

SPRING-FORD

AREA SCHOOL DISTRICT

SCHOOL FUNDING

2016-2017



June 13, 2017 7:30 PM

District Office

Conference Room

SCHOOL BOARD MEMBERS

Thomas J. DiBello, Chairperson
Joseph P. Ciresi
Kelly J. Spletzer

SPRING-FORD ADMINISTRATION

James Fink, CFO
Mary Davidheiser, Controller
Dr. David Goodin, Superintendent
Dr. Allyn Roche, Assistant Superintendent

AGENDA

- 1. Review and acceptance of minutes – May 9, 2017**
- 2. Executive monthly reports through May 31, 2017**
 - a. Liquidity**
 - b. Revenue detail**
 - c. P&L Budget vs Actual**
 - d. Assessments update**
 - e. Other reports**
- 3. Other Business**
 - a. Budget Update**
 - b. Food Service Payroll Modifications**
 - c. Facilities Policy**
 - d. Extra-Curricular Additions**

Finance Committee Meeting

May 9, 2017

Meeting Minutes

The Finance Committee met on Tuesday, May 9, 2017 at approximately 7:30 p.m. in the Senior High School Conference Room. In attendance were: Chairperson Thomas DiBello, and committee members Kelly Spletzer and Joe Ciresi. Administrators present were Dr. David Goodin – Superintendent, James Fink, CPA - CFO, and Mary Davidheiser – Controller, Dr. Allyn Roche – Assistant Superintendent, Elizabeth Leiss, Director of Human Resources, Christine Raber, Special Education Supervisor. Also present were Board members Mark Dehnert, Dawn Heine, and Colleen Zazowski along with residents John Carre, Will Cromley, Clinton Fetterman, Clinton Jackson, Christina Melton and four members of the Spring-Ford Education Association.

Mr. DiBello called the Meeting to order at approximately 7:51 p.m.

- Review and acceptance of minutes – February 14, 2017 – Open item due to no quorum present and the March 16, 2017.
- Executive Monthly Reports – 2016/2017 results through April 30, 2017
 - Reviewed by Mr. Fink.
 - Financials are on target with the plan; assessments are up and the collection rate has increased; real estate transfer tax collection has brought in more than budgeted but Mr. Fink is not recommending any changes to that budget amount for future. Food services is tracking better than last year; EIT is fine should hit target; health benefits are tracking nicely due to lower claims/healthier personnel trends.
- Other Business
 - Technology matters/projects
 - Mr. Fink discussed the district’s move from Stewart Business Machines (Xerox) to Toshiba for the district’s copiers and printers. Mr. DiBello commented that this is an administration decision and to move forward accordingly.
 - Mr. Fink discussed the district’s move to move forward Technology’s plan for smart classrooms with additional smartboards and/or interactive projectors as was discussed at the May 2017 Curriculum & Technology Committee meeting. Financing will be done internally by using district funds up front, and replenishing these funds over the next 5 years from the coming technology operating budgets. This strategy will save the district approximately \$50,000 in financing costs. This will be on the board agenda in May.
 - Mr. Fink discussed moving forward with the district’s five year technology plan to refresh current user devices that are coming off lease while adding additional equipment for the new cohort. Financing will be done internally by using district funds up front, and replenishing these funds over the next 4 years from the coming technology operating budgets. This strategy will save the district approximately \$100,000 in financing costs. This will be on the board agenda in May.
 - All of the items discussed above are included in the proposed 2017/2018 budget.
 - 2017/2018 Budget Update
 - Mr. Fink discussed 17/18 proposed final budget which will be presented at the May work session. The discussion included points, comments and Q&A from committee members and board members that were present:
 - Strategies for the financing plan – looking 7 years out instead of 5 years due to the timing of the debt service cliff drop off.

- Organic increases in revenues due to increases in assessments, and increases in the district's tax collection percentage.
 - Application of reserves to get to the debt cliff.
 - Expenditures are expected to rise by about 4% as is normal for SFASD
 - In the end, with the organic increases in revenues and the application of certain reserves to the debt cliff, along with a modest increases in expenditures, Mr. Fink and his finance team recommend a 0% tax increase for the 17/18 fiscal year.
 - Mr. Dibello, Mrs. Spletzer, and Mr. Ciresi thanked Mr. Fink, Mrs. Davidheiser and the entire finance team and district leadership for their hard work on the first ever 0% tax change in the district's history.
- Meeting adjourned at 8:25 pm.

Executive Financial Reports

SFASD - Finance Committee

Cash Balances - Liquidity

As of May 31, 2017

Bank	Account Name	Account Balance
BB&T	Checking Account / Accounts Payable	31,769
PLGIT / BB&T	Athletics	6,410
BB&T	Payroll	4,907
BB&T	Tax Account	26,750,408
BB&T	Cool School - Account Closed	-
Ambler Savings Bank	General Fund	5,034,022
BB&T	General Fund / Tax Protest	9,398,586
PSDLAF/PLGIT	General Fund / Reservation of Funds / Procurement	17,898,222
PSDLAF	IBC Escrow	1,365,919
PSDLAF	Special Education Compensatory Account	276,484
PSDLAF/PA Invest /BB&T	Capital Reserve Fund	12,280,468
Ambler Savings Bank	Debt Service Fund	7,001,185
PSDLAF	Food Service	590,163
	Petty Cash	5,226
	TOTAL CASH	80,643,768

Executive Financial Reports

SFASD - Finance Committee

Revenue/Other Funding Sources

For the period ended:

Local Sources

	May 31, 2017			Year-To-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Real Estate Taxes (w/interim)	66,900	64,822	2,078	97,684,803	95,304,404	2,380,399
Earned Income Taxes	1,941,336	1,650,590	290,746	9,406,317	9,083,101	323,216
Transfer Taxes	124,918	147,950	(23,032)	2,001,050	1,458,530	542,520
Payments in Addition to Taxes	12,997	6,937	6,060	1,663,580	1,665,000	(1,420)
All Other Local Sources	941,086	414,613	526,473	6,579,071	5,041,102	1,537,969

Total Revenue from Local Sources

	3,087,237	2,284,912	802,325	117,334,821	112,552,137	4,782,684
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State Sources

Basic Instructional Subsidy	-	-	-	6,497,095	6,029,884	467,211
Special Education	150,000	77,736	72,264	2,020,295	1,924,015	96,280
Transportation	-	-	-	1,396,711	1,329,945	66,766
Property Tax Reduction	-	-	-	2,427,985	2,427,985	-
Social Security Reimbursement	523,865	114,121	409,744	1,908,316	2,134,976	(226,660)
Retirement	(18,351)	-	(18,351)	6,470,191	5,510,415	959,776
All Other State Sources	-	308,690	(308,690)	1,209,346	1,069,388	139,958

Total Revenue from State Sources

	655,514	500,547	154,967	21,929,939	20,426,608	1,503,331
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Federal Sources

All Federal Sources	74,719	244,090	(169,371)	527,853	425,610	102,243
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Total Revenue from Federal Sources

	74,719	244,090	(169,371)	527,853	425,610	102,243
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Other Funding Sources

Transfers from other funds	-	-	-	1,100,000	1,100,000	-
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Total Other Funding Sources

	-	-	-	1,100,000	1,100,000	-
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TOTAL REVENUE & OTHER SOURCES

	3,817,470	3,029,549	787,921	140,892,613	134,504,355	6,388,258
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SFASD - Finance Committee

Revenue/Other Funding Sources

For the period ended:

Executive Financial Reports

Local Sources

Real Estate Taxes (w/interim)

Earned Income Taxes

Transfer Taxes

Payments in Addition to Taxes

All Other Local Sources

Total Revenue from Local Sources

State Sources

Basic Instructional Subsidy

Special Education

Transportation

Property Tax Reduction

Social Security Reimbursement

Retirement

All Other State Sources

Total Revenue from State Sources

Federal Sources

All Federal Sources

Total Revenue from Federal Sources

Other Funding Sources

Transfers from other funds

Total Other Funding Sources

TOTAL REVENUE & OTHER SOURCES

	YTD Actual	Annual Budget	REMAINING AMOUNT
	97,684,803	95,532,150	2,152,653
	9,406,317	10,000,000	(593,683)
	2,001,050	1,700,000	301,050
	1,663,580	1,665,000	(1,420)
	6,579,071	5,596,740	982,331
	117,334,821	114,493,890	2,840,931
	6,497,095	9,089,424	(2,592,329)
	2,020,295	2,622,568	(602,273)
	1,396,711	1,830,500	(433,789)
	2,427,985	2,427,985	-
	1,908,316	2,374,057	(465,741)
	6,470,191	9,319,993	(2,849,802)
	1,209,346	1,823,607	(614,261)
	21,929,939	29,488,134	(7,558,195)
	527,853	639,290	(111,437)
	527,853	639,290	(111,437)
	1,100,000	1,100,000	-
	1,100,000	1,100,000	-
	140,892,613	145,721,314	(4,828,701)

Executive Financial Reports

SFASD - Finance Committee

Statement of Operations - Cash Basis

For the period ended:

	May 31, 2017			Year-To-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
Revenue						
Local Sources	3,087,237	2,284,912	802,325	117,334,821	112,552,137	4,782,684
State Sources	655,514	500,547	154,967	21,929,939	20,426,608	1,503,331
Federal Sources	74,719	244,090	(169,371)	527,853	425,610	102,243
Other Funding Sources	-	-	-	1,100,000	1,100,000	-
TOTAL REVENUE	3,817,470	3,029,549	787,921	140,892,613	134,504,355	6,388,258
Expenditures						
Salaries	7,016,272	7,090,206	(73,934)	51,139,818	50,410,263	729,555
Benefits/Taxes	3,647,935	3,075,450	572,485	30,303,985	30,890,602	(586,617)
Professional Services	602,356	863,996	(261,640)	5,558,314	5,553,670	4,644
Property Services	284,132	425,071	(140,939)	4,444,118	6,666,089	(2,221,971)
Other Services	786,864	1,315,516	(528,652)	12,814,180	13,007,963	(193,783)
Supplies	234,945	113,118	121,827	2,952,608	3,681,983	(729,375)
Property	8,533	43,060	(34,527)	506,921	503,333	3,588
Other Objects	814,497	1,045,000	(230,503)	3,829,263	4,156,536	(327,273)
Other Financing Uses	2,890,000	2,890,000	-	9,535,000	9,535,000	-
TOTAL EXPENDITURES	16,285,534	16,861,417	(575,883)	121,084,207	124,405,440	(3,321,233)
Operating Surplus/(Deficit)	(12,468,064)	(13,831,868)	1,363,804	19,808,406	10,098,915	9,709,491

Statement of Operations - Cash Basis

For the period ended:

	YTD Actual	Annual Budget	REMAINING AMOUNT
Revenue			
Local Sources	117,334,821	114,493,891	2,840,930
State Sources	21,929,939	29,488,134	(7,558,195)
Federal Sources	527,853	639,290	(111,437)
Other Funding Sources	1,100,000	1,100,000	-
TOTAL REVENUE	140,892,613	145,721,315	(4,828,702)
Expenditures			
Salaries	51,139,818	62,408,216	(11,268,398)
Benefits/Taxes	30,303,985	39,230,790	(8,926,805)
Professional Services	5,558,314	6,426,520	(868,206)
Property Services	4,444,118	7,278,382	(2,834,264)
Other Services	12,814,180	15,123,812	(2,309,632)
Supplies	2,952,608	4,283,439	(1,330,831)
Property	506,921	645,560	(138,639)
Other Objects	3,829,263	4,924,109	(1,094,846)
Other Financing Uses	9,535,000	10,902,028	(1,367,028)
TOTAL EXPENDITURES	121,084,207	151,222,857	(30,138,650)
Operating Surplus/(Deficit)	19,808,406	(5,501,542)	25,309,948

Executive Financial Reports

Changes in Assessment Values

Municipality	Real Estate Taxes Billed		Interims Billed		
	2016-2017	Tax (Face Gross Value)	Current	Changes	Tax (Face Value)
Upper Providence	\$ 2,144,540,591	\$ 55,150,192	\$ 2,179,860,711	\$ 35,320,120	\$ 209,475
Limerick	1,440,784,937	36,819,117	1,469,361,837	28,576,900	216,597
Royersford	186,382,860	4,718,297	186,567,870	185,010	4,855
Spring City	116,255,700	2,921,609	116,382,240	126,540	3,321
Total	\$ 3,887,964,088	\$ 99,609,215	\$ 3,952,172,658	\$ 64,208,570	\$ 434,248

Pending Assessment Appeals

	<u>Current Amount</u>	<u>Est. Taxpayer Claim</u>
Commercial	\$ 21,619,050	\$ 12,382,328
Industrial	\$ 294,280	\$ 191,282
Residential	\$ 1,270,780	\$ 1,181,825
Total Appeals	\$ 23,184,110	\$ 13,755,435

Executive Financial Reports

2016/2017 Real Estate Transfer Tax

	LIMERICK	ROYERSFORD	U. PROV.	S.C.	TOTAL	% of Budget	PRIOR YEAR	
							Month	YTD
JULY	66,610	191,936	83,637	1,666	343,849		198,909	198,909
AUG	132,538	3,856	69,411	2,476	208,281		170,379	369,288
SEPT	94,445	6,874	68,811	4,051	174,181		198,519	567,807
OCT	40,398	6,961	84,613	4,673	136,645		142,826	710,633
NOV	34,484	10,562	104,977	2,274	152,297		116,506	827,139
DEC	173,395	4,875	366,036	2,294	546,600		122,010	949,148
JAN	21,930	11,960	51,129	3,084	88,103		73,389	1,022,537
FEB	15,412	4,223	69,058	915	89,608		107,404	1,129,941
MAR	38,477	8,715	83,266	3,020	133,478		97,675	1,227,616
APR	35,005	7,037	80,167	2,709	124,918		129,156	1,356,771
MAY	65,024	9,200	126,199		200,423		135,935	1,492,706
JUNE					-		254,681	1,747,387
Total	717,718	266,199	1,187,304	27,162	2,198,383	129.3%		
				BUDGET	1,700,000			
				Remaining Budget [over/(under)]	498,383			

Executive Financial Reports

EARNED INCOME TAXES

Collections	2014/2015		2015/2016		2016/2017	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
July	742,785	742,785	256,342	256,342	199,186	199,186
August	963,170	1,705,955	979,933	1,236,275	1,342,151	1,541,337
September	849,419	2,555,374	1,047,908	2,284,183	728,778	2,270,115
October	379,850	2,935,224	186,611	2,470,794	225,471	2,495,586
November	929,176	3,864,400	880,476	3,351,270	1,305,252	3,800,838
December	918,702	4,783,102	1,125,551	4,476,821	837,663	4,638,501
January	194,823	4,977,925	193,113	4,669,934	186,426	4,824,927
February	1,095,907	6,073,832	1,291,167	5,961,101	1,450,271	6,275,198
March	981,386	7,055,217	939,949	6,901,050	794,394	7,069,592
April	412,158	7,467,375	384,130	7,285,180	395,389	7,464,981
May	826,494	8,293,869	1,617,871	8,903,051	1,941,336	9,406,317
June	1,627,295	9,921,164	919,543	9,822,594		
Budget		8,600,000		9,800,000		10,000,000
Surplus/(Deficit)		1,321,164		22,594		(593,683)

Executive Financial Reports

Self-Funded Health Insurance 2016/2017

	Q1	Q2	Q3	Q4	Total	Prior YTD
<u>Expenditures</u>						
Medical/Vision/Rx	3,931,341	2,983,464	3,362,653	2,082,483	12,359,941	13,504,427
Dental	182,492	138,737	185,390	111,064	617,683	609,697
Total Expenditures	4,113,833	3,122,201	3,548,043	2,193,547	12,977,624	14,114,124
<u>Receipts</u>						
Employees	387,894	426,566	423,042	279,718	1,517,220	1,244,499
COBRA	5,948	4,511	5,449	4,242	20,150	29,634
Retirees	85,198	122,452	93,704	35,425	336,779	346,890
Stop Loss Insurance	-	-	1,630	-	1,630	546,910
Total Receipts	479,040	553,529	523,825	319,385	1,875,779	2,167,933
Net Health Insurance Costs	3,634,793	2,568,672	3,024,218	1,874,162	11,101,845	11,946,191
				Budget 2016/2017	15,054,544	14,775,866
				Remaining Budget	3,952,699	2,829,675

Executive Financial Reports

Spring-Ford Area School District Charter/Cyber Schools Activity

	ACTUAL YTD	ESTIMATED REMAINDER	ESTIMATED TOTAL	BUDGET
Renaissance Academy	1,058,879	216,869	1,275,748	1,307,461
21st Century Cyber	107,841	-	107,841	82,278
Collegium	10,190	926	11,117	10,964
Commonwealth Connection Cyber	231,002	22,376	253,377	318,047
PA Cyber	192,308	18,409	210,717	159,024
PA Leadership Cyber	294,518	-	294,518	194,630
PA Virtual Cyber	76,011	14,300	90,311	139,812
PA Distance Cyber	79,741	-	79,741	52,103
Acheivement House	-	-	-	41,139
Agora Cyber	224,138	-	224,138	334,543
Adelphoi	-	-	-	-
Reach Cyber	11,117	-	11,117	-
TOTAL	2,285,745	272,879	2,558,624	2,640,000

Food Service Profit/Loss

Executive Financial Reports

MAY

	Current Month			Year - To - Date		
	Actual	Prior Year	Variance	Actual	Prior Year	Variance
Revenue						
Lunch Sales	144,640	139,980	4,660	1,120,358	1,104,656	15,702
A La Carte Sales	86,951	83,776	3,175	664,063	647,212	16,851
State Sources	29,891	19,256	10,635	215,125	183,821	31,304
Meal Subsidy	6,603	6,197	406	49,966	48,662	1,304
FICA Reimbursement	4,937	2,975	1,962	33,366	30,568	2,798
Retirement Reimbursement	18,351	10,084	8,267	131,793	104,591	27,202
Federal Sources	89,575	84,684	4,891	681,569	615,897	65,672
Meal Subsidies	75,113	67,167	7,946	562,878	522,490	40,388
Commodities	14,462	17,517	(3,055)	118,691	93,407	25,284
Other Operating Revenues	908	1,615	(707)	6,227	9,030	(2,803)
Total Revenues	351,965	329,311	22,654	2,687,342	2,560,616	126,726
Operating Expenses						
Salaries	132,142	80,372	51,770	899,228	823,784	75,444
Taxes and Insurances (other than health)	10,006	6,072	3,934	68,172	62,520	5,652
Heath Insurance	27,114	15,403	11,711	202,398	223,395	(20,997)
Retirement	36,702	20,169	16,533	263,586	209,185	54,401
Total Personnel Costs	205,964	122,016	83,948	1,433,384	1,318,884	114,500
		% to revenue		53%	52%	
Purchased Property Services	3,773	3,810	(37)	36,970	42,107	(5,137)
Food & Supplies	62,898	125,663	(62,765)	930,010	910,011	19,999
Repairs & Maintenance	943	2,246	(1,303)	29,729	42,728	(12,999)
Equipment	-	5,501	(5,501)	6,204	13,797	(7,593)
Total Non-personnel Costs	67,614	137,220	(69,606)	1,002,913	1,008,643	(5,730)
		% to revenue		37%	39%	
Total Expenses	273,578	259,236	14,342	2,436,297	2,327,527	108,770
Operating Income (Loss)	78,387	70,075	8,312	251,045	233,089	17,956