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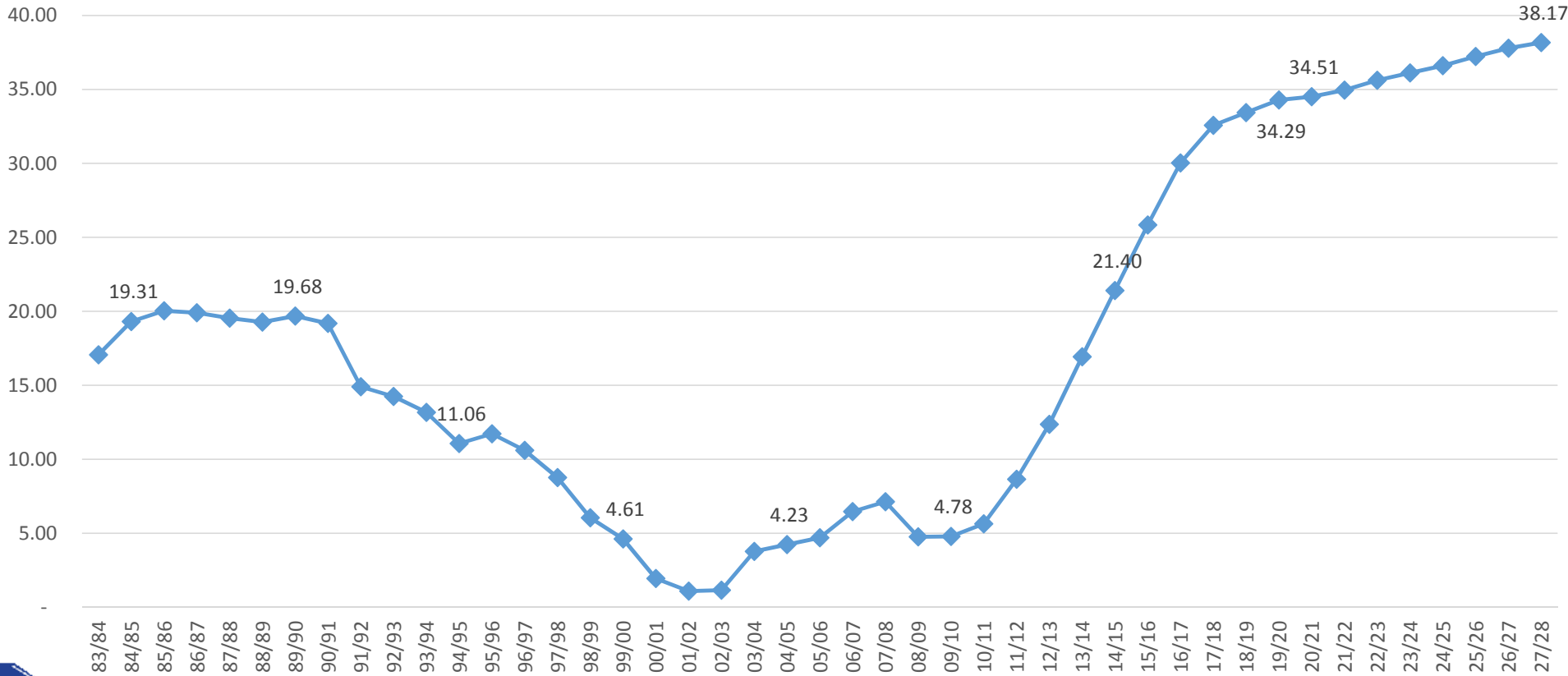
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2020/2021 Proposed Final Budget

Budgeted Revenues

	19/20 Final Budget	20/21 Preliminary	20/21 Proposed Final	Change from Prelim to Proposed Final
Local Revenue	8,613,380	8,625,985	8,456,091	(169,894)
State Revenue	10,648,108	10,257,546	10,227,884	(29,662)
Federal Revenue	400,578	400,578	399,285	(1,293)
Total Revenue	19,662,066	19,284,109	19,083,260	(200,849)

History & Projection of PSERS Rate



History & Projection of PSERS Rates

Year	Employer Rate	Increase
2011-12	8.65%	
2012-13	12.36%	3.71%
2013-14	16.93%	4.57%
2014-15	21.40%	4.47%
2015-16	25.84%	4.44%
2016-17	30.03%	4.19%
2017-18	32.57%	2.54%
2018-19	33.43%	0.86%
2019-20	34.29%	0.86%
2020-21	34.51%	0.22%
2021-22	34.95%	0.44%

Projected by PSERS

How the PSERS Rate Works

Estimated salaries for 2020/21 are \$8,457,818

$\$8,457,818 \times 34.51\% = \$2,918,793$

As we roll into the 2021/22 year, an increase of 0.44% will generate an increase in expenses of \$37,214. ($\$8,457,818 * .44\% = \$37,214$)

Charter School Expenses

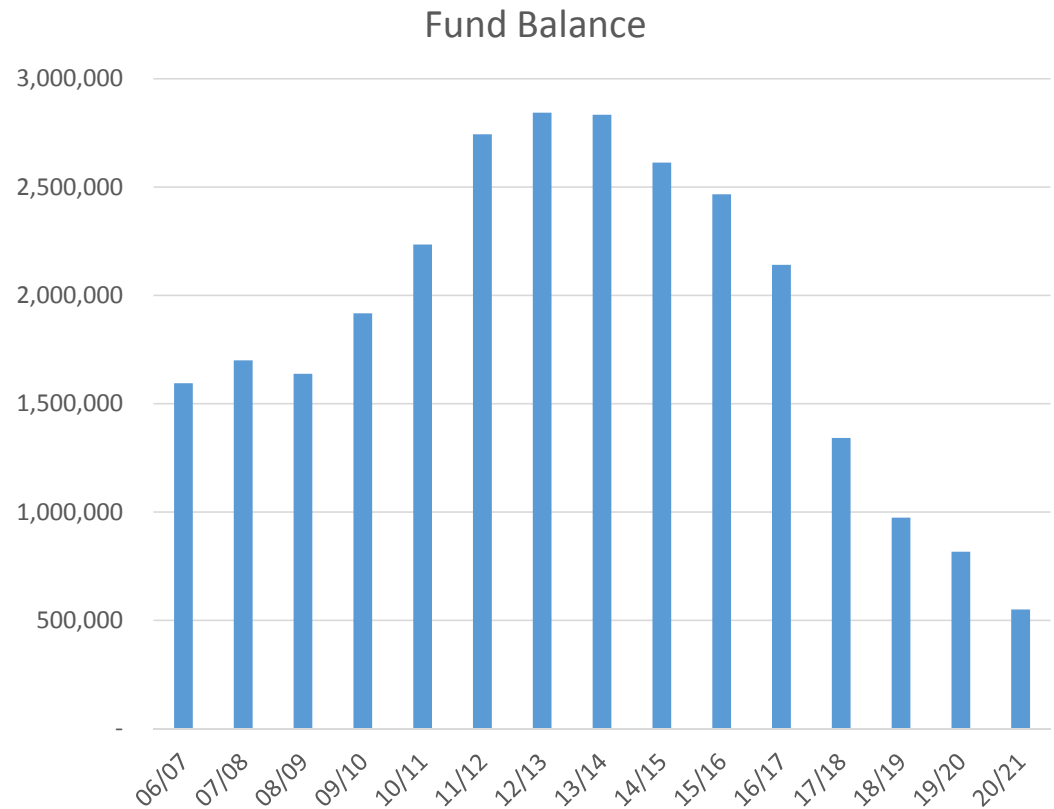
Year	Total	Year	Outside	Academy	Total	
02/03	7,415	12/13	179,292		179,292	
03/04	3,024	13/14	179,112		179,112	
04/05	9,639	14/15	248,846		248,846	
05/06	19,544	15/16	290,735		290,735	
06/07	35,495	16/17	421,719		421,719	
07/08	153,232	17/18	519,145		519,145	
08/09	190,959	18/19	384,318	121,598	505,916	
09/10	176,229	19/20	326,384	185,350	511,734	Estimated
10/11	186,805	20/21	325,500	245,870	571,370	Budgeted
11/12	176,669					

Budgeted Expenses

	19/20 Final Budget	20/21 Preliminary	20/21 Proposed Final	Change from Prelim to Proposed Final
100 Salaries	8,326,401	8,551,481	8,457,818	(93,663)
200 Benefits	6,012,914	6,029,595	5,943,879	(85,716)
300 Prof & Tech Svcs	839,462	839,462	797,129	(42,333)
400 Property Svcs	303,024	303,024	287,394	(15,630)
500 Other Svcs	1,496,799	1,496,799	1,545,761	48,962
600 Supplies	820,910	830,910	800,571	(30,339)
700 Property	99,195	99,195	84,034	(15,161)
800 Other Objects	127,582	127,582	133,249	5,667
900 Other Uses	1,717,676	1,300,000	1,300,000	-
Total Expenses	19,743,963	19,578,048	19,349,835	(228,213)

Fund Balance History

Year	Balance	Change	
06/07	1,594,317		
07/08	1,700,052	105,735	
08/09	1,637,887	(62,165)	
09/10	1,917,213	279,326	
10/11	2,234,960	317,747	
11/12	2,743,833	508,873	
12/13	2,843,493	99,660	
13/14	2,834,109	(9,384)	
14/15	2,613,222	(220,887)	
15/16	2,467,091	(146,131)	
16/17	2,141,360	(325,731)	
17/18	1,341,913	(799,447)	
18/19	974,194	(367,719)	
19/20	817,107	(157,087)	Budgeted
20/21	550,532	(266,575)	Budgeted



Fund Balance

- Budgeted fund balance at 6/30/20 is \$817,107.
- Budgeted expenses for 2019/2020 are \$19,743,963 or \$1,645,330 per month.
 - If something unexpected would happen, we could only cover ½ of a month of expenses.

Budgeted Fund Balance

	19/20 Final Budget	20/21 Preliminary	20/21 Proposed Final	Change from Prelim to Proposed Final
Budgeted Revenue	19,662,066	19,284,109	19,083,260	(200,849)
Budgeted Expenses	19,743,963	19,578,048	19,349,835	(228,213)
Change in Fund Bal	(81,897)	(293,939)	(266,575)	27,364
Add Exp for 4 Paras	(75,190)	-	-	-
Beginning Fund Bal	974,194	817,107	817,107	-
Ending Fund Bal	817,107	523,168	550,532	27,364

What if COVID-19 did not occur?

Revenue (Proposed Final)	19,083,260
Expenses (Proposed Final)	<u>19,349,835</u>
Deficit (Proposed Final)	(266,575)
Add Back EIT Revenue	109,913
Add Basic Ed Subsidy	86,076
Add Special Ed Subsidy	<u>11,304</u>
Deficit	(59,282)

- There are many articles and projections in the news regarding the impact of COVID-19 on school districts.
- Per a PASBO statewide model, it shows that South Williamsport Area School District could lose between \$574,000 and \$696,000 in revenue.
- Our budget cannot absorb the impact of lost revenue of that magnitude.
- All projections show that the COVID-19 pandemic will have an effect on school finances for at least 3 years.

Existing Debt Payment Schedule

	Due in 19/20	Due in 20/21	Due in 21/22
2016 Note – Principal	1,655,000	-	-
2016 Note – Interest	13,654	-	-
PlanCon Reimbursement	(409,760)	-	-
2014 Bond – Principal	15,000	1,265,000	395,000
2014 Bond – Interest	33,943	21,143	4,246
Net Debt Service	1,307,837	1,286,143	399,246

The 2016 Note was at 1.65%.

The 2014 Bond coupon rate is 2% for 19/20; 2% for 20/21 and 2.15% for 21/22.

Hypothetical Refinancing Scenario

Existing	Due in 20/21	Due in 21/22	Total
2014 Bond – Principal	1,265,000	395,000	1,660,000
2014 Bond – Interest	21,143	4,246	25,389
Net Debt Service	1,286,143	399,246	1,685,389

If we refinance under this scenario, we would free up \$800,000 in 20/21 to cover a loss of revenue. If revenues do not drop by \$800,000, I would transfer the excess to Capital Reserve for future building maintenance/projects. The excess should not cover everyday operations.

Scenario	Due in 20/21	Due in 21/22	Due in 22/23	Total
2020 Bond – Principal	470,000	720,000	525,000	1,715,000
2020 Bond – Interest	29,251	26,550	7,875	63,676
Net Debt Service	499,251	746,550	532,875	1,778,676

The 2014 Bond coupon rate is 2% for 19/20; 2% for 20/21 and 2.15% for 21/22.

Assumptions for 2020 Bond: Coupon at 3% each year, A+ rating

Next Steps

- Proposed Final Budget to be advertised and available for public inspection
- May 18 Board Meeting
 - Invite Audrey Bear from Piper Jaffrey to discuss debt refinance
 - If the Board would like to refinance, make a motion to approve debt refinance
- June 1 Board Meeting
 - Discuss any budget changes from Proposed Final Budget in anticipation of adoption of Final Budget
- June 15 Board Meeting
 - Approve the 2020/21 Final Budget
 - Adopt the 2020/21 Tax Levies
 - Approve the 2020 Homestead and Farmstead Exclusion Resolution

Questions?