

2024-25 Preliminary Budget

January 16, 2024



CONTENT OVERVIEW



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2022-23 Financial Results

2022-23 General Fund Results at a Glance

\$107,276,682

Total Revenues

\$103,075,876

Total Expenditures

\$31,065,668

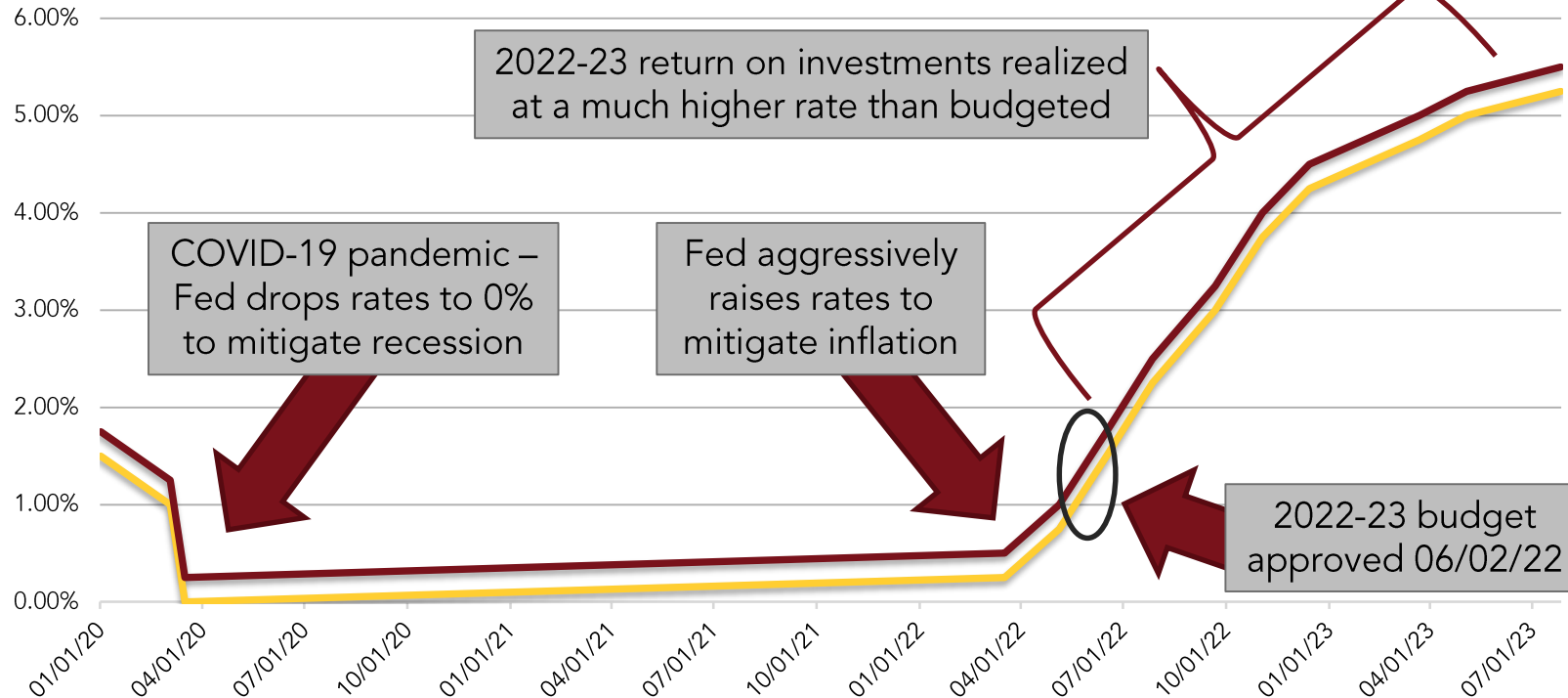
Ending Fund Balance



2022-23 Revenues

Revenues	Budget	Actual	Variance	% Var	Notes
Real estate taxes	\$ 60,840,598	\$ 61,743,705	\$ 903,107	1.48%	Hospital did <u>not</u> pay taxes under protest in 22-23
Interim taxes	400,000	451,440	51,440	12.86%	
Real estate transfer taxes	1,000,000	1,049,653	49,653	4.97%	
Delinquent taxes	1,400,000	1,384,543	(15,457)	-1.10%	
Interest on investments	100,000	2,129,811	2,029,811	2029.81%	Federal Reserve raised interest rates 8 times (5.00%) during 2022-23 after budget approval
Student activity fees	540,200	694,510	154,310	28.57%	Student participation and field trips fees stronger post-pandemic
Pass-through federal revenues	545,000	580,711	35,711	6.55%	
Other local revenues	254,000	288,588	34,588	13.62%	
State revenues	33,699,677	35,971,340	2,271,663	6.74%	BEF, SEF, PlanCon, PSERS, and other subsidies higher than budget - see State Revenue Detail slide
ESSER II & III	1,700,961	1,631,746	(69,215)	-4.07%	Differences due to spending patterns of federal grants - equal to federal expenditures Lease and SBITA financing proceeds required to be recognized under GASB 87 and GASB 96
Other federal revenues	918,077	1,128,264	210,187	22.89%	
Other financing sources	-	222,371	222,371	N/A	
Total Revenues	\$ 101,398,513	\$ 107,276,682	\$ 5,878,169	5.80%	

Federal Funds Rate Changes



	01/01/20	03/03/20	03/16/20	03/17/22	05/05/22	06/16/22	07/27/22	09/21/22	11/02/22	12/14/22	02/01/23	03/22/23	05/03/23	07/26/23
Lower Bound	1.50%	1.00%	0.00%	0.25%	0.75%	1.50%	2.25%	3.00%	3.75%	4.25%	4.50%	4.75%	5.00%	5.25%
Upper Bound	1.75%	1.25%	0.25%	0.50%	1.00%	1.75%	2.50%	3.25%	4.00%	4.50%	4.75%	5.00%	5.25%	5.50%

Lower Bound Upper Bound

2022-23 State Revenue Detail

State Revenues Detail	Budget	Actual	Variance	% Var	Notes
Basic education subsidy	\$ 15,781,900	\$ 16,422,309	\$ 640,409	4.06%	BEF and SEF allocations increased at the State level over the prior year amount
Special education subsidy	2,849,475	3,270,242	420,767	14.77%	
Transportation subsidy	1,900,000	2,002,996	102,996	5.42%	Operating data for 2021-22 generated a higher 2022-23 subsidy than anticipated
PlanCon reimbursements	666,436	1,096,257	429,821	64.50%	PlanCon H reimbursement rate received after 2022-23 budget approved (44.41%)
Health services	105,000	105,514	514	0.49%	
Property tax relief	3,370,140	3,370,140	-	0.00%	
Ready to Learn Block Grant	754,726	754,726	-	0.00%	
Social security reimbursement	1,550,000	1,494,692	(55,308)	-3.57%	PSERS reimbursement higher than actual due to higher total salaries
Retirement reimbursement	6,700,000	7,260,492	560,492	8.37%	
Other state revenues	22,000	193,972	171,972	781.69%	PCCD Safety and Security grant
Total Revenues	\$ 33,699,677	\$ 35,971,340	\$ 2,271,663	6.74%	

2022-23 PlanCon Reimbursements

<u>General Obligation Bonds</u>	<u>2022-23 Debt Service</u>	<u>Reimbursable Percentage</u>	<u>MV Aid Ratio</u>	<u>2022-23 Reimbursement</u>
Series 2012 (paid off 11/15/22)	\$ 227,250	19.35%	0.5412	\$ 23,798
Series 2018*	3,652,400	15.99%	0.5412	316,071
Series 2021A (New Money)*	1,972,050	15.99%	0.5412	170,657
Series 2021B (Hedge Term)	524,850	N/A	0.5412	-
Series 2021C (2012A Refinance)	688,150	N/A	0.5412	-
Series 2022*	1,836,438	44.41%	0.5412	441,382
	<u>\$ 8,901,138</u>			951,908
Plus: pass-through funds to IU for TCHS and other joint ventures				<u>144,349</u>
Total Rental and Sinking Fund Reimbursements				<u><u>\$ 1,096,257</u></u>

Note: The reimbursement rates for the GOB 2018, GOB 2021A, and GOB 2022 bonds are temporary rates issued after the approval of PlanCon H. Finalized rates will be issued when PlanCon J documents are submitted and approved.

2022-23 Expenditures

Expenditures	Budget	Actual	Variance	% Var	Notes
Salaries and wages	\$ 35,741,458	\$ 36,138,394	\$ 21,247	0.04%	Increases from contract changes after budget approval offset savings from vacancies
Benefits	23,272,881	22,854,698			
Professional services	10,070,752	9,534,545	536,207	5.32%	CCIU special education services lower than budgeted based on student population
Custodial services	1,291,814	1,575,583	(283,769)	-21.97%	Custodial staffing increased to accommodate the increase in square footage from the new HS
Other facility services	1,091,576	861,670	229,906	21.06%	
Transportation	6,892,624	6,407,756	484,868	7.03%	Ongoing driver shortage continued to suppress the number of available bus runs
Charter school tuition	11,000,000	9,837,469	1,162,531	10.57%	Favorable tuition costs based on student enrollment

2022-23 Expenditures

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>% Var</u>	<u>Notes</u>
Expenditures (cont'd)					
Other services	\$ 1,928,195	\$ 1,649,431	\$ 278,764	14.46%	
Supplies and materials	3,029,167	2,799,084	\$ 230,083	7.60%	
Capital purchases	26,220	323,046	(296,826)	-1132.06%	Variance due to the implementation of GASB 87 and GASB 96 - leases and SBITA
Other expenditures	525,985	586,039	\$ (60,054)	-11.42%	
Debt service	8,901,183	8,901,138	45	0.00%	
Transfer to Capital Projects Fund	1,649,135	1,607,023	\$ 42,112	2.55%	
Transfer to Food Service Fund	2,000	-	2,000	100.00%	
Budgetary reserve	1,065,000	-	\$ 1,065,000	100.00%	Budgetary reserve not utilized
Total Expenditures	<u>\$ 106,487,990</u>	<u>\$ 103,075,876</u>	<u>\$ 3,412,114</u>	<u>3.20%</u>	

2022-23 Ending Fund Balances

	General Fund	Capital Projects Fund:		Internal Service	Total
		LRP & Other	Construction		
Nonspendable:					
Prepaid expenditures	\$ 186,333	\$ -	\$ -	\$ -	\$ 186,333
Restricted:					
Capital projects	-	3,959,631	3,917,348	-	7,876,979
Committed:					
PSERS expenditures	5,998,719	-	-	-	5,998,719
Assigned	16,344,582	-	-	-	16,344,582
Unassigned	8,536,034	-	-	5,431,447	13,967,481
Ending Fund Balances	31,065,668	3,959,631	3,917,348	5,431,447	44,374,094
Beginning Fund Balances	26,864,862	3,709,817	33,675,712	5,029,991	69,280,382
Change in Fund Balances	\$ 4,200,806	\$ 249,814	\$ (29,758,364)	\$ 401,456	\$ (24,906,288)
Fund Balance without Borrowing Proceeds					\$ 40,456,746

2023-24 Year-to-Date

2023-24 Local Revenues Update

	Budget	Actual	Variance	% Var	Notes
Local Revenues					
Real estate taxes	\$ 63,516,919	\$ 63,772,667	\$ 255,748	0.40%	Hospital did <u>not</u> pay taxes under protest in 2023-24
Interim taxes	300,000	300,000	-	0.00%	
Real estate transfer taxes	900,000	900,000	-	0.00%	
Delinquent taxes	1,400,000	1,400,000	-	0.00%	
Interest on investments	1,300,000	2,200,000	900,000	69.23%	Interest rates continue to remain above 5% - budget anticipated a rate decrease
Student activity fees	445,200	460,200	15,000	3.37%	
Pass-through federal revenues	545,000	568,666	23,666	4.34%	
Other local revenues	455,354	442,841	(12,513)	-2.75%	
Total Local Revenues	\$ 68,862,473	\$ 70,044,374	\$ 1,181,901	1.72%	

2023-24 State Revenues Update

	Budget	Actual	Variance	% Var	Notes
State Revenues					
Basic education subsidy	\$ 16,423,214	\$ 17,399,000	\$ 975,786	5.94%	BEF and SEF are budgeted based on CY available amounts. State significantly increased allocations in the 2023-24 budget
Special education subsidy	3,120,352	3,272,595	152,243	4.88%	
Transportation subsidy	2,000,000	2,000,000	-	0.00%	
PlanCon reimbursements	947,000	947,000	-	0.00%	
Health services	105,000	105,320	320	0.30%	
Property tax relief	3,370,140	3,370,140	-	0.00%	
Ready to Learn Block Grant	754,726	754,726	-	0.00%	
Social security reimbursement	1,600,000	1,600,000	-	0.00%	
Retirement reimbursement	7,000,000	7,300,000	300,000	4.29%	Estimated based on prior year
Other state revenues	205,401	205,401	-	0.00%	
Total State Revenues	\$ 35,525,833	\$ 36,954,182	\$ 1,428,349	4.02%	

2023-24 Other Sources of Funds

- December 5, 2023 – Supreme Court of Pennsylvania **denied** Jennersville Hospital, LLC’s appeal of the lower court rulings that the Hospital did not qualify for tax-exempt status
- Tax revenues paid under protest in prior years can be recognized as revenue in 2023-24

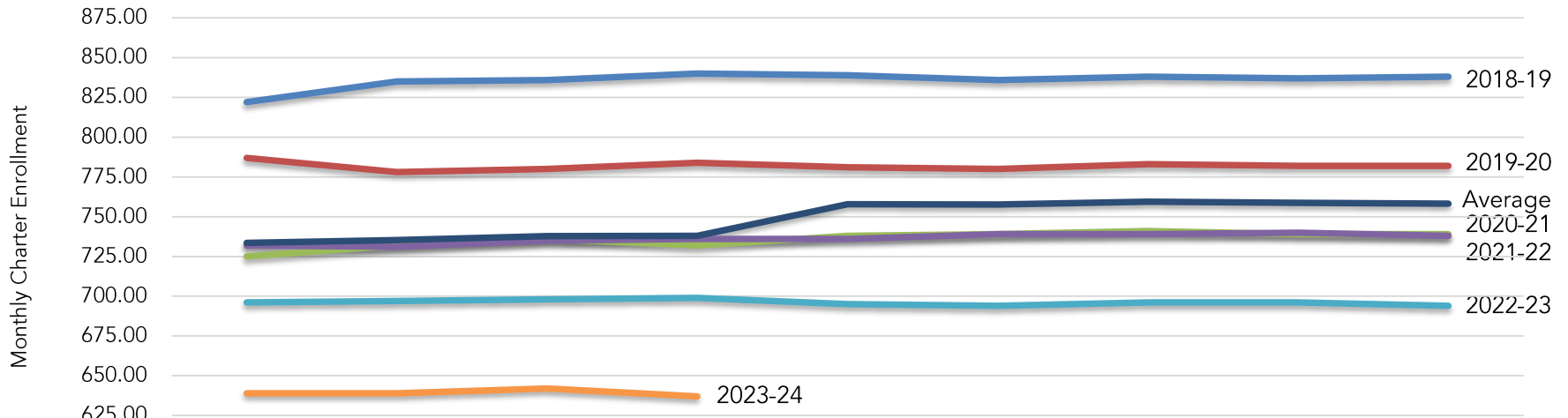
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>% Var</u>	<u>Notes</u>
Other Sources of Funds					
Recognition of appealed tax revenues from prior years	\$ -	\$ 1,670,198	\$ 1,670,198	N/A	Recognition of Jennersville Hospital tax exemption appeals
Tax not Recognized in Prior Fiscal Years:					
2018-19		396,081			
2019-20		411,640			
2020-21		425,964			
2021-22		436,513			
		<u>1,670,198</u>			

2023-24 Expenditures Update

Expenditures			Budget	Estimate	Variance	% Var
Function	Object					
1000	562	Charter tuition	10,750,000	9,600,000	1,150,000	10.70%
2700	513	Transportation	6,897,520	6,704,894	192,626	2.79%
3200		Athletic training services	120,000	199,432	(79,432)	-66.19%

- **Charter tuition** is trending lower than budgeted based on enrollment. Monthly charter enrollments average **639.25** student for the current year, compared to **697.50** students on average during the same time period in 2022-23.
- **Transportation costs** are trending lower than budgeted based on current bus routes. The ongoing driver shortage continues to push costs lower due to a number of consolidated bus runs.
- **Athletics professional services** is projected to exceed the budgeted amount due to the shift in the delivery model from an outsourced contractor to in-house staff.

Monthly Charter Enrollment Trends



	October	November	December	January	February	March	April	May	June
2018-19	822.00	835.00	836.00	840.00	839.00	836.00	838.00	837.00	838.00
2019-20	787.00	778.00	780.00	784.00	781.00	780.00	783.00	782.00	782.00
2020-21	725.00	732.00	736.00	732.00	738.00	739.00	741.00	739.00	739.00
2021-22	732.00	731.00	735.00	736.00	736.00	739.00	739.00	740.00	738.00
2022-23	696.00	697.00	698.00	699.00	695.00	694.00	696.00	696.00	694.00
2023-24	639.00	639.00	642.00	637.00					
Average	733.50	735.33	737.83	738.00	757.80	757.60	759.40	758.80	758.20

— 2018-19
 — 2019-20
 — 2020-21
 — 2021-22
 — 2022-23
 — 2023-24
 — Average

2024-25 Preliminary Budget

2024-25 Calendar & Decision Points



November 16, 2023

Accelerated Budget Opt-Out Resolution Approved ✓



January 16, 2024

Budget Committee of the Whole – Preliminary Budget



February 13, 2024

Budget Committee of the Whole – Revenues Detail



March 12, 2024

Budget Committee of the Whole – Expenditures Detail



April 16, 2024

Budget Committee of the Whole – Capital Budget



April 25, 2024

Board Meeting – Proposed Budget Final Adoption



May 14, 2024

Budget Committee of the Whole – Work Session



June 6, 2024

Board Meeting – Final Budget Adoption

Tax Increase - 0.00%

SUMMARY		2020 - 2021 Actual Revenue / Expenditures	2021 - 2022 Actual Revenue / Expenditures	2022 - 2023 Actual Revenue / Expenditures	2023 - 2024 Final Budget Revenue / Expenditures	2023 - 2024 Estimated Revenue / Expenditures	2024 - 2025 Prelim Budget Revenue / Expenditures	\$ Budget / Budget Increase / Decrease	% Budget / Budget Increase / Decrease
FUND BALANCE APPROPRIATION		\$ -	\$ -	\$ -	\$ 4,344,582	\$ -	\$ 6,912,968	\$ 2,568,386	59.12%
6000	REVENUE FROM LOCAL SOURCES	\$ 62,425,565	\$ 64,607,287	\$ 68,322,961	\$ 68,862,473	\$ 70,044,374	\$ 73,121,476	\$ 4,259,003	6.18%
7000	REVENUE FROM STATE SOURCES	\$ 32,502,390	\$ 34,227,481	\$ 35,971,340	\$ 35,525,833	\$ 36,954,182	\$ 33,683,722	\$ (1,842,111)	-5.19%
8000	REVENUE FROM FEDERAL SOURCES	\$ 2,741,415	\$ 3,802,262	\$ 2,760,010	\$ 1,107,859	\$ 1,107,859	\$ 1,126,166	\$ 18,307	1.65%
9000	REVENUE FROM OTHER SOURCES	\$ 18,141	\$ 84,742	\$ 222,371	\$ -	\$ 1,670,198	\$ -	\$ -	
TOTAL REVENUES		\$ 97,687,511	\$ 102,721,772	\$ 107,276,682	\$ 109,840,747	\$ 109,776,613	\$ 114,844,332	\$ 5,003,585	4.56%
TOTAL EXPENDITURES		\$ 86,733,607	\$ 90,926,972	\$ 92,408,062	\$ 98,092,262	\$ 96,829,068	\$ 101,659,324	\$ 3,567,062	3.64%
TOTAL OTHER FINANCING USES		\$ 7,529,065	\$ 8,100,979	\$ 10,667,813	\$ 11,748,485	\$ 10,648,485	\$ 13,185,008	\$ 1,436,523	12.23%
TOTAL EXP & OTHER FINANCING USES		\$ 94,262,672	\$ 99,027,950	\$ 103,075,876	\$ 109,840,747	\$ 107,477,553	\$ 114,844,332	\$ 5,003,585	4.56%
REVENUE OVER (UNDER) EXPENDITURE		\$ 3,424,839	\$ 3,693,822	\$ 4,200,806	\$ -	\$ 2,299,060	\$ -	\$ -	
CHESTER COUNTY MILLAGE		32.71	33.52	34.10	34.95	34.95	34.95		
MILLAGE INCREASE		3.480%	2.476%	1.730%	2.493%	2.493%	0.000%		
ACT 1 INDEX		3.50%	4.00%	4.50%	5.40%	5.40%	7.10%		

Use of Fund Balance Notes:

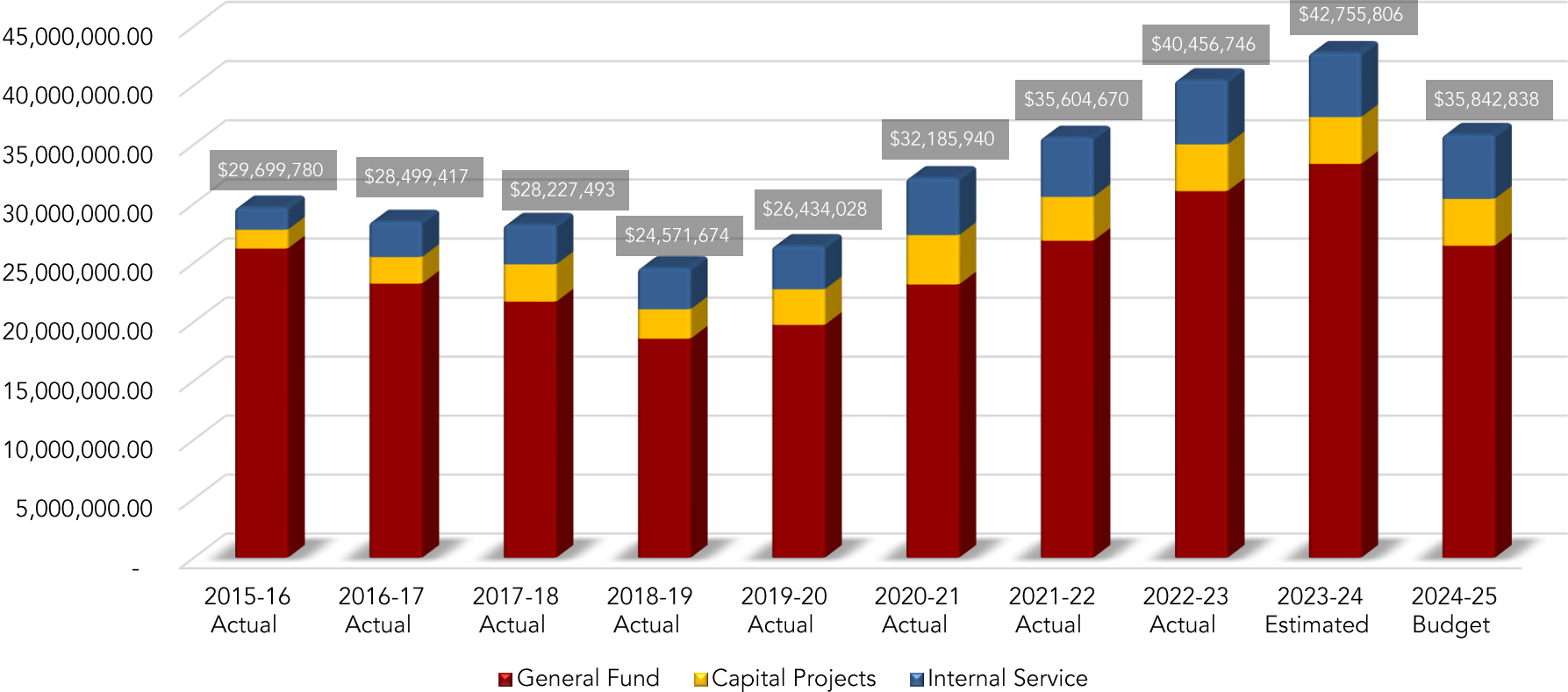
Budgetary Reserve	\$ -	\$ -	\$ -	\$ 1,100,000	\$ -	\$ 1,200,000
Transfer to Capital Projects	\$ -	\$ -	\$ -	\$ 1,766,360	\$ -	\$ 3,003,979
PSERS Draw Down (Committed Fund Balance)	\$ -	\$ -	\$ -	\$ 864,696	\$ -	\$ 1,041,314
General Ops Usage (Unassigned Fund Balance)	\$ -	\$ -	\$ -	\$ 613,526	\$ -	\$ 1,667,675

Fund Balances

Tax Increase - 0.00%

SUMMARY	2020 - 2021 Actual	2021 - 2022 Actual	2022 - 2023 Actual	2023 - 2024 Budget	2023 - 2024 Estimated	2024 - 2025 Preliminary Budget
FUND BALANCE SUMMARY						
<i>General Fund</i>	\$ 23,171,040	\$ 26,864,862	\$ 31,065,668	\$ 26,721,086	\$ 33,364,728	\$ 26,451,760
<i>Capital Projects Fund</i>	\$ 4,176,854	\$ 3,709,817	\$ 3,959,631	\$ 3,959,631	\$ 3,959,631	\$ 3,959,631
<i>Internal Service Fund</i>	\$ 4,838,046	\$ 5,029,991	\$ 5,431,447	\$ 5,431,447	\$ 5,431,447	\$ 5,431,447
Totals	\$ 32,185,940	\$ 35,604,670	\$ 40,456,746	\$ 36,112,164	\$ 42,755,806	\$ 35,842,838
Change	\$ 5,751,912	\$ 3,418,730	\$ 4,852,076	\$ (4,344,582)	\$ 2,299,060	\$ (6,912,968)

Ten-Year Fund Balance Trend

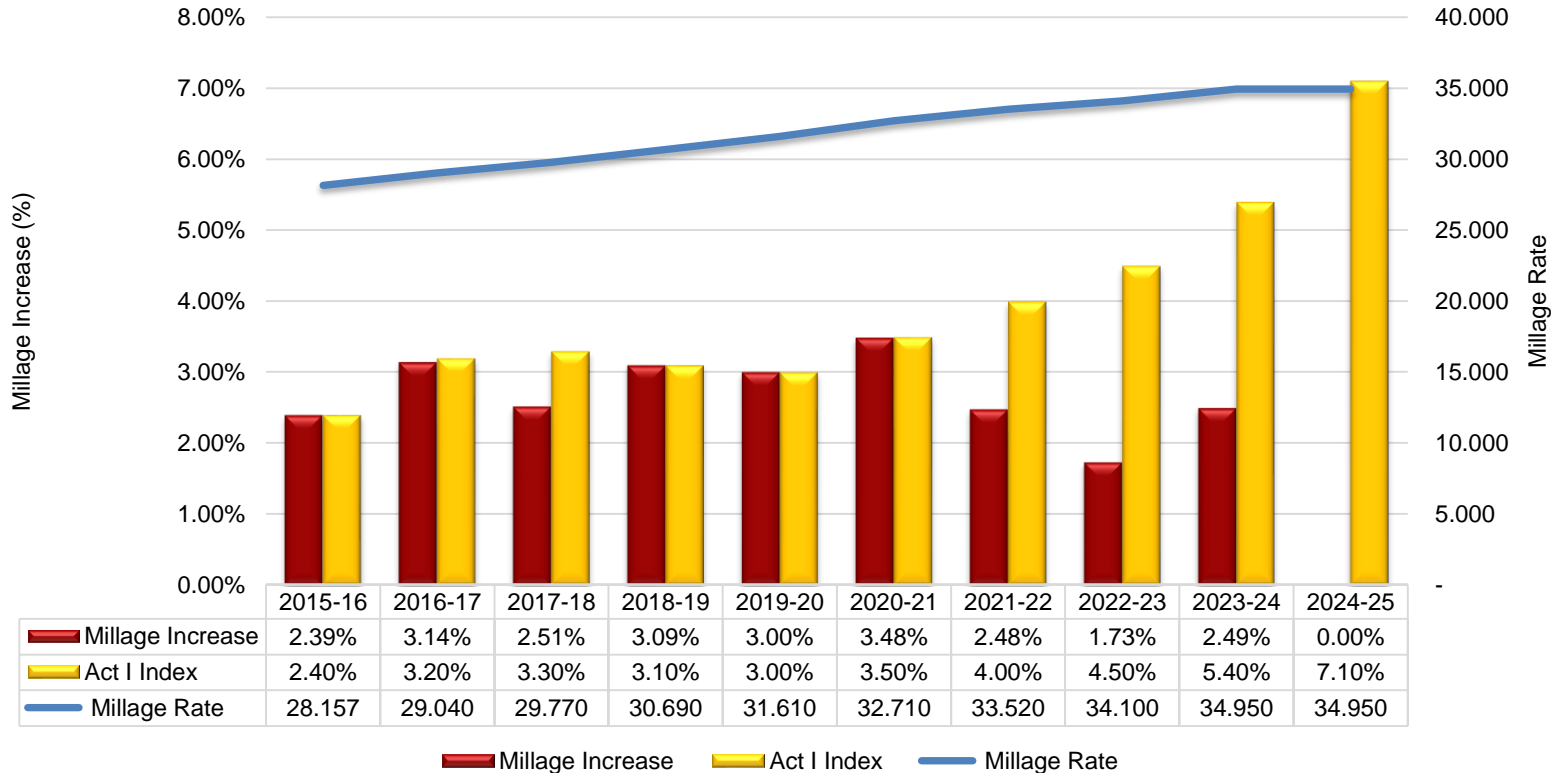


TAX INCREASE - 0.00%

Revenues	2023-24 Budget	2024-25 Budget	Variance	% Var	Notes
Local Revenues:					
Property Taxes	\$ 63,816,919	\$ 67,354,922	\$ 3,538,003	5.54%	Homestead/Farmstead TBD
Other Taxes	2,359,000	2,358,000	(1,000)	-0.04%	
Other Local Revenues	2,686,554	3,408,554	722,000	26.87%	Interest on investment estimate increased \$700,000
State Revenues	35,525,833	33,683,722	(1,842,111)	-5.19%	Homestead/Farmstead TBD
Federal Revenues	1,107,859	1,126,166	18,307	1.65%	
Total Revenues	105,496,165	107,931,364	2,435,199	2.31%	
Expenditures					
Salaries	37,875,162	40,021,736	2,146,574	5.67%	Contracted increase based on labor agreements
Benefits:					
PSERS	12,806,164	13,464,684	658,520	5.14%	PSERS rate reduced to 33.90% from 34.00%
Medical Insurance	6,894,600	6,888,134	(6,466)	-0.09%	Holding rates at current levels based on trend analysis. Rates will be updated after meeting with medical consultants
Other Benefits	3,702,724	3,926,991	224,267	6.06%	
Professional Services:					
Occupational Education (Vo-Tech)	2,606,688	2,844,627	237,939	9.13%	Average FTE count increased 4.6 students
Pupil Services	4,672,473	4,786,665	114,192	2.44%	
Other Professional Services	3,042,466	3,450,217	407,751	13.40%	Mental health services increased - anticipating grant funding
Repairs/Maintenance/Rentals	2,759,085	2,938,011	178,926	6.48%	
Transportation	7,096,809	6,992,141	(104,668)	-1.47%	Current bus routes are expected to continue in 2024-25
Charter School Tuition	10,750,000	10,250,000	(500,000)	-4.65%	Estimated based on decline in enrollment
Other Services	1,908,265	2,113,155	204,890	10.74%	
Supplies/Books/Software/Fuel/Utilities	3,450,388	3,456,547	6,159	0.18%	Utilities for Fred S. Engle to be further evaluated
Dues, Fees, Field Trips, and Other Expenses	527,438	631,445	104,007	19.72%	
Debt Service - Principal and Interest	8,880,125	8,876,000	(4,125)	-0.05%	
Total Expenditures	106,972,387	110,640,353	3,667,966	3.43%	
Other Financing Uses					
Budgetary Reserve	1,100,000	1,200,000	100,000	9.09%	
Transfers to Other Funds	1,768,360	3,003,979	1,235,619	69.87%	\$1,900,000 + planned furniture/equipment purchases
Total Other Financing Uses	2,868,360	4,203,979	1,335,619	46.56%	
Total Expenditures & Other Financing Uses	109,840,747	114,844,332	5,003,585	4.56%	
Fund Balance Appropriation	\$ (4,344,582)	\$ (6,912,968)	\$ (2,568,386)	59.12%	

Act 1 Index Revenues

2024-25 Act 1 Index	
Base Index	5.3%
Adjusted Index	7.1%



2024-25 Major Cost Drivers

INCREASES:

Salaries and wages	\$	2,146,573
Transfer to Capital Projects	\$	1,235,619
FICA and PSERS contributions	\$	818,089
CCIU education services	\$	364,631
Professional services	\$	207,301
Tuition to other LEAs (non-charter)	\$	195,342
Contracted security	\$	150,861
Repairs and maintenance	\$	126,395
Grounds maintenance	\$	67,870
TOTAL MAJOR INCREASES	\$	5,312,681

DECREASES:

Charter school tuition	\$	500,000
Transportation	\$	114,337
TOTAL MAJOR DECREASES	\$	614,337

Net increase of major cost drivers = \$4,698,344



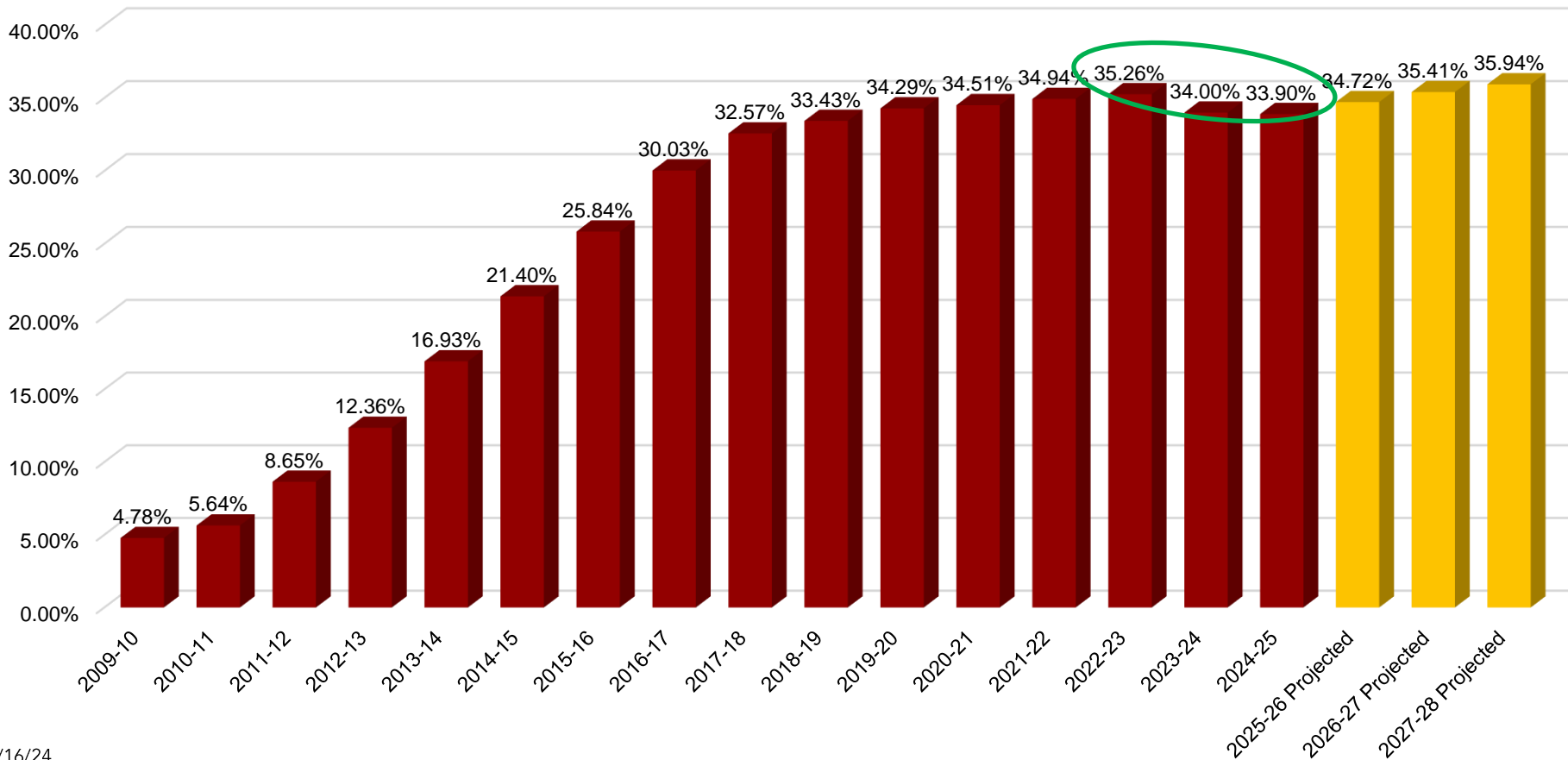
Transfer to Capital Projects

Two components of the transfer to the Capital Projects Fund:

- Estimated amount to fund future Long Range Plan (LRP) projects
- Anticipated capital spending for technology, furniture, and other items outside of the LRP

Description	Amount
Annual transfer for long range plan projects	\$ 1,900,000
Anticipated Capital Spending:	
Furniture and equipment from AGI instructional allocation	32,000
Technology purchases (ChromeBooks, teacher laptops, computer labs, etc.)	1,058,080
Athletics equipment	11,899
Total Transfer to Capital Projects Fund	\$ 3,001,979

PSERS Employer Contribution Rates



Notes on the PSERS Contribution Rate

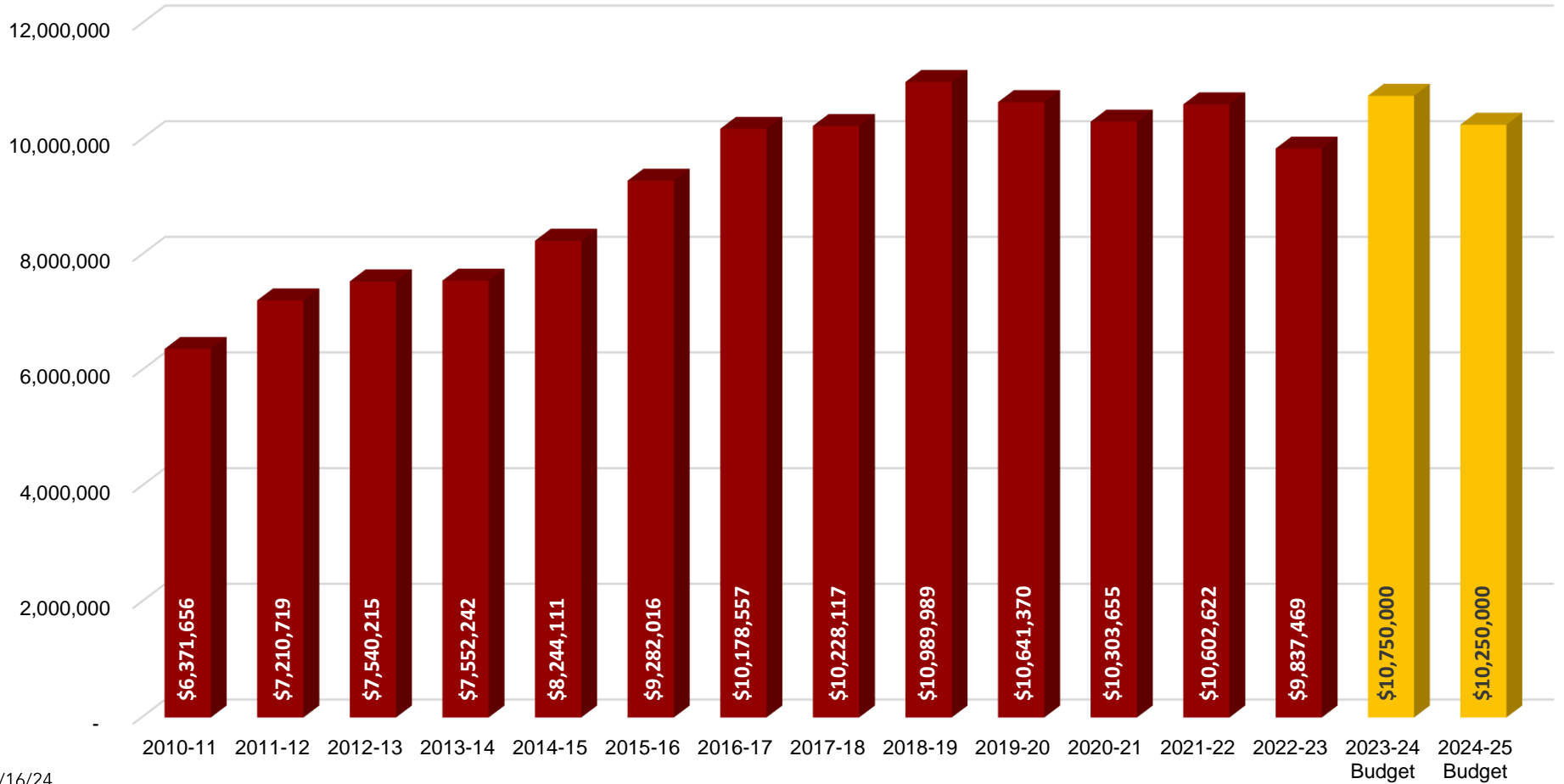
Fiscal Year 2024/2025 Employer Contribution Rate

On December 15, 2023 the PSERS Board of Trustees certified an employer contribution rate of 33.90% for fiscal year (FY) 2024/2025, which begins July 1, 2024. The 33.90% rate is composed of a 0.63% rate for health insurance premium assistance, 0.35% for Act 5 Defined Contribution, and a pension rate of 32.92%. **Over 80% of the employer pension contribution rate is for the payment of unfunded liability, which is primarily debt for past service already earned by members.**

Investment Returns

PSERS' rate of return for fiscal year ended June 30, 2023 was 3.54%. The Fund had plan net assets of \$72.8 billion at June 30, 2023.

Charter School Tuition



Questions?

