

Pocono Mountain School District



PRELIMINARY GENERAL FUND BUDGET

2019 – 2020

January 16, 2019

2019 – 2020 Budget – Act I Timeline

Date	Action Item
February 20, 2019	<i>Deadline to Adopt Preliminary Budget.</i>
April 15, 2019	<i>Certification of Gaming Funds for Property Tax Relief.</i>
May 31, 2019	<i>Deadline to Adopt Proposed Final Budget.</i>
June 30, 2019	<i>Deadline to Adopt Final Budget.</i>

Projected Fund Balance – June 30, 2019

	Fund Balance				
	Nonspendable	Restricted	Committed	Unassigned	Total
Fund Balance as of June 30, 2018	\$ 74,729	194,590	\$ 8,369,760	\$ 24,172,867	\$ 32,811,946
<u>2018 – 2019 Activity</u>					
Expend Prepaid Items	-7,800			7,800	0
Utilization to Balance 2018 – 2019 Budget			-5,800,000	5,800,000	0
Projected Excess of Revenues Over (Under) Expenditures				-5,800,000	-5,800,000
Projected Fund Balance as of June 30, 2019	\$ 66,929	\$ 194,590	\$ 2,569,760	\$ 24,180,667	\$ 27,011,946

Employer Pension Contribution Rates

Fiscal Year	Employer Contribution Rate
2019 – 2020	34.29%
2018 – 2019	33.43%
2017 – 2018	32.57%
2016 – 2017	30.03%
2015 – 2016	25.84%
2014 – 2015	21.40%
2013 – 2014	16.93%
2012 – 2013	12.36%
2011 – 2012	8.65%

Fiscal Year	Projected Employer Contribution Rate ⁽¹⁾
2020 – 2021	34.77%
2021 – 2022	35.19%
2022 – 2023	35.84%
2023 – 2024	36.30%

*(1) Projected employer contribution rates per PSERS.
Rates presume a 7.25% rate of return.*

Budgetary Highlights – Revenues & Other Financing Sources

- Regular Real Estate Taxes
 - 135.29 millage rate (*no change from 2018 – 2019 fiscal year*)
 - 92.50% collection rate
 - Excludes homestead/farmstead exclusion revenue offset
- State Funding
 - Projected increases for Basic, Special and Transportation subsidies
 - Projected increases in reimbursement for Social Security/Medicare taxes and PSERS employer retirement contributions
 - No increase in Ready to Learn Grant
 - Excludes State Property Tax Allocation Funding

Budgetary Highlights – Revenues & Other Financing Sources

- Federal Funding
 - Projected level funding for federal programs
- Other Sources
 - Increase in Fund Balance appropriation resulting in a reduction in prior years' accumulated General Fund Balance

Budgetary Highlights – Expenditures & Other Financing Uses

- Salaries & Wages
 - Based on current employment contracts and agreements

- Employee Benefits
 - Projected increase in medical insurance appropriation
 - Projected increase in Social Security and Medicare Taxes
 - Projected increase in unemployment compensation
 - Projected increase in PSERS employer retirement contribution rate

- Contracted Services
 - Special Educational Services
 - Colonial Intermediate Unit # 20
 - Other Service Provider Agencies

Budgetary Highlights – Expenditures & Other Financing Uses

- **Tuition to Others**
 - Projected increase in Charter and Cyber Schools appropriation
 - Projected increase in MCTI appropriation
- **Utilities/Fuel**
 - Projected increase in heating oil price per gallon
 - Projected increase in liquefied petroleum gas
 - Projected increase in natural gas
- **Debt Service**
 - Reduction in interest expense of \$ 408,117
 - Increase in principal payments of \$ 394,646



Review of Revenues

Projected Regular Real Estate Tax Revenue

MUNICIPALITY	PROJECTED ASSESSED VALUATION	PROJECTED 2019 - 2020 MILLAGE RATE	GROSS PROJECTED REAL ESTATE TAXES	COLLECTION RATE	NET PROJECTED REAL ESTATE TAXES
Barrett Township	\$ 66,911,910	0.13529	\$ 9,052,512	92.50%	\$ 8,373,574
Coolbaugh Township	267,529,890	0.13529	36,194,119	92.50%	33,479,560
Jackson Township	97,749,520	0.13529	13,224,533	92.50%	12,232,693
Mount Pocono Borough	40,701,670	0.13529	5,506,529	92.50%	5,093,539
Paradise Township	57,305,510	0.13529	7,752,862	92.50%	7,171,397
Pocono Township	186,380,180	0.13529	25,215,375	92.50%	23,324,222
Tobyhanna Township	213,515,780	0.13529	28,886,550	92.50%	26,720,059
Tunkhannock Township	92,532,260	0.13529	12,518,689	92.50%	11,579,787
Total	\$ 1,022,626,720		\$ 138,351,169		\$ 127,974,831

State Property Tax Reduction Allocation Subsidy offset for Approved Homesteads and Farmsteads is not reflected at this time.

Local Revenue Sources

Revenue Description	2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Final Budget	2019 – 2020 Preliminary Budget	Budget Net Change
Regular Real Estate Taxes ⁽¹⁾	\$ 121,046,843	\$ 120,426,645	\$ 121,476,181	\$ 127,974,831	\$ 6,498,650
Interim Real Estate Taxes	147,874	280,650	150,000	200,000	50,000
Public Utility Realty Taxes	159,987	145,150	145,000	140,000	-5,000
Payments in Lieu of Taxes	197,681	200,120	195,000	215,000	20,000
Earned Income Taxes	5,453,697	5,472,165	5,500,000	5,500,000	0
Real Estate Transfer Taxes	1,868,293	2,338,430	1,500,000	1,800,000	300,000
Delinquent Real Estate Taxes	10,342,698	9,749,258	10,800,000	10,600,000	-200,000
Interest on Investments	568,827	833,930	850,000	900,000	50,000
Revenues From District Activities	36,841	46,390	45,000	45,000	0
Federal Revenues from Other Sources (IDEA)	1,632,176	1,654,240	1,625,000	1,650,000	25,000
Rental Revenue	46,124	19,670	14,000	20,000	6,000
Contributions From Private Sources	20,284	86,013	145,000	100,000	-45,000
Receipts and Other Services From LEAS	115,946	103,389	47,155	145,000	97,845
Refunds and Other Miscellaneous Revenue	149,079	278,757	138,000	290,712	152,712
Total Local Sources	\$ 141,786,350	\$ 141,634,807	\$ 142,630,336	\$ 149,580,543	\$ 6,950,207

(1) *Regular Real Estate Taxes do not include the property tax relief offset for approved homesteads and farmsteads from gaming funds at this time. The state will certify the amount available by April 15, 2019.*

State Revenue Sources

Revenue Description	2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Final Budget	2019 – 2020 Preliminary Budget	Budget Net Change
Basic Education Subsidy	\$ 26,848,130	\$ 27,293,238	\$ 27,465,615	\$ 27,808,935	\$ 343,320
Tuition – Orphans and Children Placed in Private Homes	1,014,528	960,931	900,000	950,000	50,000
Special Education	5,545,253	5,598,876	5,851,898	5,968,936	117,038
Transportation	2,364,583	2,450,305	2,450,000	2,500,000	50,000
Rentals & Sinking Fund Payments	1,645,357	1,078,514	966,938	1,063,577	96,639
Health Services	191,207	187,317	185,000	170,000	-15,000
Property Tax Reduction Allocation ⁽¹⁾	6,202,386	6,200,854	6,201,319	0	-6,201,319
Other State Revenue Sources	100,500	0	100,000	100,000	0
Safe Schools	55,000	60,000	0	0	0
Ready To Learn Grant	1,534,068	1,534,068	1,534,068	1,534,068	0
Reimbursement - Social Security	3,279,681	3,386,845	3,558,989	3,662,859	103,870
Reimbursement - Retirement	14,088,072	15,362,969	15,535,837	16,401,082	865,245
Total State Sources	\$ 62,868,765	\$ 64,113,917	\$ 64,749,664	\$ 60,159,457	\$ -4,590,207

(1) *Regular Real Estate Taxes do not include the property tax relief offset for approved homesteads and farmsteads from gaming funds at this time. The state will certify the amount available by April 15, 2019.*

Federal Revenue Sources

Revenue Description	2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Final Budget	2019 – 2020 Preliminary Budget	Budget Net Change
Title I - Improving Basic Programs	\$ 2,760,463	\$ 2,524,566	\$ 2,525,000	\$ 2,525,000	\$ 0
Title II – Supporting Effective Instruction	299,551	390,009	390,000	390,000	0
Title III – Language Instruction for English Learners	74,909	53,860	50,000	50,000	0
Title IV – Student Support and Academic Enrichment Grants	0	56,595	55,000	55,000	0
Other Federal Revenue Sources	41,038	56,085	0	0	0
Medical Assistance - Access Program	926,513	391,291	900,000	900,000	0
Total Federal Sources	\$ 4,102,474	\$ 3,472,406	\$ 3,920,000	\$ 3,920,000	\$ 0

Other Financing Sources

Revenue Description	2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Final Budget	2019 – 2020 Preliminary Budget	Budget Net Change
Sale of Fixed Assets	\$ 80,756	\$ 420	\$ 0	\$ 0	\$ 0
Fund Balance Appropriation	0	0	5,800,000	10,500,000	4,700,000
Total Other Financing Sources⁽¹⁾	\$ 80,756	\$ 420	\$ 5,800,000	\$ 10,500,000	\$ 4,700,000

(1) *Fund Balance Appropriation represents the equivalent of 6.27 mills for the fiscal year 2018 – 2019 and 11.35 mills for the 2019 – 2020 fiscal year. The 2017 – 2018 initial Preliminary Budget projected a Fund Balance Appropriation of \$ 11,485,772.*

Revenues and Other Financing Sources

Revenue Category	2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Final Budget	2019 – 2020 Preliminary Budget	Budget Net Change
Local Sources ⁽¹⁾	\$ 141,786,350	\$ 141,634,807	\$ 142,630,336	\$ 149,580,543	\$ 6,950,207
State Sources ⁽¹⁾	62,868,765	64,113,917	64,749,664	60,159,457	-4,590,207
Federal Sources	4,102,474	3,472,406	3,920,000	3,920,000	0
Other Sources	80,756	420	5,800,000	10,500,000	4,700,000
Total Sources	\$ 208,838,345	\$ 209,221,550	\$ 217,100,000	\$ 224,160,000	\$ 7,060,000

⁽¹⁾ *Regular Real Estate Taxes do not include the property tax relief offset for approved homesteads and farmsteads from gaming funds at this time. The state will certify the amount available by April 15, 2019.*



Review of Expenditures

Expenditures and Other Financing Uses

Expenditure Category	2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Final Budget	2019 – 2020 Preliminary Budget	Budget Net Change
Salaries & Wages	\$ 90,653,300	\$ 90,039,113	\$ 93,045,483	\$ 95,761,022	\$ 2,715,539
Employee Benefits	59,394,283	63,614,005	62,719,654	65,697,882	2,978,228
Professional & Technical Services	11,878,088	12,098,544	12,980,290	13,270,425	290,135
Purchased Property Services	1,493,775	1,325,065	1,936,485	1,832,314	-104,171
Other Purchased Services	13,797,350	14,312,759	15,361,314	15,772,492	411,178
Supplies, Utilities, Books and Software Applications	9,888,513	8,690,408	9,123,261	9,906,632	783,371
Dues, Fees, Competitions, Tournaments and Tax Rebates	1,511,453	1,533,020	1,609,503	1,608,694	-809
Capital Outlay, Buses and Equipment	4,058,099	3,540,595	652,000	652,000	0
Debt Service – Principal	11,200,288	11,348,571	12,375,180	12,769,826	394,646
Debt Service – Interest	7,032,849	6,639,178	6,216,830	5,808,713	-408,117
Refunds of Prior Year Receipts	51,286	123,210	150,000	150,000	0
Transfers To Other Funds	10,233,244	2,880,240	5,000	5,000	0
Budgetary Reserve	0	0	925,000	925,000	0
Total Expenditures & Other Financing Uses	\$ 221,192,528	\$ 216,144,708	\$ 217,100,000	\$ 224,160,000	\$ 7,060,000

Employee Benefits

Expenditure Category	2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Final Budget	2019 – 2020 Preliminary Budget	Budget Net Change
Group Insurance	\$ 1,359,637	\$ 1,398,642	\$ 1,420,000	\$ 1,420,000	\$ 0
Social Security & Medicare Taxes (FICA)	6,808,185	6,789,356	7,117,979	7,325,718	207,739
Employer Retirement Contributions (PSERS)	26,595,960	29,296,655	31,071,675	32,802,164	1,730,489
Tuition Reimbursement	435,469	511,454	415,000	450,000	35,000
Unemployment Compensation	11,654	23,079	20,000	25,000	5,000
Workers' Compensation	1,739,641	1,850,374	1,000,000	1,000,000	0
Medical Insurance	21,713,533	22,991,024	21,500,000	22,500,000	1,000,000
403(b) Employer Contributions	730,204	753,421	175,000	175,000	0
Total Employee Benefits	\$ 59,394,283	\$ 63,614,005	\$ 62,719,654	\$ 65,697,882	\$ 2,978,228

Colonial Intermediate Unit 20 Services and Tuition to Others

Expenditure Category	2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Final Budget	2019 – 2020 Preliminary Budget	Budget Net Change
Colonial Intermediate Unit 20 Services	\$ 6,961,020	\$ 7,683,288	\$ 8,020,200	\$ 8,160,200	\$ 140,000
Tuition to Other Local Educational Agencies	\$ 643,959	\$ 247,263	\$600,000	\$ 450,000	\$ -150,000
Tuition to Charter and Cyber Schools	7,483,114	8,159,661	8,452,500	8,692,500	240,000
Tuition to Monroe County Technical Institute	2,345,637	2,257,927	2,734,750	2,800,000	65,250
Tuition to Non-Public Schools	0	295,643	0	170,000	170,000
Tuition to Approved Private Schools	158,903	126,999	300,000	300,000	0
Tuition to Private Residential Rehabilitative Institutions	233,238	171,233	220,500	200,000	-20,500
Tuition to Other Special Education Programs	0	0	50,000	50,000	0
Total Tuition to Others	\$ 10,864,851	\$ 11,258,726	\$ 12,357,750	\$ 12,662,500	\$ 304,750

Capital Outlay, Buses and Equipment

Expenditure Category	2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Final Budget	2019 – 2020 Preliminary Budget	Budget Net Change
Site Improvements ⁽¹⁾	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Improvements ⁽¹⁾	0	0	0	0	0
Vehicle Acquisitions ⁽¹⁾	2,395,623	2,357,848	0	0	0
Computer & Technology Equipment	1,246,505	810,515	652,000	652,000	0
District-wide Equipment	415,971	372,232	0	0	0
Total Capital Outlay, Buses and Equipment	\$ 4,058,099	\$ 3,540,595	\$ 652,000	\$ 652,000	\$ 0

(1) *Site Improvements, Building Improvements and Vehicle Acquisitions are currently being evaluated. Funding for proposed projects and acquisitions may be funded via designed accumulated fund balance for capital improvements and infrastructure.*

General Fund Budget – Expenditures By Function

Expenditure Functional Area	2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Final Budget	2019 – 2020 Preliminary Budget	Budget Net Change
Regular Instruction	\$ 87,076,884	\$ 86,032,801	\$ 87,646,940	\$ 90,276,125	\$ 2,629,185
Special Education	31,516,871	33,680,347	34,465,612	35,547,173	1,081,561
Vocational Education	2,345,637	2,257,927	2,734,750	2,800,000	65,250
Other Instruction	2,409,765	2,471,764	2,788,296	2,662,133	-126,163
Non Public Programs	15,613	24,917	15,500	15,500	0
Pupil Personnel	7,536,878	7,958,000	8,154,084	8,408,732	254,648
Instructional Staff	9,127,672	8,914,486	8,849,981	9,156,340	306,359
Administration	10,741,527	10,980,775	11,189,360	11,569,167	379,807
Pupil Health	1,928,924	2,041,830	2,132,863	2,226,933	94,070
Business Services	1,609,398	1,742,907	1,801,383	1,832,779	31,396
Operation & Maintenance	16,239,058	16,216,266	17,364,192	17,703,239	339,047
Student Transportation Services	15,215,112	15,413,681	13,061,801	14,335,173	1,273,372
Staff Support Services	3,055,294	3,215,351	2,936,827	3,026,906	90,079
Intermediate Unit 20 Contribution	79,659	79,766	81,950	81,950	0
Student Activities	3,679,786	4,085,502	4,161,451	4,816,311	654,860
Community Services	65,014	37,189	43,000	43,000	0
Capital Outlay	31,769	0	0	0	0
Debt Service – Principal	11,200,288	11,348,571	12,375,180	12,769,826	394,646
Debt Service – Interest	7,032,849	6,639,178	6,216,830	5,808,713	-408,117
Refund of Prior Year Receipts	51,286	123,210	150,000	150,000	0
Transfers To Other Funds	10,233,244	2,880,240	5,000	5,000	0
Budgetary Reserve	0	0	925,000	925,000	0
Total Expenditures & Other Financing Uses	\$ 221,192,528	\$ 216,144,708	\$ 217,100,000	\$ 224,160,000	\$ 7,060,000

Total Expenditures and Other Financing Uses

Functional Expenditure Area	2016 – 2017 Actual	2017 – 2018 Actual	2018 – 2019 Final Budget	2019 – 2020 Preliminary Budget	Budget Net Change
Instructional Expenditures	\$123,364,770	\$124,467,755	\$127,651,098	\$131,300,931	\$ 3,649,833
Support Services Expenditures	65,533,522	66,563,064	65,572,441	68,341,219	2,768,778
Non-Instructional Expenditures	3,744,800	4,122,691	4,204,451	4,859,311	654,860
Capital Outlay	31,769	0	0	0	0
Debt Service	18,233,137	17,987,748	18,592,010	18,578,539	-13,471
Refund of Prior Year Receipts	51,286	123,210	150,000	150,000	0
Transfers To Other Funds	10,233,244	2,880,240	5,000	5,000	0
Budgetary Reserve	0	0	925,000	925,000	0
Total Expenditures & Other Financing Uses	\$221,192,528	\$216,144,708	\$217,100,000	\$224,160,000	\$ 7,060,000

2019 – 2020 Preliminary Budget

	2019 - 2020 Preliminary Budget ⁽¹⁾
Total Revenues & Other Sources	\$ 224,160,000
Total Expenditures & Other Uses	\$ 224,160,000

⁽¹⁾ *Balanced Preliminary Budget resulting in a zero tax increase.*

Pocono Mountain School District



PRELIMINARY CAPITAL RESERVE FUND BUDGET

2019 - 2020

January 16, 2019

Capital Reserve Fund Budget

Projected Fund Balance - July 1, 2019 \$ 2,258,000

Revenues:

Transfer From General Fund 0

Interest Income 42,000

Expenditures:

Capital Outlay 0

Projected Fund Balance - June 30, 2020 \$ 2,300,000
