

# Methacton School District

5 Year Budget to Actual Review

# Summary

- Methacton's millage rate for 2021-2022 is the 10<sup>th</sup> lowest in the county out of 21 districts.
- Over the past **10 years**, Methacton's millage increase has been the **7<sup>th</sup> 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 10<sup>th</sup> lowest (FY 2021-2022) in the county out of 21 districts.
- Over the past **10 years**, Methacton's millage increase has been the **7<sup>th</sup> 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	- 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
	<b>Variances</b> Revenue 0.26% Expenditures 0.81% Overall 1.07%	<b>Variances</b> Revenue (0.13%) Expenditures 2.55% Overall 2.42% Adjusted Overall 1.96%	<b>Variances</b> Revenue 0.62% Expenditures 1.04% Overall 1.65%	<b>Variances</b> Revenue (0.22%) Expenditures 3.06% Overall 2.84%	<b>Variances</b> Revenue 2.24% Expenditures (2.54%) Overall (0.30%)	<b>5 YEAR VARIANCE</b> 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%)
<b>Total Revenue</b>	<b>\$266,691.20</b>	<b>0.26%</b>
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%
<b>Total Expenditures</b>	<b>\$851,372.60</b>	<b>0.81%</b>
<b>Total Variance</b>	<b>\$1,118,063.80</b>	<b>1.07%</b>

# 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%)
<b>Total Revenue</b>	<b>(\$142,357.48)</b>	<b>(0.13%)</b>

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%
<b>Total Expenditures</b>	<b>\$2,727,262.89</b>	<b>2.55%</b>
<b>Total Variance</b>	<b>\$2,584,905.41</b>	<b>2.42%</b>
<b>Total Variance less Strike</b>	<b>\$2,099,176.64</b>	<b>1.96%</b>

# 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
<b>Total Revenue</b>	<b>\$673,240.15</b>	<b>0.62%</b>
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%
<b>Total Expenditures</b>	<b>\$1,136,731.97</b>	<b>1.04%</b>
<b>Total Variance</b>	<b>\$1,809,972.12</b>	<b>1.65%</b>



# 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
<b>Total Revenue</b>	<b>(\$247,864.16)</b>	<b>(0.22%)</b>

  

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%
<b>Total Expenditures</b>	<b>\$3,424,957.74</b>	<b>3.06%</b>
<b>Total Variance</b>	<b>\$3,177,093.58</b>	<b>2.84%</b>

**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
<b>Total Revenue</b>	<b>\$2,500,484.72</b>	<b>2.24%</b>

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%
<b>Total Expenditures</b>	<b>(\$2,839,211.34)</b>	<b>(2.54%)</b>
<b>Total Variance</b>	<b>(\$338,726.62)</b>	<b>(0.30%)</b>

**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
<b>Total Revenue</b>	<b>\$2,500,484.72</b>	<b>2.24%</b>

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%
<b>Total Expenditures</b>	<b>(\$2,839,211.34)</b>	<b>(2.54%)</b>
<b>Total Variance</b>	<b>(\$338,726.62)</b>	<b>(0.30%)</b>

**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	
<b>Revenue</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>5 Year Cum Var.</b>	<b>5 Year Avg Var. %</b>
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
<b>Total Revenue</b>	<b>\$266,691.20</b>	<b>(\$142,357.48)</b>	<b>\$673,240.15</b>	<b>(\$247,864.16)</b>	<b>\$2,500,484.72</b>	<b>\$3,050,194.43</b>	<b>0.56%</b>
<b>GRANTS</b>							
<b>Expenditures</b>							
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%
<b>Total Expenditures</b>	<b>\$851,372.60</b>	<b>\$2,727,262.89</b>	<b>\$1,136,731.97</b>	<b>\$3,424,957.74</b>	<b>(\$2,839,211.34)</b>	<b>\$5,301,113.86</b>	<b>0.97%</b>
<b>Total Variance</b>	<b>\$1,118,063.80</b>	<b>\$2,584,905.41</b>	<b>\$1,809,972.12</b>	<b>\$3,177,093.58</b>	<b>(\$338,726.62)</b>	<b>\$8,351,308.29</b>	<b>1.53%</b>
<b>Variance %</b>	<b>1.07%</b>	<b>2.42%</b>	<b>1.65%</b>	<b>2.84%</b>	<b>(0.30%)</b>		
<b>Notes</b>		<b>STRIKE</b>		<b>COVID</b>	<b>COVID/LEASE PMT</b>		

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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
<b>Total Revenue</b>	<b>\$114,392,640.67</b>	<b>\$116,674,824.12</b>	<b>\$2,282,183.45</b>
Revenue Variance Sources	Surplus / (Deficit)	Forecast	
<b>Shannondell Escrow</b>	<b>\$793,015.00</b>	<b>Court Decision rendered</b>	
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	
<b>Receipts From Other Leas</b>	<b>\$375,244.01</b>	<b>Resolution of a 16-17 open matter</b>	
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	
<b>Total Revenue Variances</b>	<b>\$2,162,819.50</b>		

## 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)
<b>Total Expenditures</b>	<b>\$114,392,640.67</b>	<b>\$115,481,779.81</b>	<b>(\$1,089,139.14)</b>
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.	
<b>Total Expenditure Variances</b>	<b>(\$879,452.36)</b>		

Total Surplus / (Deficit)

\$1,193,044.31

One Time Variances

\$1,168,259.01

Adjusted Surplus / (Deficit)

\$24,785.30