

# Gateway School District General Fund Budget

Proposed Final Budget Information for the  
2019-2020 Fiscal Year

**FINAL PUBLIC HEARING**

As of June 4, 2019



# Summary of Proposed Final Total Revenues for 2019-2020

- Projected Proposed Final Total Revenues for 2019-2020 of \$76,760,000. (Note: The Revenues currently do **NOT** include a real estate tax increase in the total for 2019-2020 in order to illustrate the deficit.)
- Increase of \$1,448,000 or 1.92% over the fiscal year 2018-2019 budgeted Total Revenues.

# Summary of Proposed Final Total Expenditures for 2019-2020

- Projected Proposed Final Total Expenditures for 2019-2020 of \$77,353,000.
- Increase of \$2,041,000 or 2.71% over the fiscal year 2018-2019 budgeted Total Expenditures.

# Net Proposed Final Budgetary Shortfall or Deficit for 2019-2020

- Increase in Revenues of \$1,448,000 +
- Increase in Expenditures of \$2,041,000 =
- Net Proposed Final Remaining Total Budget (Shortfall) or (Deficit) for 2019-2020 of (\$593,000). To be balanced through the utilization of Unassigned Fund Balance.

# Two Significant Issues for 2019-2020

- 1. Net Increase in Debt Service Expenditures for the Series of 2016 GOB. (Expected Increase to occur in 2019-2020 per the debt service payment schedule.).
- 2. Net (Decrease) in Real Estate Assessed Value continues (Unexpected magnitude of continued decline during 2018-2019 that negatively impacts 2019-2020 revenues.).
- $\$1,160,044 + \$390,507 = \underline{\$1,550,551}$  Net Total

# 2.7% Index - Equivalent in Mills

- The District is permitted to increase the millage rate by up to a 2.7% (Index) for the 2019-2020 fiscal year.
- Current Millage: 19.8675 Mills
- Multiplied by 2.7% Index: X .027
- Max Increase in Millage of: .5364 Mills
- Thus, the maximum amount the Real Estate Tax Millage Rate COULD be for the 2019-2020 Fiscal Year is 19.8675 Mills + .5364 Mills = 20.4039 Mills.
- Maintain 15<sup>th</sup> lowest ranking for 2019-2020?

# Comparison of Current to Maximum Real Estate Tax Millage Rate for 2019-2020

- 2018-2019 Current Millage Rate: 19.8675 Mills
- 2019-2020 Maximum Millage Rate: 20.4039 Mills
- Maximum Increase of (.5364 Mills) in the Millage Rate.
- Maximum Increase of (2.7%) in the Millage Rate.
- **NOTE: An increase in the real estate tax millage rate has NOT been included in the Proposed Final Budget for the 2019-2020 fiscal year. A full increase of 2.7% would yield a net amount of approximately \$1,219,908.**

	REAL ESTATE	TAX	NUMBER	UTILIZATION OF	AMOUNT OF FUND
FISCAL YEAR	MILLAGE RATE	INCREASE	OF MILLS	FUND BALANCE	BALANCE BUDGETED
2018-2019	19.8675	YES	0.5411	YES	\$1,812,000.00
2017-2018	19.3264	NO	0.00	YES	\$3,819,000.00
*2016-2017*	19.3264	NO	0.00	NO	\$ -
2015-2016	19.3264	YES	0.4345	YES	\$ 574,000.00
2014-2015	18.8919	NO	0.00	YES	\$1,777,000.00
2013-2014	18.8919	YES	0.3704	NO	\$ -
2012-2013	21.85	YES	0.83	YES	\$ 245,000.00
2011-2012	21.02	NO	0.00	YES	\$ 370,000.00
2010-2011	21.02	YES	1.61	NO	\$ -
2009-2010	19.41	NO	0.00	YES	\$2,663,000.00
2008-2009	19.41	NO	0.00	YES	\$ 342,000.00
2007-2008	19.41	NO	0.00	YES	\$ 390,000.00
*2006-2007*	19.41	NO	0.00	NO	\$ -
2005-2006	19.41	YES	1.00	NO	\$ -
2004-2005	18.41	YES	1.00	NO	\$ -
2003-2004	17.41	YES	0.86	YES	\$ 758,902.00
2002-2003	16.55	?	?	YES	\$ 622,190.00



## \$ Amount of Real Estate Tax Maximum Millage Increase Per Resident Available for 2019-2020

### Monroeville:

- Based on median taxable value of \$108,400.
- At Maximum 2.7% Index = \$58.15/YEAR.
- At Maximum 2.7% Index = \$4.85/MONTH.

### Pitcairn:

- Based on median taxable value of \$34,600.
- At Maximum 2.7% Index = \$18.56/YEAR.
- At Maximum 2.7% Index = \$1.55/MONTH.

# Homestead Exclusion for 2019-2020

- State determined on April 15, 2019 that gaming revenues will be available for distribution to the school districts during the 2019-2020 fiscal year.
- PDE certified and officially released the actual distribution amount to the District on May 1, 2019. The amount of \$1,458,878.32 will be received by the District for the 2019-2020 fiscal year.
- Allegheny County Office of Property Assessments sent the District a CD containing all of the applicable Homestead properties that qualify to receive the Homestead Exclusion from the District.
- The 2019-2020 fiscal year will be the 12<sup>th</sup> year in a row for the District to receive and to distribute a State gaming revenue distribution.
- Impact of the distribution will be revenue neutral in the District's 2019-2020 fiscal year Budget.

# Homestead Exclusion for 2019-2020

- Available ONLY to Allegheny County determined eligible homestead properties in both Monroeville & Pitcairn for 2019-2020.
- District has a total of 8,069 qualified homesteads eligible to receive the Homestead Exclusion.

	<u>Monroeville</u>	<u>Pitcairn</u>
Homesteads	7,547	522
Exclusion Amounts	<u>\$181.04</u>	<u>\$181.04</u>

# Projection of Ending Total Fund Balance at 6/30/19 for 2018-2019

➤ Beginning Fund Balance as of 7/1/18	<u>\$10,939,038</u>
➤ Less: 1. Utilization for Capital Reserve Fund Transfers	(\$ 1,812,000)
➤ 2. C/Y Real Estate Tax Refunds	(\$ 426,331)
➤ 3. P/Y Real Estate Tax Refunds	(\$ 240,889)
➤ 4. Unavailability of Propane Fuel Credit for 2018	(\$ 90,000)
➤ 5. <b>Other Expenditures Greater than Budget - ?</b>	<b>(\$To Be Determined)</b>
➤ Add: 1. <b>Other Revenues Greater than Budget - ?</b>	<u><b>\$To Be Determined</b></u>
➤ Net Projected (Decrease) for 2018-2019 Fiscal Year	<u>(\$ 2,569,220)</u>
➤ <u><b>(Note: It is VERY possible this net (#) will actually be greater or less!)</b></u>	
➤ <b>Projected Ending Fund Balance at 6/30/19</b>	<u><b>\$8,369,818</b></u>

## Composition of Projected Ending Fund Balance at 6/30/19 for 2018-2019

- Unassigned Fund Balance \$1,937,173
- Nonspendable Fund Balance \$ 765,131
- Committed Fund Balance \$5,667,514
- Projected Total Fund Balance \$8,369,818
- (\$8,369,818/\$77,353,000 = 10.82%)

Total Recommended to be between 5% and 15%.

# Projection of Total Fund Balance at 6/30/19 for 2019-2020

- Projected Total Fund Balance as of 7/1/19 \$ 8,369,818
- Less: 1. Transfer of Fund Balance to Capital (\$ 1,504,000)
- Reserve Fund for Capital Projects.
- 2. Transfer of Fund Balance to Purchase (\$ 300,000)  
New Copiers.
- 3. Utilization of Fund Balance to eliminate (\$ 593,000)  
the Deficit. **Subtotal = (\$ 2,397,000)**
- **Projected Total Fund Balance as of 6/30/20 \$ 5,972,818**
- (\$5,972,818/\$77,353,000 = 7.72%) Total Fund Balance is Recommended to be between 5% and 15%.

(NOTE: Moody's Investors Services indicates the US Median for Total Fund Balance is 22% or would be \$17,017,660 in the above scenario.)

# Budget Process for 2019-2020

- A not to exceed Index (2.7%) resolution was previously adopted by the Board on January 15, 2019 for the 2019-2020 fiscal year.
- Thus, referendum exceptions have not been requested and will not be utilized by the District for the 2019-2020 fiscal year to further increase the millage rate above the 2.7% Index rate. 2.7% Index = Maximum .5364 mills increase.
- The Proposed Final 2019-2020 General Fund Budget was adopted by the Board on May 14, 2019. The Budget is currently displayed via the PDE-2028 form on the District's website at [www.gatewayk12.org](http://www.gatewayk12.org)
- Various summary and detailed Excel spread sheets are also currently displayed on the District's website at [www.gatewayk12.org](http://www.gatewayk12.org) in .pdf files.
- Thus, the Pre-Act 1 budget timeline will continue to be followed by the District through final Budget adoption by the Board scheduled to take place on Tuesday, June 18, 2019.

# Proposed Final General Fund Budget for 2019-2020

➤ Questions?