



Souderton Area Leads the Way with Fiscal Responsibility

For the last four years, the Souderton Area School District Board of Directors has demonstrated its commitment to delivering fiscally responsible budgets and soundly managing its fund balance to sustain the District's excellent programming while seeking to minimize any increased burden on its taxpayers.

In the past four years, the School District has:

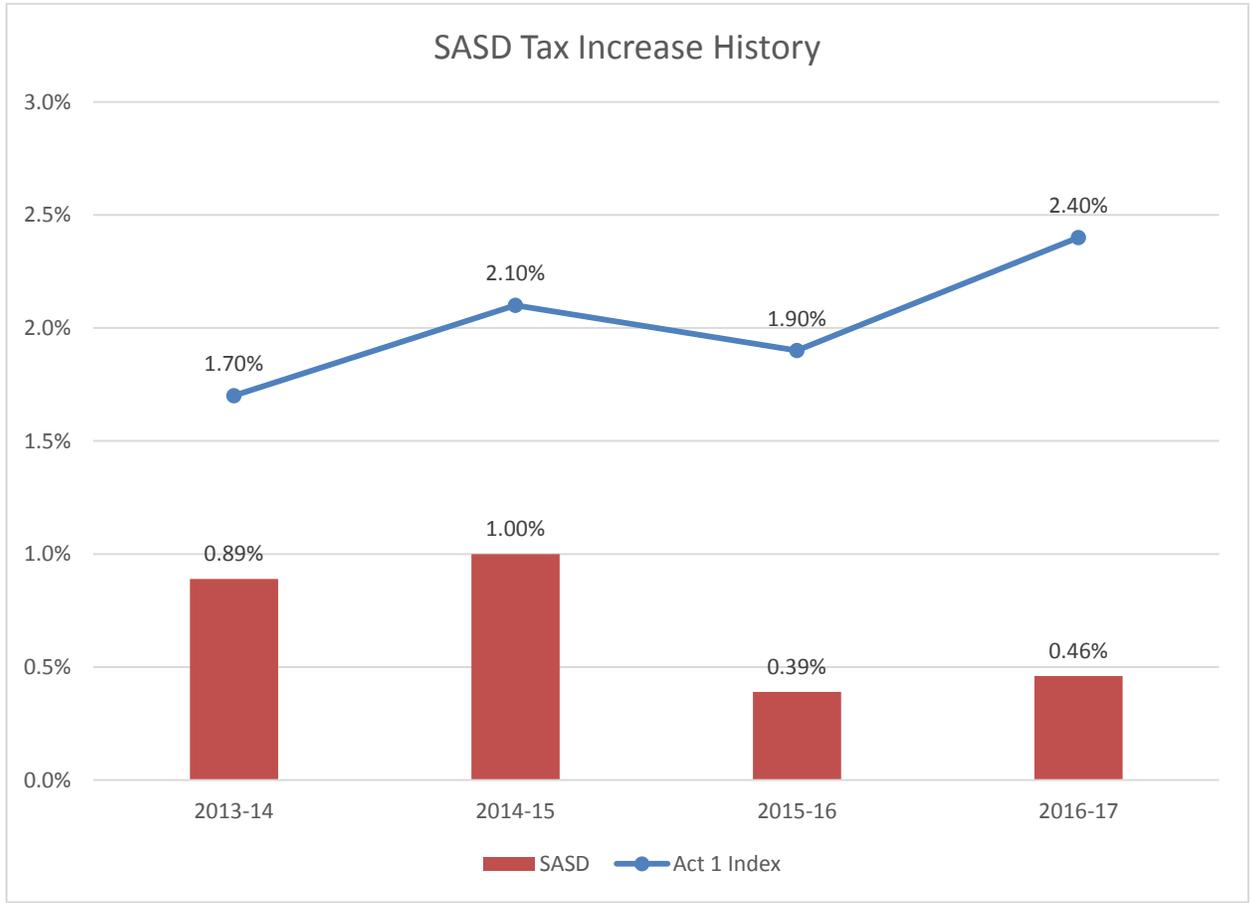
- Delivered budgets with tax increases well below the state's Act 1 index (the maximum allowed by state law) and which have been the lowest in Montgomery County;
- Obtained almost \$600,000 of private and federal grant funding to support innovative School District programs at all grade levels;
- Upgraded its bond rating outlook with Wall Street rating agencies due to strong reserves and sound management policies and practices;
- Provided for capital project funding without additional borrowing, including a much needed renovation at EMC Elementary; and
- Most importantly, crafted budgets that directly align with the School District's comprehensive plan goals, focus on the needs of the whole child, and implement visionary leadership in technology integration.

This strong fiscal oversight extends beyond the annual budget process. In October 2014, the Board adopted a policy to govern the management of fund balance, which represents the sum of all annual surpluses or deficits that an organization has accumulated over its history. This policy, coupled with the oversight of the Board's Finance Committee, results in the School District's proactive management to maintain unassigned fund balance at four percent (4%) of operating expenditures. The policy has in fact received praise from the District's bond rating agencies. Moreover, the District's unassigned fund balance of 4% is well below the allowable Department of Education maximum fund balance of 8%, and is again one of the lowest fund balance levels in Montgomery County.

Superintendent of Schools Frank Gallagher stated, "Most importantly, the School District has not lost sight of its primary mission: the well-rounded education of its students. Certainly, the economic downturn and ever-increasing mandated expenditures pressured the School District's budget, but the results in Souderton Area are proving that it is possible to do more with less, and do it well."

Finance Committee Chairperson Donna Scheuren stated, "When it comes to governing effectively, conservatively and intelligently, the School District continues to be a trendsetter in the state. For the fourth year in a row, Souderton has put forth a tax increase that is significantly below the Act 1 index. All of this is achievable despite the financial obstacles and unfunded mandates from the state and federal governments. The current board members and administrators of the School District have proven, time and time again, that it is possible to meet all financial obligations without adversely affecting our educational mission or placing an undue burden on the taxpayer by budgeting with a fine-tooth comb."

School Board President Scott Jelinski reiterated, "Once again, the School District proves that thinking 'outside of the box' and not doing 'business as usual' has put us at the top. We've distinguished ourselves because we changed the course of the budget process, brought new ideas and thought independently. We have created a new standard for budgeting that has strengthened our finances while also improving our educational results. As a result, this is the community in which people want to educate their children and in which the best educators in the state want to work."



Audited Fund Balance as of 6/30/2015	\$ AMOUNT	% OF BUDGET
Assigned Fund Balance *	\$4.9 million	4.3%
Unassigned Fund Balance	\$4.6 million	4.0%
TOTAL FUND BALANCE	\$9.5 million	8.3%

* Assigned for future capital projects, catastrophic medical claims and to offset future real estate tax increases.
