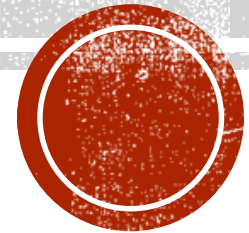


AMBRIDGE AREA SCHOOL DISTRICT

2020-2021 Final Budget



FINANCIAL PROJECTION 2019-2020

	Budgeted	Estimated	Variance
Revenues	\$50,252,228	\$51,962,460	\$1,710,232
Expenditures	\$50,252,228	\$49,229,505	\$1,022,723
Change to FB			\$2,732,955
Beginning FB			\$918,098
Ending Fund FB			\$3,651,053

- Revenue variance increased due to May sale of delinquent tax liens (\$2M in one time revenue).
- Expenditures savings for energy, transportation, freeze on charter enrollments, field trip and athletic activities cancelled, supplies and copier spending lower, substitute costs, overtime.



County Delinquent
Tax Collector

Bank/Loan Institution

SALE OF TAX LIENS

District benefits from
\$2M upfront payment for
tax liens payable.

No change for taxpayer.

Fees paid by purchaser.

School District

Purchaser

Municipal Tax Service



BUDGET IMPACT OF COVID-19

- Future Act 1 index likely will be lower moving forward due to economic downshift which causes an inability to keep pace with expenditures in future years.
- Earned Income Tax collection delay.
- Rate of unemployment caused a drop in EIT collections by 20%.
- Real estate transfer taxes dropped by 40%.
- Interest and Dividend earnings dropped by 25% due to market conditions and fewer funds to invest.
- PSERS rate could be increased dramatically to cover lower interest rates in future years.
- Transportation subsidy uncertain due to contractor layoffs and potential to be wrapped into BEF.
- State budget projections were decreased in latest PDE release by \$88,635.
- One-year extension on expiring teachers contract.
- Special education costs may increase in order to provide summer services missed during closure.
- Substitute costs may increased due to expanded Paid Sick Leave and FMLA Leave under new laws.
- Additional costs of security, cleaning supplies, signage, transportation, overtime under potential continuation of continued pandemic.



BUDGET SUMMARY

- Total Revenues \$49,160,992
- Total Expenditures \$51,727,933
- Utilization of fund balance required is (\$2,566,941).
- Represents an increase in spending over estimated actuals for current year of \$2.5 million or 5.1%.
- Increase in spending is inflated as a result of lower expenditures in current year due to school closing from COVID-19 virus.
- Increase over current year budget is \$1.4 million or 2.9%.



REVENUES BY SOURCE

Total Revenue = \$49,160,992

Decrease of (\$2,801,468) or (5.4%)

Local Breakdown:

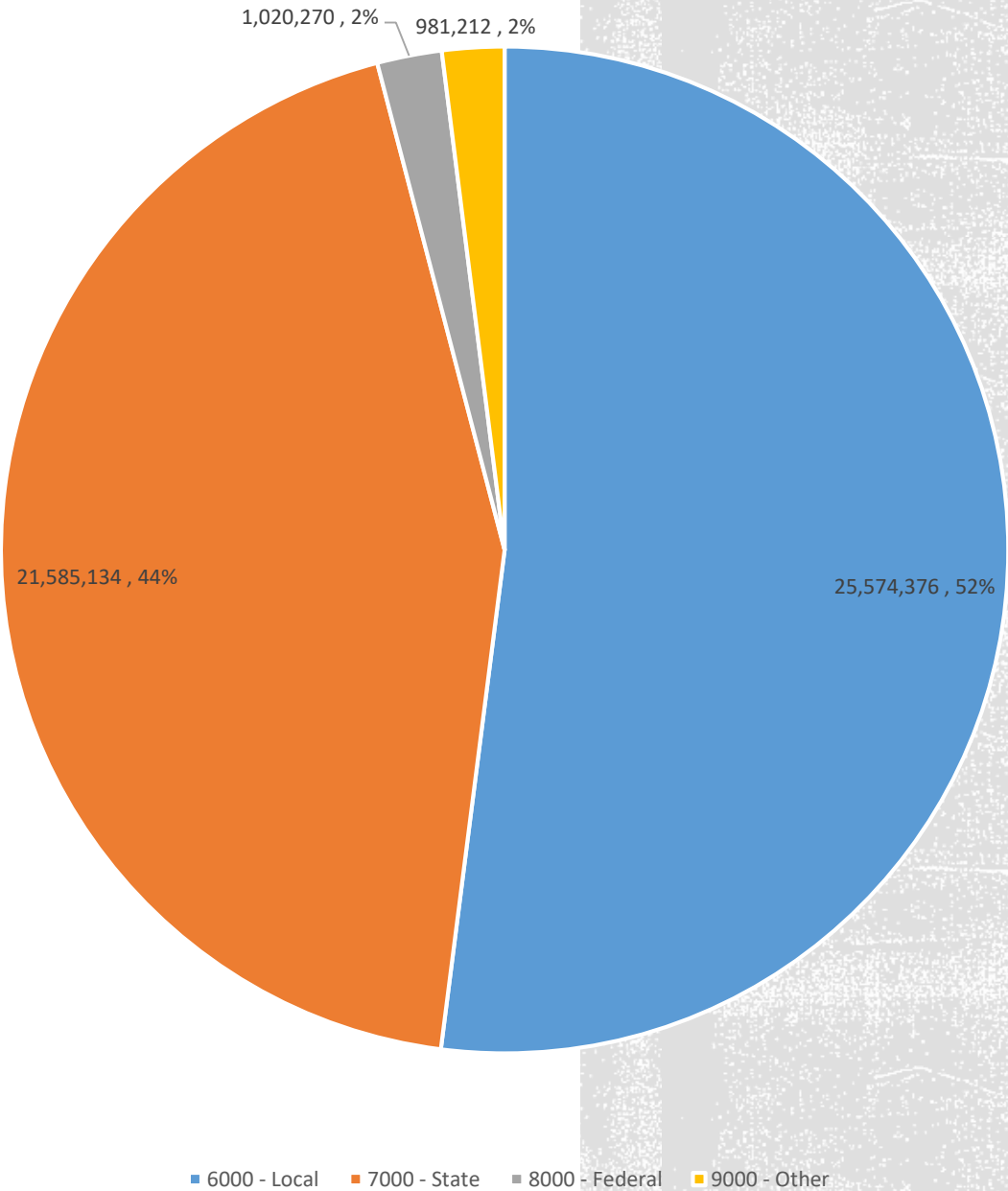
Real Estate \$20,556,479

Other \$ 5,017,898

State funding down (\$447K) or (2%)

Federal funding down (\$18K) or (1.8%)

Other sources represents funding for tech purchases and sale of Anthony Wayne School.



TAX ASSESSMENT AND MILLAGE

- **No tax increase in Proposed Final Budget**
- Tax rate remains at **83.4709 mills**
- Tax Assessment **decrease** = (\$3,223,040)
 - Total assessed value = \$283,373,560
 - Revenue lost due to drop = (\$242,127) or (0.95 mills)
- Tax Reduction Allocation = \$1,052,946
 - Tax Assessment Reduction on 6,266 approved homesteads/farmsteads is \$1,998.54
 - Tax Liability Reduction = \$166.82
- One mill generates approximately \$255,000 in tax revenue.



MILLAGE INCREASE OPTIONS

<u>Inr %</u>	<u>Mill Incr</u>	<u>New Rate</u>	<u>Revenue</u>	<u>Median Taxpayer Incr</u>
3.5%	2.9215	86.3924	\$756,330	\$68.51
3.0%	2.5041	85.9750	\$648,283	\$58.72
2.5%	2.0868	85.5577	\$540,236	\$48.94
2.0%	1.6694	85.1403	\$442,188	\$39.15
1.5%	1.2521	84.7230	\$324,141	\$29.36
1.0%	0.8347	84.3056	\$216,094	\$19.57



MILLAGE RATE HISTORY

Year	Millage Rate	Increase	% Incr
2010-2011	63.3390	2.3190	3.80%
2011-2012	69.8390	6.5000	10.3%
2012-2013	72.9390	3.1000	4.4%
2013-2014	73.9390	1.0000	1.4%
2014-2015	73.9390	0.0000	0.0%
2015-2016	75.8614	1.9224	2.6%
2016-2017	79.2941	3.4327	4.5%
2017-2018	79.2941	0.0000	0.0%
2018-2019	81.4350	2.1409	2.7%
2019-2020	83.4709	2.0359	2.5%
2020-2021	83.4709	0.0000	0.0%



EXPENDITURES BY OPERATIONAL AREA

Total Expenditures =
\$51,727,933

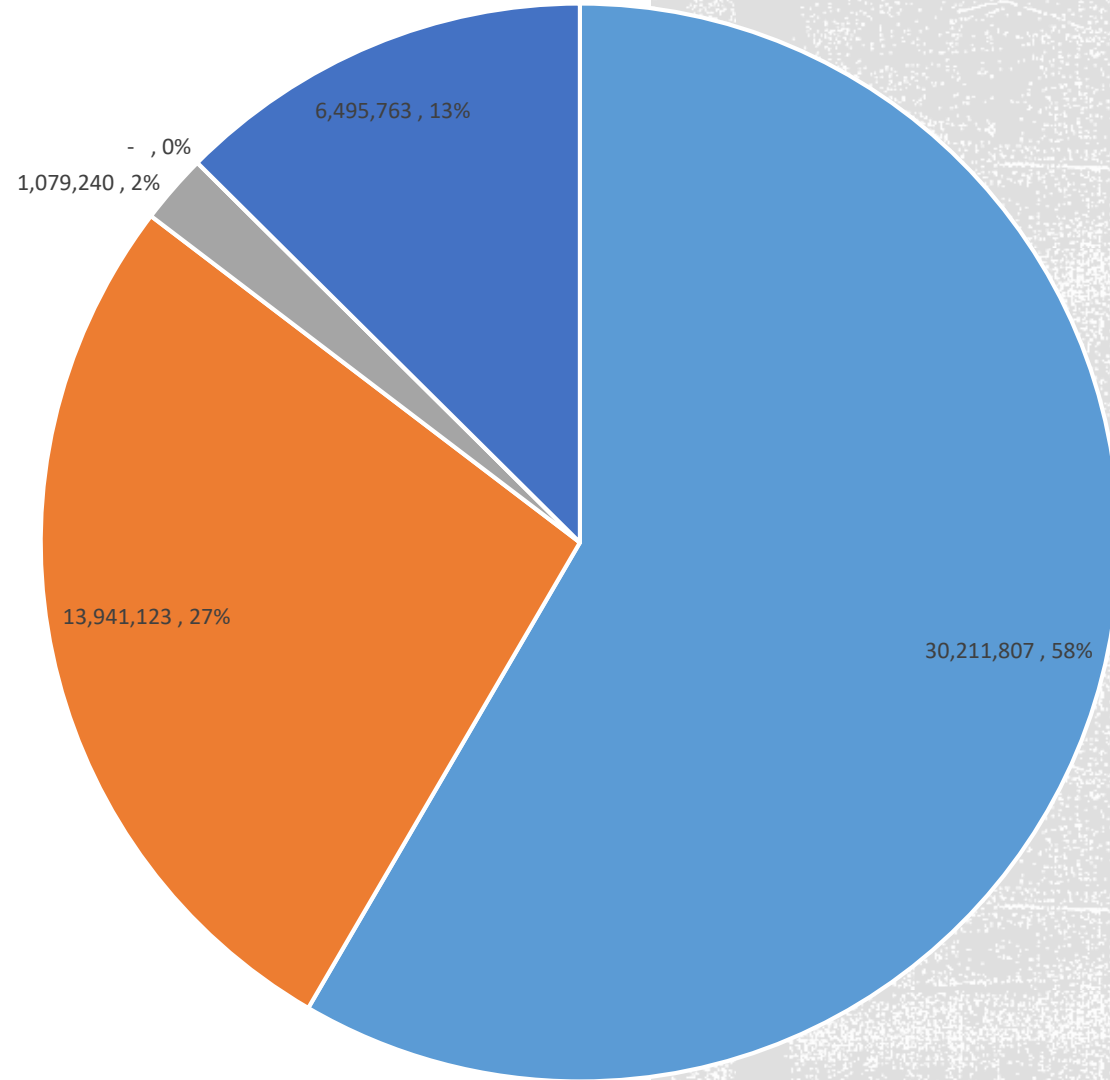
Direct Instruction = 58.4%

Support Services = 27.0%

Debt = 12.6%

Non Instruction = 2.1%

Capital Improve = 0%



■ 1000 - Instruction ■ 2000 - Support Services ■ 3000 - Non Instructional ■ 4000- Capital Improve ■ 5000 - Financing/Reserve



EXPENDITURES BY TYPE

Personnel Cost comprise
52.8% or \$27.3 Million

Wages increase for all staff

Medical Ins costs down -
1.2%

PSERS rate increase from
34.29% to 34.51% creating an
increase cost of 2.6%

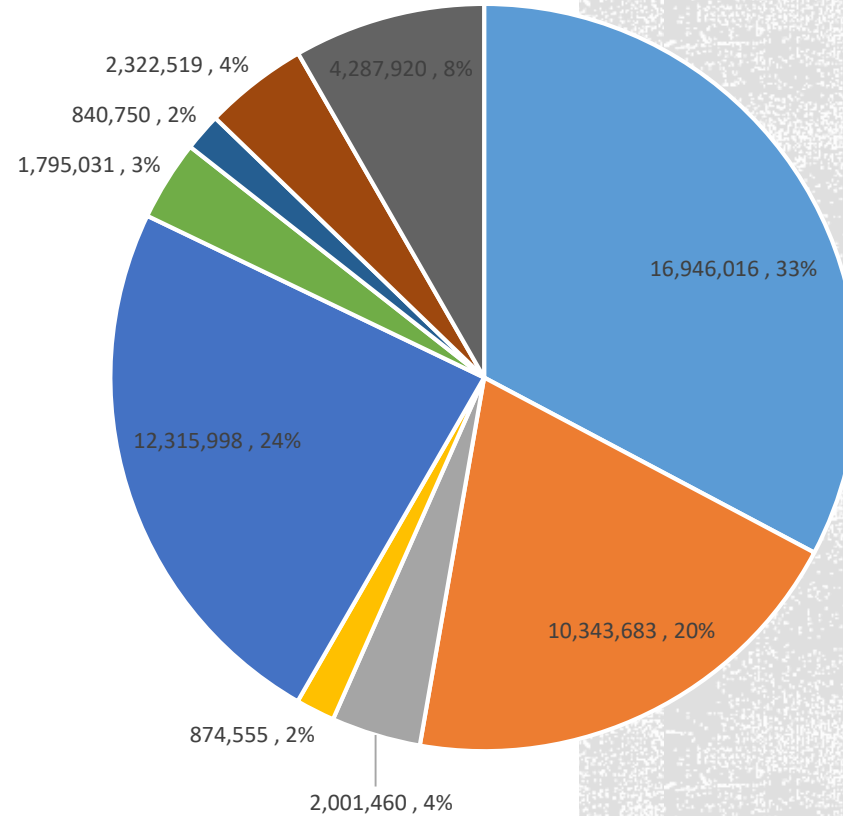
Debt – 12.6% or \$6.5M

Tuition – 16.8% or \$8.8M

Transportation – 6% or
\$3.1M

Utilities – 1.7% or \$900K

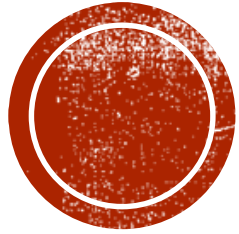
Other contracts/services –
4.3% or \$2.5M or 4.9%



100 - Wages	200 - Benefits	300 - Professional Srvc	400 - Property Srvc	500 - Other Srvc
600 - Supplies/Books	700 - Equipment	800 - Dues & Fees/Interest	900 - Financing	



STAFFING CHANGES



- Anticipated reduction due to retirement of 4 FTE teaching positions. (\$482,454)
- Anticipated retirement of administrator. (\$12,577)
- Anticipated retirement of three custodial/maintenance staff. (\$38,522)
- Reduction of 2 Administrative Staff (\$231,907)
- Reduction of 6 teachers (\$452,383)

TECHNOLOGY/SECURITY PURCHASES

- Technology purchases will be made through a three year lease program and include moving the district to **One-to-One** student devices. The district will utilize new equipment purchases and existing equipment.
- Projected purchase of \$733,000.
- Budget impact over next 3 years is an average of \$232K.

Textbook Purchase

- Continued purchase of social studies and math series
\$141,950



MAINTENANCE

- Preventative maintenance contracts \$ 189,690
- Required inspections(fire, bleachers, stage,
playgrounds) \$ 23,125
- Building and equipment repairs \$ 215,600
- Security and technology repairs \$ 42,000
- Academic/Athletics \$ 24,250



OTHER EQUIPMENT PURCHASES

- Operations & Maintenance \$21,000
 - One utility vehicles
 - Leaf blowers
- Athletics \$18,750
 - Uniforms for: bowling, cross country, golf, tennis, wrestling, MS basketball, MS soccer, MS wrestling.
- Academics \$21,050
 - Steel and bass drums, auxillary percussion, dolly for music stands, cymbals, keyboard, MS tech ed: robotics, testers, planner, drill press, chairs and tables, and special education FM system.



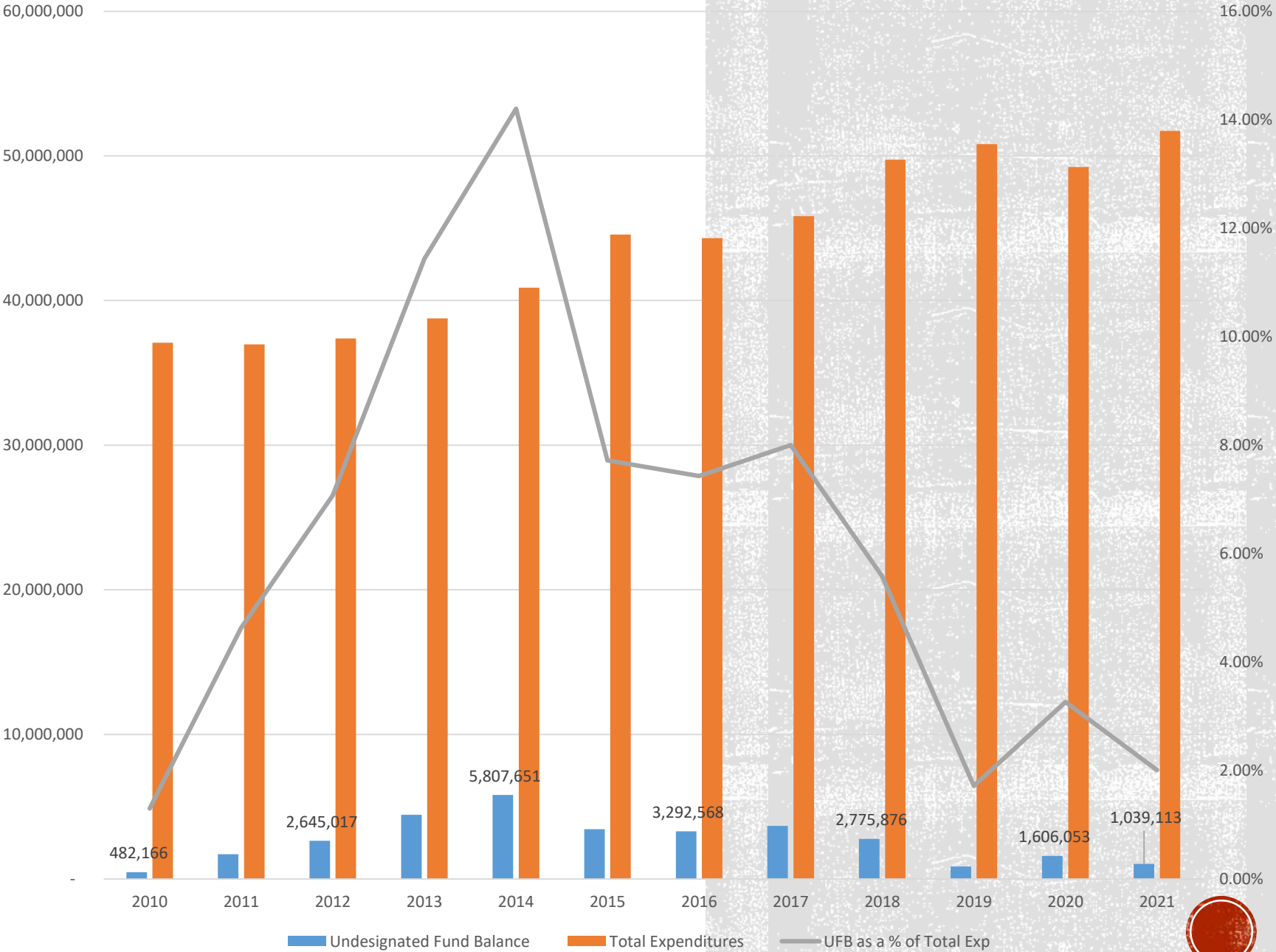
FUND BALANCE

Est. Ending Undesignated Fund Balance – \$1,039,113 or 2%

Utilization of Fund Balance – (\$2,566,941) including \$2M in one-time revenue.

Restricted Fund Balance in General Fund for Legal Trust-- \$45,000

Fund Balance is estimated based on a projection of actuals revenues and expenditures for 2019-20 fiscal year.



GENERAL FUND BUDGET SUMMARY

- | | |
|---------------------------------|-----------------------|
| ■ Revenues | \$49,160,992 |
| ■ Expenditures | <u>(\$51,727,933)</u> |
| ■ Utilization of Fund Balance | <u>(\$2,566,941)</u> |
| ■ Estimated Ending Fund Balance | |
| ■ Undesignated | \$ 1,039,113 |
| ■ Restricted for Legal Trust | <u>\$ 45,000</u> |
| ■ Total Fund Balance | <u>\$ 1,084,113</u> |
- ***This budget requires moving one-time revenue from tax lien sale to fund operations. This is not advised by business administrator.***
 - ***Being done as one-year stop gap will create need future tax increases to be anticipated with a no ability to catch-up.***



CAPITAL RESERVE FUNDING

Year	Transfers In	Interest Earnings	Expenditures	Balance
2013-14	\$317,997	\$0	\$0	\$317,997
2014-15	\$3,800,000	\$159	\$0	\$4,118,156
2015-16	\$750,000	\$404	\$0	\$4,868,560
2016-17	\$1,305,897	\$26,594	(\$1,257,583)	\$4,943,468
2017-18	\$750,000	\$45,717	(\$885,711)	\$4,853,474
2018-19	\$0	\$110,065	(\$812,201)	\$4,151,338
2019-20 Est.	\$0	\$65,000	(\$1,312,268)	\$2,904,070
2020-21 Budget	\$0	\$25,000	(\$125,000)	\$2,804,070



CAPITAL RESERVE EXPENDITURES

Year	Project Costs	Debt Service Pymts
2016-17	\$723,078	\$534,505
2017-18	\$326,301	\$559,410
2018-19	\$251,701	\$560,500
2019-20 Est.	\$755,719	\$556,550
2020-21 Budget	\$125,000	\$0

- 2016-17: Turf project at High School, MS wireless project, pole vault mats
- 2017-18: MS renovations for restrooms and gymnasium
- 2018-19: MS renovations for restrooms
- 2019-20: Paving at Economy, fencing at HS (bridge project)
- **2020-21: Phase 2 of HVAC controls (Trane)**



CAPITAL RESERVE FUNDS

- Funds may be used to make debt service payments or fund future capital projects.
- May **not** transfer funds to General Fund for operational uses.
- May replenish or build fund by fund transfers authorized by the Board of Directors. This has not occurred since 2017-18.
- Future bond refunding may also be placed in capital reserve or used to lower debt service. No bonds eligible until 2024.



FOOD SERVICE FUND

- Food Service Program:
 - 2014-15 = (\$5,224)
 - 2015-16 = (\$193,237)
 - 2016-17 = (\$102,323)
 - 2017-18 = \$ 767
 - 2018-19 = \$29,501
 - 2019-20 est. = (\$301,778) (org. budget \$28,148)
- Variance create by \$500,000 loss in revenues due to school closure offset by only \$200,000 in lower expenditures.
- Still had to pay staff wages and benefits under Act 13.



FOOD SERVICE FUND BUDGET 2020-2021

▪ Revenues	
▪ Ala Carte Sales	\$ 59,555
▪ Adult Sales	\$ 15,486
▪ HeadStart	\$ 70,000
▪ Catering	\$ 5,000
▪ State/Federal Subsidy	\$ 1,584,352
▪ Donated/Rebates	<u>\$ 85,000</u>
▪ Total Revenues	<u>\$1,819,393</u>



FOOD SERVICE FUND BUDGET

▪ Expenditures	
▪ Personnel	\$ 868,055
▪ Food	\$ 699,555
▪ Repairs	\$ 28,500
▪ Equipment	\$ 53,100
▪ Supplies/Software	\$ 58,600
▪ Travel/Training	<u>\$ 1,750</u>
▪ Total Expenditures	<u>\$1,709,560</u>
▪ Net Profit	<u>\$ 109,833</u>



Final approval of the 2020-2021 General Fund Budget is scheduled for adoption at the Board of Directors meeting on **June 17, 2020.**

