



November 15, 2016  
Finance Committee



# Key Financial Comparables – Revenue Summary

Revenue	PBSD				Allegheny County (Avg.)		PA (Average)	
	Local Sources							
6000	Local Sources	\$31,412,552	56.27%	\$39,179,156	63.02%	\$31,773,212	59.44%	
7000	State Sources	\$23,326,487	41.78%	\$20,632,808	33.19%	\$20,044,820	37.50%	
8000	Federal Sources	\$1,086,690	1.95%	\$2,361,012	3.80%	\$1,638,987	3.07%	
	Total Revenue	\$55,825,728		\$62,172,976		\$53,457,018		
	Other Revenue	\$723,000		\$2,959,766		\$2,839,515		
	All Revenue	\$56,548,728		\$65,132,741		\$56,296,533		
# of Students		4012		3449		3454		

# Financial Performance - Total Revenue



## Line Item Revenue Comparison District(s): All

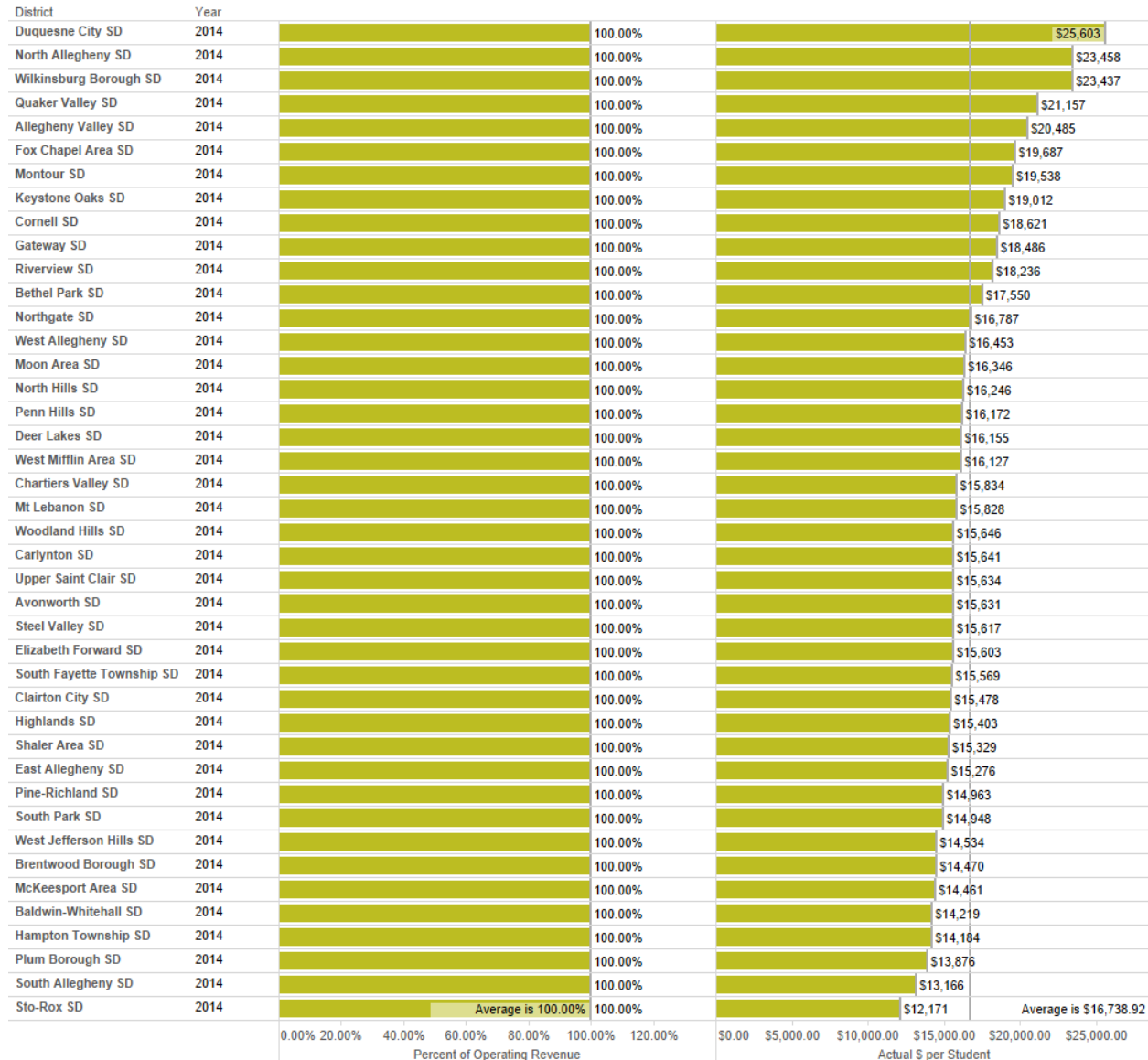
Source: Pennsylvania Department of Education

Notes: "Total Operating Revenue" includes operating items from General Fund;

Actual \$ Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.

Display By (Revenue)

2014



PBSD receives \$2,862 less per student than the average District in Allegheny County



# Financial Performance - Local Revenue

## Line Item Revenue Comparison District(s): All

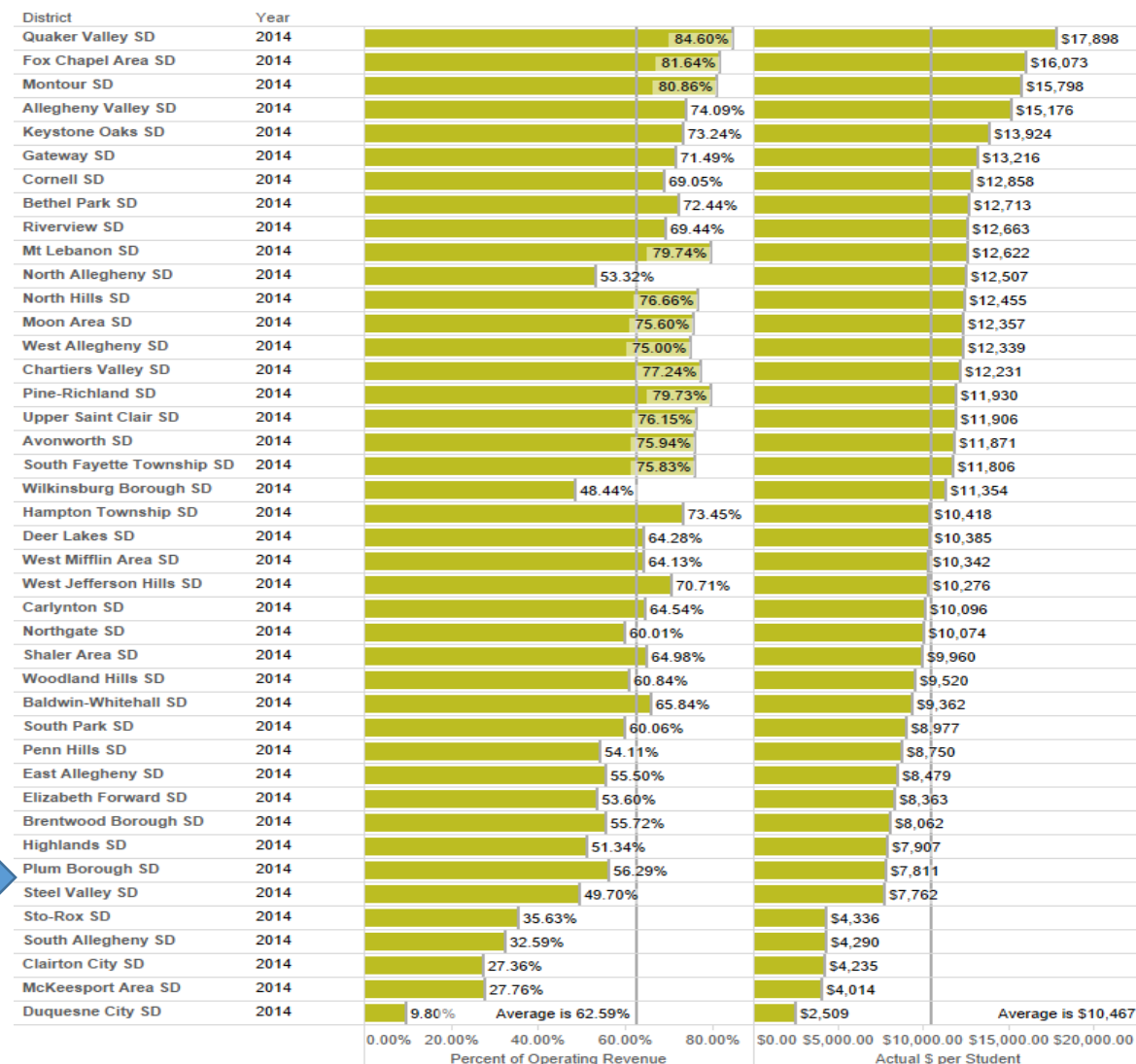
Source: Pennsylvania Department of Education

Notes: "Total Operating Revenue" includes operating items from General Fund;

Actual \$ Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.

Display By (Revenue)

2014



PBSD local effort is \$2,656 per student less than the average District in Allegheny County

# Financial Performance - State Revenue



## Line Item Revenue Comparison

District(s): All

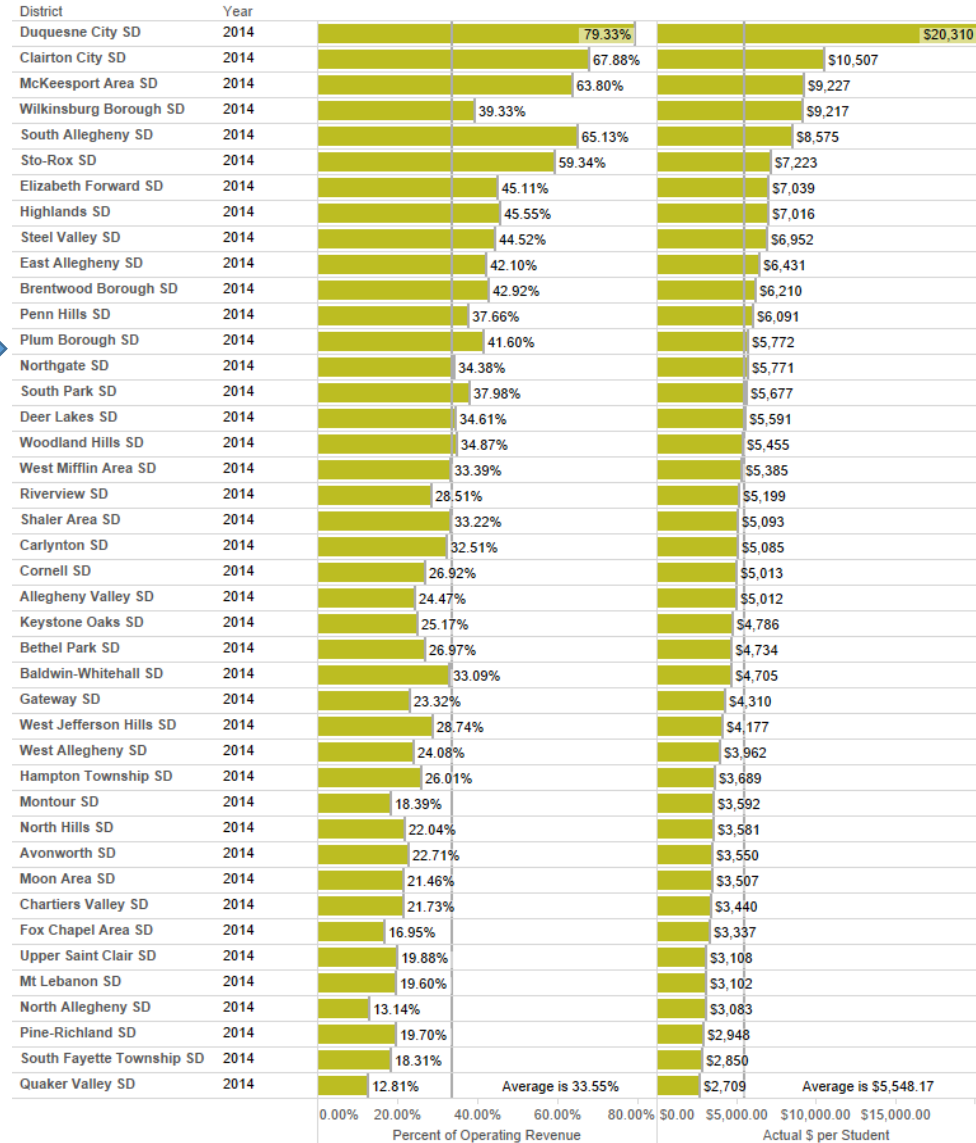
Source: Pennsylvania Department of Education

Notes: "Total Operating Revenue" includes operating items from General Fund;

Actual \$ Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.

Display By (Revenue)

2014



# Financial Performance - Federal Revenue



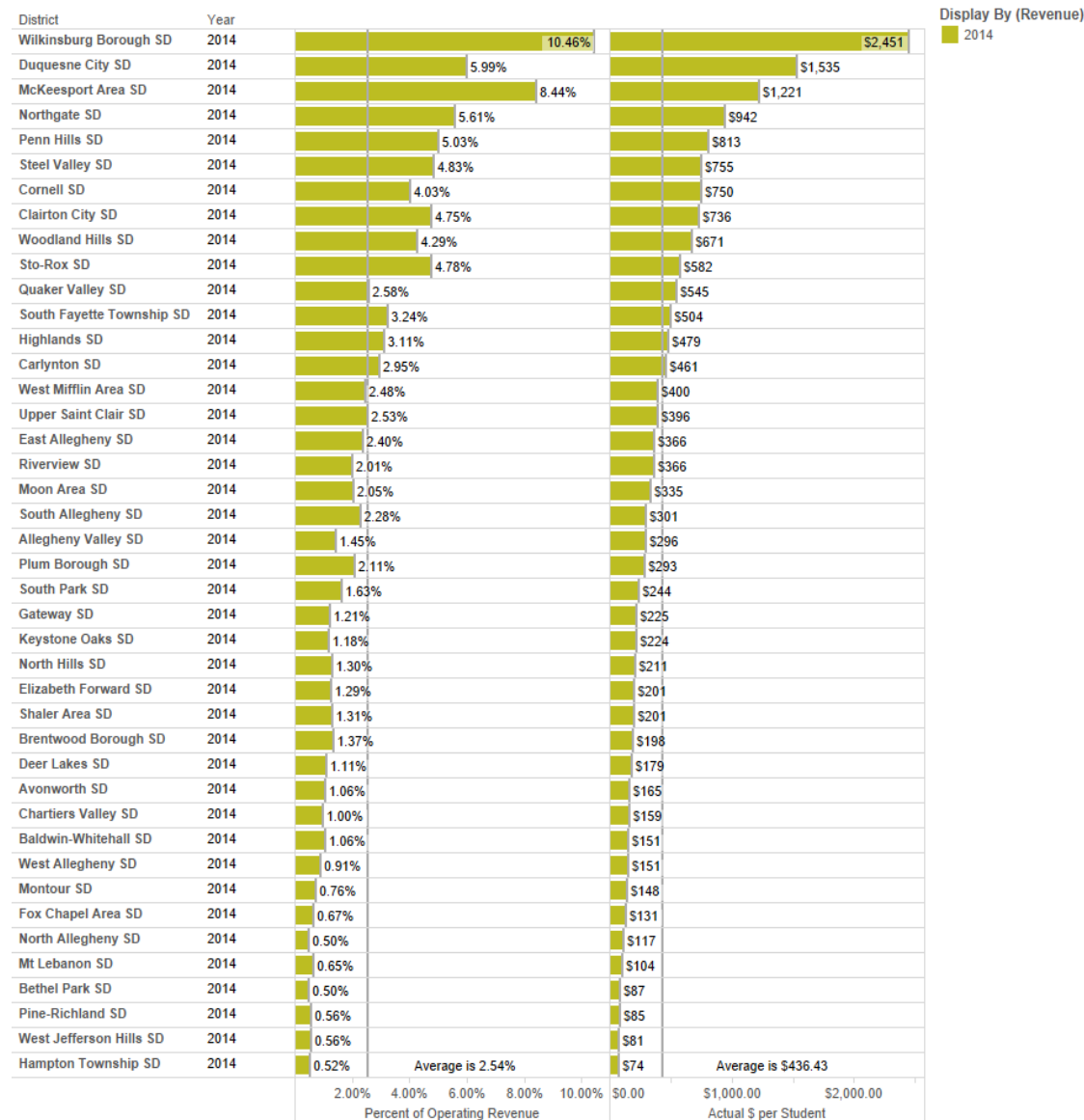
## Line Item Revenue Comparison

District(s): All

Source: Pennsylvania Department of Education

Notes: "Total Operating Revenue" includes operating items from General Fund;

Actual \$ Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.





# Key Financial – Expenditure Summary by Object

Plum Borough School District For The Year Ended June 30, 2015							
Expenses by Object		PBSD		Allegheny County (Avg)		PA (Average)	
100	Salaries	\$27,940,849.81	47.67%	\$26,351,091	41.04%	\$22,089,742	40.33%
200	Employee Benefits	\$6,089,182.08	10.39%	\$6,143,641	9.57%	\$5,536,274	10.11%
220	Social Security	\$2,115,485.61	3.61%	\$1,967,561	3.06%	\$1,656,451	3.02%
230	PSERS	\$5,924,370.04	10.11%	\$5,572,800	8.68%	\$4,652,557	8.49%
	<b>Employee Costs</b>	<b>\$42,069,887.54</b>	<b>71.78%</b>	<b>\$40,035,094</b>	<b>62.35%</b>	<b>\$33,935,024</b>	<b>61.96%</b>
300	Purchased Professional and Technical	\$2,027,143.53	3.46%	\$3,563,356	5.55%	\$3,013,791	5.50%
400	Purchased Property Services	\$1,336,329.39	2.28%	\$1,399,265	2.18%	\$1,146,427	2.09%
500	<b>Other Purchased Services</b>	<b>\$3,940,997.19</b>	<b>6.72%</b>	<b>\$7,885,072</b>	<b>12.28%</b>	<b>\$7,308,593</b>	<b>13.34%</b>
600	Supplies	\$1,697,283.24	2.90%	\$1,932,375	3.01%	\$1,661,956	3.03%
700	Property	\$241,196.56	0.41%	\$697,985	1.09%	\$530,682	0.97%
800	Other Objects	\$4,238,948.22	7.23%	\$2,544,014	3.96%	\$1,777,260	3.24%
900	Other Use of Funds	\$3,060,000.00	5.22%	\$6,149,268	9.58%	\$5,399,450	9.86%
	<b>Total Expenses</b>	<b>\$58,611,785.67</b>		<b>\$64,206,428.31</b>		<b>\$54,773,182.52</b>	

# Key Financial – Expenditure Summary by Function



Instructional expenses  
exceed state and  
county averages



Support expenses less  
than state and county  
averages



Plum Borough School District For The Year Ended June 30, 2015							
		PBSD		Allegheny County (Avg.)		PA (Average)	
Revenue							
6000	Local Sources	\$ 31,412,552	56.27%	\$ 39,179,156	63.02%	\$ 31,773,212	59.44%
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8000	Federal Sources	\$ 1,086,690	1.95%	\$ 2,361,012	3.80%	\$ 1,638,987	3.07%
	Total Revenue	\$ 55,825,728		\$ 62,172,976		\$ 53,457,018	
	Other Revenue	\$ 723,000		\$ 2,959,766		\$ 2,839,515	
	All Revenue	\$ 56,548,728		\$ 65,132,741		\$ 56,296,533	
Expenses							
	Instruction						
1100	Regular Programs	\$ 27,658,096	47.19%	\$ 25,848,784	40.26%	\$ 22,112,814	40.37%
1200	Special Programs	\$ 5,957,067	10.16%	\$ 7,980,794	12.43%	\$ 7,712,337	14.08%
1300	Vocational Programs	\$ 646,659	1.10%	\$ 1,087,726	1.69%	\$ 1,248,901	2.28%
1400	Other Instr. Programs	\$ 98,798	0.17%	\$ 456,300	0.71%	\$ 519,282	0.95%
1500	NonPublic		0.00%	\$ 72,159	0.11%	\$ 33,537	0.06%
1600	Adult Education		0.00%	\$ 68,777	0.11%	\$ 66,929	0.12%
1700	Community College		0.00%	\$ 23	0.00%	\$ 51,085	0.09%
1800	Pre Kindergarden		0.00%	\$ 524,793	0.82%	\$ 275,798	0.50%
			58.62%		56.13%		58.46%
	Support						
2100	Pupil Personnel	\$ 1,405,308	2.40%	\$ 1,759,711	2.74%	\$ 1,560,392	2.85%
2200	Instructional Staff	\$ 721,798	1.23%	\$ 1,735,707	2.70%	\$ 1,424,303	2.60%
2300	Administrative	\$ 3,177,890	5.42%	\$ 3,647,736	5.68%	\$ 2,904,520	5.30%
2400	Pupil Health	\$ 737,688	1.26%	\$ 684,482	1.07%	\$ 576,287	1.05%
2500	Business	\$ 370,303	0.63%	\$ 748,366	1.17%	\$ 618,664	1.13%
2600	Maintenance	\$ 4,660,583	7.95%	\$ 5,334,943	8.31%	\$ 4,239,658	7.74%
2700	Transportation	\$ 2,881,137	4.92%	\$ 3,401,808	5.30%	\$ 2,761,781	5.04%
2800	Central and Other	\$ 637,062	1.09%	\$ 1,080,979	1.68%	\$ 843,834	1.54%
2900	Other Support	\$ 1,181,351	2.02%	\$ 106,151	0.17%	\$ 74,035	0.14%
			26.91%		28.81%		27.39%
	Operation of Non Institution						
3200	Student Activities	\$ 915,772	1.56%	\$ 1,113,575	1.73%	\$ 845,377	1.54%
3300	Community Service	\$ 254,728	0.43%	\$ 104,888	0.16%	\$ 103,585	0.19%
3400	Awards					\$ 14,937	
	Facilities Acquisition, Const. and Improvement						
4000	Building Improvements	\$ 144,607	0.25%	\$ 258,353	0.40%	\$ 111,913	0.20%
	Other Financing Uses						
5000	Other Financing (Debt Service)	\$ 7,162,937	12.22%	\$ 8,405,795	13.09%	\$ 6,926,798	12.65%
	Total Expenses	\$58,611,785.67		\$ 64,206,428		\$ 54,773,183	
	Net Change	\$ (2,063,058)		\$ 926,313		\$ 1,523,351	
	# of Students	4012		3449		3454	
	Overall Cost Per Student	\$ 14,609		\$ 18,616		\$ 15,858	



# Financial Performance - Total Expenditure

## Line Item Spending Comparison

District(s): All

Source: Pennsylvania Department of Education

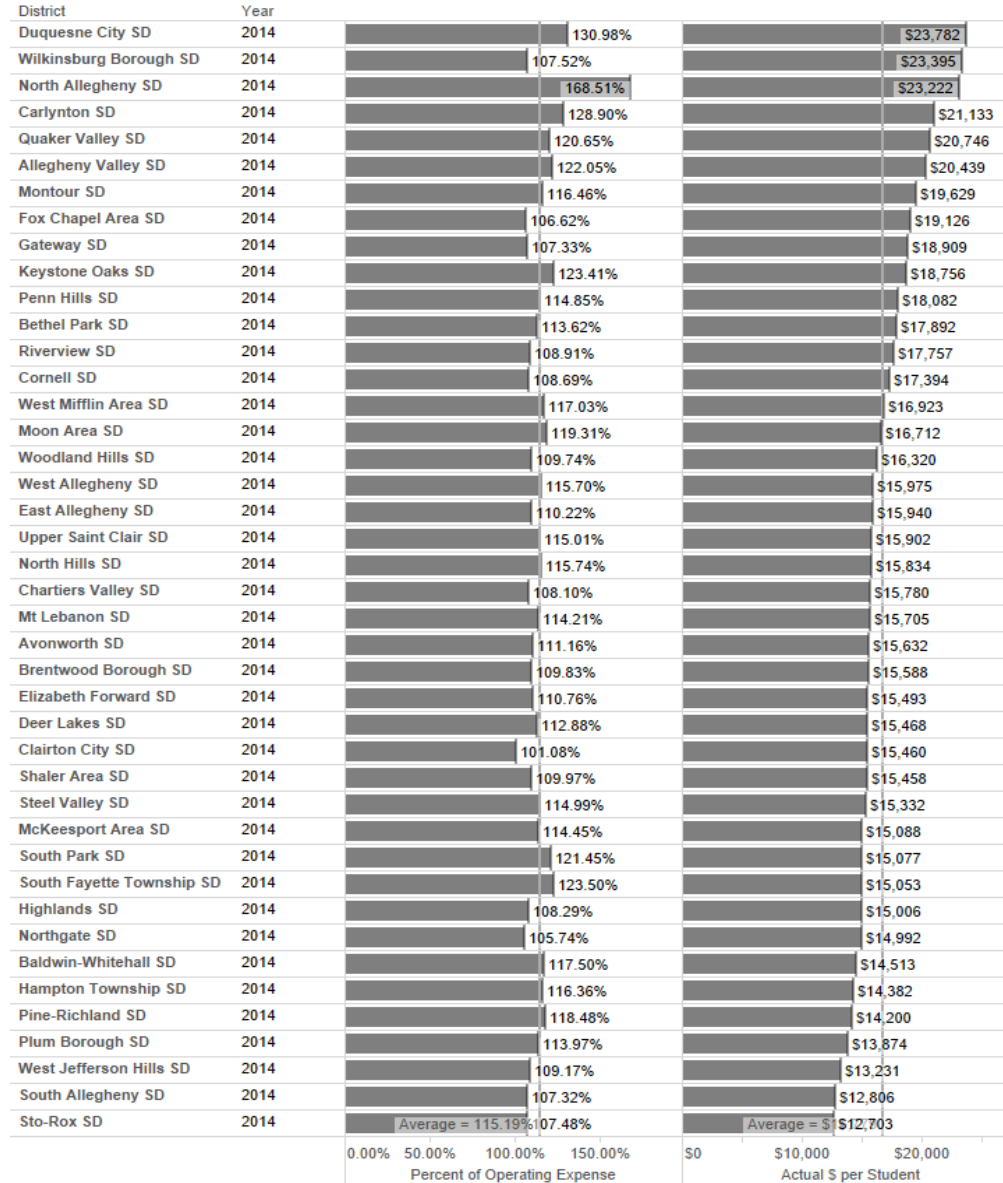
Notes: "Total Operating Expense" includes operating items from General Fund;

Actual \$ Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.



Display By (Expense)

2014



PBSD spends less than 91% of all school districts in Allegheny County on a per pupil basis



# Financial Performance - Total Instruction Expenditure

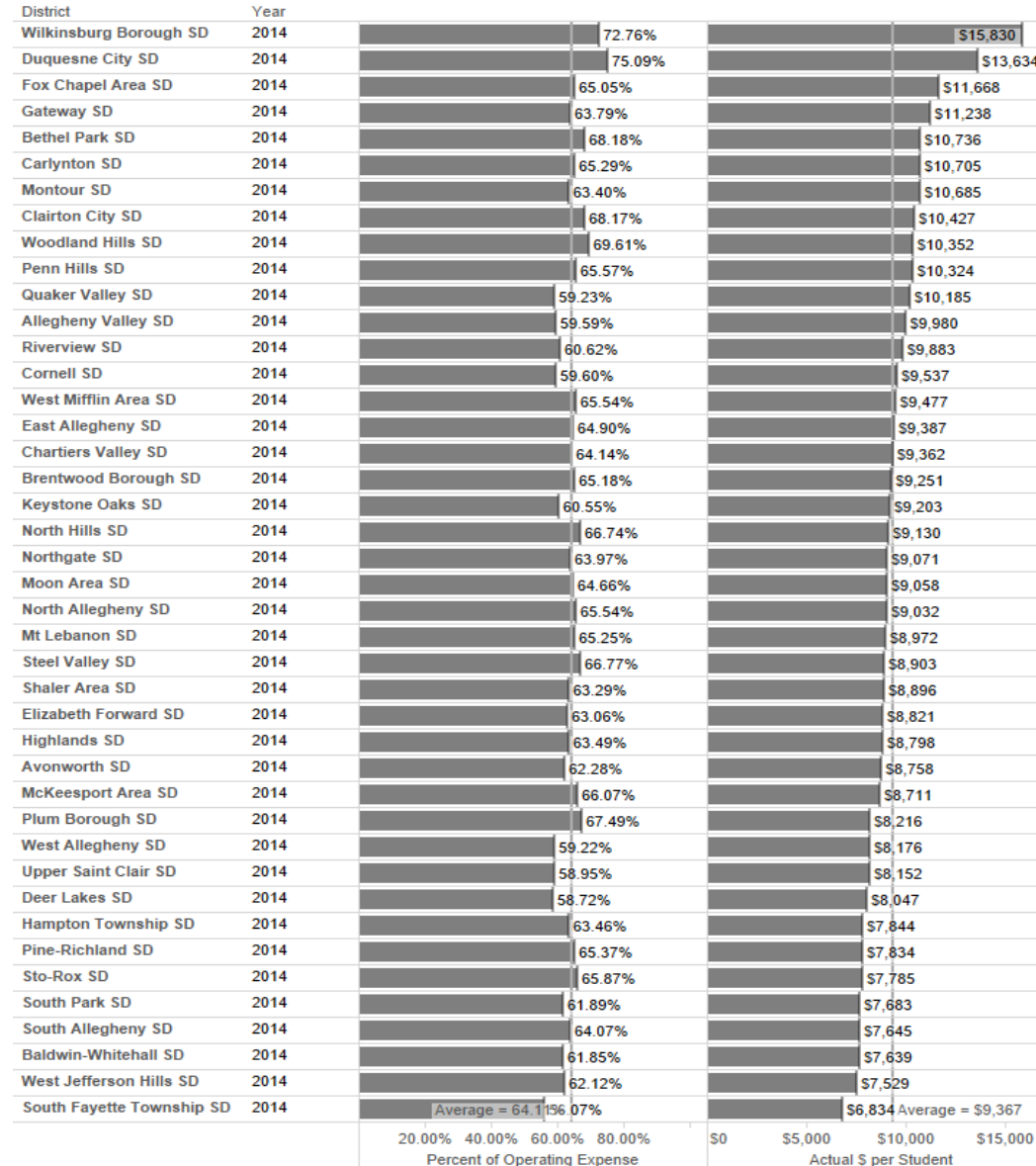
## Line Item Spending Comparison

District(s): All

Source: Pennsylvania Department of Education

Notes: "Total Operating Expense" includes operating items from General Fund;

Actual \$ Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.



Display By (Expense)

2014

PBSD spends less than 74% of all school districts in Allegheny County on instruction

# Financial Performance - Total Support Expenditure

## Line Item Spending Comparison

District(s): All

Source: Pennsylvania Department of Education

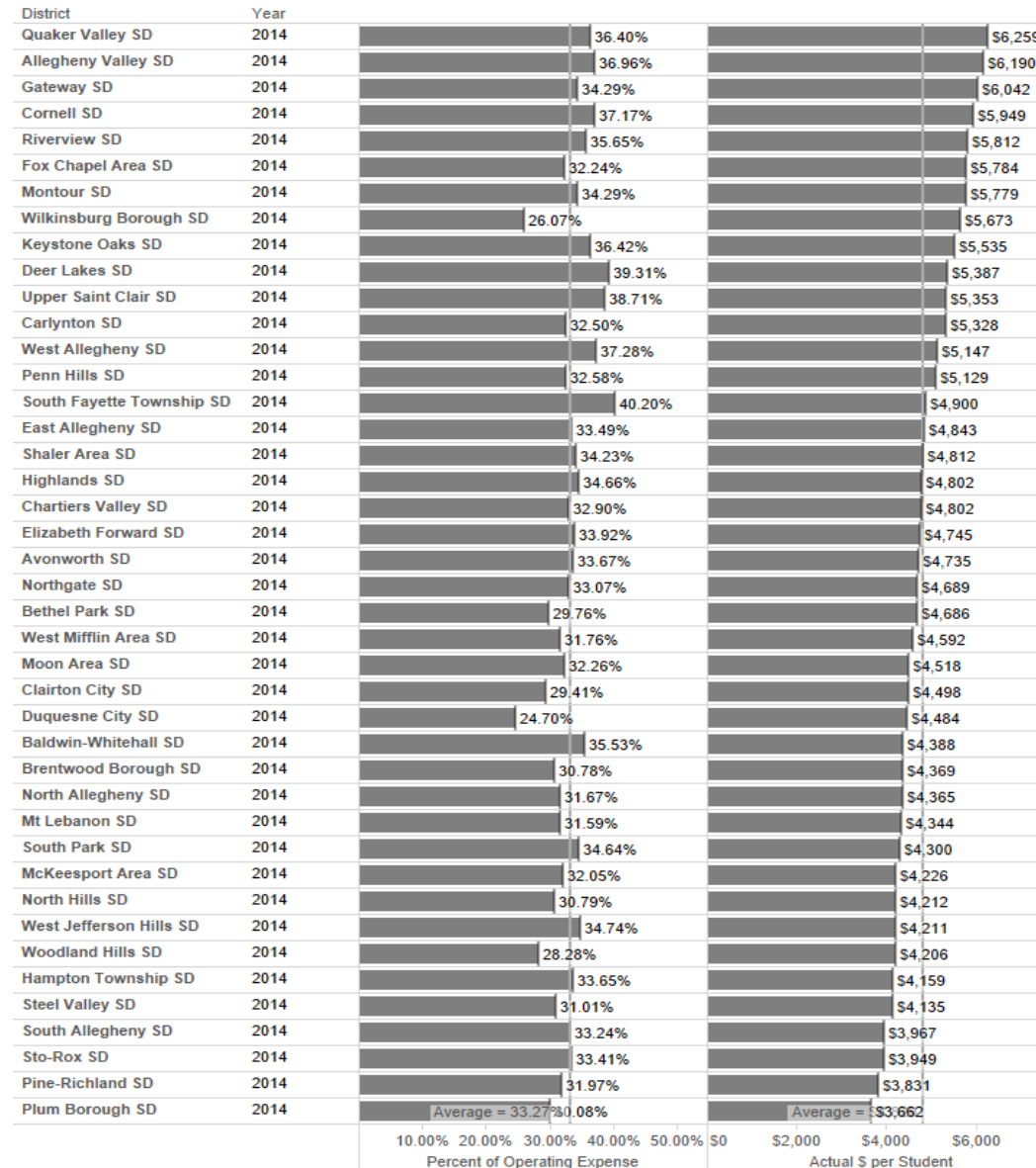
Notes: "Total Operating Expense" includes operating items from General Fund;

Actual \$ Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.



Display By (Expense)

■ 2014



PBSD spends less than **ALL** school districts in Allegheny County on support - 2000 function



# Financial Performance - Non Instructional Service Expenditure



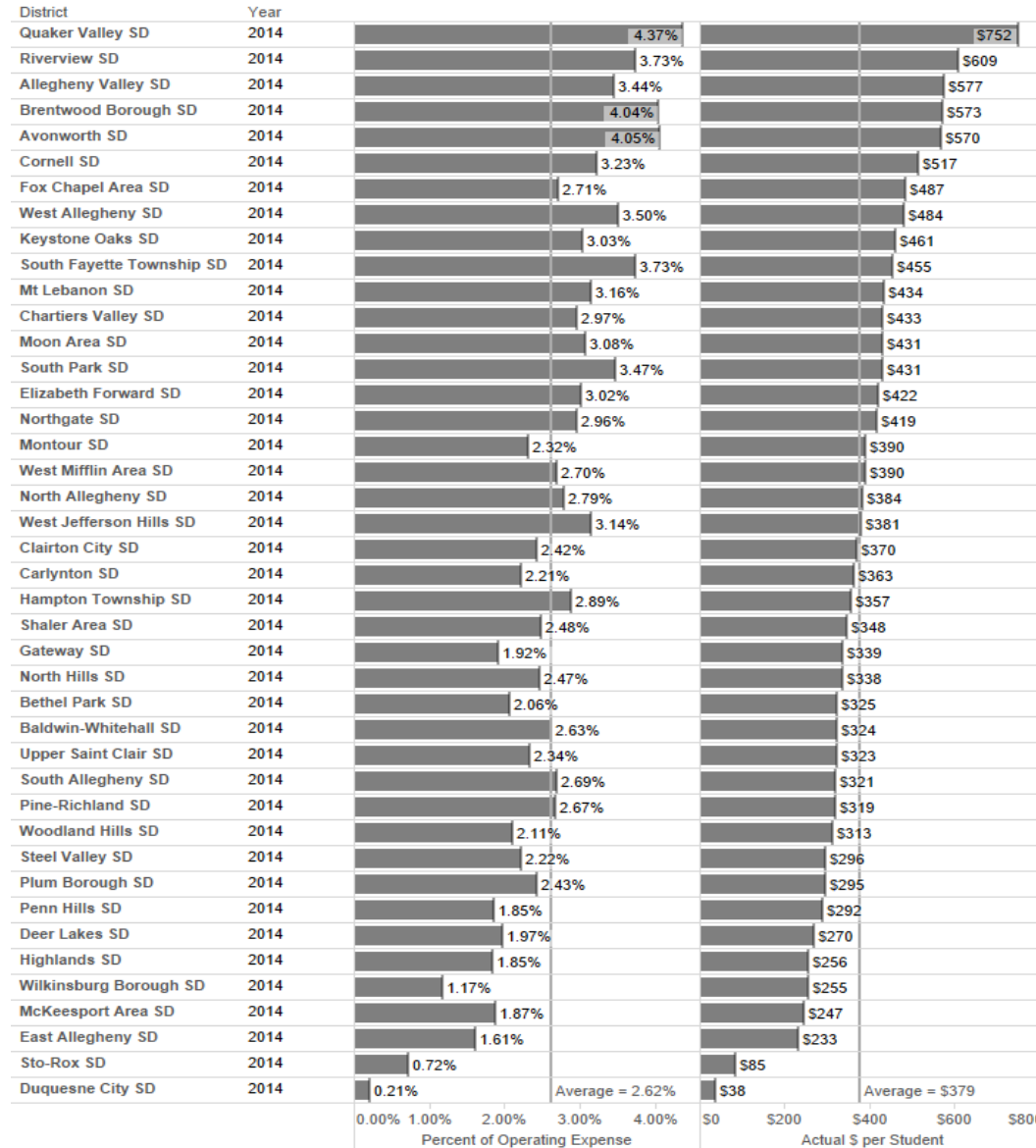
## Line Item Spending Comparison

District(s): All

Source: Pennsylvania Department of Education

Notes: "Total Operating Expense" includes operating items from General Fund;

Actual \$ Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.



Display By (Expense)

■ 2014

PBSD spends less than 81% of school districts in Allegheny County on athletics



# Financial Performance - Other Finance Use Expenditure



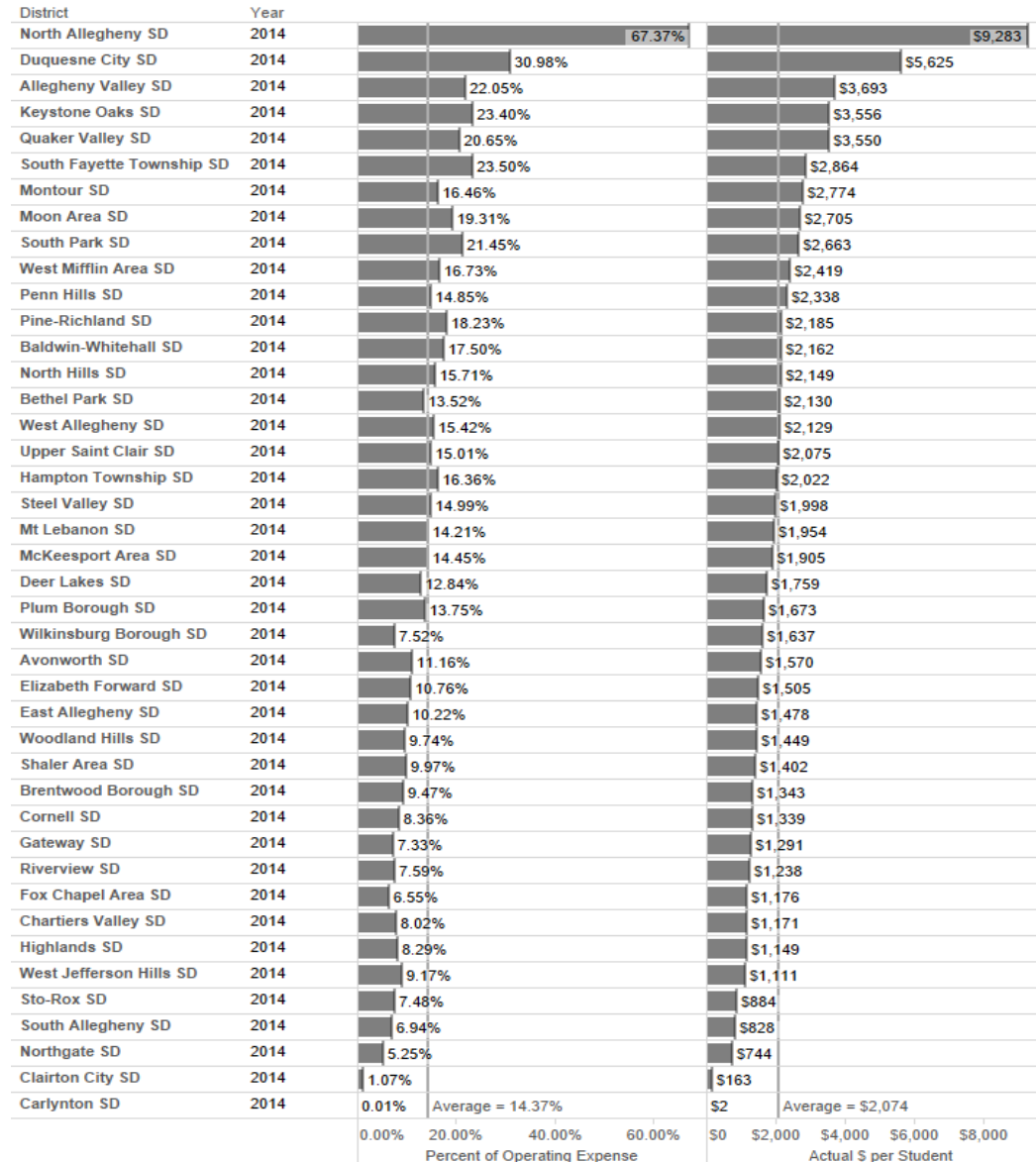
## Line Item Spending Comparison

District(s): All

Source: Pennsylvania Department of Education

Notes: "Total Operating Expense" includes operating items from General Fund;

Actual \$ Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.

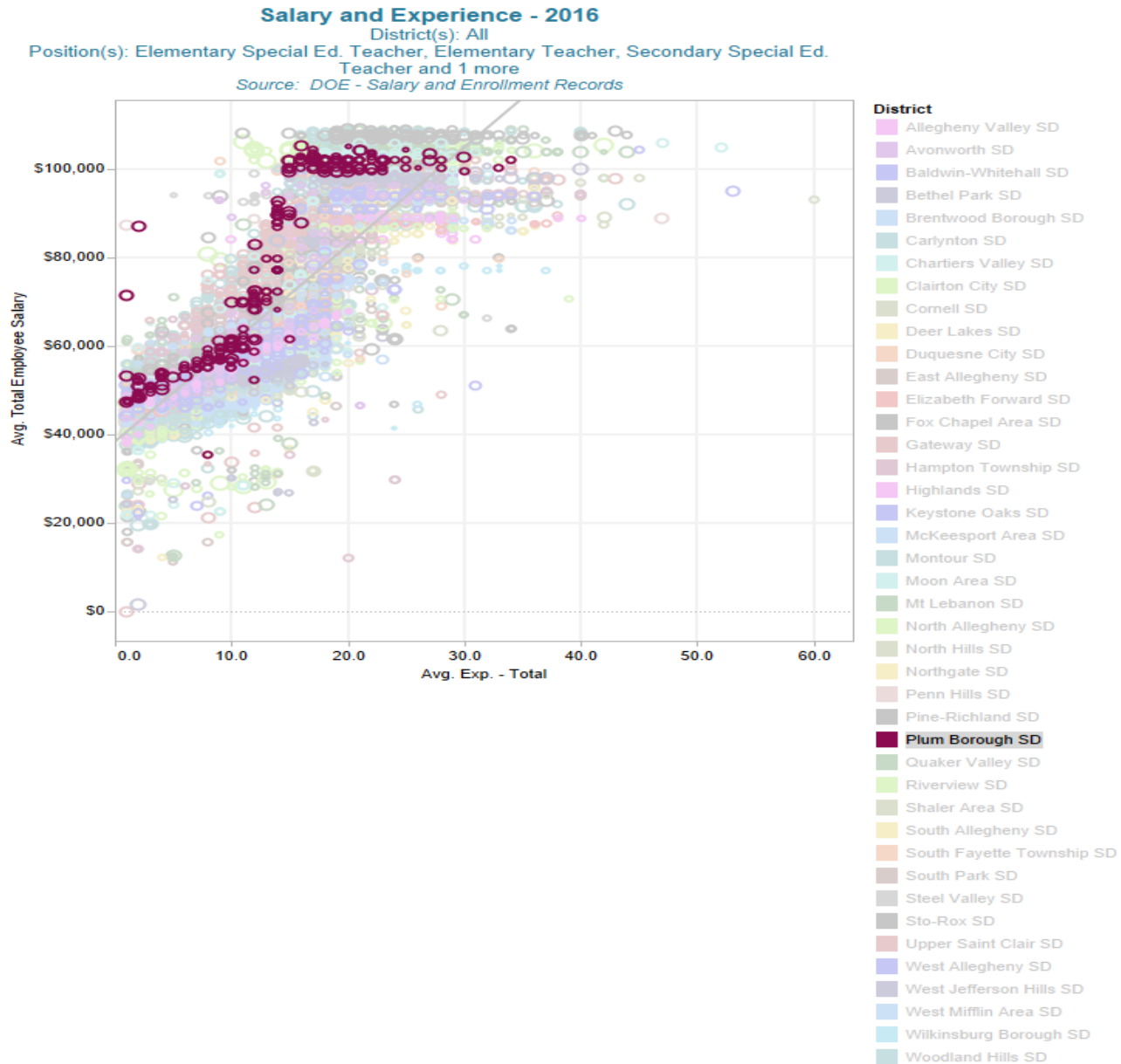


Display By (Expense)

2014

PBSD spends less than 55% of school districts in Allegheny County on other financing uses, including Debt services

# Financial Performance - Salary Schedules





# Financial Performance - Staffing Counts

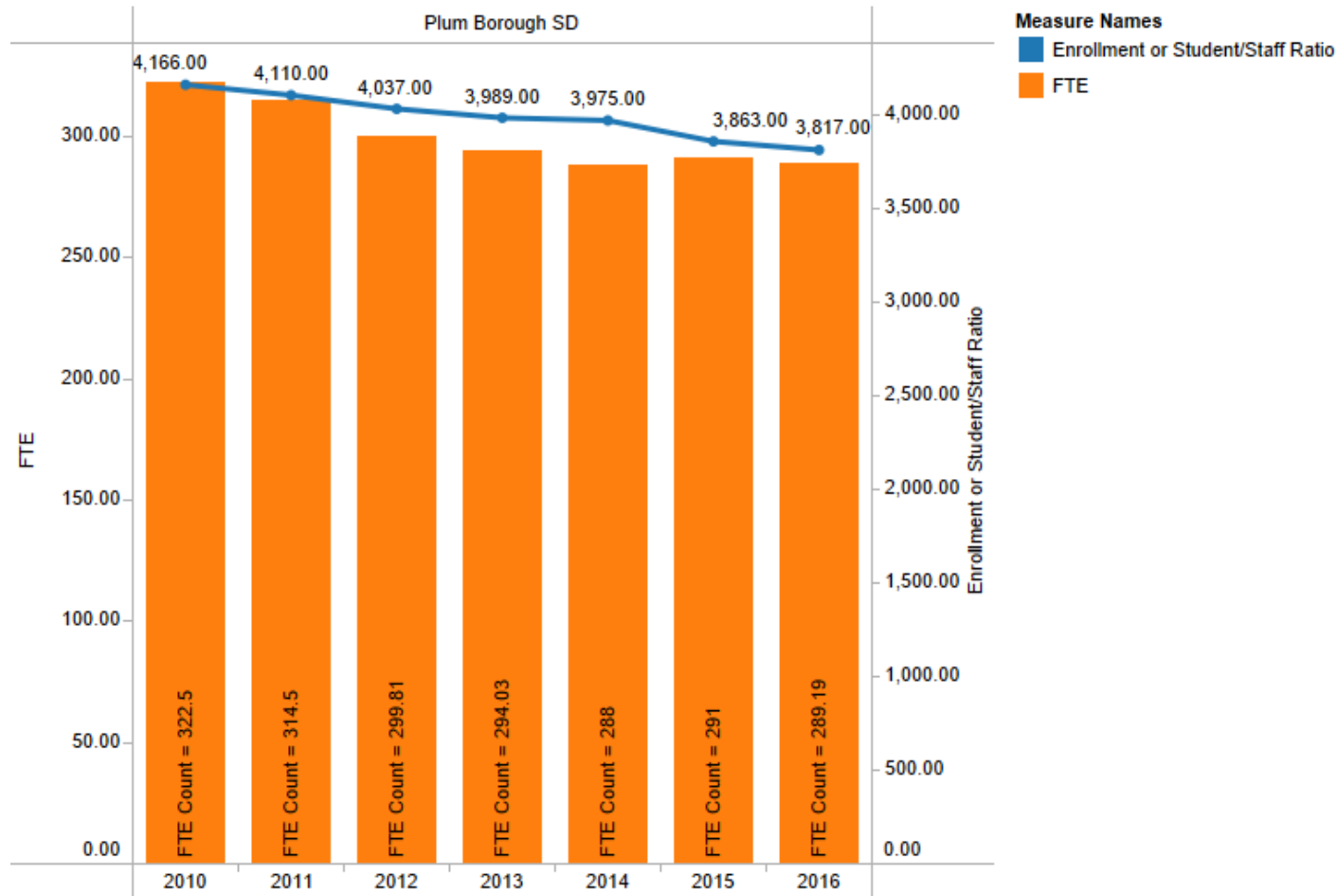


## Staffing Ratios

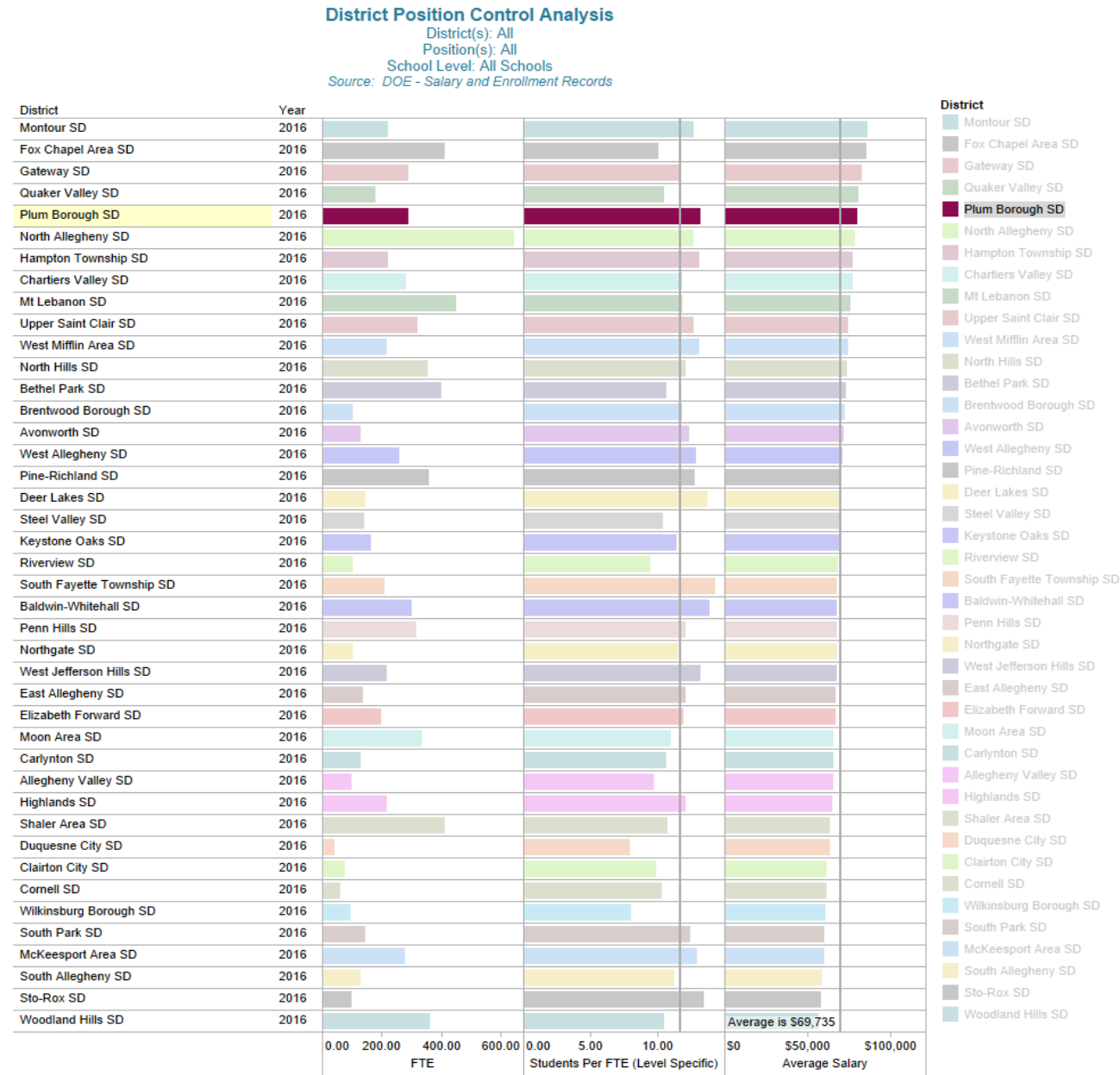
District(s): Plum Borough SD

Position(s): All

Source: DOE - Salary and Enrollment Records



# Financial Performance - All Employee Salary Ranking



PBSD pays more in salary than 88% of school districts in Allegheny County

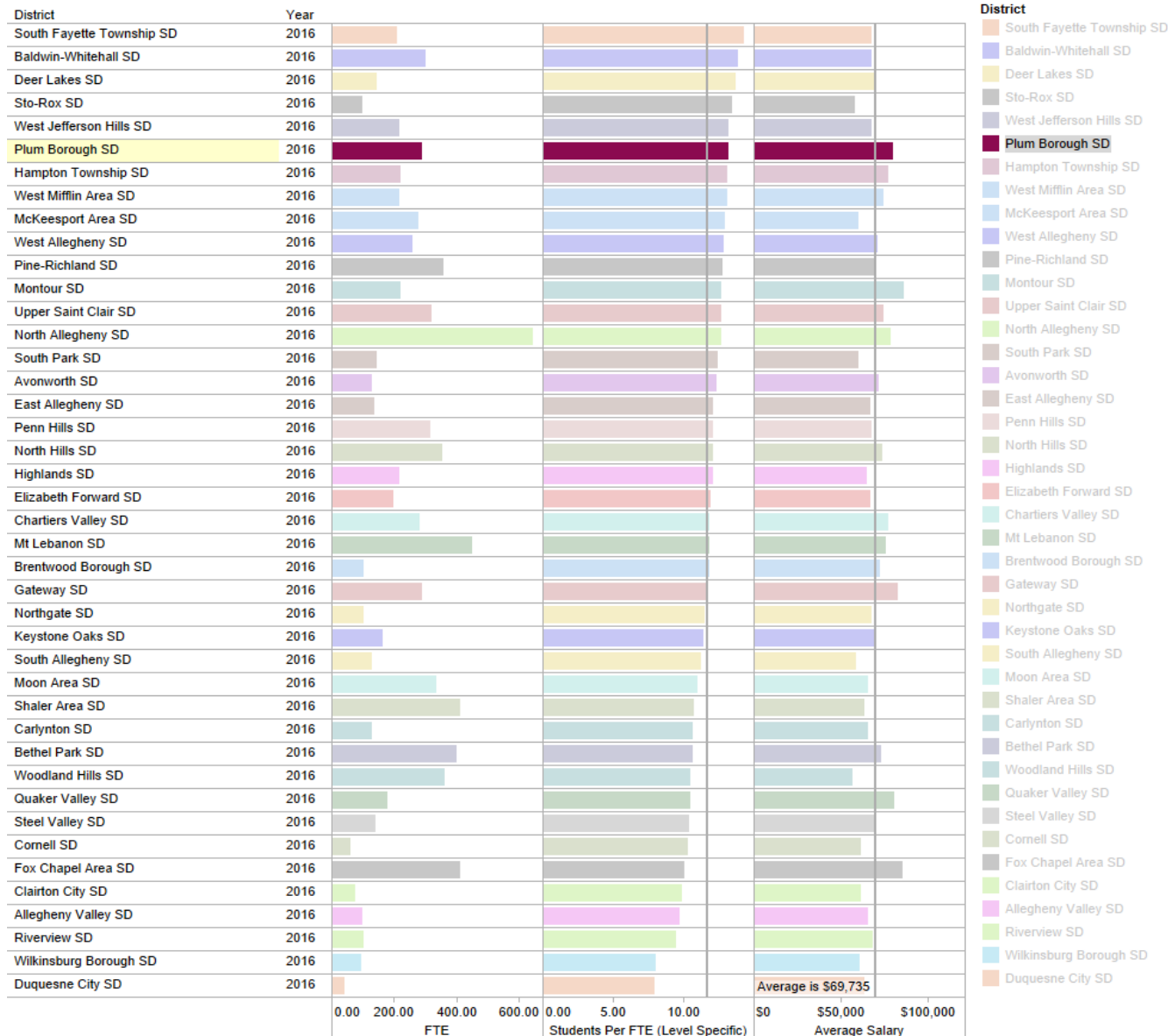


# Financial Performance - All Employee FTE Ratios



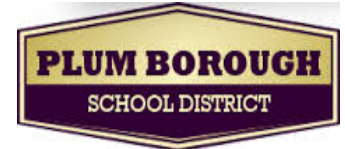
## District Position Control Analysis

District(s): All  
Position(s): All  
School Level: All Schools  
Source: DOE - Salary and Enrollment Records



PBSD has a higher student to employee ratio than 88% of school districts in Allegheny County

# Expenses-PSERS



## Plum Borough School District

### Retirement Planning

	(Actual) 2013	(Actual) 2014	(Actual) 2015	(Budget) 2016	(Projected) 2017	(Projected) 2018	(Projected) 2019	(Projected) 2020	(Projected) 2021
Total Revenue	53,653,632	56,904,908	56,548,728	59,261,032	65,278,129	60,666,949	61,654,262	62,614,794	63,290,996
Total Expenditures	55,423,212	56,896,253	58,611,585	61,438,307	64,604,416	66,021,519	67,932,757	69,599,510	70,791,568
Operating Balance	(1,769,580)	8,655	(2,062,858)	(2,177,276)	673,713	(5,354,570)	(6,278,495)	(6,984,716)	(7,500,572)

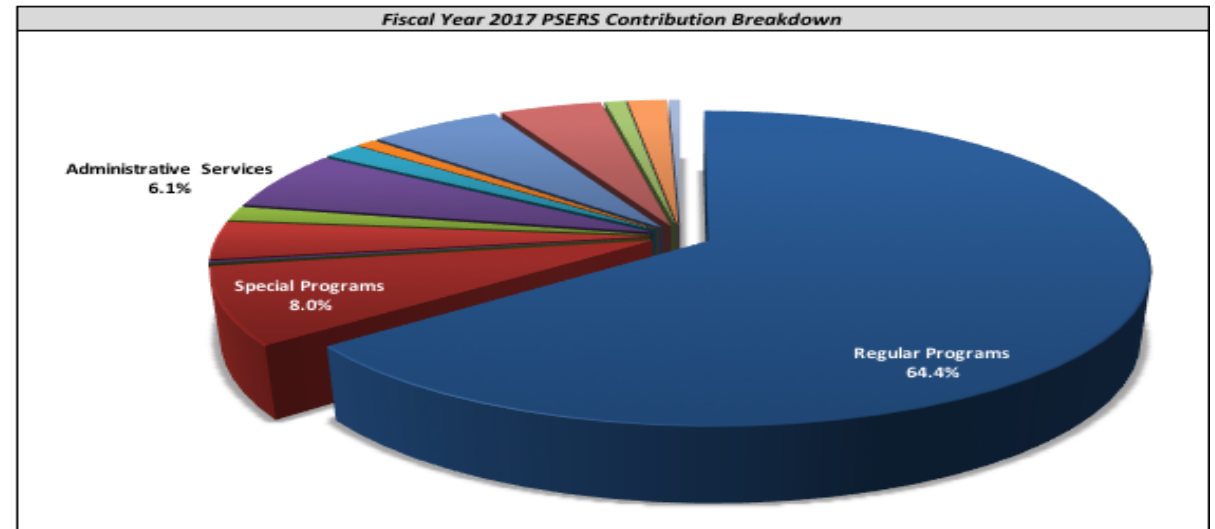
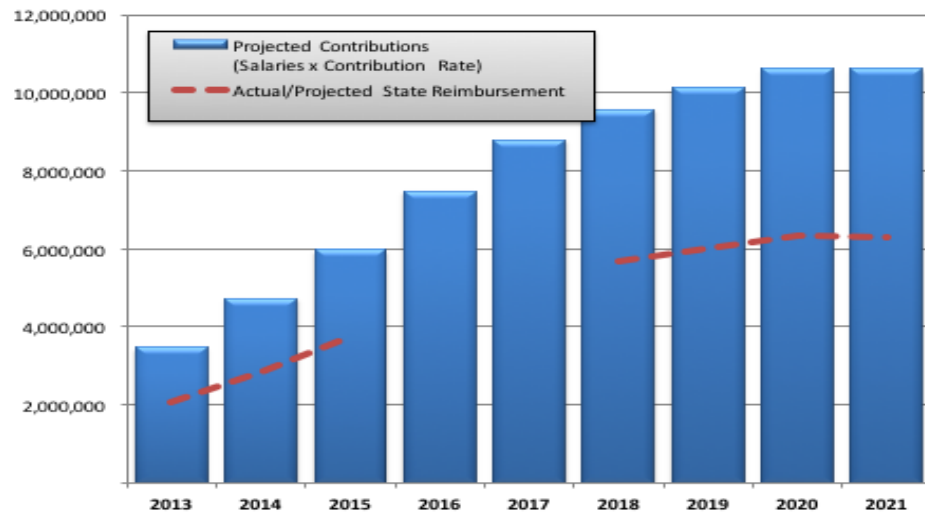
### EXPENDITURES

100	Personnel Services - Salaries	28,117,725	27,874,289	27,928,294	28,942,275	29,277,637	29,831,513	30,428,143	31,036,706	31,657,440
	<b>PSERS Contribution Rates *</b>	<b>12.36%</b>	<b>16.93%</b>	<b>21.40%</b>	<b>25.84%</b>	<b>30.03%</b>	<b>32.04%</b>	<b>33.27%</b>	<b>34.20%</b>	<b>33.51%</b>
	<b>Projected Contributions</b> (Salaries x Contribution Rate)	<b>3,475,351</b>	<b>4,719,117</b>	<b>5,976,655</b>	<b>7,478,684</b>	<b>8,792,074</b>	<b>9,558,017</b>	<b>10,123,443</b>	<b>10,614,553</b>	<b>10,608,408</b>
230	Actual Contributions (from AFR)	2,936,027	4,660,779	5,924,369						

\* Source: PSERS. Contribution rates in blue can be modified to reflect different budgeted contribution rates

### REVENUES

	Projected Contributions (from above)	3,475,351	4,719,117	5,976,655	7,478,684	8,792,074	9,558,017	10,123,443	10,614,553	10,608,408
	<b>Projected State Reimbursement</b> <b>59.50%</b>	<b>2,067,834</b>	<b>2,807,875</b>	<b>3,556,110</b>	<b>4,449,817</b>	<b>5,231,284</b>	<b>5,687,020</b>	<b>6,023,449</b>	<b>6,315,659</b>	<b>6,312,003</b>
7820	Actual Reimbursement (from AFR)	2,073,139	2,846,221	3,748,125						
	Actual State Reimbursement %	64.98%	70.61%	61.07%	63.27%					
	(Average)									



# Expenses – Debt Service



## Plum Borough School District

### Capital Planning Page

	(Actual) 2013	(Actual) 2014	(Actual) 2015	(Budget) 2016	(Projected) 2017	(Projected) 2018	(Projected) 2019	(Projected) 2020	(Projected) 2021
Total Revenue	53,653,632	56,904,908	56,548,728	59,261,032	65,278,129	60,666,949	61,654,262	62,614,794	63,290,996
Total Expenditures	55,423,212	56,896,253	58,611,585	61,438,307	64,604,416	66,021,519	67,932,757	69,599,510	70,791,568
Operating Balance	(1,769,580)	8,655	(2,062,858)	(2,177,276)	673,713	(5,354,570)	(6,278,495)	(6,984,716)	(7,500,572)

### EXISTING DEBT SERVICE

Principal	2,603,280	3,315,000	3,060,000	3,125,000	3,170,000	3,750,000	3,890,000	4,020,000	4,160,000
Interest	4,537,953	3,309,816	3,999,801	4,203,246	3,752,804	3,962,120	4,023,426	3,891,561	3,750,812
Total Debt Service	7,141,233	6,624,816	7,059,801	7,328,246	6,922,804	7,712,120	7,913,426	7,911,561	7,910,812
Less: State Aid	843,223	1,430,599	110,598		892,012	784,347	783,750	783,750	784,197
Total Local Effort	6,298,011	5,194,217	6,949,204	7,328,246	6,030,792	6,927,773	7,129,676	7,127,811	7,126,615

### ADDITIONAL NEW MONEY NEEDS

(For Illustrative Purposes Only)



Principal Interest New Debt Service Local Effort

Issue Amount

Assumed Rate

Term

New Principal

New Interest

New Debt Service

	2017	2018	2019	2020	2021
Overall Debt Service	\$6,922,804	\$7,712,120	\$7,913,426	\$7,911,561	\$7,910,812

Note: For these purposes, assumes level debt service structure. Please consult with your Financial Advisor regarding potential debt service structuring alternatives. Assumes no PlanCon reimbursement. Assumed rates are estimates.

### ESTIMATED BORROWING CAPACITY PROJECTION

(For Illustrative Purposes Only)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Applicable Revenues	53,653,838	55,384,535	55,723,228	57,464,381	59,172,952	60,666,949	61,654,262	62,614,794	63,290,996
Less: Exclusions	(843,223)	(1,430,599)	(110,598)		(1,217,392)	(784,347)	(783,750)	(783,750)	(784,197)
Total Net Revenues	52,810,615	53,953,936	55,612,630	57,464,381	57,955,560	59,882,602	60,870,512	61,831,044	62,506,799
Borrowing Base (225% of Previous 3 Year Average)					125,273,211	128,274,429	131,476,907	134,031,506	136,938,119
Less: Principal Outstanding (as of June 30th of Each Year)					104,705,000	100,955,000	97,065,000	93,045,000	88,885,000
Estimated Borrowing Capacity					20,568,211	27,319,429	34,411,907	40,986,506	48,053,119

## Expenses - Cyber



### **History of Charter and Cyber Tuition**

2015-16	\$1,122,932
2014-15	\$1,065,176
2013-14	\$1,044,853
2012-13	\$901,114
2011-12	\$593,390
2010-11	\$591,941

**Cyber costs have increased 90% over the past 5 years**

# Expenses-Strategic Options

- Analyze staff and assignments
- Replace retiring and exiting staff with part time staff
- Understand the of new rules of Affordable Care Act to avoid paying penalties for those who don't qualify
- Renegotiate employee contracts
- Renegotiate vendor contracts
- Reduce cyber costs
  - Short term- Recruit students back to in-district program
  - Long term- Develop ad hoc committee to investigate a new educational model
- Examine the option to eliminate or redesign Kindergarten program
- Investigate staggered school specific start and end times to reduce bus fleet
- Freeze capital projects and explore building use options
- Refinance bonds that become callable at a lower interest rates (Available March 2018 for 2012A and 2012B)