

**Quakertown Community School District**  
**2021-22 Budget**

**Fiscal Starting Point – June 30, 2020 Fund Balance = \$26,835,690 (audited balance)**

**Fiscal Year 2020/21:**

The 20/21 fiscal year General Fund Budget was prepared during the COVID-19 pandemic. Therefore, the budget estimates were prepared in an even more conservative manner than usual. Local revenues were estimated to be lower than historical trends. The operating deficit (before budgetary reserve) was budgeted at (\$7,273,775). Currently, the projected operating deficit for 20/21 is calculated to be (\$3,412,016), a difference of \$3,861,759.

Local revenue collections have been higher than originally anticipated, especially in the areas of property tax collection and earned income tax revenues. Expenditures are projected to be lower than budgeted, mostly in the areas of salaries and benefits due to attritional savings. Charter school tuition is projected to be approximately \$1.7 million higher in 20/21 as compared to 19/20. The increase is mostly in cyber charter school tuition, not brick and mortar charter school tuition. The District was able to save approximately \$319,000 in debt service in 20/21 due to the refunding of five existing debt issues. Approximately \$2,000,000 of total expenditures are attributed to the use of the funds that were received in a prior year due to the sale of two of our school buildings. These funds were used as part of the Neidig Elementary renovation project. Excluding this expenditure, the operating deficit in 20/21 is projected to be approximately \$1.4 million.

**‘Heat Map Projections’ – Best Case, Worst Case and Most Likely scenarios used in 20/21 Budget Preparation for Key Revenue Elements:**

Revenue Category	'Heat Map Projections'			20/21 Budget	20/21 Projection
	Best Case	Most Likely	Worst Case		
Current Real Estate	\$ 67,168,106	\$ 66,371,646	\$ 63,577,051	\$ 66,414,823	\$ 67,661,980
Interim Real Estate	378,321	226,993	75,664	226,993	598,968
Earned Income Tax	10,732,907	10,171,166	9,609,424	10,171,166	10,655,975
Real Estate Transfer Tax	1,132,454	827,630	461,841	827,630	1,053,674
Delinquent Taxes	1,941,775	1,618,146	1,294,517	1,618,146	1,300,260
Interest Earnings	650,000	325,000	-	325,000	84,717
Basic Education Subsidy	10,543,888	10,543,888	8,940,680	10,543,888	10,543,732
	<b>\$ 92,547,451</b>	<b>\$ 90,084,469</b>	<b>\$ 83,959,177</b>	<b>\$ 90,127,646</b>	<b>\$ 91,899,306</b>

Most revenues on the heat map are projected to be between the ‘most likely’ and ‘best case’ projections, excluding interest earnings and delinquent taxes. Current and interim real estate taxes are projected to be higher than the ‘best case’ scenario. This is due to a higher than expected collection rate of current taxes and some successful assessment appeals.

*Prepared by: Lynn S. Routson, Finance Director  
April 16, 2021*

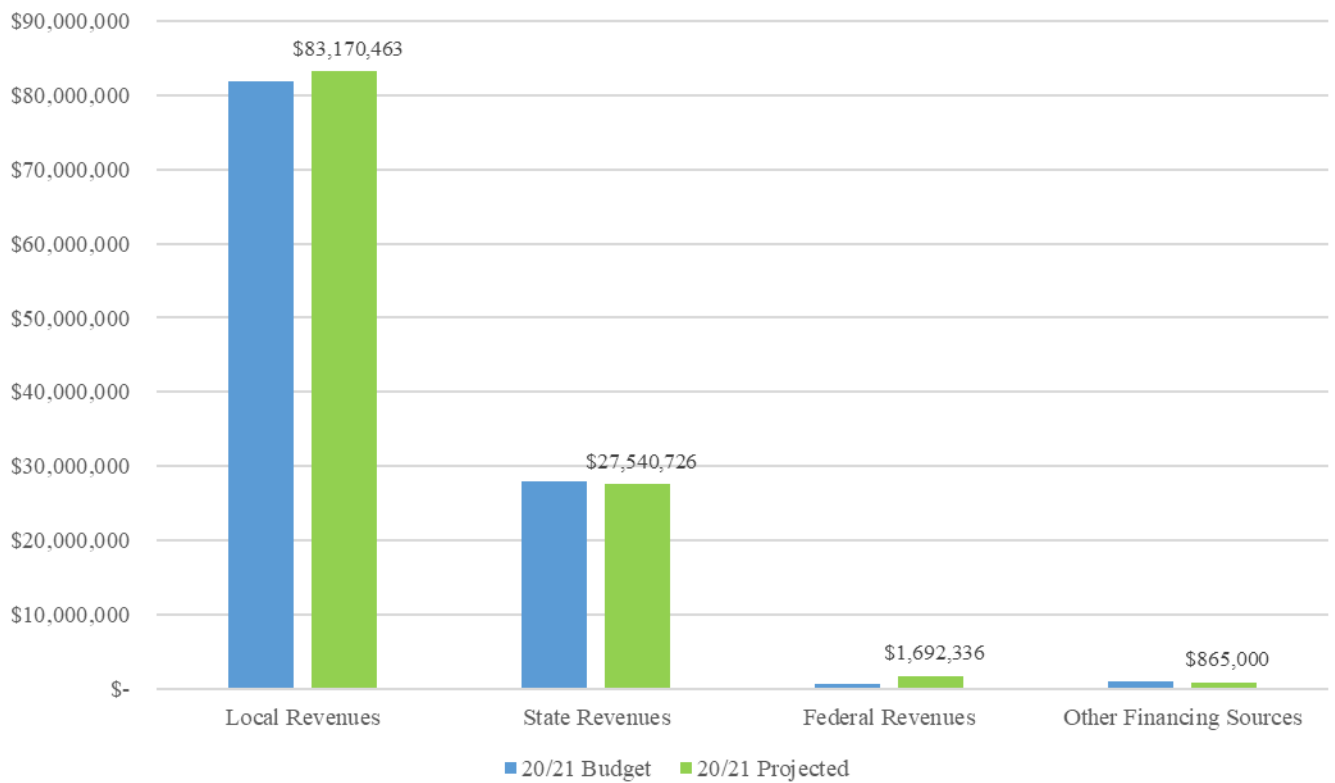
## Quakertown Community School District

### 2021/22 Budget Preparation

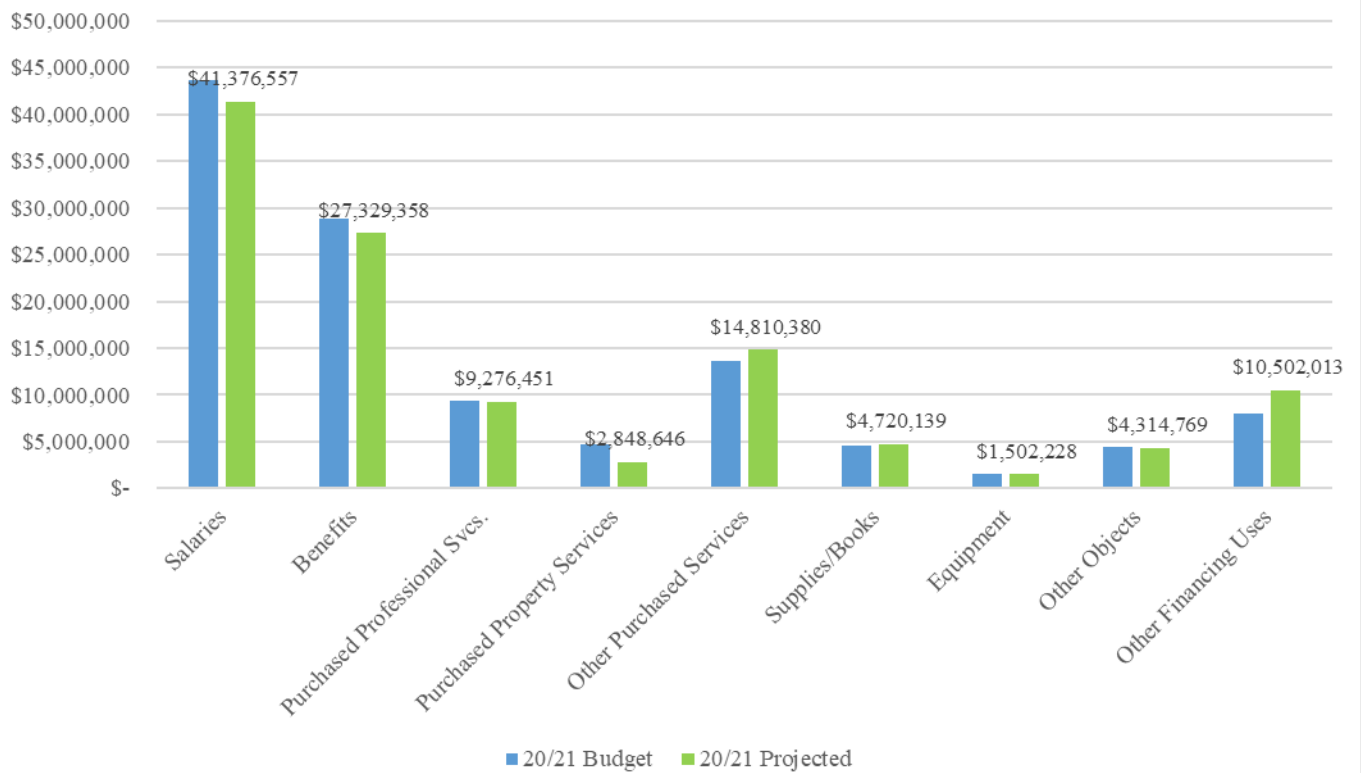
Beginning Fund Balance, July 1, 2020		<u>\$ 26,835,690</u>	
	<u>Budget 20/21</u>	<u>Projected 20/21</u>	<u>Difference</u>
Local Revenues	81,857,810	83,170,463	1,312,653
State Revenues	28,015,530	27,540,726	(474,804)
Federal Revenues	680,000	1,692,336	1,012,336
Other Financing Sources	<u>1,045,000</u>	<u>865,000</u>	<u>(180,000)</u>
Total Revenues	<u>111,598,340</u>	<u>113,268,525</u>	<u>1,670,185</u>
Salaries	43,727,723	41,376,557	(2,351,166)
Benefits	28,813,774	27,329,358	(1,484,416)
Purchased Professional Svcs.	9,339,284	9,276,451	(62,833)
Purchased Property Services	4,740,989	2,848,646	(1,892,343)
Other Purchased Services	13,569,813	14,810,380	1,240,567
Supplies/Books	4,604,401	4,720,139	115,738
Equipment	1,572,575	1,502,228	(70,347)
Other Objects	4,456,556	4,314,769	(141,787)
Other Financing Uses	<u>8,047,000</u>	<u>10,502,013</u>	<u>2,455,013</u>
Total Expenditures	<u>118,872,115</u>	<u>116,680,541</u>	<u>(2,191,574)</u>
Operating Balance	<u>\$ (7,273,775)</u>	<u>\$ (3,412,016)</u>	
Budgetary Reserve	<u>1,200,000</u>		
Ending Fund Balance	<u>\$ 19,561,915</u>	<u>\$ 23,423,674</u>	

***Note: The 2020/21 budget had a 0% millage increase for property taxes.***

***Quakertown Community School District  
2020/21 Revenues***

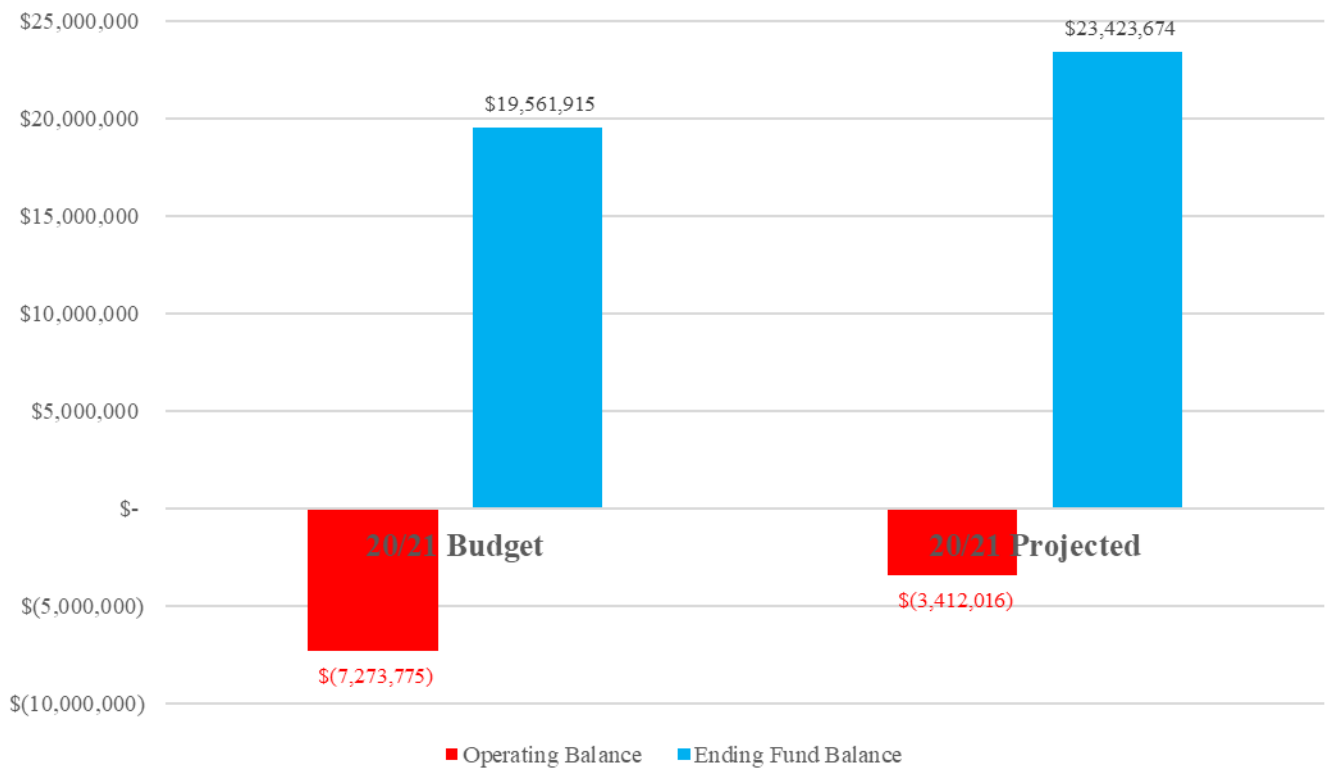


## *Quakertown Community School District 2020/21 Expenditures*



*Prepared by: Lynn S. Routson, Finance Director  
April 16, 2021*

***Quakertown Community School District  
2020/21 Operating Balance and Fund Balance***



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April 16, 2021*

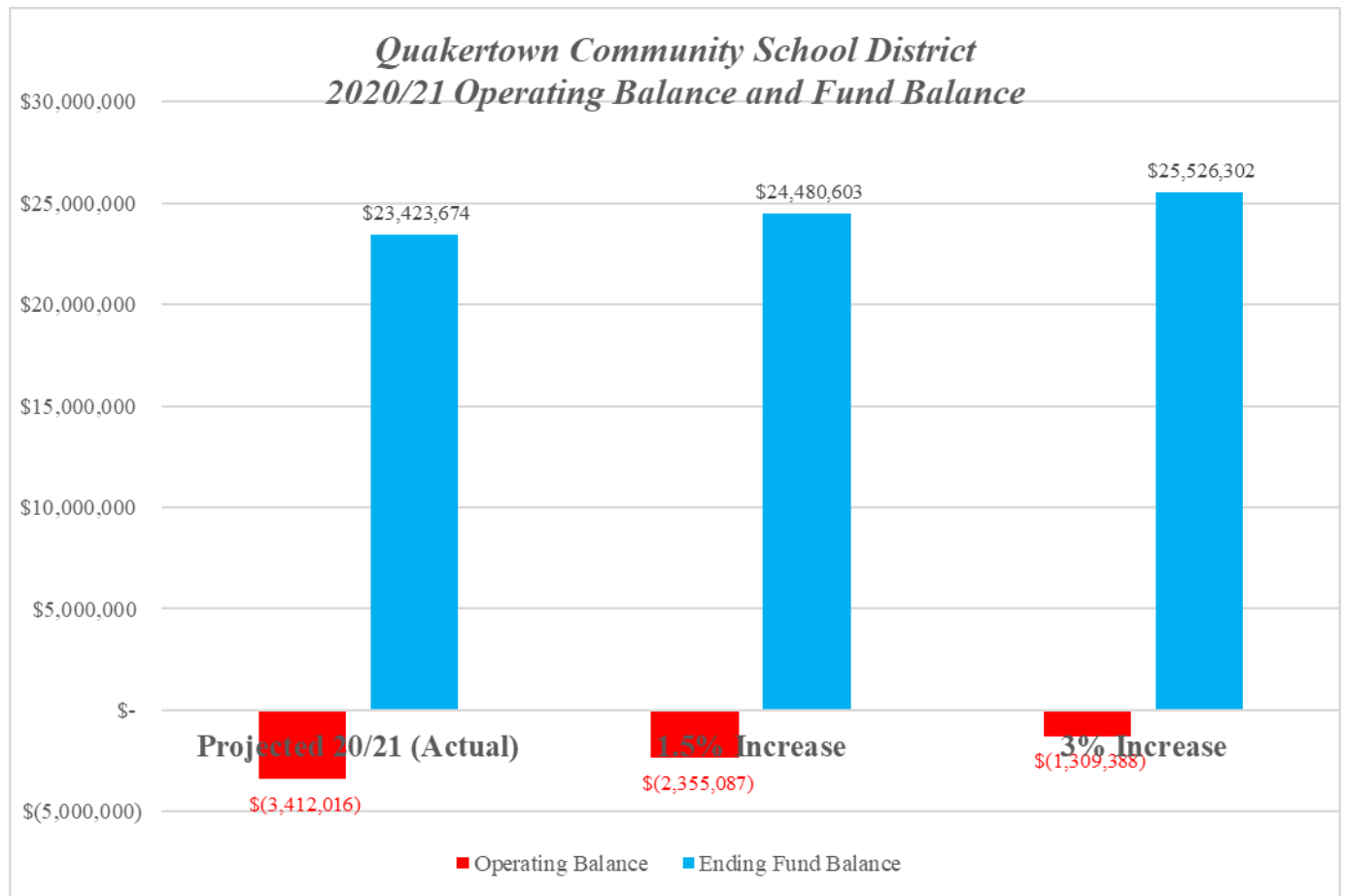
**Local Property Taxes:**

The 20/21 General Fund Budget was approved with a zero percent property tax increase. The millage rate was held steady at the 19/20 level at 168.8308. The Act 1 index, as adjusted, was 3.0% for the Quakertown Community School District. The maximum millage rate that could have been approved was 173.8957. The following chart illustrates the difference in revenues and operating balance using three scenarios. The current operating deficit for 20/21 is projected to be (\$3,412,016). Had the full Act 1 index increase been enacted, the operating deficit for 20/21 would be projected to be (\$1,309,388).

	<u>Scenario #1</u>	<u>Scenario #2</u>	<u>Actual Projected 20/21</u>
Local Revenues	84,227,392	85,273,091	83,170,463
State Revenues	27,540,726	27,540,726	27,540,726
Federal Revenues	1,692,336	1,692,336	1,692,336
Other Financing Sources	<u>865,000</u>	<u>865,000</u>	<u>865,000</u>
Total Revenues	<u>114,325,454</u>	<u>115,371,153</u>	<u>113,268,525</u>
Salaries	41,376,557	41,376,557	41,376,557
Benefits	27,329,358	27,329,358	27,329,358
Purchased Professional Svcs.	9,276,451	9,276,451	9,276,451
Purchased Property Services	2,848,646	2,848,646	2,848,646
Other Purchased Services	14,810,380	14,810,380	14,810,380
Supplies/Books	4,720,139	4,720,139	4,720,139
Equipment	1,502,228	1,502,228	1,502,228
Other Objects	4,314,769	4,314,769	4,314,769
Other Financing Uses	<u>10,502,013</u>	<u>10,502,013</u>	<u>10,502,013</u>
Total Expenditures	<u>116,680,541</u>	<u>116,680,541</u>	<u>116,680,541</u>
Operating Balance	<u><b>\$ (2,355,087)</b></u>	<u><b>\$ (1,309,388)</b></u>	<u><b>\$ (3,412,016)</b></u>
Ending Fund Balance	<u><b>\$ 24,480,603</b></u>	<u><b>\$ 25,526,302</b></u>	<u><b>\$ 23,423,674</b></u>
Average Monthly Expenses	<b>\$ 9,723,378</b>	<b>\$ 9,723,378</b>	<b>\$ 9,723,378</b>
Fund Balance/Average Monthly Expenses	<b>2.5</b>	<b>2.6</b>	<b>2.4</b>

Scenario #1 - 2020/21 Millage Increase of 1.5%, net collection rate of 96.8%

Scenario #2 - 2020/21 Millage Increase of 3%, net collection rate of 96.8%. (Full Act 1)



*Prepared by: Lynn S. Routson, Finance Director  
April 16, 2021*