Bond Rating Review Information

PEQUEA VALLEY
SCHOOL DISTRICT

Opening Statement

The information in this document provides the basis for a conversation with the bond rating agency review team. The Standard & Poor's Analytic Framework was used as a reference for developing this presentation. The data contained within this document will be supplemented with additional district information.

FORECAST5™ ANALYTICS

INSTITUTIONAL FRAMEWORK & DISTRICT OVERVIEW

Section 1

Quick Facts

Budget:	39,104,809 (2020-21 school year)
K-12 Enrollment:	1,509 as of December 2020
Square Miles:	82.7
# of employees:	244 Full-time equivalent
Location:	Approximately 50 miles west of Philadelphia, 50 miles southeast of Harrisburg, 12 miles east of Lancaster, and 35 miles northwest of Wilmington, DE

Executive Management Team

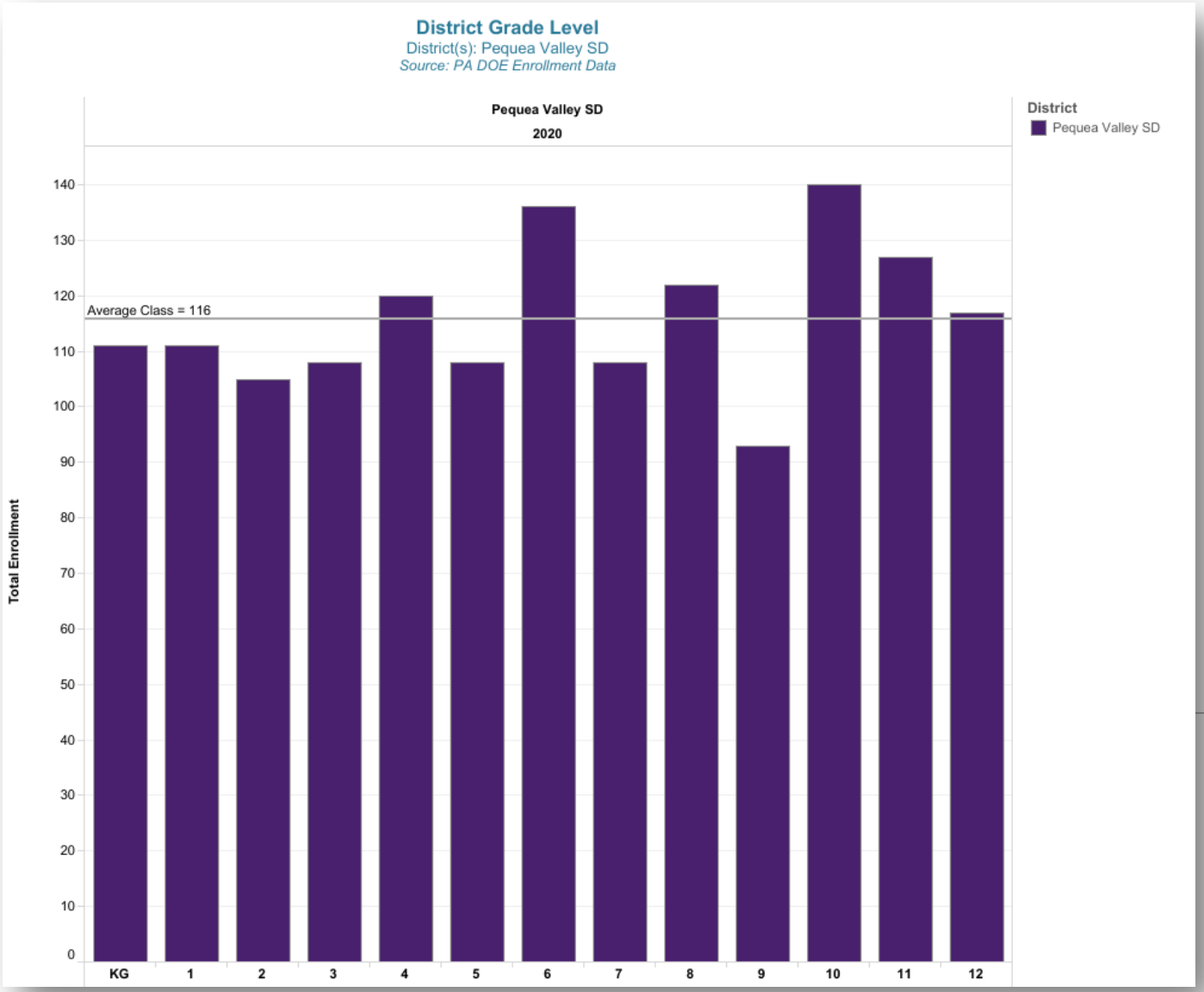
Superintendent: Dr. Erik B. Orndorff

Chief of Finance and Operations: John A. Bowden

Assistant to the Superintendent: Dr. Richard D. Eby

District Enrollment & Other Student Demographics

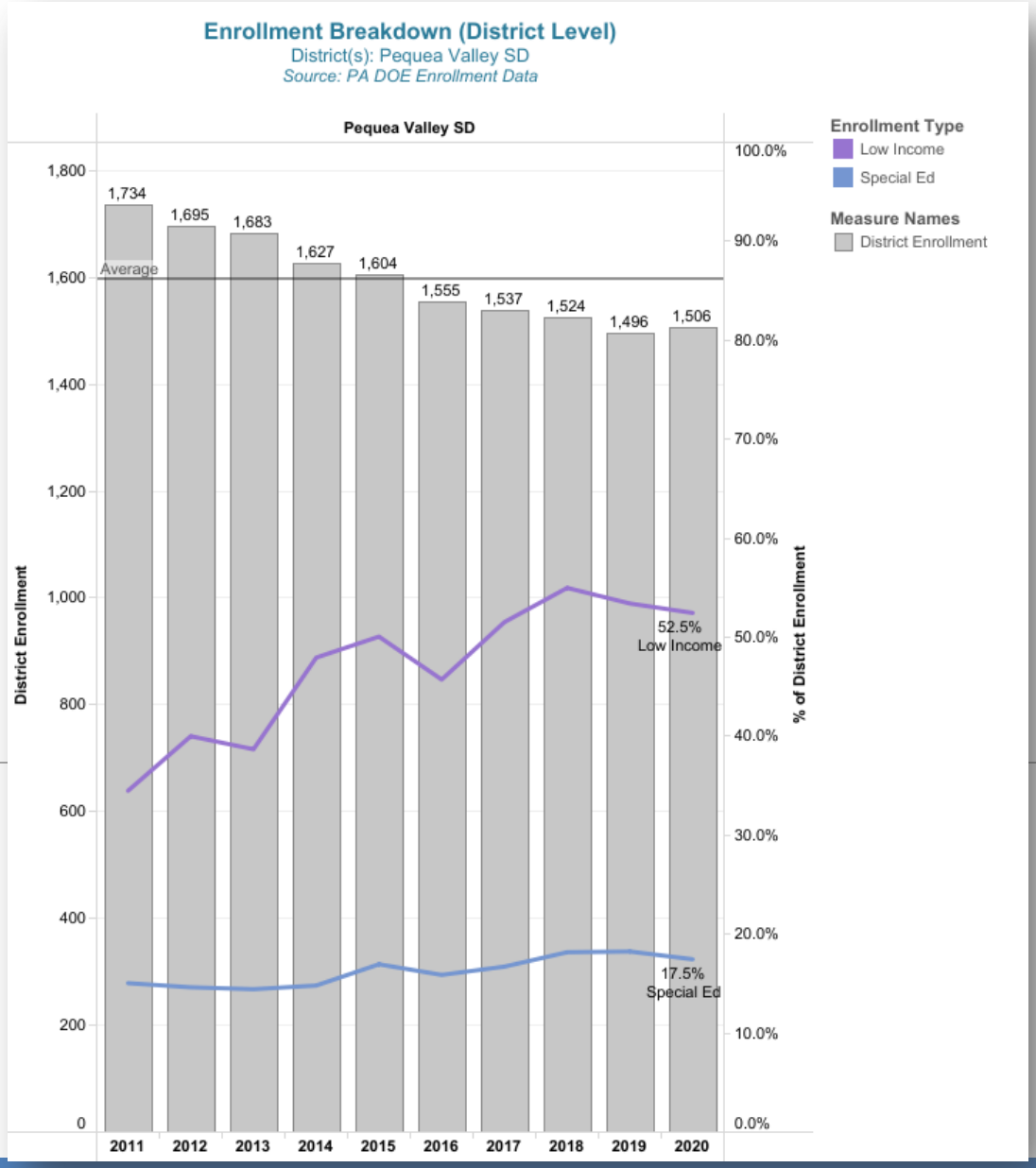
- District enrollment by grade
- Total Enrollment 10-year History
  - Low Income as a % of Total Enrollment
  - Special Education as a % of Total Enrollment
- 5-year Enrollment History – Elementary/Secondary
- Student Ethnicity Breakdown – 11-year history
- Live Births



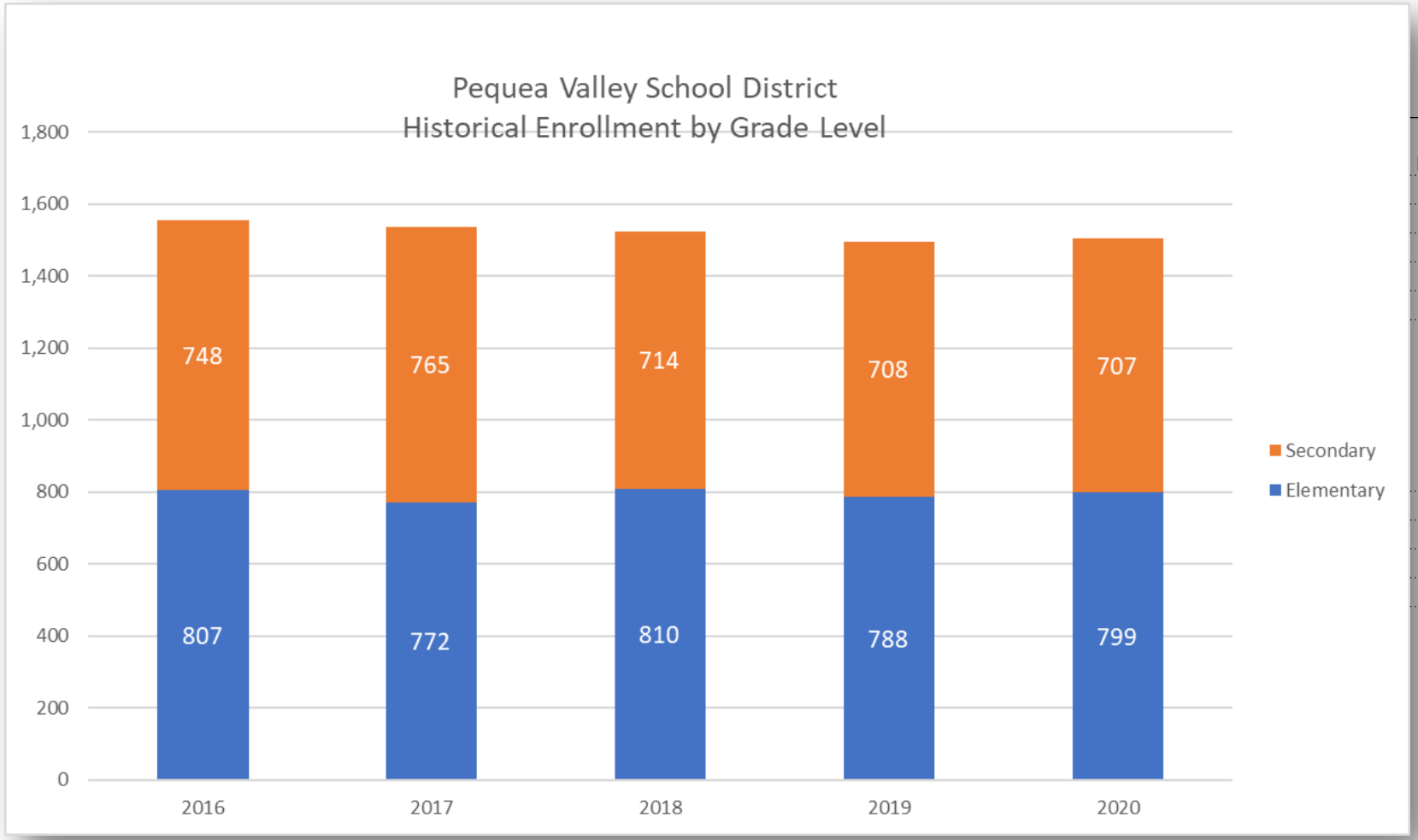
Pequea Valley School District
Enrollment by Grade

Grade	Students
K	111
1	111
2	105
3	108
4	120
5	108
6	136
7	108
8	122
9	93
10	140
11	127
12	117
Total	**1,506**

Low Income % in 2011:
34.5 %
Low Income % in 2020:
52.5 %

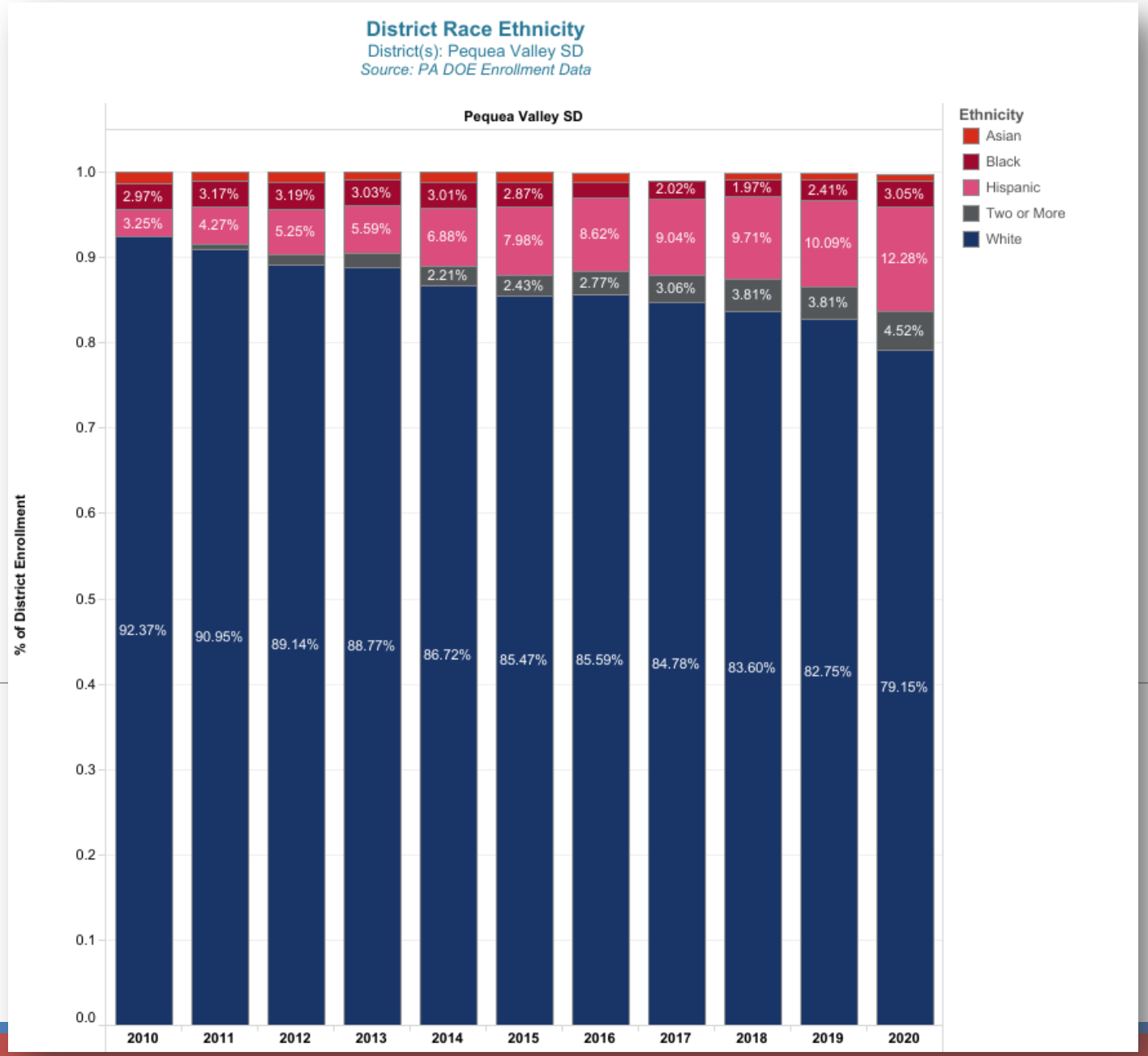


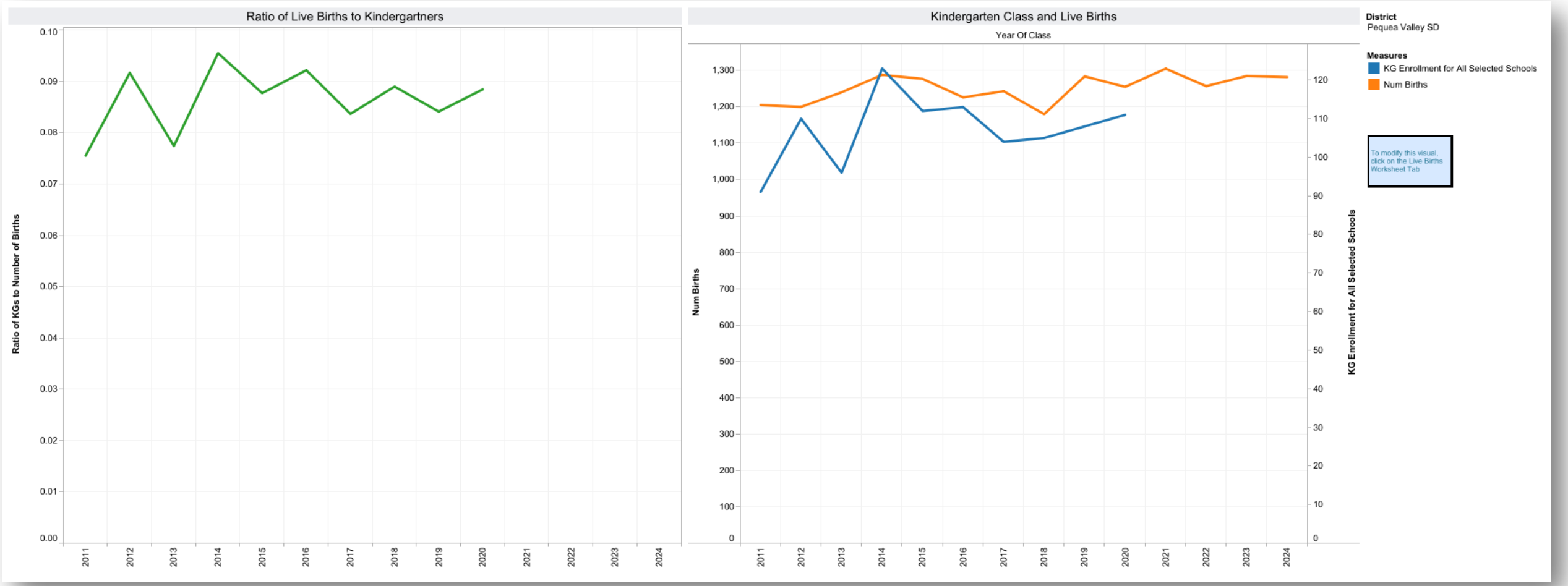
Spec Ed % in 2011:
15.1 %
Spec Ed % in 2020:
17.5 %



Pequea Valley School District
Historical Enrollment by Grade Level

Grade Level	2016	2017	2018	2019	2020
			Elementary		
Kindergarten	113	104	105	108	111
1	115	116	113	102	111
2	136	106	124	109	105
3	108	137	109	119	108
4	114	105	139	108	120
5	101	116	104	139	108
6	120	88	116	103	136
Subtotal Elem	807	772	810	788	799
			Secondary		
7	120	121	92	118	108
8	124	120	123	90	122
9	132	133	129	136	93
10	141	123	125	127	140
11	127	140	115	119	127
12	104	128	130	118	117
Subtotal Sec	748	765	714	708	707
Total	**1,555**	**1,537**	**1,524**	**1,496**	**1,506**


District Race Ethnicity
District(s): Pequea Valley SD
Source: PA DOE Enrollment Data
Pequea Valley SD
% of District Enrollment
Ethnicity
Asian
Black
Hispanic
Two or More
White
1.0
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0.0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2.97%
3.25%
92.37%
3.17%
4.27%
90.95%
3.19%
5.25%
89.14%
3.03%
5.59%
88.77%
3.01%
6.88%
2.21%
86.72%
2.87%
7.98%
2.43%
85.47%
8.62%
2.77%
85.59%
2.02%
9.04%
3.06%
84.78%
1.97%
9.71%
3.81%
83.60%
2.41%
10.09%
3.81%
82.75%
3.05%
12.28%
4.52%
79.15%


Ratio of Live Births to Kindergartners
Ratio of KGs to Number of Births
0.10
0.09
0.08
0.07
0.06
0.05
0.04
0.03
0.02
0.01
0.00
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Kindergarten Class and Live Births
Year Of Class
Num Births
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
KG Enrollment for All Selected Schools
120
110
100
90
80
70
60
50
40
30
20
10
0
District
Pequea Valley SD
Measures
KG Enrollment for All Selected Schools
Num Births
To modify this visual, click on the Live Births Worksheet Tab

District Comments on Section 1

(Institutional Framework & District Overview)

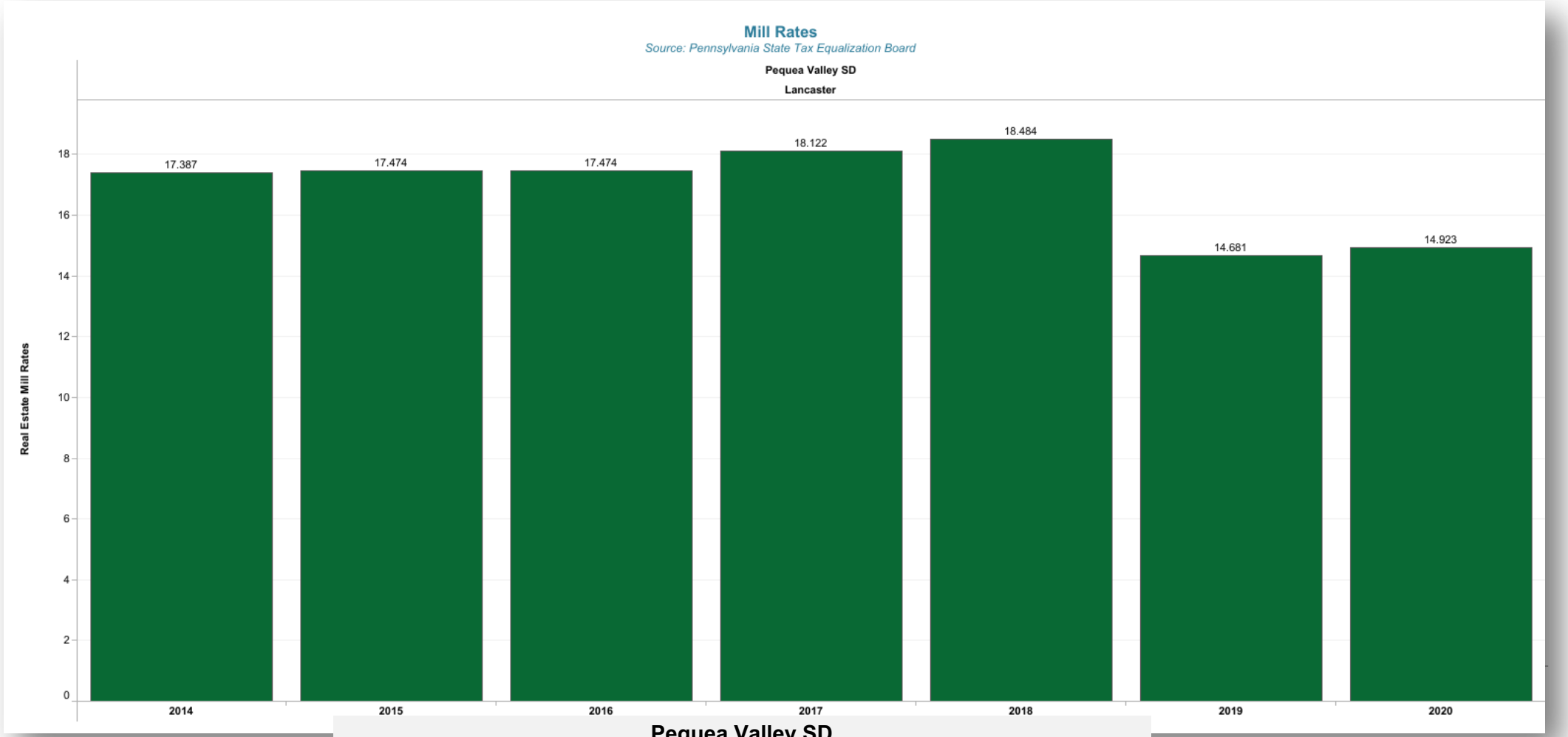
- Stable enrollment trends
- Slight increase in low income as a percentage of total enrollment
- Increase in students needing special education services – lower than statewide trends

ECONOMY

Section 2

District Revenues

- Property Tax Rate
- Equalized Mills Comparison – Tax Effort
- Act 1 Index – historical and projected
- Assessed Value – 10-year history by property type
- All Sources of Revenue
- Local Sources – excluding RE Tax
- Earned Income Tax, Transfer Taxes
- Personal Income
- State Sources
- State Sources excluding reimbursement for Soc Sec & PSERS
- Federal Sources
- Top 15 Real Estate Tax Payers
- Real Estate Appeals and Developments

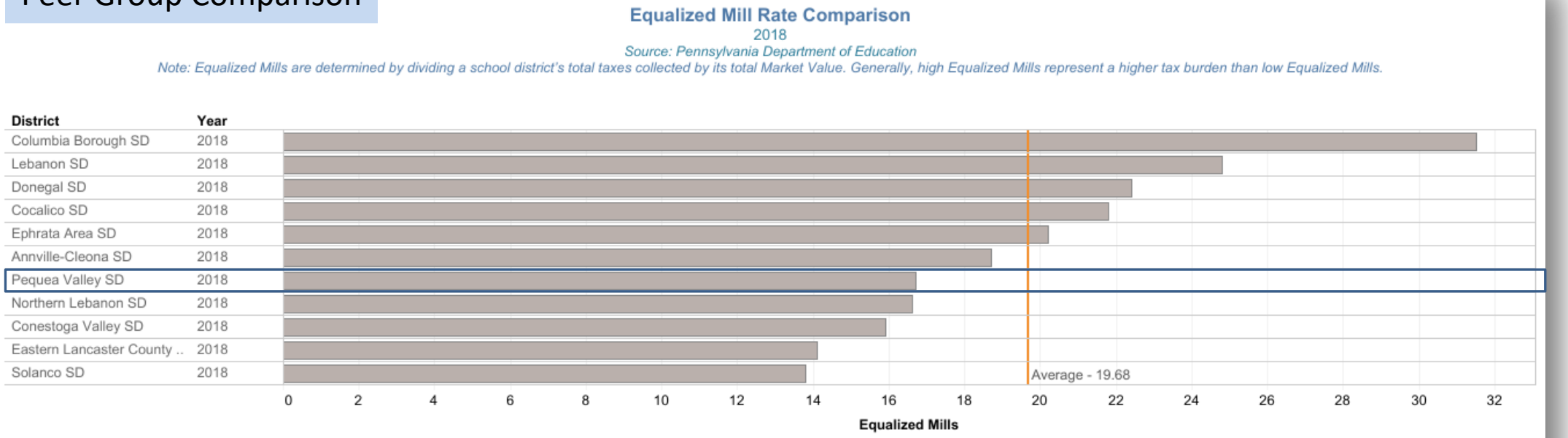


Note: Countywide reassessment in 2018

Pequea Valley SD
Property Tax Rate History

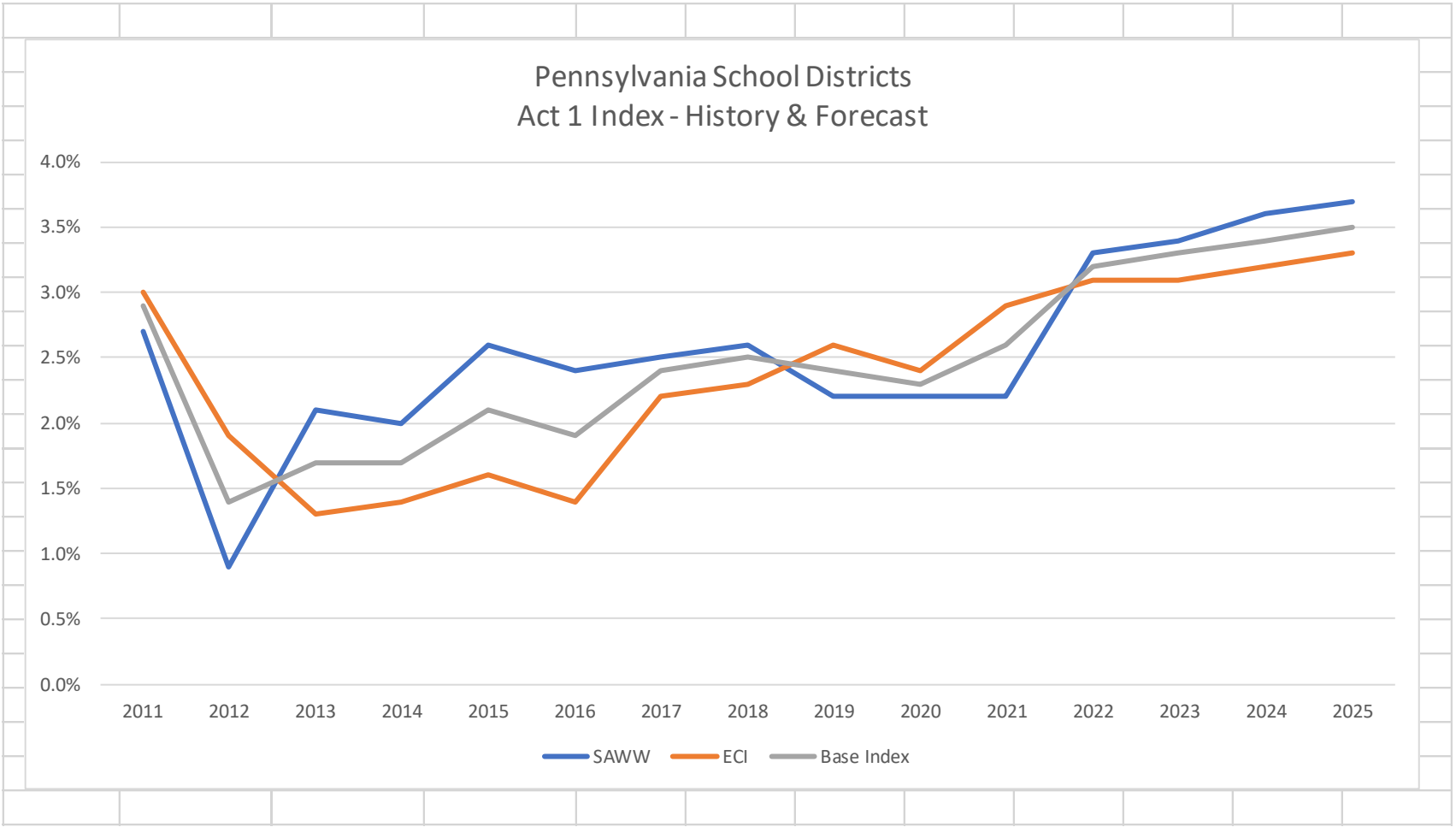
School Year	Millage Rate	Change	% Change	Act 1 Index
2014	17.387			1.7%
2015	17.474	0.087	0.5%	2.1%
2016	17.474	0.000	0.0%	1.9%
2017	18.122	0.648	3.7%	2.4%
2018	18.484	0.362	2.0%	2.5%
2019	14.681	-3.804	-20.6%	2.4%
2020	14.923	0.242	1.6%	2.3%

Tax Effort
Peer Group Comparison



Pequea Valley's Equalized Mill is 16.7
Peer Group Average is 19.7

(Equalized mills is derived by dividing district's total taxes by district's total market value)



Pennsylvania School Districts
Act 1 Index

School Yr Budget	SAWW	ECI	Act 1 Base Index
2011	2.7%	3.0%	2.9%
2012	0.9%	1.9%	1.4%
2013	2.1%	1.3%	1.7%
2014	2.0%	1.4%	1.7%
2015	2.6%	1.6%	2.1%
2016	2.4%	1.4%	1.9%
2017	2.5%	2.2%	2.4%
2018	2.6%	2.3%	2.5%
2019	2.2%	2.6%	2.4%
2020	2.2%	2.4%	2.3%
2021	2.2%	2.9%	2.6%
2022	3.3%	3.1%	3.2%*
2023	3.4%	3.1%	3.3%*
2024	3.6%	3.2%	3.4%*
2025	3.7%	3.3%	3.5%*

*forecasted by PA Independent Fiscal Office (February 2020)

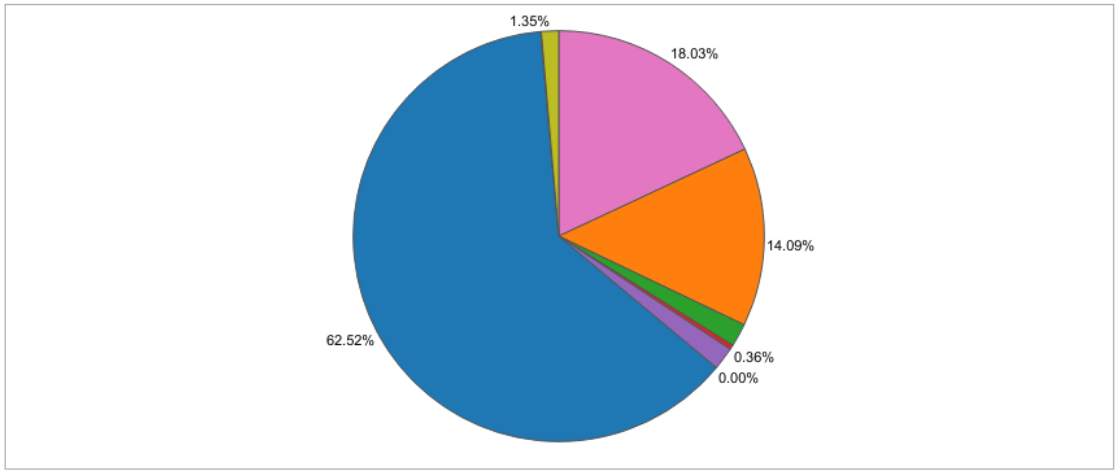
SAWW - PA Statewide Average Weekly Wage (% change)
ECI - Federal Employment Cost Index for Elem & Sec Schools (% change)

Two-Year Assessed Value Comparison

Source: Pennsylvania State Tax Equalization Board

Year 2009

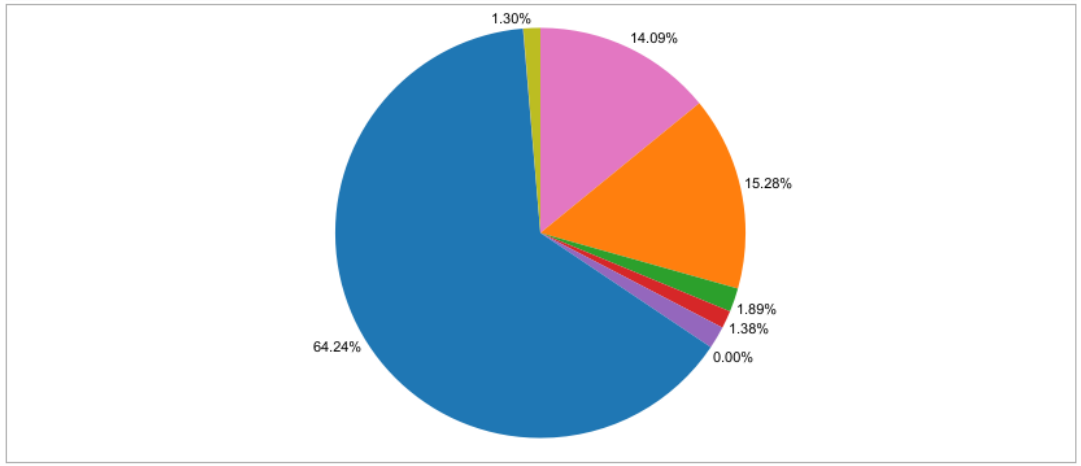
2009



Property Type	2009
Agricultural	18.03%
Commercial	14.09%
Industrial	1.82%
Land	0.36%
Lots	1.79%
Oil, Gas, Min	0.00%
Residential	62.52%
Seasonal	0.04%
Trailers	1.35%

Year 2019

2019



Property Type	2019
Agricultural	14.09%
Commercial	15.28%
Industrial	1.89%
Land	1.38%
Lots	1.77%
Oil, Gas, Min	0.00%
Residential	64.24%
Seasonal	0.04%
Trailers	1.30%

District
Pequea Valley SD

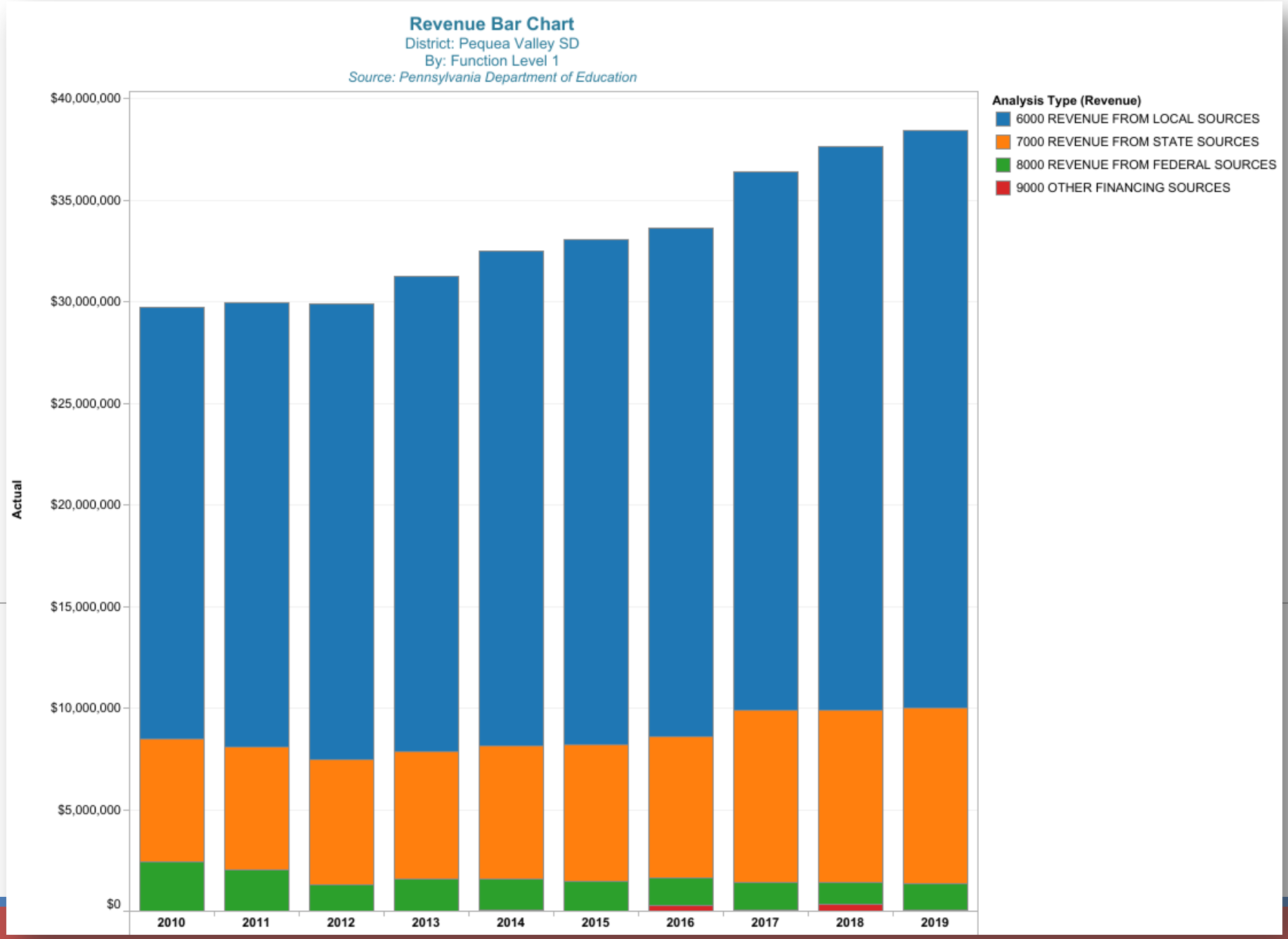
Property Type
- Agricultural
- Commercial
- Industrial
- Land
- Lots
- Oil, Gas, Min
- Residential
- Seasonal
- Trailers

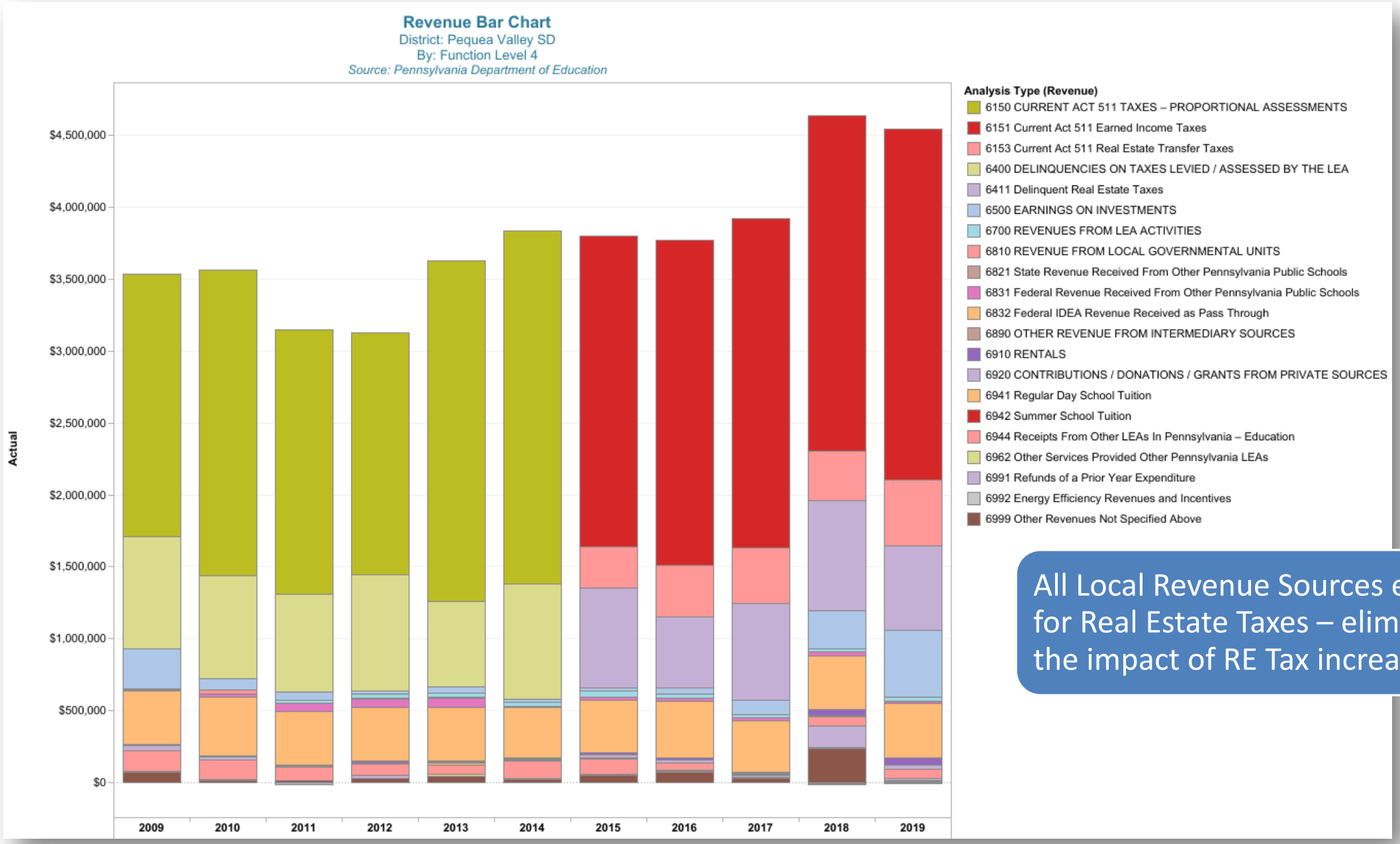
Pequea Valley School District

11 Year History of Assessed Value by Type

Property Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*	2019	2019 % of Total	2009 % of Total
Agricultural	$213,024,900	$200,608,500	$206,035,900	$204,085,200	$210,164,000	$215,686,900	$220,020,900	$222,304,400	$225,703,600	$240,523,800	$240,417,400	14.1%	18.0%
Commercial	$166,497,700	$169,965,600	$169,447,100	$174,362,300	$174,626,300	$176,554,700	$179,812,200	$180,882,400	$184,927,500	$246,686,200	$260,640,000	15.3%	14.1%
Industrial	$21,451,000	$21,607,600	$21,214,100	$21,015,900	$19,647,400	$19,968,000	$19,969,800	$22,352,200	$23,501,300	$29,902,800	$32,255,300	1.9%	1.8%
Land	$4,292,800	$17,200,900	$17,544,300	$17,105,500	$17,495,300	$17,717,300	$17,757,700	$18,731,500	$17,949,600	$21,463,200	$23,532,600	1.4%	0.4%
Lots	$21,177,800	$21,922,000	$20,925,200	$20,168,300	$19,600,300	$18,397,000	$17,218,300	$16,646,100	$17,137,700	$32,463,000	$30,188,100	1.8%	1.8%
Oil Gas Min	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0.0%	0.0%
Residential	$738,870,700	$753,319,100	$762,483,300	$770,926,300	$771,936,800	$784,127,000	$795,868,500	$804,318,300	$810,976,400	$1,074,210,100	$1,095,748,400	64.2%	62.5%
Seasonal	$505,400	$498,600	$498,600	$498,600	$0	$0	$498,600	$469,600	$469,600	$712,400	$712,400	0.0%	0.0%
Trailers	$15,959,200	$16,085,100	$16,169,700	$16,202,100	$21,989,700	$22,138,800	$22,031,300	$21,975,500	$22,499,800	$22,119,300	$22,222,800	1.3%	1.4%
	$1,181,779,500	**$1,201,207,400**	**$1,214,318,200**	**$1,224,364,200**	**$1,235,459,800**	**$1,254,589,700**	**$1,273,177,300**	**$1,287,680,000**	**$1,303,165,500**	**$1,668,080,800**	**$1,705,717,000**	**100.0%**	**100.0%**
		$19,427,900	**$13,110,800**	**$10,046,000**	**$11,095,600**	**$19,129,900**	**$18,587,600**	**$14,502,700**	**$15,485,500**	**$364,915,300**	**$37,636,200**		
		1.6%	**1.1%**	**0.8%**	**0.9%**	**1.5%**	**1.5%**	**1.1%**	**1.2%**	**28.0%**	**2.3%**		

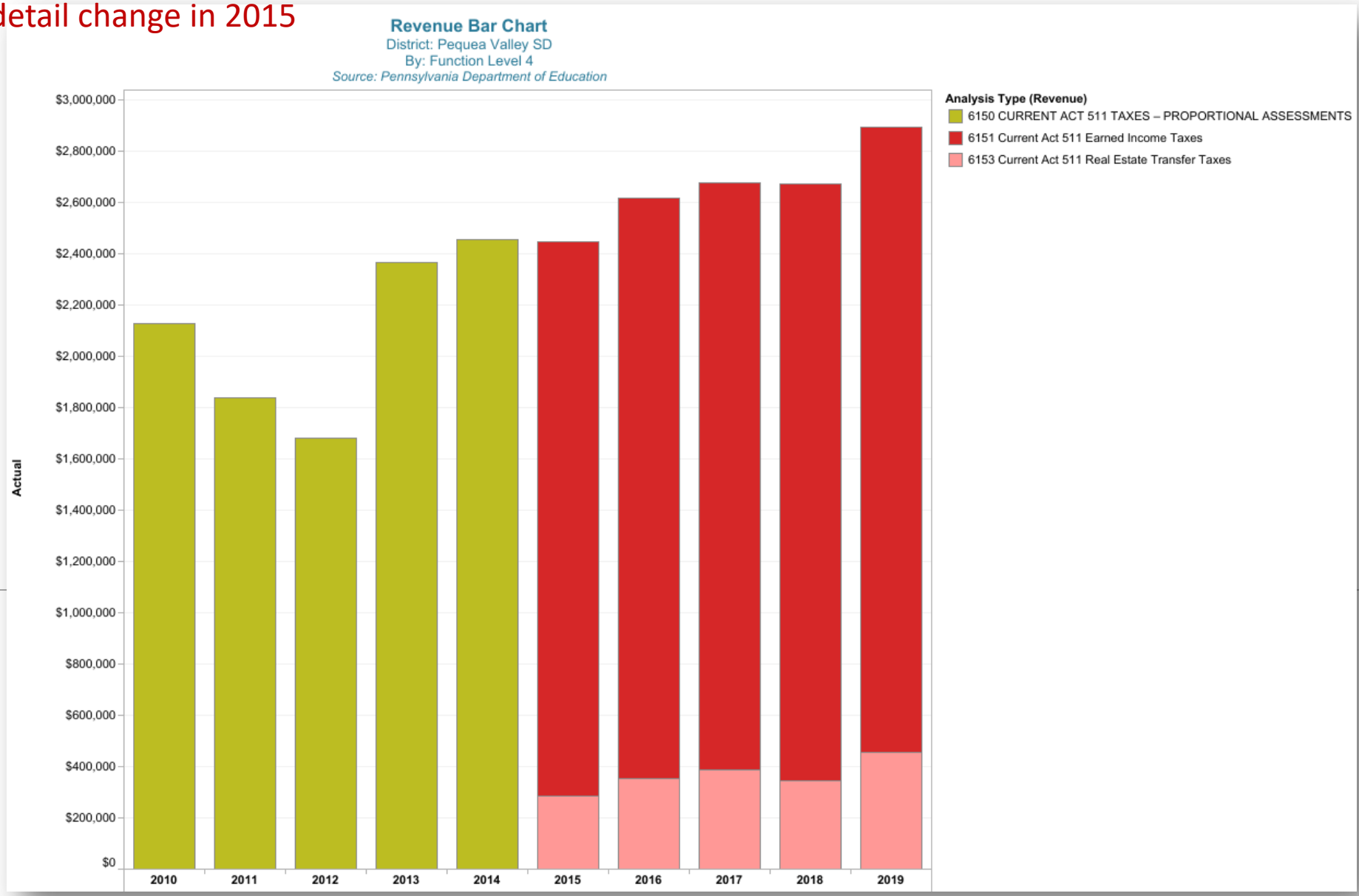
*county-wide reassessment in 2018


Revenue Bar Chart
District: Pequea Valley SD
By: Function Level 1
Source: Pennsylvania Department of Education
Actual
$40,000,000
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Analysis Type (Revenue)
6000 REVENUE FROM LOCAL SOURCES
7000 REVENUE FROM STATE SOURCES
8000 REVENUE FROM FEDERAL SOURCES
9000 OTHER FINANCING SOURCES



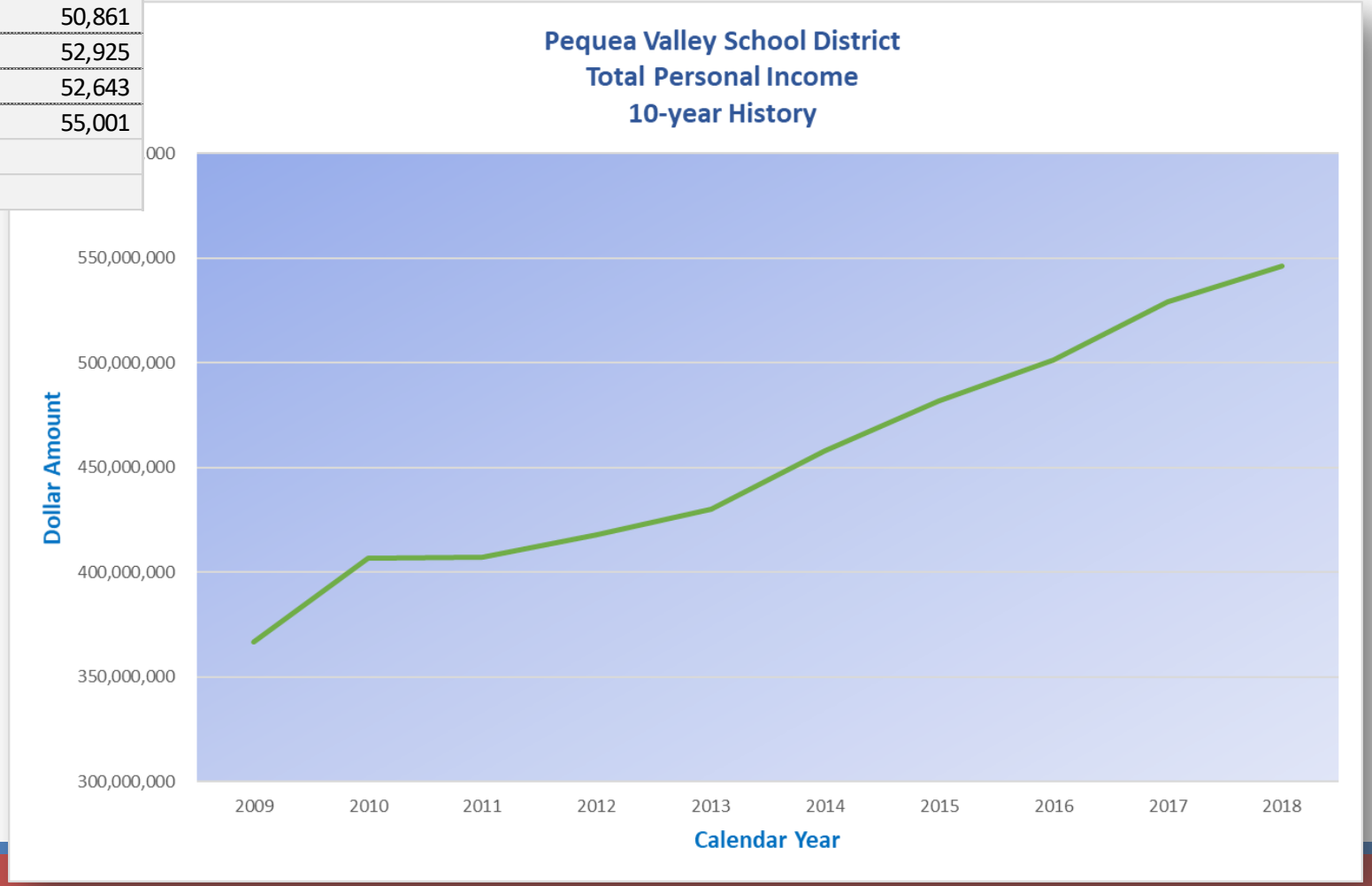
All Local Revenue Sources except for Real Estate Taxes – eliminating the impact of RE Tax increases

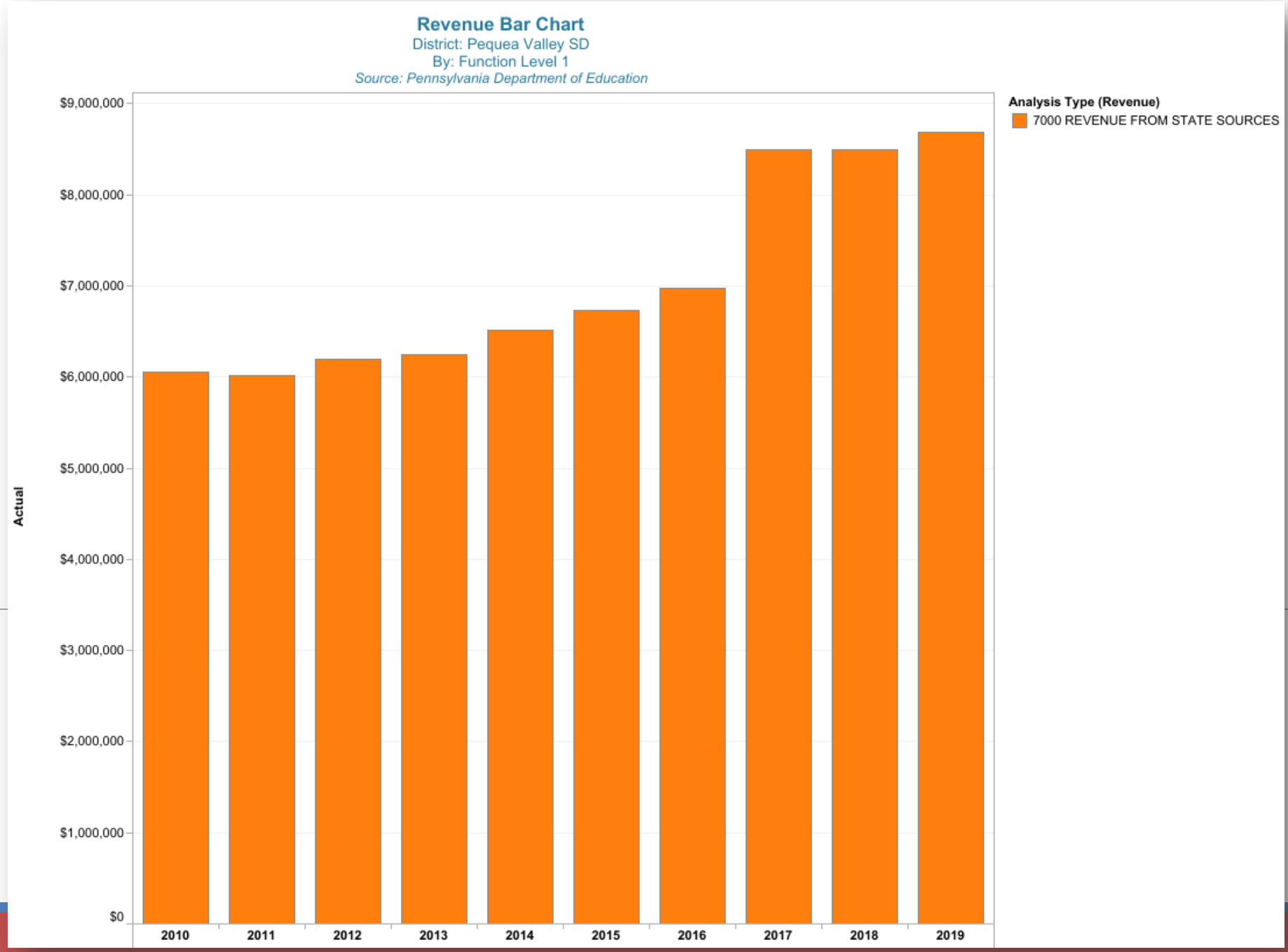
EIT & Transfer Taxes – account code detail change in 2015

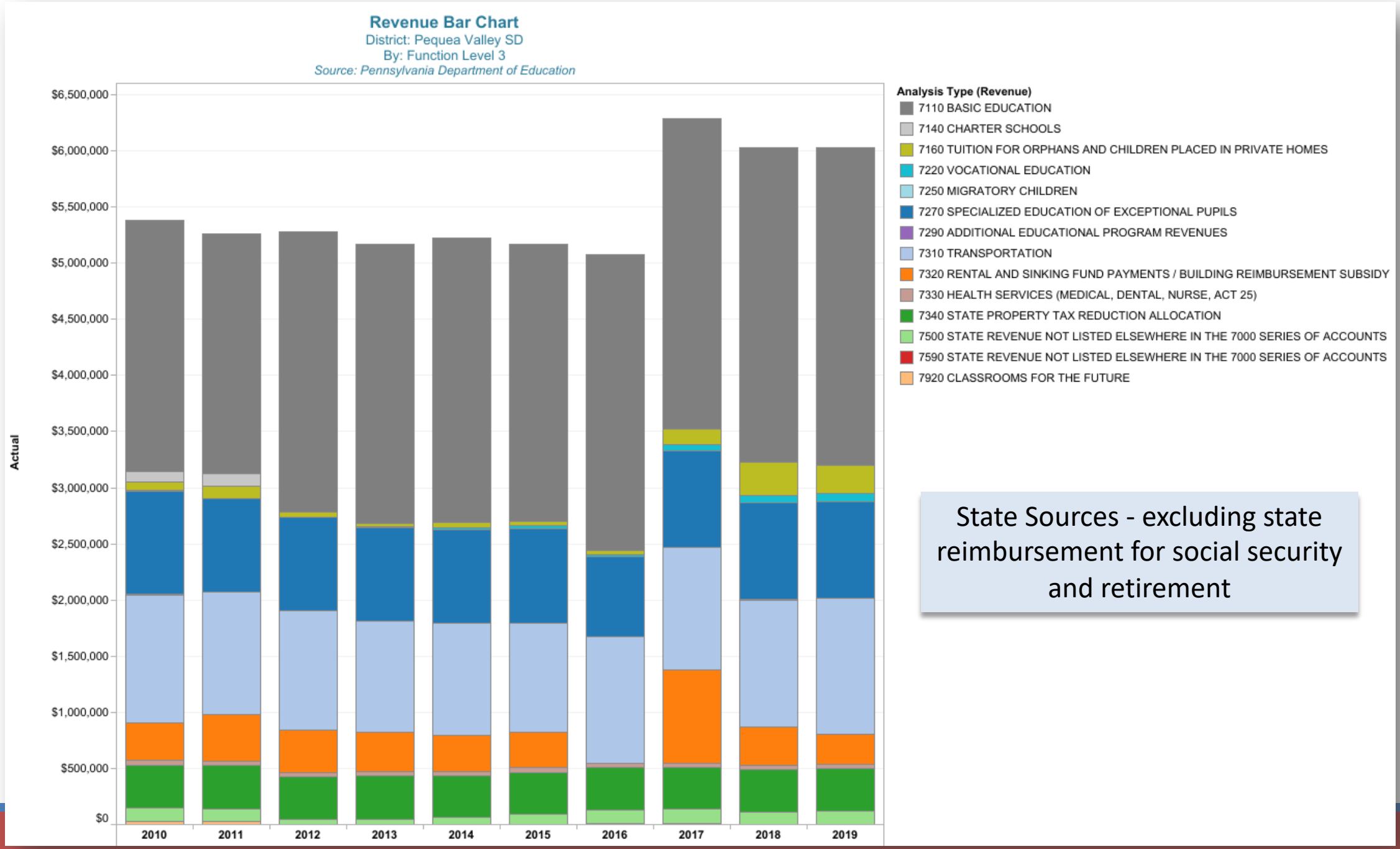


Pequea Valley School District
Total Personal Income as Reported to the State

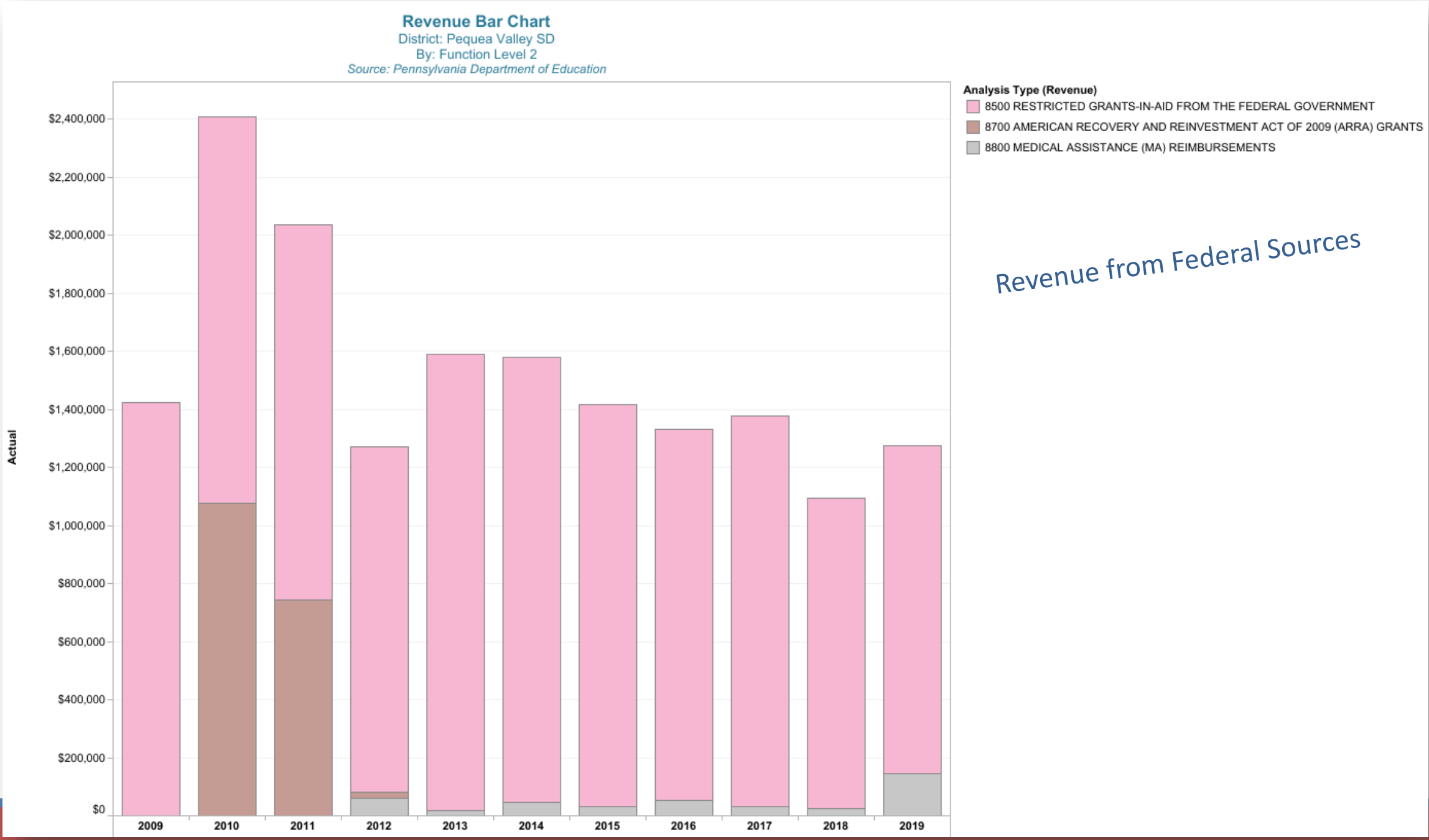
Year	Total Personal Income	$ Change	% Change	Number of Records	Average Amount per Record
2009	366,526,051			8,713	$ 42,067
2010	406,448,742	39,922,691	10.9%	9,311	$ 43,653
2011	406,980,978	532,236	0.1%	9,108	$ 44,684
2012	417,869,252	10,888,274	2.7%	9,147	$ 45,684
2013	430,105,087	12,235,835	2.9%	9,159	$ 46,960
2014	457,749,808	27,644,721	6.4%	9,375	$ 48,827
2015	481,604,762	23,854,954	5.2%	9,469	$ 50,861
2016	501,143,644	19,538,882	4.1%	9,469	$ 52,925
2017	528,904,979	27,761,335	5.5%	10,047	$ 52,643
2018	546,109,203	17,204,224	3.3%	9,929	$ 55,001
	Average Growth:	4.6%			




Revenue Bar Chart
District: Pequea Valley SD
By: Function Level 1
Source: Pennsylvania Department of Education
$9,000,000
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
Actual
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Analysis Type (Revenue)
7000 REVENUE FROM STATE SOURCES



State Sources - excluding state reimbursement for social security and retirement



Revenue from Federal Sources

Top Real Estate Taxpayers

1.	Urban Outfitters Inc	$9,621,500
2.	Test Associates	$9,053,100
3.	Village at Gap Associates	$7,582,100
4.	Denlinger Inc	$6,649,400
5.	Bird in Hand Window & Door LLC	$5,332,000
6.	Jai Jaliyan LLC	$5,143,700
7.	ACI Enterprises LP	$4,760,300
8.	Houston Run Properties LLC	$4,603,900
9.	King Ivan J	$4,374,300
10.	Smucker Associates	$4,047,500
11.	Historic Revere Tavern	$4,026,200
12.	Kinzers Property Holdings LLC	$3,930,600
13.	Lanchester Associates LP	$3,723,200
14.	Linville Hill Christian School	$3,710,300
15.	K Property Group LLC	$3,545,500
	Total	**$80,103,600**

Top 15 real estate taxpayers equal 4.62% of the total taxable assessed value

Other Information

- **Tax appeals with top taxpayers (including budget impact)**
  - Houston Run Properties LLC portion sold to Non-profit
  - Assessed value decreased by $3,145,100 for a tax impact of $47,637 effective 2021-2022 FY

- **Major residential or commercial developments**
  - Urban Outfitters Keystone Opportunity Zone (KOZ) Expires 12/31/2023
  - Assessed Value on the Property will Increase to $40,444,100
  - Additional tax revenue to the district using current millage rate $612,578

District Comments on Section 2

(Economy)

- Board has been supportive of reasonable tax increases in order to maintain and improve programs
- District's tax base is still primarily residential, however, it has been increasing by a modest percentage each year and commercial property as a % of the total has increased
- All other local sources of revenue have increased each year
- EIT and transfer taxes have continued to increase
- Strong trends in total personal income of district residents
- State sources have been strong and consistent
- Federal Sources which represent less than 1% of total revenue have been relatively consistent
- Except for a slight dip in 2012 and 2018, total revenue sources have increased each year

MANAGEMENT

Section 3

Management

- School Board Members
- Administrative Team including Business Office Staff
- Budget Management
  - Five-Year Financial Projection
    - Overview Dashboard
    - Revenue Projections Dashboard
    - Expenditure Projections Dashboard
    - Listing of Overall and Major Assumptions
  - Finance Policies and Guidelines

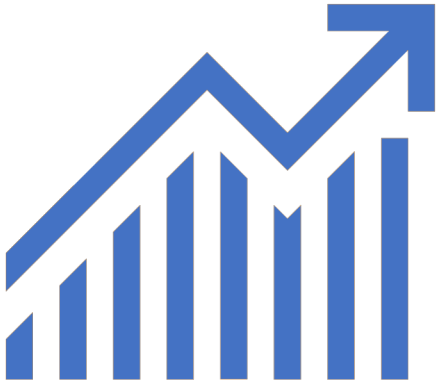
NAME	Member Since
Bryant J. Ferris, Pres.	2003
Christian H. Brackbill, Jr., Vice-Pres.	1991
Fred E. Hertzler, Treas.	2003
Tim Malloy	2018
Jane Horst	2015
Steve Riehl	2009
Michael Hartmann	2020
Michael Sage	2007
Steven Temple	2013

School Board Members

PEQUEA VALLEY School District

Listing of Key Administrative Staff

Erik Orndorff	Superintendent	9 Years in Position	21 Years in PV School District
Richard Eby	Asst. Supt.	9 Years in Position	18 Years in PV School District
John Bowden	CFO	15 Years in Position	15 Years in PV School District
Britney Hevner	Asst. CFO	6 Years in Position	6 Years in PV School District
Ashley Rednak	Dir. of Tech.	6 Years in Position	13 Years in PV School District
Cathy Koenig	Dir. Pupil Svs.	8 Years in Positon	12 Years in PV School District
Gavin Scalyer	Cust/Maint/FS	21 Years in Position	21 years in PV School District



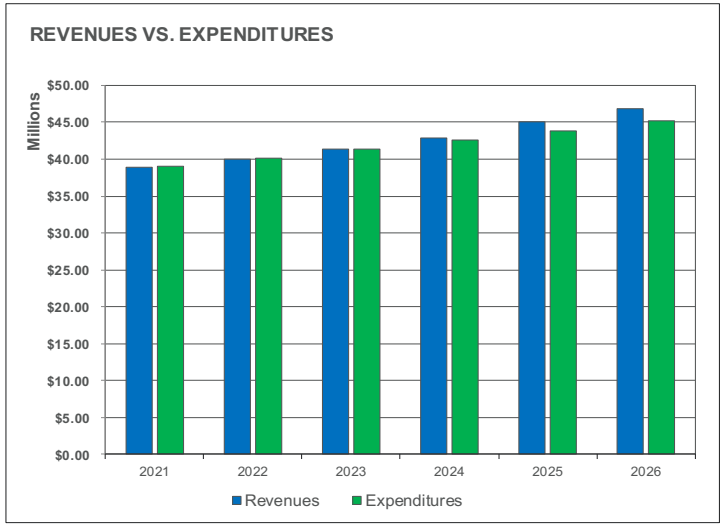
Five-Year Financial Projection

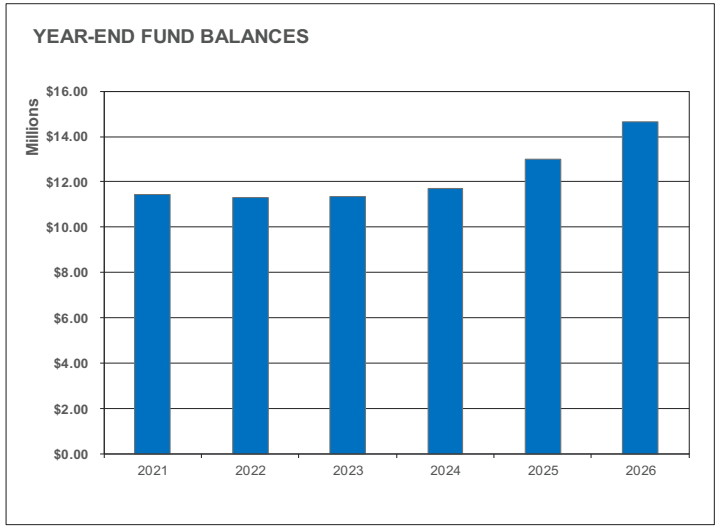
YEARS 2021 THROUGH 2025

General Fund | Projection Summary

5 year Projection 2-2-21

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2021	2022	%Δ	2023	%Δ	2024	%Δ	2025	%Δ	2026	%Δ
REVENUE											
Local	$29,063,588	$30,189,903	3.88%	$31,380,611	3.94%	$32,776,144	4.45%	$34,823,311	6.25%	$36,328,791	4.32%
State	$8,711,124	$8,669,900	-0.47%	$8,827,844	1.82%	$8,978,175	1.70%	$9,132,115	1.71%	$9,303,053	1.87%
Federal	$1,188,701	$1,183,885	-0.41%	$1,179,094	-0.40%	$1,174,326	-0.40%	$1,169,582	-0.40%	$1,164,862	-0.40%
Other Financing Sources	$0	$0		$0		$0		$0		$0	
TOTAL REVENUE	**$38,963,413**	**$40,043,688**	**2.77%**	**$41,387,549**	**3.36%**	**$42,928,645**	**3.72%**	**$45,125,008**	**5.12%**	**$46,796,707**	**3.70%**
EXPENDITURES											
Salary and Benefit Costs	$22,641,114	$23,581,822	4.15%	$24,537,081	4.05%	$25,510,286	3.97%	$26,525,945	3.98%	$27,613,051	4.10%
Other	$16,463,694	$16,597,045	0.81%	$16,808,767	1.28%	$17,043,955	1.40%	$17,302,709	1.52%	$17,540,130	1.37%
TOTAL EXPENDITURES	**$39,104,809**	**$40,178,867**	**2.75%**	**$41,345,848**	**2.90%**	**$42,554,241**	**2.92%**	**$43,828,654**	**2.99%**	**$45,153,181**	**3.02%**
SURPLUS / DEFICIT	**($141,396)**	**($135,179)**		**$41,701**		**$374,404**		**$1,296,354**		**$1,643,525**	
BEGINNING FUND BALANCE	**$11,584,988**	**$11,443,592**		**$11,308,413**		**$11,350,113**		**$11,724,518**		**$13,020,872**	
PROJECTED YEAR END BALANCE	**$11,443,592**	**$11,308,413**		**$11,350,113**		**$11,724,518**		**$13,020,872**		**$14,664,397**	
FUND BALANCE AS % OF EXPENDITURES	**29.26%**	**28.15%**		**27.45%**		**27.55%**		**29.71%**		**32.48%**	
FUND BALANCE AS # OF MONTHS OF EXPEND.	**3.51**	**3.38**		**3.29**		**3.31**		**3.57**		**3.90**	

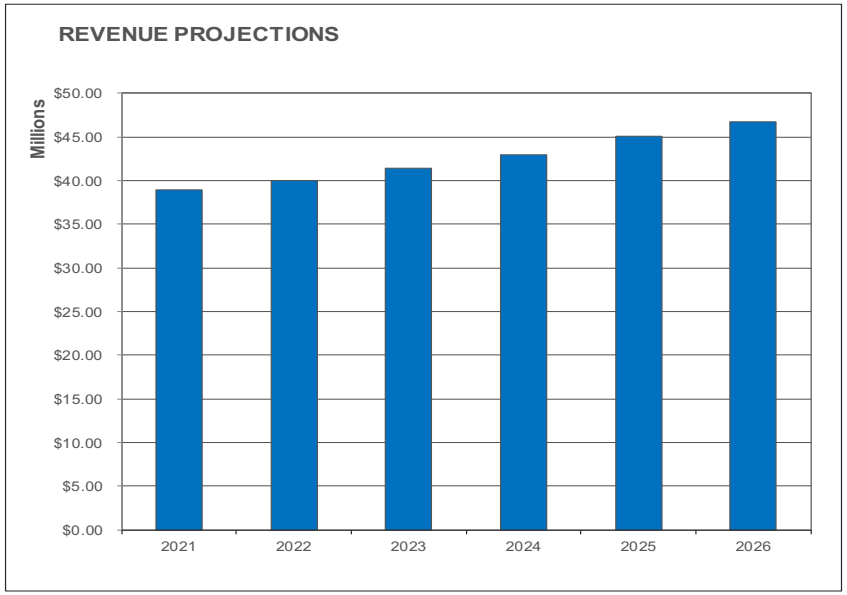


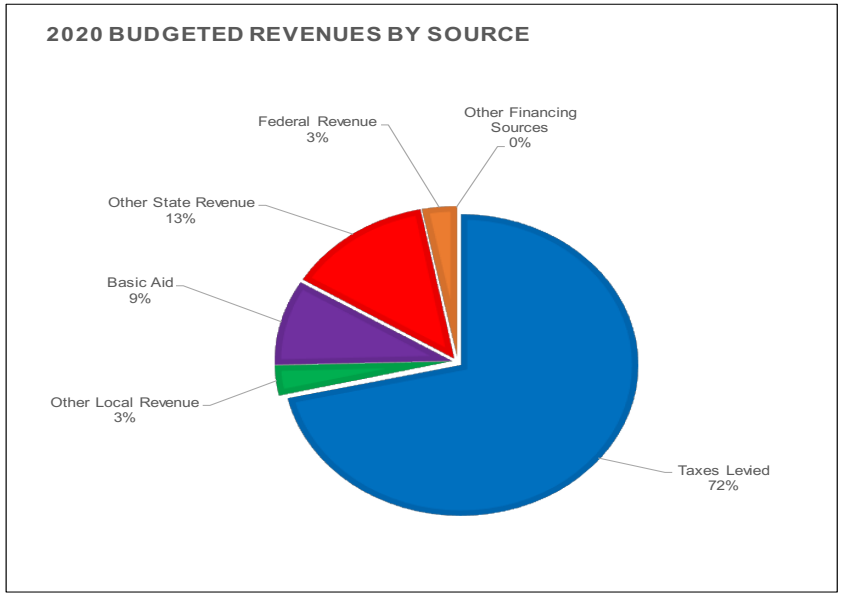


General Fund | Revenue Analysis

5 year Projection 2-2-21

	BUDGET	REVENUE PROJECTIONS									
	2021	2022	%Δ	2023	%Δ	2024	%Δ	2025	%Δ	2026	%Δ
LOCAL											
Taxes Levied	$27,844,988	$28,921,303	3.87%	$30,112,011	4.12%	$31,382,544	4.22%	$33,404,711	6.44%	$34,885,191	4.43%
Other Local Revenue	$1,218,600	$1,268,600	4.10%	$1,268,600	0.00%	$1,393,600	9.85%	$1,418,600	1.79%	$1,443,600	1.76%
TOTAL LOCAL REVENUE	**$29,063,588**	**$30,189,903**	**3.88%**	**$31,380,611**	**3.94%**	**$32,776,144**	**4.45%**	**$34,823,311**	**6.25%**	**$36,328,791**	**4.32%**
STATE											
Basic Aid	$3,553,137	$3,565,523	0.35%	$3,581,368	0.44%	$3,597,681	0.46%	$3,614,476	0.47%	$3,631,768	0.48%
Other State Revenue	$5,157,987	$5,104,377	-1.04%	$5,246,476	2.78%	$5,380,494	2.55%	$5,517,639	2.55%	$5,671,285	2.78%
TOTAL STATE REVENUE	**$8,711,124**	**$8,669,900**	**-0.47%**	**$8,827,844**	**1.82%**	**$8,978,175**	**1.70%**	**$9,132,115**	**1.71%**	**$9,303,053**	**1.87%**
TOTAL FEDERAL REVENUE	**$1,188,701**	**$1,183,885**	**-0.41%**	**$1,179,094**	**-0.40%**	**$1,174,326**	**-0.40%**	**$1,169,582**	**-0.40%**	**$1,164,862**	**-0.40%**
OTHER FINANCING SOURCES	**$0**	**$0**		**$0**		**$0**		**$0**		**$0**	
TOTAL REVENUE	**$38,963,413**	**$40,043,688**	**2.77%**	**$41,387,549**	**3.36%**	**$42,928,645**	**3.72%**	**$45,125,008**	**5.12%**	**$46,796,707**	**3.70%**

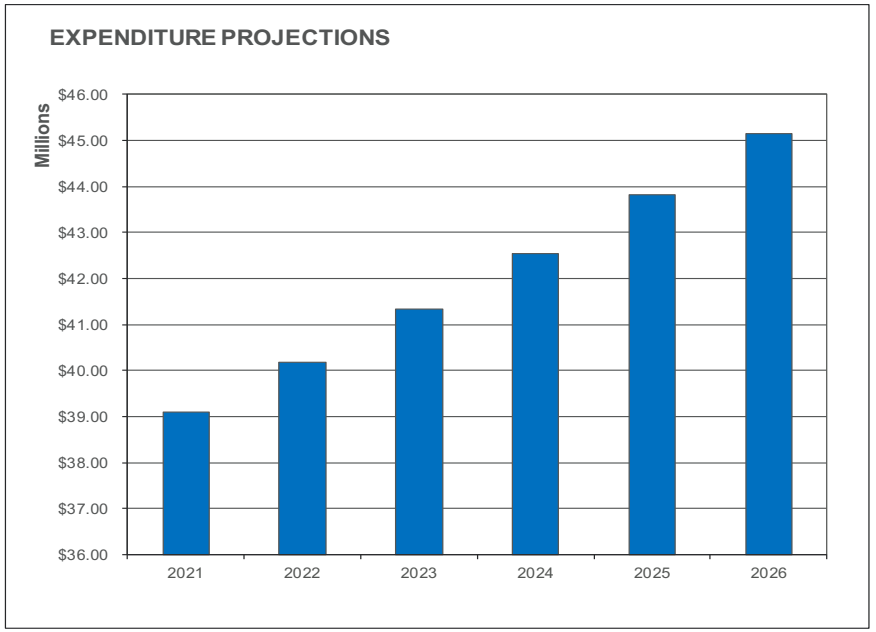


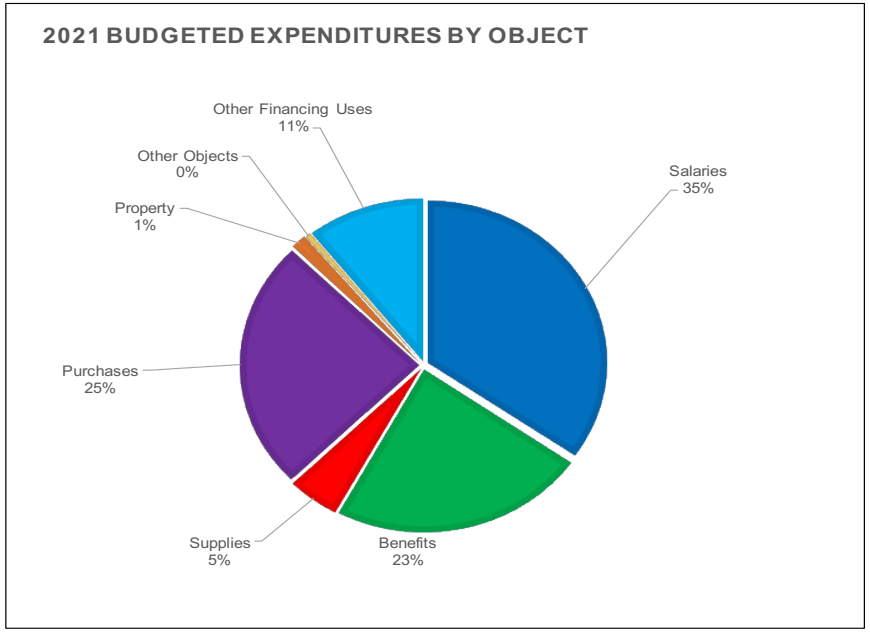


General Fund | Expenditure Analysis

5 year Projection 2-2-21

	BUDGET 2021	EXPENDITURE PROJECTIONS 2022	%Δ	2023	%Δ	2024	%Δ	2025	%Δ	2026	%Δ
Salaries	$13,566,319	$13,968,665	2.97%	$14,382,904	2.97%	$14,809,386	2.97%	$15,248,475	2.96%	$15,700,545	2.96%
Benefits	$9,074,796	$9,613,157	5.93%	$10,154,178	5.63%	$10,700,900	5.38%	$11,277,470	5.39%	$11,912,507	5.63%
TOTAL SALARIES & BENEFITS	**$22,641,114**	**$23,581,822**	**4.15%**	**$24,537,081**	**4.05%**	**$25,510,286**	**3.97%**	**$26,525,945**	**3.98%**	**$27,613,051**	**4.10%**
Supplies	$1,843,390	$1,855,275	0.64%	$1,867,516	0.66%	$1,880,124	0.68%	$1,893,111	0.69%	$1,906,487	0.71%
Purchases	$9,719,540	$9,832,373	1.16%	$10,023,047	1.94%	$10,236,645	2.13%	$10,473,250	2.31%	$10,687,950	2.05%
Property	$552,391	$561,025	1.56%	$569,831	1.57%	$578,813	1.58%	$587,975	1.58%	$597,320	1.59%
Other Objects	$204,965	$204,965	0.00%	$204,965	0.00%	$204,965	0.00%	$204,965	0.00%	$204,965	0.00%
Other Financing Uses	$4,143,408	$4,143,408	0.00%	$4,143,408	0.00%	$4,143,408	0.00%	$4,143,408	0.00%	$4,143,408	0.00%
TOTAL ALL OTHER	**$16,463,694**	**$16,597,045**	**0.81%**	**$16,808,767**	**1.28%**	**$17,043,955**	**1.40%**	**$17,302,709**	**1.52%**	**$17,540,130**	**1.37%**
TOTAL EXPENDITURES	**$39,104,809**	**$40,178,867**	**2.75%**	**$41,345,848**	**2.90%**	**$42,554,241**	**2.92%**	**$43,828,654**	**2.99%**	**$45,153,181**	**3.02%**





Major Assumptions for 5-year Projection

- Salary increases as follows: Admin 2.5%; Prof/Supp 3.0%
- Health Ins 10%; Dental 3%; Life 1%
- Utilities/Contracted Services used historical increases
- Projected RE tax increases at anticipated Act 1 Index limit
- Projected Assessed Value 1.3% year of year increase
  - Reduced 2021-22 by $3,145,100 (Houston Run Property)
  - Increased 2024-25 by $40,444,100 (Urban Outfitters KOZ)
- State and Federal revenue sources based on historical increases

District Provided Board Policies
Finance Policies and Guidelines

Board Policies
- Fiscal Objectives
- Budget Planning
- Budget Preparation
- Budget Adoption
- Tax Levy
- Tax Collection
- Tuition Income
- Bank Accounts
- Investment of District Funds
- Purchases Subject to Bid
- Purchases Budgeted
- Purchases Not Budgeted
- Payroll Authorization

Board Policies
- Payroll Deductions
- Payment of Bills
- Electronic Records/Signatures
- Petty Cash
- Student Activity Funds
- District Audit
- Local Taxpayer Bill of Rights
- GASB 34
- Taxable Fringe Benefits
- Federal Fiscal Compliance
- Travel Reimbursement -Fed Prgms.

Admin Guidelines
- Tax Collection
- Investment of District Funds
- Local Taxpayer Bill of Rights
- Valuation of Capital Assets
- Taxable Fringe Benefits
- Use of Personal Contract
- Invoice Payment Procedure
- Reimbursement for Purchases
- Site Based Budgeting
- Sub Teacher Compensation
- Technology Funding
- Theft and Vandalism
- PA Sales Tax

District Comments on Section 3

(Management)

- Supportive Board of Directors
- Solid and experienced administrative and business office staff
- Use of Forecast5 5Cast to develop 5-year projection scenarios
- Strong Fund Balance and Budget Management Policies

BUDGETARY FLEXIBILITY

Section 4

Budgetary Flexibility

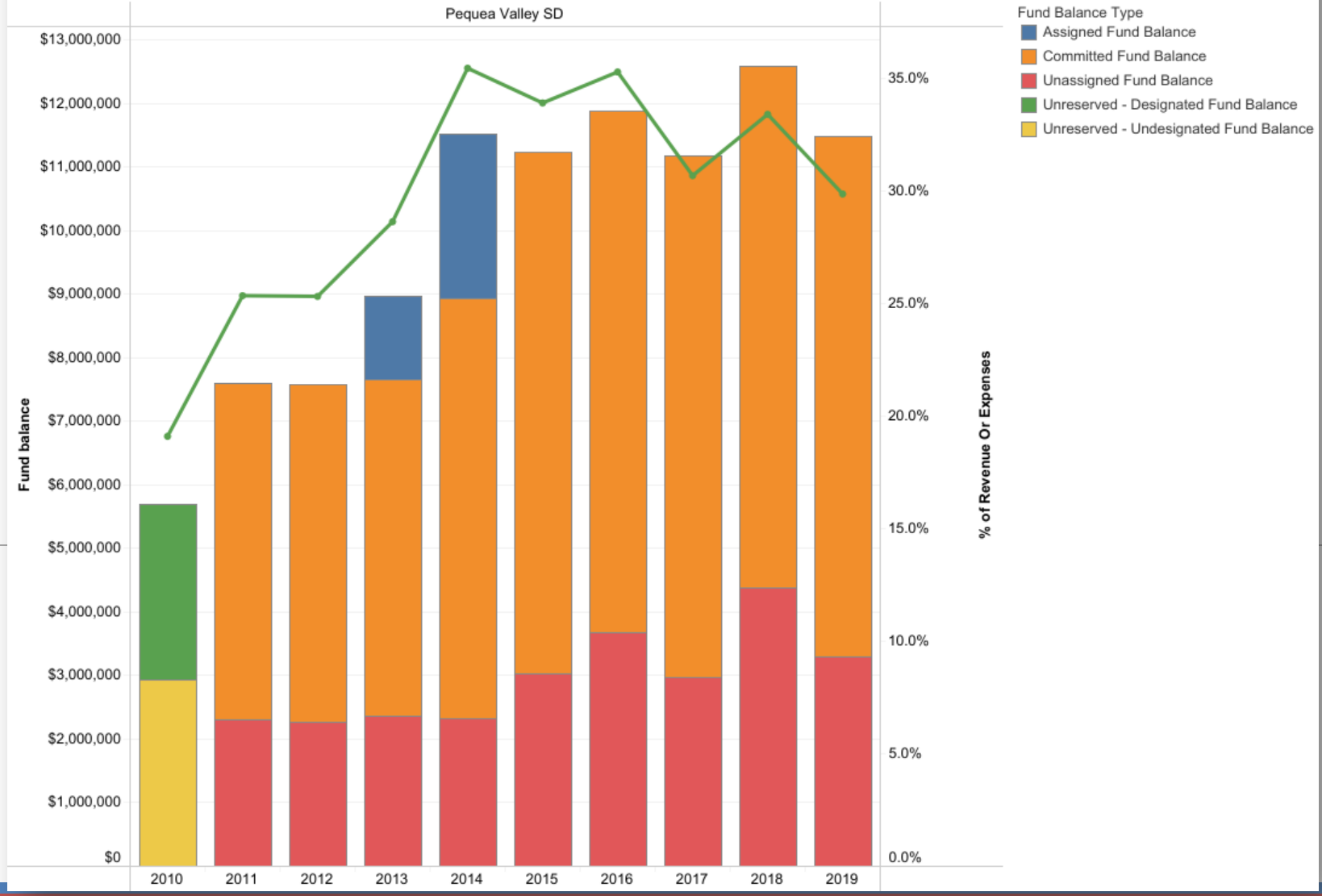
- Fund Balance Information
- Ability to Manage High-Cost Expenditure Categories
  - Special Education
  - Charter School
  - Transportation
  - Salary Expense & Related Information
  - Employment Benefits – Group Insurance

Fund Balance by Percentage

District(s): Pequea Valley SD

Note: % of Revenues or Expenses reflects General funds only

Source: Pennsylvania Department of Education



Pequea Valley School District

History of Fund Balance by Designation

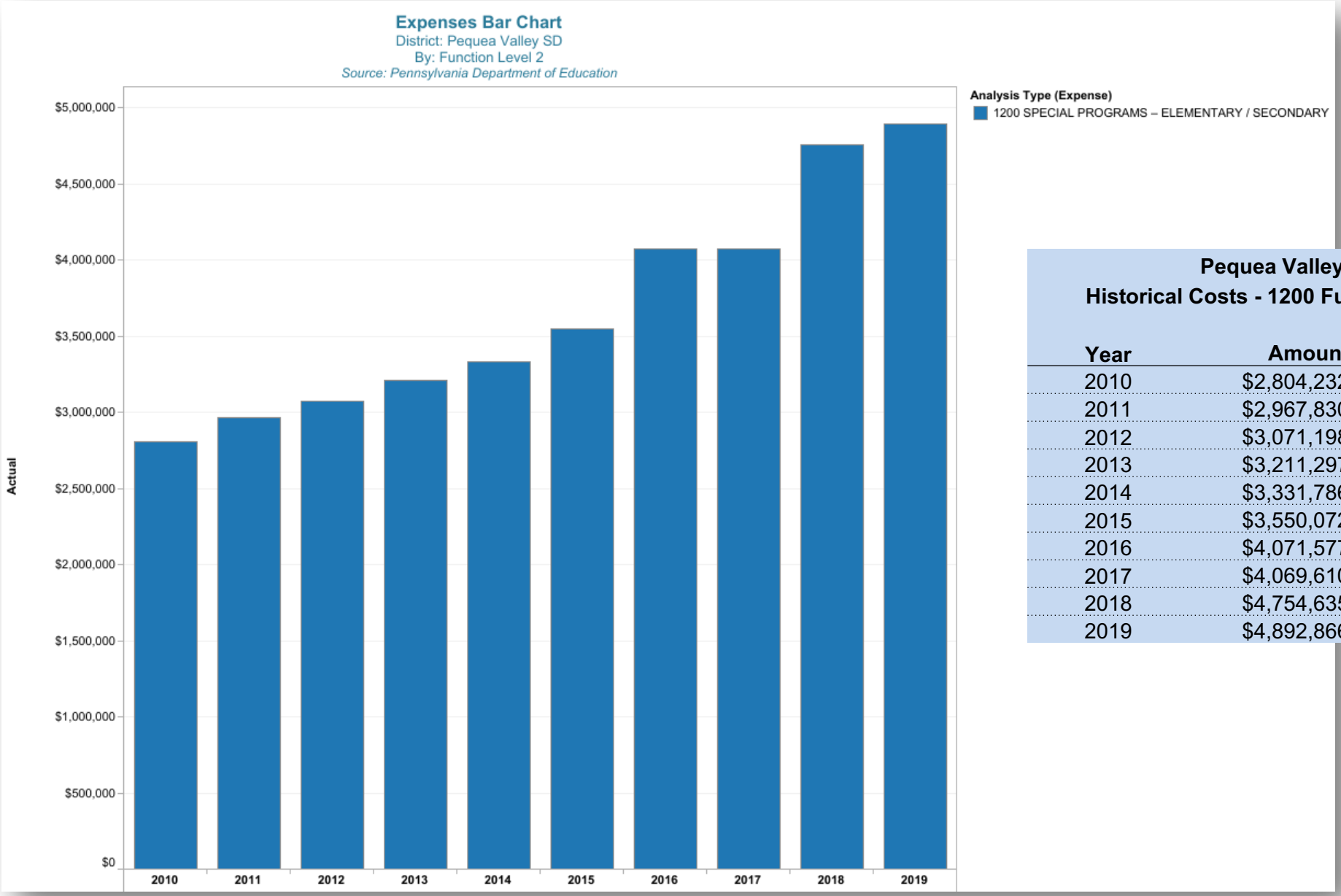
Designation	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assigned				$1,300,000	$2,600,000					
Committed		$5,300,000	$5,300,000	$5,300,000	$6,600,000	$8,200,000	$8,200,000	$8,200,000	$8,200,000	$8,200,000
Unassigned		$2,294,142	$2,267,949	$2,358,046	$2,322,900	$3,026,579	$3,672,593	$2,966,494	$4,381,002	$3,284,655
Designated	$2,750,000									
Undesignated	$2,932,434									
Total	**$ 5,682,434**	**$ 7,594,142**	**$ 7,567,949**	**$ 8,958,046**	**$ 11,522,900**	**$ 11,226,579**	**$ 11,872,593**	**$ 11,166,494**	**$ 12,581,002**	**$ 11,484,655**
Total Revenue	$29,727,775	$29,936,763	$29,872,383	$31,260,673	$32,477,938	$33,083,852	$33,621,830	$36,369,515	$37,635,580	$38,426,791
Total Fund Bal as a % of Rev	19.1%	25.4%	25.3%	28.7%	35.5%	33.9%	35.3%	30.7%	33.4%	29.9%
Unassigned Fund Bal as a % of Rev	9.9%	7.7%	7.6%	7.5%	7.2%	9.1%	10.9%	8.2%	11.6%	8.5%

History of Fund Balance

Category	Amount	Notes
Non-spendable:	$ 171,689	(Prepaid Expenses)
Restricted:	$ -0-	(limited to external parties, e.g. Fed Prgms)
Committed:	$ 8,200,000	(reserved by Board action for future activities)
Assigned:	$ 2,053,277	(assigned for Capital Outlays)
Unassigned:	$ 4,174,395	
TOTAL	$ 12,546,084	

Fund Balance Detail (June 30, 2020)

History of Special Education Expense



Pequea Valley School District
Historical Costs - 1200 Function (Special Education)

Year	Amount	$ Change	% Change
2010	$2,804,232		
2011	$2,967,830	$163,599	5.8%
2012	$3,071,198	$103,368	3.5%
2013	$3,211,297	$140,099	4.6%
2014	$3,331,786	$120,489	3.8%
2015	$3,550,072	$218,285	6.6%
2016	$4,071,577	$521,506	14.7%
2017	$4,069,610	($1,968)	0.0%
2018	$4,754,635	$685,026	16.8%
2019	$4,892,866	$138,230	2.9%

Net expense of special education programs shown in parenthesis

Revenue Versus Expense History

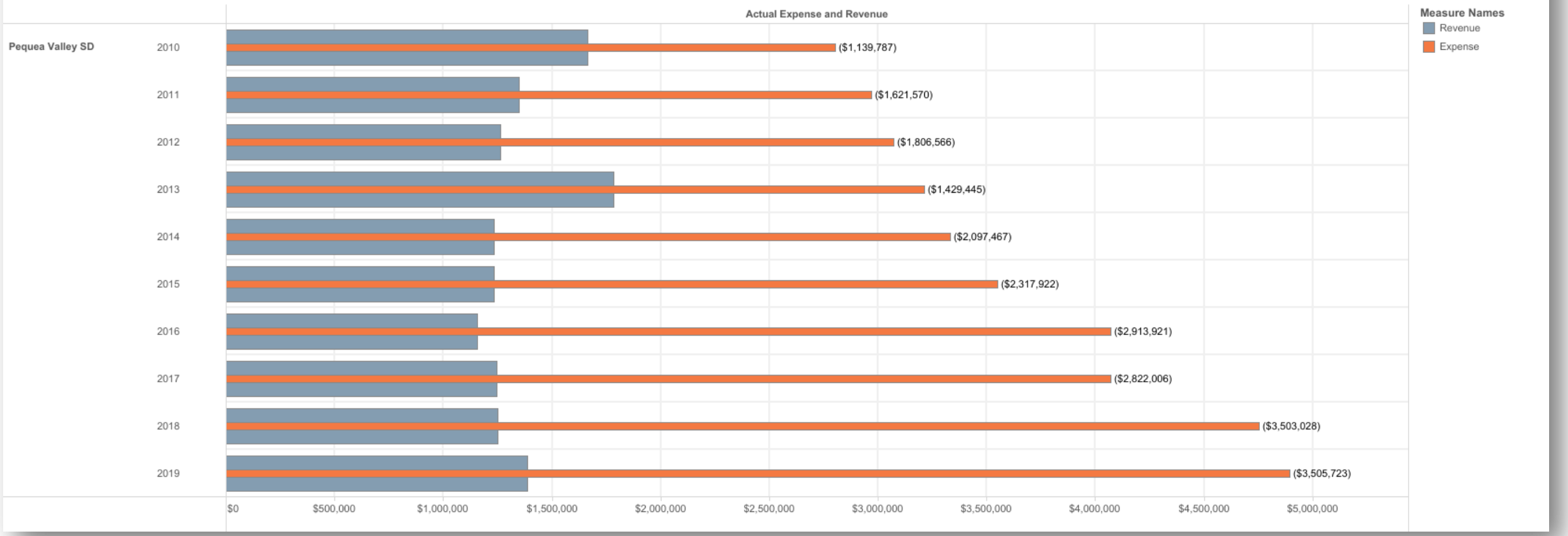
Special Education

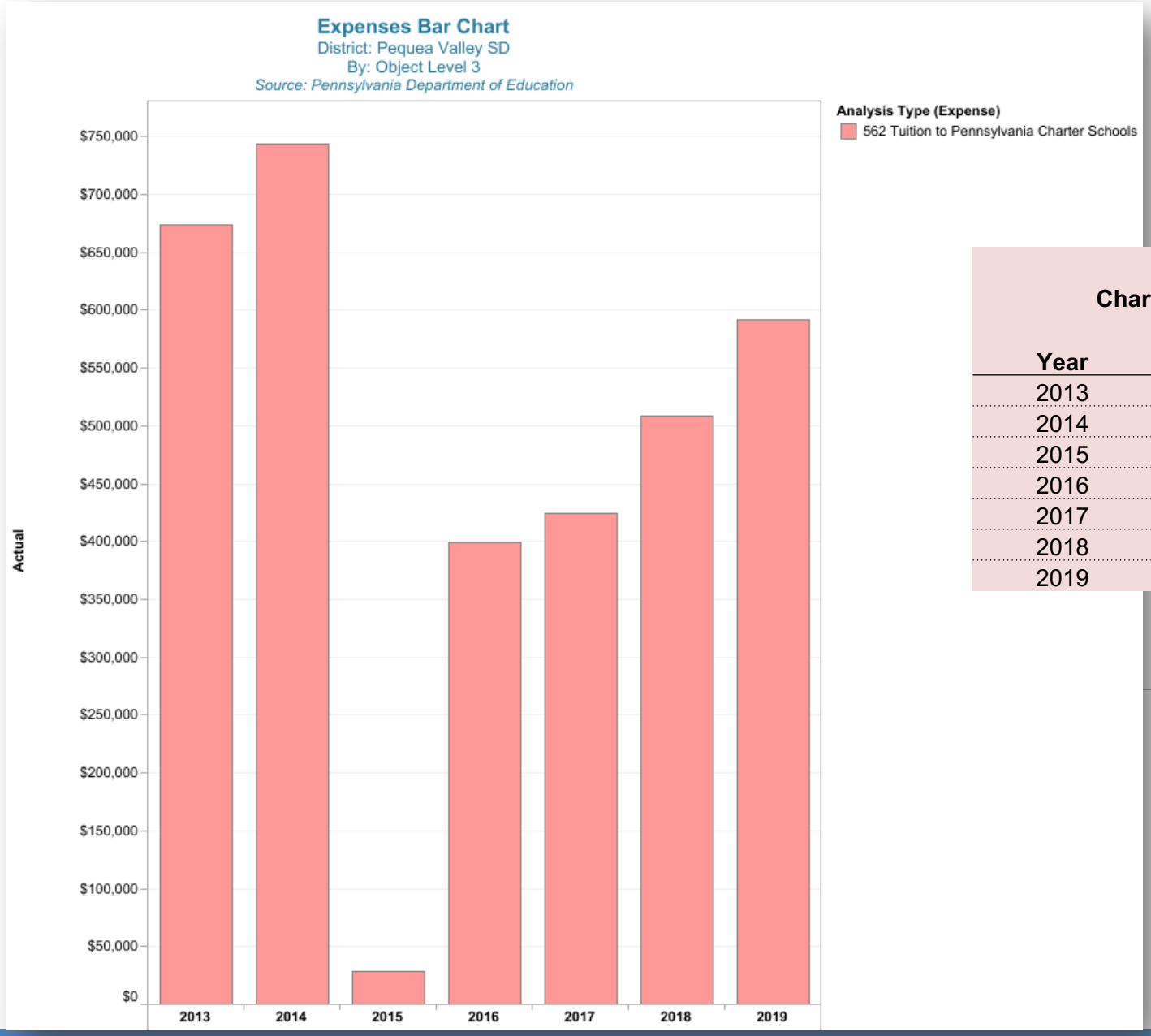
Revenues: All Funds: Function Level 4: 6832, 6833, 7271, 8512, 8513, 8701, 8702, 8810, 8820 & 8830

Expenses: All Funds: Functions: All Sub Function 1200's

Source: Pennsylvania Department of Education

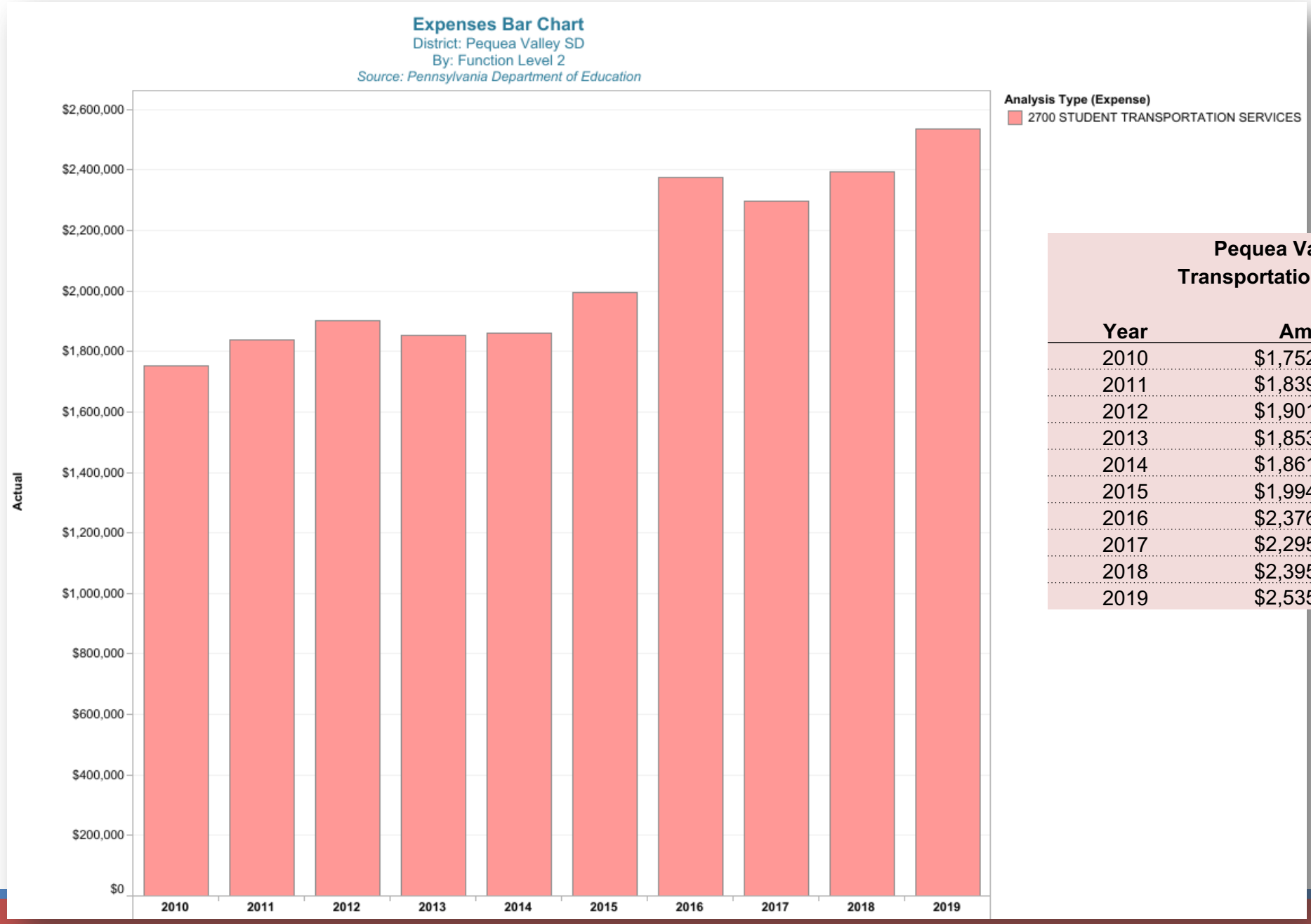
Note: Expense/Revenue Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.





Pequea Valley School District
Charter School Tuition Costs (Object 562)

Year	Amount	$ Increase	% Increase
2013	$674,249		
2014	$743,844	$69,595	10.3%
2015	$28,950	($714,894)	-96.1%
2016	$399,544	$370,594	1280.1%
2017	$424,100	$24,556	6.1%
2018	$508,283	$84,183	19.8%
2019	$591,750	$83,468	16.4%



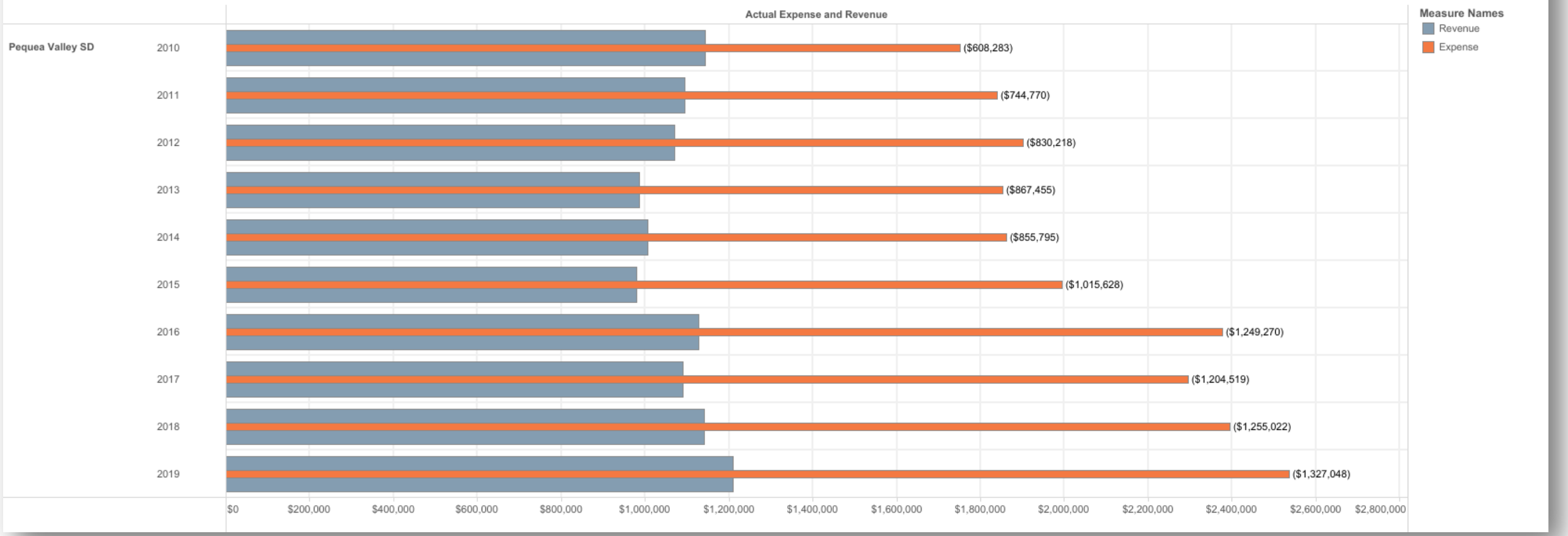
Pequea Valley School District
Transportation Costs (2700 Account)

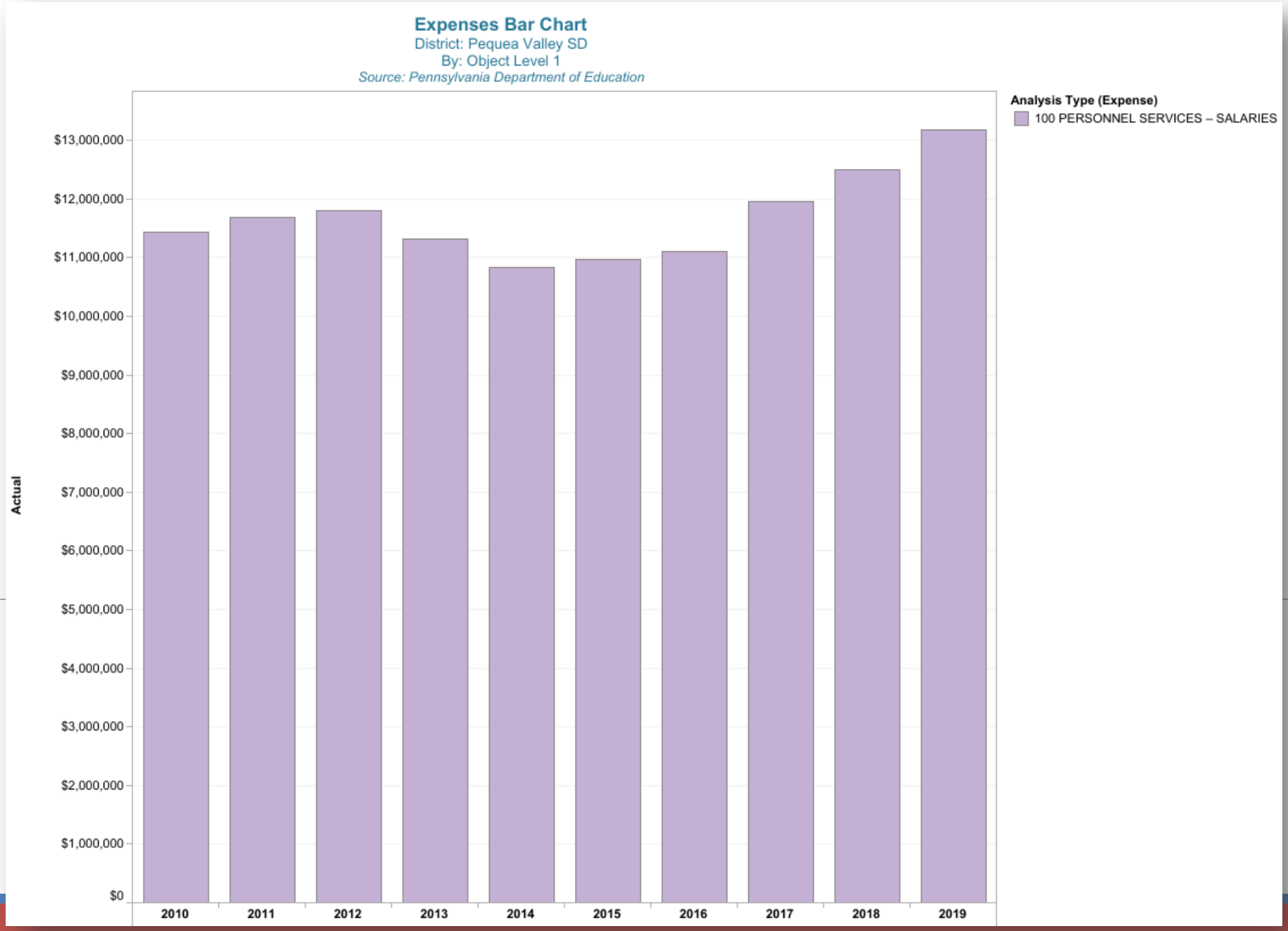
Year	Amount	$ Change	% Change
2010	$1,752,416		
2011	$1,839,800	$87,384	5.0%
2012	$1,901,418	$61,619	3.3%
2013	$1,853,984	($47,434)	-2.5%
2014	$1,861,057	$7,073	0.4%
2015	$1,994,784	$133,727	7.2%
2016	$2,376,572	$381,789	19.1%
2017	$2,295,372	($81,200)	-3.4%
2018	$2,395,088	$99,715	4.3%
2019	$2,535,785	$140,698	5.9%

Revenue Versus Expense History

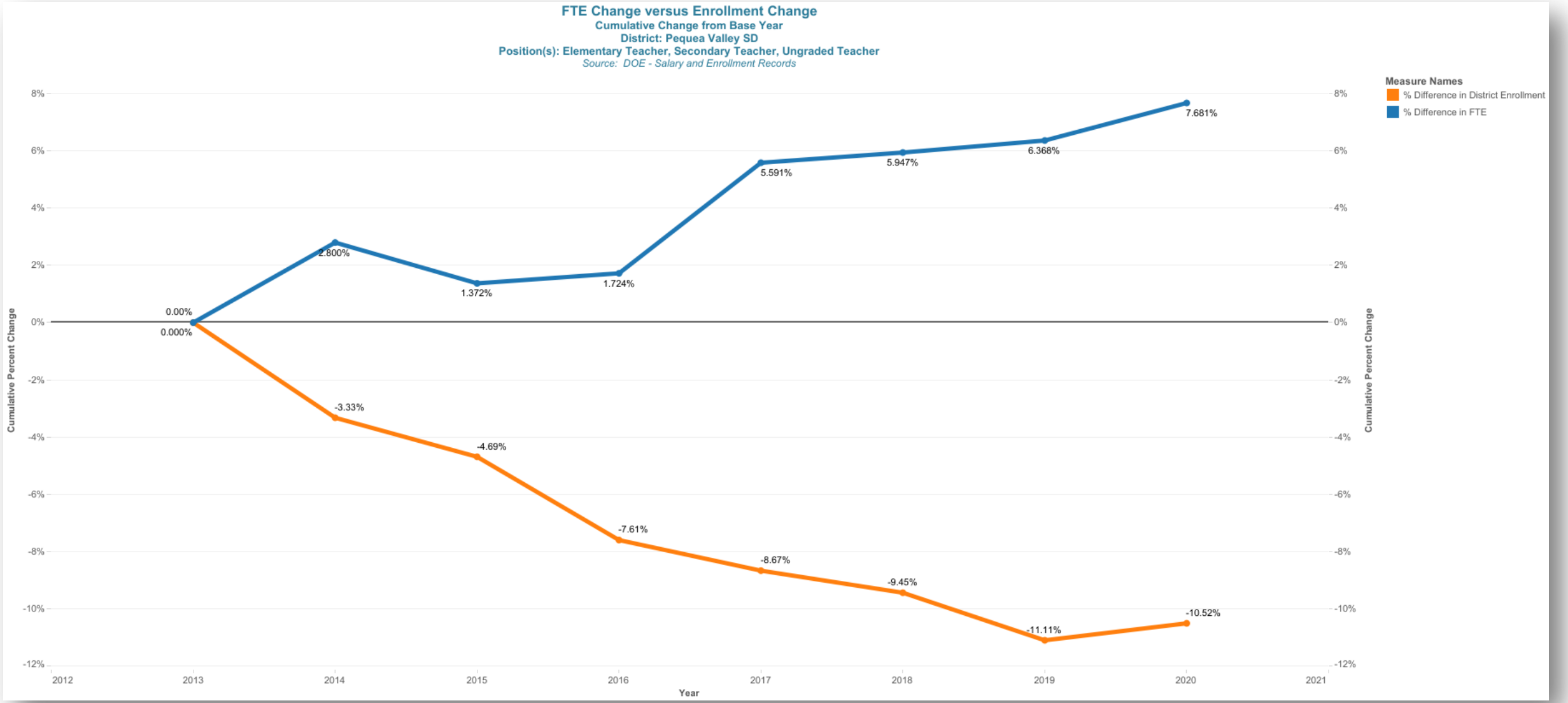
Transportation
Revenues: All Funds: Function Level 4: 6961 & 7310s
Expenses: All Funds: Sub Functions: All Function 2700's
Source: Pennsylvania Department of Education
Note: Expense/Revenue Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.

Net Cost of Transportation Shown in Parenthesis




Expenses Bar Chart
District: Pequea Valley SD
By: Object Level 1
Source: Pennsylvania Department of Education
Analysis Type (Expense)
100 PERSONNEL SERVICES – SALARIES
Actual
$13,000,000
$12,000,000
$11,000,000
$10,000,000
$9,000,000
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019

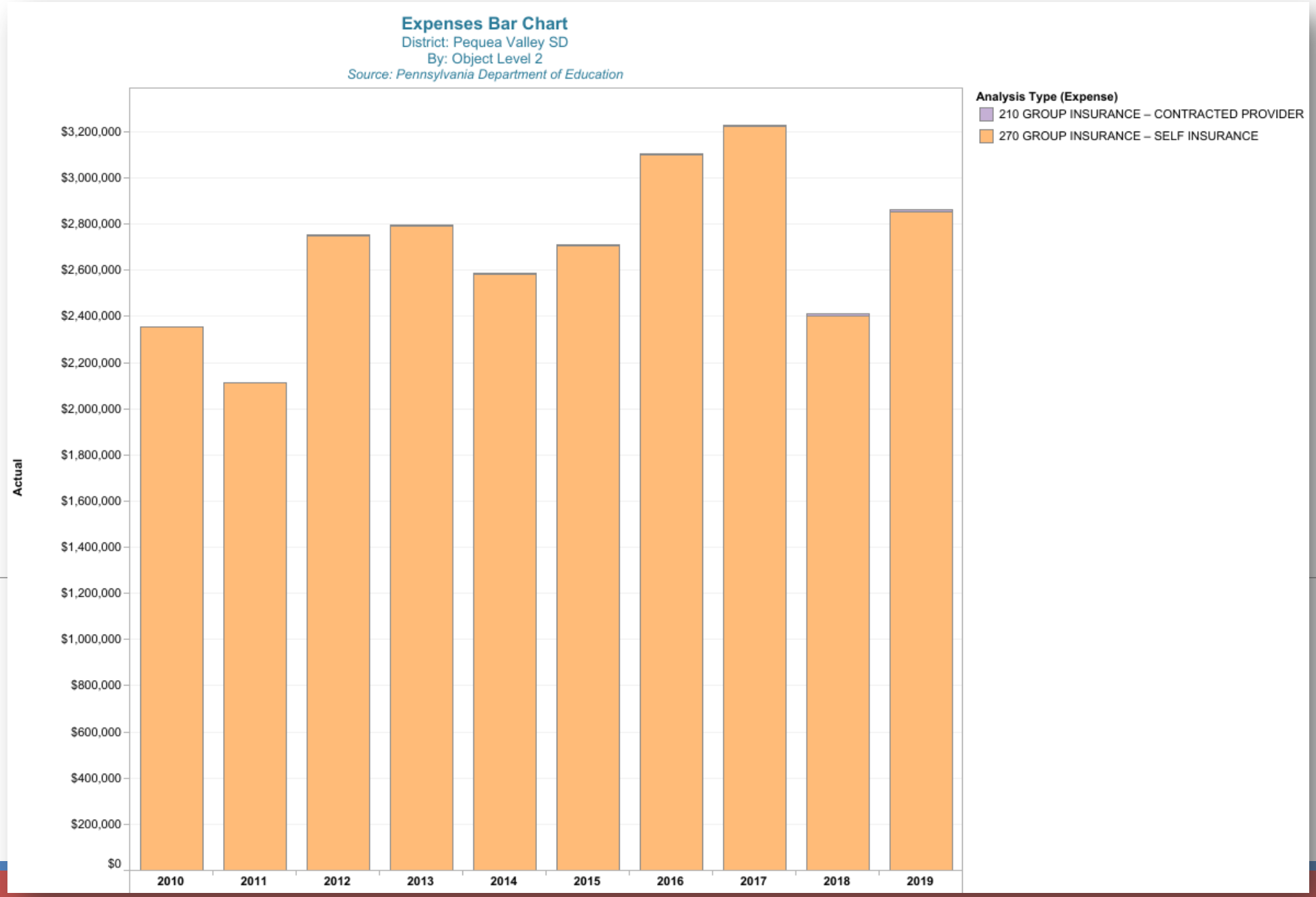
Pequea Valley School District			
History of Salary Expenditures			
School Year	**Total Salaries**	**$ Change**	**% Change**
2010	$11,435,869		
2011	$11,690,838	$254,970	2.2%
2012	$11,810,595	$119,757	1.0%
2013	$11,323,157	($487,438)	-4.1%
2014	$10,825,541	($497,616)	-4.4%
2015	$10,966,588	$141,047	1.3%
2016	$11,108,791	$142,204	1.3%
2017	$11,966,621	$857,830	7.7%
2018	$12,494,966	$528,345	4.4%
2019	$13,179,085	$684,119	5.5%


FTE Change versus Enrollment Change
Cumulative Change from Base Year
District: Pequea Valley SD
Position(s): Elementary Teacher, Secondary Teacher, Ungraded Teacher
Source: DOE - Salary and Enrollment Records
Measure Names
% Difference in District Enrollment
% Difference in FTE
Cumulative Percent Change
Year
8%
6%
4%
2%
0%
-2%
-4%
-6%
-8%
-10%
-12%
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
0.00%
0.000%
2.800%
1.372%
1.724%
5.591%
5.947%
6.368%
7.681%
-3.33%
-4.69%
-7.61%
-8.67%
-9.45%
-11.11%
-10.52%



Status of Employment Agreements

- Executive Contracts
  - Supt. Expires June 30, 2021
  - CFO Expires June 30, 2022
- Administrative (Act 93) – Expires June 30, 2022
- Professional Staff – Expires June 30, 2025
- Support Staff – No Contract


Expenses Bar Chart
District: Pequea Valley SD
By: Object Level 2
Source: Pennsylvania Department of Education
Actual
$3,200,000
$3,000,000
$2,800,000
$2,600,000
$2,400,000
$2,200,000
$2,000,000
$1,800,000
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Analysis Type (Expense)
210 GROUP INSURANCE – CONTRACTED PROVIDER
270 GROUP INSURANCE – SELF INSURANCE

District Commentary on Group Insurance

For example: Self-Insured for Medical & Dental Insurances since 1996

5 Year Average Healthcare Increases: 8.63%

Cost Containment Measures: Plan Design, Price MD, Consortium, Wellness Programs, Centers of Excellence, Potential on-site Clinics

Employee Contribution: -0- Copay; $1,750/$3,500 Deductible

District Comments on Section 4

(Budgetary Flexibility)

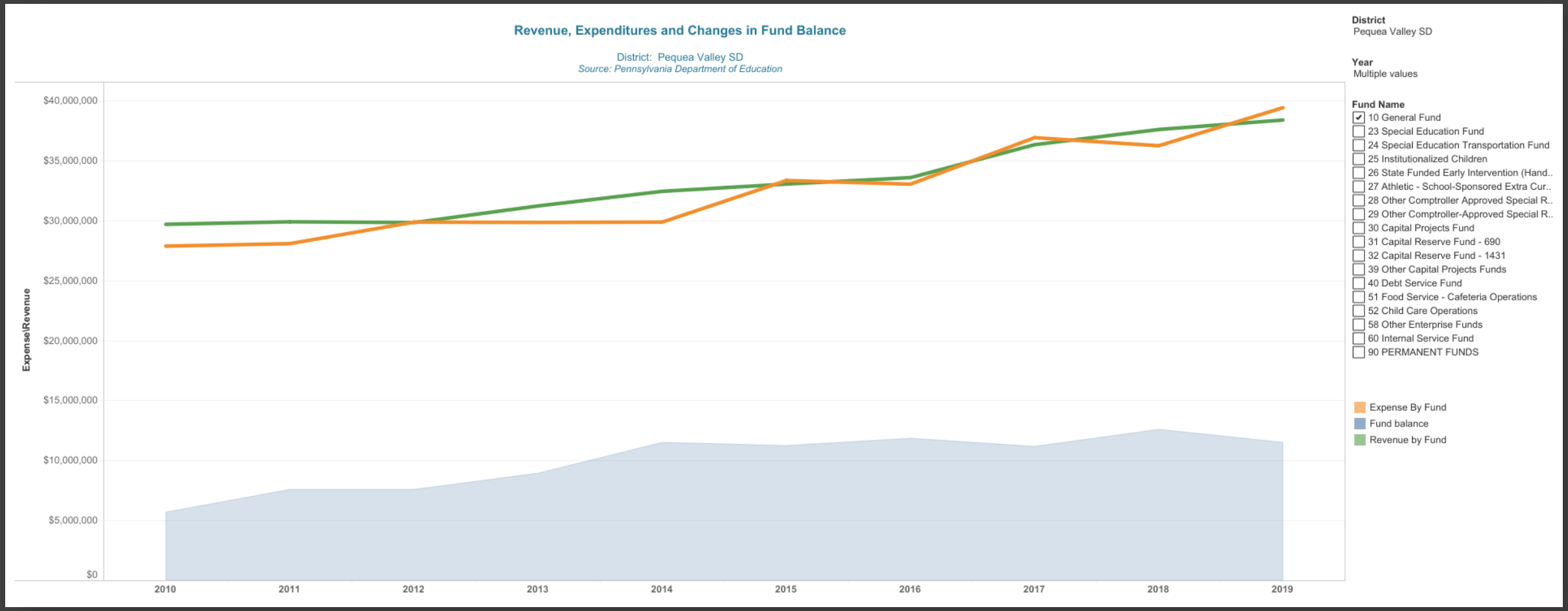
- Strong fund balance – current & historical
- Demonstrated ability to effectively manage challenging expenditure categories
- Relationships with employee groups are effectively managed and congenial

BUDGETARY PERFORMANCE

Section 5

Budgetary Performance

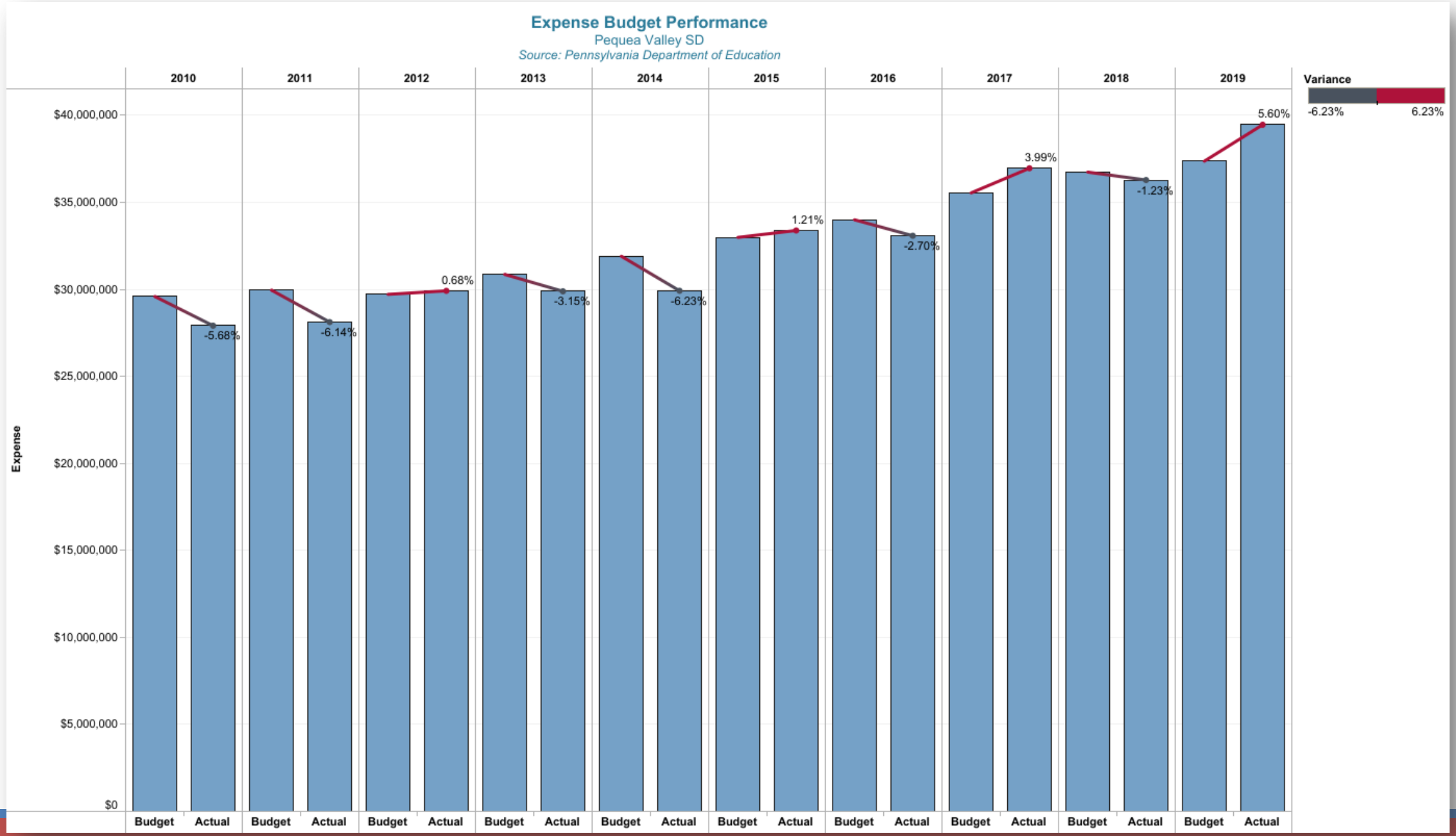
- Expense and Revenue History
- Budget Performance History
  - Budget vs. Actual – Expense
  - Budget vs. Actual – Revenue

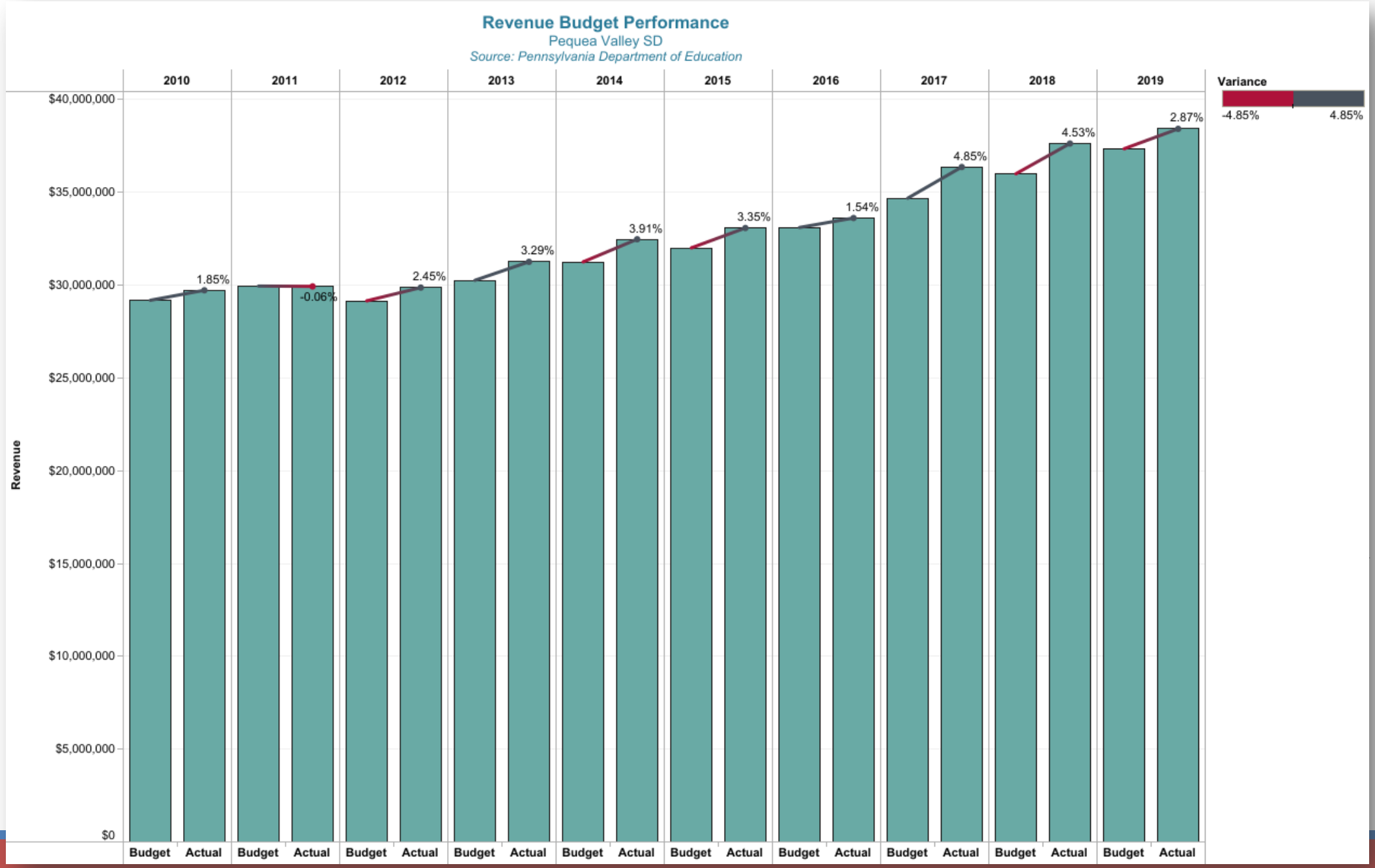

Revenue, Expenditures and Changes in Fund Balance
District: Pequea Valley SD
Source: Pennsylvania Department of Education
$40,000,000
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
Expense\Revenue
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
District
Pequea Valley SD
Year
Multiple values
Fund Name
10 General Fund
23 Special Education Fund
24 Special Education Transportation Fund
25 Institutionalized Children
26 State Funded Early Intervention (Hand..
27 Athletic - School-Sponsored Extra Cur..
28 Other Comptroller Approved Special R..
29 Other Comptroller-Approved Special R..
30 Capital Projects Fund
31 Capital Reserve Fund - 690
32 Capital Reserve Fund - 1431
39 Other Capital Projects Funds
40 Debt Service Fund
51 Food Service - Cafeteria Operations
52 Child Care Operations
58 Other Enterprise Funds
60 Internal Service Fund
90 PERMANENT FUNDS
Expense By Fund
Fund balance
Revenue by Fund

Pequea Valley School District

History of Revenues and Expenses

Year	Revenue	Expense	Surplus or (Deficit)	As a % of Expense
2010	29,727,775	27,908,030	1,819,745	6.5%
2011	29,936,763	28,115,073	1,821,690	6.5%
2012	29,872,383	29,911,571	-39,188	-0.1%
2013	31,260,673	29,884,226	1,376,447	4.6%
2014	32,477,938	29,913,986	2,563,952	8.6%
2015	33,083,852	33,380,174	-296,322	-0.9%
2016	33,621,830	33,075,941	545,888	1.7%
2017	36,369,515	36,954,846	-585,330	-1.6%
2018	37,635,580	36,279,647	1,355,933	3.7%
2019	38,426,791	39,454,187	-1,027,396	-2.6%


Expense Budget Performance
Pequea Valley SD
Source: Pennsylvania Department of Education
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Variance
-6.23%
6.23%
$40,000,000
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
Expense
-5.68%
-6.14%
0.68%
-3.15%
-6.23%
1.21%
-2.70%
3.99%
-1.23%
5.60%
Budget
Actual


Revenue Budget Performance
Pequea Valley SD
Source: Pennsylvania Department of Education
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Variance
-4.85%
4.85%
$40,000,000
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
Revenue
1.85%
-0.06%
2.45%
3.29%
3.91%
3.35%
1.54%
4.85%
4.53%
2.87%
Budget
Actual

District Comments on Section 5

(Budgetary Performance)

- Favorable trend in historical view of actual expenses versus revenues
- Strong development and management of budget
- In Following Years of Deficit 2015, 2017, 2019 the district transferred the following amounts to capital reserve; 2015 - $1,000,000; 2017 - $2,000,000; 2019 - $2,000,000;
- Use of Forecast5 5Cast Plus for monthly reporting to analyze data on a monthly basis (using Automated Insights). 5Cast Plus is also used to provide end of year projections based on historical trends

LIQUIDITY

Section 6

Liquidity

- Listing of Cash and Investment Balances

Cash and Investment Balances for Month Ending January 2021

Fulton Bank	$8,307,152.57
PSDLAD Liquid	$0.00
PSDLAF Max	$15,180,619.60
PSDLAF – CD's	$4,000,000.00
Total General fund Checking and Investment	$27,487,772.17

District Comments on Section 6

(Liquidity)

- Strong Cash Position

DEBT & CONTINGENT LIABILITIES

Section 7

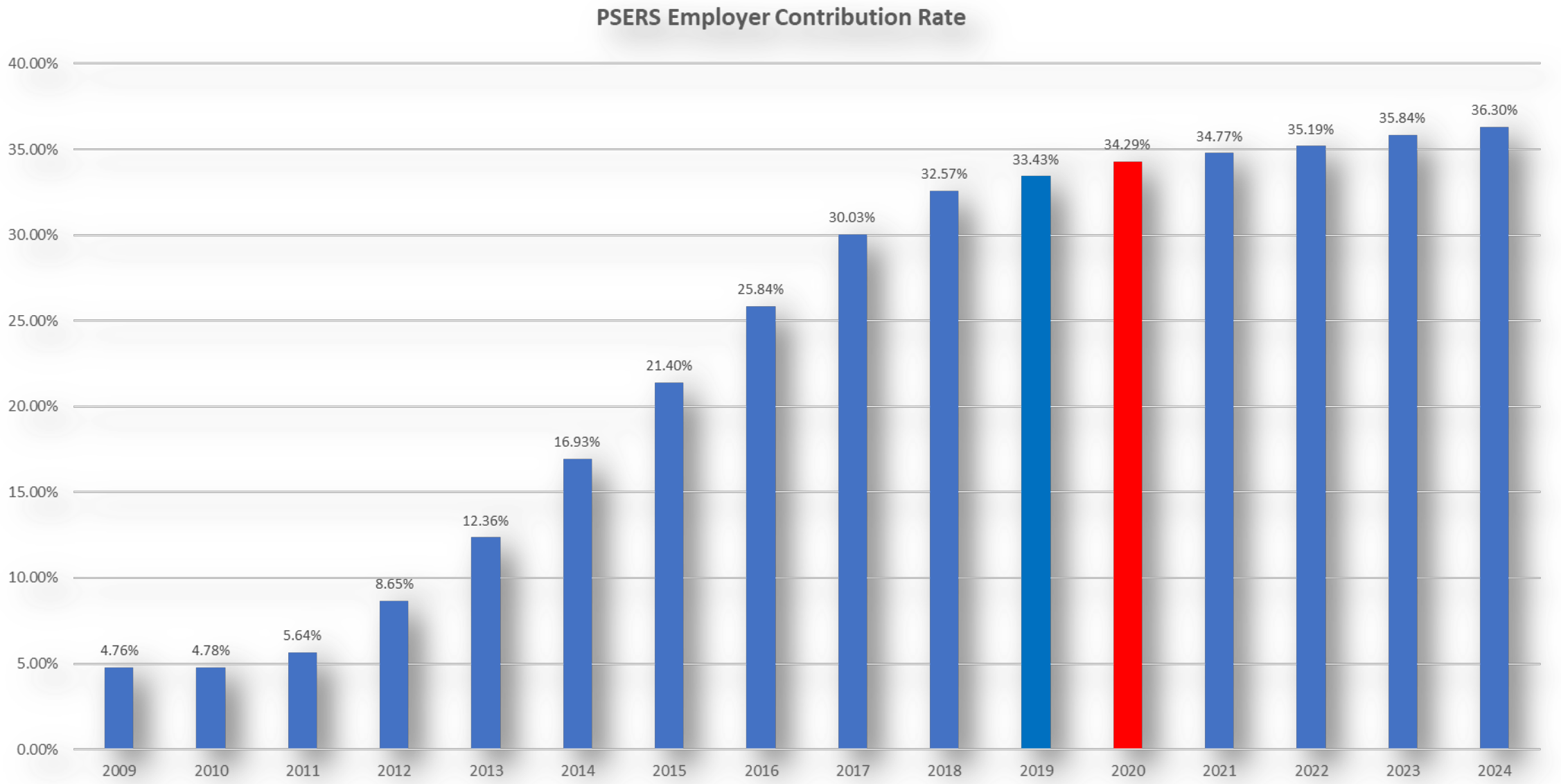
Debt & Contingent Liabilities

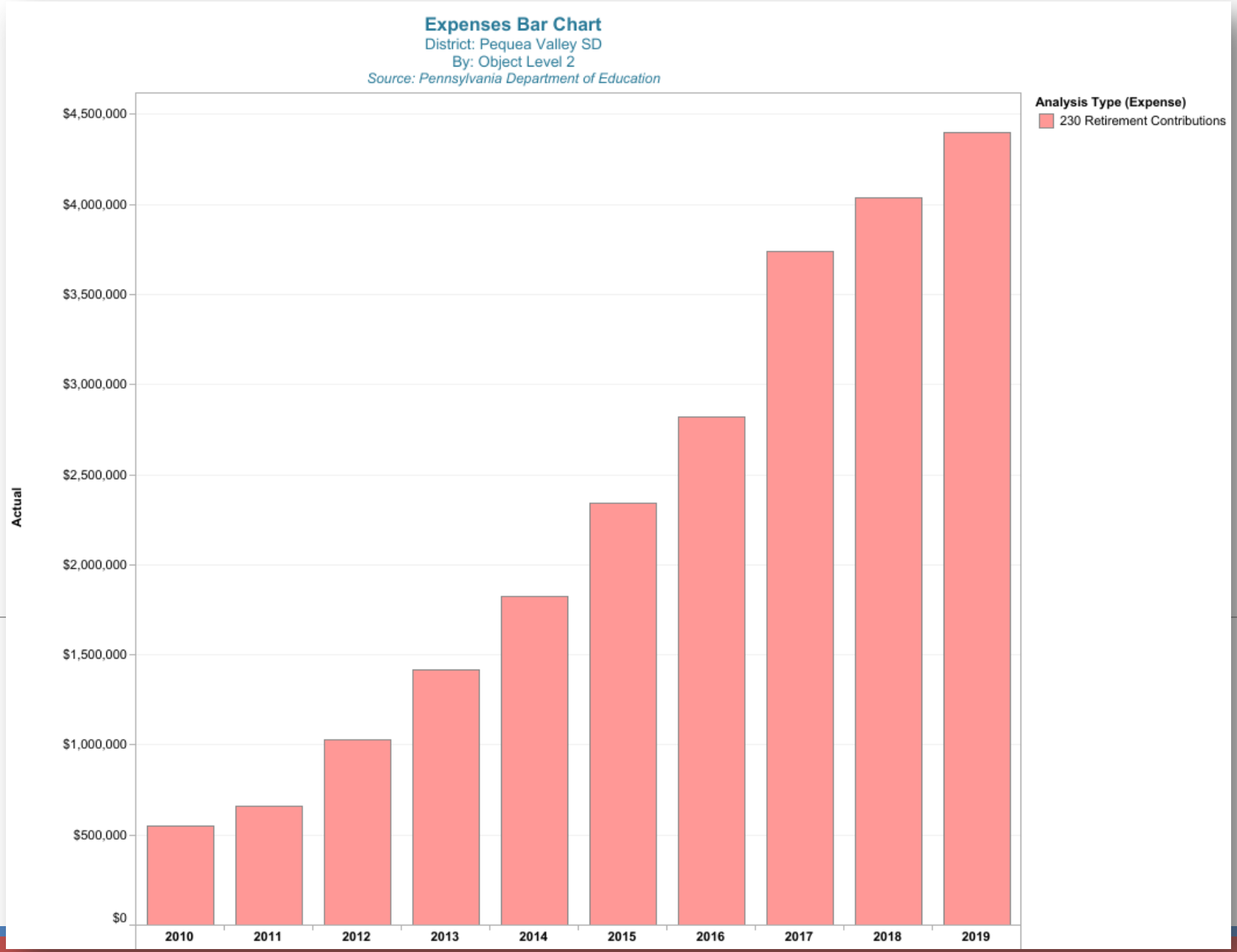
PSERS (Pension)

- Employer % Rate – historical and projected
- District PSERS expenditure – historical
- Net Expense of PSERS to District - historical

Debt Service

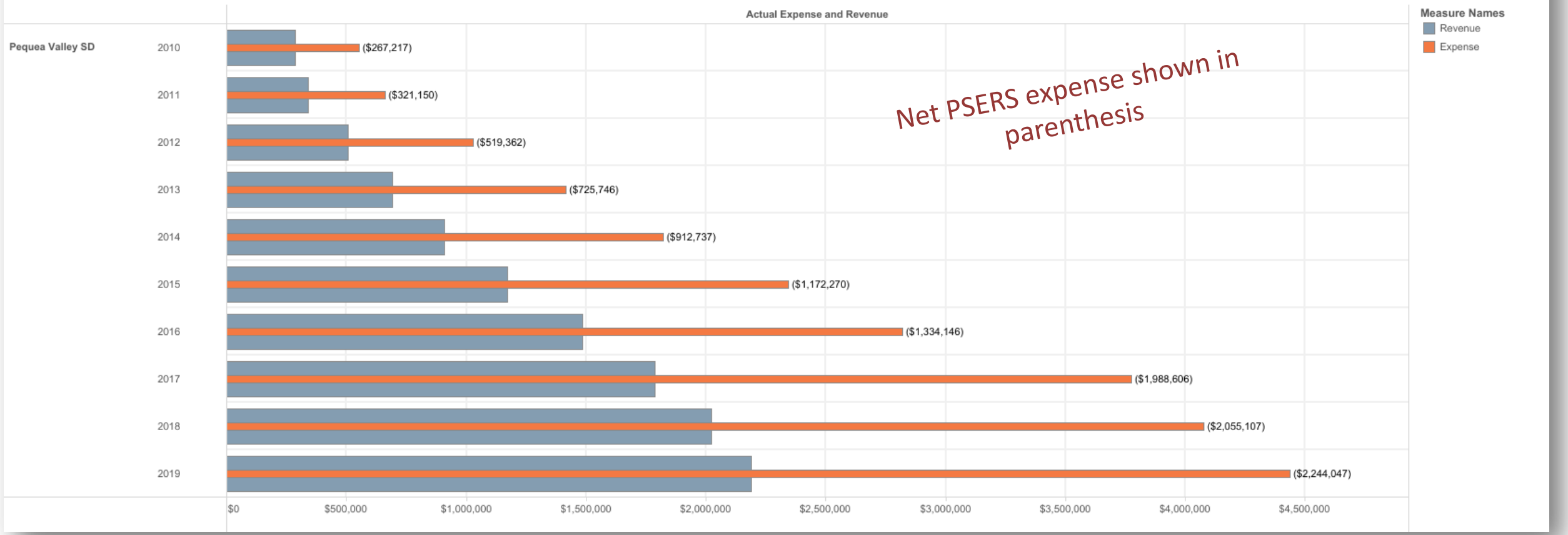
- Principal and Interest Expenditures – historical
- Debt Service Schedule
- Future Plans for Borrowing

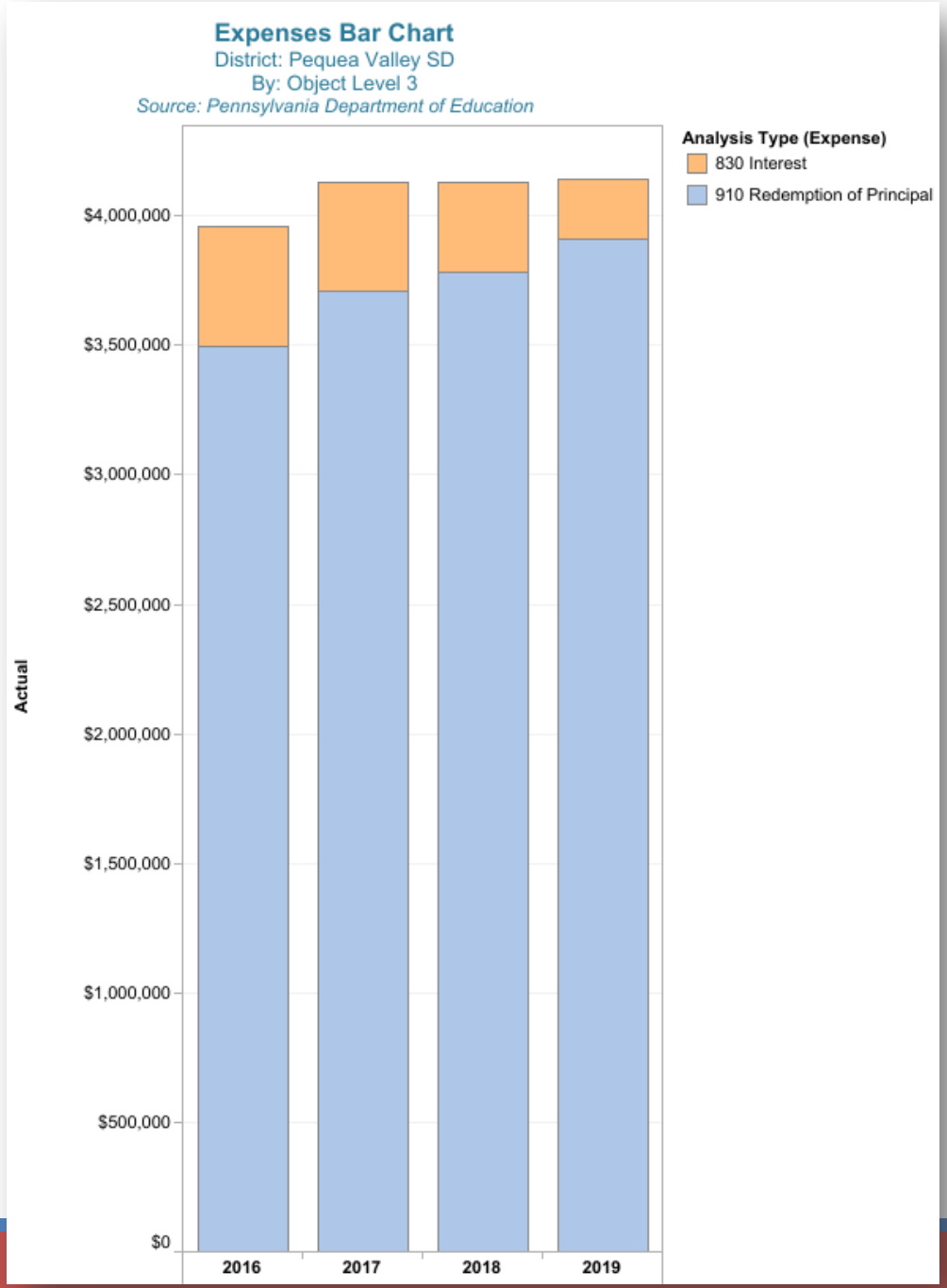

PSERS Employer Contribution Rate
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
4.76%
4.78%
5.64%
8.65%
12.36%
16.93%
21.40%
25.84%
30.03%
32.57%
33.43%
34.29%
34.77%
35.19%
35.84%
36.30%
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024


Expenses Bar Chart
District: Pequea Valley SD
By: Object Level 2
Source: Pennsylvania Department of Education
Analysis Type (Expense)
230 Retirement Contributions
Actual
$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019

Revenue Versus Expense History

Pension
Revenues: Function Level 4: 7820
Expenses: Object level 2: 230
Source: Pennsylvania Department of Education
Note: Expense/Revenue Per Student is calculated based on Average Daily Membership when available and regular enrollment when not available.





Pequea Valley School District
Debt Service Payments

Year	Interest	Principal	Total
2016	$462,773	$3,495,000	$3,957,773
2017	$417,523	$3,710,000	$4,127,523
2018	$345,542	$3,785,000	$4,130,542
2019	$231,500	$3,910,000	$4,141,500

Debt Service Schedule

Actual Debt Service	
2020-2021- PV	$3,024,300
2020-2021-CTC	$58,432
2021 – Forward–PV	$-0-
2021 – Forward–CTC	$51,274

Budgeted Debt Service	
2020-2021 – PV	$4,143,408
2020-2021 – CTC	$59,645
2021 – Forward PV	$4,128,053
2021 – Forward CTC	$75,000

- CTC recently refinanced which resulted in significant savings to the district
- District has budgeted the maximum debt service for over 10 years, which has allowed them to develop a significant fund balance

District Comments on Section 7

(Debt & Contingent Liabilities)

- Projected PSERS rates reflect reasonable increases
- Debt Service completely eliminated May 2021
- Millage remains in place for any borrowing after May 2021
- Additional millage is in place for CTC borrowings ($75,000)
- Bond Issues have been refinanced when appropriate

OTHER

Section 8

Other

- District Buildings
  - Listing
  - Enrollment Change by Building
- Cyber Security

District Listing of School Buildings

PEQUEA VALLEY SCHOOL DISTRICT BUILDING INVENTORY					
School Building	**Grades**	**Capacity**	**Current Enrollment**	**Date of Original Construction**	**Renovation Dates**
Paradise Elementary	K-6	675	460	2008	
Salisbury Elementary	K-6	675	275	1963	1970, 2002
PV Intermediate	7-8	635	240	1964/65	1993
PV High School	9-12	857	460	1954	1968, 1998
	TOTAL	2,842	1,435		

Enrollment Change By School - (2015 - 2020)

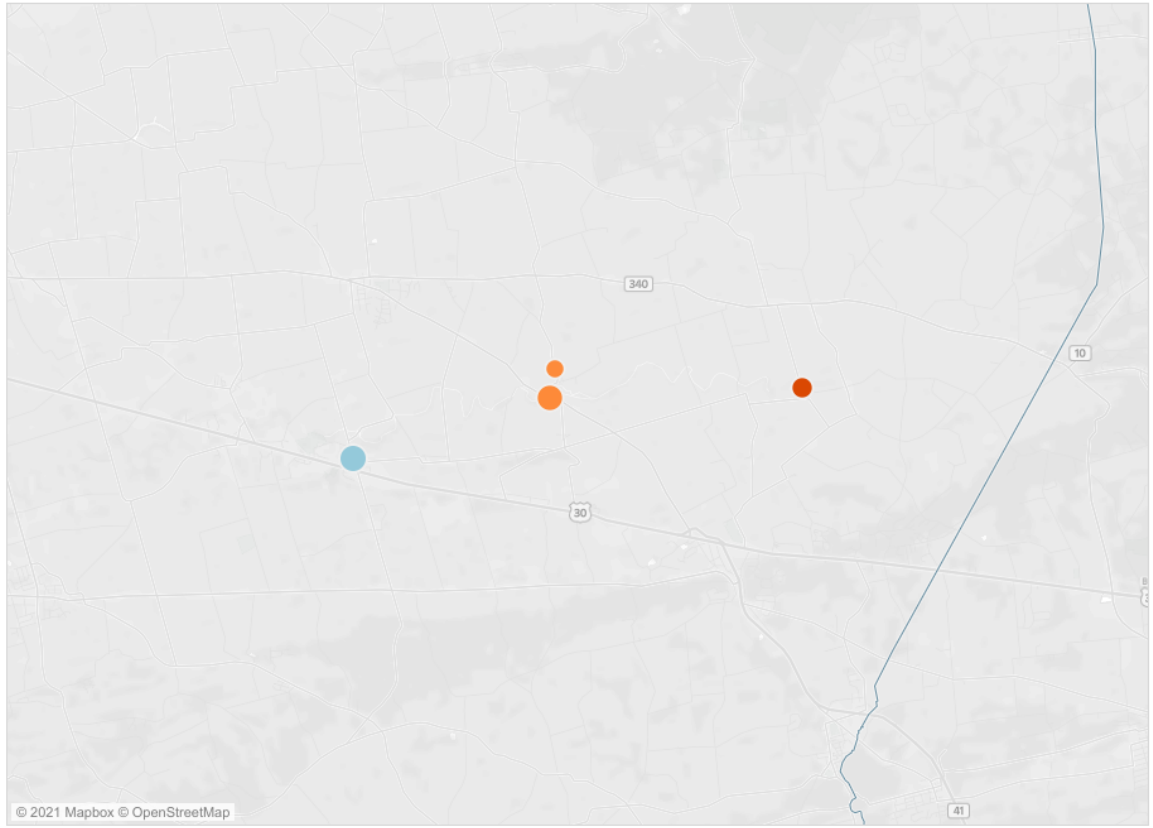
Source: Enrollment Records

Year over Year % Change in Enrollment

District	School	2015	2016	2017	2018	2019	2020
Pequea Valley SD	Paradise El Sch		0.00%	-5.73%	5.42%	-0.62%	4.14%
	Pequea Valley HS		-1.56%	3.57%	-5.36%	0.20%	-5.05%
	Pequea Valley Intrmd Sch		-2.40%	-1.23%	-11.20%	-3.27%	11.11%
	Salisbury El Sch		-9.92%	-2.20%	4.18%	-5.86%	-2.95%

Enrolled Students

District	School	2015	2016	2017	2018	2019	2020
Pequea Valley SD	Paradise El Sch	489.0	489.0	461.0	486.0	483.0	503.0
	Pequea Valley HS	512.0	504.0	522.0	494.0	495.0	470.0
	Pequea Valley Intrmd Sch	250.0	244.0	241.0	214.0	207.0	230.0
	Salisbury El Sch	353.0	318.0	311.0	324.0	305.0	296.0



Region
- ☑ Allegheny IU 3
- ☑ Appalachia IU 8
- ☑ ARIN IU 28
- ☑ Beaver Valley IU 27
- ☑ Berks County IU 14
- ☑ BLaST IU 17

County
- ☑ Adams
- ☑ Allegheny
- ☑ Armstrong
- ☑ Beaver
- ☑ Bedford
- ☑ Berks

District Type
- ☑ School District

District
- ☐ 21st Century Cyber CS
- ☐ A W Beattie Career Center
- ☐ Abington Heights SD
- ☐ Abington SD
- ☐ Achievement House CS
- ☐ ACT Academy Cyber CS

% Change in Total Enrollment

-25.00% 25.00%

Total Enrollment

230.0
300.0
350.0
400.0
450.0

District Approach to Cyber Security

PVSD limits administrator access to only certain technology department employees (add/delete, access backup, change user access, etc)

PVSD extensive education plan for all staff and students about phishing, ransomware, and look-for for scams

All technology traffic that comes into PVSD is routed from IU#13 adding another layer of protection

Disaster Recovery Plan is updated annually to reflect an accurate representation of our network and systems so we can recover from a disaster or emergency within 8-24 hours

Financial and Student Data are housed by a third party who backs up data daily and recoverable daily

PV procures a customized Cyber Insurance policy specific to schools in the amount of $1,000,000 which covers; Security & Privacy, Claims against regulatory breech, Security breech response cost, ransomware attack/cyber extortion, Business income replacement, Digital asset restoration

(Provided PV Technology Disaster Recovery plan via email)

Questions?

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