

Methacton School District

5 Year Budget to Actual Review

Summary

- Methacton's millage rate for 2021-2022 is the 10th lowest in the county out of 21 districts.
- Over the past **10 years**, Methacton's millage increase has been the **7th lowest** in the county.
- Our 5 year variance of budget to actual for revenue is 0.56% and for expenditures 0.97%.
- We have had fiscal years end with a surplus and had years end in a deficit – This presentation outlines the reasoning behind fiscal year end results.
- It is expected that we end each year with a surplus or deficit. Understanding why and adjusting annually helps narrow the variances.
- Using surpluses to avoid future/additional costs at the same time making investments in programs and capital is good fiduciary use of those funds.

Budget Review

The information contained in this presentation is based on Audited Financial Statements which are available on the District website.

This is summarized to provide a high level overview as to where the variances occurred and the reasoning behind the variances.

Years for 2016-2017 through 2019-2020 were previously presented at a Finance Committee Meeting or Board Meeting or both. The 2020-2021 Fiscal Year variances are now included in this presentation.

Budget Review – Act 1 Index History

Fiscal Year	Act 1 Index	MSD % Increase	Unused Index
21-22	3.00%	1.33%	1.67%
20-21	2.60%	1.56%	1.04%
19-20	2.30%	1.12%	1.18%
18-19	2.40%	1.98%	0.42%
17-18	2.50%	2.50%	0.00%
16-17	2.40%	3.01%	(0.61%)

- The Act 1 Index is used to determine the maximum property tax increase without adjustments, exceptions or a referendum.
- The millage rate for Methacton is the 10th lowest (FY 2021-2022) in the county out of 21 districts.
- Over the past **10 years**, Methacton's millage increase has been the **7th lowest** in the county.

Budget Review – Summary

	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	TOTAL
Revenue	\$104,810,743	\$106,733,281	\$110,071,407	\$111,615,744	\$114,290,685	\$547,521,861
Expenditures	\$103,692,680	\$104,148,376	\$108,261,435	\$108,438,651	\$114,629,412	\$539,170,553
Variance	\$1,118,064	\$2,584,905	\$1,809,972	\$3,177,094	(\$338,727)	\$8,351,308

Notes	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	TOTAL
	- Revenue favorable by \$266,691.20	- Revenue unfavorable by (\$142,357.48)	- Revenue favorable by \$673,240.15	- Revenue unfavorable by (\$247,864.16)	- Revenue favorable by \$2,500,484.72	- Revenue favorable by \$3,050,194.43 over 5 yrs
	- Expenditures favorable by \$851,372.60	- Expenditures favorable by \$2,727,262.89	- Expenditures favorable by \$1,136,731.97	- Expenditures favorable by \$3,424,957.74	- Expenditures unfavorable by (\$2,839,211.34)	- Expenditures favorable by \$5,301,113.86 over 5 yrs
	Variations Revenue 0.26% Expenditures 0.81% Overall 1.07%	Variations Revenue (0.13%) Expenditures 2.55% Overall 2.42% Adjusted Overall 1.96%	Variations Revenue 0.62% Expenditures 1.04% Overall 1.65%	Variations Revenue (0.22%) Expenditures 3.06% Overall 2.84%	Variations Revenue 2.24% Expenditures (2.54%) Overall (0.30%)	5 YEAR VARIANCE Revenue 0.56% Expenditures 0.97% Overall 1.53%
		STRIKE		COVID	COVID/LEASE PMT	

➤ **OVER THE LAST 5 YEARS THE AVERAGE VARIANCE TO BUDGET IS 1.53%**

Budget Review 2016-2017

REVENUE

Local

(\$507k) – Local RE Taxes
 \$291k – Interim RE Taxes
 (\$354k) – Misc. Revenue

State

\$165k – Basic Subsidy
 \$495k – Transportation Subsidy
 \$483k – Rent Sink Fund
 (\$116k) – Social Security

Federal

\$181k – Title I

Other

(\$983k) – Tech. Reimbursement

EXPENDITURES

Salary & Benefits

(\$289k) – Salaries
 \$372k – Medical
 \$143k – Social Security
 \$162k – Other Benefits / ERIP

Operating Expenses

\$299k – Professional Services
 \$368k – Property Services
 (\$183k) – Transportation
 (\$268k) – Tuition
 \$286k – Supplies

Bonds

\$336k – Bond Payments

Revenue	Variance Amt	Var. to Budget
Local - RE Taxes	(\$507,746.09)	(0.73%)
Local - All Other Sources	\$295,364.55	2.35%
State	\$1,151,585.84	5.39%
Federal	\$324,903.39	95.19%
Other	(\$997,416.49)	(98.27%)
Total Revenue	\$266,691.20	0.26%
Expenditures	Variance Amt	Var. to Budget
Salaries	(\$288,606.69)	(0.67%)
Benefits	\$635,691.95	2.30%
Operating Expenses	\$167,867.90	0.70%
Bonds	\$336,419.44	3.47%
Total Expenditures	\$851,372.60	0.81%
Total Variance	\$1,118,063.80	1.07%

Budget Review 2017-2018

REVENUE

Local

\$273k – Local RE Taxes
 \$264k – EIT
 (\$182k) – Del RE Taxes
 \$361k – Interest Income
 (\$355k) – Receipts from other LEA

State

\$72k – Basic Subsidy
 \$83k – Transportation Subsidy
 \$85k – Rent Sink Fund
 (\$116k) – Social Security

Federal

\$175k – Medial Assist. Reimbursement

Other

(\$1,000k) – Tech. Reimbursement

EXPENDITURES

Salary & Benefits

\$651K – Salaries
\$486K – Unpaid Strike Salaries
 \$380k – PSERS
 \$224k – Social Security
 \$210k – Unemployment Comp.
 \$319k – Tuition

Operating Expenses

(\$133k) – Professional Services
 \$233k – Property Services
 (\$385k) – Transportation
 (\$405k) – Tuition
 \$702k – Supplies

Bonds

\$589k – Bond Payments

Revenue	Variance Amt	Var. to Budget
Local - RE Taxes	\$272,986.24	0.38%
Local - All Other Sources	\$309,864.90	2.63%
State	\$129,449.38	0.58%
Federal	\$126,922.87	22.53%
Other	(\$981,580.87)	(98.16%)
Total Revenue	(\$142,357.48)	(0.13%)
Expenditures	Variance Amt	Var. to Budget
Salaries - Non Strike	\$651,186.41	1.49%
Salaries - Strike	\$485,728.77	N/A
Benefits	\$1,219,577.75	4.25%
Operating Expenses	(\$217,898.92)	(0.87%)
Bonds	\$588,668.88	6.24%
Total Expenditures	\$2,727,262.89	2.55%
Total Variance	\$2,584,905.41	2.42%
Total Variance less Strike	\$2,099,176.64	1.96%

Budget Review 2018-2019

REVENUE

Local

\$136k – EIT
 \$391k – RE Transfer Taxes
 \$408k – Interest Income

State

\$143k – Spec. Ed. Subsidy
 \$296k – Transportation Subsidy
 (\$170k) – Social Security
 (\$448k) – PSERS

Federal

No Significant Variance

Other

No Variance

EXPENDITURES

Salary & Benefits

\$874k – Salaries
 \$366k – Medical
 \$245k – Social Security
 \$345k – PSERS
 \$239k – Unemployment Comp.
 \$162k – Tuition

Operating Expenses

(\$508k) – Professional Services
 \$185k – Transportation
 (\$585k) – Tuition
 \$326k – Supplies

Bonds

\$157k – Bond Payments

Revenue	Variance Amt	Var. to Budget
Local - RE Taxes	(\$46,119.40)	(0.06%)
Local - All Other Sources	\$840,008.93	6.70%
State	(\$83,105.40)	(0.36%)
Federal	(\$37,543.98)	(5.28%)
Other	\$0.00	N/A
Total Revenue	\$673,240.15	0.62%
Expenditures	Variance Amt	Var. to Budget
Salaries	\$874,453.72	1.94%
Benefits	\$1,567,761.95	5.35%
Operating Expenses	(\$1,462,106.36)	(5.76%)
Bonds	\$156,622.66	1.62%
Total Expenditures	\$1,136,731.97	1.04%
Total Variance	\$1,809,972.12	1.65%

Budget Review 2019-2020

REVENUE

Local

\$220k – EIT
 (\$268k) – Delinq. RE Taxes
 (\$354k) – Misc. Revenue
 (\$207k) – Interest Inc.

State

\$221k – Basic Subsidy
 \$178k – Spec. Ed. Subsidy
 \$272k – Rent Sink Fund
 (\$190k) – Social Security
 (\$301k) – PSERS

Federal

\$115k – Medial Assist. Reimbursement

Other

No Significant Variance

EXPENDITURES

Salary & Benefits

\$108k – Dental
 \$262k – Social Security
 \$288k – Other Benefits / ERIP

Operating Expenses

\$360k – Professional Services
 \$246k – Property Services
 \$1,546k – Transportation
 \$209k – Tuition
 \$133k – Supplies
 (\$108k) – Various Tax Appeal Refunds

Bonds

No Significant Variance

Revenue	Variance Amt	Var. to Budget
Local - RE Taxes	(\$16,245.68)	(0.02%)
Local - All Other Sources	(\$547,952.36)	(4.06%)
State	\$252,416.35	1.06%
Federal	\$51,477.35	8.24%
Other	\$12,440.18	N/A
Total Revenue	(\$247,864.16)	(0.22%)

Expenditures	Variance Amt	Var. to Budget
Salaries	\$20,677.46	0.05%
Benefits	\$703,959.68	2.37%
Operating Expenses	\$2,647,964.50	9.97%
Bonds	\$52,356.10	0.52%
Total Expenditures	\$3,424,957.74	3.06%
Total Variance	\$3,177,093.58	2.84%

COVID SHUTDOWN 03/12/2020

- ✓ First year substitute budget was reduced and budget transfers used to fund substitute costs, offsetting attritional savings in salaries & benefits

Budget Review 2020-2021 REVENUE

REVENUE

Local

\$288k – Local RE Taxes
 \$517k – Interim RE Taxes
 \$1.323k – EIT
 \$565k – Delinq. RE Taxes
 (\$173k) – Interest Income
 (\$130k) – IDEA Funds
 \$320k – CARES Grant I
 (\$126k) – Community Education

State

\$126k – Spec. Ed. Subsidy
 (\$272k) – PSERS
 (\$171k) – Social Security
 \$228k – Rent Sink Fund
 (\$444k) – School Safety & Sec. Grant
 \$228k – Rent Sink Fund

REVENUE

Federal

\$334k – ESSER I
 \$238k – ESSER II
 \$154k – CARES GRANT II
 (\$266k) – IDEA Funding

Other

No Significant Variance

Revenue	Variance Amt	Var. to Budget
Local - RE Taxes	\$287,823.63	0.38%
Local - All Other Sources	\$2,204,170.79	19.15%
State	(\$494,065.23)	(2.03%)
Federal	\$479,388.70	76.95%
Other	\$23,166.83	N/A
Total Revenue	\$2,500,484.72	2.24%

Expenditures	Variance Amt	Var. to Budget
Salaries	\$15,244.82	0.03%
Benefits	\$1,066,795.76	3.49%
Operating Expenses	(\$1,373,335.85)	(5.29%)
Lease Payment	(\$2,547,916.07)	
Bonds	\$0.00	0.00%
Total Expenditures	(\$2,839,211.34)	(2.54%)
Total Variance	(\$338,726.62)	(0.30%)

VIRTUAL THROUGH 01/2021

Budget Review 2020-2021 EXPENDITURES

EXPENDITURES

Salary & Benefits

\$206k – Medical
 \$256k – Social Security
 \$330k – PSERS
 \$169k – Tuition

Operating Expenses

\$283k – Professional Services – IU
 (\$138k) – Professional Services – Subs
 (\$116k) – Prof. Services – Consultants
 (\$1,441k) – Legal
 (\$291k) – Fuel Tank Project
 \$2,569k – Transportation
 (\$1,106k) – Tuition
 (\$829k) – Supplies

EXPENDITURES

Leases

(\$965k) – NMTCC Lease
 (\$1,751k) – ESCO Lease

Tax Appeal Refund Expenses

(\$644k) – Various Tax Appeal Refunds

Bonds

No Variance

- ✓ Paid off the ESCO Lease and the NMTCC Lease totaling \$2.5M
- ✓ Annual budget savings over the next 10 years is \$271,544.69 per year

Revenue	Variance Amt	Var. to Budget
Local - RE Taxes	\$287,823.63	0.38%
Local - All Other Sources	\$2,204,170.79	19.15%
State	(\$494,065.23)	(2.03%)
Federal	\$479,388.70	76.95%
Other	\$23,166.83	N/A
Total Revenue	\$2,500,484.72	2.24%

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Bonds	\$0.00	0.00%
Total Expenditures	(\$2,839,211.34)	(2.54%)
Total Variance	(\$338,726.62)	(0.30%)

VIRTUAL THROUGH 01/2021

Budget Review 5 Year Summary

Key Notes

1. 5 year average variance is 1.53%

2. Local RE Taxes variance average over the 5 years is 0.00%

3. Salary Variance is 0.79% over 5 years, with the last 2 years being 0.05% (19-20) and 0.03% (20-21)

BUDGET	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	5 Year Budget Total	
	\$ 104,544,052.00	\$ 106,894,057.51	\$ 109,398,166.76	\$ 111,863,608.65	\$ 111,790,200.77	\$ 544,490,085.69	
Revenue	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	5 Year Cum Var.	5 Year Avg Var. %
Local - RE Taxes	(\$507,746.09)	\$272,986.24	(\$46,119.40)	(\$16,245.68)	\$287,823.63	(\$9,301.30)	(0.00%)
Local - All Other Sources	\$295,364.55	\$309,864.90	\$840,008.93	(\$547,952.36)	\$2,204,170.79	\$3,101,456.81	5.01%
State	\$1,151,585.84	\$129,449.38	(\$83,105.40)	\$252,416.35	(\$494,065.23)	\$956,280.94	0.83%
Federal	\$324,903.39	\$126,922.87	(\$37,543.98)	\$51,477.35	\$479,388.70	\$945,148.33	33.00%
Other	(\$997,416.49)	(\$981,580.87)	\$0.00	\$12,440.18	\$23,166.83	(\$1,943,390.35)	N/A
Total Revenue	\$266,691.20	(\$142,357.48)	\$673,240.15	(\$247,864.16)	\$2,500,484.72	\$3,050,194.43	0.56%
					GRANTS		
Expenditures							
Salaries	(\$288,606.69)	\$1,136,915.18	\$874,453.72	\$20,677.46	\$15,244.82	\$1,758,684.49	0.79%
Benefits	\$635,691.95	\$1,219,577.75	\$1,567,761.95	\$703,959.68	\$1,066,795.76	\$5,193,787.09	3.56%
Operating Expenses	\$167,867.90	(\$217,898.92)	(\$1,462,106.36)	\$2,647,964.50	(\$3,921,251.92)	(\$2,785,424.80)	(2.19%)
Bonds	\$336,419.44	\$588,668.88	\$156,622.66	\$52,356.10	\$0.00	\$1,134,067.08	2.33%
Total Expenditures	\$851,372.60	\$2,727,262.89	\$1,136,731.97	\$3,424,957.74	(\$2,839,211.34)	\$5,301,113.86	0.97%
Total Variance	\$1,118,063.80	\$2,584,905.41	\$1,809,972.12	\$3,177,093.58	(\$338,726.62)	\$8,351,308.29	1.53%
Variance %	1.07%	2.42%	1.65%	2.84%	(0.30%)		
Notes		STRIKE		COVID	COVID/LEASE PMT		

2

3

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2021-2022 Forecast

Revenue

	Budget	Forecast	Surplus / (Deficit)
Total Local Revenue	\$89,412,170.02	\$91,079,864.97	\$1,667,694.95
Total State Revenue	\$24,357,956.83	\$24,714,454.99	\$356,498.16
Total Federal Revenue	\$622,513.82	\$849,318.93	\$226,805.11
Total Other Revenue	\$0.00	\$31,185.23	\$31,185.23
Total Revenue	\$114,392,640.67	\$116,674,824.12	\$2,282,183.45

Revenue Variance Sources	Surplus / (Deficit)	Forecast
Shannondell Escrow	\$793,015.00	Court Decision rendered
Delinquent Real Estate Taxes	(\$640,480.15)	Projected collections lower than budget
Earned Income Tax	\$503,988.41	COVID did not impact collections as anticipated
ESSER II	\$441,534.18	Grant not budgeted as it was post budget process
Interim Real Estate Tax	\$410,247.34	More properties obtaining CO's than anticipated
Receipts From Other Leas	\$375,244.01	Resolution of a 16-17 open matter
Real Estate Transfer Tax	\$350,505.48	Homes sales are higher than anticipated
Access	(\$265,726.82)	Access reimbursement lower than anticipated
Basic Subsidy	\$246,657.00	Budget by PA completed after our budget.
Pupil Transportation	(\$242,618.70)	Actual amount approved lower than budget
School Safety & Security	\$190,453.75	Grant not budgeted as it was post budget process
Total Revenue Variances	\$2,162,819.50	

Expenditures

	Budget	Total Expenditures	Surplus / (Deficit)
Salary	\$47,536,569.26	\$46,897,060.28	\$639,508.98
Benefits	\$32,048,360.12	\$31,033,841.33	\$1,014,518.79
Buildings	\$761,958.08	\$693,258.88	\$68,699.20
Departments	\$34,045,753.21	\$36,857,619.32	(\$2,811,866.11)
Total Expenditures	\$114,392,640.67	\$115,481,779.81	(\$1,089,139.14)

Expenditure Variance Sources	Surplus / (Deficit)	Forecast
Salary	\$639,508.98	Staffing changes & vacancies, will be moved to Sub
Medical Insurance	\$599,531.30	Staffing vacancies and changes in coverage by staff.
Retirement Contrib	\$235,549.61	Staffing costs directly impact this amount.
Tuition Reimbursement	\$143,628.80	Budget Contractual Obligations, actual use is lower.
Business Office	(\$1,404,215.07)	Legal & Capital Reserve funding
Facilities	(\$119,218.79)	Normal Operational needs
Personnel	(\$561,608.15)	Budget Transfers from Salary will address this
Pupil Services	(\$1,025,686.72)	Charter Schools and Professional Services
Transportation	\$613,057.68	Lower routes run, 89 v 94 and lower activity runs.
Total Expenditure Variances	(\$879,452.36)	

Total Surplus / (Deficit)	\$1,193,044.31
One Time Variances	\$1,168,259.01
Adjusted Surplus / (Deficit)	\$24,785.30