

AVON GROVE SCHOOL DISTRICT



First Look 2016–2017 Budget January 12, 2016



- Review 2014-2015 Audited Results
- Status/Review of 2015-2016 Budget
- 2016-2017 Draft Budget
- 2016-2017 Budget Timeline

2016-2017 Budget

2014-2015 Review

Review – 2014-2015

<u>2014-15</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUE	\$ 80,370,400	\$ 80,264,595	\$ (105,805)
EXPENSE	\$ 81,638,691	\$ 78,788,081	\$ 2,850,610
NET	\$ (1,268,291)	\$ 1,476,514	\$ 2,744,805
Contributing Line Items:			
<u>Revenue</u>			
Local Revenue	\$ 50,913,647	\$ 51,472,049	\$ 558,402
State Revenue	\$ 28,531,088	\$ 27,660,747	\$ (870,341)
Federal Revenue	\$ 925,665	\$ 1,131,799	\$ 206,134
	\$ 80,370,400	\$ 80,264,595	\$ (105,805)
<u>Expenses</u>			
Salaries	\$ 30,611,778	\$ 30,338,627	\$ 273,151
Benefits	\$ 17,307,115	\$ 15,567,765	\$ 1,739,350
Professional Services	\$ 8,209,450	\$ 8,444,497	\$ (235,047)
Repair/Maintenance/Rental	\$ 942,804	\$ 807,716	\$ 135,088
Transportation/Insurance/Tuition	\$ 15,168,641	\$ 14,804,448	\$ 364,193
Supplies/Books/Software/Fuel	\$ 2,874,778	\$ 2,532,720	\$ 342,058
Capital	\$ 474,459	\$ 443,848	\$ 30,611
Bond Interest/Dues/Fees	\$ 1,014,708	\$ 1,023,829	\$ (9,121)
Bond Principle/Transfers	\$ 5,034,958	\$ 4,824,631	\$ 210,327
	\$ 81,638,691	\$ 78,788,081	\$ 2,850,610
<u>Fund Balance</u>			
	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>Increase (Decrease)</u>
General Fund	\$ 26,437,088	\$ 27,913,602	\$ 1,476,514
Capital Projects Fund	\$ 2,357,492	\$ 1,841,994	\$ (515,498)
Total	\$ 28,794,580	\$ 29,755,596	\$ 961,016

Summary:

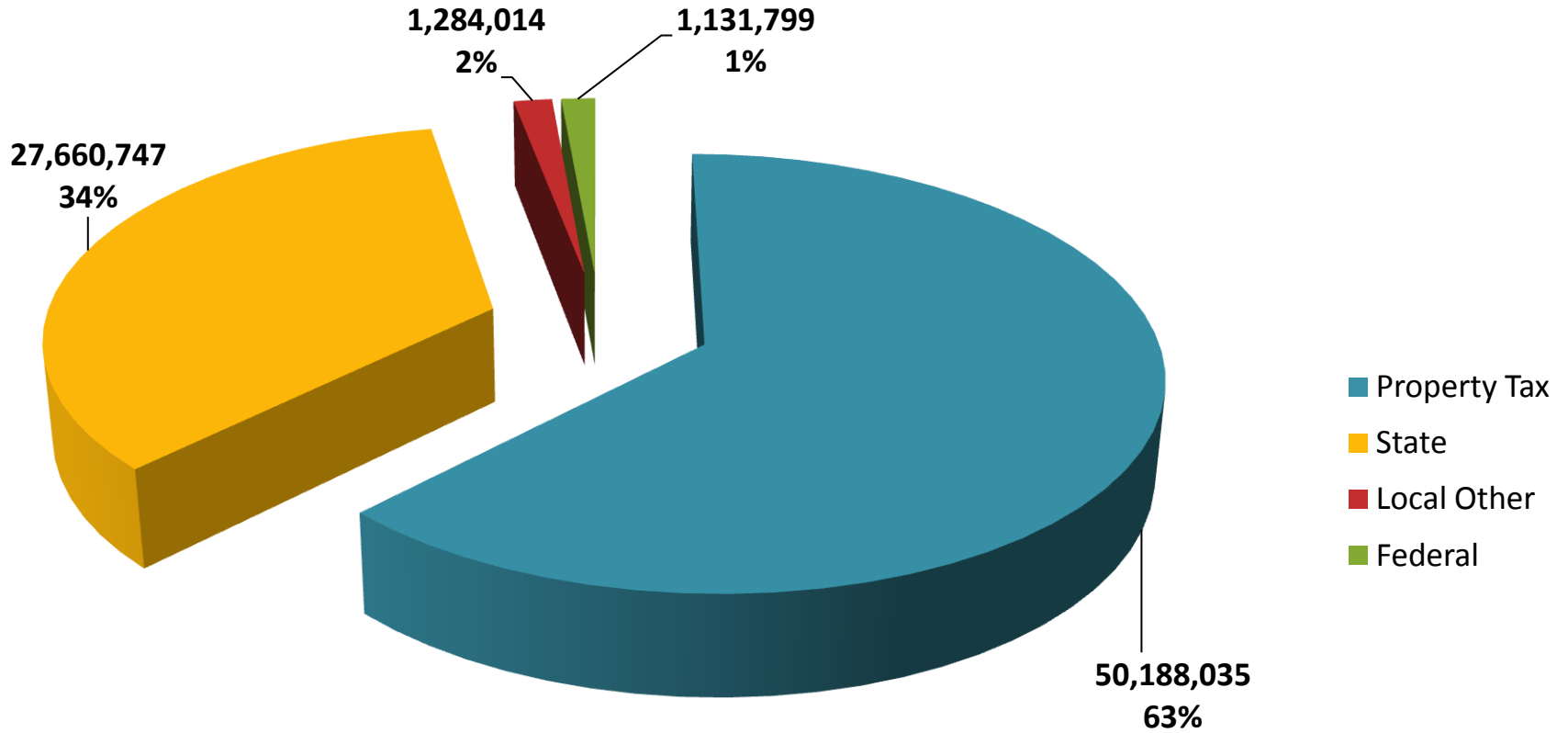
Avon Grove School District, Pennsylvania;
 General Obligation; School State Program

Credit Profile		
US\$4.295 mil GO Bonds Ser 2015		
Long Term Rating	AA/Stable	New
Underlying Rating for Credit Program	AA/Stable	New
Avon Grove School District GO Bonds		
Long Term Rating	AA/Stable	Affirmed
Underlying Rating for Credit Program	AA/Stable	Affirmed

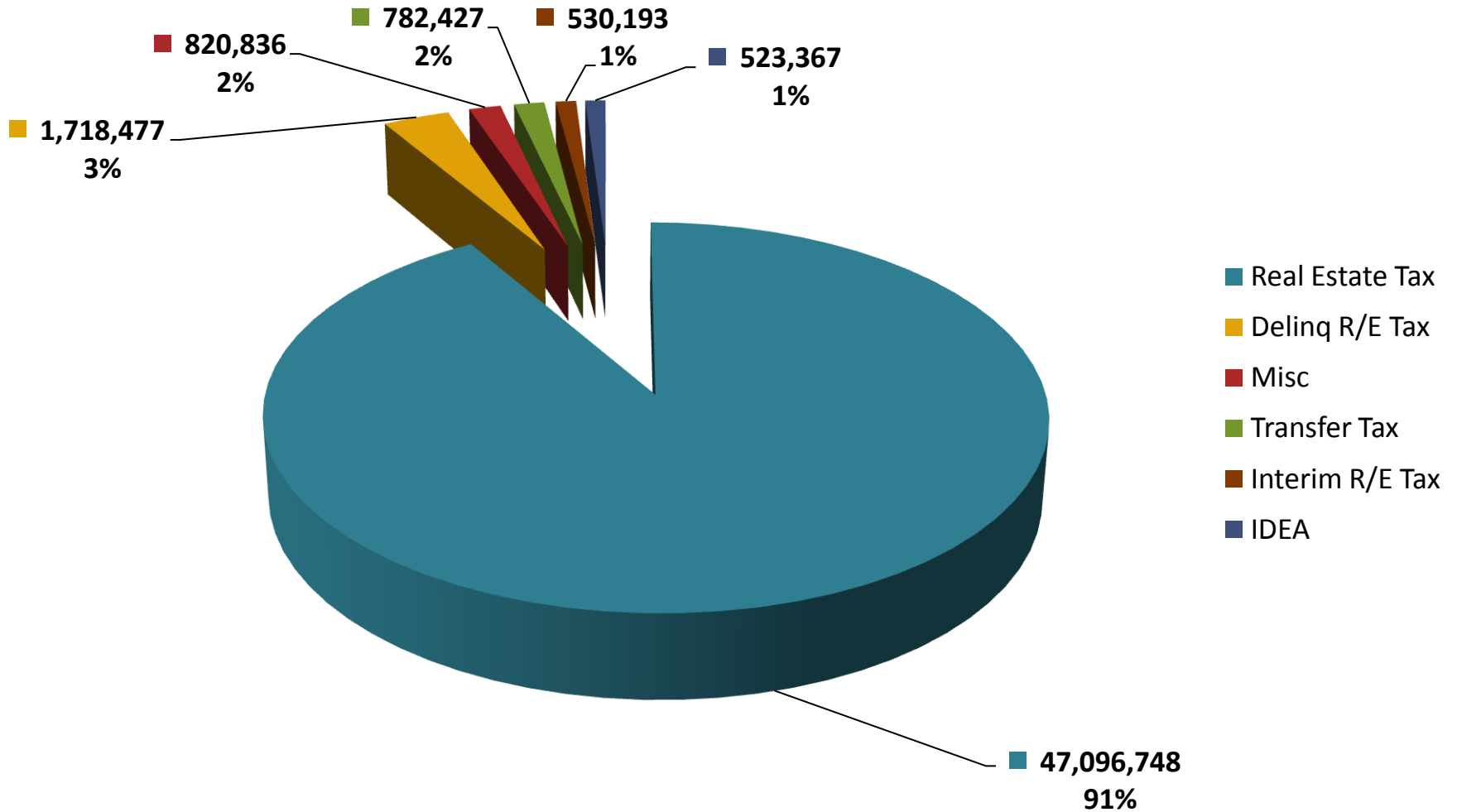
Rationale

Standard & Poor's Ratings Services assigned its 'AA' long-term rating and underlying rating to Avon Grove School District, PA's series 2015 general obligation (GO) bonds and affirmed its 'AA' long-term and underlying ratings on the district's existing GO debt. The outlook is stable.

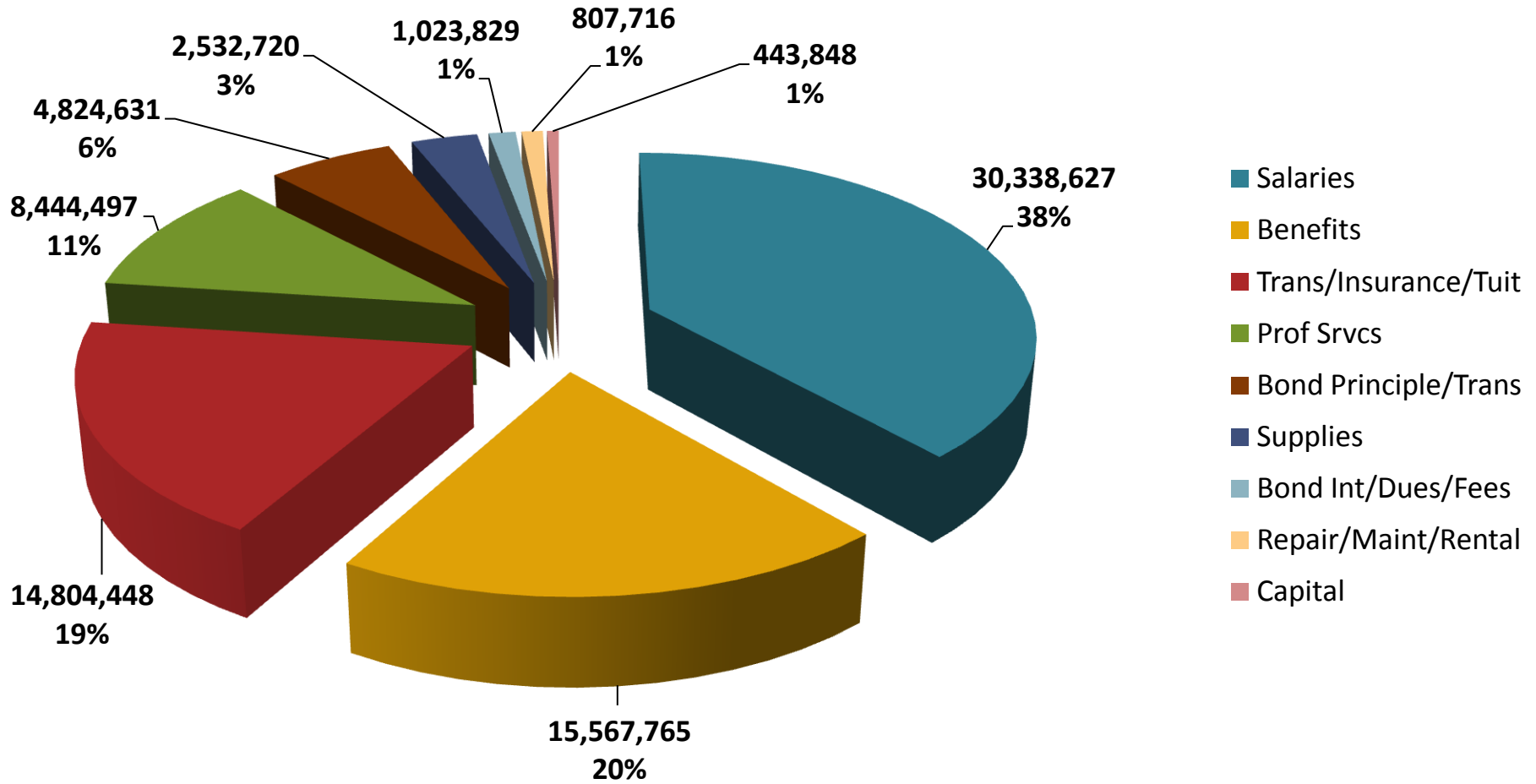
2014-2015 Total Revenue



2014-2015 Local Revenue



2014-2015 Expenses



2015-2016 Review

2015-2016 Review



Review – 2015-2016

<u>2015-16</u>	<u>Budget</u>	<u>Estimate</u>	<u>Variance</u>
REVENUE	\$ 82,215,446	\$ 82,645,789	\$ 430,343
EXPENSE	\$ 85,240,569	\$ 84,540,569	\$ 700,000
NET	\$ (3,025,123)	\$ (1,894,780)	\$ 1,130,343
Contributing Line Items:			
<u>Revenue</u>			
Local Revenue	\$52,924,014	\$52,924,014	\$ -
State Revenue	\$ 28,326,563	\$ 28,756,906	\$ 430,343
Federal Revenue	\$ 964,869	\$ 964,869	\$ -
	\$82,215,446	\$82,645,789	\$430,343
<u>Expenses</u>			
Salaries	\$ 31,480,536	\$ 31,480,536	\$ -
Benefits	\$ 17,738,478	\$ 17,738,478	\$ -
Professional Services	\$ 10,219,341	\$ 10,219,341	\$ -
Repair/Maintenance/Rental	\$ 987,918	\$ 987,918	\$ -
Transportation/Insurance/Tuition	\$ 15,251,485	\$ 15,251,485	\$ -
Supplies/Books/Software/Fuel	\$ 3,016,647	\$ 3,016,647	\$ -
Capital	\$ 1,047,699	\$ 1,047,699	\$ -
Bond Interest/Dues/Fees	\$ 1,452,198	\$ 1,452,198	\$ -
Bond Principle/Transfers	\$ 4,046,267	\$ 3,346,267	\$ 700,000
	\$ 85,240,569	\$ 84,540,569	\$ 700,000

2016-2017 Budget

2016–2017 Draft Budget

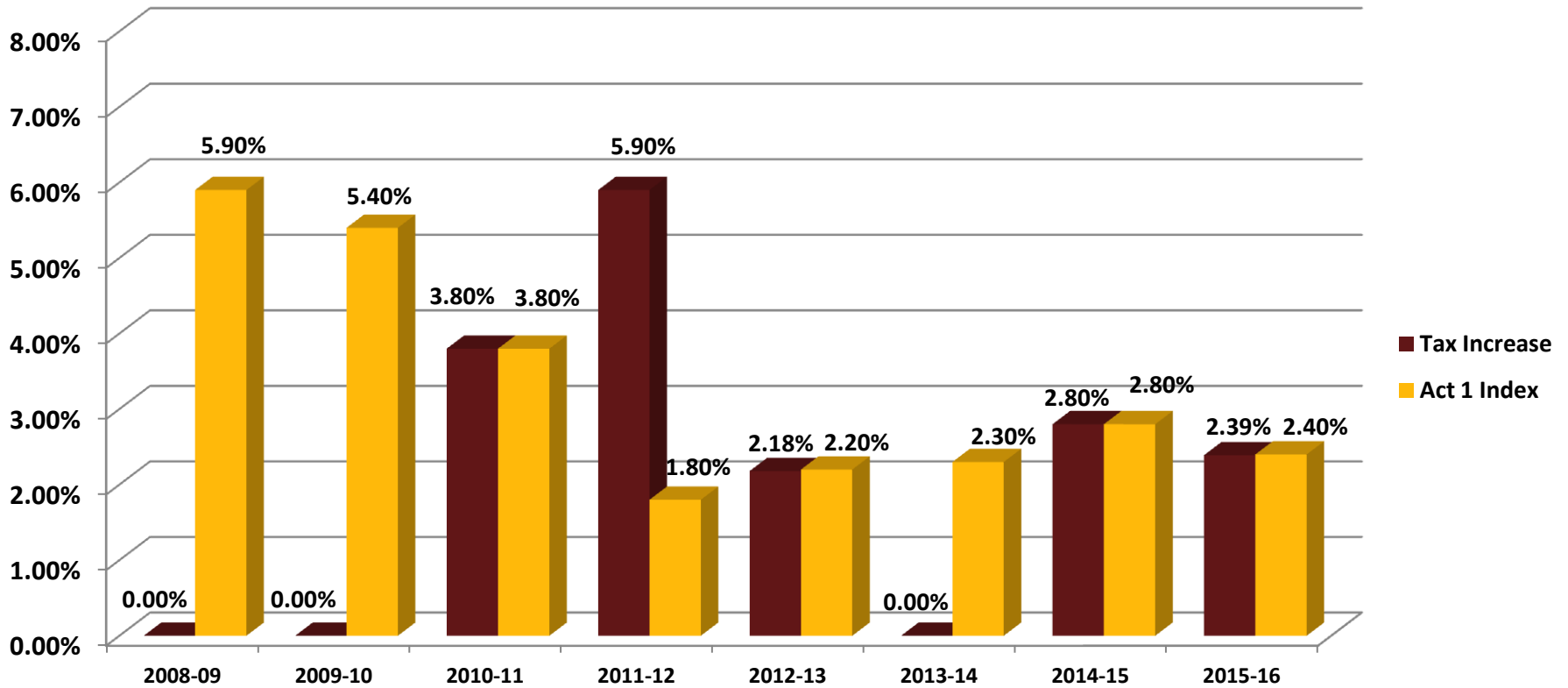


Real Estate Millage for Chester County School Districts

School District	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	(EIT)
Avon Grove SD	23.8200	23.8200	23.8200	23.8200	24.7200	26.180	26.7500	26.7500	27.4990	28.1570	No
Coatesville Area SD	25.7000	25.7000	26.5000	27.5000	28.4900	29.490	30.1090	31.1926	32.0036	32.7716	Yes
Downingtown Area SD	23.1500	24.0500	24.8500	25.4750	26.2130	26.728	27.1820	27.1820	27.1820	27.1820	Yes
Great Valley SD	16.9700	17.4400	17.9200	18.2200	18.5000	19.030	19.5900	19.5900	20.0000	20.3200	No
Kennett Consolidated SD	21.5700	21.9500	23.1400	23.9537	24.7781	25.729	26.7303	27.4520	27.9406	28.6020	Yes
Octorara Area SD	28.3700	31.6100	31.6100	32.2280	35.1200	35.280	36.6600	36.6600	36.6600	37.5100	Yes
Owen J Roberts SD	23.2700	23.9600	24.8900	25.5000	26.1700	26.820	27.2759	27.7395	28.2888	28.8262	Yes
Oxford Area SD	23.2500	25.1592	28.6865	29.5479	29.5479	29.548	30.0500	30.0502	30.2324	30.5350	Yes
Phoenixville Area SD	23.1200	24.4400	25.8900	26.3900	27.0600	27.780	28.2400	28.6400	28.8900	28.8900	Yes
Tredyffrin-Easttown SD	15.7300	16.2600	16.9700	17.4700	17.9700	18.647	19.2630	19.5902	20.2171	20.9868	No
Unionville-Chadds Ford SD	20.4900	21.5700	22.5300	23.5800	24.2600	24.530	25.1800	25.7300	26.4400	26.9900	No
West Chester Area SD	15.1600	15.7900	16.8500	17.8500	18.3600	18.360	18.6700	18.6700	19.2100	19.5779	Yes

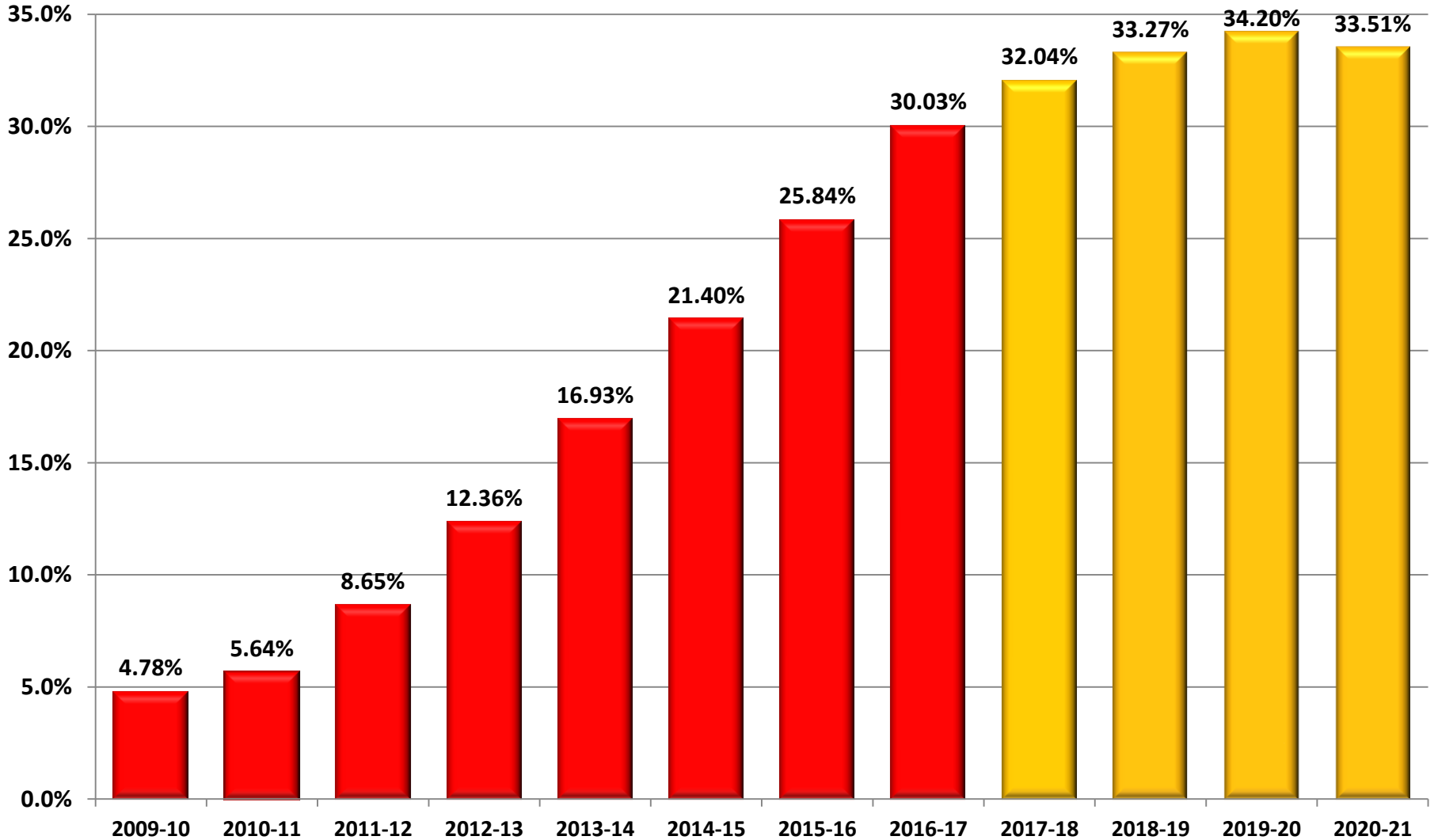
Act 1 and Local Revenue

**Avon Grove School District
Tax Increase Compared to Act 1 Index
2008 through 2016**



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

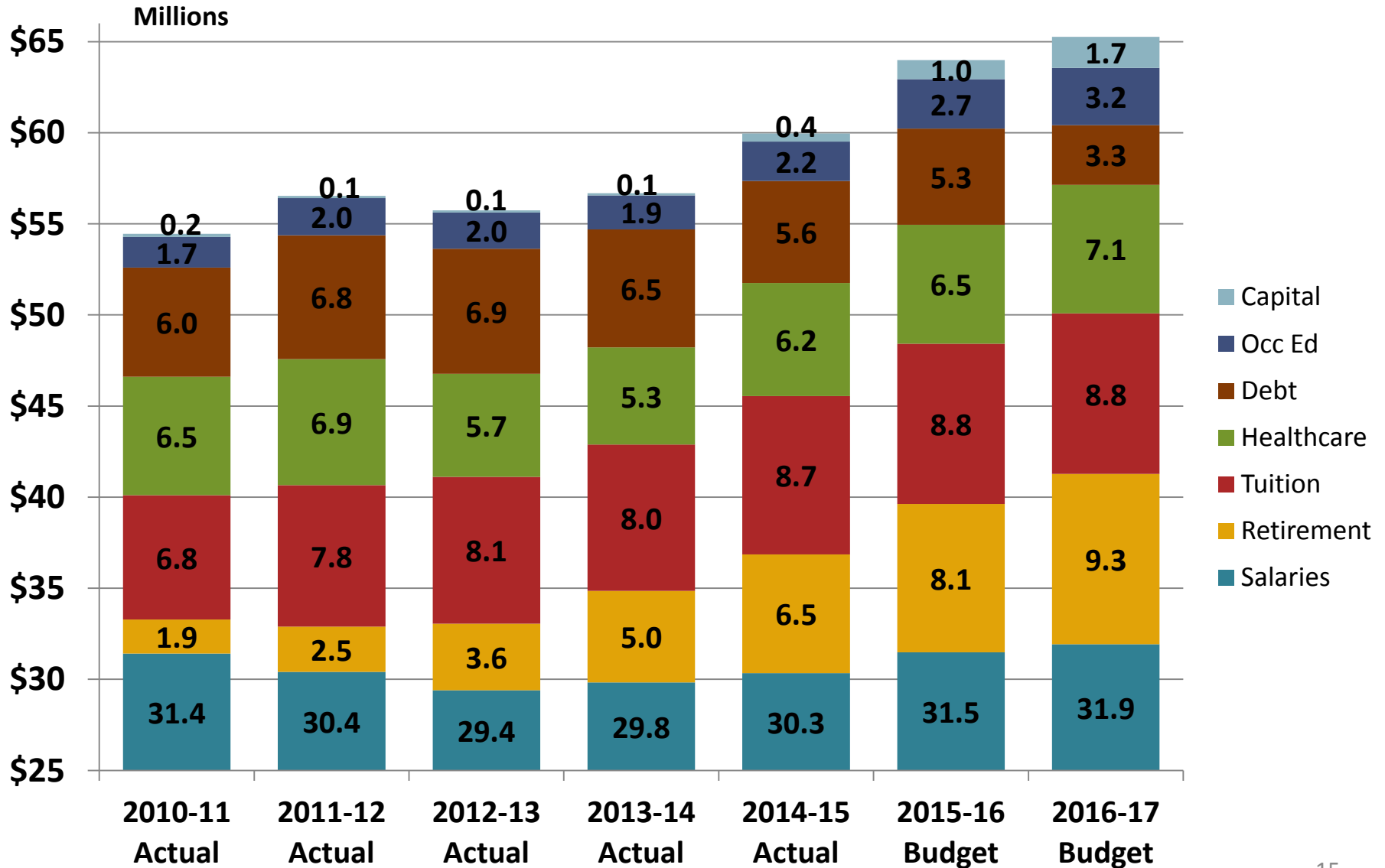
PSERS Employer Contribution Rates 2010 through 2021



Red columns - Certified by PSERS Board of Trustees

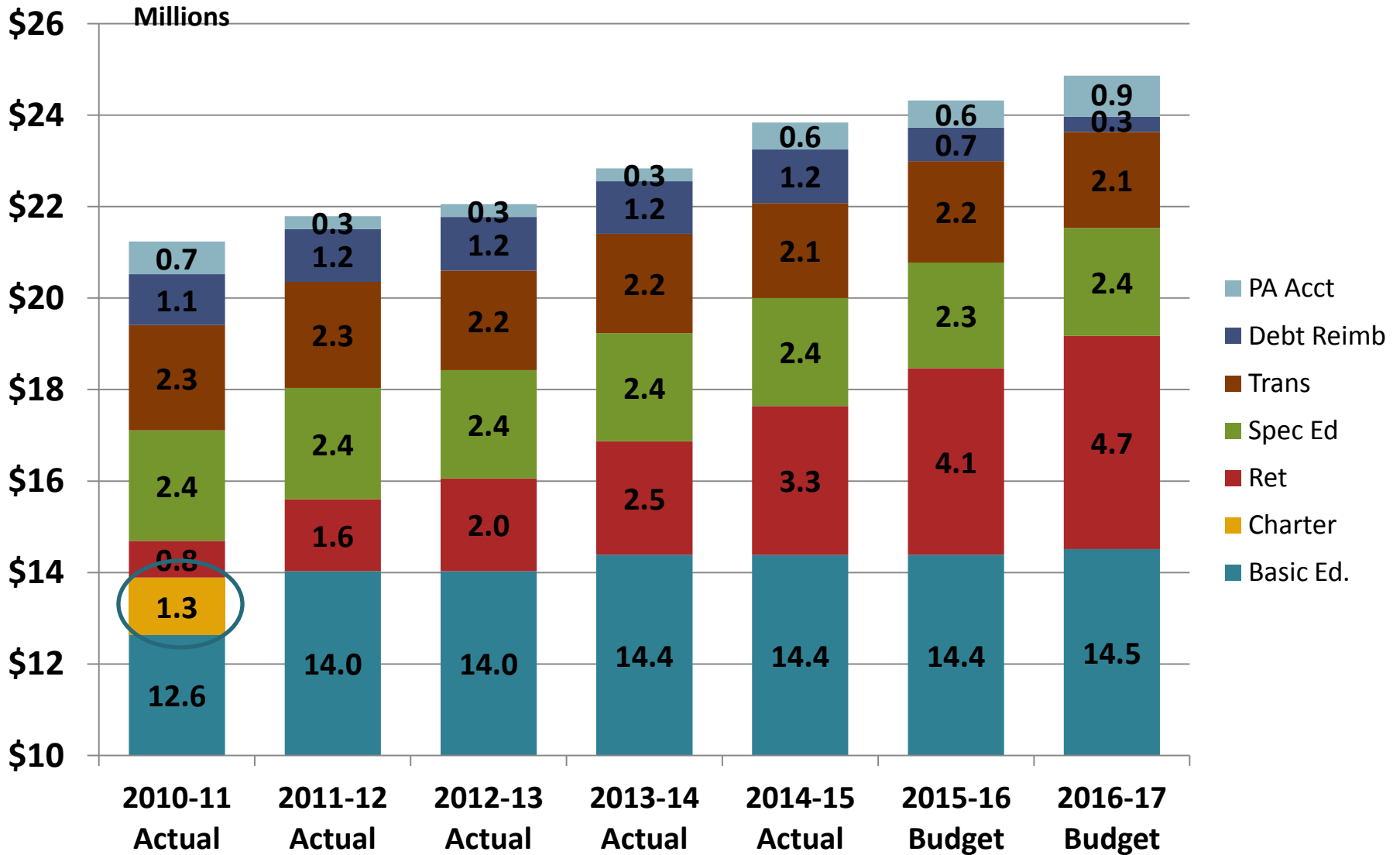
2016-2017 Budget

Selected General Fund Expenditures



2016-2017 Budget

State Revenue



REVENUE

- Avon Grove taxable assessed values have increased by \$10.5M.
- State revenue is based upon 2015-16 amounts as prescribed in the December Blue-Lined Budget (*with the exception of the Rental and Sinking Fund payment, FICA, and Retirement*).
- Federal revenue is based on 2015-16 allocations.



2016-2017 Preliminary Budget

Version 1

SUMMARY	2013 - 2014 Actual Revenue / Expenditures	2014 - 2015 Actual Revenue / Expenditures	2015 - 2016 Final Budgeted Revenue / Expenditures	2016 - 2017 Prelim Budgeted Revenue / Expenditures	Budget / Budget Increase / Decrease
FUND BALANCE APPROPRIATION	\$ -	\$ -	\$ 3,025,122	\$ 2,590,425	\$ (434,697)
6000 REVENUE FROM LOCAL SOURCES	\$ 49,165,026	\$ 51,472,047	\$ 52,924,014	\$ 57,704,479	\$ 4,780,465
7000 REVENUE FROM STATE SOURCES	\$ 26,892,553	\$ 27,660,748	\$ 28,326,563	\$ 26,201,751	\$ (2,124,812)
8000 REVENUE FROM FEDERAL SOURCES	\$ 826,270	\$ 1,131,798	\$ 964,869	\$ 964,869	\$ -
9000 REVENUE FROM OTHER SOURCES	\$ 2,139,766	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 79,023,615	\$ 80,264,593	\$ 85,240,568	\$ 87,461,524	\$ 2,220,956
TOTAL EXPENDITURES	\$ 67,533,827	\$ 73,190,487	\$ 79,857,010	\$ 83,939,634	\$ 4,082,625
TOTAL OTHER FINANCING USES	\$ 8,044,583	\$ 5,597,593	\$ 5,383,559	\$ 3,521,890	\$ (1,861,669)
TOTAL EXP & OTHER FINANCING USES	\$ 75,578,410	\$ 78,788,080	\$ 85,240,568	\$ 87,461,524	\$ 2,220,956
REVENUE OVER (UNDER) EXPENSE	\$ 3,445,206	\$ 1,476,514	\$ (0)	\$ -	\$ (0)
CHESTER COUNTY MILLAGE	26.750	27.499	28.157	29.050	0.89
MILLAGE INCREASE	0.000%	2.800%	2.393%	3.172%	
ACT 1 INDEX	2.30%	2.80%	2.40%	3.20%	

Notes:

Base budget - Debt at actual

2016-17 PSERS draw down \$1,828,000 (Committed Fund Balance)

General Ops usage (Unassigned Fund Balance)

\$ 1,828,000

\$ 762,425

Expenditures impacting the draft 2016-2017 Budget

Salaries	\$ 451,000
Benefits	\$1,756,000
- PSERS (30.03% vs. 25.84%)	\$1,205,000
- Insurance (Med. 4.86%, Pres. 22.35%)	\$ 551,000
Professional Services (Spec Ed)	\$ 324,000
Other Services (Reclass from Prof. Services)	\$ 922,000
Supplies – (Elec, Gas, Oil)	(\$ 96,000)
Property – (Capital Purchases)	\$ 660,000
Other (Interest)	(\$ 495,000)
Debt Service (Principle)	(\$1,266,000)



2016-2017 Preliminary K-1 Budget

Version 2

SUMMARY	2013 - 2014 Actual Revenue / Expenditures	2014 - 2015 Actual Revenue / Expenditures	2015 - 2016 Final Budgeted Revenue / Expenditures	2016 - 2017 Prelim Budgeted Revenue / Expenditures	Budget / Budget Increase / Decrease
FUND BALANCE APPROPRIATION	\$ -	\$ -	\$ 3,025,122	\$ 3,087,543	\$ 62,421
6000 REVENUE FROM LOCAL SOURCES	\$ 49,165,026	\$ 51,472,047	\$ 52,924,014	\$ 57,704,479	\$ 4,780,465
7000 REVENUE FROM STATE SOURCES	\$ 26,892,553	\$ 27,660,748	\$ 28,326,563	\$ 26,201,751	\$ (2,124,812)
8000 REVENUE FROM FEDERAL SOURCES	\$ 826,270	\$ 1,131,798	\$ 964,869	\$ 964,869	\$ -
9000 REVENUE FROM OTHER SOURCES	\$ 2,139,766	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 79,023,615	\$ 80,264,593	\$ 85,240,568	\$ 87,958,642	\$ 2,718,074
TOTAL EXPENDITURES	\$ 67,533,827	\$ 73,190,487	\$ 79,857,010	\$ 84,436,752	\$ 4,579,743
TOTAL OTHER FINANCING USES	\$ 8,044,583	\$ 5,597,593	\$ 5,383,559	\$ 3,521,890	\$ (1,861,669)
TOTAL EXP & OTHER FINANCING USES	\$ 75,578,410	\$ 78,788,080	\$ 85,240,568	\$ 87,958,642	\$ 2,718,074
REVENUE OVER (UNDER) EXPENSE	<u>\$ 3,445,206</u>	<u>\$ 1,476,514</u>	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ (0)</u>
CHESTER COUNTY MILLAGE	26.750	27.499	28.157	29.050	0.89
MILLAGE INCREASE	0.000%	2.800%	2.393%	3.172%	
ACT 1 INDEX	2.30%	2.80%	2.40%	3.20%	

Notes:

FDK, No Modulars-Net \$497,119 (Funtion 1110)	\$ 497,119
2016-17 PSERS draw down \$1,828,000 (Committed Fund Balance)	\$ 1,828,000
General Ops usage (Unassigned Fund Balance)	\$ 762,424



2016-2017 Preliminary K-2 Budget

Version 3

SUMMARY	2013 - 2014 Actual Revenue / Expenditures	2014 - 2015 Actual Revenue / Expenditures	2015 - 2016 Final Budgeted Revenue / Expenditures	2016 - 2017 Prelim Budgeted Revenue / Expenditures	Budget / Budget Increase / Decrease
FUND BALANCE APPROPRIATION	\$ -	\$ -	\$ 3,025,122	\$ 2,860,571	\$ (164,551)
6000 REVENUE FROM LOCAL SOURCES	\$ 49,165,026	\$ 51,472,047	\$ 52,924,014	\$ 57,704,479	\$ 4,780,465
7000 REVENUE FROM STATE SOURCES	\$ 26,892,553	\$ 27,660,748	\$ 28,326,563	\$ 26,201,751	\$ (2,124,812)
8000 REVENUE FROM FEDERAL SOURCES	\$ 826,270	\$ 1,131,798	\$ 964,869	\$ 964,869	\$ -
9000 REVENUE FROM OTHER SOURCES	\$ 2,139,766	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 79,023,615	\$ 80,264,593	\$ 85,240,568	\$ 87,731,670	\$ 2,491,102
TOTAL EXPENDITURES	\$ 67,533,827	\$ 73,190,487	\$ 79,857,010	\$ 84,209,780	\$ 4,352,771
TOTAL OTHER FINANCING USES	\$ 8,044,583	\$ 5,597,593	\$ 5,383,559	\$ 3,521,890	\$ (1,861,669)
TOTAL EXP & OTHER FINANCING USES	\$ 75,578,410	\$ 78,788,080	\$ 85,240,568	\$ 87,731,670	\$ 2,491,102
REVENUE OVER (UNDER) EXPENSE	\$ 3,445,206	\$ 1,476,514	\$ (0)	\$ -	\$ (0)
CHESTER COUNTY MILLAGE	26.750	27.499	28.157	29.050	0.89
MILLAGE INCREASE	0.000%	2.800%	2.393%	3.172%	
ACT 1 INDEX	2.30%	2.80%	2.40%	3.20%	

Notes:

FDK w/Modulars- Net \$270,146 (Function 1110)	\$ 270,146
2016-17 PSERS draw down \$1,828,000 (Committed Fund Balance)	\$ 1,828,000
General Ops usage (Unassigned Fund Balance)	\$ 762,425
See Fund Balance slide for capital portion	

General Fund Balance

	Actual 2014-15	Budget 2015-16	Est. 2015-16	Version 1 - 2016-17	Version 2 - 2016-17	Version 3 - 2016-17
	*					
Beginning Balance	\$28,794,580	\$29,755,596	\$29,755,596	\$26,060,817	\$26,060,817	\$26,060,817
Surplus/Deficit	\$961,016	(\$3,025,122)	(\$1,894,779)	(\$2,590,425)	(\$3,087,543)	(\$2,860,571)
Capital Projects	\$0	(\$1,800,000)	(\$1,800,000)	(\$1,920,250)	(\$1,920,250)	(\$1,920,250)
Full-Day K	\$0	\$0	\$0	\$0	\$0	(\$1,337,875)
Total Fund Balance	<u>\$29,755,596</u>	<u>\$24,930,474</u>	<u>\$26,060,817</u>	<u>\$21,550,142</u>	<u>\$21,053,024</u>	<u>\$19,942,121</u>

* Audited

Combined General & Capital Projects Funds

2016-2017 AGSD Debt Service

Fiscal Yr. Ended	G.O. Bonds	G.O. Bonds	G.O. Bonds	G.O. Bonds	G.O. Bonds	G.O. Bonds	G.O. Bonds	G.O. Bonds	Total		
	Series of 2009	Series A of 2009	Series of 2010	Series A of 2010	Series of 2012	Series A of 2012	Series of 2014	Series of 2015	Issued Debt Service	Current	Long Term
6/30/2015	1,455,625	1,151,956	767,900	1,696,800	205,200	167,590	152,509	0	5,597,580		
6/30/2016	1,614,938	0	546,750	0	226,550	360,540	1,575,550	83,594	4,407,921	4,407,921	
6/30/2017	0	0	0	0	222,650	717,890	1,578,850	752,500	3,271,890		3,271,890
6/30/2018	0	0	0	0	228,650	711,540	1,573,600	756,575	3,270,365		3,270,365
6/30/2019	0	0	0	0	229,500	710,040	1,576,850	753,600	3,269,990		3,269,990
6/30/2020	0	0	0	0	220,350	713,290	1,571,400	761,300	3,266,340		3,266,340
6/30/2021	0	0	0	0	226,150	711,290	1,575,950	762,700	3,276,090		3,276,090
6/30/2022	0	0	0	0	231,750	714,040	782,750	759,050	2,487,590		2,487,590
6/30/2023	0	0	0	0	227,250	716,490	0	0	943,740		943,740
6/30/2024	0	0	0	0	0	713,368	0	0	713,368		713,368
6/30/2025	0	0	0	0	0	709,554	0	0	709,554		709,554
6/30/2026	0	0	0	0	0	709,975	0	0	709,975		709,975
6/30/2027	0	0	0	0	0	714,503	0	0	714,503		714,503
6/30/2028	0	0	0	0	0	713,284	0	0	713,284		713,284
6/30/2029	0	0	0	0	0	0	0	0	0		0
Total P & I	3,070,563	1,151,956	1,314,650	1,696,800	2,018,050	9,083,393	10,387,459	4,629,319	33,352,188	4,407,921	23,346,688

Major Impact Items

Enhancing Educational & Support Programs

Strategic Plan Guiding Forward Progress

- **Strategic Goal #1: Increase Learning Opportunities for All** **\$795,536**

 - Purchase of Resources & Materials for K-6 Science Curriculum
 - Purchase Materials to develop classroom libraries for K-6 for Reading, Writing, and Science Areas
 - Equipment & Materials for converting a standard classroom to a Lab-capable Classroom in HS
 - Books, Kits, etc., for 7-9 Science plus Biology.
 - Art Department Equipment Upgrade
 - Resources Required for Classes offered under the STEAM Initiative
 - Staffing Requests:
 - 1.0 FTE Instructional Tech Coach (Secondary)
 - 1.0 PT Main Office Receptionist/Attendance Office Support (HS)
 - 1.0 PT Admin Assistant with Title of Assistant Director of Athletics and Student Activities (HS)
 - 1.0 FTE Math Teacher (FSEMS)
 - 2.0 PT Instructional Aides for Special Ed (FSEMS)
 - 1.0 PT Instructional Aide – Overall Operations (FSEMS)
 - 10 PT Lunch and Recess Aides – 15 hrs/week (AGIS)

- **Strategic Goal #2: Develop and Implement a Systems Thinking Approach** **\$210,852**

 - 1-1 CIPA/COPA Compliance
 - 1-1 LMS (Learning Management System)
 - Chrome Books Charging Towers
 - Staffing Request:
 - 1.0 FTE Transportation and DO Support

- **Strategic Goal #3: Develop and Establish a Communication and Community Outreach Plan** **\$133,750**

 - 1-1 LMS (Learning Management System)
 - 1-1 Initiative Total Care Coverage (Internet Filtration System)

Total of Proposed Major Impacts to the General Fund 2016-17 Budget **\$1,140,138.00**

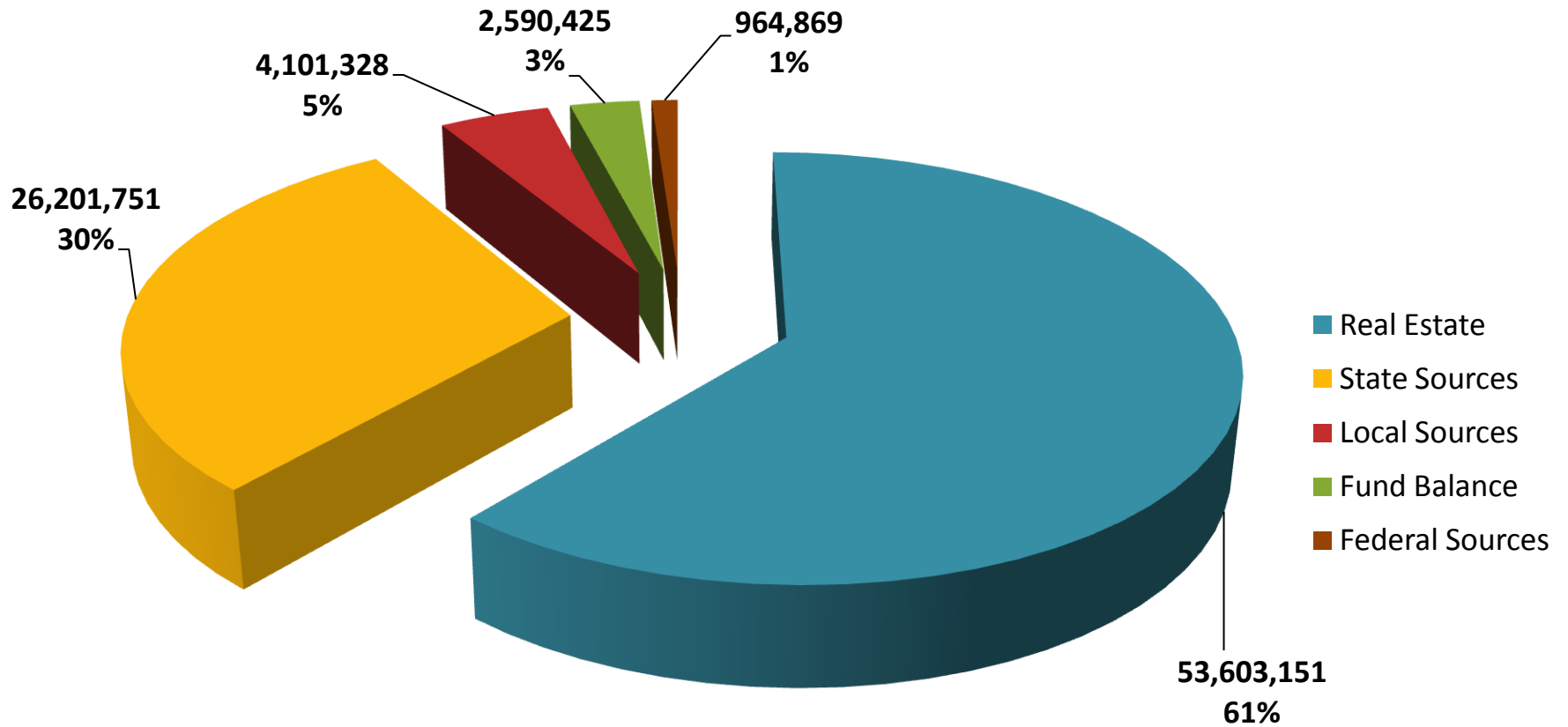
Capital Projects

Capital Projects 5-Year Summary/Plan

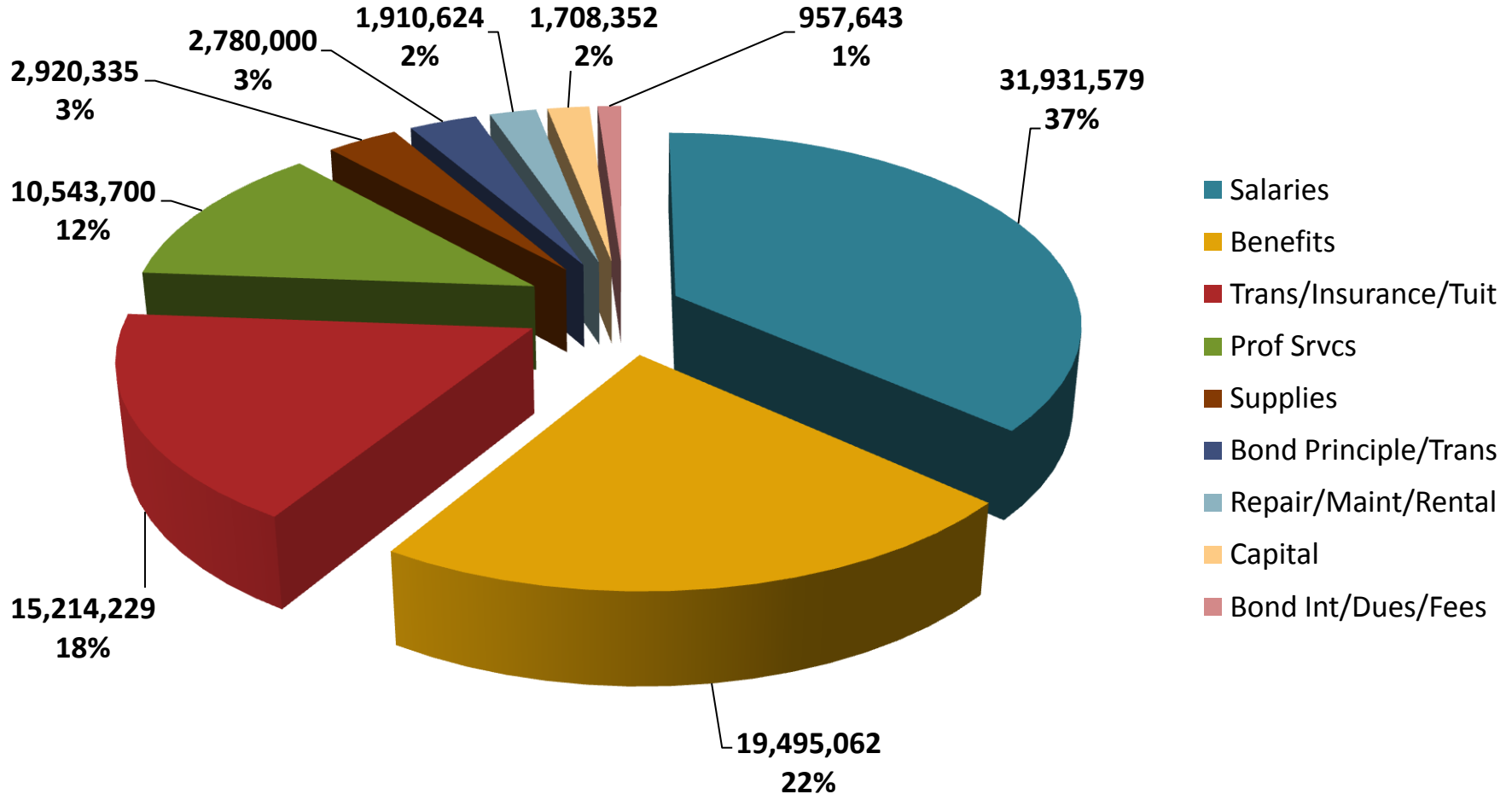
	2015/16	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	Total
AGHS	\$ 203,700	\$ 297,250	\$ 2,915,148	\$ 1,723,000	\$ 6,420,000	\$ 1,575,000	\$ 13,134,098
AGIS	\$ 325,000	\$ 165,000	\$ 61,000	\$ 35,000	\$ 40,000	\$ 1,245,000	\$ 1,871,000
FSEMS	\$ 94,500	\$ 97,500	\$ 221,000	\$ 238,000	\$ 380,000	\$ 400,000	\$ 1,431,000
PLE	\$ 263,500	\$ 925,500	\$ 1,230,000	\$ 670,000	\$ 525,000	\$ 385,000	\$ 3,999,000
DO & Maint	\$ 97,000	\$ 435,000	\$ 50,000	\$ 56,500	\$ 80,000	\$ -	\$ 718,500
Totals	\$ 983,700	\$ 1,920,250	\$ 4,477,148	\$ 2,722,500	\$ 7,445,000	\$ 3,605,000	\$ 21,153,598

Funding is provided through a transfer from the General Fund Balance

2016-2017 Revenue



2016-2017 Expenditures



Effects of a Real Estate Tax Increase

<u>2015-2016</u>			<u>2016-2017</u>			Increase
Assessed Value	Mill*	Total Tax Paid	Assessed Value	Mill*	Total Tax Paid	
\$50,000	28.157	\$1,407.85	\$50,000	29.05	\$1,452.50	\$44.65
\$110,000	28.157	\$3,097.27	\$110,000	29.05	\$3,195.50	\$ 98.23
\$168,025	28.157	\$4,731.08	\$168,025	29.05	\$4,881.12	\$150.04
\$225,000	28.157	\$6,335.32	\$225,000	29.05	\$6,536.25	\$200.93
\$300,000	28.157	\$8,447.10	\$300,000	29.05	\$8715.00	\$267.90

***2016/17 Act I Index 3.2% = .90 Maximum Millage Increase allowed**

Increase not reflecting 2016 Homestead Exclusion (PA Property Tax Relief)

2016-2017 Budget Calendar

December 15, 2015	BOE meeting consideration of “Opt-Out” Resolution (<i>Action Taken December 15, 2015</i>)
January 12, 2016	Finance Committee Meeting - Presentation of 2016-17 Draft Budget
February 9, 2016	Finance Committee - 2016-17 Budget - Revenue
March 8, 2016	Finance Committee - 2016-17 Budget - Expense
April 12, 2016	Finance Committee - Budget Update
April 28, 2016	Proposed Final Budget Adoption
June 9, 2016	Final Adoption

Questions

Thank YOU