



Business Office
131 West Nittany Avenue
State College, PA 16801
814-231-1021

To: Robert J. O'Donnell

From: Randy L. Brown and Donna Watson

Date: June 4, 2015

Subject: 2015-2016 Final Budget

The final general fund budget for the 2015-2016 fiscal year is presented for adoption on the form PDE-2028 as required. The adoption of this budget marks the end of the budget development process which began during the fall of 2014.

Significant steps in the budget development process included:

- February 9, 2015 Approval of Preliminary Budget
- May 4, 2015 Approval of Proposed Final Budget
- June 1, 2015 Budget Hearing

The budget hearing held on June 1, a state legal requirement, was an opportunity for the public to comment on the proposed final budget approved on May 4.

The Final Budget includes the following modifications since the Proposed Final Budget was approved:

- Total Fund Balance increased by \$90,000 due to a decrease in the debt service budget line item.
- Unassigned General Fund Balance increased by \$17,000 due the change in budgeting for substitute costs from the third party provider to district employees.
- The handling of substitute costs impacted the budget by:
 - Increase to salaries by \$1,390,060
 - Increase in benefits by \$491,159

- Decrease in purchased services by \$1,648,454
- Increase in revenue for FICA and PSERS reimbursement by \$232,765
- Increase to Transfer to capital reserve fund of \$17,000 after reconciling unassigned fund balance.

The administration continues to monitor the budget discussions at the state level and will prepare recommendations for board consideration as appropriate. When a state budget enacted, the administration will report results to the board and recommend a reopened budget if appropriate.

Please find attached the budget resolution and the required budget form PDE-2028 which has been available on the district website and in the Business Office for community review.

NOW, THEREFORE, IT IS HEREBY RESOLVED:

That the Board of School Directors of the State College Area School District, Centre County, Pennsylvania hereby adopts the annual budget of and for said District for the fiscal year commencing July 1, 2015, as more fully set forth in PDE Form 2028 which was presented at this meeting;

Further, that said Board of School Directors hereby authorizes the expenditure of 137,552,316 dollars during the school fiscal year July 1, 2015 through June 30, 2016, and more particularly and fully detailed in the proposed annual budget as aforesaid; and

Further, that said Board of School Directors does hereby levy a real estate tax of 41.674 Mills of the assessed valuation (\$4.1674 per \$100 of assessed value) on all real estate within the State College Area School District, pursuant to the authority of "The Public School Code of 1949", as amended for the school fiscal year as aforesaid; and

Further, that said Board of School Directors continues to levy the following taxes heretofore levied pursuant to the authority of "The Local Tax Enabling Act", as amended: (1) Realty Transfer Tax - 1/2%; (2) Earned Income Tax - .95%; and (3) Local Services Tax - \$5.00.

That said proposed taxes as levied and continued to be levied shall provide revenue for the proposed expenditures authorized above.

Further, that said Board of School Directors does designate \$7,973,576 of Fund Balance to mitigate tax increases in future years related to PSERS rate changes and designate \$1,650,000 of Fund Balance to mitigate tax increases in future years related to the District's legal liability.

Further, that said Board of School Directors does authorize the necessary budgetary transfers to the Capital Reserve Fund to close the 2014-2015 school year in compliance with accounting requirements of the Commonwealth of Pennsylvania to include but not be limited to, bringing the unassigned general fund balance to within the 8% limitation.

ENACTED as a Resolution of the State College Area School District at a Regular Meeting of the Board of School Directors held on the 8th day of June 2015.

STATE COLLEGE AREA SCHOOL DISTRICT

By: _____
President

ATTEST:

Secretary

Attachment A
2015-2016 Final Budget

**State College Area School District
Fund Balance Summary
6/1/2015**

	Projected 2014-2015	Proposed Budget 2015- 2016
Nonspendable Fund Balance	\$ 1,701,632	\$ 1,701,632
General Unassigned	10,259,279	10,866,772
General Assigned PSERS	7,973,576	6,732,523
General Assigned Legal Liability	1,650,000	1,100,000
Total General Fund	<u>21,584,487</u>	<u>20,400,927</u>
Capital Reserve Fund	28,055,138	32,830,738
Capital Projects Fund	35,146	35,146
Total Capital Funds	<u>28,090,284</u>	<u>32,865,884</u>
Total Fund Balance	<u><u>\$ 49,674,771</u></u>	<u><u>\$ 53,266,811</u></u>

**State College Area School District
General Fund Balance
6/1/2015**

	<u>Projected 2014-2015</u>	<u>Proposed Final 2015-2016</u>
<u>General Fund - Unassigned</u>		
Beginning Balance	\$9,744,824	\$10,259,279
Revenue less Expense	514,456	607,493
General Fund - Unassigned	<u>\$10,259,279</u>	<u>10,866,772</u>
% of Expense	7.90%	7.90%
 <u>General Fund - Assigned</u>		
PSERS		
Beginning Balance	8,572,000	7,973,576
Additions		
Uses	(598,424)	(1,241,053)
Ending Fund Balance	<u>7,973,576</u>	<u>6,732,523</u>
 Legal Liability		
Beginning Balance	2,200,000	1,650,000
Additions		
Uses	(550,000)	(550,000)
Ending Fund Balance	<u>1,650,000</u>	<u>1,100,000</u>
 Total General Fund - Assigned	 <u>\$9,623,576</u>	 <u>\$7,832,523</u>

**State College Area School District
Capital Reserve Fund
6/1/2015**

	<u>Projected 2014-2015</u>	<u>Proposed Final 2015-2016</u>
Beginning Balance	\$19,296,359	\$28,055,138
Additions:		
Transfer	8,758,779	5,775,600
Donation	-	-
Total Additions	<u>8,758,779</u>	<u>5,775,600</u>
Uses:		
High School (1)	-	(1,000,000)
Total Uses	<u>-</u>	<u>(1,000,000)</u>
Net Change	<u>8,758,779</u>	<u>4,775,600</u>
Ending Fund Balance	<u><u>\$28,055,138</u></u>	<u><u>\$32,830,738</u></u>

(1) Reflects amount designated to pay the debt service on the high school project which is not part of the referendum financing. This projection shows a possible decrease in the capital reserve fund should this financing take place in the 2015-16 year. If the financing is completed in 2015-16, the transfer to capital reserve would be reduced and debt service expense would be recorded.

**State College Area School District
Capital Projects Fund
Ending Fund Balance**

	<u>Projected 2014-2015</u>	<u>Projected 2015-2016</u>
Beginning Balance	3,135,146	35,146
Additions:		
Transfer	2,055,717	2,096,831
Total Additions	<u>2,055,717</u>	<u>2,096,831</u>
Uses:		
Minor Projects	(2,055,717)	(2,096,831)
Panarama Renovations	(3,100,000)	-
Total Uses	<u>(5,155,717)</u>	<u>(2,096,831)</u>
Net Change	<u>(3,100,000)</u>	-
Ending Fund Balance	<u><u>\$35,146</u></u>	<u><u>\$35,146</u></u>

Note: The Capital Projects fund includes transfer from the general fund to fund minor capital projects.

State College Area School District
 General Fund Activity
 6/1/2015

Assumptions:		
<i>Earned Income Tax Growth</i>	1.80%	1.80%
<i>Assessed Value Growth</i>	2.30%	1.20%
<i>Exceptions</i>	0.00%	3.59%
<i>Act 1 Index</i>	2.10%	1.90%
<i>Actual/Proposed Total Tax Increase</i>	1.95%	5.49%

	Projected 2014-2015	Proposed Budget 2015- 2016	Change
Revenue	\$129,224,093	\$136,368,756	\$7,144,663
Local	106,228,144	112,155,974	5,927,830
State	21,640,949	22,867,781	1,226,832
Federal	1,355,000	1,345,000	-10,000
Expenses and Fund Balance Use	128,709,637	135,761,263	7,051,626
Change in Unassigned General Fund Bal	\$514,456	\$607,493	\$93,037
Use of Fund Balance (PSERS/legal)	-\$1,148,424	-\$1,791,053	-\$642,629

State College Area School District
 General Fund Projected 2014-15 and Budget 2015-16 - Revenue
 6/1/2015

Assumptions:		
Earned Income Tax Growth	1.80%	1.80%
Assessed Value Growth	2.30%	1.20%
Exceptions	0.00%	3.59%
Act 1 Index	2.10%	1.90%
Actual/Projected Total Tax Increase	1.95%	5.49%

	Projected 2014- 2015	Proposed Budget 2015-2016	Change
LOCAL SERVICES TAX			
CURRENT REAL ESTATE TAX	\$83,696,808	\$86,303,894	\$2,607,086
REAL ESTATE TAX - REFERENDUM DEBT (1)	-	3,183,420	3,183,420
EARNED INCOME TAX	15,980,000	16,270,000	290,000
REALTY TRANSFER TAX	1,575,000	1,500,000	(75,000)
DELINQUENT REAL ESTATE TAX	1,400,000	1,100,000	(300,000)
INTERIM REAL ESTATE TAX (2)	500,000	310,254	(189,746)
IDEA-B	750,000	750,000	-
PAYMENTS IN LIEU OF TAX	514,670	514,670	-
LOCAL SERVICES TAX	366,000	370,000	4,000
TUITION	837,940	1,196,010	358,070
MISC LOCAL REVENUE/TUITION	384,918	384,918	-
PUBLIC UTILITY REALTY TAX	122,808	122,808	-
INTEREST ON INVESTMENTS	100,000	150,000	50,000
TOTAL LOCAL	106,228,144	112,155,974	5,927,830
STATE			
BASIC ED INSTR SUBSIDY	6,440,460	6,440,460	-
SPECIAL ED REVENUE	3,221,640	3,221,640	-
REV. FOR RETIREMENT (3)	6,101,703	7,762,524	1,660,821
REV. FOR SOCIAL SECURITY	2,181,216	2,297,740	116,524
PROPERTY TAX REDUCTION	1,432,690	1,422,441	(10,249)
TRANSPORTATION REVENUE	750,000	750,000	-
BOND REIMBURSEMENTS (4)	940,122	517,497	(422,625)
HEALTH SERVICES REVENUE	140,000	140,000	-
READY TO LEARN GRANT	246,078	128,440	(117,638)
VOCATIONAL EDUCATION	107,040	107,040	-
TUITION - 1305/1306	80,000	80,000	-
TOTAL STATE	21,640,949	22,867,781	1,226,832
FEDERAL			
TITLE I REVENUE	700,000	700,000	-
TITLE II REVENUE	200,000	200,000	-
ACCESS FUNDS	350,000	350,000	-
OTHER FEDERAL REVENUE	70,000	60,000	(10,000)
TITLE III REVENUE	35,000	35,000	-
TOTAL FEDERAL	1,355,000	1,345,000	(10,000)
TOTAL REVENUE	\$129,224,093	\$136,368,756	\$7,144,662

(1) Reflects debt service on high school referendum debt, less estimated Plancon reimbursement
 This reimbursement will not be received until after project completion, however the budget reflects a reduction in this tax in anticipation of receipt in future years.

(2) Reflects tax rebate program.

(3) Reflects increase in PSERS rate and salary increase, including the salary increase related to the hiring of substitutes after the discontinuation of a contracted substitute service.

(4) Projected 2014-15 includes \$631,000 related to Plancon approvals received September 2014 for prior financings. 2015-16 includes \$201,073 for estimated reimbursement related to referendum financing.

State College Area School District
 General Fund Projected 2014-15 and Budget 2015-16 - Expense
 6/1/2015

	Projected 2014-2015	Proposed Budget 2015- 2016	Change
Salaries (1)	\$58,189,036	\$61,269,218	\$3,080,182
Health Insurance	11,954,434	12,432,612	478,178
PSERS (1)	12,203,405	15,525,047	3,321,642
Other Benefits (1)	6,045,705	6,323,751	278,046
Professional Services (1)	4,072,412	2,688,525	-1,383,887
Purchased Property Services	2,050,035	2,090,571	40,536
Other Purchased Services	10,689,208	10,885,651	196,443
Supplies/Equipment	5,851,699	6,252,598	400,899
Minor Capital Projects	2,055,717	2,096,831	41,114
Athletics/Food Service/transfers/contingencies	2,898,332	3,662,310	763,978
Debt Service	5,089,299	5,165,109	75,810
Debt Service - Referendum Debt (2)	-	3,384,493	3,384,493
Transfer to Capital Reserve (3)	8,758,779	5,775,600	(2,983,179)
Fund Balance (FB) Use (PSERS/Legal)	(1,148,424)	(1,791,053)	(642,629)
Total Expenses and FB Transfers	\$128,709,637	\$135,761,263	\$7,051,626
Total Expenses excluding FB Transfers	\$129,858,061	\$137,552,316	\$7,694,255
Total Salary and Benefits	\$88,392,580	\$95,550,628	\$7,158,048
Use of PSERS FB	(598,424)	(1,241,053)	(642,629)
Total Salary and Benefits, including FB Transfers	\$87,794,156	\$94,309,575	\$6,515,419
% of Total Expense and FB Transfers	68.2%	69.5%	1.3%

(1) Reflects the hiring of substitute employees after discontinuation of contracted service effective July 1, 2015.

(2) Reflects debt service based on referendum bond issuance.

(3) Projected 2014-15 includes transfers in excess of the original budget primarily due to retroactive reimbursement related to Plancon approval of prior financings, higher than average increase in real estate taxes and earned income tax. Proposed 2015-16 transfer maintains a relatively level budget vs. the 2014-15 budget.

Attachment B
Multi-year Projection

State College Area School District
 General Fund Activity
 6/1/2015

Assumptions:											
Earned Income Tax Growth	2.00%	1.80%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.30%	2.30%	2.30%
Assessed Value Growth	1.50%	2.30%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.70%	1.70%
Exceptions	0.00%	0.00%	3.59%	1.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Act 1 Index	2.10%	2.10%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%
Actual/Projected Total Tax Increase	1.95%	1.95%	5.49%	3.71%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%

	Budget 2014-2015	Projected 2014-2015	Projected 2015-2016	Projected 2016-2017	Projected 2017-2018	Projected 2018-2019	Projected 2019-2020	Projected 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024
Revenue	\$125,926,243	\$129,224,093	\$136,368,756	\$142,299,739	\$146,112,281	\$150,149,931	\$154,364,427	\$158,613,927	\$162,957,084	\$167,507,960	\$172,197,943
Local	104,376,200	106,228,144	112,155,974	116,936,405	120,211,769	123,702,383	127,420,616	131,424,146	135,517,675	139,750,970	144,123,794
State	20,505,043	21,640,949	22,867,781	24,218,333	24,755,511	25,302,548	25,798,811	26,044,782	26,294,409	26,611,991	26,929,149
Federal	1,045,000	1,355,000	1,345,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000
Expenses and Fund Balance Use	<u>125,643,240</u>	<u>128,709,637</u>	<u>135,761,263</u>	<u>142,000,869</u>	<u>146,061,354</u>	<u>150,104,959</u>	<u>154,294,253</u>	<u>158,500,651</u>	<u>162,761,254</u>	<u>167,303,877</u>	<u>171,993,882</u>
Change in Unassigned General Fund Bal	\$283,003	\$514,456	\$607,493	\$298,870	\$50,927	\$44,972	\$70,174	\$113,277	\$195,830	\$204,083	\$204,061

State College Area School District
 General Fund Revenue
 6/1/2015

Assumptions:											
Earned Income Tax Growth (1)	2.00%	1.80%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.30%	2.30%	2.30%
Assessed Value Growth (2)	1.50%	2.30%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.70%	1.70%
Exceptions (3)	0.00%	0.00%	3.59%	1.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Act 1 Index	2.10%	2.10%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%
Actual/Projected Total Tax Increase	1.95%	1.95%	5.49%	3.71%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%

	Budget 2014-2015	Projected 2014-2015	Projected 2015-2016	Projected 2016-2017	Projected 2017-2018	Projected 2018-2019	Projected 2019-2020	Projected 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024
LOCAL SERVICES TAX											
CURRENT REAL ESTATE TAX	\$82,900,000	\$83,696,808	\$86,303,894	\$89,070,000	\$92,010,000	\$95,140,000	\$98,470,000	\$102,010,000	\$105,680,000	\$109,480,000	\$113,420,000
REAL ESTATE TAX-REFERENDUM DEBT (3)	-	-	3,183,420	4,943,999	4,945,363	4,941,977	4,946,210	4,945,740	4,945,269	4,944,564	4,943,388
EARNED INCOME TAX	15,560,000	\$15,980,000	16,270,000	16,580,000	16,910,000	17,270,000	17,650,000	18,060,000	18,480,000	18,910,000	19,340,000
REALTY TRANSFER TAX	1,500,000	1,575,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
DELINQUENT REAL ESTATE TAX	1,100,000	1,400,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
INTERIM REAL ESTATE TAX (4)	500,000	500,000	310,254	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
IDEA-B	600,000	750,000	750,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
PAYMENTS IN LIEU OF TAX	450,000	514,670	514,670	514,670	514,670	514,670	514,670	514,670	514,670	514,670	514,670
LOCAL SERVICES TAX	379,000	366,000	370,000	374,000	378,000	382,000	386,000	390,000	394,000	398,000	402,000
TUITION	782,282	837,940	1,196,010	1,196,010	1,196,010	1,196,010	1,196,010	1,196,010	1,196,010	1,196,010	1,196,010
MISC LOCAL REVENUE	384,918	384,918	384,918	384,918	384,918	384,918	384,918	384,918	384,918	384,918	384,918
PUBLIC UTILITY REALTY TAX	120,000	122,808	122,808	122,808	122,808	122,808	122,808	122,808	122,808	122,808	122,808
INTEREST ON INVESTMENTS	<u>100,000</u>	<u>100,000</u>	<u>150,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
TOTAL LOCAL	104,376,200	106,228,144	112,155,974	116,936,405	120,211,769	123,702,383	127,420,616	131,424,146	135,517,675	139,750,970	144,123,794
STATE											
BASIC ED INSTR SUBSIDY	6,440,619	6,440,460	6,440,460	6,440,460	6,440,460	6,440,460	6,440,460	6,440,460	6,440,460	6,440,460	6,440,460
SPECIAL ED REVENUE-REGULR	3,220,000	3,221,640	3,221,640	3,221,640	3,221,640	3,221,640	3,221,640	3,221,640	3,221,640	3,221,640	3,221,640
REV. FOR RETIREMENT	6,114,895	6,101,703	7,762,524	8,950,000	9,450,000	9,950,000	10,400,000	10,600,000	10,800,000	11,100,000	11,350,000
REV. FOR SOCIAL SECURITY	2,171,532	2,181,216	2,297,740	2,340,185	2,386,989	2,434,729	2,483,423	2,533,092	2,583,754	2,635,429	2,688,137
PROPERTY TAX REDUCTION	1,422,517	1,432,690	1,422,441	1,422,441	1,422,441	1,422,441	1,422,441	1,422,441	1,422,441	1,422,441	1,422,441
TRANSPORTATION REVENUE	600,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
BOND REIMBURSEMENTS (5)	80,000	940,122	517,497	638,128	628,502	627,799	625,367	621,669	620,635	586,541	600,991
HEALTH SERVICES REVENUE	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
READY TO LEARN GRANT (6)	128,440	246,078	128,440	128,440	128,440	128,440	128,440	128,440	128,440	128,440	128,440
VOCATIONAL EDUCATION	107,040	107,040	107,040	107,040	107,040	107,040	107,040	107,040	107,040	107,040	107,040
OTHER STATE REVENUE	0	0	0	0	0	0	0	0	0	0	0
TUITION - 1305/1306	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
TOTAL STATE	20,505,043	21,640,949	22,867,781	24,218,333	24,755,511	25,302,548	25,798,811	26,044,782	26,294,409	26,611,991	26,929,149
FEDERAL											
TITLE I REVENUE	700,000	700,000	700,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
TITLE II REVENUE	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
ACCESS FUNDS	50,000	350,000	350,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
OTHER FEDERAL REVENUE	60,000	70,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
TITLE III REVENUE	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
TOTAL FEDERAL	1,045,000	1,355,000	1,345,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000	1,145,000
TOTAL REVENUE	125,926,243	129,224,093	136,368,756	142,299,739	146,112,281	150,149,931	154,364,427	158,613,927	162,957,084	167,507,960	172,197,943

- (1) Assumes gradual growth toward five-year average from 2008-09 to 2013-14 of 2.62%.
- (2) 2014-15 reflects major building projects not fully reflected in 2013-2014 assessed value. 2015-16 forward assumes gradual growth toward historical averages. (10-yr average 1.7%)
- (3) Assumes additional tax equal to the debt service on referendum borrowing.
- (4) Reflects reduction of \$200,000 beginning in 2015-16 related to potential property tax rebate program.
- (5) Reflects projected annual reimbursement. Retroactive reimbursement of \$631,000 to be received in January 2015 has been included in projected 2014-15. 2015-16 forward includes estimated \$200,000 to \$300,000 reimbursement related to High School referendum borrowing.
- (6) Previously referred to as the Accountability Block Grant. Future projected years do not include the additional amount added in 2014-15 due to uncertainty related to future year allocations.

State College Area School District
 General Fund Expenses and Fund Balance Transfers
 6/1/2015

	2014-2015 Budget	2014-2015 Projected	2015-2016 Projected	2016-2017 Projected	2017-2018 Projected	2018-2019 Projected	2019-2020 Projected	2020-2021 Projected	2021-2022 Projected	2022-2023 Projected	2023-2024 Projected
Salaries	\$57,930,679	\$58,189,036	61,269,218	62,429,913	63,678,511	64,952,081	66,251,123	67,576,145	68,927,668	70,306,222	71,712,346
Health Insurance	12,109,179	11,954,434	12,432,612	13,948,852	15,243,737	16,668,111	18,234,922	19,958,414	21,854,255	23,939,681	26,233,649
PSERS	12,229,790	12,203,405	15,525,047	17,900,000	18,900,000	19,900,000	20,800,000	21,200,000	21,600,000	22,200,000	22,700,000
Other Benefits	5,979,296	6,045,705	6,323,751	6,500,000	6,600,000	6,700,000	6,800,000	6,900,000	7,000,000	7,100,000	7,200,000
Professional Services	4,202,699	4,072,412	2,688,525	2,730,000	2,780,000	2,830,000	2,880,000	2,930,000	2,980,000	3,030,000	3,080,000
Purchased Property Services	2,050,035	2,050,035	2,090,571	2,130,000	2,170,000	2,210,000	2,250,000	2,290,000	2,330,000	2,370,000	2,410,000
Other Purchased Services	10,374,623	10,689,208	10,885,651	11,070,000	11,260,000	11,450,000	11,640,000	11,840,000	12,040,000	12,240,000	12,450,000
Supplies/Equipment	5,881,705	5,851,699	6,252,598	6,100,000	6,190,000	6,280,000	6,370,000	6,470,000	6,570,000	6,670,000	6,770,000
Minor Capital Projects	2,055,717	2,055,717	2,096,831	2,138,768	2,181,543	2,225,174	2,269,678	2,315,071	2,361,373	2,408,600	2,456,772
Athletics/transfers/contingencies (1)	3,207,334	2,898,332	3,662,310	3,887,956	3,994,715	3,252,610	3,311,662	3,371,895	3,433,333	3,496,000	3,559,920
Debt Service (2)	5,348,828	5,089,299	5,165,109	5,250,813	5,021,218	5,011,078	4,924,865	4,967,087	4,943,036	4,862,877	4,875,757
Debt Service - Referendum Debt (3)	0	0	3,384,493	5,256,275	5,257,725	5,254,125	5,258,625	5,258,125	5,257,625	5,256,875	5,255,625
Transfer to Capital Reserve (2)	5,421,779	8,758,779	5,775,600	4,894,187	4,751,783	4,556,922	4,144,135	3,923,913	4,013,965	3,923,624	3,378,244
Fund Balance Use (PSERS/Legal)	(1,148,424)	(1,148,424)	(1,791,053)	(2,235,895)	(1,967,878)	(1,185,141)	(840,756)	(500,000)	(550,000)	(500,000)	(88,430)
Total Expenses and Fund Balance Transfers	\$125,643,240	\$128,709,637	\$135,761,263	\$142,000,869	\$146,061,354	\$150,104,959	\$154,294,253	\$158,500,651	\$162,761,254	\$167,303,877	\$171,993,882

(1) Includes legal liability payments and food service transfer of \$130,000 in 2015-16 growing to \$300,000 in 2017-18.

(2) Transfer from 2015-16 forward has been adjusted to no less than the transfer in the preliminary budget.

(3) Reflects actual debt service for referendum borrowing.

**State College Area School District
Fund Balance Summary
6/1/2015**

	Projected 2014-2015	Projected 2015-2016	Projected 2016-2017	Projected 2017-2018	Projected 2018-2019	Projected 2019-2020	Projected 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024
Nonspendable Fund Balance	\$ 1,701,632	\$ 1,701,632	\$ 1,701,632	\$ 1,701,632	\$ 1,701,632	\$ 1,701,632	\$ 1,701,632	\$ 1,701,632	\$ 1,701,632	\$ 1,701,632
General Unassigned	10,259,279	10,866,772	11,165,642	11,216,569	11,261,541	11,331,714	11,444,991	11,640,821	11,844,904	12,048,965
General Assigned PSERS	7,973,576	6,732,523	5,046,628	3,628,750	2,443,609	1,602,853	1,102,853	602,853	102,853	14,423
General Assigned Legal Liability	1,650,000	1,100,000	550,000	-	-	-	-	-	-	-
Total General Fund	21,584,487	20,400,927	18,463,902	16,546,951	15,406,782	14,636,199	14,249,476	13,945,306	13,649,389	13,765,020
Capital Reserve Fund	28,055,138	32,830,738	36,378,425	29,783,708	31,714,130	20,231,765	20,249,178	20,356,643	20,373,767	16,005,511
Capital Projects Fund	35,146	35,146	35,146	35,146	35,146	35,146	35,146	35,146	35,146	35,146
Total Capital Funds	28,090,284	32,865,884	36,413,571	29,818,854	31,749,276	20,266,911	20,284,324	20,391,789	20,408,913	16,040,657
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	\$ 49,674,771	\$ 53,266,810	\$ 54,877,473	\$ 46,365,804	\$ 47,156,057	\$ 34,903,110	\$ 34,533,800	\$ 34,337,095	\$ 34,058,302	\$ 29,805,677

State College Area School District
 General Fund Balance
 6/1/2015

	<u>Projected 2014-2015</u>	<u>Projected 2015-2016</u>	<u>Projected 2016-2017</u>	<u>Projected 2017-2018</u>	<u>Projected 2018-2019</u>	<u>Projected 2019-2020</u>	<u>Projected 2020-2021</u>	<u>Projected 2021-2022</u>	<u>Projected 2022-2023</u>	<u>Projected 2023-2024</u>
General Fund - Unassigned										
Beginning Balance	\$9,744,824	\$10,259,279	\$10,866,772	\$11,165,642	\$11,216,569	\$11,261,541	\$11,331,714	\$11,444,991	\$11,640,821	\$11,844,904
Revenue less Expense	514,456	607,493	298,870	50,927	44,972	70,174	113,277	195,830	204,083	204,061
General Fund - Unassigned	\$10,259,279	10,866,772	11,165,642	11,216,569	11,261,541	11,331,714	11,444,991	11,640,821	11,844,904	12,048,965
% of Expense	7.90%	7.90%	7.74%	7.58%	7.44%	7.30%	7.20%	7.13%	7.06%	7.00%
General Fund - Assigned										
PSERS										
Beginning Balance	8,572,000	7,973,576	6,732,523	5,046,628	3,628,750	2,443,609	1,602,853	1,102,853	602,853	102,853
Additions										
Uses	(598,424)	(1,241,053)	(1,685,895)	(1,417,878)	(1,185,141)	(840,756)	(500,000)	(500,000)	(500,000)	(88,430)
Ending Fund Balance	7,973,576	6,732,523	5,046,628	3,628,750	2,443,609	1,602,853	1,102,853	602,853	102,853	14,423
Legal Liability										
Beginning Balance	2,200,000	1,650,000	1,100,000	550,000	-	-	-	-	-	-
Additions										
Uses	(550,000)	(550,000)	(550,000)	(550,000)	-	-	-	-	-	-
Ending Fund Balance	1,650,000	1,100,000	550,000	-	-	-	-	-	-	-
Total General Fund - Assigned	\$9,623,576	\$7,832,523	\$5,596,628	\$3,628,750	\$2,443,609	\$1,602,853	\$1,102,853	\$602,853	\$102,853	\$14,423

**State College Area School District
Capital Reserve Fund
6/1/2015**

	<u>Projected 2014-2015</u>	<u>Projected 2015-2016</u>	<u>Projected 2016-2017</u>	<u>Projected 2017-2018</u>	<u>Projected 2018-2019</u>	<u>Projected 2019-2020</u>	<u>Projected 2020-2021</u>	<u>Projected 2021-2022</u>	<u>Projected 2022-2023</u>	<u>Projected 2023-2024</u>
Beginning Balance	\$19,296,359	\$28,055,138	\$32,830,738	\$36,378,425	\$29,783,708	\$31,714,130	\$20,231,765	\$20,249,178	\$20,356,643	\$20,373,767
Additions:										
Transfer	8,758,779	5,775,600	4,894,187	4,751,783	4,556,922	4,144,135	3,923,913	4,013,965	3,923,624	3,378,244
Donation										
Total Additions	8,758,779	5,775,600	4,894,187	4,751,783	4,556,922	4,144,135	3,923,913	4,013,965	3,923,624	3,378,244
Uses:										
High School (1a)	-	(1,000,000)	(1,346,500)	(1,346,500)	(1,346,500)	(1,346,500)	(1,346,500)	(1,346,500)	(1,346,500)	(1,346,500)
High School (1b)				(10,000,000)						
Other Facilities (2)	-	-	-	-	(1,280,000)	(1,280,000)	(1,280,000)	(1,280,000)	(1,280,000)	(1,280,000)
Other Facilities (3)	-	-	-	-	-	-	(1,280,000)	(1,280,000)	(1,280,000)	(1,280,000)
Other Facilities (4)	-	-	-	-	-	-	-	-	-	(3,840,000)
Nittany Ave/Fairmount/Memorial Field						(13,000,000)				
Total Uses	-	(1,000,000)	(1,346,500)	(11,346,500)	(2,626,500)	(15,626,500)	(3,906,500)	(3,906,500)	(3,906,500)	(7,746,500)
Net Change	8,758,779	4,775,600	3,547,687	(6,594,717)	1,930,422	(11,482,365)	17,413	107,465	17,124	(4,368,256)
Ending Fund Balance	\$28,055,138	\$32,830,738	\$36,378,425	\$29,783,708	\$31,714,130	\$20,231,765	\$20,249,178	\$20,356,643	\$20,373,767	\$16,005,511

- (1 a&b) High School Funding: Includes \$10 MM from reserves plus debt service estimated in Series B of 2015 \$30 MM (NW 5.15.2015)
(2) Other Facilities: \$1.28 MM debt service for 25 years to fund \$20 MM @ 4%.
(3) Other Facilities: \$1.28MM debt service for 25 years to fund \$20 MM @ 4%.
(4) Other Facilities: \$3.84 MM debt service for 25 years to fund \$60 MM @ 4%.

Assumptions:

- Debt service calculation based upon 25 years @4% updated 5/2015 from NW Financials.
Borrowing potential may change as a result of interest rate movement.
Debt service based upon level repayment except Series B of 2015.
Wrapped debt service structure could result in lower resource needs during projection period (with change in total interest cost).
Change in repayment period could result in different resource needs during projection period.
Capital Reserve funding based upon revenue in budget projections, assuming real estate tax increase of 1.9% (Act 1 Index).

**State College Area School District
Capital Projects Fund
Ending Fund Balance**

	<u>Projected 2014-2015</u>	<u>Projected 2015-2016</u>	<u>Projected 2016-2017</u>	<u>Projected 2017-2018</u>	<u>Projected 2018-2019</u>	<u>Projected 2019-2020</u>	<u>Projected 2020-2021</u>	<u>Projected 2021-2022</u>	<u>Projected 2022-2023</u>	<u>Projected 2023-2024</u>
Beginning Balance	3,135,146	35,146	35,146	35,146	35,146	35,146	35,146	35,146	35,146	35,146
Additions:										
Transfer	2,055,717	2,096,831	2,138,768	2,181,543	2,225,174	2,269,678	2,315,071	2,361,373	2,408,600	2,456,772
Total Additions	2,055,717	2,096,831	2,138,768	2,181,543	2,225,174	2,269,678	2,315,071	2,361,373	2,408,600	2,456,772
Uses:										
Minor Projects	(2,055,717)	(2,096,831)	(2,138,768)	(2,181,543)	(2,225,174)	(2,269,678)	(2,315,071)	(2,361,373)	(2,408,600)	(2,456,772)
Panarama Renovations	(3,100,000)									
Total Uses	(5,155,717)	(2,096,831)	(2,138,768)	(2,181,543)	(2,225,174)	(2,269,678)	(2,315,071)	(2,361,373)	(2,408,600)	(2,456,772)
Net Change	(3,100,000)	-	-	-	-	-	-	-	-	-
Ending Fund Balance	\$35,146	\$35,146	\$35,146	\$35,146	\$35,146	\$35,146	\$35,146	\$35,146	\$35,146	\$35,146

Note: The Capital Projects fund includes transfer from the general fund to fund minor capital projects.