



Final Budget Update

June 6, 2022

Big Spring Middle School - COW

7:00 PM

Budget Assumptions

- Assumptions based on current data (enrollment, trends, etc.)
- No new state money
- Conservative EIT increase (2%)
- Contractual increases
- Minimize/eliminate the Fiscal Cliff (FY25)



FY23 Final Budget

- Real Estate (Assessed Values) ↑
- Earned Income Tax Revenue ↑
- Federal Subsidy Revenue ↓
- Charter School Expense ↑



Big Spring FY23 Budget	
Revenues	\$59,368,370
Expenses	\$59,551,070
To/(From) Fund Balance	(\$182,700)



FY23 Final Budget



BIG SPRING SCHOOL DISTRICT

\$59,368,370
2023 Budgeted Revenues

\$59,551,070
2023 Budgeted Expenses

\$12,295,817
Fund Balance as of 6/30/21

\$37,485,094
Revenues from Local Sources

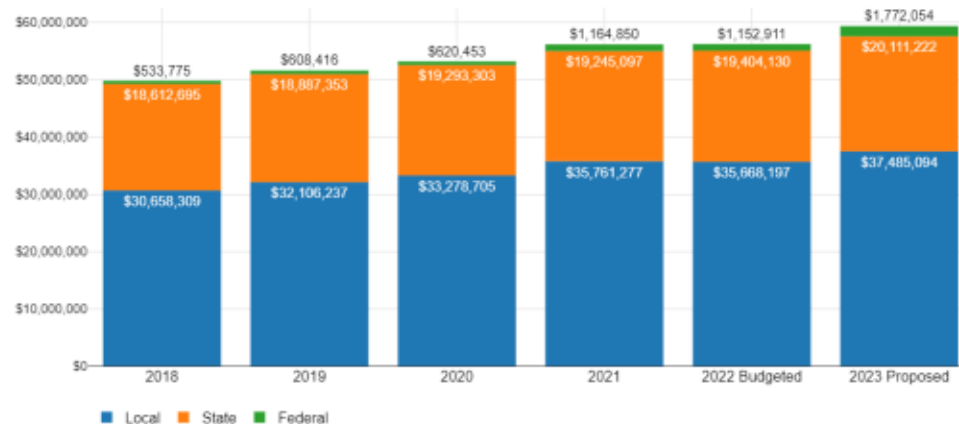
\$20,111,222
Revenues from State Sources

\$20,657,421
Expenses for Salaries

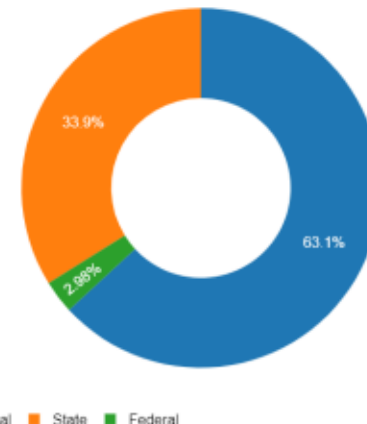
\$13,819,143
Expenses for Benefits

\$4,767,801
Expenses towards Debt Service

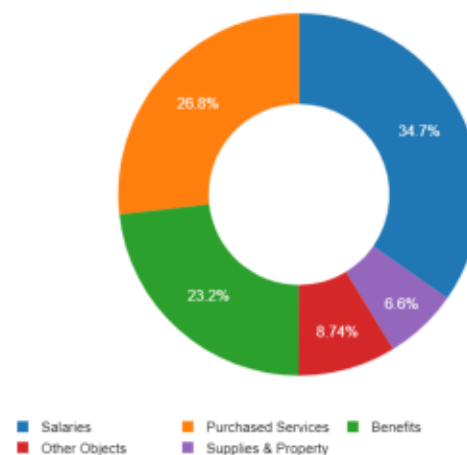
Revenues by Source



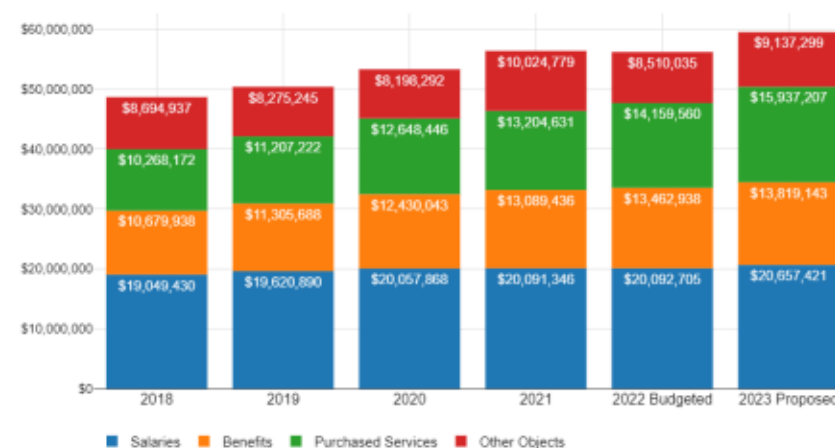
Proposed Budget Revenues by Source



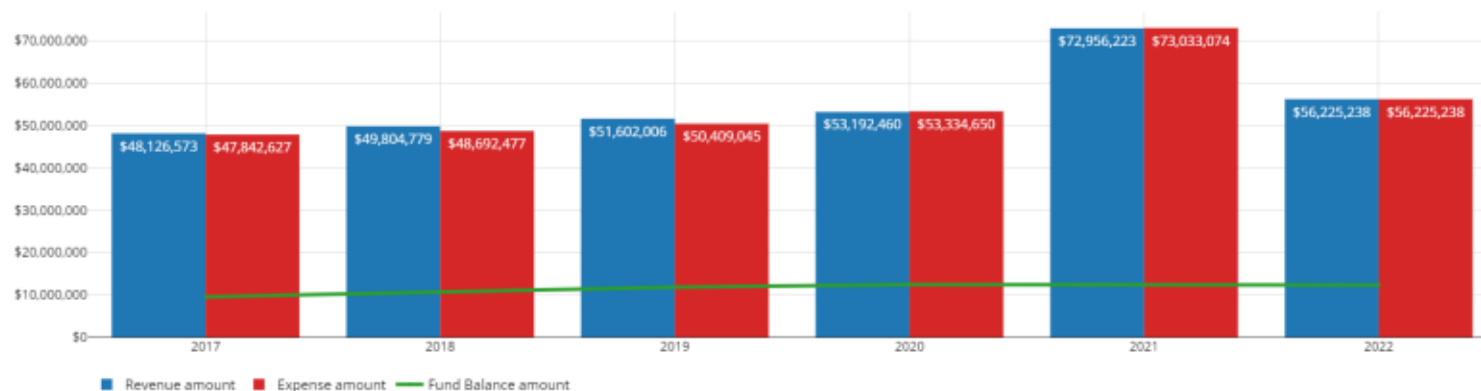
Proposed Budget Expenses by Object



Expenses by Object



Historical Revenues, Expenses and General Fund Balance



General Fund | Projection Summary

FY23 - FINAL BUDGET

	BUDGET 2022	Budget 2023	%Δ	2024	%Δ	REVENUE / EXPENDITURE PROJECTIONS					
REVENUE						2025	%Δ	2026	%Δ	2027	%Δ
Local	\$35,668,197	\$37,485,094	5.09%	\$38,753,394	3.38%	\$39,913,992	2.99%	\$41,090,186	2.95%	\$42,303,106	2.95%
State	\$19,404,130	\$20,111,222	3.64%	\$20,388,950	1.38%	\$20,633,877	1.20%	\$20,905,003	1.31%	\$21,177,002	1.30%
Federal	\$1,152,911	\$1,772,054	53.70%	\$775,551	-56.23%	\$791,062	2.00%	\$806,883	2.00%	\$823,021	2.00%
Other Financing Sources	\$0	\$0		\$0		\$0		\$0		\$0	
TOTAL REVENUE	\$56,225,238	\$59,368,370	5.59%	\$59,917,894	0.93%	\$61,338,932	2.37%	\$62,802,072	2.39%	\$64,303,129	2.39%
EXPENDITURES											
Salary and Benefit Costs	\$33,555,643	\$34,476,564	2.74%	\$35,920,577	4.19%	\$37,325,375	3.91%	\$38,825,617	4.02%	\$40,364,838	3.96%
Other	\$22,669,595	\$25,074,506	10.61%	\$25,125,657	0.20%	\$25,554,794	1.71%	\$26,195,381	2.51%	\$26,858,197	2.53%
TOTAL EXPENDITURES	\$56,225,238	\$59,551,070	5.92%	\$61,046,234	2.51%	\$62,880,169	3.00%	\$65,020,999	3.40%	\$67,223,035	3.39%
SURPLUS / DEFICIT	\$0	(\$182,700)		(\$1,128,340)		(\$1,541,238)		(\$2,218,927)		(\$2,919,906)	
BEGINNING FUND BALANCE	\$12,295,817	\$12,295,817		\$12,113,117		\$10,984,777		\$9,443,540		\$7,224,613	
PROJECTED YEAR END BALANCE	\$12,295,817	\$12,113,117		\$10,984,777		\$9,443,540		\$7,224,613		\$4,304,707	
FUND BALANCE AS % OF EXPENDITURES	21.87%	20.34%		17.99%		15.02%		11.11%		6.40%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	2.62	2.44		2.16		1.80		1.33		0.77	



Revenues



Revenues – History with FY23 Budget

	Account Description	19-20 Actual	20-21 Budget	20-21 Actual	21-22 Budget	21-22 YTD MAY	22-23 Budget	
Function	Revenue	2.25%	2.50%		3.25%		2.50%	
6000	Local Revenue	33,278,706	32,457,055	35,761,277	35,668,197	34,270,509	37,485,094	5.1%
6111	Current Real Estate Taxes	22,774,056	25,489,764	25,252,401	27,187,851	26,370,902	28,747,944	
6151	Earned Income Tax	5,506,710	4,740,000	5,564,991	5,499,700	4,448,619	5,751,621	
6411	Delinquent Real Estate Tax	863,906	700,000	1,177,113	860,491	714,808	847,489	
6510	Investments	293,328	25,000	28,838	30,000	5,347	10,000	
6831	IDEA-B (pass thru)	599,507	570,000	598,562	585,000	0	592,000	
6944	Pay From Other LEAs	702,646	400,000	760,142	695,000	259,781	735,000	
7000	State Revenue	19,293,302	19,548,075	19,245,097	19,404,130	13,643,449	20,111,222	3.6%
7111	Basic Ed Funding	9,653,657	9,653,657	9,653,650	9,653,657	7,439,346	10,055,310	
7112	Basic Ed Funding - Soc Sec	669,121	708,900	777,971	766,764	290,835	791,170	
7271	Spc Ed Funding	1,983,551	1,983,551	1,983,483	1,990,000	1,556,389	2,090,084	
7311	SD Transp	1,605,546	1,596,500	1,458,741	1,600,000	1,166,993	1,550,000	
7340	Act 1 Payment	770,685	772,721	772,721	776,579	776,579	971,186	
7505	RTL Block Grant	401,851	401,900	401,851	401,851	401,851	401,851	
7820	PSERS Subsidy	3,395,517	3,494,026	3,412,687	3,491,406	1,392,979	3,597,145	
8000	Fed Title I, II, IV	620,453	975,952	1,164,850	1,152,911	1,021,462	1,772,054	53.7%
9000	Other Rev			0		7,094		
	Total Revenues	53,192,461	52,981,082	56,171,223	56,225,238	48,942,514	59,368,370	5.6%



Homestead/Farmstead Credit History

Fiscal Year	BSSD Allocation	Taxpayer Annual Credit	Change
2018-19	\$770,717	\$132.84	
2019-20	\$770,685	\$133.29	\$0.45
2020-21	\$772,721	\$134.08	\$0.79
2021-22	\$776,579	\$134.91	\$0.83
2022-23	\$971,185	\$170.83	\$35.92

- Revenue generated from PA Gambling Revenue
- Only a primary residence is eligible for property tax relief
- PA fully funding the allocation for the first time ever (started in 2006 – previously funded at 80%)
- Credit based on following variables
 - PA allocation
 - # of approved homesteads
 - Millage rate

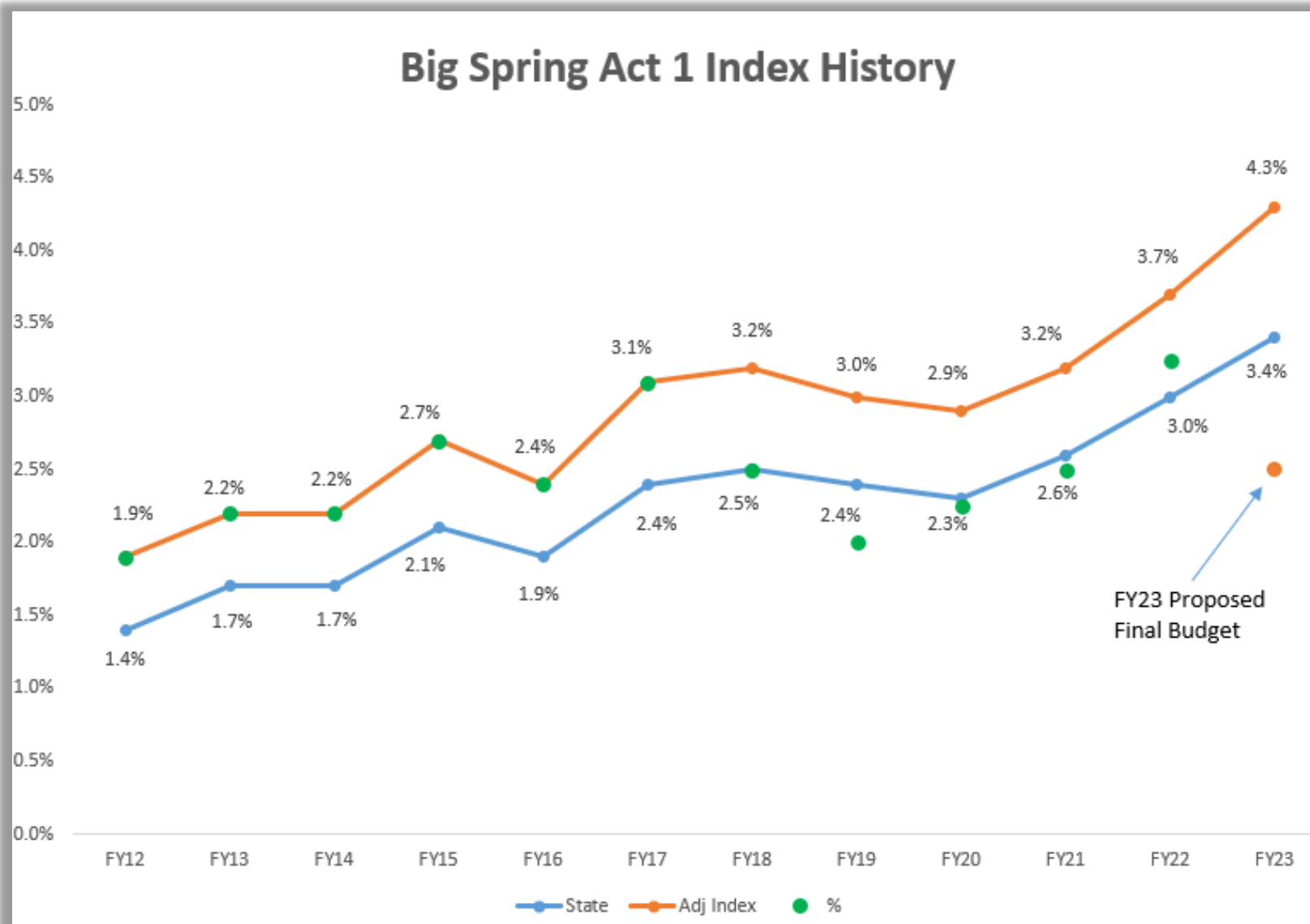


Real Estate Tax Info

	19/20 Actual	20/21 Actual	21/22 Budget	22/23 Budget - 2.5%
Mill Value @ Assessed Value	\$1,725,500	\$1,877,205	\$1,896,451	\$1,942,993
Tax Base Growth	1.46%	5.57%	1.03%	2.45%
Tax Base as of June 1st	\$1,778,120,400	\$1,877,204,600	\$1,896,451,100	\$1,945,968,300
Previous Mill Total	14.3238	14.6461	15.0123	15.5002
Board Approved Increase	2.25%	2.50%	3.25%	2.50%
Approved (Proposed) Increase as Mills	0.3223	0.3662	0.4879	0.3875
Total Mills	14.6461	15.0123	15.5002	15.8877
Tax Levy - Property Tax Relief	\$25,271,844	\$27,408,348	\$28,618,791	\$29,945,775
Collection rate	95.0%	93.0%	95.0%	96.0%
Value of Collected Tax	\$24,008,252	\$25,489,764	\$27,187,851	\$28,747,944
Total Increase in Tax Collected	\$893,000	\$1,481,512	\$1,698,087	\$1,560,093
Mill value @ collected value	\$1,639,225	\$1,697,931	\$1,754,038	\$1,809,447
Tax on \$100K Assessed Value	\$1,465	\$1,501	\$1,550	\$1,589
\$ ▲ / \$100k Assessed Value	\$ 32.23	\$ 36.62	\$ 48.79	\$38.75
Taxes Collected	\$ 24,109,198	\$ 26,378,016	\$ 27,563,884	
Actual Collection Rate	95.4%	96.2%	96.3%	
3-Year Collection Average			96.0%	

Only \$2.38, if HS/FS approved





PA and Federal Subsidy

Major State Subsidies	AFR 2015/16	AFR 2016/17	AFR 2017/18	AFR 2018/19	AFR 2019/20	AFR 2020/21	Budget 2021/22	Budget 2022/23
Basic Education Fund (BEF)	9,087,149	9,488,526	9,359,201	9,449,788	9,653,657	9,653,650	9,653,657	10,055,310
Special Education Funding	1,827,743	1,883,516	1,882,431	1,923,054	1,983,551	1,983,483	1,990,000	2,090,084
Ready to Learn	401,851	401,854	401,851	401,851	401,851	401,851	401,851	401,851
Transportation	1,673,676	1,456,682	1,469,341	1,552,431	1,605,546	1,488,001	1,620,694	1,573,000
PLANCON Subsidy	718,646	776,400	767,379	641,205	578,022	502,320	510,586	489,996
SocSec	688,215	679,495	696,438	713,518	669,121	777,971	766,764	791,170
PSERS	2,430,097	2,853,219	3,135,351	3,239,408	3,395,517	3,412,687	3,491,406	3,597,145
Total of Major PA Subsidy	\$16,827,377	\$17,539,692	\$17,711,992	\$17,921,255	\$18,287,265	\$18,219,963	\$18,434,958	\$18,998,556

Federal Revenue Sources	AFR 2015/16	AFR 2016/17	AFR 2017/18	AFR 2018/19	AFR 2019/20	AFR 2020/21	Budget 2021/22	Budget 2022/23
<i>(local from IU) IDEA-B</i>	552,661	568,120	561,894	575,876	599,507	598,562	585,000	592,000
Title I	423,460	496,724	428,677	477,110	472,240	467,461	633,405	615,853
Title II	135,184	122,087	94,465	100,528	96,278	92,791	108,558	97,626
Title IV			10,633	30,778	35,709	35,669	35,048	46,665
ESSER					16,226	568,929	375,900	1,011,710
Total Major FED Subsidy	\$1,111,305	\$1,186,931	\$1,095,669	\$1,184,292	\$1,219,960	\$1,763,411	\$1,737,911	\$2,363,854



Expenditures

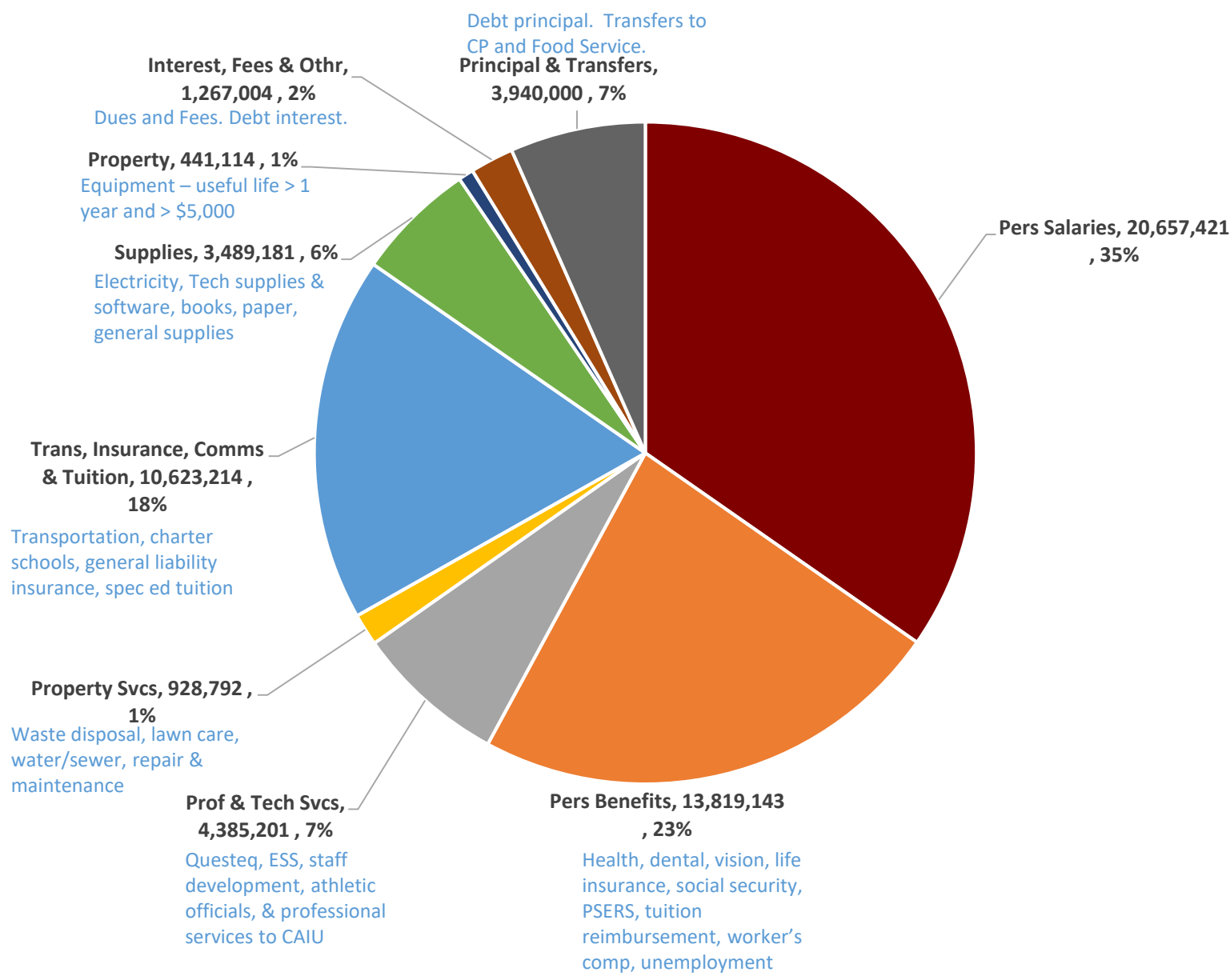


EXPENDITURES

	Account Description	19-20 Actual	20-21 Budget	20-21 Actual	21-22 Budget	21-22 YTD MAY	22-23 Budget	▲
Object	Expense							
100	Pers Salaries	20,057,869	20,474,172	20,091,346	20,092,705	16,132,956	20,657,421	2.8%
121	Professional Staff - CBA	14,630,226	14,827,551	14,732,236	14,488,146	11,286,420	14,884,501	
200	Pers Benefits	12,430,035	12,908,964	13,089,436	13,462,938	10,815,462	13,819,143	2.6%
270/292	Health Insurance & HSA	3,749,985	3,978,503	4,138,855	4,439,867	3,616,269	4,382,867	
220	Soc Sec Contributions	1,479,038	1,566,274	1,478,681	1,533,528	1,183,705	1,582,340	
230	PSERS Contributions	6,811,173	6,961,218	6,821,442	6,982,812	5,559,408	7,194,289	
300	Prof & Tech Svcs	4,291,775	3,939,742	3,695,987	4,186,754	3,559,141	4,385,201	4.7%
329	ESS Svcs (subs/aides)	889,578	1,339,112	1,176,261	1,589,525	1,266,232	1,838,030	
330	Prof Services	889,578	949,265	728,124	808,125	728,510	854,000	
348	Tech Hosting /Svcs	793,661	807,232	776,222	803,109	777,777	806,647	
400	Property Svcs	737,488	743,791	827,149	758,778	696,986	928,792	22.4%
500	Trans, Insurance, Comm	7,619,188	7,522,813	8,675,359	9,214,028	8,288,542	10,623,214	15.3%
513	Contracted Carriers	2,402,623	2,644,208	2,212,767	2,647,556	1,897,443	2,773,958	
562	PA Charter Sch Tuition	1,739,353	1,770,021	2,944,418	2,624,400	3,011,522	3,645,918	
563	Non-pub Schls Tuition	1,723,510	1,729,400	1,952,519	2,271,000	2,164,208	2,455,250	
564	Tuition To Career & Tech	689,350	898,000	782,698	947,700	867,396	897,980	
600	Supplies	1,999,819	2,829,475	2,467,295	2,564,257	1,968,668	3,489,181	36.1%
700	Property	278,248	610,754	747,908	532,963	1,122,778	441,114	-17.2%
800	Interest, Fees & Othr	1,146,066	1,563,375	1,032,861	1,259,070	776,678	1,267,004	0.6%
832	Bond Interest	989,840	1,233,560	924,897	930,900	718,035	930,801	
900	Debt Svc & Transfers	4,774,227	3,563,000	5,628,165	4,153,745	3,900,581	3,940,000	-5.1%
912	Bond Principal	2,510,000	3,485,000	3,400,000	3,665,000	3,900,581	3,690,000	
932	xfer to Cap Reserve	2,239,777	0	2,200,000	409,245	0	200,000	
	Total Expenditures	53,334,715	54,156,086	56,255,505	56,225,238	47,261,793	59,551,070	5.9%



FY23 Budgeted Expenditures



Health Insurance



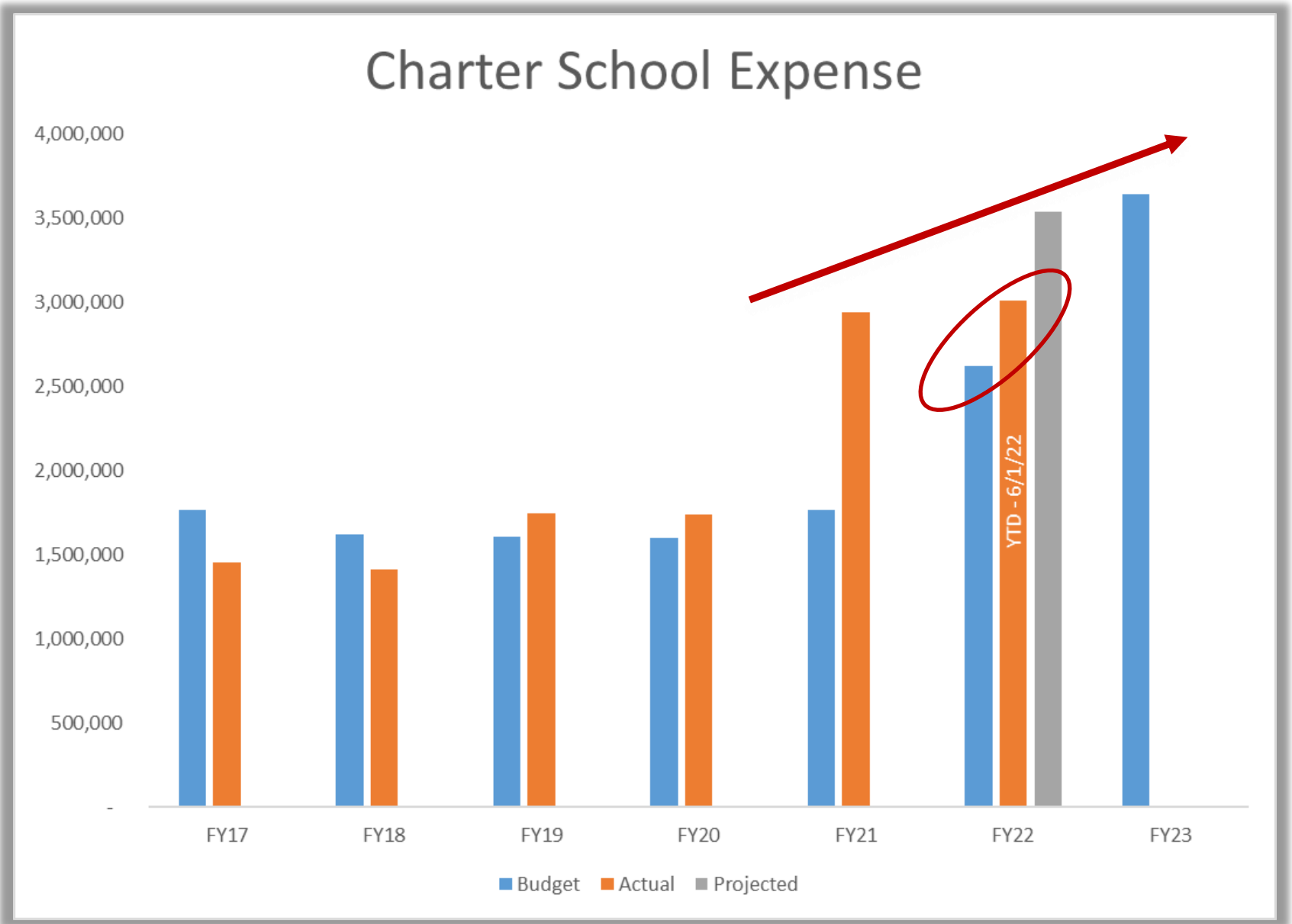
- Recommends a **0%** premium increase for FY23



Income Statement

	Jul '21 - Apr 22	Jul '20 - Apr 21
Ordinary Income/Expense		
Income		
4010 • Premiums - Traditional	3,811,377.64	3,090,264.52
4050 • Rebate Income - Rx	133,345.67	0.00
4310 • Stop Loss - Reimbursements	3,922.27	2,654.32
Total Income	3,948,645.58	3,092,918.84
Expense		
5020 • Claims - CBC	2,025,812.04	2,855,364.30
5040 • Claims - Rx	744,383.06	642,643.69
5050 • Claims - Vision	17,631.23	19,145.93
5110 • Admin. - BC/BS	133,233.05	136,389.70
5140 • Admin. - Rx	1,096.00	1,002.05
5310 • Stop Loss	166,462.64	165,311.39
5420 • Claims - P/T Med. Reimb	7,256.11	0.00
5530 • Office Expense	32.44	31.12
5560 • Insurance	67.23	72.00
5620 • Benefits Consultant	17,579.32	34,275.00
5640 • Legal	421.98	0.00
5650 • Accounting & Auditing	4,569.45	3,961.39
Total Expense	3,118,544.55	3,858,196.57
Net Ordinary Income	830,101.03	-765,277.73
Other Income/Expense		
Other Income		
9510 • Interest Income	10,754.65	12,929.63
Total Other Income	10,754.65	12,929.63
Net Other Income	10,754.65	12,929.63
Net Income	840,855.68	-752,348.10

Total Charter Enrollment		
Jan	156	(107 Reg / 49 Sped)
Feb	154	(102 Reg / 52 Sped)
March	159	(104 Reg / 55 Sped)
April	163	(107 Reg / 56 Sped)
May	163	(106 Reg / 57 Sped)





ForeCast 5 Data

Financial Forecast Summary - General Fund BIG SPRING SCHOOL DISTRICT Scenario: FY23 Budget - COW 22.06.06

Summary

- This General Fund summary excludes Transfers/Other Financing Sources (0000) and covers fiscal year periods 2022-2027.
- For the current fiscal year period 2022, a favorable surplus condition is expected with revenues exceeding expenses by \$5. Based on the current year conditions and the assumptions for the forecast periods ending in 2027, this favorable condition will continue with a recognized deficit of -\$2,919,905 in 2027.
- The cumulative change from the current year and forecasted periods ending in 2027 is a cumulative deficit of -\$7,961,110. In order to establish a structurally balanced budget where recurring revenues equal or exceed recurring expenditures over these periods, expenses would need to be reduced by an average of 2.1% for each year without additional revenues.
- Over the past historical periods (2017-2021) an aggregate surplus condition was recognized, with the revenues exceeding the expenses by an average of \$441,810, or a 0.9% favorable surplus (as a percentage of expenses).
- Based on the assumptions for the forecasted periods (2023-2027), total revenues are expected to increase by 2.7% per year on average including an increase of 5.9% in 2023 caused by jumps in Taxes Levied/Assessed (9100-9400) (+5.1%), and Federal Sources (0000) (+5.7%). Over the same period total expenses are expected to increase by 3.6% per year on average including an increase of 5.9% in 2023 attributed mostly to jumps in Purchased Property and Other Purchased Services (400-500) (+15.3%), and Supplies (000) (+5.9%).
- For the historical periods (2017-2021), total revenues increased by 3.9% per year on average including an increase of 5.9% in 2021 attributed mostly to jumps in Taxes Levied/Assessed (9100-9400) (+4.4%), and Federal Sources (0000) (+4.7.7%). Total expenses increased consistently with average yearly increase of 4.2%.
- Based on the assumptions for the current and forecasted periods, total General Fund balances are expected to decrease from \$12,295,817 in 2022 to \$4,304,707 in 2027, representing a -65.9% change.
- General Fund balances reported as a percent of total revenues and expenditures provide a comparative analysis for measuring the predictability and volatility of fund revenue sources and expenditures. For the current year period 2022, the total balance of \$12,295,817 represents 21.8% of total revenue and 21.9% of total expenses in the General Fund. For the last year in the forecasted periods (2027), total General Fund balances are expected to decrease to \$4,304,707 (-65.9%). This amount represents 6.7% of total revenue and 6.4% of total expenses. These fund balances fail to meet the established fund balance targets (20.0% of revenue/expenditures) in all of the years in the forecasted period (2022-2027), and are considered inadequate. The projected decrease in fund balance over the forecasted periods of -65.9% is considered material and may be an indicator of structurally imbalanced budget conditions related to recurring revenues and expenses and use of reserves or other short-term balancing actions.



11.h. New Business – Action Item

Approval of Transferring Funds from the General Fund to Capital Reserve for the 2021-2022 Fiscal Year

Depending on the outcome of the 2021-2022 audit, the District may move money from general fund to capital project reserve. The purpose of the agenda item is to allow the transfer to occur during the 2021-2022 fiscal year. The determination of the move and amount will occur in the fall.

The administration recommends the Board of School Directors approve transferring funds from the general fund to capital reserve pending the results of the 2021-2022 financial audit. The amount will be determined in the fall.

- The board action item will allow the board (as in years past) to transfer funds to Capital Reserve, after June 30th
- Does not mean we will be transferring money to Capital Reserve for the 2021-22 fiscal year.



FY23 Budget Timeline

Date	Meeting	Action /Presentation
3/21/2022	Finance Committee	Proposed Final Budget Presentation
4/19/2022	Finance Committee	Proposed Final Budget Presentation
5/2/2022	Board of School Directors	Adoption of Proposed Final Budget
5/16/2022	Finance Committee	Final Budget Presentation
6/6/2022	Board - COW	Final Budget Presentation
6/20/2022	Board of School Directors	Adoption of Final Budget - approval of FY23 Millage Rate

Bold - Presentation

Italic - Board Action



