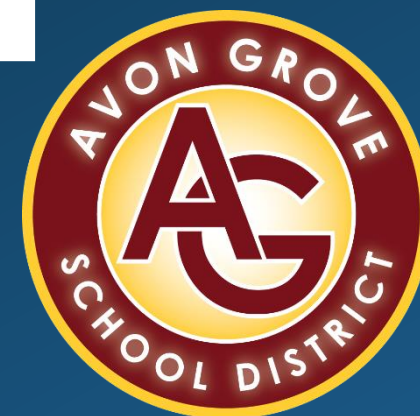

AVON GROVE SCHOOL DISTRICT

2020-21

PRELIMINARY

BUDGET



2020-21 BUDGET

Review 2018-19 Audited Results

Update of 2019-20 YTD Performance

2020-21 Preliminary Budget

2020-21 Budget Timeline Review



AVON GROVE SCHOOL DISTRICT

2018-19 RESULTS



2018-19 Budget vs Actual Results

	Budget	Actual	Variance	% Var	Notes
Revenue					
Local Revenue	\$ 58,914,827	\$ 58,480,711	\$ (434,116)	-0.74%	Collection rate lower than historical Pass-through funds, FICA & PSERS ACCESS higher than historical average
State Revenue	30,400,253	31,041,573	641,320	2.11%	
Federal Revenue	634,000	993,809	359,809	56.75%	
Total Revenues	89,949,080	90,516,093	567,013	0.63%	
Expenditures					
Salaries	32,722,520	32,559,414	163,106	0.50%	Medical ~\$643k lower than budgeted
Benefits	21,718,993	20,831,071	887,922	4.09%	
Professional Services	10,375,924	10,066,164	309,760	2.99%	
Repair/Maintenance/Rental	2,072,356	1,968,724	103,632	5.00%	Unexpected increase in charter enrollment
Transportation/Insurance/Tuition	18,081,055	18,649,408	(568,353)	-3.14%	
Supplies/Books/Software/Fuel	2,814,178	2,361,634	452,544	16.08%	
Capital	922,236	882,200	40,036	4.34%	
Bond Interest/Dues/Fees	911,020	1,568,342	(657,322)	-72.15%	GOB Series 2018 interest
Bond Principal	2,915,000	2,915,000	-	0.00%	
Total Expenditures	92,533,282	91,801,957	731,325	0.79%	
Other Financing Uses					
Recommended Debt Adjustment	1,560,000	-	1,560,000	100.00%	Non-cash budgeted amount
Budgetary Reserve	960,000	-	960,000	100.00%	Reserve not needed
Transfer to Capital Projects Fund	1,850,000	1,850,000	-	0.00%	
Transfer to Food Service Fund	-	1,175	(1,175)	N/A	
Total Other Financing Uses	4,370,000	1,851,175	2,518,825	57.64%	
TOTAL GENERAL FUND BUDGET	96,903,282	93,653,132	3,250,150	3.35%	
SURPLUS (DEFICIT)	\$ (6,954,202)	\$ (3,137,039)	\$ 3,817,163		

2018-19 Actual

	<u>Actual</u>	
Revenue		
Local Revenue	\$ 58,480,711	
State Revenue	31,041,573	
Federal Revenue	993,809	
Total Revenues	90,516,093	
Expenditures		
Salaries	32,559,414	
Benefits	20,831,071	
Professional Services	10,066,164	
Repair/Maintenance/Rental	1,968,724	
Transportation/Insurance/Tuition	18,649,408	
Supplies/Books/Software/Fuel	2,361,634	
Capital	882,200	
Bond Interest/Dues/Fees	1,568,342	
Bond Principal	2,915,000	
Total Expenditures	91,801,957	
Other Financing Uses		
Recommended Debt Adjustment	-	
Budgetary Reserve	-	
Transfer to Capital Projects Fund	1,850,000	
Transfer to Food Service Fund	1,175	
Total Other Financing Uses	1,851,175	
TOTAL GENERAL FUND BUDGET	93,653,132	
SURPLUS (DEFICIT)	\$ (3,137,039)	

DEFICIT BREAKDOWN:	
\$ (1,614,189)	Use of committed fund balance - PSERS
(1,522,850)	Unfunded transfer to Capital Projects Fund
\$ (3,137,039)	Total Deficit



2017-18 vs 2018-19

	2017-18	2018-19	Variance	% Var	Notes
Revenue					
Local Revenue	\$57,000,667	\$58,480,711	\$ 1,480,044	2.60%	Property tax (rate & millage), delinquent taxes, and investment income
State Revenue	31,384,469	31,041,573	(342,896)	-1.09%	Decreases in Special Education subsidy, Transportation Subsidy and pass-through funds
Federal Revenue	971,828	993,809	21,981	2.26%	
Total Revenues	89,356,964	90,516,093	1,159,129	1.30%	
Expenditures					
Salaries	31,938,802	32,559,414	620,612	1.94%	Contracted increases
Benefits	19,521,810	20,831,071	1,309,261	6.71%	PERS increases and increases tied to salary changes
Professional Services	10,489,491	10,066,164	(423,327)	-4.04%	Decrease in pupil service contracted amounts
Repair/Maintenance/Rental	1,937,545	1,968,724	31,179	1.61%	
Transportation/Insurance/Tuition	17,619,099	18,649,408	1,030,309	5.85%	Increase in charter school tuition
Supplies/Books/Software/Fuel	2,215,870	2,361,634	145,764	6.58%	
Capital	1,059,945	882,200	(177,745)	-16.77%	Reduced technology and other capital purchases
Bond Interest/Dues/Fees	1,409,756	1,568,342	158,586	11.25%	Increase in debt service interest, offset by decrease in CCIU pass-through funds
Bond Principal	2,840,000	2,915,000	75,000	2.64%	
Total Expenditures	89,032,318	91,801,957	2,769,639	3.11%	
Other Financing Uses					
Transfer to Capital Projects Fund	1,850,000	1,850,000	-	0.00%	
Transfer to Food Service Fund	-	1,175	1,175	N/A	
Total Other Financing Uses	1,850,000	1,851,175	1,175	0.06%	
TOTAL GENERAL FUND BUDGET	90,882,318	93,653,132	2,770,814	3.05%	
SURPLUS (DEFICIT)	\$ (1,525,354)	\$ (3,137,039)	\$ 1,611,685		

2018-19 FUND BALANCES

	General Fund	Capital Projects Fund:		Internal Service	Total
		LRP & Other	Construction		
Nonspendable:					
Prepaid expenditures	\$ 925	\$ -	\$ -	\$ -	\$ 925
Restricted:					
Capital projects	-	2,491,200	38,737,323	-	41,228,523
Committed:					
PSERS expenditures	5,998,719	-	-	-	5,998,719
Assigned	6,741,204	-	-	-	6,741,204
Unassigned	5,839,626	-	-	3,500,000	9,339,626
Ending Fund Balances	18,580,474	2,491,200	38,737,323	3,500,000	63,308,997
Beginning Fund Balances	21,717,513	3,156,548	-	3,353,432	28,227,493
Change in Fund Balances	\$ (3,137,039)	\$ (665,348)	\$ 38,737,323	\$ 146,568	\$ 35,081,504
Fund Balance without Borrowing Proceeds					\$ 24,571,674

AVON GROVE SCHOOL DISTRICT

2019-20 UPDATE

2019-20 UPDATE - REVENUES

REVENUE	Budget	Estimated Actual	Change	
<u>Local Revenue</u>				
Property Taxes	56,031,815	55,350,000	(681,815)	A
Interest on Investments	750,000	650,000	(100,000)	B
Federal Pass-Through (IDEA)	550,000	515,000	(35,000)	C
<u>State Revenue</u>				
Basic Education Subsidy	15,994,725	16,811,635	816,910	D
Ready to Learn Block Grant	-	754,726	754,726	D
Social Security Reimbursement	1,264,978	-	(1,264,978)	D
Retirement Subsidy	5,621,405	5,990,177	368,772	E

A \$411,640 paid by Jennersville Hospital in protest due to ongoing tax exempt status litigation; remainder due to collection rate dropping below historical average.

B Decrease due to declining interest rates.

C Decrease due to declining funds available from the CCIU

D The RTLBG was budgeted as part of the Basic Education Subsidy based on information received from the State, but funding was maintained separately when the State budget was passed. Instead, the State consolidated the social security reimbursement with the Basic Education Subsidy. The net increase (\$306,658) is based on the increase in funds allocated from the State, and estimated social security reimbursements exceeding expectations.

E Increase due to actual reimbursement percentage slightly exceeding expectation based on employees' Act 29 dates.

2019-20 UPDATE – EXPENDITURES

EXPENDITURES	Budget	Estimated Actual	Change	
Salaries	33,387,439	33,200,000	(187,439)	E
FICA & PSERS	13,776,707	13,698,096	(78,611)	E
Charter Tuition	11,118,008	10,818,008	(300,000)	F

E Decrease due to vacancies during the year, including the Director of Pupil Services.

F Decrease due to a decline in charter school enrollment compared to the prior year. As of 01/01/20, charter school enrollment totaled 784 students; as of 01/01/19, charter enrollment totaled 840, a difference of 56 students.



AVON GROVE SCHOOL DISTRICT

2020-21 PRELIMINARY BUDGET



Tax Increase - 3.2%

	SUMMARY	2016 - 2017 Actual Revenue / Expenditures	2017 - 2018 Actual Revenue / Expenditures	2018 - 2019 Actual Revenue / Expenditures	2019 - 2020 Final Budget Revenue / Expenditures	2019 - 2020 Estimated Revenue / Expenditures	2020 - 2021 Prelim Budget Revenue / Expenditures	\$ Budget / Budget Increase / Decrease	% Budget / Budget Increase / Decrease
	FUND BALANCE APPROPRIATION	\$ -	\$ -	\$ -	\$ 6,155,153	\$ 4,693,207	\$ 5,058,591	\$ (1,096,562)	
	6000 REVENUE FROM LOCAL SOURCES	\$ 54,639,125	\$ 56,801,706	\$ 58,463,976	\$ 60,719,515	\$ 59,855,714	\$ 65,197,482	\$ 4,477,967	7.37%
	7000 REVENUE FROM STATE SOURCES	\$ 30,203,441	\$ 31,384,469	\$ 31,041,573	\$ 30,719,665	\$ 31,503,362	\$ 28,882,739	\$ (1,836,926)	-5.98%
	8000 REVENUE FROM FEDERAL SOURCES	\$ 638,100	\$ 971,828	\$ 993,809	\$ 540,000	\$ 540,000	\$ 570,000	\$ 30,000	5.56%
	9000 REVENUE FROM OTHER SOURCES	\$ 28,536	\$ 198,961	\$ 16,735	\$ -	\$ -	\$ -	\$ -	
	TOTAL REVENUES	\$ 85,509,201	\$ 89,356,964	\$ 90,516,093	\$ 98,134,333	\$ 96,592,283	\$ 99,708,812	\$ 1,574,479	1.60%
	TOTAL EXPENDITURES	\$ 83,605,793	\$ 85,761,953	\$ 87,871,267	\$ 89,795,048	\$ 89,227,998	\$ 90,827,963	\$ 1,032,915	1.15%
	TOTAL OTHER FINANCING USES	\$ 4,870,113	\$ 5,120,365	\$ 5,781,866	\$ 8,339,285	\$ 7,364,285	\$ 8,880,849	\$ 541,564	6.49%
	TOTAL EXP & OTHER FINANCING USES	\$ 88,475,906	\$ 90,882,318	\$ 93,653,132	\$ 98,134,333	\$ 96,592,283	\$ 99,708,812	\$ 1,574,479	1.60%
	REVENUE OVER (UNDER) EXPENDITURE	\$ (2,966,704)	\$ (1,525,354)	\$ (3,137,039)	\$ -	\$ -	\$ -	\$ -	
	CHESTER COUNTY MILLAGE	29.040	29.7700	30.6900	31.6100	31.6100	32.620		
	MILLAGE INCREASE	3.136%	2.514%	3.090%	2.998%	2.998%	3.195%		
	ACT 1 INDEX	3.20%	3.30%	3.10%	3.00%	3.00%	3.50%		
Notes:									
	Debt @ recommended level net - \$4.5M (Placeholder)			\$ -	\$ -	\$ -	\$ -		
	Budgetary Reserve			\$ -	\$ 975,000	\$ -	\$ 980,000		
	Transfer to Capital Projects			\$ 1,850,000	\$ 2,452,200	\$ 2,452,200	\$ 1,987,175		
	PSERS draw down (Committed Fund Balance)			\$ 1,287,038	\$ 1,590,330	\$ 1,587,154	\$ 1,407,332		
	General Ops usage (Unassigned Fund Balance)			\$ -	\$ 1,137,623	\$ 653,853	\$ 684,084		

FUND BALANCES

Tax Increase - 3.2%								
SUMMARY	2016 - 2017 Actual	2017 - 2018 Actual	2018 - 2019 Actual	2019- 2020 Budget	2019 - 2020 Estimated	2020 - 2021 Preliminary Budget	Est. 2019-2020 / Budget 2020- 2021 Increase / Decrease	% Increase / Decrease
FUND BALANCE SUMMARY								
<i>General Fund</i>	\$ 23,242,867	\$ 21,717,513	\$ 18,580,475	\$ 12,425,322	\$ 13,887,268	\$ 8,828,677	\$ (5,058,591)	-36.43%
<i>Capital Projects Fund</i>	\$ 2,251,726	\$ 3,156,548	\$ 2,878,548	\$ 50,459,804	\$ 50,459,804	\$ 50,459,804	\$ -	0.00%
<i>Internal Service Fund</i>	\$ 3,004,824	\$ 3,353,432	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ -	0.00%
Totals	\$ 28,499,417	\$ 28,227,493	\$ 24,959,023	\$ 66,385,126	\$ 67,847,072	\$ 62,788,481	\$ (5,058,591)	-7.46%
Change	\$ (1,200,363)	\$ (271,924)	\$ (3,268,470)	\$ 41,426,103	\$ 1,461,946	\$ (5,058,591)		

Act 1 Index - 3.5%

SUMMARY		2016 - 2017 Actual Revenue / Expenditures	2017 - 2018 Actual Revenue / Expenditures	2018 - 2019 Actual Revenue / Expenditures	2019 - 2020 Final Budget Revenue / Expenditures	2019 - 2020 Estimated Revenue / Expenditures	2020 - 2021 Prelim Budget Revenue / Expenditures	\$ Budget / Budget Increase / Decrease	% Budget / Budget Increase / Decrease
FUND BALANCE APPROPRIATION		\$ -	\$ -	\$ -	\$ 6,155,153	\$ 4,693,207	\$ 4,891,413	\$ (1,263,740)	
6000	REVENUE FROM LOCAL SOURCES	\$ 54,639,125	\$ 56,801,706	\$ 58,463,976	\$ 60,719,515	\$ 59,855,714	\$ 65,364,660	\$ 4,645,145	7.49%
7000	REVENUE FROM STATE SOURCES	\$ 30,203,441	\$ 31,384,469	\$ 31,041,573	\$ 30,719,665	\$ 31,503,362	\$ 28,882,739	\$ (1,836,926)	-5.98%
8000	REVENUE FROM FEDERAL SOURCES	\$ 638,100	\$ 971,828	\$ 993,809	\$ 540,000	\$ 540,000	\$ 570,000	\$ 30,000	5.56%
9000	REVENUE FROM OTHER SOURCES	\$ 28,536	\$ 198,961	\$ 16,735	\$ -	\$ -	\$ -	\$ -	
TOTAL REVENUES		\$ 85,509,201	\$ 89,356,964	\$ 90,516,093	\$ 98,134,333	\$ 96,592,283	\$ 99,708,812	\$ 1,574,479	1.60%
TOTAL EXPENDITURES		\$ 83,605,793	\$ 85,761,953	\$ 87,871,267	\$ 89,795,048	\$ 89,227,998	\$ 90,827,963	\$ 1,032,915	1.15%
TOTAL OTHER FINANCING USES		\$ 4,870,113	\$ 5,120,365	\$ 5,781,866	\$ 8,339,285	\$ 7,364,285	\$ 8,880,849	\$ 541,564	6.49%
TOTAL EXP & OTHER FINANCING USES		\$ 88,475,906	\$ 90,882,318	\$ 93,653,132	\$ 98,134,333	\$ 96,592,283	\$ 99,708,812	\$ 1,574,479	1.60%
REVENUE OVER (UNDER) EXPENDITURE		\$ (2,966,704)	\$ (1,525,354)	\$ (3,137,039)	\$ -	\$ -	\$ -	\$ -	
CHESTER COUNTY MILLAGE		29.040	29.7700	30.6900	31.6100	31.6100	32.710		
MILLAGE INCREASE		3.136%	2.514%	3.090%	2.998%	2.998%	3.480%		
ACT 1 INDEX		3.20%	3.30%	3.10%	3.00%	3.00%	3.50%		
Notes:									
Debt @ recommended level net - \$4.5M (Placeholder)				\$ -	\$ -	\$ -	\$ -		
Budgetary Reserve				\$ -	\$ 975,000	\$ -	\$ 980,000		
Transfer to Capital Projects				\$ 1,850,000	\$ 2,452,200	\$ 2,452,200	\$ 1,987,175		
PSERS draw down (Committed Fund Balance)				\$ 1,287,038	\$ 1,590,330	\$ 1,587,154	\$ 1,407,332		
General Ops usage (Unassigned Fund Balance)				\$ -	\$ 1,137,623	\$ 653,853	\$ 516,906		

FUND BALANCES

Act 1 Index - 3.5%								
SUMMARY	2016 - 2017 Actual	2017 - 2018 Actual	2018 - 2019 Actual	2019- 2020 Budget	2019 - 2020 Estimated	2020 - 2021 Preliminary Budget	Est. 2019-2020 / Budget 2020- 2021 Increase / Decrease	% Increase / Decrease
FUND BALANCE SUMMARY								
<i>General Fund</i>	\$ 23,242,867	\$ 21,717,513	\$ 18,580,475	\$ 12,425,322	\$ 13,887,268	\$ 8,995,855	\$ (4,891,413)	-35.22%
<i>Capital Projects Fund</i>	\$ 2,251,726	\$ 3,156,548	\$ 2,878,548	\$ 50,459,804	\$ 50,459,804	\$ 50,459,804	\$ -	0.00%
<i>Internal Service Fund</i>	\$ 3,004,824	\$ 3,353,432	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ -	0.00%
Totals	\$ 28,499,417	\$ 28,227,493	\$ 24,959,023	\$ 66,385,126	\$ 67,847,072	\$ 62,955,659	\$ (4,891,413)	-7.21%
Change	\$ (1,200,363)	\$ (271,924)	\$ (3,268,470)	\$ 41,426,103	\$ 1,461,946	\$ (4,891,413)		

ACT I INCREASE - 3.5%

Revenues	2019-20 Budget	2020-21 Budget	Variance	% Var	Notes
Local Revenues:					
Property Taxes	\$ 56,331,815	\$ 61,045,460	\$ 4,713,645	8.37%	Homestead/Farmstead TBD - estimated \$2.67m
Other Taxes	2,255,000	2,264,000	9,000	0.40%	
Other Local Revenues	2,132,700	2,055,200	(77,500)	-3.63%	
State Revenues	30,719,665	28,882,739	(1,836,926)	-5.98%	Homestead/Farmstead TBD - estimated \$2.67m
Federal Revenues	540,000	570,000	30,000	5.56%	
Total Revenues	91,979,180	94,817,399	2,838,219	3.09%	
Expenditures					
Salaries	33,387,440	33,942,124	554,684	1.66%	Based on contracts & CBAs
Benefits:					
PSERS	11,246,033	11,674,321	428,288	3.81%	34.51% vs 34.29%
Medical Insurance	6,100,593	6,099,733	(860)	-0.01%	Based on trends and projections
HSA Contributions	1,008,750	1,049,750	41,000	4.06%	Based on historical actuals
Other Benefits	3,302,802	3,368,148	65,346	1.98%	
Professional Services:					
Occupational Education (Vo-Tech)	2,993,840	2,612,768	(381,072)	-12.73%	Decrease due to change in formula
Pupil Services	5,050,500	4,850,500	(200,000)	-3.96%	Estimated decrease in number of pupils requiring specialized services
Other Professional Services	1,986,993	2,118,473	131,480	6.62%	
Repairs/Maintenance/Rentals	2,140,624	2,193,877	53,253	2.49%	
Transportation	6,698,815	6,809,562	110,747	1.65%	Based on contracted Act I increase over 2018-19 actuals
Charter School Tuition	11,118,008	11,000,000	(118,008)	-1.06%	Estimated based on enrollment & rates
Other Services	1,585,466	1,659,569	74,103	4.67%	
Supplies/Books/Software/Fuel/Utilities	2,618,569	2,886,613	268,044	10.24%	Replace out-of-date textbooks and new curriculum materials
Bond Interest/Dues/Fees/Field Trips	2,463,700	3,371,199	907,499	36.83%	GOB Series 2018 debt service
Bond Principal	3,005,000	3,105,000	100,000	3.33%	
Total Expenditures	94,707,133	96,741,637	2,034,504	2.15%	
Other Financing Uses					
Budgetary Reserve	975,000	980,000	5,000	0.51%	
Transfer to Capital Projects Fund	2,452,200	1,987,175	(465,025)	-18.96%	
Total Other Financing Uses	3,427,200	2,967,175	(460,025)	-13.42%	
Total Expenditures & Other Financing Uses	98,134,333	99,708,812	1,574,479	1.60%	
Fund Balance Appropriation	\$ (6,155,153)	\$ (4,891,413)	\$ 1,263,740	-20.53%	

ITEMS AFFECTING THE 2020-21 BUDGET

Revenues



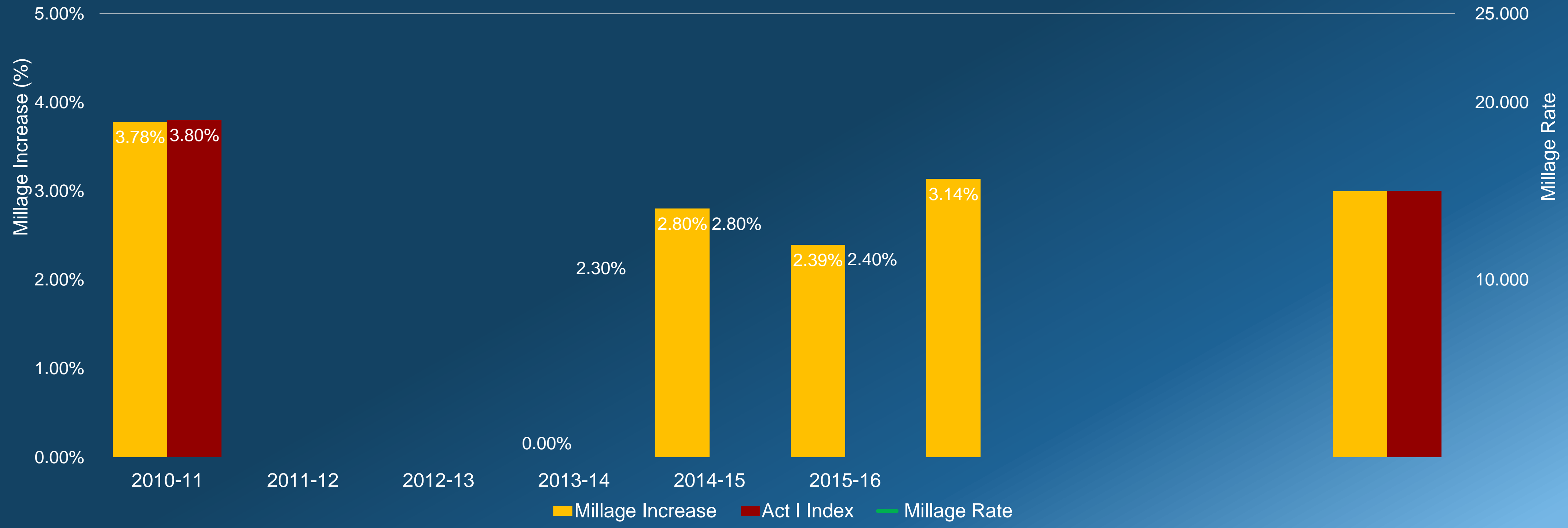
Avon Grove taxable assessed values have increased by \$5M (allowing for appeals)



State revenue is based upon 2019-20 amounts as approved with the passage of the 2019-20 Budget and District statistical information



Federal revenue is based on 2019-20 allocations



*2011-12 Avon Grove millage increase exceeded the Act 1 Index.
 PDE approved exceptions for PSERS & Special Education.

ITEMS AFFECTING THE 2020-21 BUDGET

Expenditures

INCREASES:

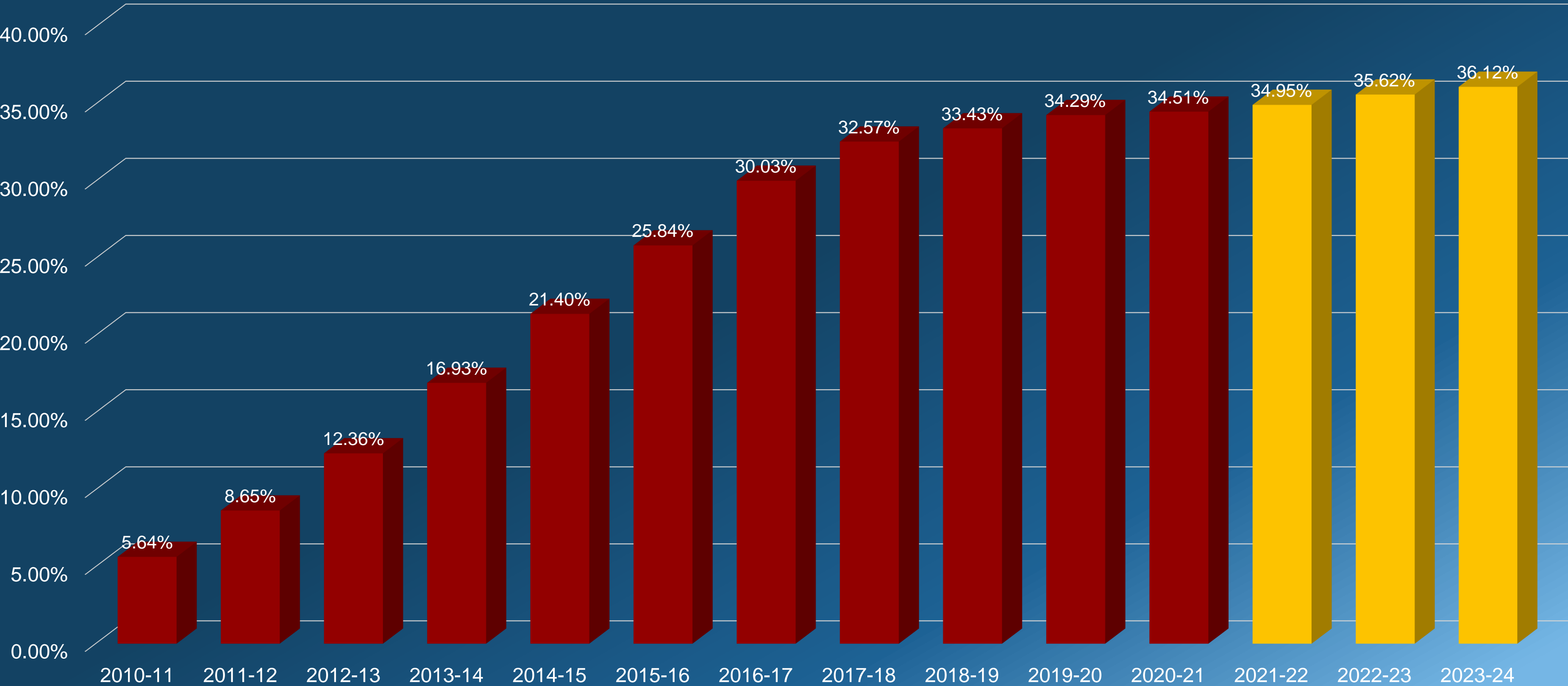
Salaries and benefits	\$ 1,088,458
Debt service interest and principal	\$ 1,001,589
Books and periodicals	\$ 254,228
Miscellaneous professional services	\$ 174,480
Transportation	\$ 110,747

DECREASES:

Transfer to Capital Projects Fund	\$ 465,025
Occupational education	\$ 381,072
Contracted pupil services	\$ 200,000
Charter school tuition	\$ 118,008

PSERS PROJECTED EMPLOYER CONTRIBUTION RATES

PSERS Employer Contribution Rates 2010-11 through 2023-24



PSERS PROJECTED EMPLOYER CONTRIBUTION RATES

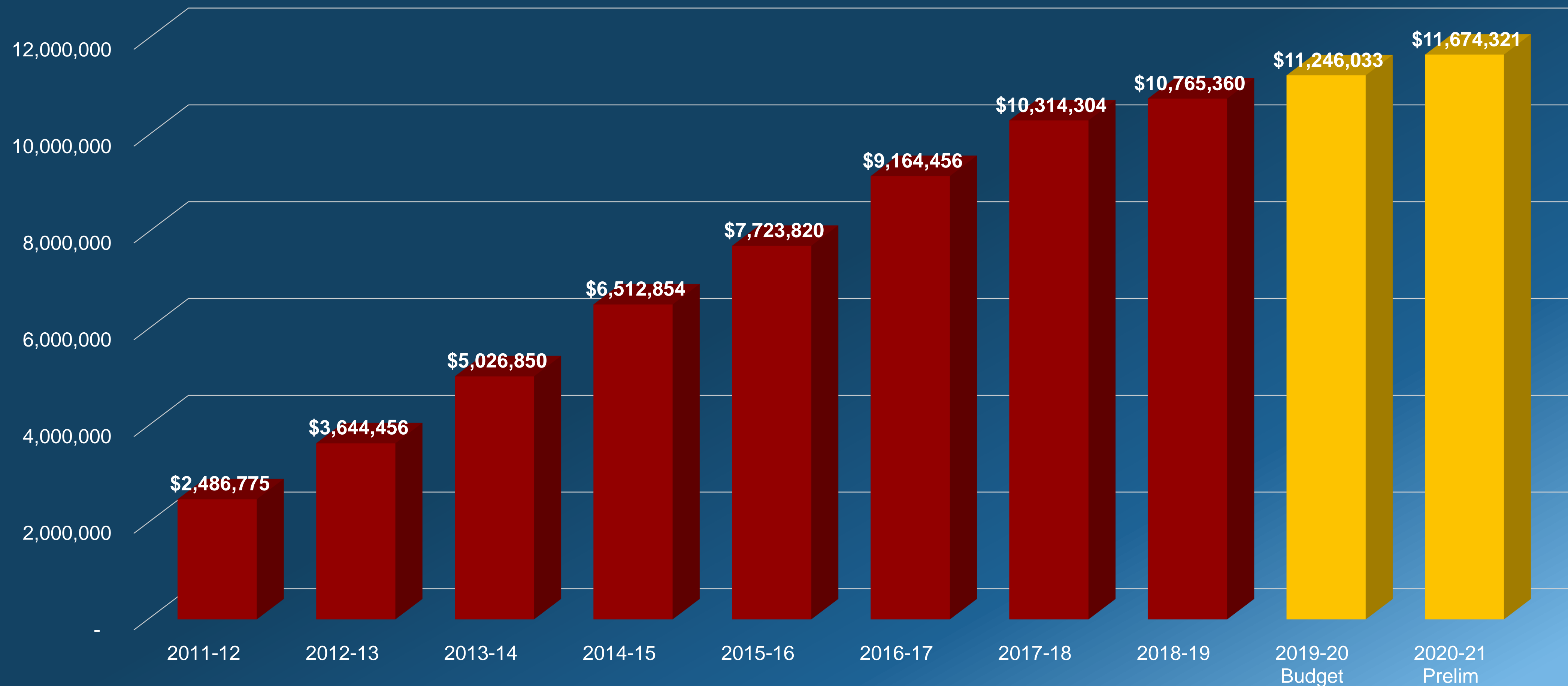
The chart below shows the 5-year projected employer contribution rates using the June 30, 2019 valuation.

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) \$
20/21	34.51	4,858,318
21/22	34.95	4,993,968
22/23	35.62	5,170,820
23/24	36.12	5,332,756
24/25	36.60	5,497,431
25/26	37.23	5,691,399
26/27	37.79	5,873,900
27/28	38.17	6,027,091

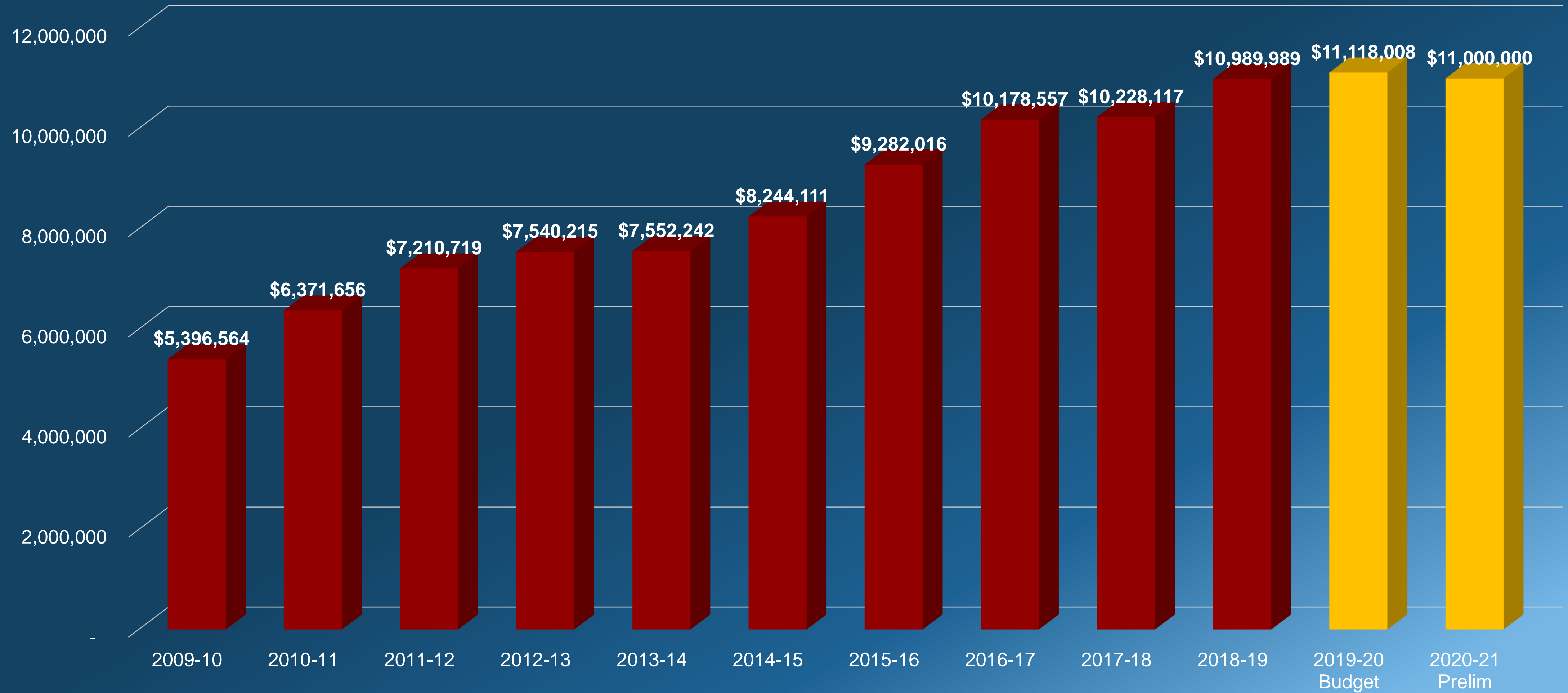
Investment Returns

PSERS' rate of return for fiscal year ended June 30, 2019 was 6.68%, which **added approximately \$3.6** (net of fees) in investment income to the Fund. The Fund had plan net assets of over \$59 billion at June 30, 2019.

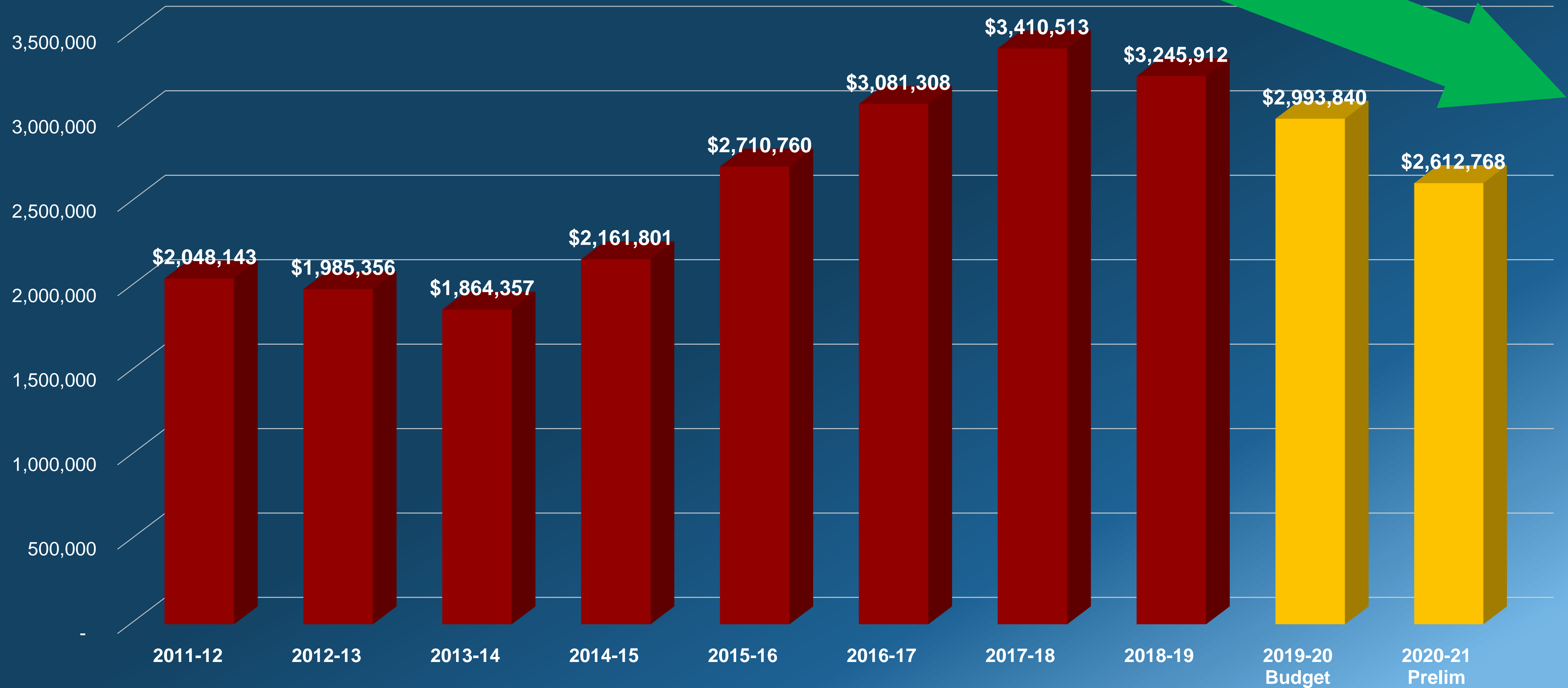
EMPLOYER RETIREMENT COSTS TEN YEAR HISTORY



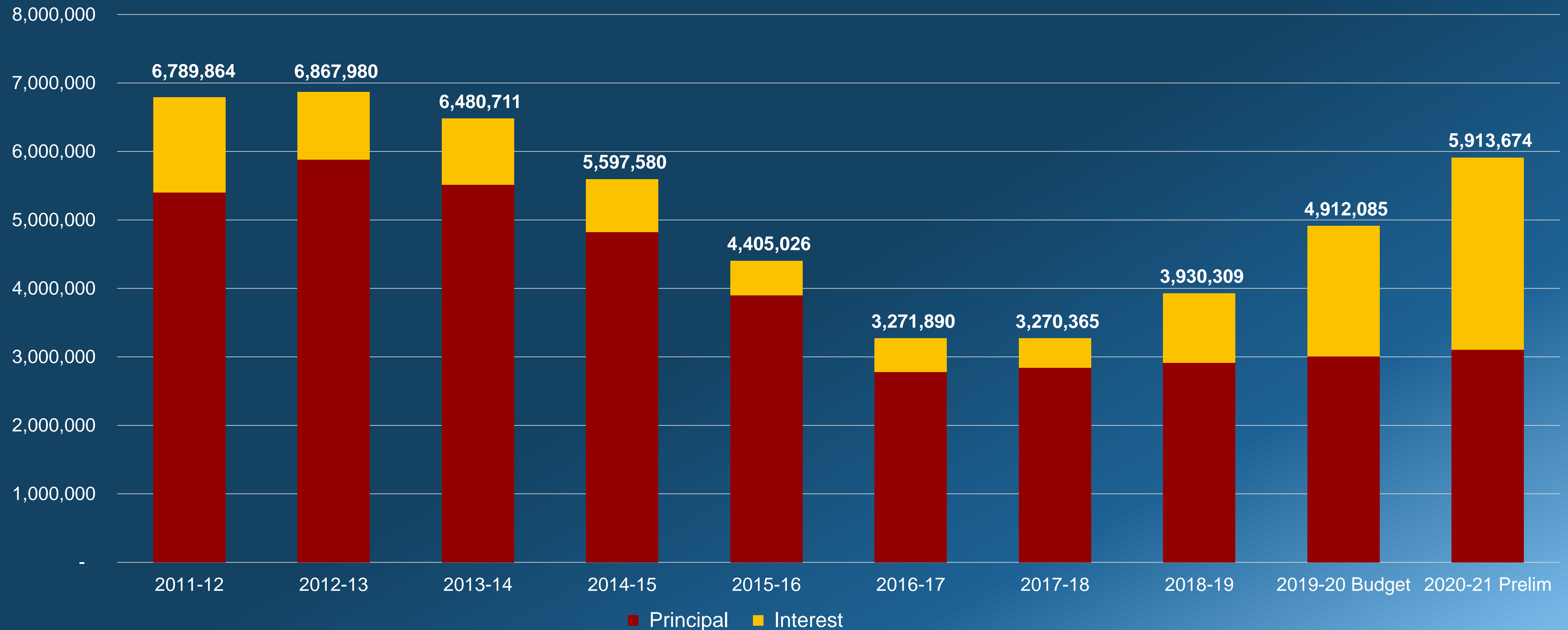
CHARTER SCHOOL TUITION TEN YEAR HISTORY



OCCUPATIONAL EDUCATION TEN YEAR HISTORY



DEBT SERVICE TEN YEAR HISTORY



Note: The 2020-21 debt service figure includes an estimated \$986,943 of debt service costs for the GOB Series 2020 that will be issued on June 1, 2020. This amount will be updated when the bonds are priced prior to issuance.

2020-21 BUDGET CALENDAR

December 12, 2019		BOE meeting consideration of “Opt-Out” Resolution (Action Taken December 12, 2019)
January 14, 2020		Finance Committee Meeting – Presentation of 2020-21 Preliminary Budget
February 11, 2020		Budget Committee of the Whole – 2020-21 Budgeted Revenues (Detail)
March 10, 2020		Budget Committee of the Whole – 2020-21 Budgeted Expenditures (Detail)
April 14, 2020		Budget Committee of the Whole – 2020-21 Capital Budget
April 23, 2020		Proposed Final Budget Adoption – Board Meeting
May 12, 2020		Budget Committee of the Whole – Work Session
June 4, 2020		Final Adoption



AVON GROVE SCHOOL DISTRICT

QUESTIONS

