

MID VALLEY SCHOOL DISTRICT

2016-2017 PROPOSED FINAL BUDGET

WORK SESSION:

MAY 11th, 2016

ADOPTED 2015-2016 BUDGET vs. RESTATED FOR 2014-2015 AUDITED FUND BALANCE

	ADOPTED FINAL BUDGET 15/16	RESTATED PER AUDIT	RESTATED BUDGET 15/16
REVENUE:			
6000 LOCAL SOURCES	15,343,869	-	15,343,869
7000 STATE SOURCES	7,233,959	-	7,233,959
8000 FEDERAL SOURCES	565,681	-	565,681
9000 OTHER SOURCES	774,000	-	774,000
OTHER-TAX REVENUE ANTICIPATION NOTE	-	-	-
TOTAL REVENUES	23,917,509	-	23,917,509
EXPENDITURES:			
100 PERSONNEL SERVICES-SALARIES	9,005,651	-	9,005,651
200 PERSONNEL SERVICES-BENEFITS	6,322,842	-	6,322,842
300 PURCHASED PROF. & TECH. SERVICES	1,144,296	-	1,144,296
400 PURCHASED PROPERTY SERVICES	695,000	-	695,000
500 OTHER PURCHASED SERVICES	3,401,052	-	3,401,052
600 SUPPLIES	942,235	-	942,235
700 PROPERTY	55,150	-	55,150
800 DUES, FEES AND OTHER	32,970	-	32,970
900 DEBT PYMT/TRANSFERS/OTHER	1,736,482	-	1,736,482
BUDGETARY RESERVE/CONTINGENCY	225,000	-	225,000
TOTAL EXPENDITURES	23,560,678	-	23,560,678
REVENUE OVER (UNDER) EXPENDITURES	356,831	-	356,831
** FUND BALANCE - JUNE 30, 2015	(147,302)	(45,044)	(192,346)
ENDING FUND BALANCE - JUNE 30, 2016	209,529	(45,044)	164,485

RESTATED FOR 2014-2015 AUDITED FUND BALANCE vs. PROFESSIONAL CONTRACT SETTLEMENT – FALL 2015

	RESTATED BUDGET 15/16	FINANCIAL IMPACT OF CONTRACT	ADJ. BUDGET FOR IMPACT 15/16
REVENUE:			
6000 LOCAL SOURCES	15,343,869	-	15,343,869
7000 STATE SOURCES	7,233,959	89,649	7,323,608
8000 FEDERAL SOURCES	565,681	-	565,681
9000 OTHER SOURCES	774,000	-	774,000
OTHER-TAX REVENUE ANTICIPATION NOTE	-	-	-
TOTAL REVENUES	23,917,509	89,649	24,007,158
EXPENDITURES:			
100 PERSONNEL SERVICES-SALARIES	9,005,651	535,375	9,541,026
200 PERSONNEL SERVICES-BENEFITS	6,322,842	179,297	6,502,139
300 PURCHASED PROF. & TECH. SERVICES	1,144,296	-	1,144,296
400 PURCHASED PROPERTY SERVICES	695,000	-	695,000
500 OTHER PURCHASED SERVICES	3,401,052	(131,220)	3,269,832
600 SUPPLIES	942,235	-	942,235
700 PROPERTY	55,150	-	55,150
800 DUES, FEES AND OTHER	32,970	-	32,970
900 DEBT PYMT/TRANSFERS/OTHER	1,736,482	-	1,736,482
BUDGETARY RESERVE/CONTINGENCY	225,000	(225,000)	-
TOTAL EXPENDITURES	23,560,678	358,452	23,919,130
REVENUE OVER (UNDER) EXPENDITURES	356,831	(268,803)	88,028
** FUND BALANCE - JUNE 30, 2015	(192,346)	(91,060)	(283,406)
ENDING FUND BALANCE - JUNE 30, 2016	164,485	(359,863)	(195,378)

10 MONTH UNAUDITED REVIEW

RESTATED 15-16 FOLLOWING PROFESSIONAL CONTRACT

	ADJ. BUDGET FOR IMPACT 15/16	10 MONTH UNAUDITED CLOSE *	VARIANCE Fav / (Unfav)
REVENUE:			
6000 LOCAL SOURCES	15,343,869	15,238,072	(105,797)
7000 STATE SOURCES	7,323,608	5,339,798	(1,983,810)
8000 FEDERAL SOURCES	565,681	167,871	(397,810)
9000 OTHER SOURCES	774,000	770,000	(4,000)
OTHER-TAX REVENUE ANTICIPATION NOTE		1,200,000 *	1,200,000
TOTAL REVENUES	24,007,158	22,715,741	(1,291,417)
EXPENDITURES:			
100 PERSONNEL SERVICES-SALARIES	9,541,026	7,978,366	1,562,660
200 PERSONNEL SERVICES-BENEFITS	6,502,139	5,284,278	1,217,861
300 PURCHASED PROF. & TECH. SERVICES	1,144,296	872,914	271,382
400 PURCHASED PROPERTY SERVICES	695,000	413,258	281,742
500 OTHER PURCHASED SERVICES	3,269,832	1,940,604	1,329,228
600 SUPPLIES	942,235	629,212	313,023
700 PROPERTY	55,150	12,752	42,398
800 DUES, FEES AND OTHER	32,970	60,914	(27,944)
900 DEBT PYMT/TRANSFERS/OTHER	1,736,482	1,583,372	153,110
BUDGETARY RESERVE/CONTINGENCY	-	-	-
TOTAL EXPENDITURES	23,919,130	18,775,671	5,143,459
REVENUE OVER (UNDER) EXPENDITURES	88,028	3,940,070	3,852,042
** FUND BALANCE - JUNE 30, 2015	(283,406)		
ENDING FUND BALANCE - JUNE 30, 2016	(195,378)		

- * Amount of \$1,200,000 Tax Revenue Anticipation Note to be repaid no later than June 30, 2016.

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*Analysis and adjustments will continue through final budget adoption in June 2016.

2015-2016 ADOPTED BUDGET VS. FINAL 2015-2016 PENNSYLVANIA STATE BUDGET

	Adopted 15-16	Final State 15-16	Variance Fav (Unfav)		
Basic Education Funding/RTL/ABG	4,070,452.00	4,169,479.00	99,027.00	4.47%	Increase from Actual 14-15 Revenue
Special Education	838,443.00	865,404.00	26,961.00	4.30%	Increase from Actual 14-15 Revenue
Total:	4,908,895.00	5,034,883.00	125,988.00		

POTENTIAL 2015-2016 FUND BALANCE ADJUSTMENTS REVENUE

Local Sources

\$230,783 est. favorable

- Current Real Estate Taxes \$56,954 unfavorable
- Earned Income Tax – est. \$100,000 favorable
- Delinquent Taxes, net of fees \$187,737 favorable

State Sources

\$139,004 est. favorable

- Basic Education Funding/Ready to Learn/ABG \$99,027 favorable
- Special Education Subsidy \$26,961 favorable
- Transportation Subsidy est. \$6,818 favorable
- FICA/PSERs Reimbursement for Support Staff Settlement est. \$6,198 favorable

Federal Sources

- Final Projection will be presented in June 2016 for final 2016-2017 budget.

POTENTIAL 2015-2016 FUND BALANCE ADJUSTMENTS EXPENDITURES

Salaries	\$37,108 unfavorable
Support Staff Settlement	
Benefits	\$17,603 favorable
Support Staff Settlement	\$12,397 unfavorable
Unemployment Compensation	\$30,000 favorable
Purchased Prof./Tech Services	\$35,000 est. unfavorable
Special Ed Litigation Settlement	
Other Purchased Services	\$205,500 favorable
Special Education Transportation Vans	\$310,500 favorable
Extended School Year Transportation	\$30,000 unfavorable
Charter/Cyber School Tuition est.	\$75,000 unfavorable
Debt Payment	\$109,142 favorable
Refinancing, net of est. TRAN fees	

**Analysis and adjustments will continue through final budget adoption in June 2016.*

POTENTIAL 2015-2016 FUND BALANCE ADJUSTMENTS SUMMARY

Revenue	\$369,787 est. favorable
<u>Expenditures</u>	<u>\$260,137 est. favorable</u>
Total Potential Adjustments	\$629,924 est. favorable

**Analysis and adjustments will continue through final budget adoption in June 2016.*

ADOPTED PRELIMINARY 2016-2017 BUDGET VS. ADJUSTED WORKING BUDGET

	2016-2017 PRELIMINARY BUDGET	PRELIM WITH CHANGE IN 15-16 FB	2016-2017 ADJ. WORKING BUDGET
REVENUE:			
6000 LOCAL SOURCES	16,576,198	-	16,576,198
7000 STATE SOURCES	7,209,970	-	7,209,970
8000 FEDERAL SOURCES	565,681	-	565,681
9000 OTHER SOURCES	-	-	-
TOTAL REVENUES	24,351,849	-	24,351,849
EXPENDITURES:			
100 PERSONNEL SERVICES-SALARIES	9,530,667	-	9,530,667
200 PERSONNEL SERVICES-BENEFITS	7,199,534	-	7,199,534
300 PURCHASED PROF. & TECH. SERVICES	1,257,296	-	1,257,296
400 PURCHASED PROPERTY SERVICES	698,000	-	698,000
500 OTHER PURCHASED SERVICES	3,269,246	-	3,269,246
600 SUPPLIES	942,235	-	942,235
700 PROPERTY	55,150	-	55,150
800 DUES, FEES AND OTHER	32,970	-	32,970
900 DEBT PYMT/TRANSFERS/OTHER	2,139,771	-	2,139,771
BUDGETARY RESERVE/CONTINGENCY	-	-	-
TOTAL EXPENDITURES	25,124,869	-	25,124,869
REVENUE OVER (UNDER) EXPENDITURES	(773,020)	-	(773,020)
FUND BALANCE - JUNE 30, 2016	(195,379)	629,924	434,545
ENDING FUND BALANCE - JUNE 30, 2017	(968,399)	629,924	(338,475)

WORKING 2016-2017 BUDGET vs. POTENTIAL ADJUSTMENTS

	2016-2017 WORKING BUDGET	2016-2017 POTENTIAL ADJUSTMENTS	2016-2017 PROPOSED FINAL BUDGET
REVENUE:			
6000 LOCAL SOURCES	16,576,198	(36,702) A	16,539,496
7000 STATE SOURCES	7,209,970	365,677 B	7,575,647
8000 FEDERAL SOURCES	565,681	- C	565,681
9000 OTHER SOURCES	-	-	-
TOTAL REVENUES	24,351,849	328,975	24,680,824
EXPENDITURES:			
100 PERSONNEL SERVICES-SALARIES	9,530,667	(79,761) D	9,450,906
200 PERSONNEL SERVICES-BENEFITS	7,199,534	114,650 E	7,314,184
300 PURCHASED PROF. & TECH. SERVICES	1,257,296	(66,281) F	1,191,015
400 PURCHASED PROPERTY SERVICES	698,000	(50,000) G	648,000
500 OTHER PURCHASED SERVICES	3,269,246	(35,488) H	3,233,758
600 SUPPLIES	942,235	(176,705) I	765,530
700 PROPERTY	55,150	7,370 J	62,520
800 DUES, FEES AND OTHER	32,970	19,280 K	52,250
900 DEBT PYMT/TRANSFERS/OTHER	2,139,771	(217,978) L	1,921,793
BUDGETARY RESERVE/CONTINGENCY	-	300,000 M	300,000
TOTAL EXPENDITURES	25,124,869	(184,913)	24,939,956
REVENUE OVER (UNDER) EXPENDITURES	(773,020)	513,888	(259,132)
FUND BALANCE - JUNE 30, 2016	434,545	-	434,545
ENDING FUND BALANCE - JUNE 30, 2017	(338,475)	513,888	175,413

2016-2017 PROPOSED FINAL ADJUSTMENTS REVENUE

A. Local Sources	\$36,699 unfavorable
• Current Real Estate Taxes - Adjustment in collection %, increase in assessed valuation & reclassification of Gaming Revenue – est. (See Next Slide Analysis)	\$149,033 unfavorable
• Earned Income Tax	\$75,000 favorable
• Delinquent Taxes	\$44,334 favorable
• Out of District Tuition	\$45,000 unfavorable
• Cost Sharing of Crossing Guards – 2 municipalities	\$38,000 favorable

2016-2017 PROPOSED FINAL BUDGET

CURRENT REAL ESTATE COLLECTION CALCULATION

Adopted Preliminary Budget Information:

Assessed Valuation: \$132,080,523

Collection Percentage 93.26%

Gaming Revenue - \$0

Assessed Valuation x Millage / 1,000 – Gaming Revenue x Collection % = Collectible Tax

$$\mathbf{\$132,080,523 \times 113.2691 / 1,000 - \$0 \times 93.26\% = \$13,952,295}$$

Adopted Preliminary Budget Information:

Assessed Valuation: \$133,580,351 – per Lackawanna County Update as of May 10, 2016

Collection Percentage 92.84% - per actual 15-16 collection %

Gaming Revenue - \$261,281 – per PDE

Assessed Valuation x Millage / 1,000 – Gaming Revenue x Collection % = Collectible Tax

$$\mathbf{\$133,580,351 \times 113.2591 / 1,000 - \$261,381 \times 92.84\% = \$13,803,262}$$

$$\mathbf{\$13,952,295 - \$13,803,262 = \$(149,033)}$$

2016-2017 PROPOSED FINAL ADJUSTMENTS REVENUE

B. State Sources

\$365,677 est. favorable

- Basic Education Funding/Ready to Learn/ABG \$99,027 favorable
- Special Education Subsidy \$26,961 favorable
- Gaming Revenue \$261,381 favorable
- FICA/PSERs Reimbursement based on updated salary schedule est. \$21,692 unfavorable

C. Federal Sources

- Final Projection will be presented in June 2016 for final 2016-2017 budget.

2016-2017 PROPOSED FINAL ADJUSTMENTS EXPENDITURES

D. Salaries **\$79,761 decrease**

- Reduction for Title portion of Administrative Salary
- Adjustment for Support Staff Settlements
- Adjustment for Retirements/Realignments/Attrition/Replacements
- Adjustment for 1 ESL position – Reclass from 300s
- Adjustment for Extended School Year

E. Benefits **\$114,450 increase**

- Adjustment to benefits based on above adjustments.
- Additional increase in Health Care of approx. 5% - \$140,000 est.
- Increase to Tuition Reimbursement - \$10,000

F. Purchased Professional/Tech Services **\$66,281 decrease**

- ESL reclass to 100s **\$59,681 decrease**
- Other adjustments as per discussions with Administration **\$6,600 decrease**

2016-2017 PROPOSED FINAL ADJUSTMENTS EXPENDITURES

G. Purchased Property Services **\$50,000 decrease**

- Decrease for portion of utilities due to change in provider/contract

H. Other Purchased Services **\$35,488 decrease**

- Increase in Charter/Cyber Tuition based on analysis and projection \$50,000 increase
- Career Tech Tuition adjustment \$78,028 decrease
- Other adjustments as per discussions with Administration \$7,460 decrease

I. Supplies **\$176,705 decrease**

- Decrease for portion of utilities due to change in provider/contract \$50,000 decrease
- Other adjustments as per discussions with Administration \$126,705 decrease

J. Property **\$7,370 increase**

- Other adjustments as per discussions with Administration \$7,370 increase

2016-2017 PROPOSED FINAL ADJUSTMENTS EXPENDITURES

K. Dues & Fees

\$19,280 increase

- Other adjustments as per discussions with Administration \$19,280 increase

L. Debt Payments

\$217,978 decrease

- Adjustment for refinancing \$217,978 decrease

M. Contingency

\$300,000 increase

- Amount budgeted for future unanticipated costs, ie. Health care, special education, etc.

WHAT'S NOT INCLUDED IN 2016-2017 POTENTIAL ADJUSTMENTS

REVENUE

- Reverse Tax Assessment Revenue
- Plan Con Portion Awaiting Part H Approval
- 2016-2017 State Subsidy Increase
- Title I & II Continuing Analysis – Final Adjustment will occur in Final Budget

EXPENDITURES

- Settlement of Professional Contract
- Settlement of Support Contract
- Settlement of Act 93 Contract
- Any Special Education Expenditure Adjustment
- Liability/Worker's Comp Insurance Adjustment

**Ongoing analysis continues on all Revenue & Expenditure accounts.*

POTENTIAL IMPACT OF 2016-2017 MILLAGE INCREASE

		ASSESSED VALUE						
		5,000	7,500	10,000	15,000	17,500	20,000	25,000
Millage		REAL ESTATE TAXES						
Adopted 15-16	105.8595	529.30	793.95	1,058.60	1,587.89	1,852.54	2,117.19	2,646.49
3.1% Index	109.1411	16.41	24.61	32.82	49.22	57.43	65.63	82.04
6.99% Index & Exceptions	113.259	37.00	55.50	73.99	110.99	129.49	147.99	184.99

Additional Tax Information Included in Proposed Final Budget

- ✓ Gross Value of a Mill: \$133,580
- ✓ Net Value of a Mill: \$123,923
- ✓ Index approved for Mid Valley: 3.1%
- ✓ Index approximates (109.1411 mills): \$406,961
- ✓ Index + Exceptions approximates (113.2590 mills): \$917,647
- ✓ Estimated Tax relief per Homestead & Farmstead: \$65