

Gateway School District General Fund Budget

Final Budget Information for the
2022-2023 Fiscal Year

REGULAR BOARD MEETING

June 21, 2022



Summary of Final Total Revenues for 2022-2023

- Final Total Revenues for the 2022-2023 fiscal year of \$92,004,000.
- Increase of \$4,413,000 or 5.04% over the 2021-2022 fiscal year budgeted Total Revenues.
- *NOTE: The Revenues “DO INCLUDE” a real estate tax increase in the Total and the utilization of Unassigned Fund Balance for the 2022-2023 fiscal year.*

Summary of Final Total Expenditures for 2022-2023

- Final Total Expenditures for the 2022-2023 fiscal year of \$92,509,000.
- Increase of \$4,918,000 or 5.61% over the 2021-2022 fiscal year budgeted Total Expenditures.

Net Final Budgetary (Shortfall) or (Deficit) for 2022-2023

- Net Increase in Revenues of \$4,413,000 +
- Net Increase in Expenditures of \$4,918,000 =
- Net Final REMAINING Budget (Shortfall) or (Deficit) for the 2022-2023 fiscal year of (\$505,000).
- NOTE: “AFTER” the utilization of a tax increase and “BEFORE” the utilization of (\$505,000) in additional Unassigned Fund Balance “REQUIRED” to balance the Budget.

SIGNIFICANT Revenue & Expenditure Issues for 2022-2023

- 1. Increase in Prior Year Real Estate Tax Refunds (Monroeville Mall Property) - \$2,500,000 (To be paid from Unassigned Fund Balance).
- 2. Approximate Net (Decrease) in Current Year Real Estate Tax Revenue due to the estimated (Decrease) in the Assessed Value of the Monroeville Mall property currently under appeal and estimated to be finalized in 2022 – (\$777,996) - (#1 Real Estate Assessed and Taxed Property in the District).
- 3. Increase in Employee Salary expenditures - \$1,965,000
- 4. Increase in Technology expenditures - \$179,000
- 5. Net Increase in PSERS, SS, & Medicare expenditures - \$444,090
- 6. Increase in Employee Health Insurance expenditures - \$575,370
- 7. Increase in Transportation Contracted & Propane Fuel expenditures - \$269,000
- 8. Increase in Bond Debt Service Payment expenditures - \$223,000

- NOTE: Items 3. through 8. above total \$3,655,460

MONROEVILLE MALL REFUNDS

- 1. Still an unknown magnitude (Not finalized yet) of actual (Decrease) in the total collections associated with Local Tax Revenues (Current Year Real Estate Taxes). Estimated at a (Decrease) of (\$38,000,000) in lost assessed value or a net (Decrease) in the actual collected amount of (\$777,996).
- 2. Prior year real estate tax refund expenditures has been estimated at a maximum amount of (\$2.5 million).
- 3. The (Loss) of assessed value in the current year real estate tax calculation in addition to (decreasing) or level funded revenues while expenditures are increasing makes it a nearly impossible task to balance the General Fund Budget.

4.1% Index - Equivalent in Mills

- The District is permitted to increase the millage rate by up to a 4.1% Index for the 2022-2023 fiscal year.
- Current Millage: 20.8914 Mills
- Multiplied by 4.1% Index: X .041
- Max Increase in Millage of: 0.8565 Mills
- Thus, the maximum amount the Real Estate Tax Millage Rate “WILL BE” for the 2022-2023 Fiscal Year is 20.8914 Mills + 0.8565 Mills = 21.7479 Mills.
- Maintain 14th lowest ranking for 2022-2023?

Comparison of Current to Maximum Real Estate Tax Millage Rate for 2022-2023

- 2021-2022 Current Millage Rate: 20.8914 Mills
- 2022-2023 Maximum Millage Rate: 21.7479 Mills
- Maximum Increase of 0.8565 Mills in the Millage Rate.
- Maximum Increase of 4.1% in the Millage Rate.
- **NOTE: An increase in the real estate tax millage rate has been “REQUIRED & INCLUDED” in the Proposed Final Budget for the 2022-2023 fiscal year. A full increase of 4.1% yields a net amount of approximately \$1,967,000.**

	REAL ESTATE	TAX	NUMBER	UTILIZATION OF	AMOUNT OF FUND
FISCAL YEAR	MILLAGE RATE	INCREASE	OF MILLS	FUND BALANCE	BALANCE BUDGETED
2021-2022	20.8914	YES	0.7259	NO	\$ -
2020-2021	20.1655	YES	0.2980	YES	\$ 416,000.00
2019-2020	19.8675	NO	0.00	YES	\$ 2,177,000.00
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 Median Taxable Value for 2022-2023

Monroeville:

- Based on median taxable value of \$109,700.
- At Maximum 4.1% Index = \$93.96/YEAR.
- At Maximum 4.1% Index = \$7.83/MONTH.

Pitcairn:

- Based on median taxable value of \$34,600.
- At Maximum 4.1% Index = \$29.63/YEAR.
- At Maximum 4.1% Index = \$2.47/MONTH.

Homestead Exclusion for 2022-2023

- State determined on April 15, 2022 that gaming revenues will be available for distribution to the school districts during the 2022-2023 fiscal year.
- PDE certified and officially released the actual distribution amount to the District on May 1, 2022. The amount of \$1,840,397.70 will be received by the District for the 2022-2023 fiscal year.
- Allegheny County Office of Property Assessments sent the District a file containing all of the applicable Homestead properties that qualify to receive the Homestead Exclusion from the District.
- The 2022-2023 fiscal year will be the 15th 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 2022-2023 fiscal year Budget.

Homestead Exclusion for 2022-2023

- Available ONLY to Allegheny County determined eligible Homestead properties in both Monroeville & Pitcairn for 2022-2023.
- District has a total of 7,822 qualified Homesteads eligible to receive the Homestead Exclusion.

	<u>Monroeville</u>	<u>Pitcairn</u>
# of Homesteads	7,322	500
Exclusion Amounts	<u>\$235.61</u>	<u>\$235.61</u>

Composition of Projected Ending Fund Balance at 6/30/22 for 2021-2022

- Unassigned Fund Balance \$ 6,653,372
- Nonspendable Fund Balance \$ 565,057
- Restricted Fund Balance \$ 20,866
- Committed Fund Balance \$ 4,527,000
- Projected Total Fund Balance \$11,766,295
- (\$11,766,295/\$92,509,000 = 12.72%)
Total Recommended to be between 5% and 15%.

Projection of Total Fund Balance at 6/30/23 for 2022-2023 – With a Tax Increase and Partial Utilization of Unassigned Fund Balance

- Projected Total Fund Balance as of 7/1/22 \$11,766,295
- Less: 1. Unassigned Fund Balance Required to Pay for the P/Y R/E Tax Refunds & Construction Fund Transfer: (\$ 3,000,000)
- 2. Unassigned Fund Balance Required to Pay for the GHS Sports Field & North Entrance Exterior Improvements: (\$ 1,325,000)
- **Subtotal of Unassigned Fund Balance Utilization** **(\$ 4,325,000)**
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- **Projected Total Fund Balance as of 6/30/23** **\$ 7,441,295**
- **(\$7,441,295/\$92,509,000 = 8.04%)**

Total Recommended between 5% and 15%.

NOTE: Moody's Investors Services indicates the US Median for Total Fund Balance is 22% or would be \$20,351,980 in the above scenario.

Projection of Total Fund Balance at 6/30/23 for 2022-2023 with the Additional Utilization of Unassigned Fund Balance to Fully Balance the Budget with a Tax Increase and Eliminate the Remaining (Deficit)

- Projected Total Fund Balance as of 7/1/22 \$11,766,295

- LESS: 1. Unassigned Fund Balance Required to Pay for the P/Y R/E Tax Refunds & Construction Fund Transfer: (\$ 3,000,000)
2. Unassigned Fund Balance Required to Pay for the GHS Sports Field & North Exterior Entrance Improvements: (\$ 1,325,000)
3. Fund Balance Required to Balance the Budget (\$ 505,000)
- Subtotal of Unassigned Fund Balance Utilization (\$ 4,830,000)**

- **Projected Total Fund Balance as of 6/30/23 \$6,936,295**

- **(\$6,936,295/\$92,509,000 = 7.50%)**
- Total Recommended between 5% and 15%.

- **NOTE:** The District could start a 2023-2024 Budget with a (\$505,000) (Deficit).

Budget Process for 2022-2023

- A “Not To Exceed” Index (4.1%) resolution was previously adopted by the Board on January 18, 2022 for the 2022-2023 fiscal year.
- Thus, referendum exceptions have not been requested and will not be utilized by the District for the 2022-2023 fiscal year to further increase the millage rate above the 4.1% Index rate. 4.1% Index = Maximum 0.8565 mills increase.
- The Proposed Final 2022-2023 General Fund Budget was adopted by the Board on May 18, 2022. The Budget is displayed via the PDE-2028 form on the District’s website at www.gatewayk12.org
- Various summary and detailed Excel spread sheets will also be posted on the District’s website at www.gatewayk12.org in .pdf files after the adoption of the Final 2022-2023 General Fund Budget.
- Thus, the Pre-Act 1 budget timeline will continue to be followed by the District through final Budget adoption by the Board scheduled to occur on Tuesday, June 21, 2022 at the June Regular Board Meeting.