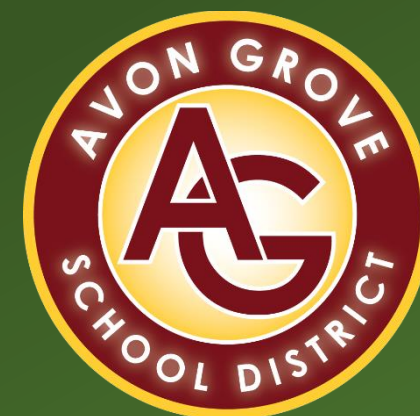

AVON GROVE SCHOOL DISTRICT

2021-22

PRELIMINARY

BUDGET



2021-22 BUDGET

Review 2019-20 Audited Results

Update of 2020-21 YTD Performance

2021-22 Preliminary Budget

2021-22 Budget Timeline Review



AVON GROVE SCHOOL DISTRICT

2019-20 RESULTS



2019-20 Budget vs Actual Results

	Budget	Actual	Variance	% Var	Notes
Revenue					
Local Revenue	\$ 60,719,515	\$ 59,608,164	\$ (1,111,351)	-1.83%	RE collections less than budget - \$501,137 Interest income less than budget - \$165,133 Student revenues reduced - \$163,856
State Revenue	30,719,665	31,898,837	1,179,172	3.84%	PSERS/SS reimbursements exceeded budget
Federal Revenue	540,000	762,241	222,241	41.16%	ACCESS program exceeded budget
Total Revenues	91,979,180	92,269,242	290,062	0.32%	
Expenditures					
Salaries	33,387,439	32,609,810	777,629	2.33%	Vacancies in positions based on enrollment + greater attritional savings than budgeted
Benefits	21,658,178	21,328,542	329,636	1.52%	
Professional Services	10,031,333	8,962,734	1,068,599	10.65%	Decline in contracted pupil services due to student population and spring shutdown
Repair/Maintenance/Rental	2,140,624	1,696,322	444,302	20.76%	Custodial service savings - \$233,237 Repairs and maintenance less than budgeted
Transportation/Insurance/Tuition	19,402,290	17,180,607	2,221,683	11.45%	Transportation savings - \$885,404 + fewer runs operated than budgeted Charter tuition due to enrollment - \$476,638
Supplies/Books/Software/Fuel	2,618,569	2,069,388	549,181	20.97%	Supplies orders limited in March due to shutdown
Bond Interest/Dues/Fees	2,463,700	2,272,084	191,616	7.78%	
Bond Principal	3,005,000	3,005,000	-	0.00%	
Total Expenditures	94,707,133	89,124,487	5,582,646	5.89%	
Other Financing Uses					
Budgetary Reserve	975,000	-	975,000	100.00%	Budgetary reserve not utilized
Transfer to Capital Projects Fund	2,452,200	1,977,200	475,000	19.37%	Transfer reduced due to pandemic uncertainty
Transfer to Food Service Fund	-	1,828	(1,828)	N/A	
Total Other Financing Uses	3,427,200	1,979,028	1,448,172	42.26%	
TOTAL GENERAL FUND BUDGET	98,134,333	91,103,515	7,030,818	7.16%	
SURPLUS (DEFICIT)	\$ (6,155,153)	\$ 1,165,727	\$ 7,320,880		

2018-19 vs 2019-20 Actuals

	2018-19	2019-20	Variance	% Var	Notes
Revenue					
Local Revenue	\$58,480,711	\$59,608,164	\$ 1,127,453	1.93%	RE taxes increased \$2,008,602 - offsets declines in almost all other categories due to pandemic Increases in BEF, SEF, transportation, and PSERS subsidies ACCESS revenue declined based on services provided and reimbursable rates determined by HHS
State Revenue	31,041,573	31,898,837	857,264	2.76%	
Federal Revenue	993,809	762,241	(231,568)	-23.30%	
Total Revenues	90,516,093	92,269,242	1,753,149	1.94%	
Expenditures					
Salaries	32,559,414	32,609,810	50,396	0.15%	Vacancies and attrition offset contracted increases PSERS and medical insurance rate increases Decline in contracted pupil services based on student population and spring shutdown Custodial service savings - \$233,237 Reduction in transportation savings due to pandemic shutdown and fewer routes operated - \$1,036,683 Decline in charter school enrollment - \$348,619 Supplies orders limited in March due to shutdown Capital spending shifted to Capital Projects Fund GOB Series 2018 GOB Series 2018
Benefits	20,831,071	21,328,542	497,471	2.39%	
Professional Services	10,066,164	8,962,734	(1,103,430)	-10.96%	
Repair/Maintenance/Rental	1,968,724	1,696,322	(272,402)	-13.84%	
Transportation/Insurance/Tuition	18,649,408	17,180,607	(1,468,801)	-7.88%	
Supplies/Books/Software/Fuel	2,361,634	2,069,388	(292,246)	-12.37%	
Capital	882,200	-	(882,200)	-100.00%	
Bond Interest/Dues/Fees	1,568,342	2,272,084	703,742	44.87%	
Bond Principal	2,915,000	3,005,000	90,000	3.09%	
Total Expenditures	91,801,957	89,124,487	(2,677,470)	-2.92%	
Other Financing Uses					
Transfer to Capital Projects Fund	1,850,000	1,977,200	127,200	6.88%	
Transfer to Food Service Fund	1,175	1,828	653	55.57%	
Total Other Financing Uses	1,851,175	1,979,028	127,853	6.91%	
TOTAL GENERAL FUND BUDGET	93,653,132	91,103,515	(2,549,617)	-2.72%	
SURPLUS (DEFICIT)	\$ (3,137,039)	\$ 1,165,727	\$ 4,302,766		

2019-20 ENDING FUND BALANCES

	General Fund	Capital Projects Fund:		Internal Service	Total
		LRP & Other	Construction		
Nonspendable:					
Prepaid expenditures	\$ 33,982	\$ -	\$ -	\$ -	\$ 33,982
Restricted:					
Capital projects	-	3,018,437	36,380,950	-	39,399,387
Committed:					
PSERS expenditures	5,998,719	-	-	-	5,998,719
Assigned	7,124,988	-	-	-	7,124,988
Unassigned	6,588,512	-	-	3,669,390	10,257,902
Ending Fund Balances	19,746,201	3,018,437	36,380,950	3,669,390	62,814,978
Beginning Fund Balances	18,580,474	2,491,200	38,737,323	3,500,000	63,308,997
Change in Fund Balances	\$ 1,165,727	\$ 527,237	\$ (2,356,373)	\$ 169,390	\$ (494,019)
Fund Balance without Borrowing Proceeds					\$ 26,434,028

AVON GROVE SCHOOL DISTRICT

2020-21 UPDATE

2020-21 UPDATE - REVENUES

REVENUE	Budget	Estimated Actual	Change	
<u>Local Revenue</u>				
Property Taxes	57,567,142	57,317,564	(249,578)	A
<u>State Revenue</u>				
Retirement Subsidy	5,837,161	6,200,000	362,839	B
<u>Federal Revenue</u>				
COVID Response Grants:				
PCCD - CARES CRF & ESSER	-	510,861	510,861	
PDE - ESSER	-	186,683	186,683	
Chester County - CARES CRF	-	333,986	333,986	
PEMA/FEMA - Public Assistance Grants	-	65,000	65,000	
PDE - Special Education Impact	-	37,355	37,355	
	<u>-</u>	<u>1,133,885</u>	<u>1,133,885</u>	C

A \$425,965 paid by Jennersville Hospital in protest due to ongoing tax exempt status litigation

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

C Variance due to the nature of the unprecedented COVID-19 pandemic

2020-21 UPDATE – EXPENDITURES

EXPENDITURES	Budget	Estimated Actual	Change	
Charter school tuition	11,000,000	10,200,000	800,000	A
Transportation	6,706,278	6,209,186	497,092	B
Debt service - interest	2,808,674	2,292,014	516,660	C
COVID response costs / budgetary reserve:				
Personnel costs - COVID response		1,178,265		
Non-personnel costs - COVID response		1,118,718		
Budgetary reserve	1,960,000	2,296,983	(336,983)	D

- A** Decrease due to a decline in charter school enrollment compared to the prior year. As of 01/01/21, charter school enrollment totaled 732 students; as of 01/01/20, charter enrollment totaled 784, a difference of 52 students.
- B** Transportation costs are estimated preliminarily at \$6M; however, monthly costs for transportation including secondary hybrid runs are still being evaluated with the contractors.
- C** Decrease is due to the originally planned GOB Series 2020 issuance being delayed. Only one interest payment (May 2021) is anticipated.
- D** For presentation purposes, the cost of AGSD's COVID response is compared to the budgetary reserve for unplanned expenditures, as the extent of the COVID response costs were unknown at the time of the 20-21 budget adoption. COVID response costs are recorded within their appropriate function based on the nature of the cost.



AVON GROVE SCHOOL DISTRICT

2021-22 PRELIMINARY BUDGET



Tax Increase - 3.5%

	SUMMARY	2017 - 2018 Actual Revenue / Expenditures	2018 - 2019 Actual Revenue / Expenditures	2019 - 2020 Final Budget Revenue / Expenditures	2020 - 2021 Final Budget Revenue / Expenditures	2020 - 2021 Estimated Revenue / Expenditures	2021 - 2022 Prelim Budget Revenue / Expenditures	\$ Budget / Budget Increase / Decrease	% Budget / Budget Increase / Decrease
	FUND BALANCE APPROPRIATION	\$ -	\$ -	\$ -	\$ 6,063,937	\$ 3,569,909	\$ 5,011,359	\$ (1,052,578)	
	6000 REVENUE FROM LOCAL SOURCES	\$ 56,801,706	\$ 58,463,976	\$ 59,607,747	\$ 61,272,342	\$ 61,037,877	\$ 66,841,772	\$ 5,569,430	9.09%
	7000 REVENUE FROM STATE SOURCES	\$ 31,384,469	\$ 31,041,573	\$ 31,898,838	\$ 31,210,152	\$ 31,322,991	\$ 28,438,566	\$ (2,771,586)	-8.88%
	8000 REVENUE FROM FEDERAL SOURCES	\$ 971,828	\$ 993,809	\$ 762,241	\$ 785,140	\$ 785,140	\$ 985,140	\$ 200,000	25.47%
	9000 REVENUE FROM OTHER SOURCES	\$ 198,961	\$ 16,735	\$ 417	\$ -	\$ 1,133,885	\$ -	\$ -	
	TOTAL REVENUES	\$ 89,356,964	\$ 90,516,093	\$ 92,269,242	\$ 99,331,571	\$ 97,849,802	\$101,276,837	\$ 1,945,266	1.96%
	TOTAL EXPENDITURES	\$ 85,761,953	\$ 87,871,266	\$ 84,212,249	\$ 90,265,897	\$ 88,968,805	\$ 91,466,529	\$ 1,200,632	1.33%
	TOTAL OTHER FINANCING USES	\$ 5,120,365	\$ 5,781,866	\$ 6,891,266	\$ 9,065,674	\$ 8,880,997	\$ 9,810,308	\$ 744,634	8.21%
	TOTAL EXP & OTHER FINANCING USES	\$ 90,882,318	\$ 93,653,132	\$ 91,103,515	\$ 99,331,571	\$ 97,849,802	\$101,276,837	\$ 1,945,266	1.96%
	REVENUE OVER (UNDER) EXPENDITURE	\$ (1,525,354)	\$ (3,137,039)	\$ 1,165,727	\$ -	\$ -	\$ -	\$ -	
	CHESTER COUNTY MILLAGE	29.770	30.6900	31.6100	32.7100	32.7100	33.850		
	MILLAGE INCREASE	2.514%	3.090%	2.998%	3.480%	3.480%	3.485%		
	ACT 1 INDEX	3.30%	3.10%	3.00%	3.50%	3.50%	4.00%		
Notes:									
	Debt @ recommended level net - \$4.5M (Placeholder)		\$ -	\$ -	\$ -	\$ -	\$ -		
	Budgetary Reserve		\$ -	\$ -	\$ 1,960,000	\$ -	\$ 1,000,000		
	Transfer to Capital Projects		\$ 1,522,850	\$ 1,977,200	\$ 1,192,000	\$ 1,192,000	\$ 1,303,180		
	PSERS draw down (Committed Fund Balance)		\$ 1,614,189	\$ -	\$ 1,363,295	\$ 1,363,295	\$ 1,262,695		
	General Ops usage (Unassigned Fund Balance)		\$ -	\$ (811,473)	\$ 1,548,642	\$ 1,014,614	\$ 1,445,484		

FUND BALANCES

Tax Increase - 3.5%								
SUMMARY	2017 - 2018 Actual	2018 - 2019 Actual	2019 - 2020 Actual	2020 - 2021 Budget	2020 - 2021 Estimated	2021 - 2022 Preliminary Budget	Est. 2020-2021 / Budget 2021- 2022 Increase / Decrease	% Increase / Decrease
FUND BALANCE SUMMARY								
<i>General Fund</i>	\$ 21,717,513	\$ 18,580,474	\$ 19,746,201	\$ 13,682,264	\$ 16,176,292	\$ 11,164,933	\$ (2,517,331)	-18.40%
<i>Capital Projects Fund</i>	\$ 3,156,548	\$ 2,491,200	\$ 3,018,437	\$ 2,419,437	\$ 2,419,437	\$ 2,233,437	\$ (186,000)	-7.69%
<i>Internal Service Fund</i>	\$ 3,353,432	\$ 3,500,000	\$ 3,669,390	\$ 3,500,000	\$ 3,669,390	\$ 3,669,390	\$ 169,390	4.84%
Totals	\$ 28,227,493	\$ 24,571,674	\$ 26,434,028	\$ 19,601,701	\$ 22,265,119	\$ 17,067,760	\$ (2,533,941)	-12.93%
Change	\$ (271,924)	\$ (3,655,819)	\$ 1,862,354	\$ (6,832,327)	\$ 2,663,418	\$ (2,533,941)		

TAX INCREASE - 3.5%

Revenues	2020-21 Budget	2021-22 Budget	Variance	% Var	Notes
Local Revenues:					
Property Taxes	\$ 57,817,142	\$ 63,226,572	\$ 5,409,430	9.36%	Homestead/Farmstead TBD - estimated \$2.67m
Other Taxes	1,800,000	2,150,000	350,000	19.44%	
Other Local Revenues	1,655,200	1,465,200	(190,000)	-11.48%	
State Revenues	31,210,152	28,438,566	(2,771,586)	-8.88%	Homestead/Farmstead TBD - estimated \$2.67m
Federal Revenues	785,140	985,140	200,000	25.47%	
Total Revenues	93,267,634	96,265,478	2,997,844	3.21%	
Expenditures					
Salaries	33,879,001	34,322,251	443,250	1.31%	Based on contracts and CBAs
Benefits:					
PSERS	11,657,997	11,959,504	301,507	2.59%	34.94% vs 34.51%
Medical Insurance	6,243,325	6,339,812	96,487	1.55%	Based on trends and projections
HSA Contributions	1,014,232	490,000	(524,232)	-51.69%	Based on contracts and CBAs
Other Benefits	3,460,994	3,507,094	46,100	1.33%	
Professional Services:					
Occupational Education (Vo-Tech)	2,579,708	2,539,007	(40,701)	-1.58%	
Pupil Services	4,750,500	5,155,500	405,000	8.53%	Estimated increase in services needed to address learning loss due to pandemic shutdown
Other Professional Services	1,956,233	1,959,823	3,590	0.18%	
Repairs/Maintenance/Rentals	2,016,895	2,185,630	168,735	8.37%	20-21 budget includes \$90,000 of estimated custodial service savings
Transportation	6,700,680	6,964,456	263,776	3.94%	Based on estimated contract increase and 2019-20 runs
Charter School Tuition	11,000,000	11,000,000	-	0.00%	
Other Services	1,655,002	1,678,753	23,751	1.44%	
Supplies/Books/Software/Fuel/Utilities	2,789,355	2,719,087	(70,268)	-2.52%	
Bond Interest/Dues/Fees/Field Trips	3,370,649	5,077,740	1,707,091	50.65%	GOB Series 2021 debt service
Bond Principal	3,105,000	3,075,000	(30,000)	-0.97%	
Total Expenditures	96,179,571	98,973,657	2,794,086	2.91%	
Other Financing Uses					
Budgetary Reserve	1,960,000	1,000,000	(960,000)	-48.98%	21-22 contingency at 1% vs 2% in 20-21
Transfers to Other Funds	1,192,000	1,303,180	111,180	9.33%	\$500,000 + planned furniture/equipment purchases
Total Other Financing Uses	3,152,000	2,303,180	(848,820)	-26.93%	
Total Expenditures & Other Financing Uses	99,331,571	101,276,837	1,945,266	1.96%	
Fund Balance Appropriation	\$ (6,063,937)	\$ (5,011,359)	\$ 1,052,578	-17.36%	

ITEMS AFFECTING THE 2021-22 BUDGET

Revenues



Avon Grove taxable assessed values have increased by \$3M (allowing for appeals)



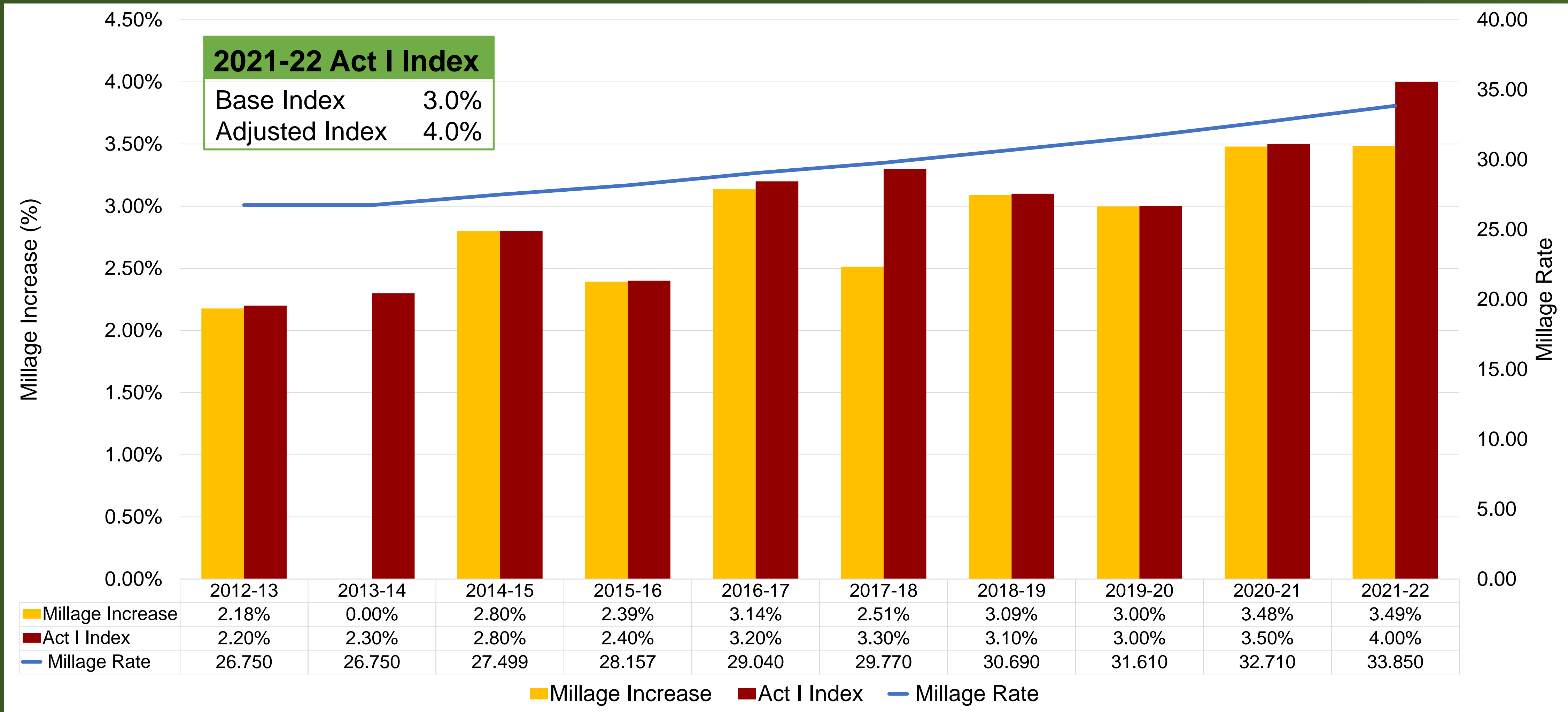
State revenue is based upon 2020-21 amounts as approved with the passage of the 2020-21 Budget and District statistical information



Federal revenue is based on 2020-21 allocations

ACT 1 LOCAL REVENUE

Avon Grove School District Tax Increase Compared to Act 1 Index 2012-13 through 2021-22



ITEMS AFFECTING THE 2021-22 BUDGET

Expenditures

INCREASES:

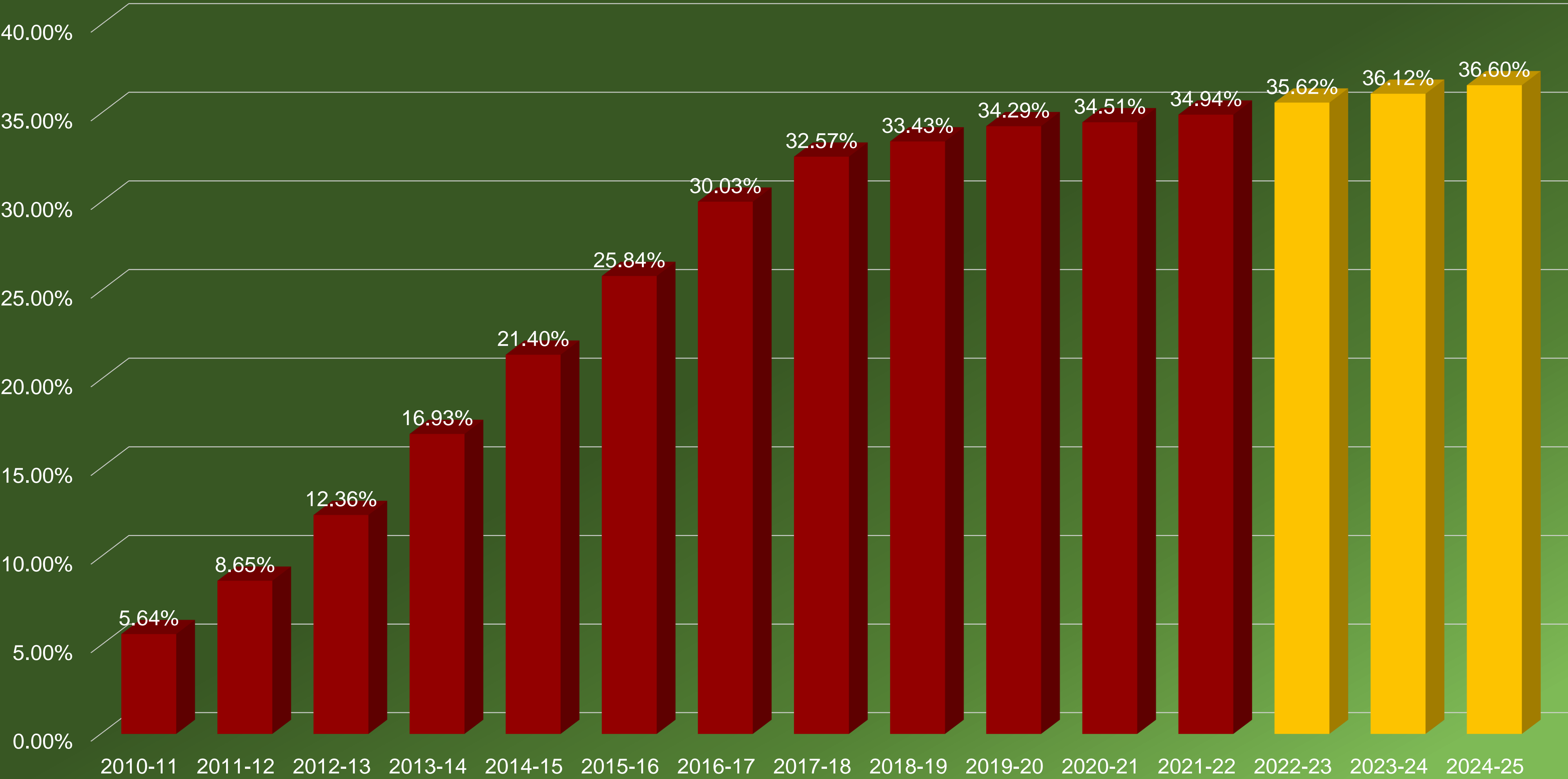
Debt service (interest & principal)	\$ 1,593,454
Salaries and wages	\$ 443,250
Contracted pupil services	\$ 405,000
PSERS contributions (34.94%)	\$ 301,507
Transportation (estimated)	\$ 263,776
Facilities operation and maintenance	\$ 163,735
TOTAL MAJOR INCREASES	\$ 3,170,722

DECREASES:

Budgetary reserve	\$ 960,000
HSA contributions	\$ 524,232
TOTAL MAJOR DECREASES	\$ 1,484,232

PSERS PROJECTED EMPLOYER CONTRIBUTION RATES

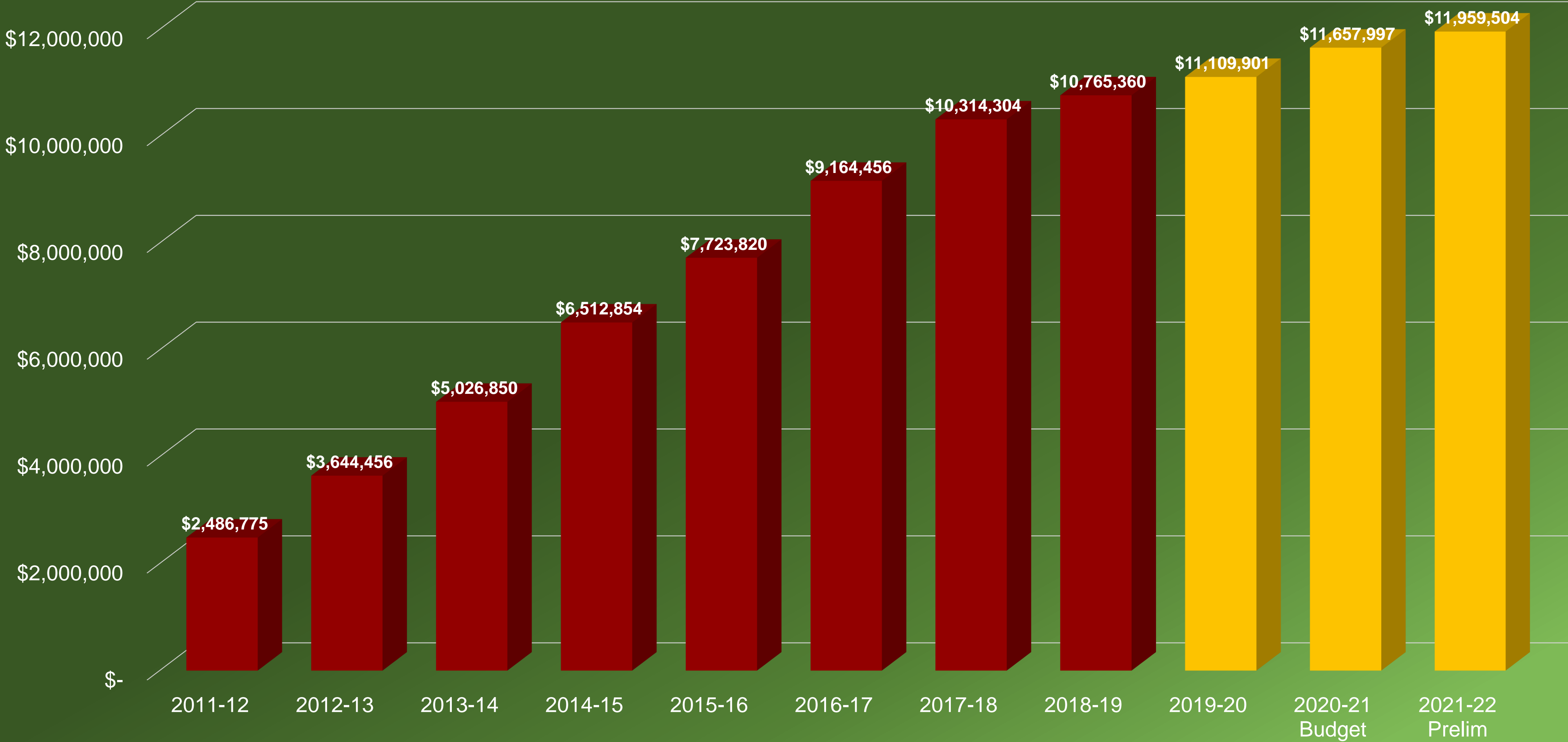
PSERS Employer Contribution Rates 2010-11 through 2024-25



Note: PSERS will update its projection of future employer contribution rates as part of the actuarial experience study scheduled to be completed in June of 2021.

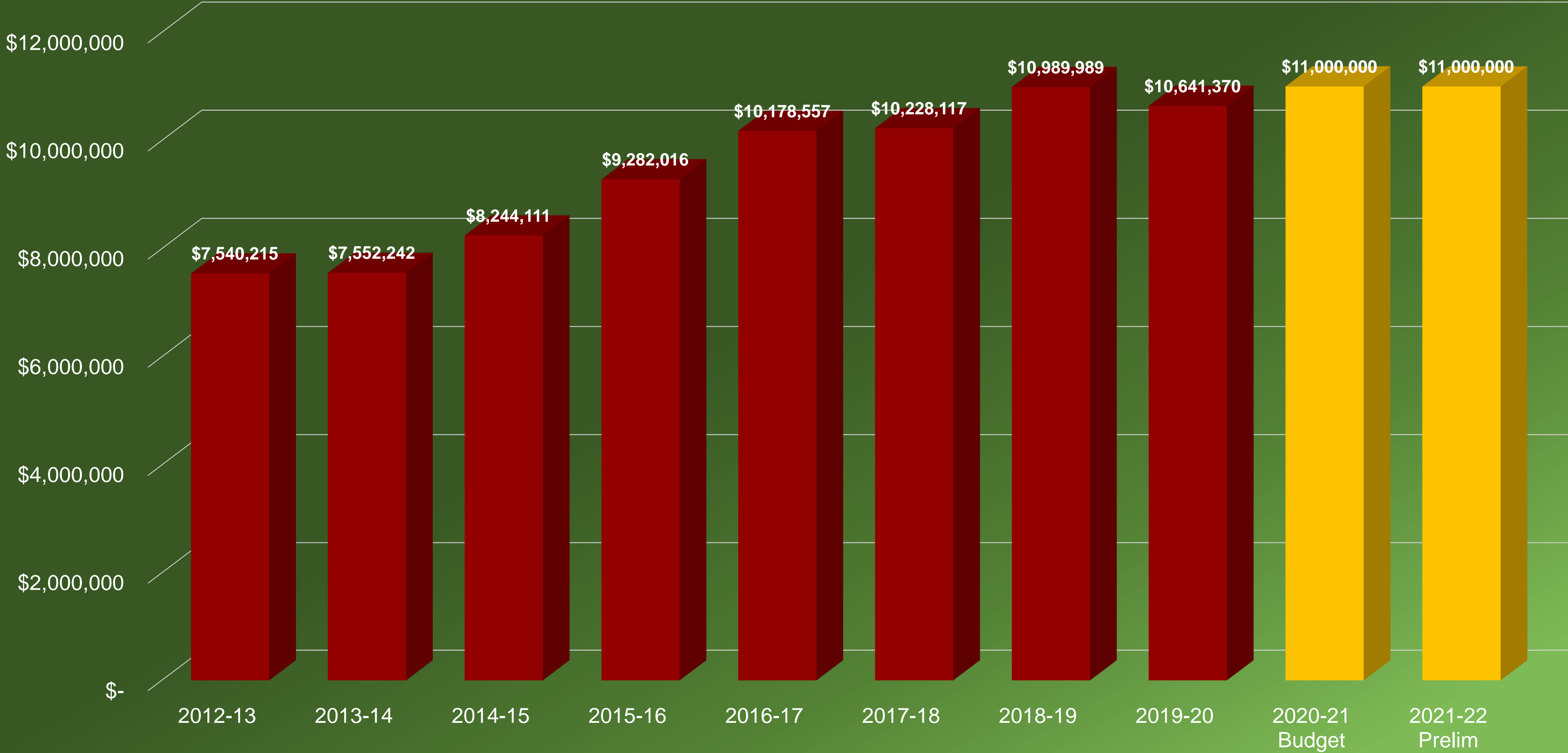
EMPLOYER RETIREMENT COSTS

TEN YEAR HISTORY



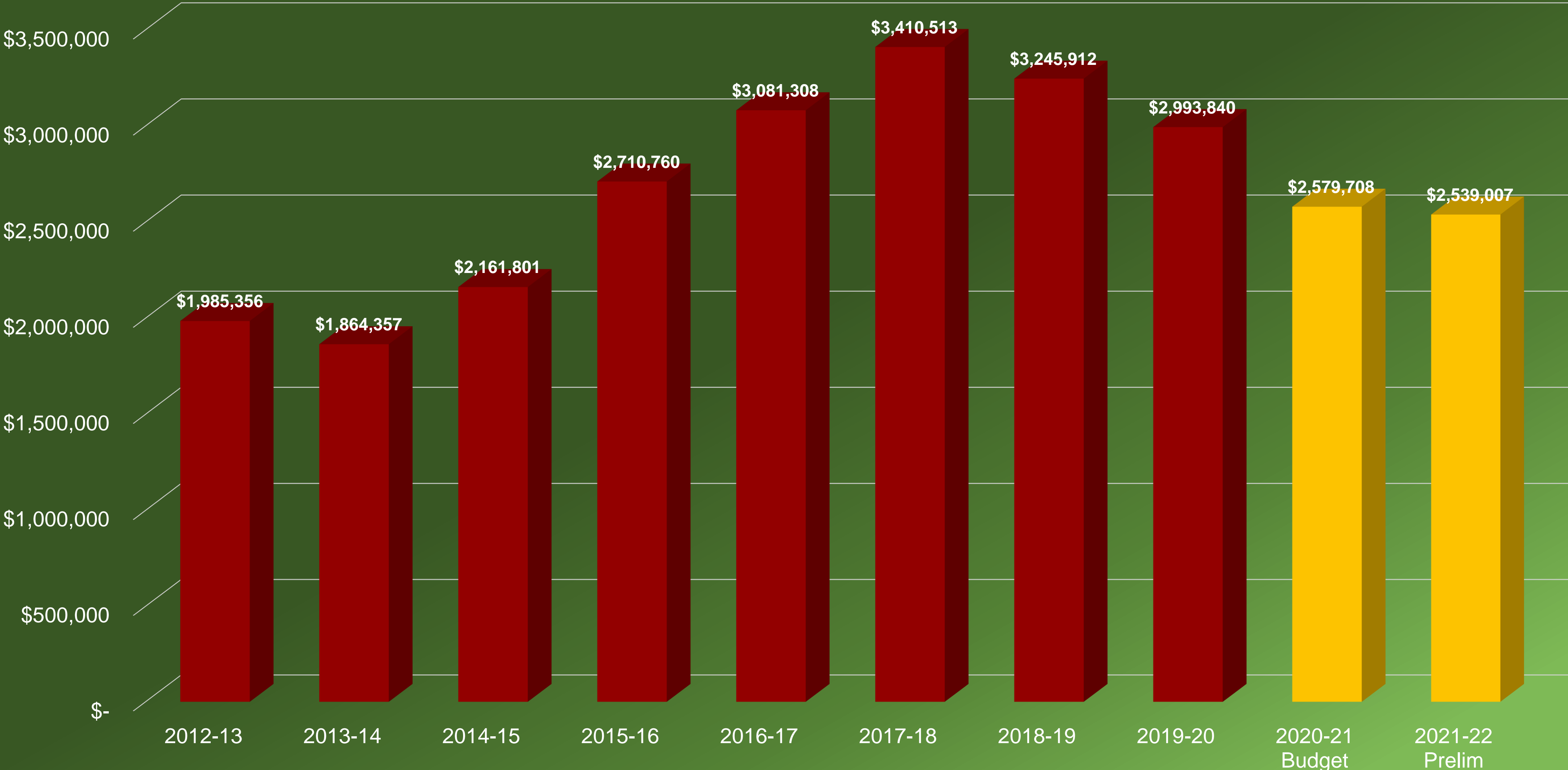
CHARTER SCHOOL TUITION

TEN YEAR HISTORY



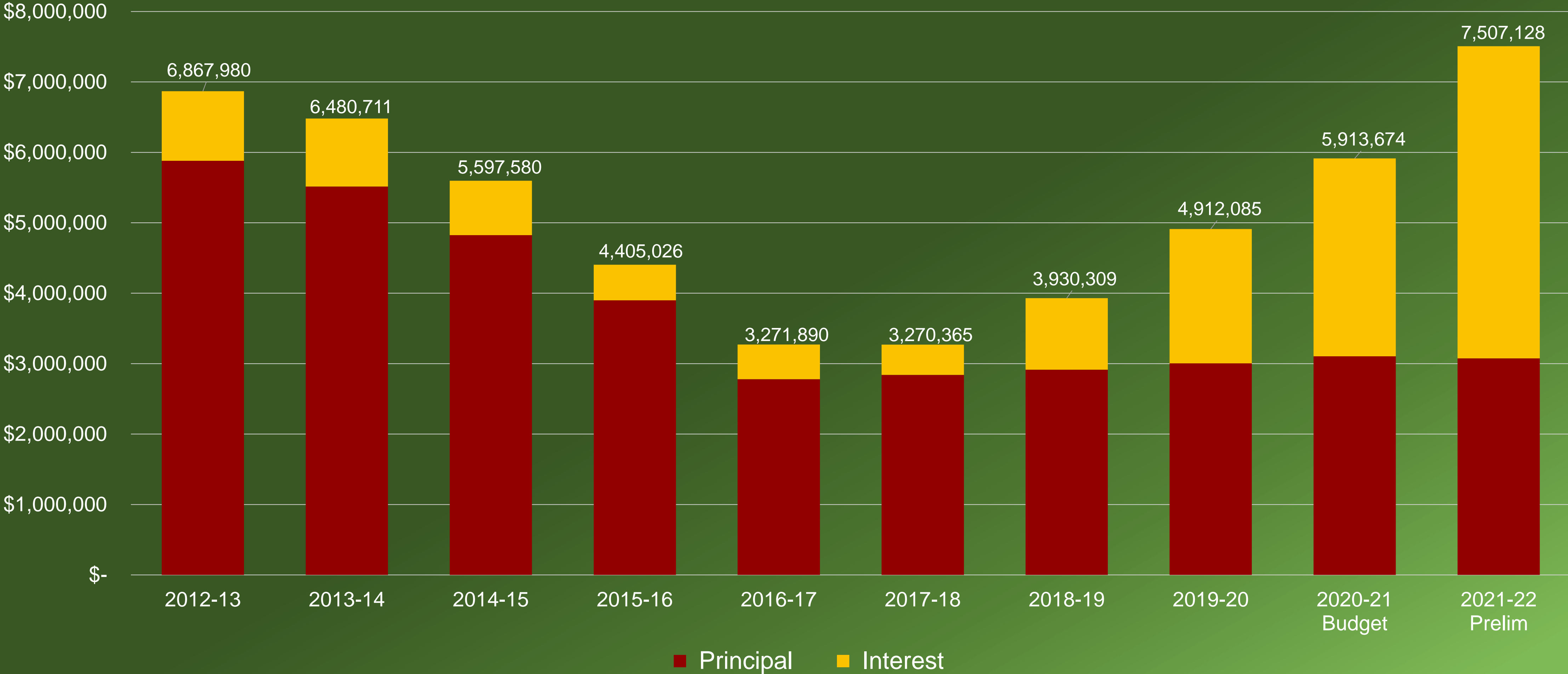
OCCUPATIONAL EDUCATION

TEN YEAR HISTORY



DEBT SERVICE

TEN YEAR HISTORY



Note: The 2021-22 debt service figure includes an estimated **\$2,686,769** of debt service costs for the GOB Series 2021 that will be issued in the coming months. This amount will be updated when the bonds are priced prior to issuance.

2021-22 BUDGET CALENDAR

December 10, 2020		BOE meeting consideration of “Opt-Out” Resolution (Action Taken December 10, 2020)
January 19, 2021		Finance Committee Meeting – Presentation of 2021-22 Preliminary Budget
February 9, 2021		Budget Committee of the Whole – 2021-22 Budgeted Revenues (Detail)
March 9, 2021		Budget Committee of the Whole – 2021-22 Budgeted Expenditures (Detail)
April 13, 2021		Budget Committee of the Whole – 2021-22 Capital Budget
April 22, 2021		Proposed Final Budget Adoption – Board Meeting
May 11, 2021		Budget Committee of the Whole – Work Session
June 3, 2021		Final Adoption



AVON GROVE SCHOOL DISTRICT

QUESTIONS

