



2024-25 Finance Presentation

February 20, 2024
Presented By: Chief Financial Officer



Agenda

- District Overview
- Financial Statement Review
- Fund Balance – Regulations and Guidance
 - Capital Reserve Fund Balance
 - Projected Future Capital Projects
 - Proposed Turf Fields
 - General Fund Fund Balance
- Bond and Debt Obligations
- PSERS Rate History and Future Projections
- Act 1 Index
- 2024-25
 - Real Estate Tax Increase Scenarios
 - Budgeted Revenues and Expenditures
 - Budgetary Uncertainties
 - Key Budgetary Dates
- Closing Comments



District Overview

- Schools
 - 6 Elementary Schools – 2,750 Students
 - 2 Middle Schools – 1,534 Students
 - 1 High School – 2,090 Students
 - Total Students in our buildings: 6,374
- Additional Students
 - Pre-K – 47 students
 - Homeschool – 360 students
 - Virtual Academy – 65 students
- Total students educated: 6,846**
 - (** a decrease of 51 students compared to October 1 of prior year)
 - Includes 1,549 special education students
 - 83 students receive services outside of the district
 - 7 students due to settlement agreements

** Number of students as of October 1 enrollment*



District Overview

- Personnel (FTE's)
 - Professional Staff – 477.50
 - Support Staff – 168
 - Administrators – 31
 - Support Supervisory - 4
- Other Service Providers
 - Kelly Services
 - CCRES
 - Mental Health and Special Education Support Services
 - Security

Financial Statement Review

Public School District	For Profit Entity
Statement of Net Position – Government Wide	Balance Sheet
Statement of Activities – Government Wide	Income Statement
Balance Sheet – Governmental Funds	
Statement of Revenues, Expenditures & Changes in Fund Balance – Governmental Funds	

- Government wide – combines short-term spendable resources with capital assets and long-term obligations
- Governmental Funds – presented on basis of sources and uses of liquid resources
 - General Fund
 - Capital Reserve Funds
 - Fiduciary Funds
 - Food Service Proprietary Fund

PDE Reporting



Fund Balance – what is this?

$$\text{Fund balance} = \text{Assets} - \text{Liabilities}$$

- It is **not** cash & is **not** an extra bank account
- It is the total accumulation of operating surpluses and deficits since inception of district
 - Revenues > Expenditures = Operating Surplus
 - Revenues < Expenditures = Deficit
- Use of Fund Balance – what does this mean?
 - The revenue generated in a current year is less than the expenditures incurred



Fund Balance – Regulations and Guidelines

Fund balance = Assets – Liabilities

- General Fund
 - Unassigned/Undesignated: No more than 8%
 - Non-spendable (no limit) – accounting amounts related to inventory and prepaid expenses
 - Assigned & Committed (no limit) – amounts assigned or committed for future purposes
- Capital Reserve and Capital Projects Funds
 - No limit on balances
 - Capital Reserve guidelines, as per NCEES (National Center for Education Statistics) and PASBO
 - Best Practice: maintain at least 2-4% of reconstruction costs



Fund Balance – Capital Project Reserve Funds

- Capital Reserve/Projects Funds
 - Best Practice: maintain at least 2%-4% of reconstruction costs

Building	Square Footage	\$390/sq ft	10% Contingency	15% Soft Costs	Total
Boyertown Area High School	373,297	145,585,830	14,558,583	21,837,875	181,982,288
Middle School East	173,252	67,568,280	6,756,828	10,135,242	84,460,350
Middle School West	151,435	59,059,650	5,905,965	8,858,948	73,824,563
Boyertown Elementary	97,800	38,142,000	3,814,200	5,721,300	47,677,500
Colebrookdale Elementary	41,340	16,122,600	1,612,260	2,418,390	20,153,250
Earl Elementary	38,530	15,026,700	1,502,670	2,254,005	18,783,375
Gilbertsville Elementary	96,930	37,802,700	3,780,270	5,670,405	47,253,375
New Hanover Elementary	90,700	35,373,000	3,537,300	5,305,950	44,216,250
Washington Elementary	82,030	31,991,700	3,199,170	4,798,755	39,989,625
Support Service Building	4,450	1,735,500	173,550	260,325	2,169,375
Ed Center	11,200	4,368,000	436,800	655,200	5,460,000
Pine Forge	37,570	14,652,300	1,465,230	2,197,845	18,315,375
Totals	1,198,534	467,428,260	46,742,826	70,114,239	584,285,325
4% Recommended Capital Reserve Balance					23,371,413

* The district's capital reserve balance is approximately \$23 million



Projected Future Capital Projects – Roofing and Building Related

Roofing Projects:

- NHUF Elementary: \$1,362,900
- Boyertown Elementary: \$4,000,000
- Colebrookdale Elementary: \$900,000
- Earl Elementary: \$600,000
- MSE: \$3,600,000

Other Projects:

- MSE Chiller Replacement - \$1,098,500
- BES VRF HVAC Upgrade - \$to be determined
- Annually other smaller capital projects - \$300,000 – \$500,000

* The district's capital reserve balance is approximately \$23 million



Turf Field(s) Proposal

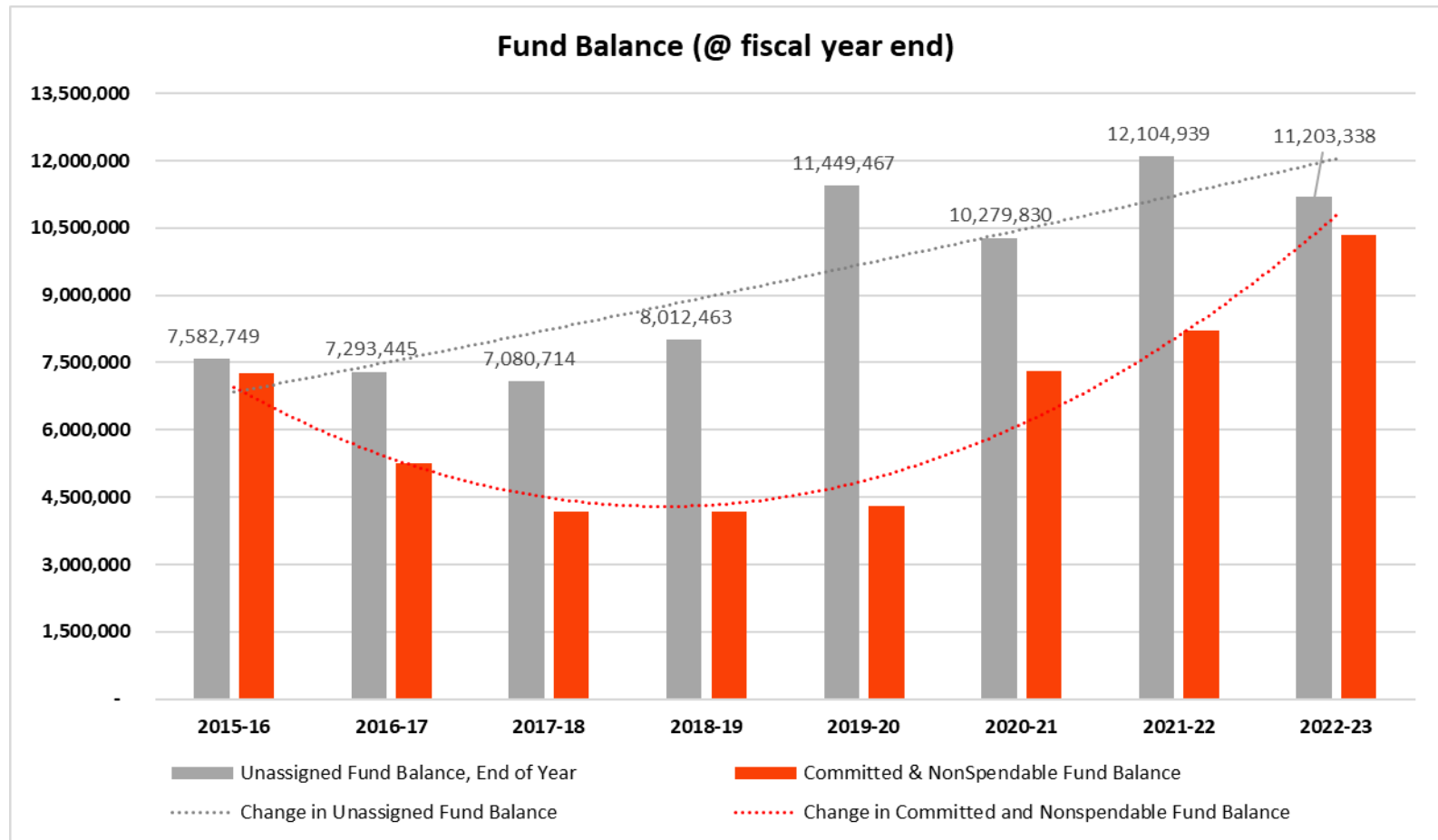
- Stadium Field: \$3,239,140
 - Construction: \$2,536,740
 - Contingency: \$317,100
 - Soft Costs: \$385,300



- Field #1 (current soccer/lacrosse field): \$3,523,470
 - Construction: \$2,426,070
 - Lights: \$356,000
 - Fencing: \$69,600
 - Contingency: \$303,300
 - Soft Costs: \$368,500



Historical GF Fund Balances



Historical Fund Balances

Revenues	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Local Revenues	69,506,136	71,158,831	74,476,879	79,051,820	81,600,722	85,417,897	92,497,472	95,631,839
State Revenues	32,698,439	34,400,966	35,495,909	36,644,457	36,662,643	37,421,429	36,247,609	41,556,761
Federal Revenues	2,438,842	2,456,965	2,435,376	2,555,246	2,567,534	3,465,608	5,457,504	2,483,845
Total Revenues	104,643,417	108,016,762	112,408,164	118,251,523	120,830,899	126,304,934	134,202,585	139,672,445
Expenditures	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Instruction	65,228,611	68,766,297	72,041,465	74,746,980	74,240,000	79,461,733	78,039,757	80,186,639
Support Services	31,292,232	32,348,661	32,527,492	33,042,399	33,517,270	33,348,900	34,291,421	35,138,524
NonInstructional Services	1,463,624	1,504,120	1,588,759	1,587,405	1,511,270	1,441,944	1,604,690	1,733,771
Debt Service	7,105,300	7,441,630	6,137,007	6,116,734	6,309,256	5,917,902	6,519,590	5,398,423
Transfers to other funds	1,732,406	242,406	1,407,406	1,831,599	1,687,854	4,300,000	11,000,000	16,000,000
Total Expenditures	106,822,173	110,303,114	113,702,129	117,325,117	117,265,650	124,470,479	131,455,458	138,457,357
Net Change in Fund Balances	(2,178,756)	(2,286,352)	(1,293,965)	926,406	3,565,249	1,834,455	2,747,127	1,215,088
Unassigned Fund Balance, Beginning of Year	9,761,505	7,582,749	7,293,445	7,080,714	8,012,463	11,449,467	10,279,830	12,104,939
Unassigned Fund Balance, End of Year	7,582,749	7,293,445	7,080,714	8,012,463	11,449,467	10,279,830	12,104,939	11,203,338
Committed & NonSpendable Fund Balance	7,251,080	5,254,032	4,172,798	4,167,455	4,295,700	7,299,792	8,221,810	10,338,499



Bond and Debt Obligations

- Series of 2014: Capital improvements
- Series of 2015: Renovations & improvements at BASH, MSW and other district properties
- Series of 2018: Refunded 2005 bonds & portion of 2014 bond
- Series of 2019: ATAAM (ADA, Title IX, Athletic, Maintenance Modernization)
- Series of 2019B: Refunded remaining portion of 2012 & 2013 bonds
- Series of 2020: Refunded a portion of the 2014 and 2015 bonds
- Series of 2023: Refunded a portion of the 2014 bonds
- Series of 2024: Refunded a portion of the 2015 bonds

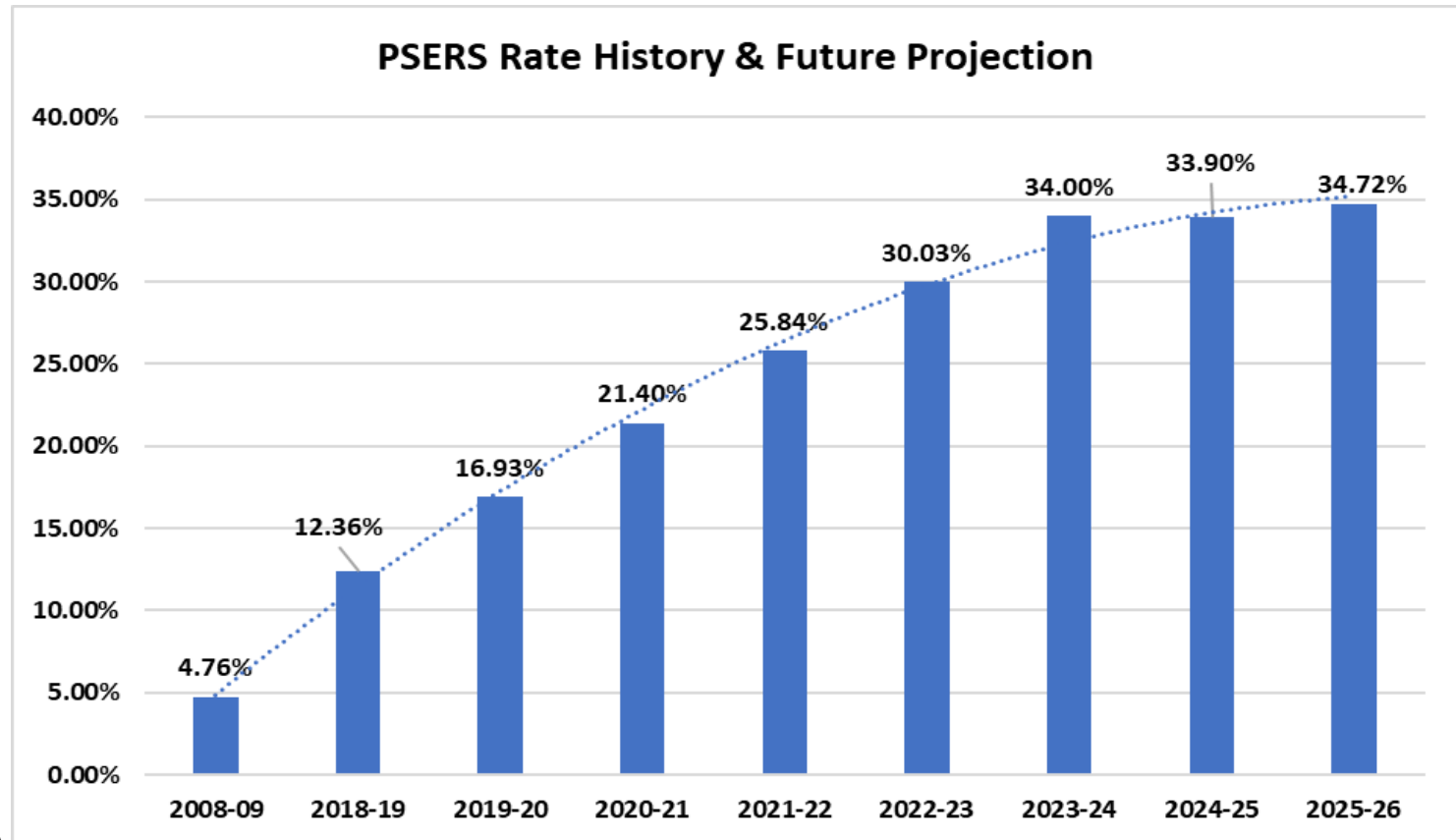




Bond and Debt Obligations

Fiscal Year Ended	G.O. Bonds Series of 2014	G.O. Bonds Series of 2015	G.O. Bonds Series of 2018	G.O. Notes Series of 2019	G.O. Bonds Series of 2019	G.O. Bonds Series of 2020 (Taxable)	G.O. Bonds Series of 2023	G.O. Bonds Series of 2024	Total Debt Service
6/30/2024	137,881	535,225	1,760,925	395,900	1,537,700	1,166,050	882,825	85,478	6,501,984
6/30/2025	137,756	35,400	1,768,225	395,722	1,539,600	1,436,973	882,675	389,575	6,585,926
6/30/2026	137,619	306,275	1,780,500	395,265	1,537,725	1,152,117	882,525	409,125	6,601,152
6/30/2027	137,469	312,800	3,342,100	395,513		1,153,634	882,375	408,375	6,632,266
6/30/2028	137,319	313,950	3,343,800	395,448		1,154,132	882,225	407,625	6,634,499
6/30/2029	137,169	319,725	3,345,600	396,052		1,153,777	882,075	406,875	6,641,273
6/30/2030	1,491,394			395,325		3,322,941	881,925	406,125	6,497,710
6/30/2031	1,514,019			396,251		3,286,131	881,775	405,375	6,483,551
6/30/2032	1,538,672			395,811		3,266,460	881,625	404,625	6,487,193
6/30/2033				395,023		4,729,041	881,475	403,875	6,409,414
6/30/2034				395,852		4,722,248	881,325	408,050	6,407,474
6/30/2035				395,281		4,718,614	881,125	407,000	6,402,020
6/30/2036				395,310		4,718,820	880,875	405,800	6,400,805
6/30/2037				395,903			2,655,125	3,320,100	6,371,128
6/30/2038				395,062			2,656,500	3,312,600	6,364,162
6/30/2039				395,769			2,658,000	3,320,100	6,373,869
6/30/2040							2,659,375		2,659,375
6/30/2041							2,655,500		2,655,500
6/30/2042							2,651,250		2,651,250
6/30/2043							2,656,125		2,656,125
6/30/2044							2,654,750		2,654,750
6/30/2045									
Totals	5,369,297	1,823,375	15,341,150	6,329,485	4,615,025	35,980,938	32,711,450	14,900,703	117,071,423

PSERS Rate History & Future Projections





Act 1

- Act 1 – what is Act 1?
 - Established in June 2006 and modified under Act 25 of 2011
 - Limits a school district's ability to increase taxes without a voter referendum or other exception
 - A district can raise taxes no more than their Adjusted Index
 - To raise taxes above the index voters would need to approve or the district would need to be eligible for exceptions
 - Allows a district to pass a resolution each budget year agreeing not to raise taxes above their adjusted index
 - *427 out of 500 PA school districts adopted this "Act 1 Resolution" for the 2021-22 budget year*

Act 1 Index 2024-25

- Boyertown's Adjusted Index: 6.4%
- Adjusted Index history:

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Boyertown Adjusted Index	2.6%	2.3%	2.9%	3.1%	2.9%	2.8%	3.2%	3.7%	4.2%	5.0%	6.4%
Statewide Base Index	2.1%	1.9%	2.4%	2.5%	2.4%	2.3%	2.6%	3.0%	3.4%	4.1%	5.3%
Increase above Statewide Index	0.5%	0.4%	0.5%	0.6%	0.5%	0.5%	0.6%	0.7%	0.8%	0.9%	1.1%



2024-25 Real Estate Tax Increase Scenarios

- 2023-24 Millage Rate: 30.814
- 2024-25 Tax Increase Scenarios:

% Increase	Millage Rate	Real Estate Tax Revenue
0%	30.814	84,195,010
1%	31.122	85,036,578
2%	31.430	85,878,145
3%	31.738	86,719,713
4%	32.046	87,561,280
5%	32.354	88,402,848
6.4%	32.786	89,583,229

% Increase	Millage Increase	Annual \$ increase based on \$100,000 Assessment
1%	0.308	30.80
2%	0.616	61.60
3%	0.924	92.40
4%	1.232	123.20
5%	1.972	197.21



2024-25 Budget Projection

	2024-25
Local Revenue	99,336,631
State Revenue	42,756,961
Federal Revenue	<u>1,440,000</u>
Total Budgeted Revenue	<u>143,533,592</u>
1100 Regular Education	67,638,074
1200 Special Education	24,916,909
1300 Vocational Education	2,027,280
1400 Other Instructional	190,156
1800 Pre-Kindergarten	541,773
2000 Support Services	40,045,717
3000 CoCurricular Services	1,962,023
5000 Debt and Other Expenditures	<u>7,187,426</u>
	<u>144,509,358</u>
Projected decrease in fund balance	(975,766)

**Assumes a 3% Tax Increase*



2024-25 Budgetary Uncertainties

- State Funding
 - Governor's Proposed Funding
 - Regular Education: \$21,346,633 (\$2.5 Million increase over 23-24)
 - Special Education: \$4,913,631 (\$214,000 increase over 23-24)
- Charter School Costs
- Healthcare Costs
- Average annual cost of additional teacher: \$137,321



2024-2025 Key Budgetary Dates

Adopt Proposed Final Budget by May 30, 2024

- May 14, 2024 COW Meeting



Adopt Final Budget by June 30, 2024

- June 11, 2024 COW Meeting or
- June 25, 2024 Board Meeting





THANK YOU