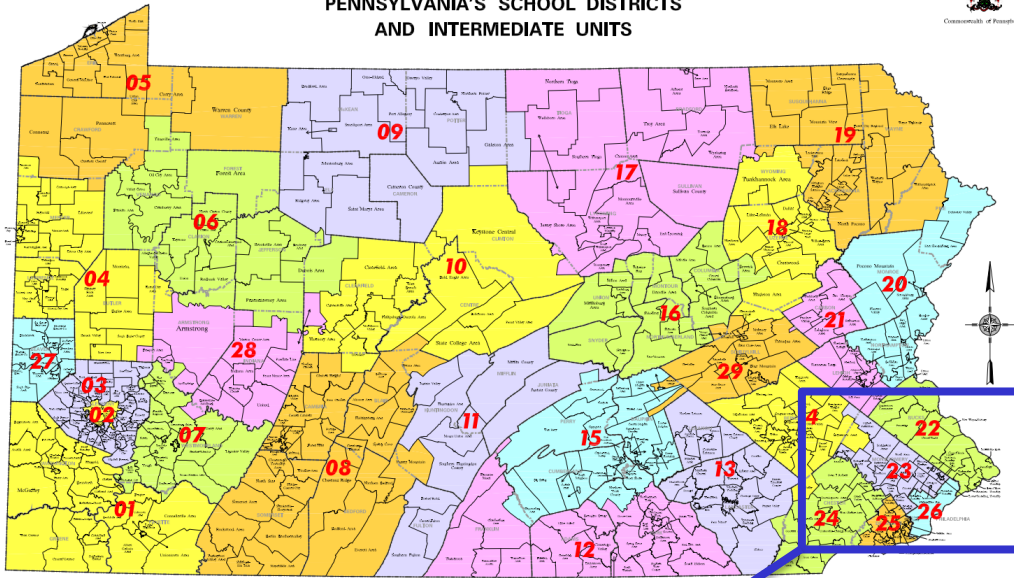
The District presently provides K-12 educational services for approximately 2,900 students enrolled from kindergarten through grade 12. Vocational education for students in grades 9 through 12 is provided by the Western Montgomery Career and Technical Center.

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 school, and one high school.

Elementary Buildings K-5

- Ringing Rocks - Constructed 1962 & Renovated 1983, 1989, 2011
- West Pottsgrove - Constructed 1980 & Renovated 1984, 1994, 1997, 2008, 2024
- Lower Pottsgrove - Constructed 1972 & Renovated 1989, 2003

Secondary Buildings MS 6-8 HS 9-12

- Pottsgrove MS - Constructed 1999
- Pottsgrove HS - Constructed 1958 & Renovated 1967, 1992, 2014

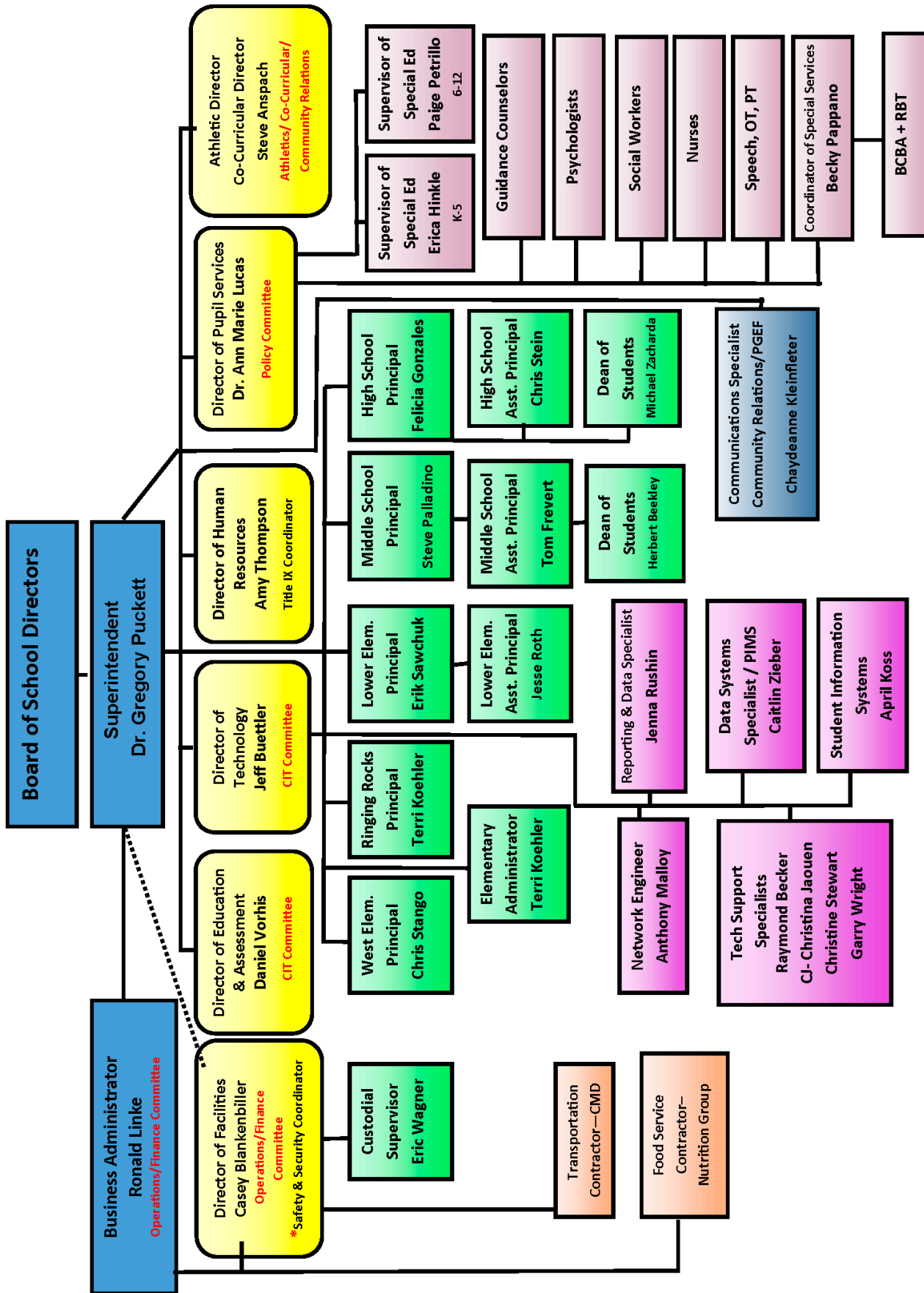
Governance Structure

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 2025-2029
Bill Thompson	Vice President, Term 2023-2027
Patricia Grimm	Treasurer, Term 2023-2027
Tanya Taylor	Secretary, Term 2025-2029
James Lopic (not pictured)	Member, Term 2023-2027
Steven Parker (not pictured)	Member, Term 2025-2029
Tina McIntyre	Member, Term 2025-2027
Annique Ruiz-Brown	Member, Term 2023-2027
Louis Corominas	Member, Term 2025-2029



Mission Statement, Vision, Core Values, and Goals

<p>Mission Statement</p>	<p>The mission of the Pottsgrove School District is to provide a high-quality experience that educates, engages, and empowers students to achieve their fullest potential.</p>
<p>Vision Statement</p>	<ul style="list-style-type: none"> • Our graduates will be productive contributors within global society. • Our students will demonstrate high levels of growth. • Our students will exhibit a love of learning, a passion for excellence, and respect for humanity. • The Pottsgrove community will embrace the Falcon Four (be respectful, be responsible, be safe, and be positive).
<p>Goals</p>	<p>The 2025-2028 Comprehensive Plan Goals and Strategies outlined the following goals which drive decisions for the Pottsgrove School District:</p> <ul style="list-style-type: none"> • Students in grades K-12 will demonstrate a 5% improvement in their proficiency in both math and literacy, as measured by District wide and state assessments. • Develop and implement a 10-year capital plan for the District, prioritizing key capital projects with clear timelines and budgets. • Develop an internal team structure and action plan to coordinate the development of alternative revenue sources with the goal of increasing revenues by at least 10%. • Develop a plan to measurably improve student and staff attendance based upon annual performance metrics. • Maintain high levels of student participation in co-curricular and athletic programs at Pottsgrove High School and Pottsgrove Middle School while increasing the participation at the elementary level. • Increase volunteer participation in athletics and co-curricular activities by 10% while integrating alumni involvement in program support, mentorship, and fundraising. • Emphasize communication to all stakeholder groups in all areas of operation. • Commit to embracing the Falcon Four for staff and students. <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

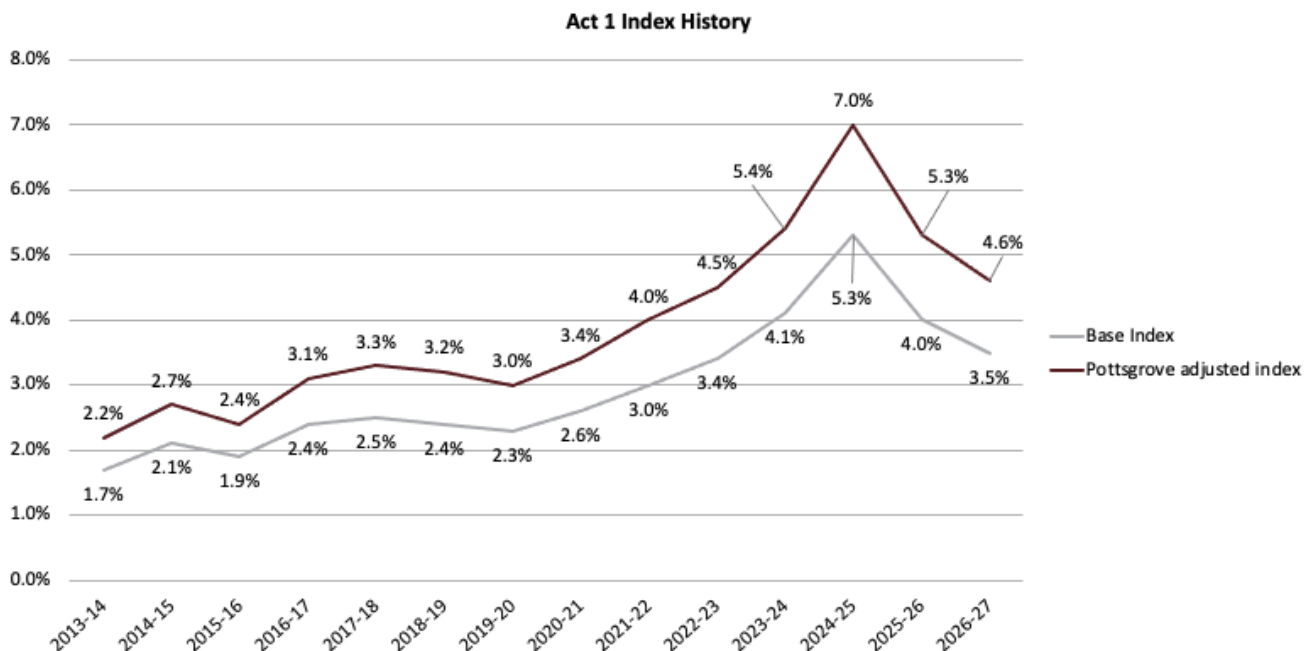
The Pennsylvania Public School Code of 1949, as amended, gives local school boards the authority to conduct the financial affairs of the District. The School Code contains provisions that require the board to perform certain acts (mandatory), provision that provide discretion to the board to either act 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 (3.5% for 2026-2027) 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 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

October

- District enrollment projections are calculated
- Building per pupil allocations are distributed
- Final budget timeline is created

December

- Adoption of board resolution not to raise taxes above the Act 1 index
- Deadline to notify residents of homestead/farmstead exclusion
- Building and department budget requests are due to the Business Office

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
- Presentation of budget at Finance & Operation Committee

March

- Homestead/farmstead application deadline
- Deadline for referendum exception request to PDE
- Deadline for PDE ruling on referendum exception request
- Deadline to submit primary election referendum question seeking voter approval of tax increase in excess of the Act 1 index
- Presentation of departmental budgets and general budget update at Finance & Operation Committee

April

- Presentation of departmental budgets and general budget update at Finance & Operation Committee
- Board adoption of the proposed final budget

May

- County provides certified homestead/farmstead information
- PDE provides property tax relief allocation information
- General budget update at the Finance & Operations Committee
- Public notice of intent to adopt final budget
- Budget presented for public inspection

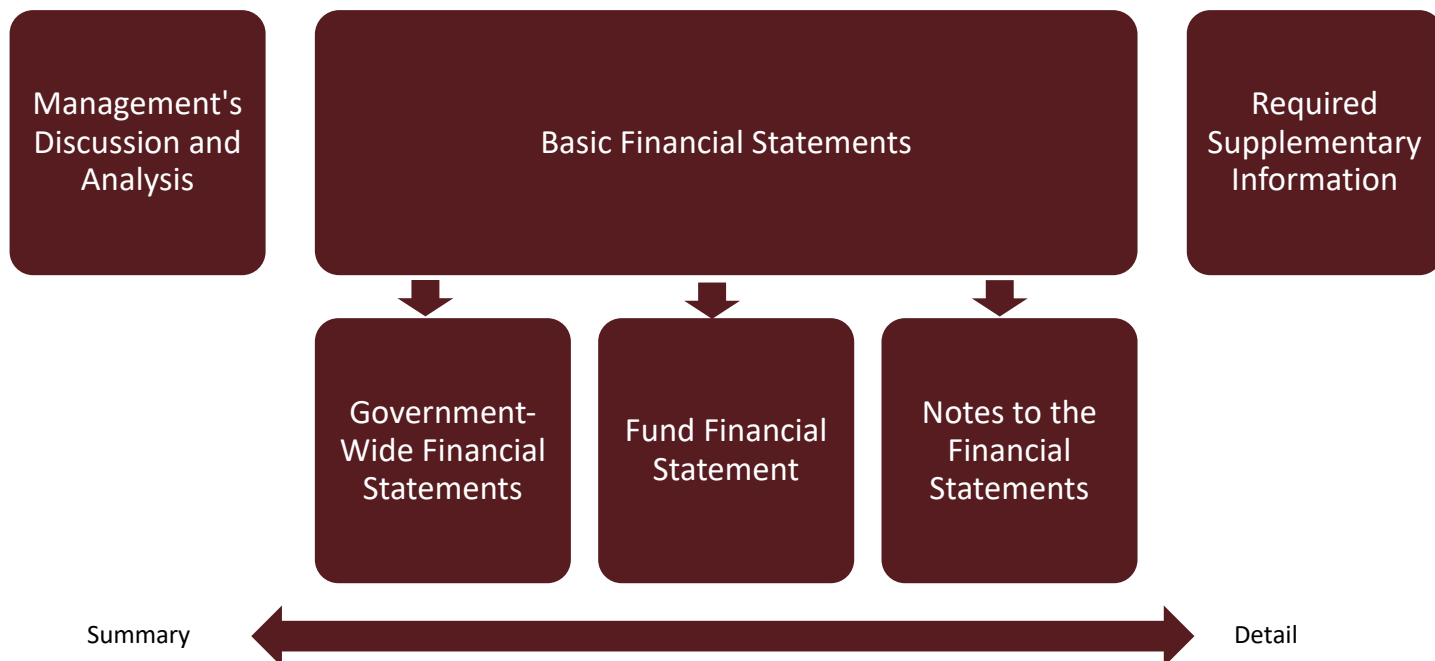
June

- 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.

7531 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. Nevertheless, these events 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. The budgetary reserve is set 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

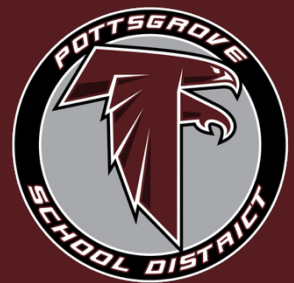
Amounts paid for expenditures not otherwise classified in objects 100 through 700.

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 2026-2027
1301 Kauffman Rd
Pottstown, PA 19464
Dr. Gregory Puckett, Superintendent

Summary of all Funds

The following is a summary of the 2026-2027 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 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027	Projection 2027-2028	Projection 2028-2029	Projection 2029-2030
TOTAL OF ALL FUNDS								
Fund Balance July 1, 20XX	\$32,180,695	\$34,798,373	\$44,932,675	\$38,565,315	\$46,902,653	\$29,779,297	\$25,565,504	\$21,449,883
Revenue								
Local Sources	56,691,389	60,212,493	62,007,415	60,659,720	65,324,849	68,814,184	70,890,753	73,032,227
State Sources	22,847,769	23,680,702	25,272,560	26,152,941	27,255,481	27,960,948	28,453,781	29,062,739
Federal Sources	4,041,113	4,205,311	3,105,452	2,523,979	2,510,284	2,590,355	2,642,163	2,695,007
Other Sources	2,575,732	10,833,281	603,025	9,998,326	3,465,000	-	-	998,543
Total Revenue	86,156,003	98,931,787	90,988,452	99,334,966	98,555,614	99,365,487	101,986,697	105,788,516
Expenditures								
Salaries	29,141,213	29,899,610	30,897,791	32,540,728	33,707,566	34,260,122	34,823,188	35,396,965
Benefits	26,826,662	25,718,964	29,702,455	27,474,625	31,779,963	33,041,694	34,116,262	35,235,623
Purchased Prof. Services	4,858,880	5,442,164	7,041,565	6,517,583	5,944,828	6,123,173	6,306,868	6,496,074
Purchased Property Services	2,425,907	1,780,118	1,474,135	2,133,420	14,230,394	1,962,870	1,717,325	1,768,845
Other Purchased Services	8,826,351	10,101,733	11,391,655	11,507,964	16,033,639	16,783,963	17,570,518	18,395,086
Supplies and Books	3,429,175	3,456,363	3,392,913	3,328,651	3,643,698	3,752,852	3,865,277	3,981,070
Property and Equipment	1,282,515	6,727,093	7,909,395	1,206,267	2,059,000	1,075,770	1,118,043	1,162,084
Other Objects	409,105	456,206	808,842	815,390	2,048,882	1,021,836	997,838	850,332
Other Uses of Funds	5,146,538	4,211,637	4,735,565	5,473,000	6,231,000	5,557,000	5,587,000	5,085,000
Total Expenditures	82,346,346	87,793,888	97,354,316	90,997,628	115,678,970	103,579,280	106,102,319	108,371,079
Excess of Revenue Over (Under) Expenditures	3,809,657	11,137,899	(6,365,864)	8,337,338	(17,123,356)	(4,213,793)	(4,115,622)	(2,582,563)
Fund Transfers/Other Financing	(1,191,979)	(1,003,597)	(1,496)	-	-	-	-	(998,543)
Net Change in Fund Balance	2,617,678	10,134,302	(6,367,360)	8,337,338	(17,123,356)	(4,213,793)	(4,115,622)	(3,581,106)
Fund Balance June 30, 20XX	\$34,798,373	\$44,932,675	\$38,565,315	\$46,902,653	\$29,779,297	\$25,565,504	\$21,449,883	\$17,868,777

General Fund								
	Actual 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027	Projection 2027-2028	Projection 2028-2029	Projection 2029-2030
Fund Balance July 1, 20XX	\$19,627,099	\$22,367,517	\$26,401,308	\$28,243,127	\$27,043,127	\$22,618,095	\$18,989,285	\$15,194,560
Restatement - Implement GASB 101			194,575					
Fund balances - beginning restated	19,627,099	22,367,517	26,595,883	28,243,127	27,043,127	22,618,095	18,989,285	15,194,560
Revenue								
Local Sources	48,534,528	51,531,510	52,762,001	53,060,354	55,107,772	58,200,765	59,865,386	61,578,686
State Sources	22,706,294	23,520,368	25,107,797	25,980,000	27,084,925	27,786,981	28,276,335	28,881,744
Federal Sources	2,801,496	2,629,100	1,543,378	1,002,610	995,500	1,045,275	1,066,181	1,087,505
Other Sources	1,375,732	3,597	603,025	-	3,465,000	-	-	-
Total Revenue	75,418,050	77,684,575	80,016,201	80,042,964	86,653,197	87,033,021	89,207,902	91,547,935
Expenditures								
Salaries	29,141,213	29,899,610	30,897,791	32,540,728	33,707,566	34,260,122	34,823,188	35,396,965
Benefits	18,522,241	18,741,732	19,829,871	20,474,625	22,179,963	23,057,694	23,732,902	24,436,929
Purchased Prof. Services	4,858,880	5,442,164	6,961,061	6,471,606	5,944,828	6,123,173	6,306,868	6,496,074
Purchased Prop. Services	2,425,907	1,712,562	1,474,135	2,133,420	4,730,394	1,667,306	1,717,325	1,768,845
Other Purchased Services	7,138,295	8,224,328	9,410,665	9,466,089	13,979,298	14,678,263	15,412,176	16,182,785
Supplies and Books	3,408,178	3,435,384	3,376,825	3,318,651	3,612,298	3,720,667	3,832,287	3,947,256
Property and Equipment	427,275	527,161	874,202	706,240	559,000	575,770	593,043	610,834
Other Objects	409,105	456,206	808,842	658,605	2,048,882	1,021,836	997,838	850,332
Other Uses of Funds	5,146,538	4,211,637	4,735,565	5,473,000	4,316,000	5,557,000	5,587,000	5,085,000
Total Expenditures	71,477,632	72,650,784	78,368,957	81,242,964	91,078,229	90,661,831	93,002,627	94,775,020
Excess of Revenue Over (Under) Expenditures	3,940,418	5,033,791	1,647,244	(1,200,000)	(4,425,032)	(3,628,810)	(3,794,725)	(3,227,085)
Fund Transfers	(1,200,000)	(1,000,000)			-	-	-	(998,543)
Net Change in Fund Balance	2,740,418	4,033,791	1,647,244	(1,200,000)	(4,425,032)	(3,628,810)	(3,794,725)	(4,225,628)
Fund Balance June 30, 20XX	\$22,367,517	\$26,401,308	\$28,243,127	\$27,043,127	\$22,618,095	\$18,989,285	\$15,194,560	\$10,968,932

Capital Projects Fund								
	Actual 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027	Projection 2027-2028	Projection 2028-2029	Projection 2029-2030
Fund Balance July 1, 20XX	\$ 5,661,858	\$ 6,254,884	\$11,368,052	\$ 4,778,866	\$14,349,403	\$ 3,624,403	\$ 3,109,339	\$ 2,870,449
Revenue								
Local Sources	240,422	550,972	494,380	275,000	275,000	280,500	286,110	291,832
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Other Sources	1,200,000	10,829,684	-	9,998,326	-	-	-	998,543
Total Revenue	1,440,422	11,380,656	494,380	10,273,326	275,000	280,500	286,110	1,290,375
Expenditures								
Salaries	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Purchased Prof. Services	-	-	80,504	45,977	-	-	-	-
Purchased Property Services	-	67,556	-	-	9,500,000	295,564	-	-
Other Purchased Services	-	-	-	-	-	-	-	-
Supplies and Books	-	-	-	-	-	-	-	-
Property and Equipment	847,396	6,199,932	7,003,062	500,027	1,500,000	500,000	525,000	551,250
Other Objects	-	-	-	156,785	-	-	-	-
Other Uses of Funds	-	-	-	-	-	-	-	-
Total Expenditures	847,396	6,267,488	7,083,566	702,789	11,000,000	795,564	525,000	551,250
Excess of Revenue Over (Under) Expenditures	593,026	5,113,168	(6,589,186)	9,570,537	(10,725,000)	(515,064)	(238,890)	739,125
Fund Transfers/Other Financing	-	-	-	-	-	-	-	-
Net Change in Fund Balance	593,026	5,113,168	(6,589,186)	9,570,537	(10,725,000)	(515,064)	(238,890)	739,125
Fund Balance June 30, 20XX	\$ 6,254,884	\$11,368,052	\$ 4,778,866	\$14,349,403	\$ 3,624,403	\$ 3,109,339	\$ 2,870,449	\$ 3,609,574

Enterprise Funds								
	Actual 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027	Projection 2027-2028	Projection 2028-2029	Projection 2029-2030
Fund Balance July 1, 20XX	\$ 357,487	\$ 630,677	\$ 845,651	\$ 922,307	\$ 889,108	\$ 830,784	\$ 760,865	\$ 678,859
Revenue								
Local Sources	600,974	380,410	380,524	324,366	342,077	348,919	355,897	363,015
State Sources	141,475	160,334	164,763	172,941	170,556	173,967	177,446	180,995
Federal Sources	1,239,617	1,576,211	1,562,074	1,521,369	1,514,784	1,545,080	1,575,982	1,607,502
Other Sources								
Total Revenue	1,982,066	2,116,955	2,107,361	2,018,676	2,027,417	2,067,966	2,109,325	2,151,512
Expenditures								
Other Purchased Services	1,688,056	1,877,405	1,980,990	2,041,875	2,054,341	2,105,700	2,158,342	2,212,301
Supplies	20,997	20,979	16,088	10,000	31,400	32,185	32,990	33,814
Property and Equipment	7,844		32,131					
Total Expenditures	1,716,897	1,898,384	2,029,209	2,051,875	2,085,741	2,137,885	2,191,332	2,246,115
Excess of Revenue Over (Under)								
Expenditures	265,169	218,571	78,152	(33,199)	(58,324)	(69,919)	(82,007)	(94,603)
Fund Transfers/Other Financing	8,021	(3,597)	(1,496)					
Net Change in Fund Balance	273,190	214,974	76,656	(33,199)	(58,324)	(69,919)	(82,007)	(94,603)
Fund Balance June 30, 20XX	\$ 630,677	\$ 845,651	\$ 922,307	\$ 889,108	\$ 830,784	\$ 760,865	\$ 678,859	\$ 584,256

Internal Service Fund								
	Actual 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027	Projection 2027-2028	Projection 2028-2029	Projection 2029-2030
INTERNAL SERVICE FUND								
Fund Balance July 1, 20XX	\$ 6,534,251	\$ 5,545,295	\$ 6,317,664	\$ 4,815,590	\$ 4,815,590	\$ 2,900,590	\$ 2,900,590	\$ 2,900,590
Revenue								
Local Sources	7,315,465	7,749,601	8,370,510	7,000,000	9,600,000	9,984,000	10,383,360	10,798,694
State Sources								
Federal Sources								
Other Sources								
Total Revenue	7,315,465	7,749,601	8,370,510	7,000,000	9,600,000	9,984,000	10,383,360	10,798,694
Expenditures								
Salaries	-	-	-	-	-	-	-	-
Benefits	8,304,421	6,977,232	9,872,584	7,000,000	9,600,000	9,984,000	10,383,360	10,798,694
Purchased Prof. Services	-	-	-	-	-	-	-	-
Purchased Property Services	-	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-
Supplies and Books	-	-	-	-	-	-	-	-
Property and Equipment	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Other Uses of Funds	-	-	-	-	1,915,000	-	-	-
Total Expenditures	8,304,421	6,977,232	9,872,584	7,000,000	11,515,000	9,984,000	10,383,360	10,798,694
Excess of Revenue Over (Under)								
Expenditures	(988,956)	772,369	(1,502,074)	-	(1,915,000)	-	-	-
Net Change in Fund Balance	(988,956)	772,369	(1,502,074)	-	(1,915,000)	-	-	-
Fund Balance June 30, 20XX	\$ 5,545,295	\$ 6,317,664	\$ 4,815,590	\$ 4,815,590	\$ 2,900,590	\$ 2,900,590	\$ 2,900,590	\$ 2,900,590

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 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027	Projection 2027-2028	Projection 2028-2029	Projection 2029-2030
Fund Balance July 1, 20XX	\$19,627,099	\$22,367,517	\$26,401,308	\$28,243,127	\$27,043,127	\$22,618,095	\$18,989,285	\$15,194,560
Restatement - Implement GASB 101			194,575					
Fund balances - beginning restated	19,627,099	22,367,517	26,595,883	28,243,127	27,043,127	22,618,095	18,989,285	15,194,560
Revenue								
Local Sources	48,534,528	51,531,510	52,762,001	53,060,354	55,107,772	58,200,765	59,865,386	61,578,686
State Sources	22,706,294	23,520,368	25,107,797	25,980,000	27,084,925	27,786,981	28,276,335	28,881,744
Federal Sources	2,801,496	2,629,100	1,543,378	1,002,610	995,500	1,045,275	1,066,181	1,087,505
Other Sources	1,375,732	3,597	603,025	-	3,465,000	-	-	-
Total Revenue	75,418,050	77,684,575	80,016,201	80,042,964	86,653,197	87,033,021	89,207,902	91,547,935
Expenditures								
Salaries	29,141,213	29,899,610	30,897,791	32,540,728	33,707,566	34,260,122	34,823,188	35,396,965
Benefits	18,522,241	18,741,732	19,829,871	20,474,625	22,179,963	23,057,694	23,732,902	24,436,929
Purchased Prof. Services	4,858,880	5,442,164	6,961,061	6,471,606	5,944,828	6,123,173	6,306,868	6,496,074
Purchased Prop. Services	2,425,907	1,712,562	1,474,135	2,133,420	4,730,394	1,667,306	1,717,325	1,768,845
Other Purchased Services	7,138,295	8,224,328	9,410,665	9,466,089	13,979,298	14,678,263	15,412,176	16,182,785
Supplies and Books	3,408,178	3,435,384	3,376,825	3,318,651	3,612,298	3,720,667	3,832,287	3,947,256
Property and Equipment	427,275	527,161	874,202	706,240	559,000	575,770	593,043	610,834
Other Objects	409,105	456,206	808,842	658,605	2,048,882	1,021,836	997,838	850,332
Other Uses of Funds	5,146,538	4,211,637	4,735,565	5,473,000	4,316,000	5,557,000	5,587,000	5,085,000
Total Expenditures	71,477,632	72,650,784	78,368,957	81,242,964	91,078,229	90,661,831	93,002,627	94,775,020
Excess of Revenue Over (Under)								
Expenditures	3,940,418	5,033,791	1,647,244	(1,200,000)	(4,425,032)	(3,628,810)	(3,794,725)	(3,227,085)
Fund Transfers	(1,200,000)	(1,000,000)			-	-	-	(998,543)
Net Change in Fund Balance	2,740,418	4,033,791	1,647,244	(1,200,000)	(4,425,032)	(3,628,810)	(3,794,725)	(4,225,628)
Fund Balance June 30, 20XX	\$22,367,517	\$26,401,308	\$28,243,127	\$27,043,127	\$22,618,095	\$18,989,285	\$15,194,560	\$10,968,932

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 63.60% of the \$86,653,197 total budgeted revenue for the 2026-2027 fiscal year. The remaining 36.40% of revenue budgeted is comprised of state subsidies and grants (31.26%) as well as federal grant funds (1.15%) and other financing sources (4.00%).

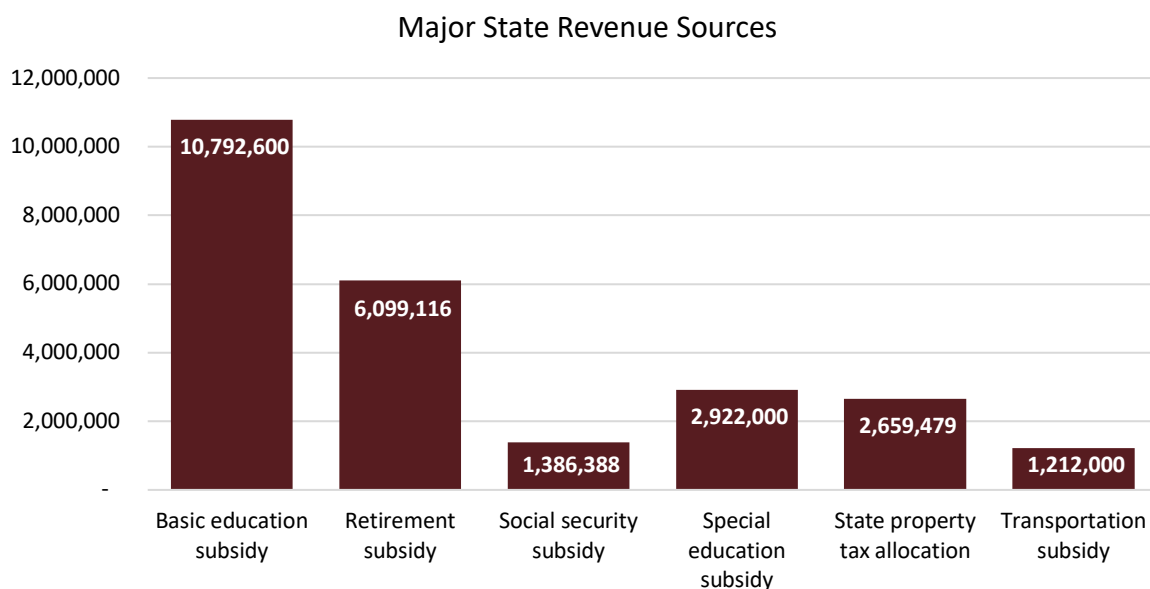
Local sources

The largest portion of local revenue is comprised of current taxes on real estate. Local current real estate tax revenue is budgeted to be \$45,005,872 which is 81.67% of local revenue sources budgeted and 51.94% of total revenue sources budgeted. Current real estate tax revenue is budgeted \$1,643,015 higher than budgeted in the previous year. The assessed property value used for is \$1,139,423,380 for the 2026-2027 school year.

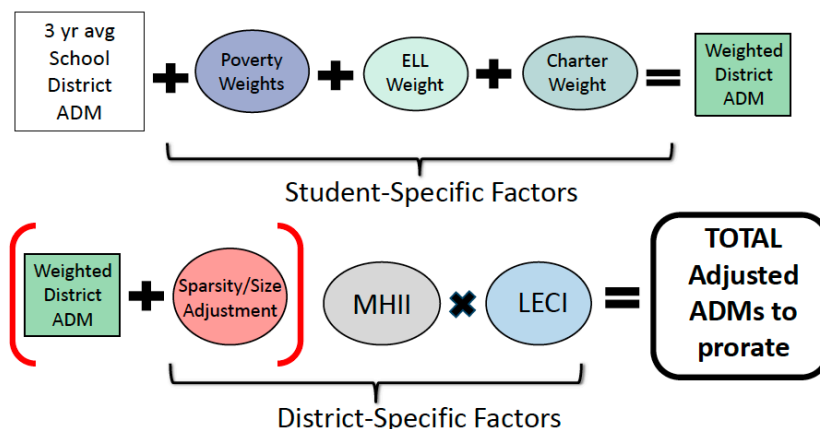
The second largest source of local revenue is from proportional tax assessments including earned income taxes (EIT) and real estate transfer taxes. Both of these taxes are collected at a rate of 50% of the total tax levy. The remaining 50% is received by the local municipality. The District anticipates collecting \$4.7 million in EIT revenue and \$800,000 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 31.26% of the total budget at \$27,084,925 which is an increase of \$1,104,925 from the 2025-2026 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 2026-2027 fiscal year.



The largest line item from state sources is from the Basic Education Subsidy. This funding stream is formula driven with several data points needed to calculate the subsidy. The formula is made up of student specific factors and district specific factors.



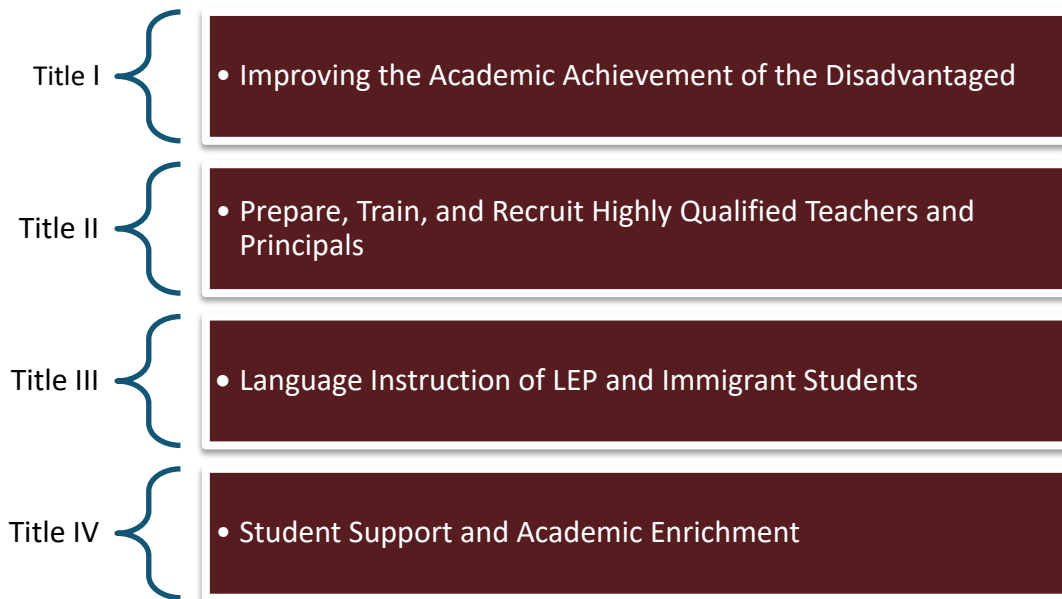
The Commonwealth reset the base of the formula in the 2024-2025 school year. This means that every school district will receive at least the amount they received in 2024-2025 school year moving forward. Any new funding proposed by the Governor is allocated through the funding formula. For the 2026-2027 school year, the Governor proposed adding \$375 million to this line item for the Commonwealth. Pottsgrove's estimate share of the increase is approximately \$168,000.

The second largest line item in the state sources comes from the state's share of retirement contributions. The state reimburses the District approximately one-half of its Public School Employees' Retirement System (PSERS) retirement costs. For 2026-2027, the rate that the District pays into PSERS is 33.59% for qualifying earnings and in return the state reimburses one-half of this cost. This amount is \$6,099,116 which is a \$106,195 (1.77%) increase from the previous year. The increase is attributed to an increase in salaries to the budget. The state also reimburses the District for one-half of its Social Security and Medicare payroll taxes which equates to \$1,386,388.

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 2026-2027 school year is \$2,659,479 which equates to a tax reduction of \$508.65 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 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027
6000 - Revenue from Local Sources					
6111 - Current Real Estate Taxes	\$ 38,965,535	\$ 40,311,201	\$ 42,113,736	\$ 43,362,857	\$ 45,005,872
6112 - Interim Real Estate Taxes	263,263	746,716	298,888	310,000	305,000
6113 - Public Utility Realty Tax	42,399	38,345	42,075	38,000	45,000
6120 - Per Capita Tax, Sect 679	54,725	51,548	52,174	53,000	52,850
6140 - Per Capita Tax, Act 511	54,725	51,548	52,174	53,000	52,850
6143 - Local Service Tax	32,705	33,240	35,677	32,000	35,000
6151 - Earned Income Tax	3,820,874	4,171,953	4,429,186	4,000,000	4,700,000
6153 - Real Estate Transfer Tax	1,250,254	790,208	661,568	800,000	800,000
6157 - Mercantile Tax	593,594	536,309	378,350	550,000	550,000
6400 - Delinquent Taxes Levied	708,570	1,214,160	1,015,256	1,024,000	1,024,000
6500 - Earnings on Investments	1,344,604	2,153,685	1,962,906	1,450,000	1,100,000
6700 - Revenue from Student Activ.	68,801	56,429	51,564	60,000	52,000
6821- State Revenue Pass Through LEA			74,347		135,000
6829 - State Revenue Pass Through other entities	642,765	726,009	125,000	178,500	
6832 - Federal IDEA Pass Through	114,991	2,903	740,997	740,997	741,200
6833 - Federal IDEA ARP Pass Through	592	1,444			
6839 - Other Pass Thorough Federal	29,453	25,804	4,532	33,000	74,000
6910 - Rentals	41,663	132,374	10,055	25,000	20,000
6920 - Donations	-		18,959	50,000	40,000
6944 - Receipts from Other PA LEAS	129,855	156,567	12,284		
6961 - Transportation from Other PA LEAS	375,160	331,067	270,360	125,000	150,000
6999 - All Other Local Revenues			415,489	175,000	225,000
Total from Local Sources	48,534,528	51,531,510	52,350,088	53,060,354	55,107,772
7000 - Revenue from State Sources					
7110 - Basic Education Funding	9,373,391	10,275,441	10,548,289	10,624,307	10,792,600
7112 - Basic Education Funding -Social Security	1,109,127				
7144 - Charter school subsidy			190,937		
7160 - Tuition - Orphans/Priv. Homes	156,484	83,638	82,220	80,000	85,000
7271 - Special Education Funding	2,516,614	2,602,820	2,702,985	2,901,662	2,922,000
7310 - Transportation	940,655	1,080,960	1,208,312	1,205,000	1,212,000
7320 - Rental Payments	421,333	65,821	65,212	65,000	65,000
7330 - Health Services	64,929	67,391	72,764	70,000	75,000
7340 - State Property Tax Red. Alloc.	1,928,142	1,937,137	2,305,991	2,647,384	2,659,479
7361 - School Safety and Security Grants		145,678	526,957	200,000	200,000
7531 - Ready to Learn Block Grant	422,968	422,968	422,968	422,968	422,968
7533 - Tax Equity Supplement				482,687	965,374
7599 - Other State Revenue			53,078		200,000
7810 - Social Security Payment Rev.		1,178,279	1,224,896	1,288,071	1,386,388
7820 - Retirement Payment Rev.	5,772,651	5,660,235	5,703,189	5,992,921	6,099,116
Total from State Sources	22,706,294	23,520,368	25,107,798	25,980,000	27,084,925
8000 - Revenue from Federal Sources					
8514 - Title I	595,653	604,849	629,721	646,761	650,000
8515 - Title II	102,218	100,211	96,515	96,515	95,000
8517 - Title IV	71,571	39,506	24,292	49,334	49,000
8690 - Other Federal Aid			3,532		
8743 - ESSER II	820,024	66,628			
8744 - ARP ESSER	1,017,873	967,564	727,932		
8749 - Other CARES Act Funding	112,097	117,784			
8751 - ARP ESSER Learning Loss	37,234	138,389	5,639		
8752 - ARP ESSER Summer Programs	10,799	3,609	4,450		
8753 - ARP ESSER Afterschool Programs		75,696	4,450		
8754 - ARP ESSER Homeless Children and Youth	6,669	826	8,141		
8755 - ARP ESSER Emergency Relief for Other Ent	16,277		37,818		
8810 - Medical Access Reimb.		510,966		200,000	200,000
8820 - Medical Access Admin Reimb.	11,081	3,072	891	10,000	1,500
Total from Federal Sources	2,801,496	2,629,100	1,543,381	1,002,610	995,500
9000 - Other Financing Sources	1,375,732	3,597	603,025		3,465,000
Grand Total Revenue	\$ 75,418,050	\$ 77,684,575	\$ 79,604,292	\$ 80,042,964	\$ 86,653,197

General Fund Expenditures

For the 2026-2027 school year, budgeted expenditures in the General Fund are \$91,078,229 which is an increase of \$9,835,265 (12.11%) from 2025-2026. 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 2026-2027 school year, this amount is 33.59% which means that for each \$1 in eligible salaries the District must contribute 33.59 cents to PSERS. The total budgeted PSERS expenditures is \$11,111,524 for 2026-2027 which is an increase of \$552,087 (5.23%) 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 5.42%. This is due to contractual salary and benefit increases, unbudgeted staff additions during the 2025-26 school year, and proposing adjusting the compensation for classified support staff.
- Other purchased services – Increase in the costs of providing special education services of approximately \$1,000,000, increase in the amount for charter school tuition in the amount of approximately \$208,000, an increase in the contracted transportation of approximately \$1,052,000, approximately \$445,000 for curriculum renewals, Technology is refreshing the devices students use as well as replacing classroom projectors with interactive boards at an approximate cost of \$395,000
- Construction – The District awarded design contracts for the Facilities and Athletic Improvement Project. Funds were borrowed to finance the project costs. However, the District has budgeted the use of approximately \$3.205 million from its committed fund balance.

General Fund Expenditure Detail

	Actual 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027
1100 - Regular Programs					
100 - Salaries	\$ 15,639,844	\$ 15,836,497	\$ 16,038,061	\$ 16,664,594	\$ 16,417,752
200 - Benefits	9,517,316	9,542,549	9,908,854	10,016,516	10,441,537
300 - Purchased Prof. Services	1,108,643	1,107,207	1,202,399	1,123,100	1,290,220
400 - Purchased Property Services	3,499	4,084	5,011	4,570	8,651
500 - Other Purchased Services	1,811,068	1,843,875	1,776,288	1,994,125	2,029,000
600 - Supplies and Books	1,175,792	829,283	632,774	560,923	890,651
700 - Property and Equipment	34,082	27,443	4,514	69,240	36,150
800 - Other Objects	3,714	2,754	4,907	4,380	4,805
Total Regular Programs	29,293,958	29,193,692	29,572,808	30,437,448	31,118,766
1200 - Special and Gifted Education					
100 - Salaries	4,942,869	5,279,847	5,725,349	6,325,116	7,342,809
200 - Benefits	3,600,963	3,691,837	4,030,064	4,495,759	5,234,692
300 - Purchased Prof. Services	1,301,317	1,703,774	2,429,801	2,639,826	3,652,288
500 - Other Purchased Services	2,502,260	3,314,126	4,248,010	4,314,393	4,627,010
600 - Supplies and Books	150,070	123,351	97,351	145,344	186,811
700 - Property and Equipment	2,294			40,000	
800 - Other Objects	49,087	161,412	33,659	26,505	41,420
Total Special Education	12,548,860	14,274,347	16,564,234	17,986,943	21,085,030
1300 - Vocational Education					
500 - Other Purchased Services	2,160,595	2,183,251	2,196,091	2,217,303	2,242,100
Total Vocational Education	2,160,595	2,183,251	2,196,091	2,217,303	2,242,100
1400 - Other Instructional Programs					
100 - Salaries	185,251	178,897	221,809	188,532	149,000
200 - Benefits	75,454	72,572	73,070	78,424	61,449
300 - Purchased Prof. Services	27,029		1,049		
500 - Other Purchased Services	23,464	35,571	39,225		
600 - Supplies and Books		3,910	709	10,600	
800 - Other Objects					
Total Other Instructional Programs	311,198	290,950	335,862	277,556	210,449
1800 - Pre Kindergarten					
100 - Salaries			57,556	105,459	133,141
200 - Benefits			33,552	53,790	92,990
300 - Purchased Prof. Services			33,856	54,000	
600 - Supplies and Books				53,500	36,670
700 - Property and Equipment				38,000	
Total Pre Kindergarten	-	-	124,964	304,749	262,801

	Actual 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027
2100 - Pupil Personnel					
100 - Salaries	1,432,353	1,349,781	1,382,368	1,406,019	1,601,282
200 - Benefits	890,575	835,812	870,045	861,739	1,045,243
300 - Purchased Prof. Services	271,572	287,461	632,855	111,000	80,000
500 - Other Purchased Services	661	165	199	4,205	4,250
600 - Supplies and Books	56,711	38,102	43,897	51,175	43,233
700 - Property and Equipment	884				
800 - Other Objects	303	140	140	1,140	1,200
Total Pupil Personnel	2,653,059	2,511,461	2,929,504	2,435,278	2,775,208
2200 - Instructional Support					
100 - Salaries	1,047,146	1,058,424	1,064,123	1,135,316	1,082,830
200 - Benefits	638,109	648,404	730,452	737,996	750,352
300 - Purchased Prof. Services	91,168	48,147	52,890	21,800	23,800
500 - Other Purchased Services	6,351	11,920	8,611	13,525	10,000
600 - Supplies and Books	58,393	66,029	39,505	50,630	51,440
700 - Property and Equipment					
800 - Other Objects	2,090	342	930	1,955	1,900
Total Instructional Support	1,843,257	1,833,266	1,896,511	1,961,222	1,920,322
2300 - Administration Services					
100 - Salaries	2,037,783	2,277,523	2,337,912	2,320,005	2,566,943
200 - Benefits	1,273,625	1,360,816	1,497,888	1,422,542	1,614,545
300 - Purchased Prof. Services	236,814	193,821	276,794	297,365	268,345
400 - Purchased Property Services	4,828	3,998	3,419	4,800	4,800
500 - Other Purchased Services	25,892	26,919	45,256	66,800	86,275
600 - Supplies and Books	93,982	105,095	106,142	78,353	81,000
700 - Property and Equipment	6,007			6,000	4,650
800 - Other Objects	26,825	28,344	27,225	31,620	38,785
Total Administration Services	3,705,756	3,996,516	4,294,636	4,227,485	4,665,343
2400 - Pupil Health Services					
100 - Salaries	350,644	351,304	432,740	394,010	347,875
200 - Benefits	220,824	207,451	297,203	252,049	264,442
300 - Purchased Prof. Services	17,560	109,645	25,183	35,665	70,400
400 - Purchased Property Services					
500 - Other Purchased Services					
600 - Supplies and Books	28,537	25,478	34,884	53,570	45,425
700 - Property and Equipment	449				4,200
800 - Other Objects					
Total Pupil Health Services	618,014	693,878	790,010	735,294	732,342

	Actual 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027
2500 - Business Services					
100 - Salaries	395,029	425,673	401,467	558,708	502,343
200 - Benefits	219,487	262,494	293,678	393,306	373,590
300 - Purchased Prof. Services	34,170	8,638	61,422	13,200	14,000
400 - Purchased Property Services	53,996	125,843	121,574	122,000	166,650
500 - Other Purchased Services	221	419	552	1,500	500
600 - Supplies and Books	37,943	53,461	58,136	64,980	54,154
700 - Property and Equipment	180				
800 - Other Objects	1,345	1,534	4,226	3,750	3,145
Total Business Services	742,371	878,062	941,055	1,157,444	1,114,382
2600 - Operation and Maintenance					
100 - Salaries	1,809,860	1,852,223	1,756,988	1,989,469	1,994,574
200 - Benefits	1,191,015	1,224,072	1,234,709	1,268,978	1,339,839
300 - Purchased Prof. Services	175,255	166,914	190,700	209,000	213,500
400 - Purchased Property Services	368,562	389,407	414,776	669,300	743,115
500 - Other Purchased Services	291,448	318,521	356,956	377,260	377,900
600 - Supplies and Books	1,073,946	982,489	1,156,445	1,054,000	1,227,300
700 - Property and Equipment	36,161		72,755	125,000	107,000
800 - Other Objects	380	45	35	5,000	3,000
Total Operation and Maintenance	4,946,627	4,933,671	5,183,364	5,698,007	6,006,228
2700 - Transportation Services					
300 - Purchased Prof. Services	1,486,867	1,704,003	1,920,138	1,795,000	
400 - Purchased Property Services	430,449	445,384	578,284	448,000	
500 - Other Purchased Services	265,073	433,077	642,844	417,970	4,729,450
600 - Supplies and Books	300,329	268,164	274,384	267,000	
700 - Property and Equipment	220,000	295,989	240,445	250,000	
800 - Other Objects	5,195	8,800	12,448	10,250	
Total Transportation	2,707,913	3,155,417	3,668,543	3,188,220	4,729,450
2800 - Data Processing Services					
100 - Salaries	588,053	552,121	572,322	602,333	649,167
200 - Benefits	557,377	550,903	481,546	516,952	540,033
300 - Purchased Prof. Services	34,029	25,670	40,210	106,400	126,650
400 - Purchased Property Services	1,542,469	724,957	329,865	864,000	543,000
500 - Other Purchased Services	7,959	14,955	17,580	17,300	18,600
600 - Supplies and Books	287,357	749,968	729,238	787,100	846,970
700 - Property and Equipment	69,166	247,580	529,763	160,000	387,000
800 - Other Objects	3,075	335	700	1,300	1,800
Total Data Processing	3,089,485	2,866,489	2,701,224	3,055,385	3,113,220

	Actual 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027
2900 - Other Support Services					
500 - Other Purchased Services	28,183	28,904	29,014	30,175	31,363
Total Other Support Services	28,183	28,904	29,014	30,175	31,363
3200 - Student Activities					
100 - Salaries	712,382	737,320	907,094	844,165	919,848
200 - Benefits	337,497	344,823	378,811	376,576	421,252
300 - Purchased Prof. Services	74,456	86,883	93,766	72,250	90,625
400 - Purchased Property Services	22,103	18,889	21,204	20,750	16,600
500 - Other Purchased Services	15,119	12,624	50,038	11,533	10,500
600 - Supplies and Books	145,118	190,055	203,361	141,476	133,495
700 - Property and Equipment	58,051	(43,851)		18,000	5,000
800 - Other Objects	37,301	37,405	34,521	37,675	27,050
Total Student Activities	1,402,027	1,384,148	1,688,795	1,522,425	1,624,370
3300 - Community Services					
100 - Salaries					
200 - Benefits					
300 - Purchased Prof. Services					
500 - Other Purchased Services					
800 - Other Objects	16,310	16,310	16,310	16,310	17,810
Total Community Services	16,310	16,310	16,310	16,310	17,810
4600 - Building Improvement					
300 - Purchased Prof. Services					
400 - Purchased Property Services					3,205,078
700 - Property and Equipment			26,725		
Total Building Improvement	-	-	26,725	-	3,205,078
5100 - Debt Service					
800 - Other Objects	263,481	198,785	673,742	518,720	707,967
900 - Other Uses of Funds	5,146,538	4,211,637	4,735,565	4,273,000	4,316,000
Total Debt Service	5,410,019	4,410,422	5,409,307	4,791,720	5,023,967
5200 - Fund Transfers					
900 - Other Uses of Funds	1,200,000	1,000,000			
Total Fund Transfers	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	\$ 72,677,632	\$ 73,650,784	\$ 78,368,957	\$ 81,242,964	\$ 91,078,229

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 2029-2030 school year.

The following assumptions were made in these forecasts:

- Millage increases equal to 2.5% each year
- Tax base growth of 0.40% per year
- 96.80% tax collection rate
- 2.00% 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
- 1.50% increase to basic education subsidy
- 2.5% increase to special education subsidy
- \$50,000 annual increase to property tax reductions allocation and transportation subsidy
- 2.00% annual increase from federal funding
- 2.00% increase annually in salaries for professional staff, net of retirements and new positions
- 1.50% 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 June 2026.
- 3.00% increases in other benefits
- 3.00% 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 24% 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.

	2026-2027 Final Budget	2027-2028 Projection	2028-2029 Projection	2029-2030 Projection
Revenues				
Total Net Collectible Current Real Estate Taxes	\$ 45,005,872	\$ 47,861,577	\$ 49,283,195	\$ 50,747,637
Percent Increase Millage	3.29%	2.50%	2.50%	2.50%
Earned Income Tax	4,700,000	4,829,250	4,962,054	5,098,510
Real Estate Transfer Taxes	800,000	816,000	832,320	848,966
Interim Real Estate Taxes	305,000	311,100	317,322	323,668
Other Local Revenue	4,296,900	4,382,838	4,470,495	4,559,905
Total Local Revenue - 6000	55,107,772	58,200,765	59,865,386	61,578,686
Basic Education Funding	10,792,600	10,954,489	11,118,806	11,285,588
Special Education Funding	2,922,000	2,980,440	3,040,049	3,100,850
Property Tax Reduction Allocation	2,659,479	2,709,479	2,759,479	2,809,479
Retirement Subsidy	6,099,116	6,416,396	6,619,333	6,833,318
Social Security Subsidy	1,386,388	1,410,568	1,331,987	1,353,934
Transportation Subsidy	1,212,000	1,262,000	1,312,000	1,362,000
Other State Revenue	2,013,342	2,053,609	2,094,681	2,136,575
Total State Revenue - 7000	27,084,925	27,786,981	28,276,335	28,881,744
Total Federal Revenue - 8000	995,500	1,045,275	1,066,181	1,087,505
Total Other Revenue - 9000	3,465,000	-	-	-
Total Revenues	86,653,197	87,033,021	89,207,902	91,547,935
Expenditures				
Salaries - 100	33,707,566	34,260,122	34,823,188	35,396,965
Retirement - 230	11,111,524	11,689,554	12,059,270	12,449,113
Social Security - 220	2,575,972	2,620,899	2,663,974	2,707,868
Other Employee Benefits - 200	8,492,467	8,747,241	9,009,658	9,279,948
Purchased Professional & Technical Services - 300	5,944,828	6,123,173	6,306,868	6,496,074
Purchased Property Services - 400	4,730,394	1,667,306	1,717,325	1,768,845
Other Purchased Services - 500	13,979,298	14,678,263	15,412,176	16,182,785
Supplies - 600	3,612,298	3,720,667	3,832,287	3,947,256
Property - 700	559,000	575,770	593,043	610,834
Interest on Bonds	687,467	855,579	826,593	673,950
Principal on Bonds	4,316,000	4,357,000	4,387,000	3,885,000
Other Objects - 800	161,415	166,257	171,245	176,382
Capital Reserve Transfer	-	-	-	998,543
Budgetary Reserve	1,200,000	1,200,000	1,200,000	1,200,000
Total Expenses	91,078,229	90,661,831	93,002,627	95,773,563
Revenues Over (Under) Expenses	(4,425,032)	(3,628,810)	(3,794,725)	(4,225,628)
Beginning Fund Balance 7/1 Assigned + Unassigned	27,043,127	22,618,095	18,989,285	15,194,560
Ending Fund Balance 6/30 Assigned + Unassigned	22,618,095	18,989,285	15,194,560	10,968,932

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 2026-2027, there is a projected beginning fund balance of \$14,349,403 in bond and capital reserve funds available that will be used for future capital projects. The District has entered into a design contract for the Facilities and Athletic Improvement Project. Construction is scheduled to begin in the Spring of 2027.

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 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027	Projection 2027-2028	Projection 2028-2029	Projection 2029-2030
Fund Balance July 1, 20XX	\$ 5,661,858	\$ 6,254,884	\$11,368,052	\$ 4,778,866	\$14,349,403	\$ 3,624,403	\$ 3,109,339	\$ 2,870,449
Revenue								
Local Sources	240,422	550,972	494,380	275,000	275,000	280,500	286,110	291,832
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Other Sources	1,200,000	10,829,684	-	9,998,326	-	-	-	998,543
Total Revenue	1,440,422	11,380,656	494,380	10,273,326	275,000	280,500	286,110	1,290,375
Expenditures								
Salaries	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Purchased Prof. Services	-	-	80,504	45,977	-	-	-	-
Purchased Property Services	-	67,556	-	-	9,500,000	295,564	-	-
Other Purchased Services	-	-	-	-	-	-	-	-
Supplies and Books	-	-	-	-	-	-	-	-
Property and Equipment	847,396	6,199,932	7,003,062	500,027	1,500,000	500,000	525,000	551,250
Other Objects	-	-	-	156,785	-	-	-	-
Other Uses of Funds	-	-	-	-	-	-	-	-
Total Expenditures	847,396	6,267,488	7,083,566	702,789	11,000,000	795,564	525,000	551,250
Excess of Revenue Over (Under) Expenditures	593,026	5,113,168	(6,589,186)	9,570,537	(10,725,000)	(515,064)	(238,890)	739,125
Fund Transfers/Other Financing	-	-	-	-	-	-	-	-
Net Change in Fund Balance	593,026	5,113,168	(6,589,186)	9,570,537	(10,725,000)	(515,064)	(238,890)	739,125
Fund Balance June 30, 20XX	\$ 6,254,884	\$11,368,052	\$ 4,778,866	\$14,349,403	\$ 3,624,403	\$ 3,109,339	\$ 2,870,449	\$ 3,609,574

Food Service Fund

For the 2026-2027 school year, the District's Food Service Fund is budgeting revenues of \$ 2,027,417. Local revenues, which are comprised of sales to students and staff, are budgeted to increase by \$17,711 (5.46%). State and federal revenues are budgeted to decrease by \$8,970 (0.53%). 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 2026-2027 school year. This program allows all students to receive lunch without the need to complete a free/reduced lunch application.

The expenditure budget of \$2,085,741 is an increase of \$33,866 (1.65%) over the previous year. The increase is attributable to increased costs in labor, 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 2026-2027 reimbursement rates. The 2025-2026 reimbursement rates for meals for grades kindergarten through 12th grade are:

2025-2026 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	\$0.40 / \$0.40	\$0.44 / \$0.46	\$0.11
Reduced	2.16 / 2.64	4.20 / 4.22	0.63
Free	2.46 / 2.94	4.60 / 4.62	1.26

* 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 2026-2027 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.

Enterprise Funds								
	Actual 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027	Projection 2027-2028	Projection 2028-2029	Projection 2029-2030
Fund Balance July 1, 20XX	\$ 357,487	\$ 630,677	\$ 845,651	\$ 922,307	\$ 889,108	\$ 830,784	\$ 760,865	\$ 678,859
Revenue								
Local Sources	600,974	380,410	380,524	324,366	342,077	348,919	355,897	363,015
State Sources	141,475	160,334	164,763	172,941	170,556	173,967	177,446	180,995
Federal Sources	1,239,617	1,576,211	1,562,074	1,521,369	1,514,784	1,545,080	1,575,982	1,607,502
Other Sources								
Total Revenue	1,982,066	2,116,955	2,107,361	2,018,676	2,027,417	2,067,966	2,109,325	2,151,512
Expenditures								
Other Purchased Services	1,688,056	1,877,405	1,980,990	2,041,875	2,054,341	2,105,700	2,158,342	2,212,301
Supplies	20,997	20,979	16,088	10,000	31,400	32,185	32,990	33,814
Property and Equipment	7,844		32,131					
Total Expenditures	1,716,897	1,898,384	2,029,209	2,051,875	2,085,741	2,137,885	2,191,332	2,246,115
Excess of Revenue Over (Under)								
Expenditures	265,169	218,571	78,152	(33,199)	(58,324)	(69,919)	(82,007)	(94,603)
Fund Transfers/Other Financing	8,021	(3,597)	(1,496)					
Net Change in Fund Balance	273,190	214,974	76,656	(33,199)	(58,324)	(69,919)	(82,007)	(94,603)
Fund Balance June 30, 20XX	\$ 630,677	\$ 845,651	\$ 922,307	\$ 889,108	\$ 830,784	\$ 760,865	\$ 678,859	\$ 584,256

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 2026-2027 school year, budgeted revenues (which includes transfers from the General Fund for both employer and employee cost-sharing and interest income), are \$9,600,000 and expenditures (the cost of claims) are \$11,515,000. Included in the expenditure total is a one-time transfer to the General Fund of \$1,915,000.

Internal Service Fund								
	Actual 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027	Projection 2027-2028	Projection 2028-2029	Projection 2029-2030
INTERNAL SERVICE FUND								
Fund Balance July 1, 20XX	\$ 6,534,251	\$ 5,545,295	\$ 6,317,664	\$ 4,815,590	\$ 4,815,590	\$ 2,900,590	\$ 2,900,590	\$ 2,900,590
Revenue								
Local Sources	7,315,465	7,749,601	8,370,510	7,000,000	9,600,000	9,984,000	10,383,360	10,798,694
State Sources								
Federal Sources								
Other Sources								
Total Revenue	7,315,465	7,749,601	8,370,510	7,000,000	9,600,000	9,984,000	10,383,360	10,798,694
Expenditures								
Salaries	-	-	-	-	-	-	-	-
Benefits	8,304,421	6,977,232	9,872,584	7,000,000	9,600,000	9,984,000	10,383,360	10,798,694
Purchased Prof. Services	-	-	-	-	-	-	-	-
Purchased Property Services	-	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-
Supplies and Books	-	-	-	-	-	-	-	-
Property and Equipment	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Other Uses of Funds	-	-	-	-	1,915,000	-	-	-
Total Expenditures	8,304,421	6,977,232	9,872,584	7,000,000	11,515,000	9,984,000	10,383,360	10,798,694
Excess of Revenue Over (Under)								
Expenditures	(988,956)	772,369	(1,502,074)	-	(1,915,000)	-	-	-
Net Change in Fund Balance	(988,956)	772,369	(1,502,074)	-	(1,915,000)	-	-	-
Fund Balance June 30, 20XX	\$ 5,545,295	\$ 6,317,664	\$ 4,815,590	\$ 4,815,590	\$ 2,900,590	\$ 2,900,590	\$ 2,900,590	\$ 2,900,590

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>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
Total General Fund revenue	75,418,051	77,684,576	80,016,200
Less:			
Rental subsidies	(421,333)	(65,820)	(65,212)
Insurance recoveries			
Gain on Sale of fixed assets			
Bond proceeds issued			
Other state revenue			(50,000)
Fund transfers in	8,021	(3,597)	(1,496)
Revenues for borrowing base calc	<u>75,004,739</u>	<u>77,615,159</u>	<u>79,899,492</u>
Total Revenues - Past Three Years		<u>\$ 232,519,390</u>	
Borrowing Base (annual arithmetic average)		<u>\$ 77,506,463</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 Lease Rental Debt Limit</u>	<u>Legal Limit</u>	<u>Net Debt Outstanding (Principal only)</u>	<u>Remaining Borrowing Capacity</u>
225% of Borrowing Base	\$174,389,542	\$ 29,135,000	\$ 145,254,542

Current debt levels are at 16.71% 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 the Facilities & Athletic Improvement Project, 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 2026-2027, the total debt service payments owed are \$5,238,684 which is 5.75% 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>2026 Bond</u>	<u>Total</u>	<u>Principal Outstanding *</u>
2026 - 27	2,322,381	2,060,985	405,500	449,818	5,238,684	\$ 24,819,000
2027 - 28	2,319,818	2,063,561	405,250	423,950	5,212,579	\$ 20,462,000
2028 - 29		1,499,893	1,720,000	1,993,700	5,213,593	\$ 16,075,000
2029 - 30			2,174,000	2,384,950	4,558,950	\$ 12,190,000
2030 - 31			1,350,400	1,287,700	2,638,100	\$ 10,050,000
2031 - 32			1,306,800	1,185,200	2,492,000	\$ 7,960,000
2032 - 33			723,200	605,200	1,328,400	\$ 6,950,000
2033 - 34			721,200	601,800	1,323,000	\$ 5,905,000
2034 - 35			723,400	602,800	1,326,200	\$ 4,815,000
2035 - 36			724,600	603,000	1,327,600	\$ 3,680,000
2036 - 37			719,800	607,400	1,327,200	\$ 2,500,000
2037 - 38			719,200	605,800	1,325,000	\$ 1,275,000
2038 - 39			717,600	608,400	1,326,000	\$ -
Totals	<u>4,642,199</u>	<u>5,624,439</u>	<u>12,410,950</u>	<u>11,959,718</u>	<u>34,637,306</u>	

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

Debt Service and Interest Payments

YEAR	2021 Note	2021A Note	2023 Bond	2026 Bond	Total
2026- 27					
Principal	2,293,000	2,013,000	5,000	5,000	4,316,000
Interest	29,381	47,985	400,500	444,818	922,684
	2,322,381	2,060,985	405,500	449,818	5,238,684
2027-28					
Principal	2,310,000	2,037,000	5,000	5,000	4,357,000
Interest	9,818	26,561	400,250	418,950	855,579
	2,319,818	2,063,561	405,250	423,950	5,212,579
2028-29					
Principal	-	1,492,000	1,320,000	1,575,000	4,387,000
Interest	-	7,893	400,000	418,700	826,593
	-	1,499,893	1,720,000	1,993,700	5,213,593
2029-30					
Principal	-	-	1,840,000	2,045,000	3,885,000
Interest	-	-	334,000	339,950	673,950
	-	-	2,174,000	2,384,950	4,558,950
2030-31					
Principal	-	-	1,090,000	1,050,000	2,140,000
Interest	-	-	260,400	237,700	498,100
	-	-	1,350,400		2,638,100
2031-32					
Principal	-	-	1,090,000	1,000,000	2,090,000
Interest	-	-	216,800	185,200	402,000
	-	-	1,306,800	1,185,200	2,492,000
2032-33					
Principal	-	-	550,000	460,000	1,010,000
Interest	-	-	173,200	145,200	318,400
	-	-	723,200	605,200	1,328,400
2033-34					
Principal	-	-	570,000	475,000	1,045,000
Interest	-	-	151,200	126,800	278,000
	-	-	721,200	601,800	1,323,000
2034-35					
Principal	-	-	595,000	495,000	1,090,000
Interest	-	-	128,400	107,800	236,200
	-	-	723,400	602,800	1,326,200
2035-36					
Principal	-	-	620,000	515,000	1,135,000
Interest	-	-	104,600	88,000	192,600
	-	-	724,600	603,000	1,327,600
2036-37					
Principal	-	-	640,000	540,000	1,180,000
Interest	-	-	79,800	67,400	147,200
	-	-	719,800	607,400	1,327,200
2037-38					
Principal	-	-	665,000	560,000	1,225,000
Interest	-	-	54,200	45,800	100,000
	-	-	719,200	605,800	1,325,000
2038-39					
Principal	-	-	690,000	585,000	1,275,000
Interest	-	-	27,600	23,400	51,000
	-	-	717,600	608,400	1,326,000
Principal	\$ 4,603,000	\$ 5,542,000	\$ 9,680,000	\$ 9,310,000	\$ 29,135,000
Interest	39,199	82,439	2,730,950	2,649,718	5,502,306
Debt Service	\$ 4,642,199	\$ 5,624,439	\$ 12,410,950	\$ 11,959,718	\$ 34,637,306

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, 2024 for Fiscal Year Ending June 30, 2025

Required Supplementary Information

Fiscal Year Ending ¹	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 205,651	\$ 191,471	\$ 382,188	\$ 383,065	\$ 359,816	\$ 358,494	\$ 316,268	\$ 312,643
Interest	145,563	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	0
Differences between Expected and Actual Experience	(216,998)	0	(593,686)	0	(586,963)	0	(488,455)	0
Changes of Assumptions	1,717	49,648	(518,547)	(114,747)	390,079	(98,337)	7,475	51,900
Benefit Payments	(194,219)	(185,347)	(120,807)	(96,287)	(124,506)	(107,987)	(128,872)	(179,020)
Other Changes	0	0	0	0	0	0	0	0
Net Change	(58,286)	190,743	(752,747)	247,720	168,207	259,760	(176,723)	270,975
Total OPEB Liability - Beginning	3,424,084	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	\$ 3,365,798	\$ 3,424,084	\$ 3,233,341	\$ 3,986,088	\$ 3,738,368	\$ 3,570,161	\$ 3,310,401	\$ 3,487,124
Covered-Employee Payroll	\$ 30,852,212	\$ 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	10.91%	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 2026-2027, the anticipated ending unassigned fund balance amount is \$3,362,906 or 3.69% of the operating budget.



Informational Section



Pottsgrove School District
Fiscal Year 2026-2027
1301 Kauffman Rd
Pottstown, PA 19464
Dr. Gregory Puckett, 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 2026-2027 school year is 43.1280 mills.

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

Example

$$\begin{array}{rclcl}
 0.0431280 & \times & 200,000 & = & \$ 8,625.60 \\
 \text{Millage} & & \text{Assessed} & & \text{Real estate tax} \\
 \text{rate} & & \text{value} & &
 \end{array}$$

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

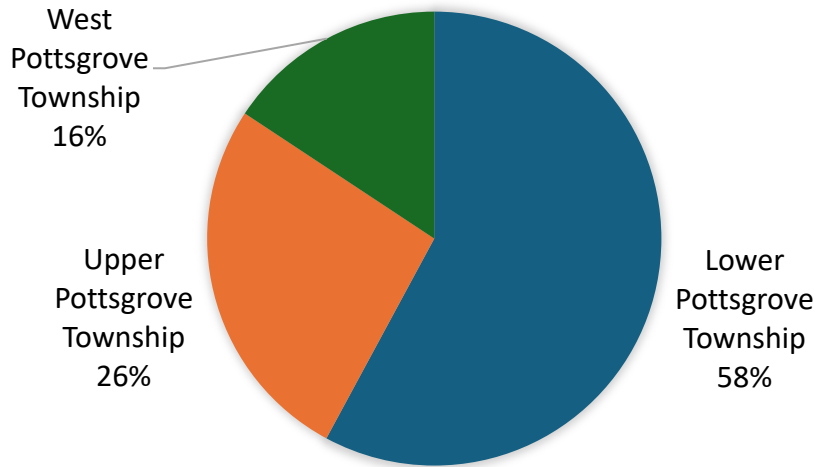
Each municipality has an elected tax collector where payments should be sent. The tax collectors as of July 1, 2027 are:

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

Assessed Value History

<u>Township/Borough</u>	TAX BASE	TAX BASE	TAX BASE	TAX BASE	TAX BASE	TAX BASE
	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
	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	\$ 618,995,019	\$ 623,781,244	\$ 627,856,344	\$ 629,458,484	\$ 658,879,395	\$ 659,478,675
Upper Pottsgrove Township	283,176,949	283,378,959	283,663,999	284,055,759	298,398,539	301,010,019
West Pottsgrove Township	181,683,011	181,037,571	180,960,241	180,904,291	181,160,216	178,934,686
Total Assessment	1,083,854,979	1,088,197,774	1,092,480,584	1,094,418,534	1,138,438,150	1,139,423,380
Total Taxes	\$ 41,709,991	\$ 42,316,747	\$ 43,545,402	\$ 44,538,676	\$ 47,534,688	\$ 49,141,052
Millage Rate	2021-2022	2022-2023	2023-2024	2024-25	2025-26	2026-27
	38.4830	38.8870	39.8592	40.6962	41.7543	43.1280

2026-27 ASSESSED TAX BASE



Assessed Value Projections

<u>Township/Borough</u>	Assessment (Fixed as of May)			
	TAX BASE	TAX BASE	TAX BASE	TAX BASE
	2026-2027	2027-2028	2028-2029	2029-2030
Lower Pottsgrove Township	\$ 659,478,675	\$ 662,116,590	\$ 664,765,056	\$ 667,424,116
Upper Pottsgrove Township	301,010,019	302,214,059	303,422,915	304,636,607
West Pottsgrove Township	178,934,686	179,650,425	180,369,027	181,090,503
Total Assessment	\$ 1,139,423,380	\$ 1,143,981,074	\$ 1,148,556,998	\$ 1,153,151,226

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	2021-2022 Tax	2022-2023 Tax	2023-2024 Tax	2024-2025 Tax	2025-2026 Tax	2026-2027 Tax
121,440	4,673	4,722	4,841	4,942	5,071	5,237
 Millage Rate	38.4830	38.8870	39.8592	40.6962	41.7543	43.1280

Top Ten Largest Real Estate Taxpayers

Owner	Property type	Assessed Value	Taxes Due
UH US UPLANF 2022 LLC	Shopping Centers	\$ 27,985,650	\$ 1,206,965
Sanatoga Green Apartments	Apartments	25,008,550	1,078,569
Sanatoga Ridge Community	Retirement Community	9,613,035	414,591
BCW Associates	Industrial Park	6,033,660	260,220
Rolling Hills Apartments LP	Apartments	5,862,500	252,838
Target Corpoation	Store	5,099,500	219,931
Cedar Paramount Upland LLC	Movie theater	5,054,740	218,001
North End Power LLC	Shopping Centers	5,032,580	217,045
Home Depot USA	Store	3,798,500	163,822
ET Sub-Sanatoga Limnted Partner	Apartments	3,555,960	153,361
	Top 10 Assessments	\$ 97,044,675	4,185,343
	Total Assessments	1,139,423,380	49,141,052
	Percentage of Total	8.52%	8.52%

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 \$4.7 million in EIT revenue and \$800,000 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 2022-2023	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	Budget 2026-2027
Interim Taxes	\$ 263,263	\$ 746,716	\$ 298,888	\$ 310,000	\$ 305,000
Earned Income Tax (EIT)	3,820,874	4,171,953	4,429,186	4,000,000	4,700,000
Real Estate Transfer Tax	1,250,254	790,208	661,568	800,000	800,000
Delinquent Real Estate Tax	687,696	1,181,234	990,347	1,000,000	1,000,000
Mercantile tax	593,594	536,309	378,350	550,000	550,000
Per capita tax	109,450	103,096	104,347	106,000	105,700
Total	\$ 6,725,131	\$ 7,529,516	\$ 6,862,686	\$ 6,766,000	\$ 7,460,700

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.

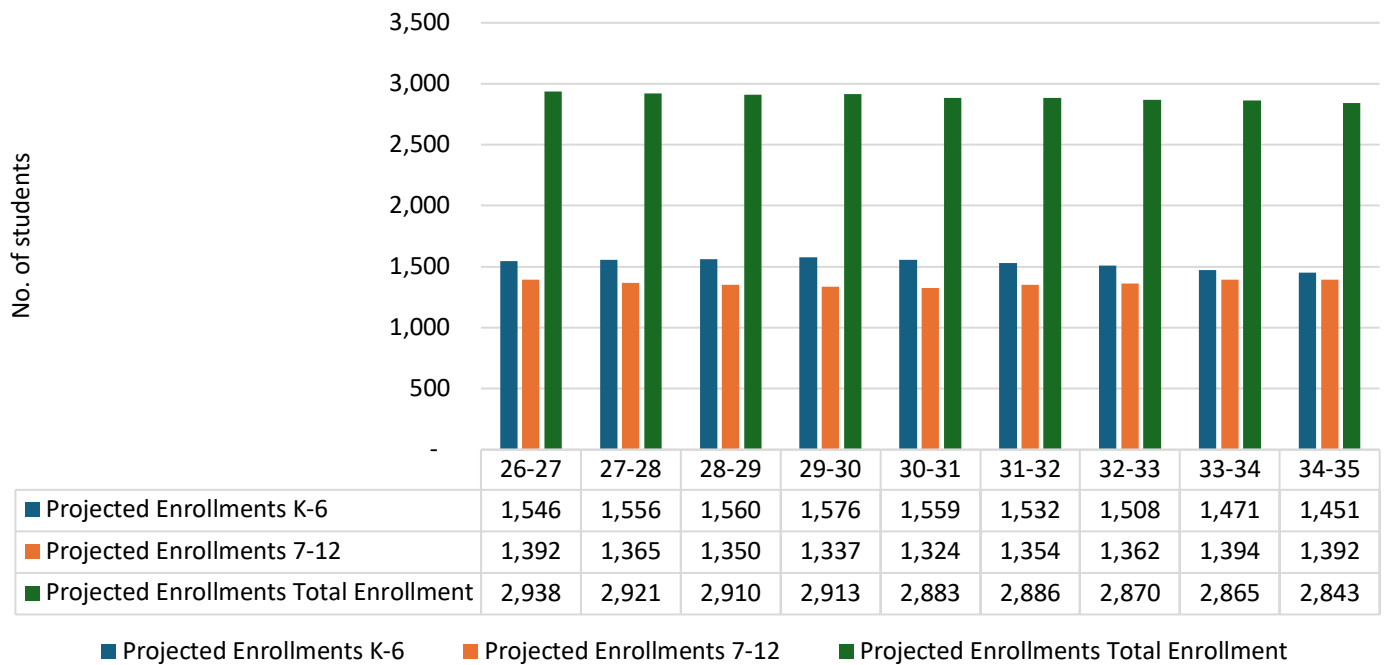
	Grade K				Grade 1				Grade 2										
	2022	2023	2024	2025	2026	2027	2022	2023	2024	2025	2026	2027	2022	2023	2024	2025	2026	2027	
Ringing Rocks	119	121	139	132	120	127	123	119	116	137	129	142	122	128	123	116	142	144	
West Pottsgrove	86	82	88	77	88	94	82	90	89	89	73	81	98	81	96	86	91	93	
	Grade 3				Grade 4				Grade 5										
	2022	2023	2024	2025	2026	2027	2022	2023	2024	2025	2026	2027	2022	2023	2024	2025	2026	2027	
Lower Pottsgrove	216	221	210	219	200	231	234	205	226	208	212	202	218	236	212	222	213	221	
District Elementary	421	424	437	428	408	452	439	414	431	434	414	425	438	445	431	424	446	458	
	Grade 6				Grade 7				Grade 8										
	2022	2023	2024	2025	2026	2027	2022	2023	2024	2025	2026	2027	2022	2023	2024	2025	2026	2027	
Pottsgrove Middle School	240	216	240	213	228	211	244	238	218	245	205	223	240	250	249	226	244	219	
	Grade 9				Grade 10				Grade 11				Grade 12						
	2022	2023	2024	2025	2026	2027	2022	2023	2024	2025	2026	2027	2022	2023	2024	2025	2026	2027	
Pottsgrove High School	261	248	242	240	216	249	257	269	237	242	240	223	239	251	260	240	239	233	
District Secondary	501	464	482	453	444	460	501	507	455	487	445	446	473	501	509	466	483	452	
District Total	3,044	3,012	3,006	2,957	2,893	2,938													

Source:
PA Dept. of Education

Projected 2026-2027 Student Enrollment

School	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Ringin Rocks	127	142	144											413
West Pottsgrove	94	81	93											268
Lower Pottsgrove				231	202	221								654
Elementary Total	221	223	237	231	202	221								1,335
Pottsgrove Middle							211	223	219					653
Pottsgrove HS										249	223	233	245	950
District Total	221	223	237	231	202	221	211	223	219	249	223	233	245	2,938

Projected enrollment



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, finance the improvements for the Facility and Athletic Stadium Improvement Project, 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 2026-2027, the total debt service payments owed are \$5,238,684 which is 5.75% 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>2026 Bond</u>	<u>Total</u>	<u>Principal Outstanding *</u>
2026 - 27	2,322,381	2,060,985	405,500	449,818	5,238,684	\$ 24,819,000
2027 - 28	2,319,818	2,063,561	405,250	423,950	5,212,579	\$ 20,462,000
2028 - 29	-	1,499,893	1,720,000	1,993,700	5,213,593	\$ 16,075,000
2029 - 30	-	-	2,174,000	2,384,950	4,558,950	\$ 12,190,000
2030 - 31	-	-	1,350,400	1,287,700	2,638,100	\$ 10,050,000
2031 - 32	-	-	1,306,800	1,185,200	2,492,000	\$ 7,960,000
2032 - 33	-	-	723,200	605,200	1,328,400	\$ 6,950,000
2033 - 34	-	-	721,200	601,800	1,323,000	\$ 5,905,000
2034 - 35			723,400	602,800	1,326,200	\$ 4,815,000
2035 - 36			724,600	603,000	1,327,600	\$ 3,680,000
2036 - 37			719,800	607,400	1,327,200	\$ 2,500,000
2037 - 38			719,200	605,800	1,325,000	\$ 1,275,000
2038 - 39			717,600	608,400	1,326,000	\$ -
Totals	4,642,199	5,624,439	12,410,950	11,959,718	34,637,306	

* 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>2026 Bond</u>	<u>Total</u>
2026- 27					
Principal	2,293,000	2,013,000	5,000	5,000	4,316,000
Interest	29,381	47,985	400,500	444,818	922,684
	<u>2,322,381</u>	<u>2,060,985</u>	<u>405,500</u>	<u>449,818</u>	<u>5,238,684</u>
2027-28					
Principal	2,310,000	2,037,000	5,000	5,000	4,357,000
Interest	9,818	26,561	400,250	418,950	855,579
	<u>2,319,818</u>	<u>2,063,561</u>	<u>405,250</u>	<u>423,950</u>	<u>5,212,579</u>
2028-29					
Principal	-	1,492,000	1,320,000	1,575,000	4,387,000
Interest	-	7,893	400,000	418,700	826,593
	<u>-</u>	<u>1,499,893</u>	<u>1,720,000</u>	<u>1,993,700</u>	<u>5,213,593</u>
2029-30					
Principal	-	-	1,840,000	2,045,000	3,885,000
Interest	-	-	334,000	339,950	673,950
	<u>-</u>	<u>-</u>	<u>2,174,000</u>	<u>2,384,950</u>	<u>4,558,950</u>
2030-31					
Principal	-	-	1,090,000	1,050,000	2,140,000
Interest	-	-	260,400	237,700	498,100
	<u>-</u>	<u>-</u>	<u>1,350,400</u>	<u>-</u>	<u>2,638,100</u>
2031-32					
Principal	-	-	1,090,000	1,000,000	2,090,000
Interest	-	-	216,800	185,200	402,000
	<u>-</u>	<u>-</u>	<u>1,306,800</u>	<u>1,185,200</u>	<u>2,492,000</u>
2032-33					
Principal	-	-	550,000	460,000	1,010,000
Interest	-	-	173,200	145,200	318,400
	<u>-</u>	<u>-</u>	<u>723,200</u>	<u>605,200</u>	<u>1,328,400</u>
2033-34					
Principal	-	-	570,000	475,000	1,045,000
Interest	-	-	151,200	126,800	278,000
	<u>-</u>	<u>-</u>	<u>721,200</u>	<u>601,800</u>	<u>1,323,000</u>
2034-35					
Principal	-	-	595,000	495,000	1,090,000
Interest	-	-	128,400	107,800	236,200
	<u>-</u>	<u>-</u>	<u>723,400</u>	<u>602,800</u>	<u>1,326,200</u>
2035-36					
Principal	-	-	620,000	515,000	1,135,000
Interest	-	-	104,600	88,000	192,600
	<u>-</u>	<u>-</u>	<u>724,600</u>	<u>603,000</u>	<u>1,327,600</u>
2036-37					
Principal	-	-	640,000	540,000	1,180,000
Interest	-	-	79,800	67,400	147,200
	<u>-</u>	<u>-</u>	<u>719,800</u>	<u>607,400</u>	<u>1,327,200</u>
2037-38					
Principal	-	-	665,000	560,000	1,225,000
Interest	-	-	54,200	45,800	100,000
	<u>-</u>	<u>-</u>	<u>719,200</u>	<u>605,800</u>	<u>1,325,000</u>
2038-39					
Principal	-	-	690,000	585,000	1,275,000
Interest	-	-	27,600	23,400	51,000
	<u>-</u>	<u>-</u>	<u>717,600</u>	<u>608,400</u>	<u>1,326,000</u>
Principal	\$ 4,603,000	\$ 5,542,000	\$ 9,680,000	\$ 9,310,000	\$ 29,135,000
Interest	39,199	82,439	2,730,950	2,649,718	5,502,306
Debt Service	\$ 4,642,199	\$ 5,624,439	\$ 12,410,950	\$ 11,959,718	\$ 34,637,306

School Nutrition and Performance Measurement Data

Free and Reduced Lunch Meal Counts by Building

	Free					Reduced					Total meals					Percent Free/Reduced				
	2021-22*	2022-23	2023-24**	2024-25	2025-26	2021-22*	2022-23	2023-24**	2024-25	2025-26	2021-22*	2022-23	2023-24**	2024-25	2025-26	2021-22*	2022-23	2023-24**	2024-25	2025-26
Lower Pottsgrove Elem	56,553	38,750	75,620	76,641	71,609	-	2,074	-	-	-	56,553	62,754	75,620	76,641	71,609	100%	65%	100%	100%	100%
Ringling Rocks Elem	31,058	22,220	40,901	41,897	39,039	-	669	-	-	-	31,058	33,371	40,901	41,897	39,039	100%	69%	100%	100%	100%
West Pottsgrove Elem	22,404	15,091	26,733	25,658	23,637	-	249	-	-	-	22,404	20,968	26,733	25,658	23,637	100%	73%	100%	100%	100%
Pottsgrove MS	64,988	37,323	78,268	81,846	84,552	-	1,687	-	-	-	64,988	61,466	78,268	81,846	84,552	100%	63%	100%	100%	100%
Pottsgrove HS	75,087	34,741	88,325	93,025	86,196	-	1,396	-	-	-	75,087	63,567	88,325	93,025	86,196	100%	57%	100%	100%	100%
District Total	250,090	148,125	309,847	319,067	305,033	-	6,075	-	-	-	250,070	242,126	309,847	319,067	305,033	100%	64%	100%	100%	100%

School Nutrition Meal Prices				
2022-23**	2023-24 ^x	2024-25 ^x	2025-26 ^x	2025-26 ^x

Breakfast (all levels)

FREE FREE FREE FREE FREE

Lunch

Elementary	\$ 2.70	FREE	FREE	FREE	FREE
Middle	\$ 3.05	FREE	FREE	FREE	FREE
High	\$ 3.40	FREE	FREE	FREE	FREE

** 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	2024-25
Graduation Rate (4 Year Cohort)	92.91%	90.23%	94.94%	92.16%	91.22%
Dropout Rate (Annual)	0.33%	0.53%	0.93%	0.95%	0.96%
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%	Algebra 1: 41.0% Literature: 64.0% Biology: 57.3%

Future Ready PA Index

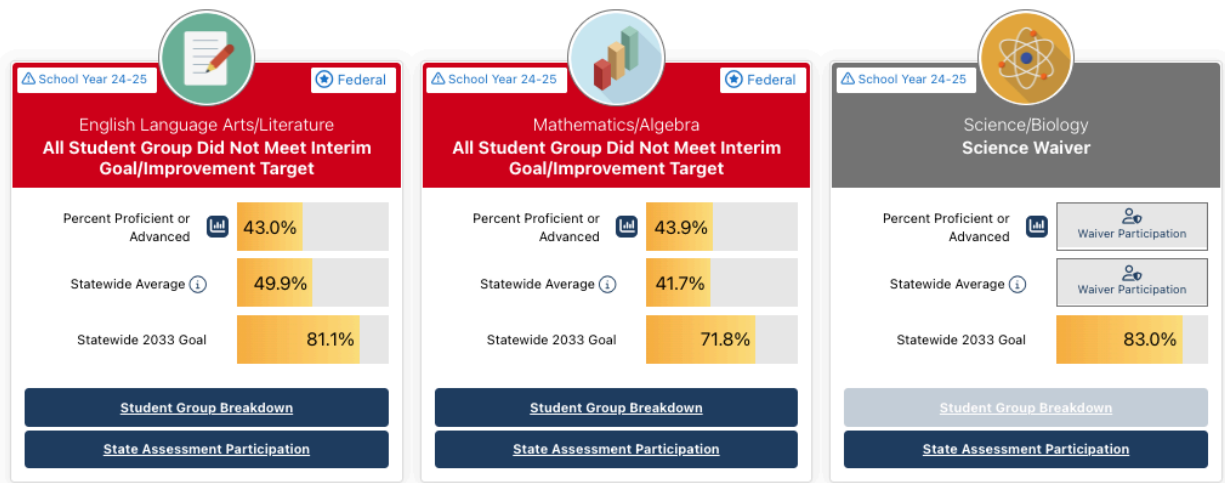
The Pennsylvania Department of Education recognizes that students – and the schools that serve them – are more than just standardized test scores. Launched in November 2018, the Future Ready PA Index is the result of discussions with thousands of educators, parents, advocates, policymakers, and business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

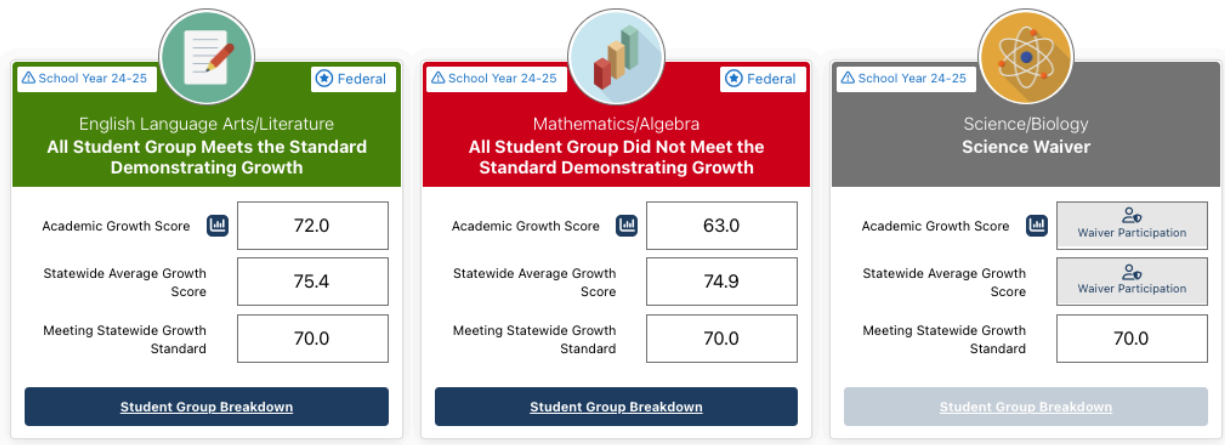
The following graphics shows the Pottsgrove School District’s Future Ready PA Index results for state assessment measures by building for the 2024-2025 academic year, which is the most recent available data from the PA Department of Education.

Lower Pottsgrove El Sch

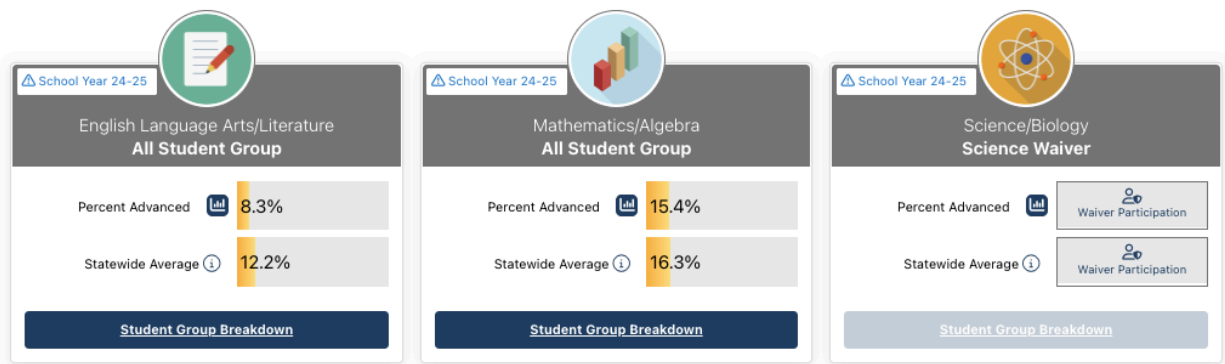
Proficient or Advanced on Pennsylvania State Assessments ⓘ



Meeting Annual Academic Growth Expectations (PVAAS) ⓘ

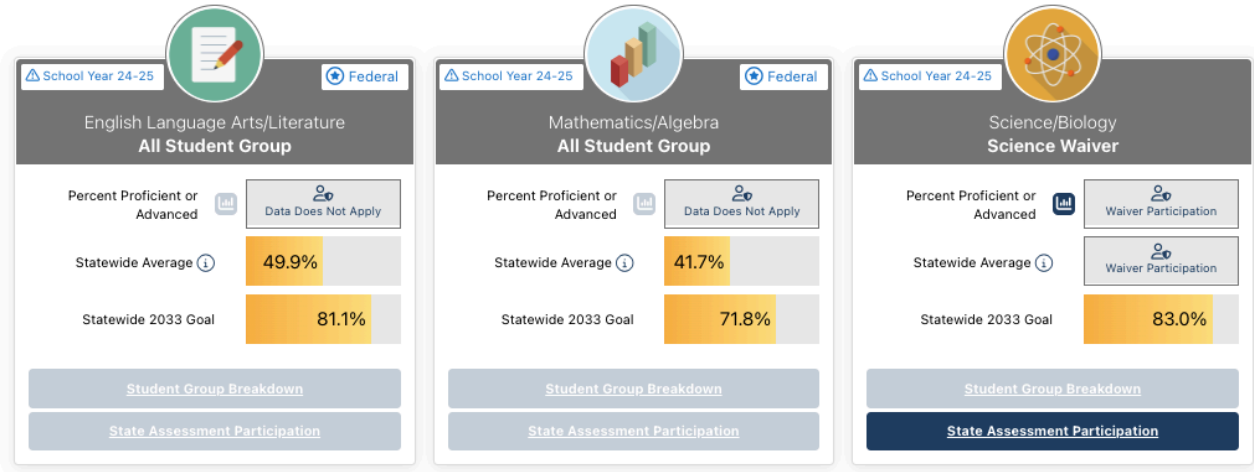


Advanced on Pennsylvania State Assessments ⓘ

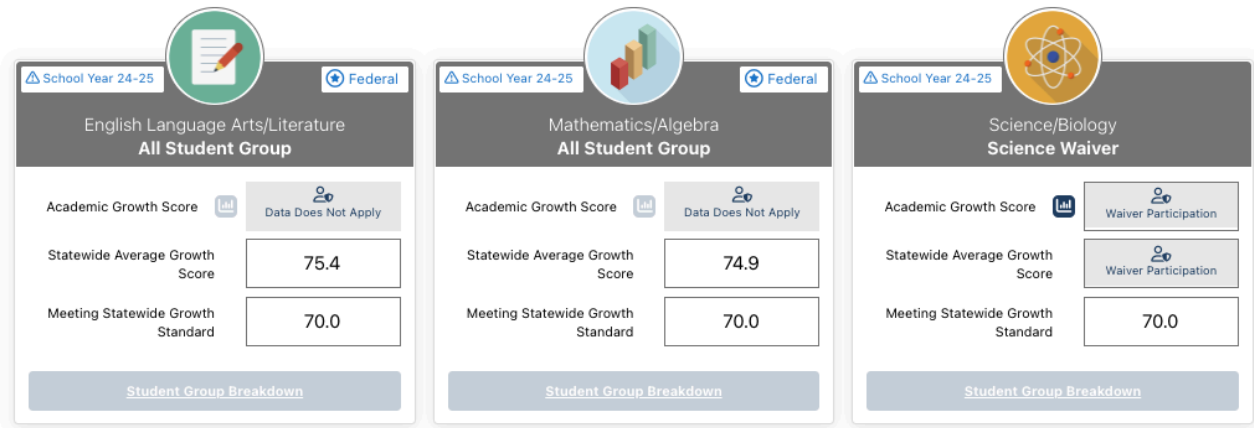


Ringling Rocks El Sch

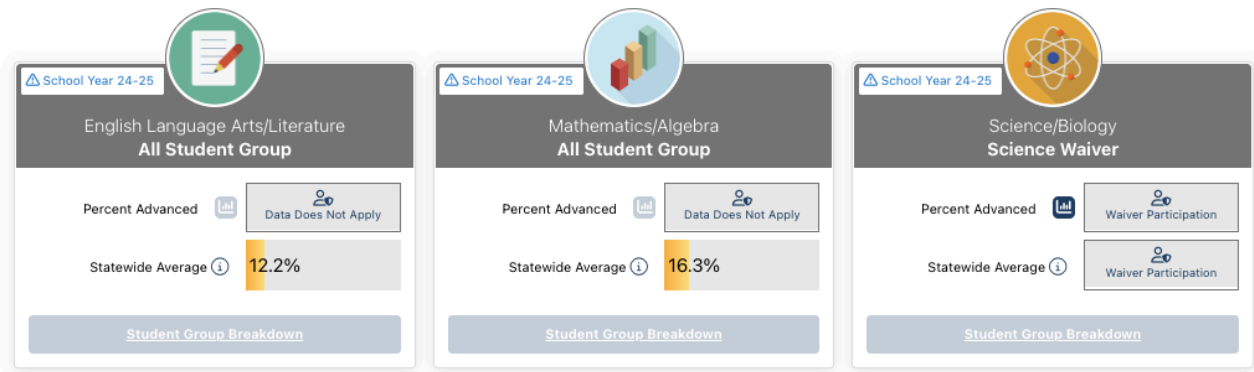
Proficient or Advanced on Pennsylvania State Assessments ⓘ



Meeting Annual Academic Growth Expectations (PVAAS) ⓘ

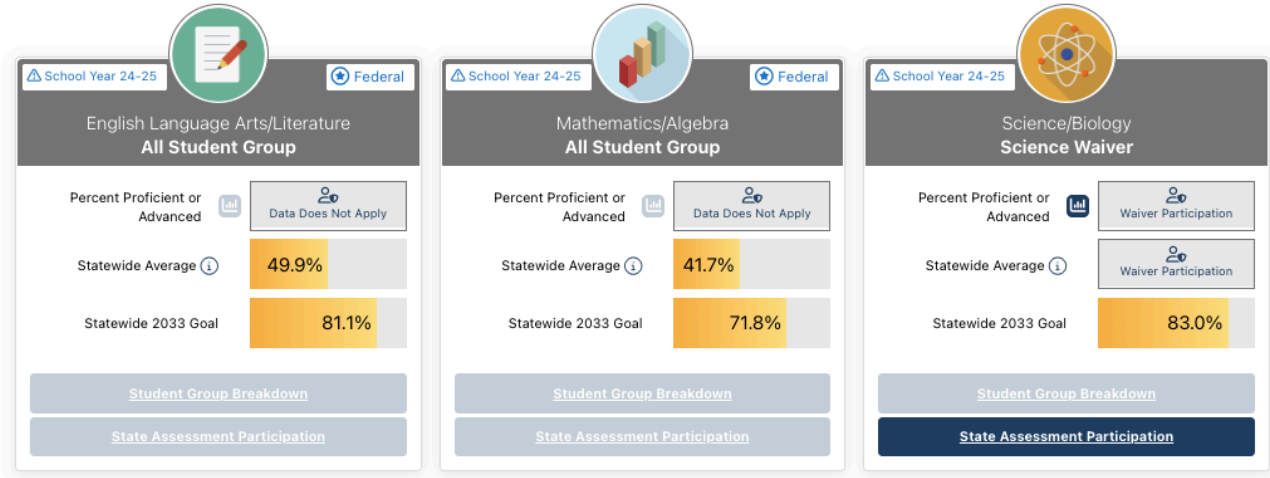


Advanced on Pennsylvania State Assessments ⓘ

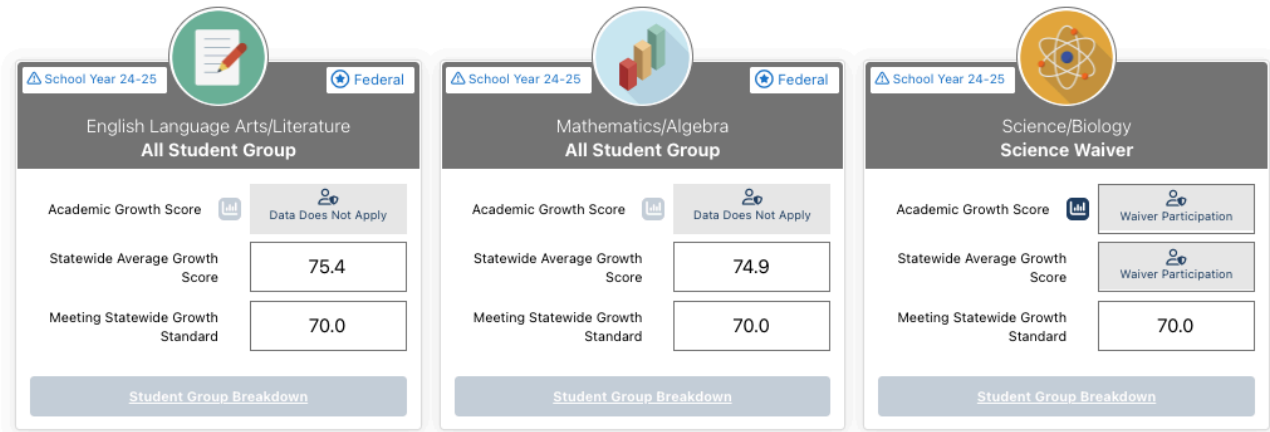


West Pottsgrove El Sch

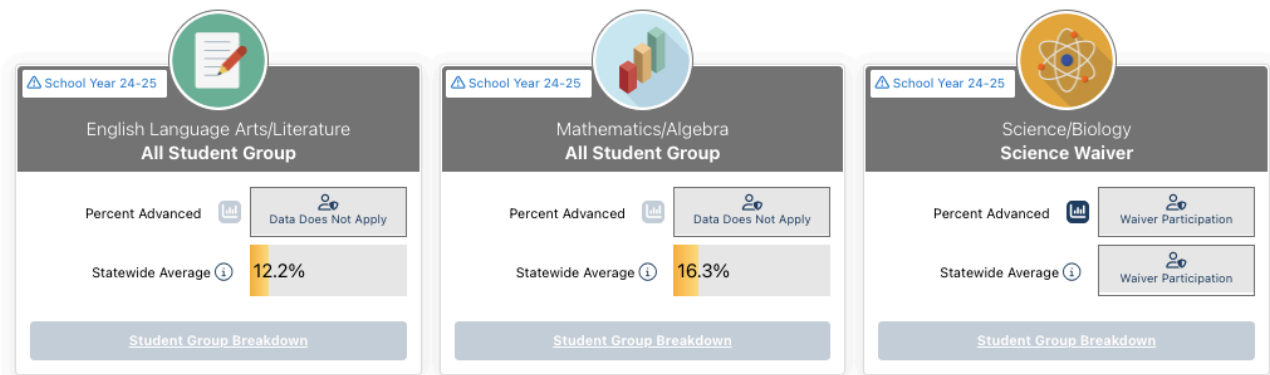
Proficient or Advanced on Pennsylvania State Assessments ⓘ



Meeting Annual Academic Growth Expectations (PVAAS) ⓘ

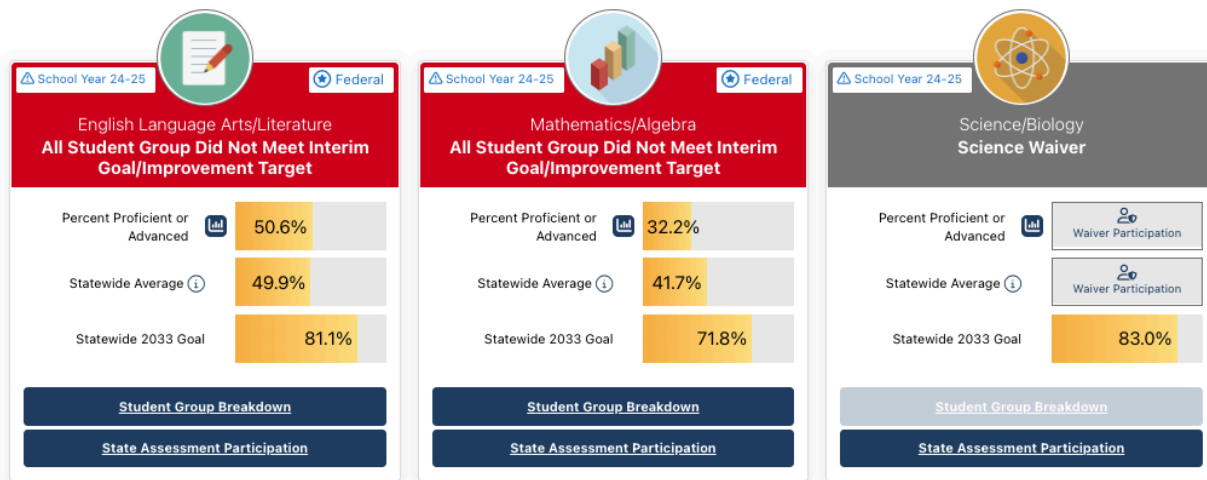


Advanced on Pennsylvania State Assessments ⓘ

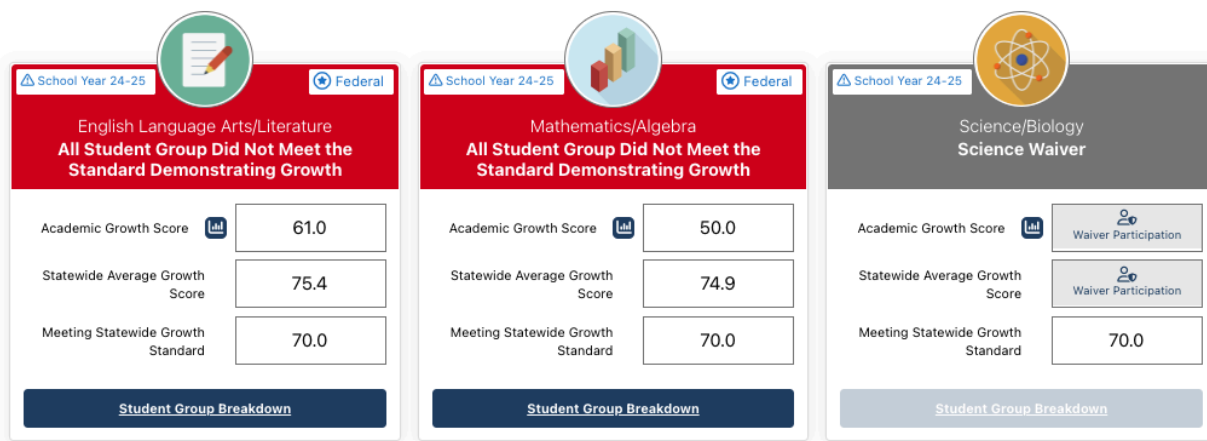


Pottsgrove MS

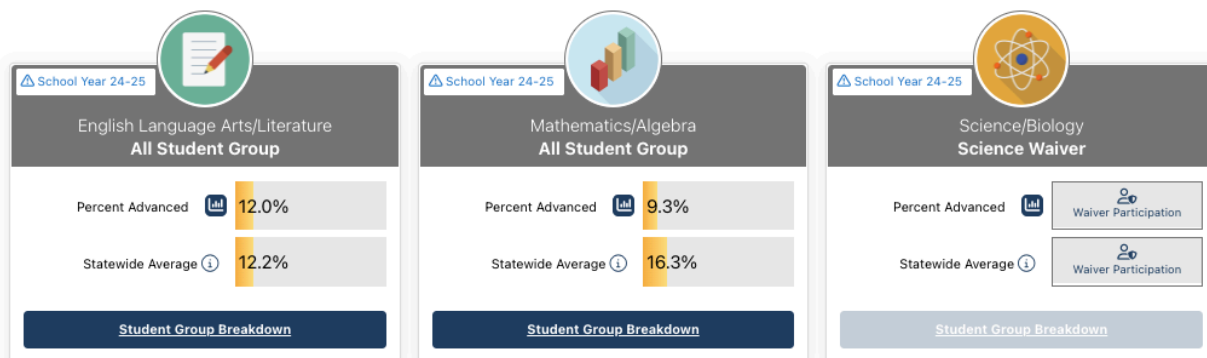
Proficient or Advanced on Pennsylvania State Assessments ⓘ



Meeting Annual Academic Growth Expectations (PVAAS) ⓘ

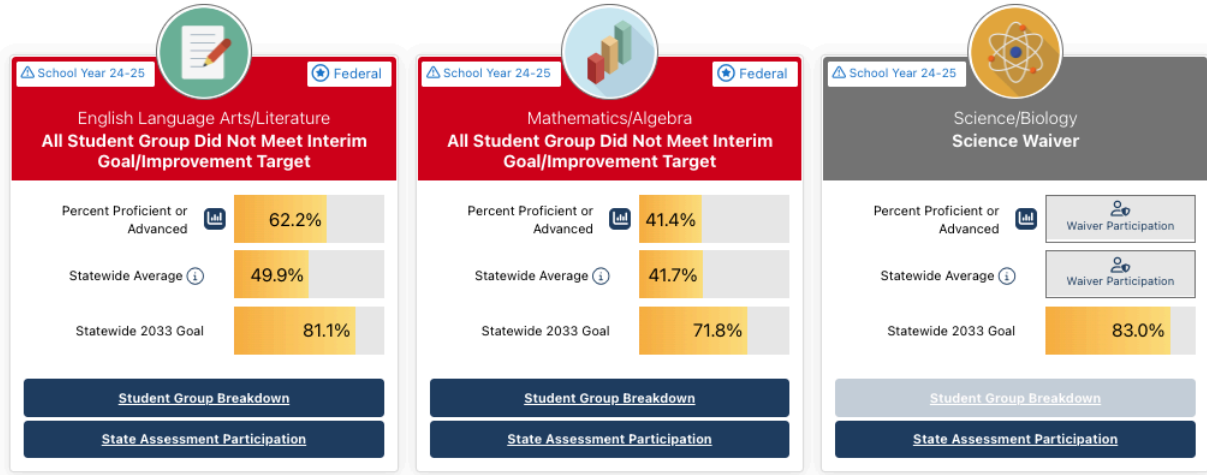


Advanced on Pennsylvania State Assessments ⓘ

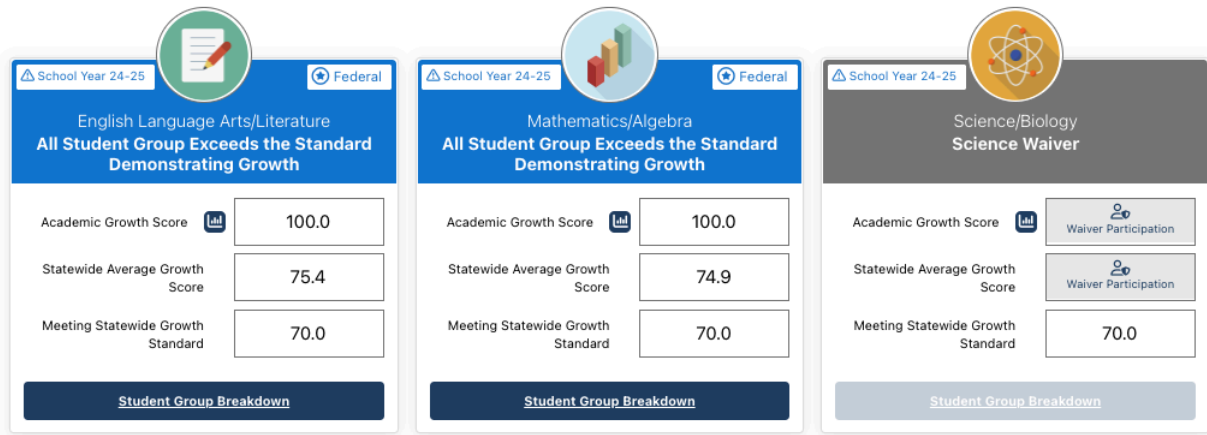


Pottsgrove SHS

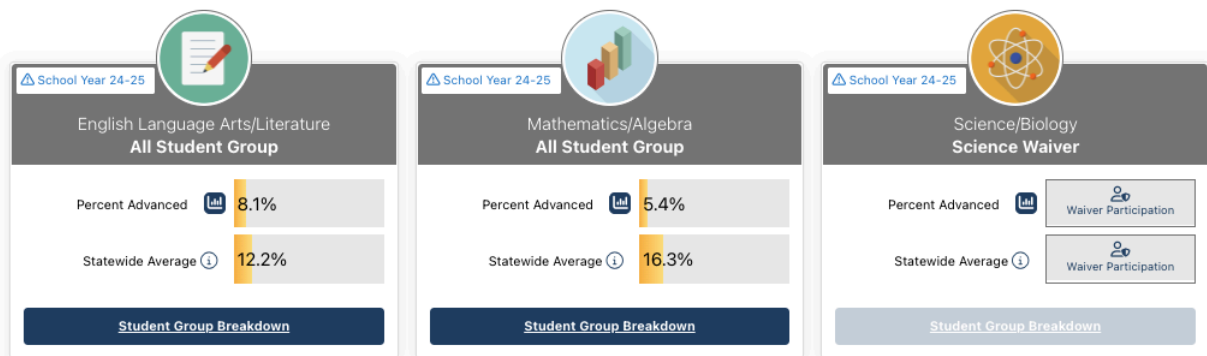
Proficient or Advanced on Pennsylvania State Assessments ⓘ



Meeting Annual Academic Growth Expectations (PVAAS) ⓘ



Advanced on Pennsylvania State Assessments ⓘ



Pottsgrove SD

School Performance

School Fast Facts

District Fast Facts



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

[District Website](#)

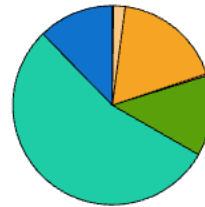
Percent Enrollment by Student Groups

Economically Disadvantaged	47.1%
English Language Learner	2.5%
Special Education	23.6%
Foster Care	NA
Homeless	2.9%
Military Connected	1.1%

Percent Enrollment by Gender

Male	50.6%
Female	49.4%

Percent Enrollment by Race/Ethnicity



American Indian/Alaskan Native	0.2%
Asian	1.9%
Black	17.8%
Native Hawaiian or other Pacific Islander	0.3%
Hispanic	13.1%
White	54.5%
2 or More Races	12.3%

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

2957

Percent of Gifted Students

2.9%

Enrollment in Partnering Career and Technical Center(s)

160

Charter School Enrollment

170

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.

Aid ratios – is the general term for three numerical values - market value aid ratio (MV AR), personal income aid ratio (PI AR), and market value/personal income aid ratio (MV/PI AR) – calculated in accordance with Section 2501 of the School Code. Various state subsidies use aid ratios in their calculations. The MV/PI AR represents the relative wealth (market value and income) in relation to the state average for each pupil in a school district.

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

Average daily membership (ADM) – the term used for all resident pupils of the school district for whom the school district is financially responsible. It is calculated by dividing the aggregate days membership for all children on active rolls by the number of days the school district is in session.

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.

Local Effort Capacity Index (LECI) – A state calculated factor used in the formula to calculate a district’s share of the Basic Education subsidy. This index equals the sum of the local effort index and the local capacity index. The local effort index equals the local effort factor multiplied by the lesser of 1 or the excess spending factor. The local effort factor is calculated for each school district by dividing the District’s local tax-related revenue by the District’s median household income multiplied by its number of households. The excess spending factor is calculated for each school district by dividing 1 by the District’s net current expenditures per student-weighted ADM divided by the State median. The local capacity index is calculated as follows: if the District’s local capacity per student-weighted ADM is less than the Statewide median, divide the District’s local capacity per student-weighted ADM by the Statewide median. The local capacity per student-weighted ADM for each school district is calculated by multiplying the sum of the District’s market value and personal income by the Statewide median local effort rate and then divide by the District’s student-weighted ADM. The local effort rate for each school district is calculated by dividing the District’s local tax-related income by the sum of the District’s market value and personal income.

Median Household Income Index (MHII) – A state calculated factor used in the formula to calculate a district’s share of the Basic Education subsidy. This index is calculated by dividing 1 by its 3-year average median household income divided by the 3-year average State median household income.

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.

Sparsity/size adjustment – A state calculated factor used in the formula to calculate a district's share of the Basic Education subsidy. To calculate the sparsity adjustment, divide the District's average daily membership (ADM) per square mile by the state total ADM per square mile. To calculate the size ratio, divide the District's ADM by the average of the ADMs for all school districts then multiply by 0.5 and subtract from 1. Calculate the combined sparsity/size ratio by weighting the sparsity ratio at 40 percent and the size ratio at 60 percent.

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 Perkiomen School District. The school is dedicated to delivering technical and educational programs to meet the needs of the students and prospective employers.