



June 2024

**Members of the Board of Trustees
Penn Hills Charter School of Entrepreneurship**

The FY2025 Penn Hills Charter School of Entrepreneurship Proposed Budget was created by reviewing financial data from FY24 to account for changes in revenues and expenditures related to COVID-19, ESSER funding, debt service obligations, capital projects and the school’s staffing needs.

Total Revenues (Local + State + Federal) = \$12,074,230
Total Expenses = \$11,936,996
Net Income = \$137,234
Projected Fund Balance = \$2.25M

The budget’s key assumptions are as follows:

Revenues:

- ❖ 6% blended increases to both RegEd and SpEd School District Reimbursement Rates per preliminary PDE-363 rate calculations for 24-25.
- ❖ Enrollment of 525 students with a 18% Special Education ratio. This represents current enrollment (490) plus the addition of 35 students across Grades K-8.
- ❖ Various Local/Foundation receivables totaling \$254K (Breakfast, MicroSociety, Dominus, Preschool).
- ❖ State and Federal Grants:
 - ARP ESSER - PHCSE was allocated \$975K in grant funding. The 24-25 budget assumes these funds are fully exhausted at 06.30.24.
 - PCCD School Mental Health Grant = \$70K
 - PCCD Competitive Safety Grant = \$213K
 - PACSP Grant – the draft budget assumes that PHCSE has \$393K of its total \$1.5M grant award remaining to be recognized in FY25.

Expenditures:

❖ Personnel

Code	Department	May 2024	FY25 Budget
1100	Regular Ed	47	48
1200	Special Ed	6	6
2100	Student Support	4.5	5.0
2300	Administration	9.5	10.5
2400	Nurse	1	1

2600	Operations/Custodial	3	2
3100	Food Service	7	7
Total		78	79.5

Added Positions: (2.5)

5th/6th Grade Social Studies Teacher
 Director of Admissions
 Driver (PT)

- ❖ 2.5% salary increase for all staff members, with the exception of those receiving a “market adjustment” or an increase based on change in role.
- ❖ Health Benefits
 - o Medical – 5.99% increase
 - o Dental – 5% change
 - o Vision – 0% change
 - o 12-Month Employees’ medical benefits will be paid at 100%.
 - o 10-Month Employees’ medical benefits will be paid at 85%.
- ❖ PSERS employer contribution rate 33.9%
- ❖ 403(b) employer contribution rate 5%
- ❖ Total Personnel Costs (Salaries + Benefits + Stipends) = \$7.52M

❖ Non-Personnel

- ❖ Supplies is the largest non-personnel expense category at \$1M (includes Tech, Instructional and Ops/Admin Materials), followed by Professional Services at \$984K – this includes Legal, IT, Special Education Consultants, Subs, Business Services, etc. This is followed by Property Services at \$569K (includes custodial, utilities, building repairs/maintenance and rental costs) and Other Purchased Services (\$352K).
- ❖ Other significant expenses include \$607K for Equipment Costs (\$282K in computers, cameras, signage, etc., and \$300K for any carryover Building/Construction expense).
- ❖ PHCSE will pay \$483K in Interest on the Bond and \$180K toward the Principal.
- ❖ PHCSE’s Net Income (Surplus) is budgeted at \$137,234 (DSCR = 1.28). The school will be required to meet both Cash (Days COH) and Income (DSCR) covenant requirements at June 30, 2025. These will be calculated monthly to enable the Board Finance Committee and Management to course-correct throughout the year.

Fund Balance:

Charter Choices’ Accounting Team has prepared a Fund Balance Projection based on prior years’ Audited Results, FY24 Projected Results, and the resultant impact of the FY25 Budgeted Net Income. PHCSE’s Fund Balance decreased in FY24 as the school funded a portion of its Expansion Project from its own Cash. The Fund Balance is expected to rebound next year, reaching \$2.25M by June 2025. Please note this projection defines the Net Change in Fund Balance as Operating Surplus minus Debt Service (Interest).

	June 30th, 2020 (Audited)	June 30th, 2021 (Audited)	June 30th, 2022 (Audited)	June 30th, 2023 (Audited)	June 30th, 2024 (Projected)	June 30th, 2025 (Budgeted)
Net Change in Fund Balance		\$614,101	-\$72,138	\$497,279	-\$397,190	\$620,634
Total Fund Balance	\$1,013,940	\$1,598,682	\$1,526,544	\$2,023,823	\$1,626,633	\$2,247,267

Note: FY22-24 Totals are presented net of bond proceeds and general fund capital outlays, but includes interest and related expenses.

**Penn Hills Charter School of Entrepreneurship
Proposed 2024-25 Budget**

	A FY23-24	B FY23-24	C FY24-25	C-B
	Operating Budget	Projection	Proposed Budget	Variance
REVENUES				
District per pupil revenues	0	0	0	0
Revenue from districts - regular education	5,296,609	5,133,503	6,039,711	906,208
Revenue from districts - special education	3,801,878	3,348,942	4,051,259	702,317
Revenue from districts - prior year adjustments	0	(4,496)	0	4,496
Total District per pupil revenues	9,098,487	8,477,949	10,090,970	1,613,021
Other Local Revenues				
Interest	82,854	86,435	77,791	(8,643)
Daily sales - food program	0	4,155	7,000	2,845
Student Activity Revenue	5,000	9,283	10,000	717
Contributions	85,000	79,278	35,000	(44,278)
Miscellaneous Local Revenue	100,000	144,947	253,706	108,759
Total Other Local Revenues	272,854	324,098	383,497	59,399
State Revenues				
Rental reimbursement subsidy	0	0	0	0
Health services subsidy (SHARRS)	6,000	6,000	6,000	(0)
PCCD safety & security grants	140,000	117,336	283,502	166,165
Ready to Learn block grant	22,536	22,536	22,536	0
PA Smart Grant	4,000	0	10,000	10,000
State food program revenue	24,728	21,431	24,728	3,297
Total State Revenues	197,264	167,304	346,766	179,462
Federal Revenues				
IDEA pass-through	76,777	76,777	76,777	0
Title I	171,967	189,280	200,752	11,472
Title II	18,335	21,870	23,195	1,325
Title III	0	0	0	0
Title IV	11,911	14,408	14,408	0
Federal school lunch program	480,923	513,760	544,897	31,137
ESSER II	0	0	0	0
ARP ESSER	229,460	438,959	0	(438,959)
ARP ESSER learning loss	0	0	0	0
ARP ESSER summer programs	0	0	0	0
ARP ESSER afterschool program	0	0	0	0
CSP	639,054	639,054	392,968	(246,087)
21st Century	0	0	0	0
Total Federal Revenues	1,628,427	1,894,108	1,252,996	(641,112)
TOTAL REVENUES	11,197,032	10,863,459	12,074,230	1,210,771
EXPENDITURES				
Salaries				
Regular Instruction	2,781,650	2,845,919	2,603,714	(242,204)
Special Education	301,468	305,342	347,060	41,718
Administration	678,050	693,473	772,557	79,085
Student & Staff Support	495,534	416,826	460,614	43,789
Noninstructional	280,099	291,281	326,124	34,844
Total Salaries	4,536,800	4,552,839	4,510,070	(42,769)
Other Compensation				
Overtime salaries	0	0	0	0
Bonuses	3,000	0	0	0
Stipends	93,593	21,194	99,112	77,919
Total Other Compensation	96,593	21,194	99,112	77,919
Benefits				
Medical insurance	1,060,847	913,944	1,088,717	174,773
Dental insurance	66,495	58,304	74,866	16,562
Life insurance	43,181	60,132	54,019	(6,113)
Other group insurance	151,045	153,939	151,004	(2,935)
Social security contributions	353,846	344,817	348,860	4,043
PSERS defined benefit plans	959,448	809,566	913,579	104,013
Unemployment compensation	157,265	39,635	158,166	118,531
Workers' compensation	24,316	4,442	24,316	19,874
Other group insurance - self-insured	0	0	0	0
Retirement contributions - non-PSERS	90,034	103,315	95,567	(7,748)
Health savings account contributions	0	0	0	0
Total Benefits	2,906,477	2,488,093	2,909,093	421,000
Professional & technical services				
Substitute services	60,229	58,358	60,229	1,871
Other contracted teaching services	20,141	24,464	181,989	157,526
Special education services	0	0	0	0
Psychology services	133,430	150,257	112,693	(37,564)
Other professional services	125,978	181,074	125,978	(55,097)
Professional development	36,901	73,878	61,901	(11,976)
Management Services	0	0	0	0
Student health services	0	0	0	0
IT services	272,197	197,462	232,330	34,868
Audit services	14,732	20,445	14,732	(5,714)
Payroll services	10,832	12,010	10,827	(1,183)
Legal services	61,619	28,304	61,619	33,314
Business services	87,169	79,598	87,169	7,571
Security services	146,415	73,180	34,607	(38,573)
Total Professional & technical services	969,643	899,029	984,073	85,044
Property services				
Building rental & CAM	54,531	46,913	57,252	10,339
Maintenance & repairs	223,078	598,012	232,868	(365,144)

Custodial services	91,545	97,947	91,545	(6,401)
Utilities	138,250	133,273	140,437	7,164
Copier leases	46,545	62,554	46,545	(16,009)
Total Property services	553,950	938,699	568,648	(370,051)
Other purchased services				
Student transportation	47,262	95,575	50,000	(45,575)
General property & liability insurance	108,723	111,628	109,589	(2,039)
Other insurance	14,754	5,227	14,754	9,527
Telecommunications services	45,096	(5,706)	45,096	50,802
Postage & shipping	0	5,658	0	(5,658)
Advertising	89,140	82,513	85,500	2,987
Printing & binding	1,420	1,442	1,420	(22)
Tuition to Approved Private Schools (APS)	0	0	0	0
Food service management - food costs	0	0	0	0
Travel	27,609	31,564	27,609	(3,955)
Miscellaneous purchased services	18,155	10,695	18,155	7,459
Total Other purchased services	352,160	338,596	352,124	13,527
Supplies				
Instructional supplies	37,489	105,439	130,480	25,041
Health supplies	2,780	1,922	2,780	858
Administration	63,179	53,979	63,179	9,200
Maintenance Supplies	40,372	69,791	40,372	(29,418)
Other Supplies	177,942	339,988	346,606	6,618
Food	0	3,864	0	(3,864)
Meals & refreshments	19,429	30,448	19,429	(11,019)
Books & curricula	43,572	49,386	43,572	(5,814)
Tech supplies & software	98,433	563,115	392,339	(170,775)
Total Supplies	483,196	1,217,931	1,038,758	(179,174)
Property, furniture & equipment				
Buildings	270,000	427,738	300,000	(127,738)
Furniture & equipment	103,901	159,360	282,464	123,105
Computers	25,000	2,083	25,000	22,917
Property, furniture & equipment	398,900	589,181	607,464	18,283
Other expenditures				
Dues & fees	25,262	51,883	28,733	(23,150)
Bank fees	9,146	9,092	9,190	99
Interest Expense	645,163	490,163	483,400	(6,763)
Redemption of Principal	0	0	180,000	180,000
Claims, judgments & penalties	0	0	0	0
Other miscellaneous expenditures	24,282	88,600	23,923	(64,676)
Contingency/Budgetary Reserve	0	0	0	0
Fees for student activities/trips	37,953	65,511	142,407	76,895
Other expenditures	741,806	705,248	867,653	162,405
TOTAL EXPENDITURES	11,039,526	11,750,811	11,936,996	186,184
CHANGE IN FUND BALANCE	157,506	(887,352)	137,234	1,024,586
		DSCR:		
		Net surplus/deficit	137,234	
		Debt service	483,400	
		Net income available	620,634	
		Ratio	1.28	
		Required to achieve ratio:	1.10	
		Net income available required	531,740	
		Current	620,634	
		Gap to close	(88,894)	