

Finance Committee Meeting – November 16, 2016

Meeting Agenda

1. Short-term Borrowing and 2011 Bond Refunding – Ken Phillips
2. Capital Reserve Fund Budget
 1. Capital Reserve Fund Budget Summary – 2016-17 through 2023-24
 2. Athletic Master Plan – 2016-17 through 2022-23
 3. Renovation of 2 Fields in 2017 vs Renovation of Field 1 in 2017 & Field 2 in 2021
3. 2017-18 General Fund Budget
 1. Act 1 Resolution
 2. 2016-17 Projected Outcome
 3. 2017-18 Proposed Budget
 - 2.9% millage rate increase
 - 2.5% millage rate increase
4. Items from the Committee

Short-term Borrowing & 2011 Bond Refunding

Ken Phillips

Historical 10 Year Treasury Yield

Past 10 Years Perspective



Outstanding Gross Debt

Lampeter-Strasburg School District Gross Debt Outstanding As of July 1, 2016

As of Fiscal Year Ending June 30	(1) 2002 Fixed DelVal Loan	(2) 2002 Variable DelVal Loan	(3) 2011 G.O. Bonds	(4) 2012 G.O. Notes	(5) 2014 G.O. Bonds	(6) 2015 G.O. Notes	Total
2017	549,428	530,782	652,444	3,324,700	341,206	300,608	5,699,167
2018	556,868	530,218	652,894	3,378,800	340,306	311,153	5,770,238
2019	568,736	530,467	642,894	1,939,600	763,956	1,321,450	5,767,103
2020	579,947	530,515	646,644		4,223,656		5,980,762
2021	590,498	530,363	638,769		4,274,106		6,033,736
2022	601,382	531,004	640,119		1,096,750		2,869,255
2023			630,406				630,406
2024			634,206				634,206
2025			627,406				627,406
2026			629,594				629,594
2027			625,419				625,419
Total	3,446,859	3,183,349	7,020,794	8,643,100	11,039,981	1,933,210	35,267,293

(1) 2002 DelVal Fixed Rate Conversion Portion @ 2.635% 1/15/09(includes approximate 40bp annual fees)

(2) 2002 DelVal Fixed Rate Conversion Portion @ 2.005% 9/25/11

(3) Series 2011, callable 3/1/17, average coupon 2.91%, yield 2.77%.

(4) Series 2012, non-callable, average coupon 3.89%, yield 1.57%.

(5) Series 2014, callable 8/15/19, average coupon 2.52%, yield 2.15%.

(6) Series of 2015 Notes, fixed rate of 1.65%.

Outstanding Net Debt

Lampeter-Strasburg School District Net Debt Outstanding As of July 1, 2016

As of Fiscal Year Ending June 30	2002 Fixed DelVal Loan	2002 Variable DelVal Loan	2011 G.O. Bonds	2012 G.O. Bonds	2014 G.O. Bonds	2015 G.O. Notes	Total
2017	499,295	482,350	593,075	3,040,218	312,011	274,886	5,201,834
2018	506,056	481,838	593,484	3,089,689	311,188	284,528	5,266,782
2019	516,841	482,064	584,394	1,773,636	698,587	1,208,378	5,263,901
2020	527,029	482,108	587,802	0	3,862,254	0	5,459,194
2021	536,618	481,970	580,644	0	3,908,387	0	5,507,619
2022	546,509	482,552	581,871	0	1,002,905	0	2,613,837
2023	0	0	573,042	0	0	0	573,042
2024	0	0	576,497	0	0	0	576,497
2025	0	0	570,315	0	0	0	570,315
2026	0	0	572,304	0	0	0	572,304
2027	0	0	568,509	0	0	0	568,509
Total	3,132,348	2,892,882	6,381,936	7,903,542	10,095,332	1,767,792	32,173,833

Local Effort	90.88%	90.88%	90.90%	91.44%	91.04%	91.04%
State Effort	9.12%	9.12%	9.10%	8.56%	8.96%	8.96%
CARF	41.76%	41.76%	41.76%	41.76%	41.76%	41.76%
Proj. Reimb.	21.85%	21.85%	21.79%	20.49%	21.45%	21.45%

Refunding Summary – Series of 2011 Bonds

Summary of Refunding Results

Par Amount of Refunded Bonds	\$5,920,000
Par Amount of Refunding Bonds	\$6,125,000
Arbitrage Yield	2.336%
Present Value Savings (\$)	47,823
Present Value Savings (%)	0.808%
Negative Arbitrage (\$)	19,609
Unrefunded Par Amount (\$)	0
Call Date (2011 Bonds):	03/01/2017

Sources and Uses of Funds

Sources:	
Bond Par Amount	\$6,125,000
Premium (Discount)	-
Total Sources	\$6,125,000
Uses:	
Refunding Escrow Deposits	\$6,000,133
Estimated Costs of Issuance	123,594
Additional Proceeds	1,273
Total Uses	\$6,125,000

Sensitivity Analysis

NPV Savings Assuming +25bps in rates	(\$26,618)
NPV Savings Assuming -25bps in rates	\$122,264

Cash Flow Savings

Date	Prior D/S	Refunding D/S	Savings	PV Savings
06/30/2017	\$568,722	\$520,524	\$48,197	\$48,011
06/30/2018	652,894	653,047	(153)	49
06/30/2019	642,894	641,466	1,428	1,532
06/30/2020	646,644	648,728	(2,084)	(1,785)
06/30/2021	638,769	639,790	(1,021)	(800)
06/30/2022	640,119	639,926	193	276
06/30/2023	630,406	628,937	1,470	1,357
06/30/2024	634,206	636,560	(2,354)	(1,930)
06/30/2025	627,406	622,760	4,646	3,890
06/30/2026	629,594	633,040	(3,446)	(2,754)
06/30/2027	625,419	627,080	(1,661)	(1,296)
Total	\$6,937,072	\$6,891,857	\$45,215	\$46,550

Savings Summary

PV of savings from cash flow	\$46,550
Additional Proceeds	1,273
Net PV Savings	\$47,823

*Assuming settlement on January 1st, 2017

New Money Borrowing for Stadium Project - \$3 Million

Lampeter-Strasburg School District Gross Debt Outstanding As of July 1, 2016

As of Fiscal Year Ending June 30	(1) 2002 Fixed DelVal Loan	(2) 2002 Variable DelVal Loan	(3) 2011 G.O. Bonds	(4) 2012 G.O. Notes	(5) 2014 G.O. Bonds	(6) 2015 G.O. Notes	(7) Proposed 2017 G.O. Bonds	Total
2017	549,428	530,782	652,444	3,324,700	341,206	300,608		5,762,339
2018	556,868	530,218	652,894	3,378,800	340,306	311,153	55,604	5,895,906
2019	568,736	530,467	642,894	1,939,600	763,956	1,321,450	86,236	5,923,402
2020	579,947	530,515	646,644		4,223,656		86,134	6,137,053
2021	590,498	530,363	638,769		4,274,106		86,019	6,190,169
2022	601,382	531,004	640,119		1,096,750		2,980,894	5,920,670
2023			630,406				82,304	783,551
2024			634,206					705,243
2025			627,406					698,827
2026			629,594					701,285
2027			625,419					697,285
Total	3,446,859	3,183,349	7,020,794	8,643,100	11,039,981	1,933,210	3,377,190	39,415,731

(1) 2002 DelVal Fixed Rate Conversion Portion @ 2.635% 1/15/09(includes approximate 40bp annual fees)

(2) 2002 DelVal Fixed Rate Conversion Portion @ 2.005% 9/25/11

(3) Series 2011, callable 3/1/17, average coupon 2.91%, yield 2.77%.

(4) Series 2012, non-callable, average coupon 3.89%, yield 1.57%.

(5) Series 2014, callable 8/15/19, average coupon 2.52%, yield 2.15%.

(6) Series of 2015 Notes, fixed rate of 1.65%.

(7) Proposed Series of 2017, \$3,000,000 new money, dated July 1, 2017, average coupon 2.70% (current rates + 100bps). Local Effort 100%.

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Capital Reserve Fund Budget Summary

Capital Reserve Fund Budget Summary – 2016-17 through 2023-24

Project Location and Description	2016-17 Actual	2017-18	2018-19	2019-20	2020-21	Note 1 2021-22	Note 2 2022-23	2023-24
Beginning Balance	5,229,354	4,971,292	2,178,388	1,780,152	1,336,718	1,029,699	766,587	4,634,860
Income								
Transfer from General Fund - Note 3	487,000	0	0	0	0	0	0	0
Transfer from GF due to debt reduction	0	0	0	0	0	2,893,782	4,934,577	4,934,577
E-Rate Funding of Technology Projects	60,000	0	0	0	0	0	0	0
Proceeds from Borrowing	0	3,000,000	0	0	0	0	0	0
Total Fund Available for Projects:	5,776,354	7,971,292	2,178,388	1,780,152	1,336,718	3,923,481	5,701,164	9,569,437
Total Expenditures	805,062	5,792,904	398,236	443,434	307,019	3,156,894	1,066,304	1,987,718
Ending Balance	4,971,292	2,178,388	1,780,152	1,336,718	1,029,699	766,587	4,634,860	7,581,719

1 Debt reduction of \$2,893,782 in 2021-22

2 Further Debt reduction of \$2,040,795 in 2022-23

3 15-16 Rental and Sinking Fund subsidy received in 16-17

Capital Reserve Fund Budget Summary – Athletic Master Plan – 2016-17 through 2022-23

Outside Athletic Master Plan	2016-17 Actual	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Stage 3 Projects							
Dugouts at Field 12	0						
Provide Water to Two Fields	0						
Synthetic Turf on Fields 1 and 2	0	5,000,000					
Provide ADA Compliance	0						
Support Building near Field 4	0						
Soft Costs and Professional Fees	160,000						
Principal and Interest on Field 2 Borrowing	0	55,604	86,236	86,134	86,019	2,980,894	82,304
Stage 4 Projects							
Varsity Soccer Field Renov. Incl. Synthetic Turf							0
Practice Football Field Renovation							30,000
Lights on Varsity Softball Field							203,000
Renovate Football Fieldhouse							300,000
Soft Costs and Professional Fees							0
Total:	160,000	5,055,604	86,236	86,134	86,019	2,980,894	615,304

Renovation of 2 Fields in 2017 vs Renovation of Field 1 in 2017 and Field 2 in 2021

- Estimate of Difference in Costs of staggered construction vs. simultaneous construction:

• Interest Expense paid from Capital Reserve Fund:	\$377,190
• Savings in Soft Costs (Agency approvals):	(60,000)
• Savings in Construction Costs (mobilization and storm water)	(105,000)
• Cost Avoidance due to Inflationary increases (assume 4 year delay with 1% per year inflationary increases)	<u>(203,020)</u>

Net Difference: \$ 9,170

2017-18 General Fund Budget

Act 1 Resolution

2017-18 General Fund Budget – Act 1 Preliminary Budget or Resolution

- Upcoming 2017-18 budget deadlines:
 - January 17, 2017: deadline to adopt resolution indicating that the district will not raise the rate of tax by more than its index (or date by which 2017-18 preliminary budget must be available for public inspection).
 - The 2017-18 base index is 2.5%.
 - Lampeter-Strasburg School District's 2017-18 adjusted index is 2.9%.
 - February 6, 2017 Board Meeting: deadline to adopt a 2017-18 preliminary budget (if a resolution has not been adopted).

2017-18 General Fund Budget – Act 1 Resolution – cont.

A RESOLUTION OF THE LAMPETER-STRASBURG SCHOOL DISTRICT, COUNTY OF LANCASTER, COMMONWEALTH OF PENNSYLVANIA CERTIFYING THAT THE SCHOOL DISTRICT WILL NOT RAISE ANY TAX RATE BY MORE THAN 2.9%.

WHEREAS, under Section 311(a) of the Taxpayer Relief Act of Special Session No. 1 of 2005 (“Act”), the Board of School Directors (“Board”) of the Lampeter-Strasburg School District (“School District”) is required to prepare and adopt a preliminary budget for the 2017/2018 fiscal year of the School District on or before February 15, 2017;

WHEREAS, under Section 311(d) of the Act, the Board is not subject to Section 311(a) of the Act, provided that the Board adopts a resolution stating that the Board will not increase any tax rate by more than the Index for the School District, as defined under the Act and determined by the Pennsylvania Department of Education (“Department”);

WHEREAS, the Index for the School District for the 2017/2018 fiscal year of the School District is 2.9%;

WHEREAS, the Board has determined that there will be no increase in the rate of any tax imposed by the School District in excess of the above Index for the 2017/2018 fiscal year of the School District;

2017-18 General Fund Budget – Act 1 Resolution – cont.

NOW THEREFORE BE IT RESOLVED as follows:

1. The Board certifies that it will not raise the rate of any tax for the support of the School District for the 2017/2018 fiscal year of the School District by more than the Index of 2.9% established by the Department for the School District;

2. The Board certifies that the School District will comply with the procedures as set forth in Section 687 of the Public School Code of 1949 as it relates to the adoption of its proposed and final annual budgets for the 2017/2018 fiscal year of the School District;

3. The Board certifies that increasing any tax at a rate less than or equal to the above Index of 2.9% will be sufficient to balance its final budget for the 2017/2018 fiscal year of the School District;

4. The Board certifies that the School District will submit information on a proposed increase in the rate of any tax levied for the support of the School District to the Department on a uniform form prepared by the Department no later than five (5) days after the adoption of this Resolution;

5. The Board certifies that a copy of this Resolution will be sent to the Department no later than five (5) days after the adoption of this Resolution; and

6. The Board acknowledges that the School District shall not be eligible to seek referendum exceptions under Section 333(f) of the Act.

We hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Board at a meeting thereof duly and legally held on the 17th of January 2017.

2016-17 Projected Outcome

2016-17 Projected Outcome

	2016-17 Budget	2016-17 Projected	Difference	% Variance to Budget
Unassigned Fund Balance - Beginning	4,317,070	4,317,070		
Revenue:				
Local	37,710,890	37,887,940	177,050	0.47%
State	12,117,400	12,189,590	72,190	0.60%
Federal	449,320	470,890	21,570	4.80%
Other Financing Sources	0	0	-	
Total:	<u>50,277,610</u>	<u>50,548,420</u>	270,810	0.54%
Expenditures	50,547,770	49,689,610		
Transfer to Capital Reserve	<u>487,000</u>	<u>487,000</u>		
Total Expenditures and Transfers	<u>51,034,770</u>	<u>50,176,610</u>	858,160	1.68%
Operating Balance:	(757,160)	371,810		
Use of PSERS Stabilization Fund	400,000	400,000		
Net Operating Balance:	(357,160)	771,810		
Unassigned Fund Balance - Ending	3,959,910	5,088,880		
Assigned for Retirement	900,000	900,000		
Unassigned Fund Balance	<u>3,959,910</u>	<u>5,088,880</u>		
Total Fund Balance	4,859,910	5,988,880		

() = Unfavorable

2016-17 Projected Outcome – cont.

Revenue Differences

Revenue Type	Amount	% Variance to Budget	Comments
Real Estate and Interim Taxes	148,190	0.45%	Unbudgeted assessments of 7.5 million (net of large outstanding appeal)
Earned Income Taxes	0	0.00%	
Del Tax, Transf Tax, Public Utility Tax	(930)	-0.09%	
Other Local Revenue	29,790	3.59%	
Basic Education Subsidy	157,640	4.01%	Actual subsidy from PDE
Special Education	(11,250)	-0.80%	Actual subsidy from PDE
Other State Subsidies	(74,200)	-0.65%	Estimate
Federal Subsidies	21,570	4.80%	Estimate
Total	270,810	0.54%	

2016-17 Projected Outcome – cont.

Expenditure

Account Type	Amount	Variance to Budget	Comments
Salaries			
Professional	233,820	1.27	savings from resignations (\$152,640), unfilled position - sabbatical (\$21,050); leave of absence (\$38,190); educ attainment (\$33,360)
Support	<u>34,600</u>	1.04	
Total:	268,420	1.24	
Benefits			
Social Security	25,310	1.52	
Retirement	62,970	0.97	
Unemployment	-	-	
Worker's Comp	18,580	12.61	Includes a dividend from LLPSIP - \$35,910
Tuition	-	-	
Health Insurance	-	-	
Employer Share TSA	<u>-</u>	-	
Total:	106,860	0.76	

2016-17 Projected Outcome – cont.

Expenditure Differences – cont.

Account Type	Amount	% Variance to Budget	Comments
Purchased Professional Services	-	-	
Purchased Property Services	1,270	0.14	
Other Purchased Services	88,410	2.91	CTC tuition savings - \$81,540 (savings includes a \$39,000 voc ed subsidy); property/casualty savings - \$6,870
Supplies	7,380	0.48	Gasoline savings
Equipment	-	-	
Other Objects - Dues & Memberships	-	-	
Other Objects - Debt Interest	-	-	
Other Financing Uses - Debt Principal	-	-	
Transfer to Capital Reserve	-		
Budgetary Reserve	<u>385,820</u>		Unused Budgetary Reserve
Total:	858,160	1.68	

2017-18 General Fund Budget

2017-18 General Fund Budget

Assumptions:

- Millage Increase – two drafts:
 - Act 1 index of 2.9%
 - Base Index of 2.5%
- 0.75% growth in assessment
 - Outstanding appeals are factored into 16/17 projection and 17/18 budget.
- No increases to other Local Revenue
- 2% increase to Basic Education and Special Education Subsidies
- Net 3.52% increase to total salaries
 - 2.75% regular salary increase; 0.37% for educational attainment
- Retirement rate – 32.04% (6.7% increase from 16/17 rate of 30.03%)
- 5% increase to medical insurance
- Textbook adoptions - \$184,000 savings for textbooks.
 - 2016-17 new textbook expense: \$224,000
 - 2017-18 budget for new textbooks: \$40,000
- No 2017-18 Capital Reserve Transfer budgeted
 - 2016-17 Transfer is \$487,000

2017-18 General Fund Budget – Index

2017-18 Budget 2.9% millage increase - Index

	2016-17 Budget	2016-17 Projected	2017-18 Proposed	Difference	% Change
Unassigned Fund Balance - Beginning	4,317,070	4,317,070	5,088,880	771,810	17.88
Revenue:					
Local	37,710,890	37,887,940	39,114,040	1,226,100	3.24
State	12,117,400	12,189,590	12,190,070	480	0.00
Federal	449,320	470,890	470,890	0	0.00
Other Financing Sources	0	0	0	0	
Total:	<u>50,277,610</u>	<u>50,548,420</u>	<u>51,775,000</u>	1,226,580	2.43
Expenditures	50,547,770	49,689,610	51,805,400		
Transfer to Capital Reserve	487,000	487,000	0		
Total Expenditures and Transfers	<u>51,034,770</u>	<u>50,176,610</u>	<u>51,805,400</u>	(1,628,790)	3.25
Operating Balance:	(757,160)	371,810	(30,400)		
Use of PSERS Stabilization Fund	400,000	400,000	300,000		
Net Operating Balance:	(357,160)	771,810	269,600		
Unassigned Fund Balance - Ending	3,959,910	5,088,880	5,358,480		
% of Unassigned Fund Balance to Total Expenditures	7.76%	10.14%	10.34%		
Assigned for Retirement	900,000	900,000	600,000		
Unassigned Fund Balance	<u>3,959,910</u>	<u>5,088,880</u>	<u>5,358,480</u>		
Total Fund Balance	4,859,910	5,988,880	5,958,480		

() = Unfavorable

2017-18 Budget– cont.

Revenue Differences – 2.9% millage increase

Revenue Type	Amount	% Increase	Comments
Real Estate and Interim Taxes	1,225,630	3.70%	Includes interims; 0.75% assessment increase
Earned Income Taxes	0	0.00%	
Del Tax, Transf Tax, Public Utility Tax	470	0.05%	
Other Local Income	0	0.00%	
Basic Education Subsidy	81,680	2.00%	Assumes a 2% increase from 2016-17
Special Education	28,040	2.00%	Assumes a 2% increase from 2016-17
Rental & Sinking Fund Subsidy	(479,440)	-48.80%	Reduction from 2015-16 deferred revenue received in 2016-17
Social Security Reimbursement	28,580	3.55%	
Retirement Subsidy	336,690	10.45%	PSERS contribution rate increasing from 30.03% to 32.04%
Other State Subsidies	4,930	0.74%	
Federal Subsidies	0	0.00%	
Total	1,226,580	2.43%	

2017-18 Budget – 2.9% millage increase - Index

Expenditure Differences

Account Type	Amount	% Change	Comments
Salaries			
Professional	676,060	3.72	
Support	<u>79,650</u>	2.43	
Total:	755,710	3.52	Includes a 2.75% salary increase; 0.37% for educational attainment
Benefits			
Social Security	57,160	3.49	
Retirement	673,370	10.45	PSERS contribution rate increasing from 30.03% to 32.04%
Unemployment	-	0.00	
Worker's Comp	44,140	34.29	No dividend assumed in 2017-18
Tuition	-	0.00	
Health Insurance	273,250	5.00	
Employer's Share TSA	<u>-</u>	0.00	
Total:	1,047,920	7.50	

2017-18 Budget 2.9% millage increase - Index

Expenditure Differences – cont.

Account Type	Amount	% Change	Comments
Purchased Professional Services	-	0.00	
Purchased Property Services	29,710	3.20	Increase for electricity
Other Purchased Services	-	0.00	
Supplies	(188,680)	(12.41)	Savings from 2016-17 textbook adoption (\$224,000) reduced by 2017-18 textbook adoption (\$40,000)
Equipment	-	0.00	
Other Objects - Dues & Memberships	-	0.00	
Other Objects - Debt Interest	(157,870)	(0.17)	Debt Service interest
Other Financing Uses - Debt Principal	229,000	0.25	Debt Service principal
Transfer to Capital Reserve	(487,000)	(100.00)	
Budgetary Reserve	<u>400,000</u>		Budgetary Reserve
Total Budget Difference:	1,628,790	3.25	

2017-18 General Fund Budget –
2.5% millage increase (Act 1 Base Index)

2017-18 Budget 2.5% millage increase (Act 1 Base Index)

	2016-17 Budget	2016-17 Projected	2017-18 Proposed	Difference	% Change
Unassigned Fund Balance - Beginning	4,317,070	4,317,070	5,088,880	771,810	17.88
Revenue:					
Local	37,710,890	37,887,940	38,981,070	1,093,130	2.89
State	12,117,400	12,189,590	12,190,070	480	0.00
Federal	449,320	470,890	470,890	0	0.00
Other Financing Sources	0	0	0	0	
Total:	50,277,610	50,548,420	51,642,030	1,093,610	2.16
Expenditures	50,547,770	49,689,610	51,805,400		
Transfer to Capital Reserve	487,000	487,000	0		
Total Expenditures and Transfers	51,034,770	50,176,610	51,805,400	(1,628,790)	3.25
Operating Balance:	(757,160)	371,810	(163,370)		
Use of PSERS Stabilization Fund	400,000	400,000	300,000		
Net Operating Balance:	(357,160)	771,810	136,630		
Unassigned Fund Balance - Ending	3,959,910	5,088,880	5,225,510		
% of Unassigned Fund Balance to Total Expenditures	7.76%	10.14%	10.09%		
Assigned for Retirement	900,000	900,000	600,000		
Unassigned Fund Balance	<u>3,959,910</u>	<u>5,088,880</u>	<u>5,225,510</u>		
Total Fund Balance	4,859,910	5,988,880	5,825,510		

() = Unfavorable

Five-Year Budget Projections

Five-Year Projection Assumptions

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Assessment Growth	0.75%	0.75%	0.75%	0.75%	0.75%
Tax Rate Increase (17/18 Index Budget)	2.90%	2.50%	2.50%	2.50%	2.50%
EIT Growth	0.00%	2.00%	2.00%	2.00%	2.00%
Retirement Contribution Rate	32.04%	33.27%	34.20%	33.51%	33.51%
Wage Increases	3.52%	2.75%	2.75%	2.75%	2.75%
Medical Increase	5.00%	8.00%	8.00%	8.00%	8.00%
Basic Education Subsidy Increase	2.00%	2.00%	2.00%	2.00%	2.00%
Transfer to Capital Reserve Fund	0	0	0	0	2,893,780
Available Act 1 Exceptions:					
Retirement Exception	100,464	42,488	9,731	0	0
Special Education Exception	647,760	0	0	48,956	51,404

Five-Year Budget Projection with a 2.9% Millage Increase in 2017-18

	Estimated Actual	Projected Budgets				
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
TOTAL REVENUES	50,548,420	51,775,000	53,375,267	55,036,551	56,542,383	57,852,413
TOTAL EXPENDITURES & OTHER FINANCING USES	50,176,610	51,805,400	53,623,458	55,685,528	57,269,987	58,771,373
BASELINE OPERATING BALANCE	371,810	(30,400)	(248,191)	(648,977)	(727,603)	(918,961)
USE OF PSERS STABILIZATION FUND	400,000	300,000	300,000	200,000	100,000	0
NET OPERATING BALANCE	771,810	269,600	51,809	(448,977)	(627,603)	(918,961)
UNASSIGNED FUND BALANCE (Beginning of Year)	4,317,070	5,088,880	5,358,480	5,410,289	4,961,312	4,333,709
UNASSIGNED FUND BALANCE (End of Year)	5,088,880	5,358,480	5,410,289	4,961,312	4,333,709	3,414,748

- Unspent budgetary reserve will improve the baseline operating balance.
 - Budgetary reserve is projected at \$400,000 each year.
- In addition to budgetary reserve, the conservative budget approach may also improve the projected baseline operating balance.

Five-Year Budget Projection with a 2.5% Millage Increase in 2017-18

	Estimated Actual	Projected Budgets				
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
TOTAL REVENUES	50,548,420	51,642,030	53,237,959	54,894,843	56,396,047	57,701,387
TOTAL EXPENDITURES & OTHER FINANCING USES	50,176,610	51,805,400	53,623,458	55,685,528	57,269,987	58,771,373
BASELINE OPERATING BALANCE	371,810	(163,370)	(385,500)	(790,685)	(873,940)	(1,069,986)
USE OF PSERS STABILIZATION FUND	400,000	300,000	300,000	200,000	100,000	0
NET OPERATING BALANCE	771,810	136,630	(85,500)	(590,685)	(773,940)	(1,069,986)
UNASSIGNED FUND BALANCE (Beginning of Year)	4,317,070	5,088,880	5,225,510	5,140,010	4,549,325	3,775,386
UNASSIGNED FUND BALANCE (End of Year)	5,088,880	5,225,510	5,140,010	4,549,325	3,775,386	2,705,400

- Unspent budgetary reserve will improve the baseline operating balance.
 - Budgetary reserve is projected at \$400,000 each year.
- In addition to budgetary reserve, the conservative budget approach may also improve the projected baseline operating balance.

Items From Committee