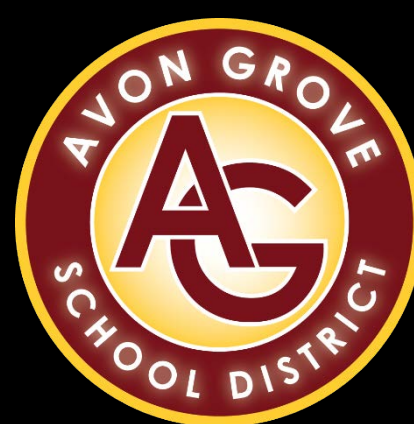


AVON GROVE SCHOOL DISTRICT

2018-19

PRELIMINARY

BUDGET





2018-19 BUDGET

Review 2016-17 Focus Areas

Review 2016-17 Audited Results

Update of 2017-18 Focus Areas

Update of 2017-18 Budget

2018-19 Focus Areas

2018-19 Preliminary Budget

2018-19 Budget Timeline

AVON GROVE SCHOOL DISTRICT

2016-17 BUDGET REVIEW



2016-17 REVIEW OF FOCUS AND ACCOMPLISHMENTS

- Full-day kindergarten
- Interactive board replacement



Penn London
Elementary School

- Art equipment replacement
- Math & ELA - Foundations



Avon Grove
Intermediate School

- 1:1 initiative
- Study Island



Fred S. Engle
Middle School

- Academic vocabulary
- Improving student attendance
- New bell schedule implementation



Avon Grove
High School

2016-17 REVIEW OF FOCUS AND ACCOMPLISHMENTS

- Language training
- Retaining students in Avon Grove programs



Pupil Services

- New bell schedule
- World Languages
- Social Studies



Curriculum

- 1:1 grades 7-8
- Projector and interactive board replacement
- PC labs in HS
- Switching and access point replacement



Technology

- Sale of waste water treatment plant
- Modular permitting, procurement and installation
- AGI cafeteria lighting



Facilities

2016-17 ACTUAL

Revenue

Local Revenue

\$ 54,667,660

State Revenue

\$ 30,203,441

Federal Revenue

\$ 638,100

\$ 85,509,201

Expenses

Salaries

\$ 30,701,830

Benefits

\$ 18,966,333

Professional Services

\$ 10,777,085

Repair/Maintenance/Rental

\$ 1,886,779

Transportation/Insurance/Tuition

\$ 17,410,865

Supplies/Books/Software/Fuel

\$ 2,122,493

Capital

\$ 1,380,614

Bond Interest/Dues/Fees

\$ 849,905

Bond Principle

\$ 2,780,000

\$ 86,875,904

Recommended Debt Adjustment

\$ -

Budgetary Reserve

\$ -

Transfers

\$ 1,600,000

\$ 1,600,000

Total General Fund Budget

\$ 88,475,904

Surplus/Deficit

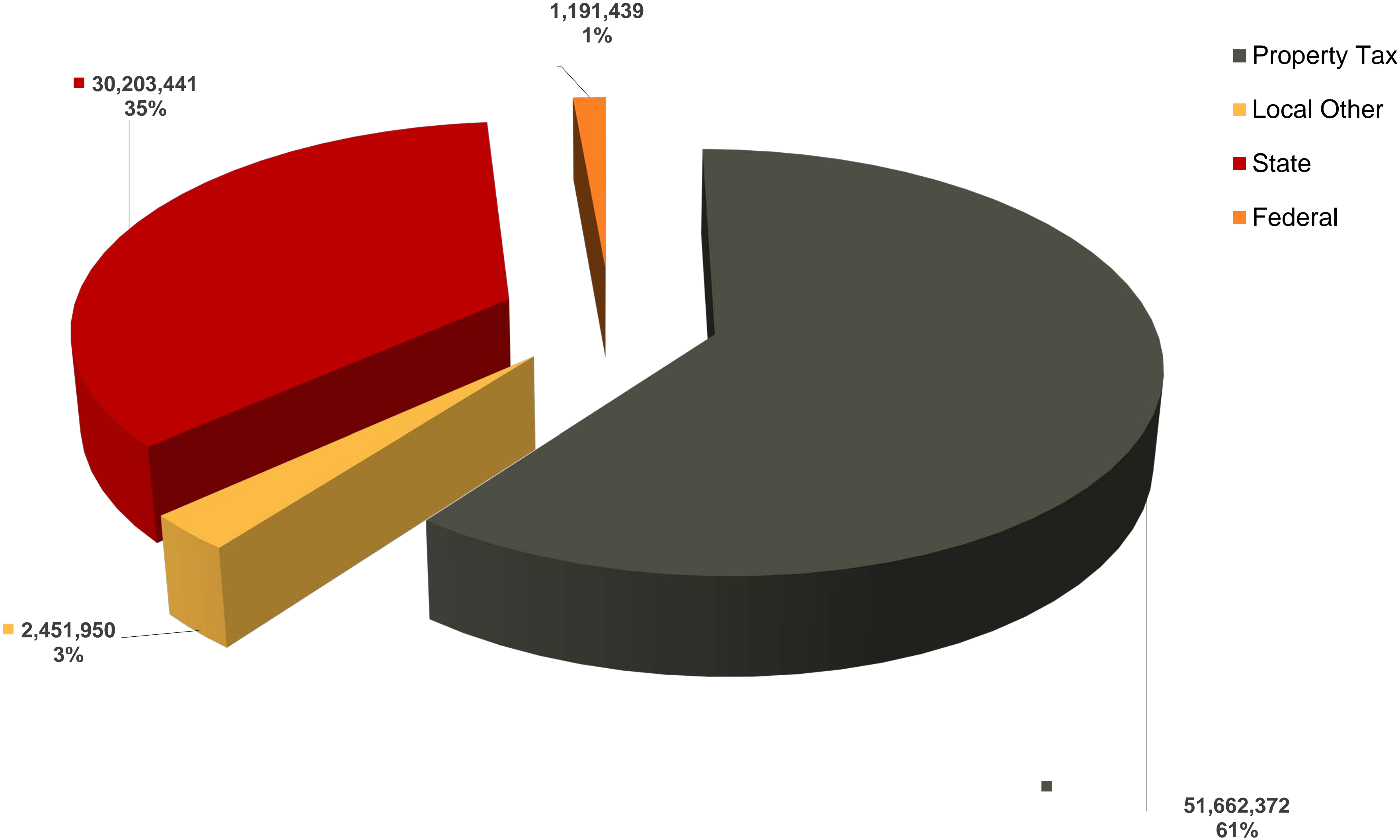
\$ (2,966,703)

2016-17 ACTUAL

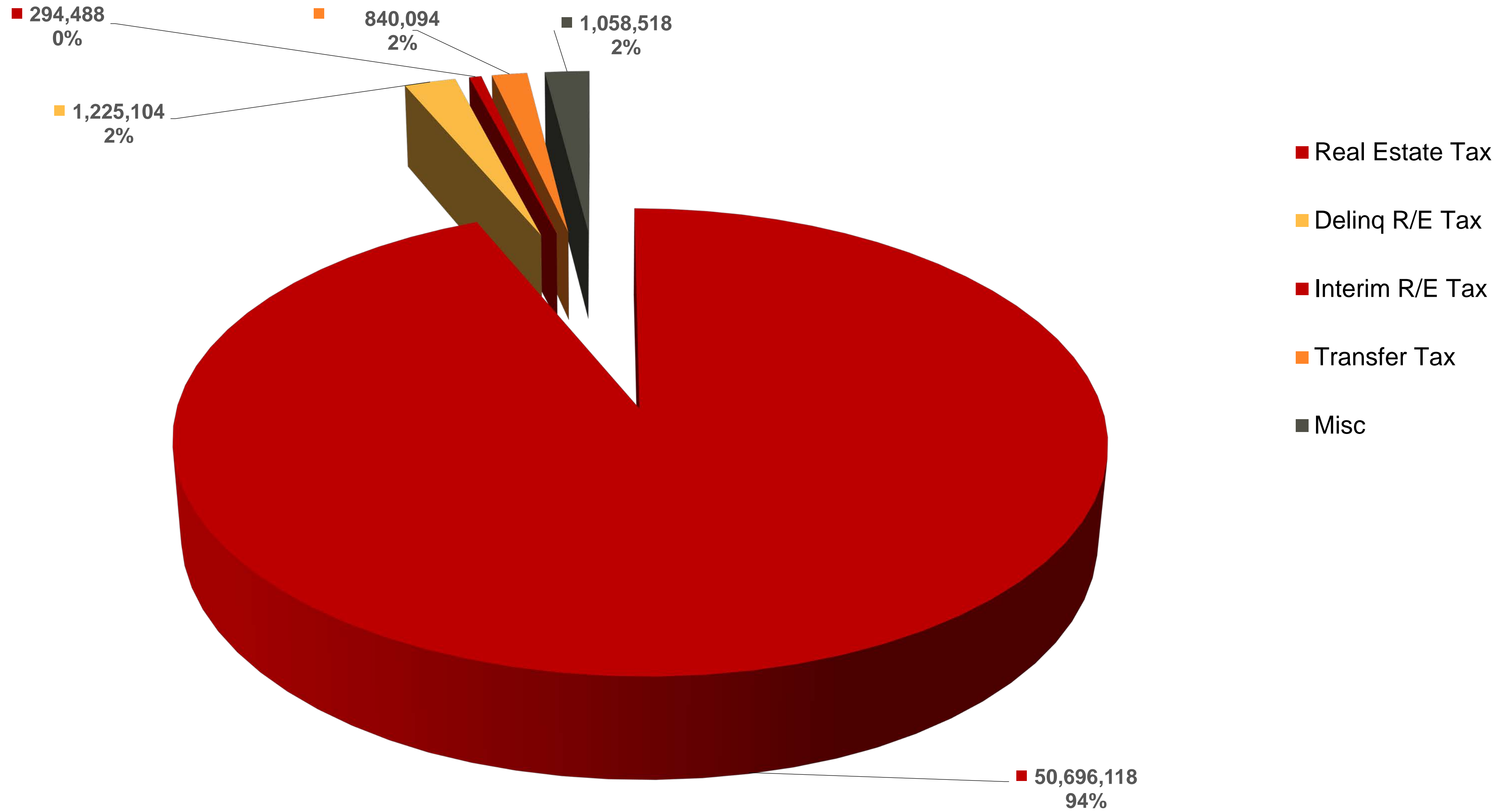
Fund Balances

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>
General Fund	\$23,242,867	\$26,209,570	(\$2,966,703)
Capital Projects Fund	\$2,251,726	\$1,593,975	\$657,751
Total	\$25,494,593	\$27,803,545	(\$2,308,952)

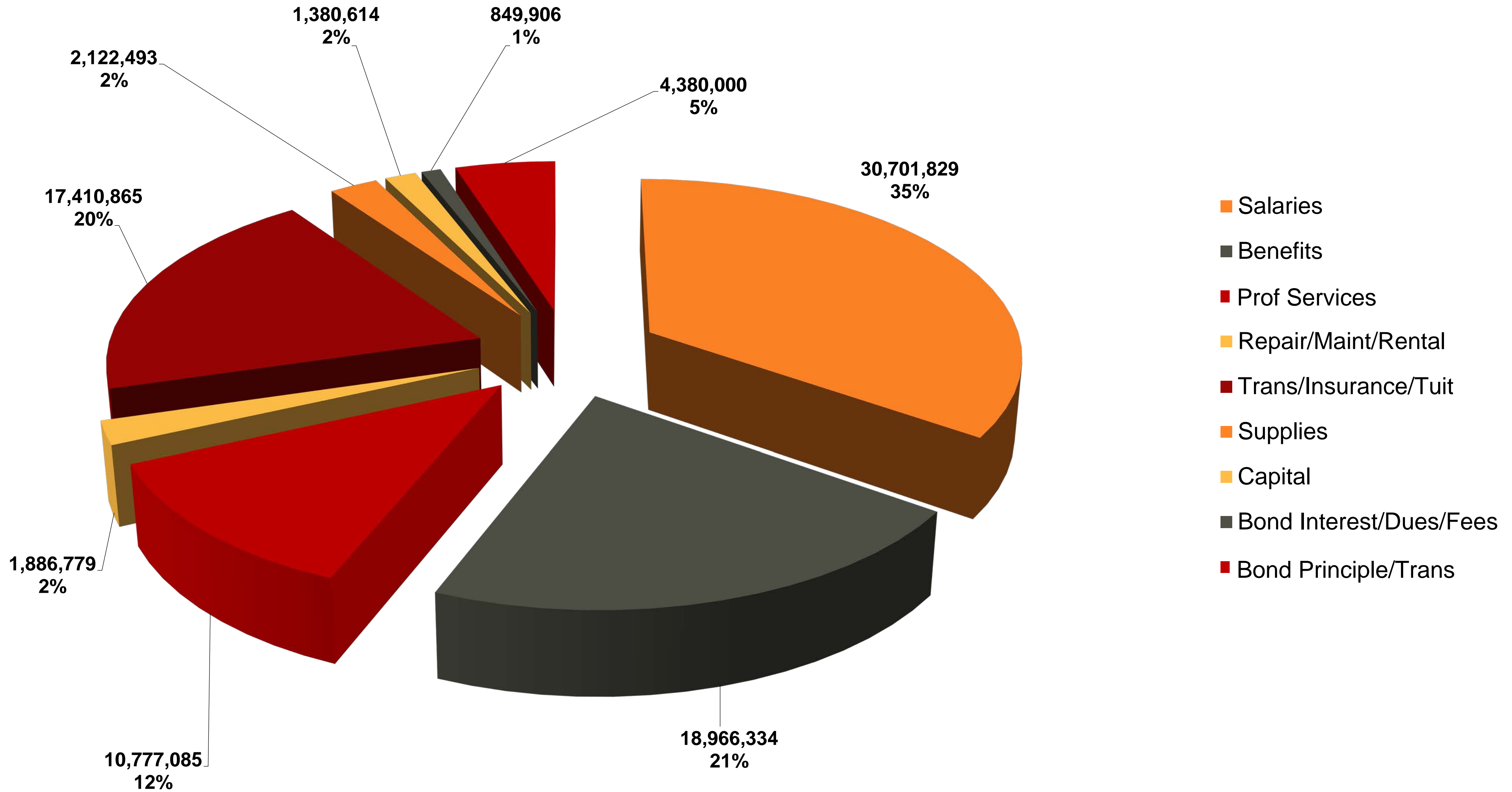
2016-17 TOTAL REVENUE



2016-17 LOCAL REVENUE



2016-17 EXPENSES



AVON GROVE SCHOOL DISTRICT

2017-18 UPDATE



2017-18 REVIEW OF FOCUS AND ACCOMPLISHMENTS

- Language Arts
- Student software - Study Island, Ed Mentum
- Full day kindergarten



Penn London
Elementary School

- Language Arts
- 1:1 – 6th grade



Avon Grove
Intermediate School

- MTSS
- Study Island
- ELA



Fred S. Engle
Middle School

- Collaborative time for staff
- Technology integration – Schoology
- 1:1 – 9th grade



Avon Grove
High School

2017-18 REVIEW OF FOCUS AND ACCOMPLISHMENTS

- Retaining students in Avon Grove
- Gifted Taskforce
- Evaluations



Pupil Services

- Language Arts
- Staff resources



Curriculum

- 1:1 grades 6 - 9
- Virtual environments
- Modular technology
- Switching and access point replacement



Technology

- Complete modular installation
- HS roof repairs (library)
- Elementary campus natural gas
- PLE cafeteria floor



Facilities

2017-18 UPDATE

	<u>2017-18 Budget</u>	<u>2017-18 Estimate</u>	<u>Variance</u>	
<u>Revenue</u>				
<u>Local</u>				
Transfer Tax	\$ 800,000	\$ 900,000	\$ 100,000	A
Interest Earnings	\$ 250,000	\$ 325,000	\$ 75,000	B
<u>State</u>				
Basic Education Subsidy	\$ 14,970,000	\$ 15,114,389	\$ 144,389	C
Special Education Subsidy	\$ 2,519,855	\$ 2,594,317	\$ 74,462	C
Bond Reimbursement	\$ 335,000	\$ 831,000	\$ 496,000	D
<u>Federal</u>				
PA Access	\$ 99,869	\$ 384,544	\$ 284,675	E
<u>Other</u>				
Sale of Fixed Assets	\$ -	\$ 195,000	\$ 195,000	F
	\$ 18,974,724	\$ 20,344,250	\$ 1,369,526	
<u>Expense</u>				
Pass-Thru Payments	\$ 55,000	\$ 496,000	\$ 441,000	
Net Budgetary Difference			\$ 928,526	

- A - Additional Revenue-Hospital Sale
- B - Increase in investment rates
- C - Final 2017-18 PDE estimates
- D - Pass-Thru for CCIU
- E - 2015-16 Closeout - CCIU Pass-thru
- F - Sale of WWTP & Eastern Shore Easement

AVON GROVE SCHOOL DISTRICT

2018-19 PRELIMINARY BUDGET



SUMMARY		2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	Budget /	2017 - 2018
		20 Actual Revenue / Expenditures	Actual Revenue / Expenditures	Final Budget Revenue / Expenditures	Prelim Budget Revenue / Expenditures	Budget Increase / Decrease	Prelim Budget Revenue / Expenditures
FUND BALANCE APPROPRIATION		\$ -	\$ -	\$ 6,328,014	\$ 8,936,653	\$ 2,608,639	\$ 9,204,965
6000	REVENUE FROM LOCAL SOURCES	\$ 52,970,101	\$ 54,639,125	\$ 56,832,977	\$ 60,952,498	\$ 4,119,521	\$ 58,000,740
7000	REVENUE FROM STATE SOURCES	\$ 28,427,631	\$ 30,203,441	\$ 29,838,166	\$ 27,669,290	\$ (2,168,876)	\$ 26,952,022
8000	REVENUE FROM FEDERAL SOURCES	\$ 607,266	\$ 638,100	\$ 664,869	\$ 634,000	\$ (30,869)	\$ 665,000
9000	REVENUE FROM OTHER SOURCES	\$ 11,176	\$ 28,536	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES		\$ 82,016,173	\$ 85,509,201	\$ 93,664,026	\$ 98,192,441	\$ 4,528,415	\$ 94,822,727
TOTAL EXPENDITURES		\$ 78,115,177	\$ 83,605,793	\$ 86,083,661	\$ 90,537,451	\$ 4,453,789	\$ 86,827,547
TOTAL OTHER FINANCING USES		\$ 5,605,026	\$ 4,870,113	\$ 7,580,365	\$ 7,654,990	\$ 74,625	\$ 7,995,180
TOTAL EXP & OTHER FINANCING USES		\$ 83,720,203	\$ 88,475,906	\$ 93,664,026	\$ 98,192,441	\$ 4,528,414	\$ 94,822,727
REVENUE OVER (UNDER) EXPENSE		\$(1,704,030)	\$(2,966,704)	\$ (0)	\$ 0	\$ (1)	\$ (0)
CHESTER COUNTY MILLAGE		28.157	29.040	29.7700	30.5300	0.73	29.040
MILLAGE INCREASE		2.393%	3.136%	2.514%	2.553%		0.000%
ACT 1 INDEX		2.40%	3.20%	3.30%	3.10%		3.30%
Notes:							
Debt @ recommended level net - \$4.5M (Placeholder)				\$ 1,560,000	\$ 1,560,000		\$ 1,560,000
Budgetary Reserve				\$ 900,000	\$ 975,000		\$ 900,000
Transfer to Capital Projects				\$ 1,850,000	\$ 1,850,000		\$ 2,264,000
PSERS draw down (Committed Fund Balance)				\$ 1,020,389	\$ 1,614,189		\$ 970,389
General Ops usage (Unassigned Fund Balance)				\$ 997,625	\$ 2,937,464		\$ 3,510,576

	<u>2017-18 Budget</u>	<u>2018-19 Budget</u>	<u>Variance</u>	
Revenue				
Local Revenue	\$ 56,832,977	\$ 60,952,498	\$ 4,119,521	A
State Revenue	\$ 29,838,166	\$ 27,669,290	\$ (2,168,876)	
Federal Revenue	\$ 664,869	\$ 634,000	\$ (30,869)	
	\$ 87,336,012	\$ 89,255,788	\$ 1,919,776	
Expenses				
Salaries	\$ 32,219,704	\$ 32,915,411	\$ 695,707	
Based on Contract-Attrition Value TBD				
Benefits	\$ 20,274,692	\$ 21,979,728	\$ 1,705,036	
PSERS Rate 33.43% vs. 32.57%	\$ 10,432,836	\$ 10,966,586	\$ 533,750	
Professional Services	\$ 9,808,420	\$ 10,744,502	\$ 936,082	
Voc. Tech Education	\$ 3,405,633	\$ 3,245,912	\$ (159,721)	
Repair/Maintenance/Rental	\$ 2,129,044	\$ 2,179,192	\$ 50,148	
Transportation/Insurance/Tuition	\$ 17,447,066	\$ 18,363,763	\$ 916,697	
Charter Tuition	\$ 10,000,000	\$ 10,400,000	\$ 400,000	
Vo-Tech - Academic portion	\$ -	\$ 105,649	\$ 105,649	
Supplies/Books/Software/Fuel	\$ 2,731,970	\$ 2,897,758	\$ 165,788	
Capital	\$ 1,123,750	\$ 1,037,117	\$ (86,633)	
Bond Interest/Dues/Fees	\$ 779,380	\$ 774,970	\$ (4,410)	
Bond Principle	\$ 2,840,000	\$ 2,915,000	\$ 75,000	
	\$ 89,354,026	\$ 93,807,441	\$ 4,453,415	
Recommended Debt Adjustment	\$ 1,560,000	\$ 1,560,000	\$ -	
Debt Level Adj to \$4.5M - TBD	\$ 1,560,000	\$ 1,560,000	\$ -	
Budgetary Reserve	\$ 900,000	\$ 975,000	\$ 75,000	
Transfers	\$ 1,850,000	\$ 1,850,000	\$ -	
	\$ 4,310,000	\$ 4,385,000	\$ 75,000	
Total General Fund Budget	\$ 93,664,026	\$ 98,192,441	\$ 4,528,415	
Surplus/Deficit	\$ (6,328,014)	\$ (8,936,653)	\$ (2,608,639)	

A - Homestead/Farmstead allocation TBD.

EXPENDITURES IMPACTING THE PRELIMINARY 2018-19 BUDGET



SALARIES
\$695,000

Contractual Increases



BENEFITS
\$1,700,000

Healthcare

\$1,000,000

PSERS \$530,000

(33.43% vs. 32.57%)



PROFESSIONAL SERVICES
\$936,000

Pupil Services



OTHER SERVICES
(TRANSPORTATION/TUITION/INS)
\$916,000

Tuition \$628,000

Transportation \$267,000

ITEMS EFFECTING THE 2018-19 BUDGET

Revenue



Avon Grove taxable
assessed values
have increased by
\$2M



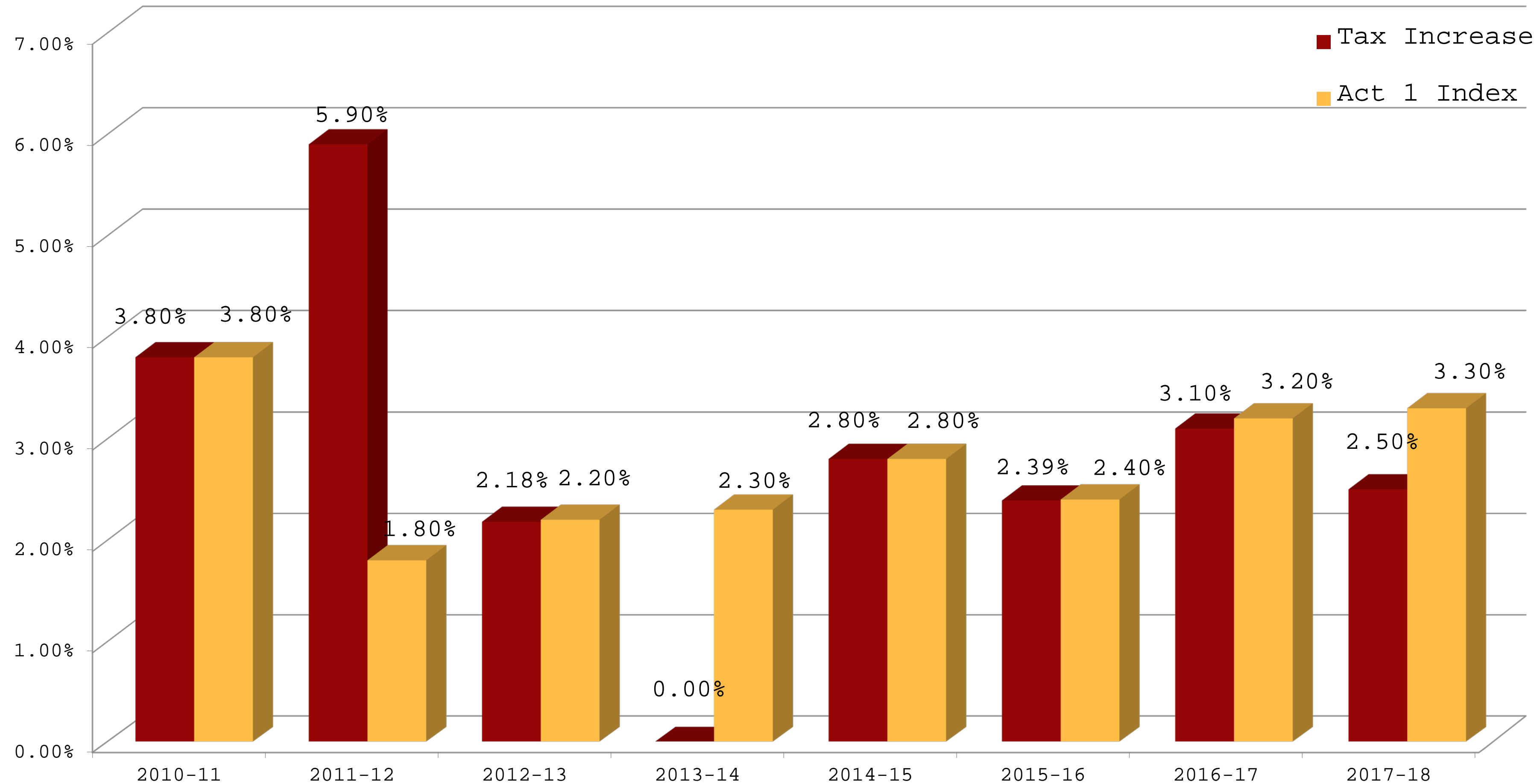
State revenue is
based upon 2017-18
amounts as approved
with the passage of
the 2017-18 Budget
and District
statistical
information



Federal revenue
is based on
2017-18
allocations

ACT 1 LOCAL REVENUE

Avon Grove School District Tax Increase Compared to Act 1 Index 2010 through 2018



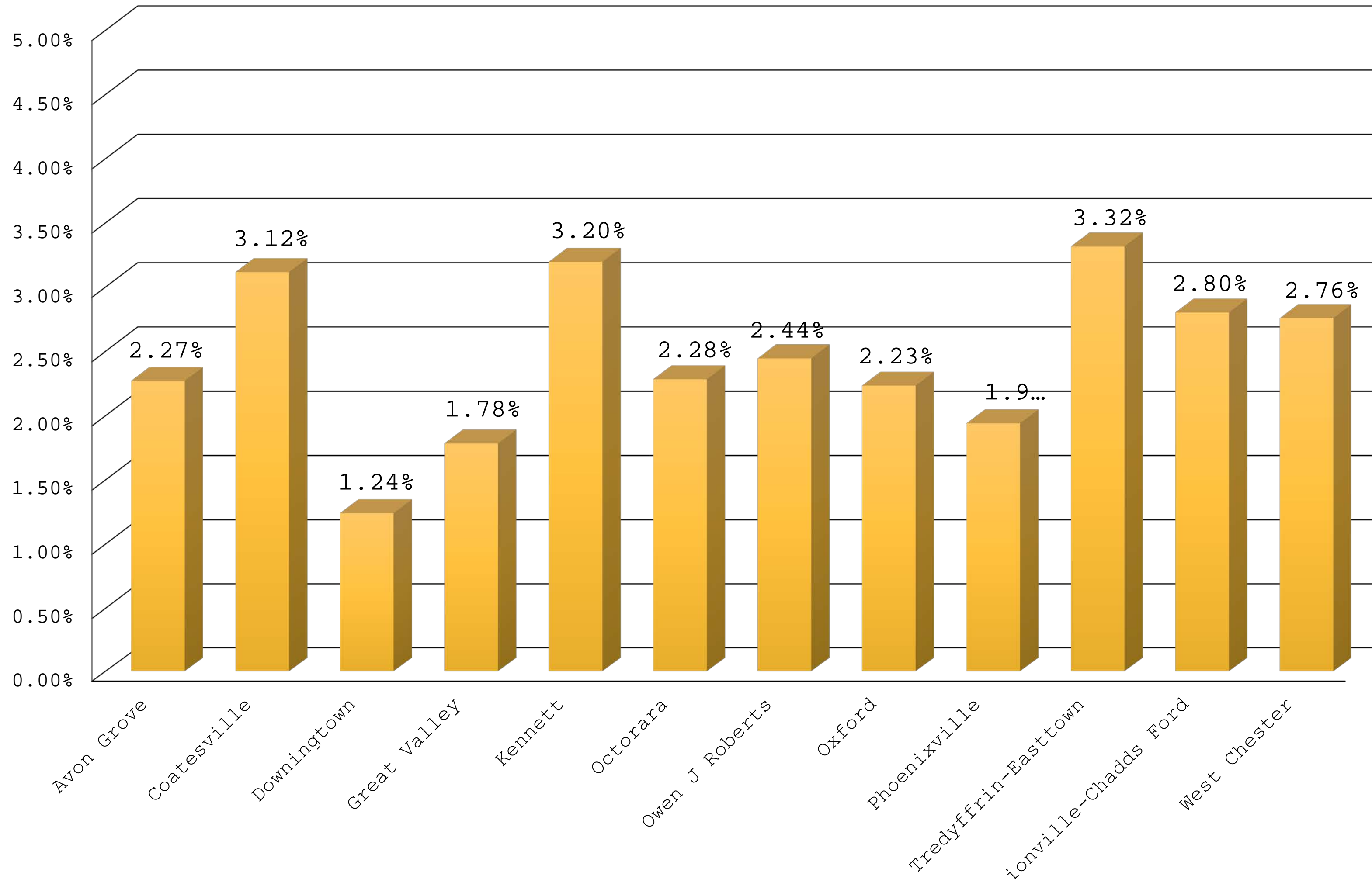
2018-19 Act 1 Index	
Base Index	2.4%
AG Adjusted Index	3.1%

*2011-12 Avon Grove millage increase exceeded the Act 1 Index.

PDE approved exceptions for PSERS & Special Education.

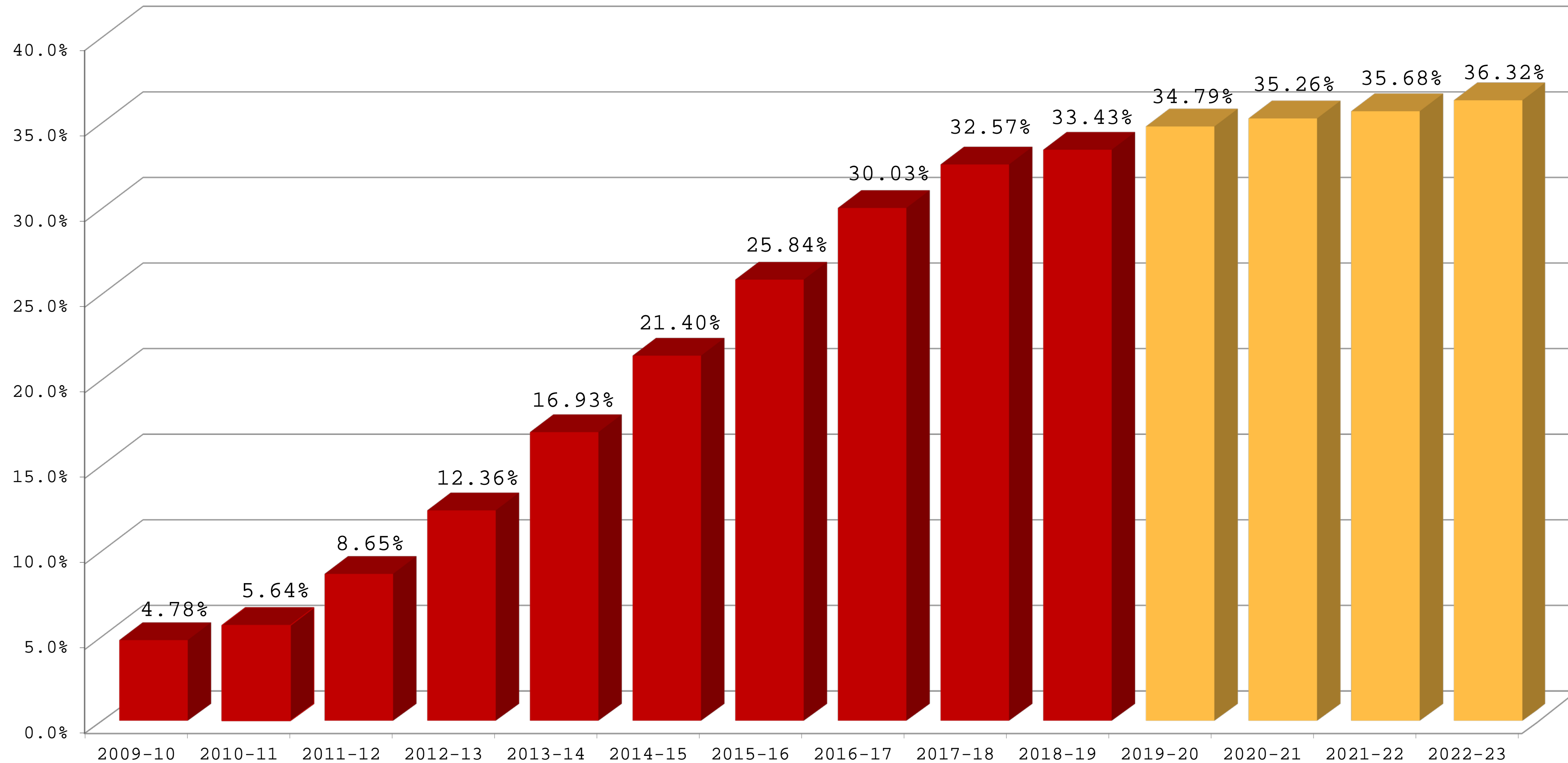
REAL ESTATE MILLAGE FOR CHESTER COUNTY SCHOOL DISTRICTS

Average Change 10 Year Period 2008-09 to 2017-18



PSERS PROJECTED EMPLOYER CONTRIBUTION RATES

PSERS Employer Contribution Rates 2010 through 2023



PSERS PROJECTED EMPLOYER CONTRIBUTION RATES

The chart below shows the 5-year projected employer contribution rates using the June 30, 2017 valuation.

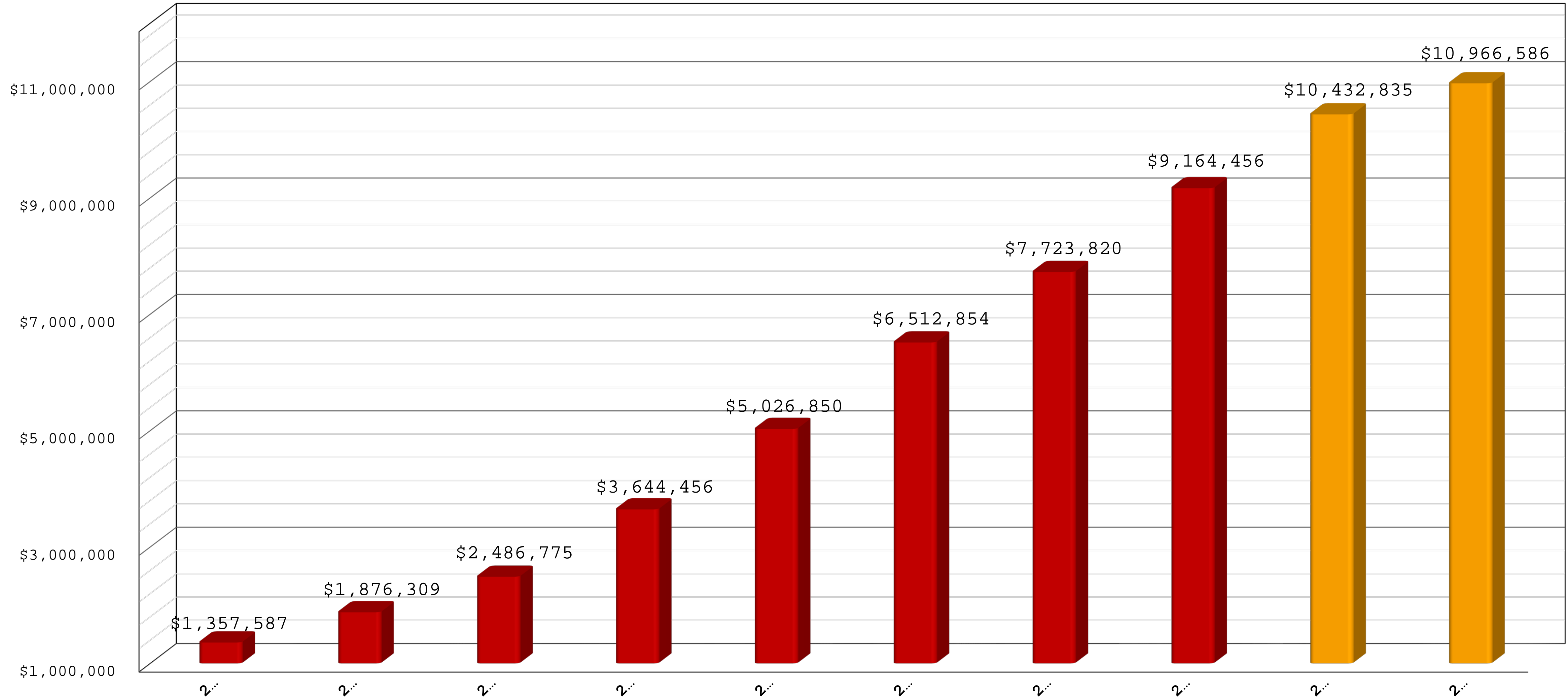
PROJECTED EMPLOYER CONTRIBUTION RATES AND TOTAL EMPLOYER CONTRIBUTIONS * (Presumes a 7.25% rate of return)		
Fiscal Year Ending June	Total Employer Contribution Rate %	Projected Total Employer Contribution (thousands) \$
18/19	33.43	4,604,983
19/20	34.79	4,863,594
20/21	35.26	5,008,182
21/22	35.68	5,155,611
22/23	36.32	5,343,975

Investment Returns

PSERS' rate of return for fiscal year ended June 30, 2017 was 10.14%, which added approximately \$5.0 billion (net of fees) in investment income to the Fund. The Fund had plan net assets of \$53.5 billion at June 30, 2017.

EMPLOYER RETIREMENT COSTS

TEN YEAR HISTORY



PRELIMINARY OCCUPATIONAL EDUCATION 2018-19

Chester County School District Contribution and Enrollment Changes

Revised Calculation Method in 2018-2019 with separate Academic Charges under Marketplace Services

District	Projected CTE Charges		Increase (Decrease)	Pct. Change	2015-2016 Full-Time Equivalent	2016-2017 Full-Time Equivalent	Preliminary	3-Yr. Average Full-Time Equivalent
	2017-2018 Contribution	2018-2019 Contribution					2017-2018 Full-Time Equivalent	
Avon Grove	3,410,513	3,245,912	(164,601)	-4.8%	163.362	184.933	139.250	162.515
Coatesville	2,921,008	3,321,676	400,668	13.7%	143.125	166.550	189.250	166.308
Downingtown	2,642,768	2,511,105	(131,663)	-5.0%	123.625	129.050	124.500	125.725
Great Valley	966,367	911,514	(54,853)	-5.7%	42.624	55.288	39.000	45.637
Kennett	1,665,841	1,728,676	62,835	3.8%	78.184	87.218	94.250	86.551
Octorara	941,563	1,005,201	63,638	6.8%	49.029	49.705	52.250	50.328
Owen J. Roberts	1,844,186	1,563,526	(280,660)	-15.2%	82.524	96.322	56.000	78.282
Oxford	2,168,756	2,133,363	(35,393)	-1.6%	107.522	108.415	104.500	106.812
Phoenixville	1,254,060	993,663	(260,397)	-20.8%	66.524	52.227	30.500	49.750
Tredyffrin/Easttown	727,536	652,325	(75,211)	-10.3%	34.075	36.656	27.250	32.660
Unionville-Chadds Ford	692,437	625,341	(67,096)	-9.7%	35.711	27.717	30.500	31.309
West Chester	2,755,672	2,541,857	(213,815)	-7.8%	139.625	139.419	102.750	127.265
TOTAL	21,990,707	21,234,159	(756,548)	-3.4%	1,065.930	1,133.500	990.000	1063.143

Preliminary 2018-2019 Tuition Rate per FTE \$ 19,973

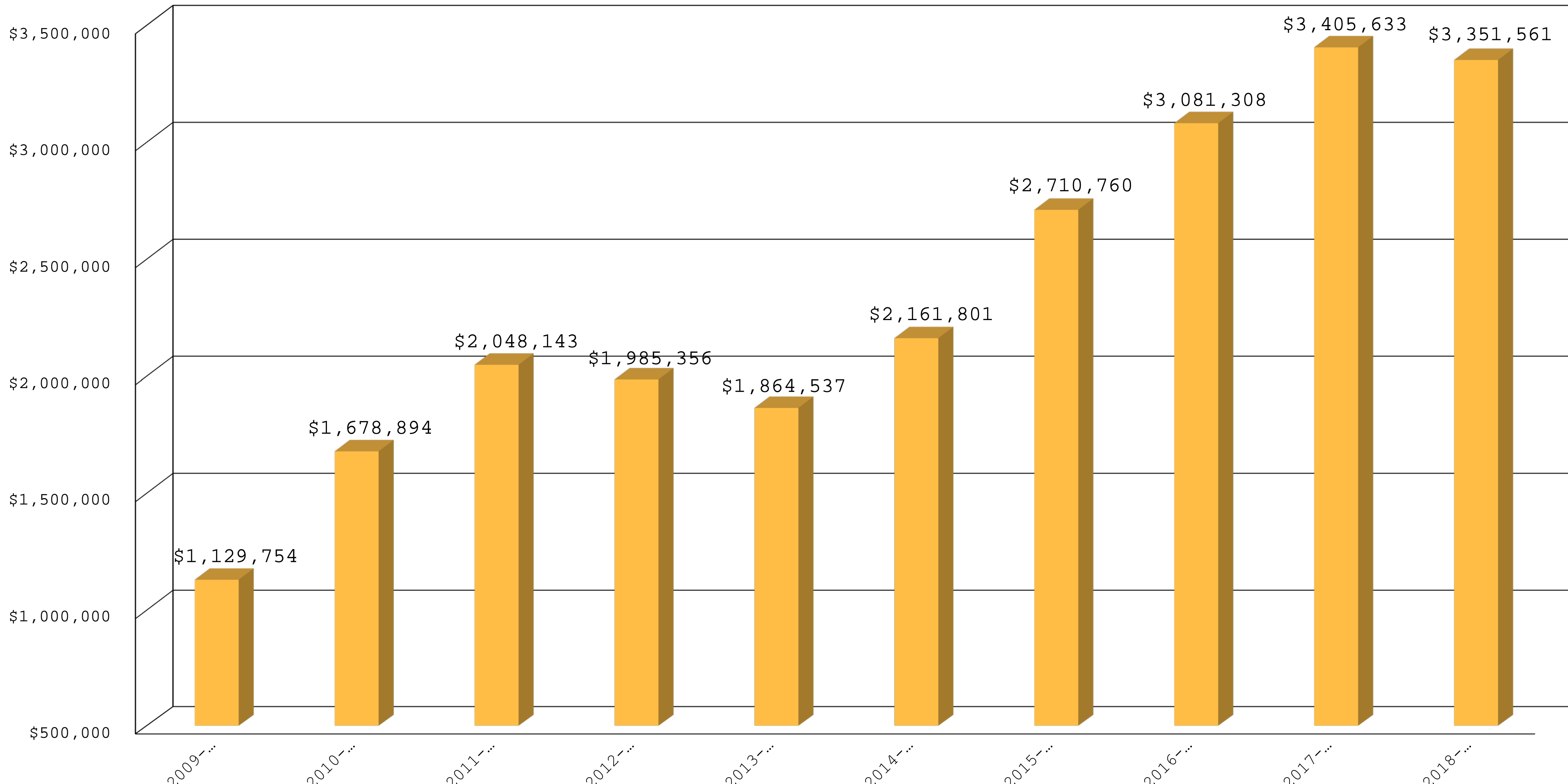
PRELIMINARY OCCUPATIONAL EDUCATION 2018-19

Chester County School District Contribution and Enrollment Changes

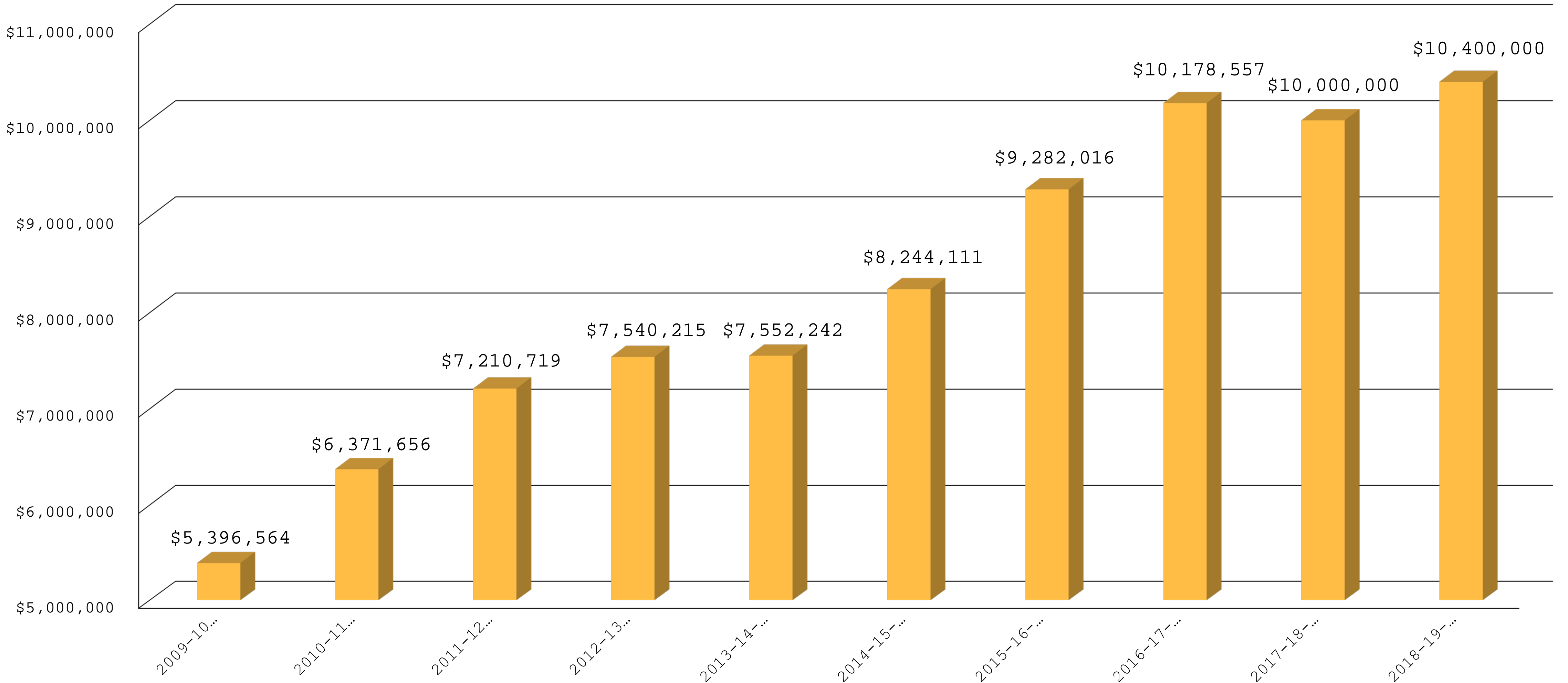
<u>District</u>	<u>2018-19 Contribution</u>	<u>Projected Academic Costs</u>		<u>2018-2019 Charge</u>	<u>Total 2018-2019 Adjusted Charge</u>
		<u>District</u>	<u>Preliminary 2017-2018 Full-Time Equivalent</u>		
Avon Grove	3,245,912	Avon Grove	10.648	105,649	3,351,561
Coatesville	3,321,676	Coatesville	3.951	39,202	3,360,878
Downingtown	2,511,105	Downingtown	0.201	1,994	2,513,099
Great Valley	911,514	Great Valley	17.560	174,230	1,085,744
Kennett	1,728,676	Kennett	3.934	39,033	1,767,709
Octorara	1,005,201	Octorara	3.210	31,850	1,037,051
Owen J. Roberts	1,563,526	Owen J. Roberts	34.374	341,059	1,904,585
Oxford	2,133,363	Oxford	6.811	67,579	2,200,942
Phoenixville	993,663	Phoenixville	7.650	75,903	1,069,566
Tredyffrin/Easttown	652,325	Tredyffrin/Easttown	9.981	99,031	751,356
Unionville-Chadds Ford	625,341	Unionville-Chadds Ford	8.311	82,462	707,803
West Chester	2,541,857	West Chester	24.360	241,700	2,783,557
TOTAL	21,234,159	TOTAL	130.991	1,299,693	22,533,852
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Preliminary 2018-2019 Tuition Rate per FTE \$ 9,922 </div>					

OCCUPATIONAL EDUCATION COSTS

TEN YEAR HISTORY



CHARTER SCHOOL TUITION TEN YEAR HISTORY



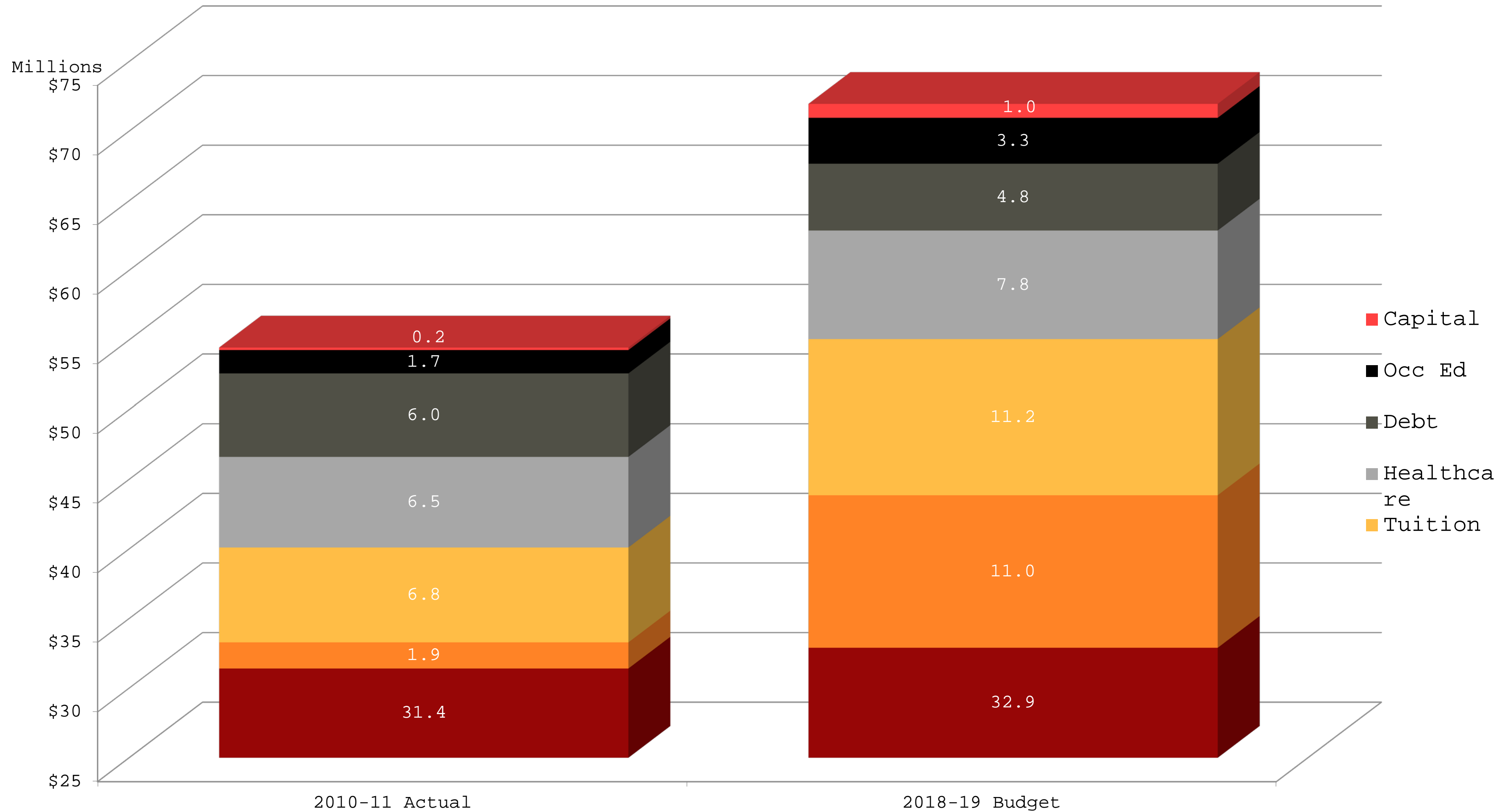
AGSD DEBT SERVICE

Total Principle and Interest

Fiscal Yr. Ended	G.O. Bonds Series of 2012	G.O. Bonds Series A of 2012	G.O. Bonds Series of 2014	G.O. Bonds Series of 2015	Total Issued Debt Service	Current	Long Term
6/30/17	222,650	717,890	1,578,850	752,500	3,271,890		0
6/30/18	228,650	711,540	1,573,600	756,575	3,270,365	3,270,365	
6/30/19	229,500	710,040	1,576,850	753,600	3,269,990		3,269,990
6/30/20	220,350	713,290	1,571,400	761,300	3,266,340		3,266,340
6/30/21	226,150	711,290	1,575,950	762,700	3,276,090		3,276,090
6/30/22	231,750	714,040	782,750	759,050	2,487,590		2,487,590
6/30/23	227,250	716,490	0	0	943,740		943,740
6/30/24	0	713,368	0	0	713,368		713,368
6/30/25	0	709,554	0	0	709,554		709,554
6/30/26	0	709,975	0	0	709,975		709,975
6/30/27	0	714,503	0	0	714,503		714,503
6/30/28	0	713,284	0	0	713,284		713,284
6/30/29	0	0	0	0	0		
					0		
Total P & I @ 6/30/2016	1,586,300	8,555,263	8,659,400	4,545,725	23,346,688	3,270,365	16,804,433
Less 2016-17 Payments	(222,650)	(717,890)	(1,578,850)	(752,500)	(3,271,890)	0	
As of 6/30/2017	1,363,650	7,837,373	7,080,550	3,793,225	20,074,798	3,270,365	16,804,433

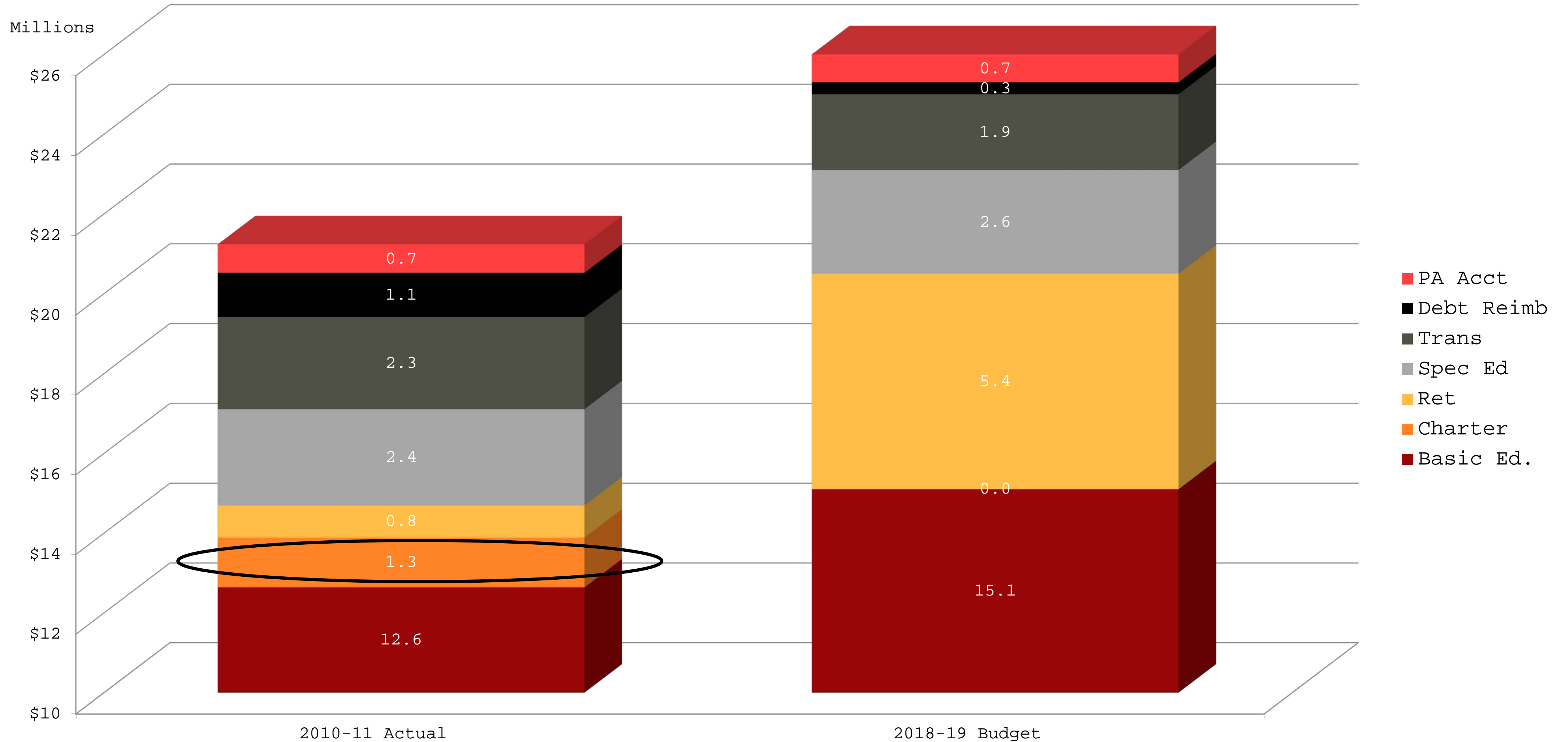
2018-19 PRELIMINARY BUDGET

Selected General Fund Expenditures



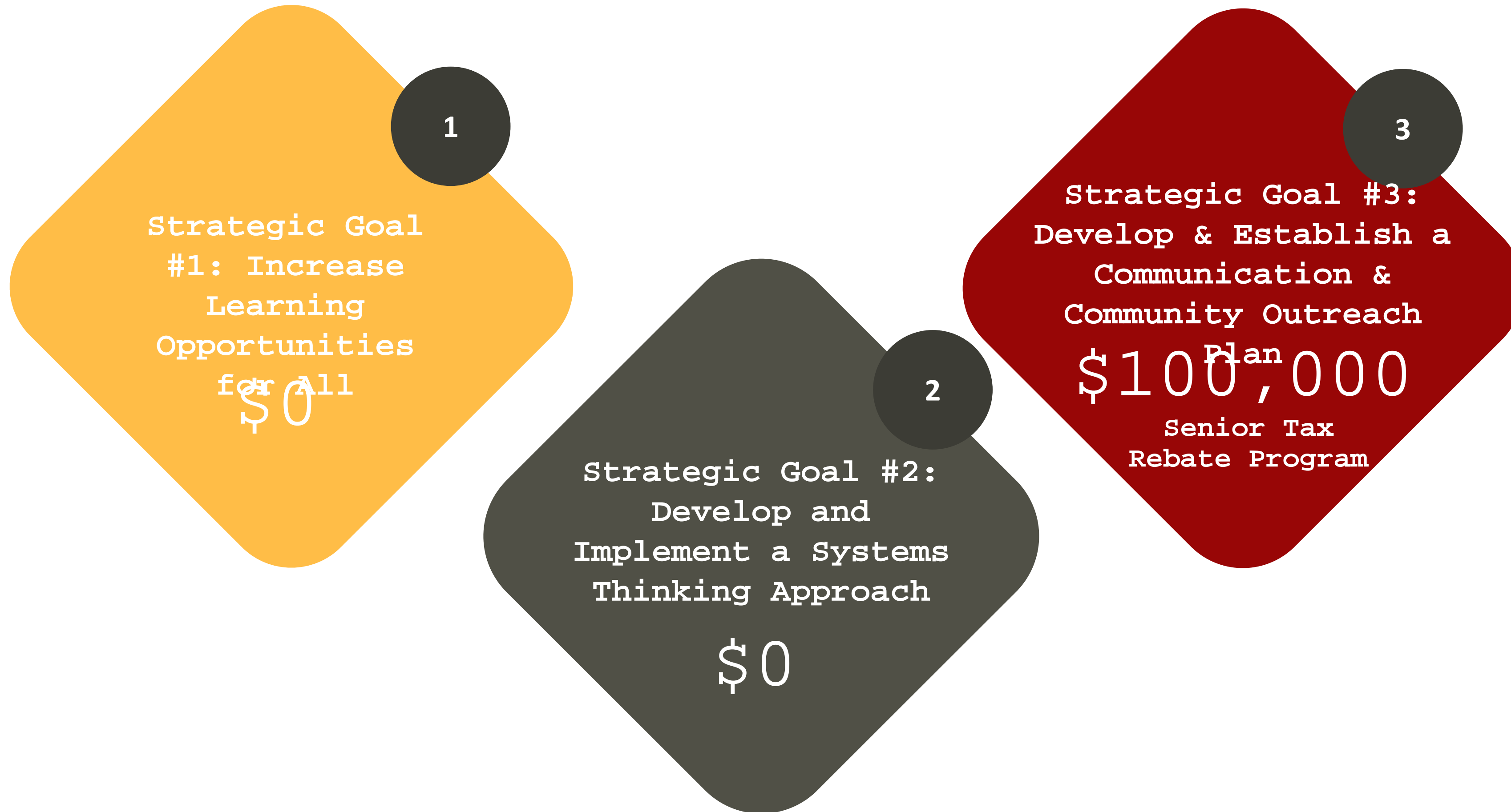
2018-19 PRELIMINARY BUDGET

State Revenue



MAJOR IMPACT ITEMS ENHANCING EDUCATIONAL & SUPPORT PROGRAMS

Strategic Plan Guiding Forward Progress



2018-2019 BUDGET CALENDAR

December 14 , 2018	BOE meeting consideration of "Opt-Out" Resolution (<u>Action Taken Dec</u>)
January 16, 2018	Finance Committee Meeting - Presentation of 2018-19 Draft Budget
February 13, 2018	Finance Committee - 2018-19 Budget - Revenues
March 13, 2018	Finance Committee - 2018-19 Budget - Expenditures
April 17, 2018	Finance Committee - Budget - Capital Plan
April 26, 2018	Proposed Final Budget Adoption - Board Meeting
May 14, 2018	Finance Committee - Budget - Work Session
June 5, 2018	Finance Committee - Budget - Work Session
June 7, 2018	Final Adoption

AVON GROVE SCHOOL DISTRICT

QUESTIONS

