



Financial Update: 2023-24 Review 2025-26 Budget

November 12, 2024
Presented By: Chief Financial Officer



Agenda

- 2023-24 Ending Fund Balance (unaudited)
- Act 1
 - 2025-26 Base Act 1 Index
 - District's 2025-26 Adjusted Base Index & History
 - Real Estate Tax and Assessment History
 - Proposed Act 1 Resolution
 - Proposed Budget Timeline
- Budget Development
 - Zero based departmental budgeting
 - Per student allocation for school buildings
- 2025-26
 - Budgetary recommendations
 - Budgetary initiatives
 - Budget Timeline

2023-24 Fund Balance (unaudited)

- 2023-24 Fund Balance (unaudited):
 - Increase in unassigned Fund Balance: \$2,374,656
 - Unassigned fund balance can be no more than 8% of budgeted expenditures (\$11,584,749)
 - Average monthly expenditures : \$11.5 Million
- 2023-24 Charter School Costs:
 - Budgeted \$5,475,000
 - Final Expenditures: \$5,789,876
 - 317 students (210 Regular Education / 107 Special Education)
 - Cyber Charter with Highest Enrollment
 - Commonwealth Charter Academy: 143 students (46% of total enrollment)
 - 100 students: grades 7-12
 - 43 students: grades K-6



2023-24 Bonds/Debt Outstanding

- BASD Bonds/Debt Outstanding

Bond/Note Series	Initial Use of Funds	Principal Outstanding	Total Outstanding
GOB Series 2014	Capital Improvements	4,365,000	4,625,482
GOB Series 2015	Capital Improvements at BASH and MSW	1,180,000	1,549,115
GOB Series 2018	Refunded 2005 and portion of 2014 bonds	12,175,000	13,172,730
GON Series 2019	ATAAM project (ADA, Title IX, Athletic, Maintenance Modernization)	4,623,000	6,329,485
GOB Series 2019	Refunded remaining portion of 2012 & 2013 bonds	2,990,000	4,081,851
GOB Series 2020	Refunded a portion of 2014 & 2015 bonds	28,685,000	30,692,546
GOB Series 2023	Refunded a portion of 2014 bonds	17,575,000	28,179,895
GOB Series 2024	Refunded a portion of 2015 bonds	9,675,000	12,659,437
Total Bond and Note Obligations Outstanding		81,268,000	101,290,541

- 2023-24 Debt Service Expenditures: \$6,495,180
 - Principal: \$3,646,000
 - Interest: \$2,849,180



2023-24 Fund Balance (unaudited)

- Auditors will begin 2023-24 audit this month, we anticipate a timely audit result
- 2023-24 Unaudited Fund Balance Increase: \$2,374,656
 - Why a fund balance increase when decrease was budgeted?
 - Revenues higher than anticipated:
 - Earned Income Tax
 - Real Estate Transfer Tax
 - Delinquent Real Estate Taxes
 - Interest Earnings
 - ESSER Funding
 - Expenditures lower than anticipated
 - Salaries – unfilled positions, employees on unpaid leave, attritional savings (due to retirements and resignations)



Capital Project Reserve Funds

- Capital Reserve/Projects Funds
 - Best Practice: maintain 2%-4% of reconstruction costs

Building	Year Built / Renovated	Square Footage	\$390/sq ft	10% Contingency	15% Soft Costs	Total
Boyertown Area High School	1920 / 2017	373,297	145,585,830	14,558,583	21,837,875	181,982,288
Middle School East	1972 / 2004	173,252	67,568,280	6,756,828	10,135,242	84,460,350
Middle School West	1963 / 2018	151,435	59,059,650	5,905,965	8,858,948	73,824,563
Boyertown Elementary	1969	97,800	38,142,000	3,814,200	5,721,300	47,677,500
Colebrookdale Elementary	1955 / 1991	41,340	16,122,600	1,612,260	2,418,390	20,153,250
Earl Elementary	1954 / 1991	38,530	15,026,700	1,502,670	2,254,005	18,783,375
Gilbertsville Elementary	1930 / 1995	96,930	37,802,700	3,780,270	5,670,405	47,253,375
New Hanover Elementary	1953 / 1991	90,700	35,373,000	3,537,300	5,305,950	44,216,250
Washington Elementary	1961 / 1995	82,030	31,991,700	3,199,170	4,798,755	39,989,625
Support Service Building	Early 1900's	4,450	1,735,500	173,550	260,325	2,169,375
Ed Center	1973	11,200	4,368,000	436,800	655,200	5,460,000
Pine Forge	1928 / 1987	37,570	14,652,300	1,465,230	2,197,845	18,315,375
Totals		1,198,534	467,428,260	46,742,826	70,114,239	584,285,325
					2% Recommended Capital Reserve Balance	11,685,707
					4% Recommended Capital Reserve Balance	23,371,413



Capital Reserve Funds

- Funds utilized for capital projects of the district
 - Most recent/ongoing capital projects
 - MSE Chiller Replacement
 - Earl Elementary Roof
 - Gilbertsville Elementary Roof
 - Colebrookdale and Washington Elementary Sound Systems
- Future needs
 - Roofs: replacement/refurbishment
 - HVAC Systems: upgrade/replacement
- Capital reserve funds available for future needs: ~\$24.1 Million*

* After Potential HVAC and roofing projects at BES deducted



Statewide Base Act 1 Index – Calculation Factors

- Base Index Calculation: Average of the % increase in SAWW and ECI
- Statewide Average Weekly Wage (SAWW):
 - Determined by Department of Labor & Industry (preceding calendar year)
- Employment Cost Index (for elementary and secondary schools) (ECI) :
 - Determined by Federal Department of Labor: Bureau of Labor Statistics (for preceding fiscal year)

Use for School Year:	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Statewide Average Weekly Wage	1,284.42	1,239.02	1,173.68	1,114.93	1,064.89	1,032.53	1,010.43	988.43	966.87	942.40	919.40
Employment Cost Index	161.60	155.00	147.80	143.60	140.60	136.70	132.90	129.80	126.50	123.60	120.90
Percent Increase - SAWW	3.7%	5.6%	5.3%	4.7%	3.1%	2.2%	2.2%	2.2%	2.6%	2.5%	2.4%
Percent Increase - ECI		4.9%	2.9%	2.1%	2.9%	2.9%	2.4%	2.6%	2.3%	2.2%	1.4%
Base Index	4.0%	5.3%	4.1%	3.4%	3.0%	2.6%	2.3%	2.4%	2.5%	2.4%	1.9%





2025-26 & Historical Adjusted Base Index

BASD's MV/PI Aid Ratio is 0.4513 therefore we receive an adjusted index

2025-26: BASD Adjusted Index – 4.8%

	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
MV / PI Aid Ratio	tbd	0.4513	0.4662	0.4626	0.4716	0.4785	0.4617	0.4767	0.4723	0.4790
Adjusted Act 1 Index	4.8%	6.4%	5.0%	4.2%	3.7%	3.2%	2.8%	2.9%	3.1%	2.9%
RE Tax Increase %	tbd	3.00%	3.00%	3.00%	3.00%	3.18%	3.64%	5.40%	3.09%	1.29%
Millage Increase (mills)	tbd	0.924	0.897	0.871	0.846	0.870	0.960	1.350	0.750	0.310
Millage Rate	tbd	31.738	30.814	29.917	29.046	28.200	27.330	26.370	25.020	24.270

Real Estate History: Assessment Values

	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Bally	57,534,400	57,560,200	57,531,800	57,368,200	56,690,200	56,597,500	57,773,400	58,644,300
Bechtelsville	33,995,000	34,006,200	33,790,500	33,790,500	33,906,200	33,869,300	33,852,200	33,859,600
Boyertown	165,295,800	166,134,200	166,068,700	165,335,800	165,218,300	164,937,100	165,121,300	167,189,000
Colebrookdale	275,141,200	275,637,400	276,285,000	276,554,300	275,851,800	278,563,800	278,039,700	277,773,400
Douglas Township - Berks	209,656,100	207,970,000	206,322,800	203,328,200	199,864,000	195,834,600	193,800,300	192,105,400
Douglas Township - Montgomery	636,073,837	626,209,917	618,999,917	611,204,167	606,422,384	604,815,414	605,083,294	602,623,084
Earl Township	169,328,300	168,963,700	167,524,300	166,661,400	166,267,400	166,239,600	166,039,900	165,465,500
New Hanover	791,753,482	791,919,812	791,366,412	774,035,662	755,468,810	741,960,970	725,701,210	716,294,400
Upper Frederick	202,153,270	202,109,300	203,185,370	203,403,900	203,436,180	203,984,570	202,236,730	201,064,850
Washington Township	272,914,600	271,697,800	268,758,300	264,105,700	258,635,800	253,149,100	244,614,200	239,619,000
Districtwide	2,813,845,989	2,802,208,529	2,789,833,099	2,755,787,829	2,721,761,074	2,699,951,954	2,672,262,234	2,654,638,534

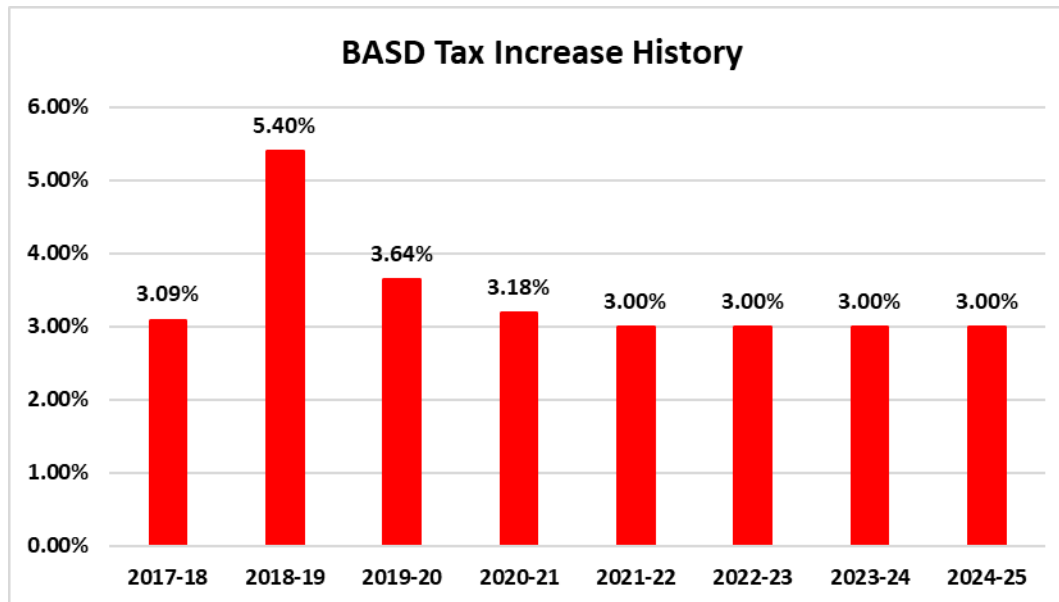
2017/18 through 2024/25 Assessment Changes

Municipality	\$ Change	% Change
Bally	(1,109,900)	-2%
Bechtelsville	135,400	0%
Boyertown	(1,893,200)	-1%
Colebrookdale	(2,632,200)	-1%
Douglas Township - Berks	17,550,700	9%
Douglas Township - Montgomery	33,450,753	6%
Earl Township	3,862,800	2%
New Hanover	75,459,082	11%
Upper Frederick	1,088,420	1%
Washington Township	33,295,600	14%
Districtwide	159,207,455	6%



Proposed Act 1 Resolution

- Administration recommendation:
 - Approve Act 1 resolution
 - Agreeing to not raise taxes above adjusted index of 4.8%



Year	Millage Rate
2017-18	25.020
2018-19	26.370
2019-20	27.330
2020-21	28.200
2021-22	29.046
2022-23	29.917
2023-24	30.814
2024-25	31.738



2025-26 Budget Development

- School building budgets:
 - Per pupil allocation (\$125 Elementary, \$160 MS, \$205 HS)
- Departmental (athletics, facilities, technology, OTL, etc.) budgets:
 - Zero-based budgeting
 - Increases transparency
 - Each budgeted expense is justified
 - Active assessment of spending
- School building and departmental budget deadline: December 20, 2024
 - January 21st preliminary budget presentation to school board



2025-26 Budgetary Recommendations

- Maintain:
 - Current programs
 - Current staffing levels
- Retention of all personnel
- Limit real estate tax increase
- Capital improvements to schools/facilities
 - 10-yr capital plan development



2025-26 Budgetary Initiatives

- Maintain previously grant funded student supports (counseling, social workers and, mental health supports)
- Security enhancements
- Expand Kindergarten to a Full Day Program
 - Current:
 - 19 sections of half day kindergarten
 - 9.5 teachers
 - Key needs to consider
 - 9.5 additional teachers (~\$1.04 Million)
 - Classroom space availability
 - Modular classroom space

	# Sections	# Teachers
BES	4.0	2.0
CES	2.0	1.0
EES	2.0	1.0
GES	3.0	2.0
NHUF	5.0	2.0
WES	<u>3.0</u>	<u>1.5</u>
Total	19.0	9.5



2025-26 Budget Timeline

- November 26, 2024: Adopt Act 1 Resolution
- January – June 2025: Budget Updates/Presentations
- May 13, 2025: Adopt 2025-26 Proposed Final Budget
- June 24, 2025: Adopt 2025-26 Final Budget





THANK YOU