

SOUTH MIDDLETON SCHOOL DISTRICT • 2017-2018 FINANCIAL REVIEW

Financial Report:

Review of 2017-2018 Actuals

Presentation – October 15, 2018

SOUTH MIDDLETON SCHOOL DISTRICT • 2017-2018 FINANCIAL REVIEW

Review of 2017-2018 Actuals

- **August 2017**
Board increased the budget expenditures with the hiring of two elementary professional staff members.
- Expenditures = \$34,972,851
 - Two New Professional Positions = \$160,000
- Revenue = \$34,972,851

Projected budgetary surplus = \$521,286

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Tonight's objective:

- Update the Board on the 2017-2018 Budget by review the Financial Actuals

*Unaudited

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Review of 2017-2018 Actuals

- **August 2017 (Continued)**
District received a one-time payment of \$300,000 through RE Tax Transfer – Sale of the Carlisle Regional Hospital to Pinnacle.
- Expenditures = \$35,112,851
 - Budgetary Reserve = \$300,000
- Revenue = \$35,112,851

Projected budgetary surplus = \$821,286

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Review of 2017-2018 Actuals

- **June 2017 Board Approved the 2017-2018 Budget**

Expenditures = \$34,812,851

- Original Expenditures = \$34,131,565
- Budgetary Reserve = \$268,578
- Budget Surplus = \$392,708

Revenue = \$34,812,851

Planned budgetary surplus = \$681,286

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- **January 2018**
District received higher than projected Real Estate collections in the amount of \$415,000. Budgeted collections were based on a 95% tax collection rate, but realized 97% tax collection rate and increased interim assessment and collections.
- Expenditures = \$35,527,851
 - Budgetary Reserve = \$415,000
- Revenue = \$35,527,851

Projected budgetary surplus = \$1,236,286

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- **February 2018**
 Board settled contract with SMEA. This provided a defined salary and benefit plan. The agreement provided for a 3% salary increase and a High Deductible Health Plan (HDHP) with a Health Reimbursement Account (HRA). The District Budgeted for a 2% salary increase and a Preferred Provider Organization (PPO) health plan.

 The Board agreed to pay all Support Staff and Act 93 member an additional 1% Salary increase to be consistent with the SMEA Agreement

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- **February 2018 (Continued)**
 The District realized additional funds in PlanCon reimbursement. The District budgeted \$490,000 for PlanCon subsidy (amount of actuals in 16-17), not the \$730,000 that was due in 17-18. This decision was made because the funding of PlanCon was unknown at the State Level. The State borrowed resources and the PlanCon subsidy was funded 100%, which yielded an additional \$240,000 to the District.
 • Expenditures = \$35,767,851
 • Budgetary Reserve = \$240,000
 • Revenue = \$35,767,851
 Projected budgetary surplus = \$1,285,536

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Review of 2017-2018 Actuals

- **February 2018 (Continued)**
 Changes in personnel effect on budget
 • Expenditures = \$35,527,851
 • Salary and Benefit Changes = \$190,750

 • Revenue = \$35,527,851

 Projected budgetary surplus = \$1,045,536

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Review of 2017-2018 Actuals

- **March 2018 – June 2018**
 No revenue or expense data was outside of normal/expected ranges.

 Projected budgetary surplus = \$1,285,536

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- **February 2018 (Continued)**
PlanCon: When a school district undertakes a major school construction project and seeks reimbursement from the Commonwealth, a process known as PlanCon is initiated. PlanCon, an acronym for Planning and Construction Workbook, is a set of forms and procedures used to apply for Commonwealth reimbursement. The forms are designed to: (1) document a local school district's planning process; (2) provide justification for a project to the public; (3) ascertain compliance with state laws, regulations and standards; and (4) establish the level of state participation in the cost of the project.

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- **September 2018**
 The District received higher than projected revenue in Earned Income Tax (EIT) in the amount of \$460,000. The District originally met with tax collection professionals in January of 2017 to determine the 2017-2018 budget projection. Due to no unexpected swings at that time, a conservative budget estimate was based on the 2015-2016 actual collections of \$4,245,000. The 16-17 actual collections were slightly above 15-16, \$4,310,565, but there were no indicators pointing to making a drastic increase in revenue.

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• September 2018 (Continued)
EIT Budgeted vs Actual History:

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Total Collected	3,800,305.45	3,942,514.42	4,235,825.25	4,310,656.35	\$ 4,706,252.40
Budgeted Amt	4,447,300.00	4,437,678.00	4,801,027.00	4,245,029.00	\$ 4,245,029.00
% Collected	85%	89%	88%	102%	111%

- Expenditures = \$36,227,851
- Budgetary Reserve = \$460,000

- Revenue = \$36,227,851
- Projected budgetary surplus = \$1,745,536

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History of Fund Balance:

	2012-2013	2013-2014	2014-2015
Revenue	29,622,032.00	30,253,620.00	31,223,683.00
Expenditures	(29,410,971.00)	(32,802,660.00)	(31,076,379.00)
Other Financing Uses	99,099.00	(411,900.00)	(544,140.00)
Net Changes in Fund Balance	310,260.00	(2,960,940.00)	(396,836.00)
Ending Fund Balance	\$ 7,332,623.00	\$ 4,371,683.00	\$ 3,974,847.00
Restated Fund Balance			
Committed Fund Balance		3,431,000.00	3,431,000.00
Unassigned Fund Balance		940,683.00	543,847.00
Fund Balance % of Expenditures	25%	13%	13%
Unassigned Fund Balance %		3%	2%

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Total Expenditures	\$34,482,315
Total Budgetary Reserve	\$1,745,536
Total Expenditures = Total Revenue	\$36,227,851
Surplus higher than original budget	\$1,064,250

***All figures are unaudited and will vary from final audit and AFR documents.

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History of Fund Balance:

	2015-2016	2016-2017	2017-2018*
Revenue	32,247,166.00	33,926,941.00	36,227,851.00
Expenditures	(12,774,772.00)	(33,810,575.00)	(34,482,315.00)
Other Financing Uses	-	(102,270.00)	-
Net Changes in Fund Balance	(527,606.00)	14,096.00	1,745,536.00
Ending Fund Balance	\$ 3,447,241.00	\$ 3,461,337.00	\$ 5,206,873.00
Restated Fund Balance			
Committed Fund Balance	3,431,000.00	3,431,000.00	2,431,000.00
Unassigned Fund Balance	16,241.00	30,337.00	2,775,873.00
Fund Balance % of Expenditures	11%	10%	15%
Unassigned Fund Balance %	0%	0%	8%

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History of Fund Balance:

	2009-2010	2010-2011	2011-2012
Revenue	28,002,192.00	28,635,560.00	28,576,195.00
Expenditures	(25,230,169.00)	(29,300,636.00)	(29,023,641.00)
Other Financing Uses	(3,542,435.00)	402,565.00	(111,236.00)
Net Changes in Fund Balance	(770,412.00)	(262,511.00)	(560,682.00)
Ending Fund Balance	\$ 7,844,136.00	\$ 7,583,045.00	\$ 7,022,363.00
Restated Fund Balance	7,845,556.00		
Committed Fund Balance			
Unassigned Fund Balance			
Fund Balance % of Expenditures	27%	26%	24%
Unassigned Fund Balance %			