

SELINGROVE AREA SCHOOL DISTRICT
2019-20 PROPOSED FINAL BUDGET

EXECUTIVE SUMMARY

May 13, 2019

FUND BALANCES AT 6-30-19

05/07/19

YEAR END BUDGET PROJECTIONS FOR CURRENT 2018-19 YEAR	2018-19		projected		Total Government Funds	Bond proceeds Capital Projects
	General Fund		Debt Service	Capital		
	Budget	projected	Fund	Reserve		
Fund Balances - Beginning	\$ 8,960,605	\$ 9,406,724	\$ 1,646,583	\$ 1,609,000	\$ 12,662,307	\$ 9,822,753
Revenues	\$ 42,802,976	\$ 43,134,047	\$ 50,000	\$ 13,000	\$ 43,197,047	\$ 117,600
Interfund transfers in from General			\$ 2,809,400	\$ 133,000	\$ 2,942,400	\$ -
Total Income	\$ 42,802,976	\$ 43,134,047	\$ 2,859,400	\$ 146,000	\$ 46,139,447	\$ 117,600
Expenditures	\$ 40,603,904	\$ 40,068,435	\$ 3,000,149	\$ 1,147,217	\$ 44,215,801	\$ 5,116,510
Interfund transfers out	\$ 2,942,400	\$ 2,942,400	\$ -	\$ -	\$ 2,942,400	\$ -
Total Outlays	\$ 43,546,304	\$ 43,010,835	\$ 3,000,149	\$ 1,147,217	\$ 47,158,201	\$ 5,116,510
Surplus/(Deficit)	\$ (743,328)	\$ 123,212	\$ (140,749)	\$ (1,001,217)	\$ (1,018,754)	\$ (4,998,910)
Escrow for tax appeals					\$ -	
Additional Transfer to Cap Reserve & Debt Service		\$ -	\$ -	\$ -		\$ -
Surplus after additional transfers		\$ 123,212				
Committed fund balance transfer to Cap Reserve		\$ -		\$ -		
Fund Balances - Ending	\$ 8,217,277	\$ 9,529,936	\$ 1,505,834	\$ 607,783	\$ 11,643,553	\$ 4,823,843
Changes in Fund Balance Totals						
Designation of Fund Balance:	Balance	2018-19	Balance			
General Fund	6/30/2018	Designation	6/30/2019			
Assigned	\$ 66,741		\$ 66,741			
Restricted - Special Ed ACCESS Program	\$ 443,809		\$ 443,809			
Nonspendable - Inventory of Supplies	\$ 17,198		\$ 17,198			
Nonspendable - Prepaid Expenses	\$ 3,950		\$ 3,950			
Committed - Real Estate Tax Appeals	\$ 200,000		\$ 200,000			
Committed - Retiree Healthcare	\$ 2,318,334		\$ 2,318,334			
Committed - MS project	\$ -		\$ -			
Committed - PSERS	\$ 3,214,716		\$ 3,214,716			
Committed - Educational Resources	\$ 306,389		\$ 306,389			
Unassigned	\$ 2,835,587	\$ 123,212	\$ 2,958,799	(6.9% of budget)		
Total Fund Balances	\$ 9,406,724	\$ 123,212	\$ 9,529,936	(22.2% of budget)		

2019-20 Budget

Summary

Revenue Assumptions

1. Real estate revenue projected with a small decrease in the overall tax base and a 1.51 mill tax increase or 2.2%. Total real estate rate of 69.00 mills. Funds for potential loss in future revenue for Susquehanna Valley mall appeals are escrowed in the fund balance. Tax increase means an increase to the average homeowner of \$40.77.
2. Earned income taxes are budgeted with a 2.5% increase over projected 18-19 collections.
3. Basic Education subsidy is budgeted with a 1.3% increase.
4. Special education subsidy is budgeted with 2.0% increase based on special education cost formula.
5. State share of retirement expenses based on the projected PSERS rate of 34.29%. District receives approximately half of the total cost in reimbursement.
6. Debt service reimbursement (Plan Con) from the state is budgeted according to our debt service schedule. The increase will be \$310,693.
7. Federal grants (Title I and Title II) are budgeted at the 18-19 original budget amounts pending federal budget allocations.
8. Total revenues estimated at \$44.3 million. An increase of \$1.5 million or 3.6% from 18-19 original budgeted revenue and \$1.2 million or 2.8% from projected revenue.

Expenditure Assumptions

1. Professional salaries projected with step movement according to the current contract. Step movement increases average 2.2%. Total professional staff numbers are at same level as this year. Classified wages are budgeted with an increase of 3%. Total administrator salaries are budgeted with a 3% increase. Classified and administrator increases are based upon evaluations. Total salary cost increase of 2.3% from 18-19 budget.
2. Medical insurance costs are budgeted with a premium increase of 7.0%.
3. Retiree medical insurance projected with a net decrease of 4 retirees coming off the plan. Total of 42 on the retiree medical plan.

4. Employer share of PSERS projected at 34.29% of payroll. An increase of 0.86 percentage points from the current rate of 33.43%. This represents an overall rate increase of 2.6%.
5. Building budgets show a small \$6,300 overall increase from 18-19.
6. Technology budget at the same amount as 18-19 original allocation.
7. District contribution to SUN Vo-tech is increased by \$82,300 or 7.5% as per the SUN Tech approved budget (enrollment increases).
8. Cyber charter tuition projected to decrease by \$75,000 (based on 18-19 enrollment).
9. Special education services through the CSIU and out placement tuition costs budget decreased by \$45,000 (based on 18-19 enrollment).
10. Transportation costs are budgeted with a 3.0% increase.
11. Facilities budget projected increase of 2.7%.
12. After-school tutoring program included at a total cost of \$66,134 (personnel costs and transportation costs).
13. Transfer out to the Debt Service Fund is budgeted with an increase of \$290,600 from 18/19. This reflects a phase in of the new debt service for the capital projects and an overall increase in the district's local share of existing debt payments.
14. Transfer out to the Capital Reserve Fund is included in the budget at \$133,000. This number reflects the amount of the lease payments for Jackson-Penn earmarked for district-wide capital improvements and year 5 of the pledge amounts for the scoreboard/press box upgrades.
15. Total expenditure budget is \$45.04million. An overall increase of \$1.5 million or 3.4% from the 2018-19 budget.

2019-20 Budget Summary

Beginning Total Fund Balance)		\$ 9,529,936
Revenues (1.51 mill increase)	\$ 44,323,515	
Expenditures	(\$ 45,036,987)	
Operating Surplus/(Deficit) to be covered		(\$ 713,472)
By fund balance reserves		
Ending Fund Balance		\$ 8,816,464
Total fund balance as a % of total expenses		19.6%

Major budgetary Increases

Category of Expense	\$ Change	% Change
Salaries and Wages	\$ 452,634	2.3%
Retirement Expense (PSERS)	\$ 331,352	5.1%
Transfer out to Debt Service Fund	\$ 290,600	10.3%
Medical Insurance (employee & retiree)	\$ 195,410	4.3%

New Items in Budget

Cost Center	Amount	Description
High school - Tech Ed	\$ 11,500	laser engraver
Athletics	\$ 35,582	2nd trainer and full cost of uniform replacements
After school tutoring	<u>\$ 66,134</u>	personnel costs of \$38,486 and transportation costs of \$27,648
Total	\$ 113,216	

Projected Fund Balance Totals at 6/30/20

Designation of Fund Balance:	Balance 6/30/2019	2019-20 Designation	Balance 6/30/2020
General Fund			
Assigned	\$ 66,741	\$ 0	\$ 66,741
Restricted - Special Ed ACCESS Program	\$ 443,809	\$ 0	\$ 443,809
Nonspendable	\$ 21,148	\$ 0	\$ 21,148
Committed - Retiree Healthcare	\$ 2,318,334	\$ (300,000)	\$ 2,018,334
Committed - Real Estate Tax Appeals	\$ 200,000	\$ 0	\$ 200,000
Committed - PSERS	\$ 3,214,716	\$ (313,472)	\$ 2,901,244
Committed - Educational Resources	\$ 306,389	\$ 0	\$ 306,389
Unassigned	\$ 2,958,799	\$ (100,000)	\$ 2,858,799
Total Fund Balances	\$ 9,529,936	\$ (713,472)	\$ 8,816,464
Fund balance as a % of total budget	21.1%		19.6%

**2019-2020 PROPOSED FINAL
GENERAL FUND BUDGET SUMMARY**

05/07/19

PROPOSED FINAL BUDGET (proposed 1.51 mill tax increase)	Actual 2017-18	% of budget	Budgeted 2018-19	% of budget	Proj 2018-19	% of budget	Budgeted 2019-20	% of budget	Budget Variance	% Variance
Beginning Total Fund Balance	\$ 10,940,998		\$ 8,960,605		\$ 9,406,724		\$ 9,529,936			
Real Estate Tax	\$ 16,158,510	38.3%	\$ 16,494,263	38.5%	\$ 16,412,259	38.0%	\$ 16,860,059	38.0%	\$ 365,796	2.2%
Earned Income Tax	\$ 7,188,691	17.0%	\$ 7,296,685	17.0%	\$ 7,368,409	17.1%	\$ 7,552,619	17.0%	\$ 255,934	3.5%
Other Taxes	\$ 594,751	1.4%	\$ 573,942	1.3%	\$ 682,789	1.6%	\$ 586,865	1.3%	\$ 12,923	2.3%
Delinquent Taxes	\$ 576,381	1.4%	\$ 635,600	1.5%	\$ 637,800	1.5%	\$ 635,600	1.4%	\$ -	0.0%
Investment Earnings	\$ 231,251	0.5%	\$ 250,000	0.6%	\$ 275,000	0.6%	\$ 275,000	0.6%	\$ 25,000	10.0%
Other Local Revenue	\$ 884,534	2.1%	\$ 813,614	1.9%	\$ 763,953	1.8%	\$ 793,922	1.8%	\$ (19,692)	-2.4%
State Sources	\$ 15,444,577	36.6%	\$ 15,896,258	37.1%	\$ 15,962,366	37.0%	\$ 16,646,144	37.6%	\$ 749,886	4.7%
Federal Sources	\$ 1,163,587	2.8%	\$ 842,614	2.0%	\$ 1,031,471	2.4%	\$ 973,306	2.2%	\$ 130,692	15.5%
REVENUES	\$ 42,242,282	100%	\$ 42,802,976	100%	\$ 43,134,047	100%	\$ 44,323,515	100%	\$ 1,520,539	3.6%
Salaries	\$ 18,659,136	45.1%	\$ 19,429,477	44.6%	\$ 19,301,933	44.9%	\$ 19,882,111	44.1%	\$ 452,634	2.3%
Fringe Benefits/Insurances	\$ 12,063,567	29.2%	\$ 13,096,781	30.1%	\$ 12,798,011	29.8%	\$ 13,673,670	30.4%	\$ 576,889	4.4%
Contracted Services	\$ 1,241,722	3.0%	\$ 1,161,969	2.7%	\$ 1,051,969	2.4%	\$ 1,096,232	2.4%	\$ (65,737)	-5.7%
Repairs & Maintenance	\$ 188,117	0.5%	\$ 159,315	0.4%	\$ 286,315	0.7%	\$ 152,790	0.3%	\$ (6,525)	-4.1%
Transp, Student Tuitions, Other Svcs	\$ 4,444,251	10.7%	\$ 4,687,262	10.8%	\$ 4,588,541	10.7%	\$ 4,787,077	10.6%	\$ 99,815	2.1%
Supplies/Books/Software	\$ 984,748	2.4%	\$ 714,673	1.6%	\$ 814,673	1.9%	\$ 790,255	1.8%	\$ 75,582	10.6%
Utilities	\$ 536,171	1.3%	\$ 575,085	1.3%	\$ 555,085	1.3%	\$ 592,350	1.3%	\$ 17,265	3.0%
Equipment/Property	\$ 432,245	1.0%	\$ 360,024	0.8%	\$ 459,487	1.1%	\$ 396,589	0.9%	\$ 36,565	10.2%
Fees	\$ 73,942	0.2%	\$ 82,799	0.2%	\$ 82,799	0.2%	\$ 79,916	0.2%	\$ (2,883)	-3.5%
Other Expenses	\$ 129,281	0.3%	\$ 336,519	0.8%	\$ 129,622	0.3%	\$ 352,997	0.8%	\$ 16,478	4.9%
Transfers to Capital Reserve	\$ 140,376	0.3%	\$ 133,000	0.3%	\$ 133,000	0.3%	\$ 133,000	0.3%	\$ -	0.0%
Transfers to Debt Service	\$ 2,483,000	6.0%	\$ 2,809,400	6.5%	\$ 2,809,400	6.5%	\$ 3,100,000	6.9%	\$ 290,600	10.3%
EXPENDITURES	\$ 41,376,556	100%	\$ 43,546,304	100%	\$ 43,010,835	100%	\$ 45,036,987	100%	\$ 1,490,683	3.4%
Surplus/(Deficit)	\$ 865,726		\$ (743,328)		\$ 123,212		\$ (713,472)			
Additional Transfers to Capital Reserve Debt Service and Tax Escrow	\$ (400,000)				\$ -					
Ending Fund Balance	\$ 11,406,724		\$ 8,217,277		\$ 9,529,936		\$ 8,816,464			
Transfer out Middle School Project committed balance to Capital Reserve	\$ (2,000,000)				\$ -					
Adjusted Total Ending Fund Balance	\$ 9,406,724				\$ 9,529,936		\$ 8,816,464			

REVENUE BREAKDOWN BY MAJOR SOURCE

05/07/19

Sources	2016-17 Revenue	% of Total	2017-18 Revenue	% of Total	2018-19 Revenue	% of Total	2019-20 Revenue	% of Total	Variance from Pr Yr	Current vs. Proposed
Local	\$ 24,897,505	59.9%	\$ 25,275,043	60.5%	\$ 26,064,104	60.9%	\$ 26,704,065	60.2%	\$ 639,961	2.5%
State	\$ 15,231,510	36.7%	\$ 15,383,390	36.8%	\$ 15,896,258	37.1%	\$ 16,646,144	37.6%	\$ 749,886	4.9%
Federal	\$ 1,415,088	3.4%	\$ 1,133,645	2.7%	\$ 842,614	2.0%	\$ 973,306	2.2%	\$ 130,692	11.5%
Total	\$ 41,544,103	100.0%	\$ 41,792,078	100.0%	\$ 42,802,976	100.0%	\$ 44,323,515	100.0%	\$ 1,520,539	3.6%

Description of Major Revenue Sources:

Local Sources: Made up of mostly real estate taxes and earned income taxes. The district also collects per capita taxes, real estate transfer taxes, and delinquent taxes. Other local sources would be interest/investment earnings, athletic admissions, student activity fees, and other miscellaneous revenues.

State Sources: The largest item in this category is the basic education subsidy line item. Other sources would be the special education subsidy, transportation subsidy, reimbursement for debt service, accountability block grant, and property tax reduction allocation. The state also reimburses the district for 1/2 of our retirement and social security expenses. There are other smaller reimbursements.

Federal Sources: The main revenues in this category are the Title I and II funds. Other federal sources are ACCESS funds for special education and the Perkins grant for agricultural education.

EXPENDITURE BUDGET BREAKDOWN BY MAJOR OBJECT

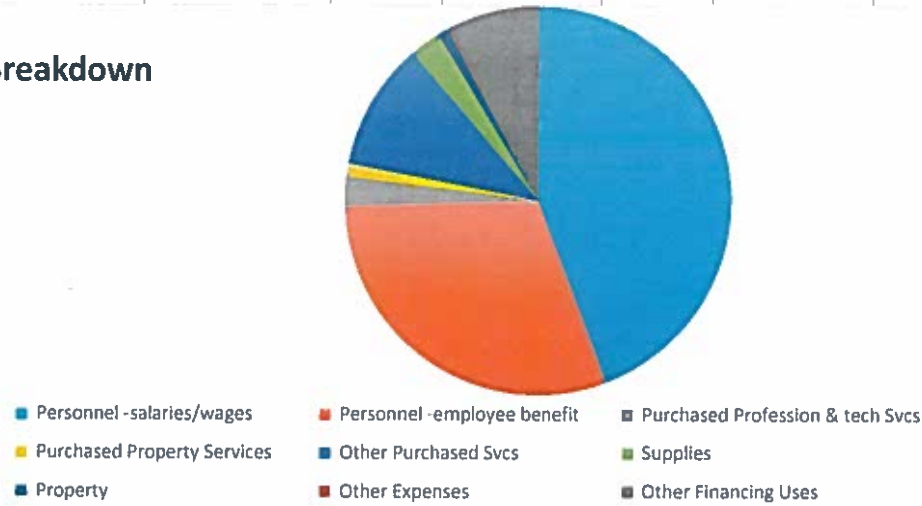
05/07/19

Description	2016-17 Actual	% of Budget	2017-18 Actual	% of Budget	2018-19 Budget	% of Budget	2019-20 Budget	% of Budget	Variance from Pr Yr	% change from Pr Yr
Personnel -salaries/wages	\$ 18,086,101	44.5%	\$ 18,659,133	42.6%	\$ 19,429,477	44.6%	\$ 19,882,111	44.1%	\$ 452,634	2.3%
Personnel -employee benefit	\$ 11,151,867	27.4%	\$ 12,063,565	27.6%	\$ 13,096,781	30.1%	\$ 13,673,670	30.4%	\$ 576,889	4.4%
Purchased Profession & tech Svcs	\$ 1,105,226	2.7%	\$ 1,241,722	2.8%	\$ 1,161,969	2.7%	\$ 1,096,232	2.4%	\$ (65,737)	-5.7%
Purchased Property Services	\$ 388,452	1.0%	\$ 489,899	1.1%	\$ 470,100	1.1%	\$ 490,472	1.1%	\$ 20,372	4.3%
Other Purchased Svcs	\$ 3,922,543	9.7%	\$ 4,444,251	10.2%	\$ 4,687,262	10.8%	\$ 4,787,077	10.6%	\$ 99,815	2.1%
Supplies	\$ 1,772,222	4.4%	\$ 1,348,424	3.1%	\$ 1,099,473	2.5%	\$ 1,174,205	2.6%	\$ 74,732	6.8%
Property	\$ 416,735	1.0%	\$ 432,245	1.0%	\$ 360,024	0.8%	\$ 396,589	0.9%	\$ 36,565	10.2%
Other Expenses	\$ 74,184	0.2%	\$ 73,942	0.2%	\$ 82,799	0.2%	\$ 79,916	0.2%	\$ (2,883)	-3.5%
Other Financing Uses	\$ 3,728,968	9.2%	\$ 5,023,376	11.5%	\$ 3,158,419	7.3%	\$ 3,456,715	7.7%	\$ 298,296	9.4%
Total Expenditures	\$ 40,646,298	100.0%	\$ 43,776,557	100.0%	\$ 43,546,304	100.0%	\$ 45,036,987	100.0%	\$ 1,490,683	3.4%
Description of Expenses										
Personnel - Salaries and wages:	Salaries and wages for all district personnel - administrators, teachers,substitutes, and all support staff.									
Personnel - Employee benefits:	Benefits for all district personnel - includes fringes on salaries and wages such as social security, retirement, unemployment and workers compensation. This category also includes medical, dental, and life insurance.									
Purchased Professional Services:	This category includes all professional services that the district purchases. The largest expense would be special education services that are purchased through the CSIU. Other professional services would be tax collection expenses, legal and accounting services.									
Purchased Property Services:	Repairs and maintenance expenses for the district's facilities and equipment. Most of the facility utility expenses are included here such as natural gas, water/sewer, disposal, and telephone. Leasing of district equipment for printers and copiers is included here.									
Other Purchased services:	Transportation expenses make up the largest portion of this category. Also, all student tuition expenses are accounted for here such as cyber charter tuition, vo-tech tuition, tuition for alternative education, and for special education outplacement students.									
Supplies:	Classroom supplies, textbooks, software, videos, and annual software license expenses. Also electricity is included in this category.									
Property:	Furniture and equipment that is depreciable. All computer hardware and networking equipment. Vehicles and other tangible property.									
Other Expenses:	Dues/fees and memberships in organizations such as PSBA and PASBO. Other miscellaneous expenses that don't fit in other categories.									
Other Financing Uses:	Transfers out to other funds such as the capital reserve and debt service fund. The budgetary reserve amount is also included in this category.									

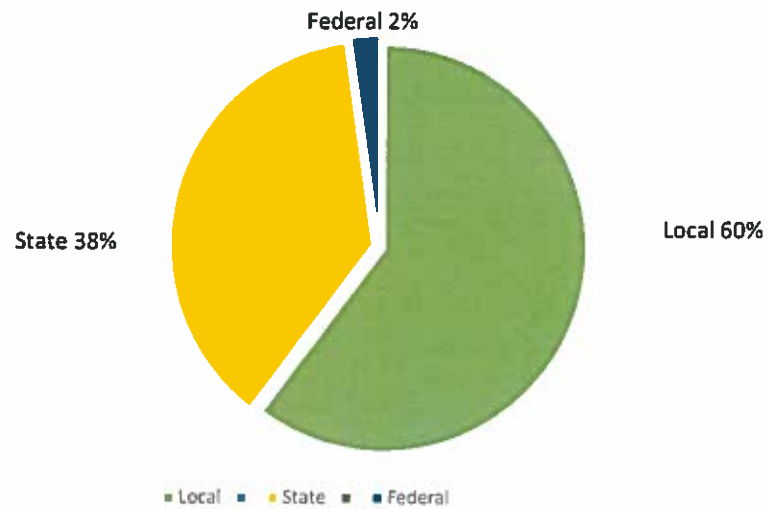
PROPOSED FINAL BUDGET BREAKDOWN

05/07/19

Expense Breakdown



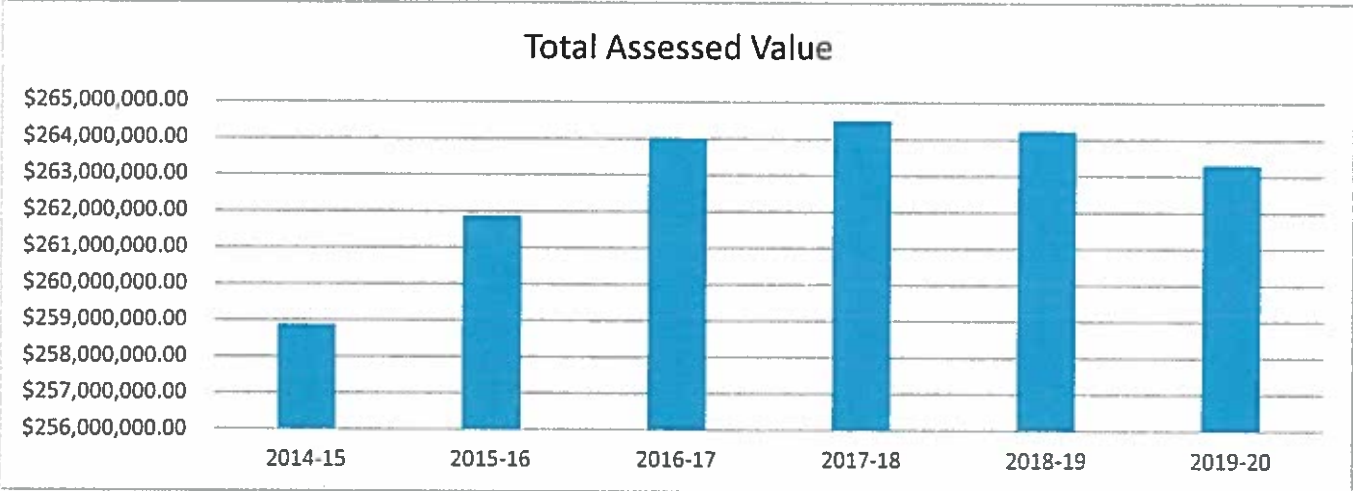
Revenue Breakdown



REAL ESTATE TAX BASE ANALYSIS

05/07/19

	Total Assessed Value	Dollar Change	% Change
2014-15	\$ 258,875,770	1,164,340	0.45%
2015-16	\$ 261,860,520	2,984,750	1.15%
2016-17	\$ 264,026,440	2,165,920	0.83%
2017-18	\$ 264,505,970	479,530	0.18%
2018-19	\$ 264,237,640	(268,330)	-0.10%
2019-20	\$ 263,307,090	(930,550)	-0.35%



Real Estate Breakdown of District
 Commercial 25%
 Residential 75%

Net loss of \$288,000 from the SV Mall.
 This represents 1.2 mills in real estate tax revenue

