

**2016-2017 6 MONTH
UNAUDITED CLOSE – BUDGET TO ACTUAL
& 2017-2018 WORKING BUDGET**

Presented on January 11th, 2017

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6 Month Unaudited Review 2016-2017 Budget to Actual

	RESTATED 2016-2017 BUDGET	6 MONTH UNAUDITED CLOSE	VARIANCE Fav / (Unfav)
REVENUE:			
6000 LOCAL SOURCES	16,539,496	14,106,706	(2,432,790)
7000 STATE SOURCES	7,631,343	5,071,879	(2,559,464)
8000 FEDERAL SOURCES	565,681	268,857	(296,824)
TOTAL REVENUES	24,736,520	19,447,442	(5,289,078)
EXPENDITURES:			
100 PERSONNEL SERVICES-SALARIES	9,748,094	4,625,772	5,122,322
200 PERSONNEL SERVICES-BENEFITS	7,296,737	3,086,124	4,210,613
300 PURCHASED PROF. & TECH. SERVICES	1,191,015	686,167	504,848
400 PURCHASED PROPERTY SERVICES	648,000	373,218	274,782
500 OTHER PURCHASED SERVICES	3,221,278	1,011,745	2,209,533
600 SUPPLIES	765,530	474,791	290,739
700 PROPERTY	62,520	43,395	19,125
800 DUES, FEES AND OTHER	52,250	22,941	29,309
900 DEBT PYMT/TRANSFERS/OTHER	1,921,793	407,203	1,514,590
BUDGETARY RESERVE/CONTINGENCY	300,000	-	300,000
TOTAL EXPENDITURES	25,207,217	10,731,358	14,475,859
REVENUE OVER (UNDER) EXPENDITURES	(470,697)	8,716,084	9,186,781
** FUND BALANCE - JUNE 30, 2016	1,093,696		
ENDING FUND BALANCE - JUNE 30, 2017	622,999		

POTENTIAL 2016-2017 FUND BALANCE ADJUSTMENTS

Estimated Ending 16-17 Fund Balance following Restatement	622,999
2015-2016 PlanCon Received in 2016-2017 due to State Delay in Funding	155,691
"Old" Series A PlanCon Received in 2016-2017 due to State Moratorium	1,198,003
Potential Remaining Series A PlanCon not budgeted due to State Moratorium	140,000
2016-2017 State Subsidies Approved following State Budget	187,616
Refund of PY Expenditure - Health Care Surplus - Benecon	99,660
Potential Revenue Adjustments (Increase)	1,780,970
Contingency - unspent estimated	180,000
Refinancing - estimated	100,000
Potential Expenditure Adjustments (Decrease)	280,000
Estimated 2016-2017 Fund Balance Adjustments	2,060,970
Estimated Ending Fund Balance 16-17 following Potential Fund Balance Adjustments	2,683,969

****No assumption for Special Education adjustments, Charter/Cyber adjustments, or any other unanticipated costs.*** 3

WORKING 2017-2018 BUDGET

INCLUDES INCREASE TO THE INDEX – 3.2%

	RESTATED 2016-2017 BUDGET	WORKING 2017-2018 BUDGET 3.2%	VARIANCE Fav / (Unfav)	WORKING 2017-2018 BUDGET 0%
REVENUE:				
LOCAL SOURCES	16,539,496	17,083,923	A 544,427	16,634,318
STATE SOURCES	7,631,343	8,175,472	B 544,129	8,175,472
FEDERAL SOURCES	565,681	529,066	C (36,615)	529,066
TOTAL REVENUES	24,736,520	25,788,461	1,051,941	25,338,856
EXPENDITURES:				
PERSONNEL SERVICES-SALARIES	9,748,094	9,804,648	D (56,554)	9,804,648
PERSONNEL SERVICES-BENEFITS	7,296,737	7,785,455	E (488,718)	7,785,455
PURCHASED PROF. & TECH. SERVICES	1,191,015	1,632,185	F (441,170)	1,632,185
PURCHASED PROPERTY SERVICES	648,000	713,000	G (65,000)	713,000
OTHER PURCHASED SERVICES	3,221,278	3,082,678	H 138,600	3,082,678
SUPPLIES	765,530	806,280	I (40,750)	806,280
PROPERTY	62,520	62,520	-	62,520
DUES, FEES AND OTHER	52,250	44,660	J 7,590	44,660
DEBT PYMT/TRANSFERS/OTHER	1,921,793	2,165,955	K (244,162)	2,165,955
BUDGETARY RESERVE/CONTINGENCY	300,000	300,000	-	300,000
TOTAL EXPENDITURES	25,207,217	26,397,381	(1,190,164)	26,397,381
REVENUE OVER (UNDER) EXPENDITURES	(470,697)	(608,920)	(138,223)	(1,058,525)
FUND BALANCE - JUNE 30, 2016	1,093,696	2,683,969	1,590,273	2,683,969
ESTIMATED 2016-2017 FUND BALANCE ADJUST	2,060,970	-	2,060,970	-
ENDING FUND BALANCE - JUNE 30, 2017	2,683,969	2,075,049	(608,920)	1,625,444

EXPLANATION OF REVENUE VARIANCES 16/17 vs. 17/18

A. 6000s Local Sources:

- Index approximates \$449,605 – included in working 17-18 budget
- Increase in IDEA based on 16-17 figures approximates \$57,000

B. 7000s State Sources:

- Increase in BEF, RTL, Special Education approximates \$187,616
- Increase in PlanCon A Reimbursement approximates \$191,178
- Increase in PlanCon B & C Reimbursement approximates \$5,167
- Increase in FICA Reimbursement approximates \$2,732
- Increase in PSERs Reimbursement approximates \$150,937
- Increase in Foster Reimbursement approximates \$6,500

C. 8000s Federal Sources:

- Reduction in ACCESS Reimbursement - \$40,000
- Adjustment to Title I Revenue - \$3,385 increase

EXPLANATION OF EXPENDITURE VARIANCES 16/17 vs. 17/18

D. 100s Personnel Salaries:

- Adjustments based on current census & as per discussion with Superintendent (+1 Teacher; +1 Aide)
- Reclassifications for outsourced services, i.e.. Substitutes, Cleaning, Director of Facilities, etc.

E. 200s Personnel Benefits:

- Increase in FICA based on increase in salaries - \$5,343
- Increase in PSERs based on rate increase from 30.03% to 32.57% (1.27% net) and on increase in eligible salaries - \$301,406
- Increase in Health Care Based on 10% increase over 16-17 maximum amounts - \$180,567
- Increase in Life Insurance based on eligible employees - \$1,400

F. 300s Purchased Prof & Tech Services:

- Increase in Special Education Services (reclass from 500s) \$105,000
- Increase for Substitute Services and Director of Facilities (reclass from 100s & 200s) \$327,000
- Increase for 21st Century Grant \$12,000
- Other adjustments \$2,830 decrease

EXPLANATION OF EXPENDITURE VARIANCES 16/17 vs. 17/18

G. 400s Purchased Property Services:

- Increase in Cleaning Services (reclass from 100s & 200s) \$65,000

H. 500s Other Purchased Services:

- Decrease in Special Education Tuition (reclass to 300s) \$120,100
- Other Reductions - \$18,500

I. 600s Supplies:

- Increase in Textbooks - \$35,500
- Increase in Supplies for Curriculum line item - \$5,250

J. 800s Dues & Fees:

- Reduction in TRAN Fees - \$8,000
- Other Dues & Fees increase- \$410

K. 900s Debt Service:

- Increase based on Amortization Schedule - \$244,162
- ****Refinancing not yet factored in.**

MILLAGE HISTORY

	YEAR	MILLAGE	INCREASE	% INCREASE
	2007-2008	84.00	0.00	0.00%
*	2008-2009	87.69	3.69	4.39%
	2009-2010	87.69	0.00	0.00%
*	2010-2011	90.75	3.06	3.49%
*	2011-2012	92.29	1.54	1.70%
	2012-2013	92.29	0.00	0.00%
**	2013-2014	97.59	5.27	5.71%
**	2014-2015	101.5859	4.03	4.13%
**	2015-2016	105.8595	4.2736	4.21%
**	2016-2017	113.2590	7.3995	6.99%

* - Tax increase to Index

** - Tax increase to Index & Exceptions

Potential Qualifying Exceptions 2017-2018 School Year

• Special Education Expenditures	\$ -
• Retirement Contributions	<u>67,575</u>
TOTAL POTENTIAL QUALIFYING EXCEPTIONS (EST)	\$ 67,575

**Calculations subject to revision pending release of updated forms from the Pennsylvania Department of Education.*

***Final exceptions are approved by Pennsylvania Department of Education.*

Index revenue approximates (3.2%)	\$449,605
<u>Exceptions will potentially approximate add'l revenue (0.49%)</u>	<u>\$ 67,575 (EST.)</u>
Total Index + Approximate potential Exceptions (3.69%)	\$517,180

Impact of 2017-2018 Millage Increase

	Millage	5,000	7,500	10,000	15,000	17,500	20,000	25,000
Adopted 16-17	113.259	566.30	849.44	1,132.59	1,698.89	1,982.03	2,265.18	2,831.48
3.2% Index	116.8832	18.12	27.18	36.24	54.36	63.42	72.48	90.61

Additional Tax Information Included in Proposed Final Budget

- ✓ **Gross Value of a Mill:** **\$133,624**
- ✓ **Net Value of a Mill:** **\$124,056**
- ✓ **Index approved for Mid Valley:** **3.2%**
- ✓ **Index approximates (116.8832 mills):** **\$449,605**
- ✓ **Estimated Tax relief per Homestead & Farmstead:** **\$65**

WHAT'S NOT INCLUDED IN THE 2017-2018 WORKING BUDGET

REVENUE

- REVERSE TAX ASSESSMENT REVENUE
- STATE SUBSIDY INCREASE 2017-2018

EXPENDITURES

- ANY ADDITIONAL SPECIAL EDUCATION EXPENDITURE ADJUSTMENT
- ANY CHARTER/CYBER SCHOOL ADJUSTMENTS
- LIABILITY/WORKER COMP. INSURANCE ADJUSTMENTS
- POTENTIAL REFINANCING SAVINGS

WHAT'S NEXT IN THE 2017-2018 BUDGET PROCESS IF THE BOARD ELECTS TO **NOT** GO ABOVE THE INDEX

- BOARD OF DIRECTORS WILL APPROVE RESOLUTION NOT TO EXCEED THE INDEX ON **JANUARY 18th, 2017**.
- GOVERNOR WOLF WILL PRESENT HIS BUDGET ADDRESS ON **FEBRUARY 7TH, 2017**.
- THE ADMINISTRATION & BUSINESS MANAGER CONSULTANT WILL CONTINUE TO WORK ON THE 2017-2018 BUDGET AND UPDATE THE BOARD WITH ANY CHANGES.
- **MAY 10TH, 2017** THE PROPOSED FINAL BUDGET WILL BE PRESENTED.
- **MAY 17TH, 2017** THE PROPOSED FINAL BUDGET WILL BE APPROVED.
- **JUNE 14TH, 2017** THE FINAL BUDGET WILL BE PRESENTED.
- **JUNE 21ST, 2017** THE FINAL BUDGET WILL BE APPROVED.

WHAT'S NEXT IN THE 2017-2018 BUDGET PROCESS IF THE BOARD ELECTS TO GO ABOVE THE INDEX

- THE PROPOSED PRELIMINARY BUDGET WILL BE MADE AVAILABLE TO THE PUBLIC NO LATER THAN **JANUARY 25TH, 2017**.
- THE INTENT TO ADOPT THE PRELIMINARY BUDGET WILL BE ADVERTISED NO LATER THAN **FEBRUARY 3RD, 2017**.
- GOVERNOR WOLF WILL PRESENT HIS BUDGET ADDRESS ON **FEBRUARY 7TH, 2017**.
- THE BOARD WILL APPROVE THE PRELIMINARY BUDGET ON **FEBRUARY 15TH 2017**.
- THE DISTRICT WILL ADVERTISE, NO LATER THAN **FEBRUARY 23RD, 2017** THE INTENT TO REQUEST APPROVAL FROM PDE FOR A REFERENDUM EXCEPTION.
- THE DISTRICT WILL SEEK APPROVAL FROM PDE FOR REFERENDUM EXCEPTIONS REQUIRING THEIR APPROVAL NO LATER THAN **MARCH 2ND, 2017**.
- THE ADMINISTRATION & BUSINESS MANAGER CONSULTANT WILL CONTINUE TO WORK ON THE 2017-2018 BUDGET AND UPDATE THE BOARD WITH ANY CHANGES.
- **MAY 10TH, 2017** THE PROPOSED FINAL BUDGET WILL BE PRESENTED.
- **MAY 17TH, 2017** THE PROPOSED FINAL BUDGET WILL BE APPROVED.
- **JUNE 14TH, 2017** THE FINAL BUDGET WILL BE PRESENTED.
- **JUNE 21ST, 2017** THE FINAL BUDGET WILL BE APPROVED.