

North Penn
School District

Dream Big.
Achieve Greatness.



2017-2018 BUDGET

July 1, 2017 – June 30, 2018

North Penn School District
401 East Hancock Street
Lansdale, Pennsylvania 19446
www.npenn.org



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Board of School Directors

- Vincent Sherpinsky..... President
- Josephine Charnock Vice-President
- Edward Diasio Member
- Timothy Kerr Member
- Suzan Leonard..... Member
- Patrick McGee, Jr. Member
- Frank O'Donnell Member
- Theresa W. Prykowski..... Member
- John Schilling..... Member
- Steve Skrocki (not pictured)..... Secretary (non-voting)
- Donna Mengel (not pictured) Treasurer (non-voting)



Board of Directors Committee Assignments

Education/Community/Policy

Josephine Charnock
Suzan Leonard
Theresa Prykowski

Special Education

Josephine Charnock
Timothy Kerr
Vincent Sherpinsky

Finance

Edward Diasio
Patrick McGee, Jr.
Frank O'Donnell

Support Services

Edward Diasio
Patrick McGee, Jr.
John Schilling

North Montco TCC-JOC

Edward Diasio
Timothy Kerr
Suzan Leonard

Negotiations

Josephine Charnock
Timothy Kerr
Theresa Prykowski

Personnel

Josephine Charnock
Timothy Kerr
Theresa Prykowski

Safe Schools

Josephine Charnock
Frank O'Donnell
Theresa Prykowski

Municipal Relations

Edward Diasio
Suzan Leonard
Theresa Prykowski

Consultants and Advisors

Independent Auditors

Maillie, LLP
PO Box 680
Oaks, PA 19456-0680

Legal Counsel

Dischell Bartle Dooley
1800 Pennbrook Parkway
Suite 200
Lansdale, PA 19446

Financial Advisor

Public Financial Management
One Keystone Plaza, Suite 300
North Front & Market Streets
Harrisburg, PA 17101

Main Depository

BB&T
139 S. Broad Street
Lansdale, PA 19446

Central Office Administration

Dr. Curtis Dietrich.....Superintendent of Schools
Dr. Diane Holben.....Assistant Superintendent
Dr. Elizabeth Santoro Director of Elementary Education
Dr. Deborah McKay..... Director of Secondary Education
Dr. Jenna Rufo.....Director of Special Education
Dr. Frances Garner Assistant Director of Special Education
Dr. Cheryl McCue Director of Human Resources
Christine Liberaski.....Director of School/Community Engagement
Dr. Kristen Landis Director of Technology
Steve Skrocki..... Director of Business Administration
Scott Kennedy Director of Facilities & Operations
Dr. Toni Butz..... Director of Curriculum



Buildings and Administrators

Bridle Path Elementary School
200 Bridle Path
Lansdale, PA 19446
Principal: Jeff Macosko

Gwynedd Square Elementary School
1641 Supplee Road
Lansdale, PA 19446
Principal: William Bowen

Inglewood Elementary School
1313 Allentown Road
Lansdale, PA 19446
Principal: Dr. Orlando Taylor

Kulp Elementary School
801 Cowpath Road
Hatfield, PA 19440
Principal: Dr. Neil Broxterman

Nash Elementary School
1560 Liberty Bell Drive
Harleysville, PA 19438
Principal: Jonathan Winkle

Oak Park Elementary School
500 Squirrel Lane
Lansdale, PA 19446
Principal: Doug Povilaitis

York Avenue Elementary School
700 York Avenue
Lansdale, PA 19446
Principal: Loretta Hoch

Penndale Middle School
400 Penn Street
Lansdale, PA 19446
Principal: Dr. Sean O'Sullivan

North Penn High School
1340 Valley Forge Road
Lansdale, PA 19446
Principal: Todd Bauer

Gwyn Nor Elementary School
139 Hancock Road
North Wales, PA 19454
Principal: Dr. Sylvannya Walters-Dantzler

Hatfield Elementary School
726 Forty Foot Road
Hatfield, PA 19440
Principal: Dr. D'Ana Waters

Knapp Elementary School
698 Knapp Road
Lansdale, PA 19446
Principal: Heather Mann

Montgomery Elementary School
1221 Stump Road
North Wales, PA 19454
Principal: Thomas Seidenberger

North Wales Elementary School
201 Summit Street
North Wales, PA 19454
Principal: Joe Covone

Walton Farm Elementary School
1610 Allentown Road
Lansdale, PA 19446
Principal: Marc Gosselin

Pennbrook Middle School
1201 North Wales Road
North Wales, PA 19454
Principal: Jim Galante

Pennfield Middle School
726 Forty Foot Road
Hatfield, PA 19440
Principal: Dr. Barbara Galloway

Northbridge School
2374 North Penn Road
Hatfield, PA 19440
Principal: Kyle Hassler



This Meritorious Budget Award is presented to

NORTH PENN SCHOOL DISTRICT

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2016-2017.

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in black ink, reading 'Brenda Burkett', is written over a horizontal line.

Brenda R. Burkett, CPA, CSBA, SFO
President

A handwritten signature in black ink, reading 'John D. Musso', is written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

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Introductory Section

North Penn School District

2017-2018 Budget



North Penn School District
Lansdale, Pennsylvania
www.npenn.org
Dr. Curtis Dietrich, Superintendent

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North Penn School District

401 East Hancock Street, Lansdale, PA 19446-3960
Dr. Curtis Dietrich, Superintendent
Telephone: 215-368-0400
www.npenn.org

September 12, 2017

Board of School Directors
North Penn School District
401 East Hancock Street
Lansdale, PA 19446

Dear School Directors:

The 2017-2018 fiscal year budget for the North Penn School District is presented herein. The Superintendent, Director of Business Administration, and the Assistant Director of Business Administration assume responsibility for data accuracy and completeness. This budget presents the District's financial and operational plan along with all necessary disclosures.

2017-2018 Budget Executive Summary

Budget Presentation

The North Penn School District strategically budgets an annual spending plan in order to provide the best possible educational program for all students while prudently managing and allocating the District's resources. The development and consideration of the 2017-2018 Governmental, Enterprise, and Internal Service Fund budgets were completed with a detailed and thorough review of all revenue and expenditure line items while maintaining the integrity of the District's mission statement, goals, and fiscal policies. Budget information on each individual fund is provided in this document.

This budget presentation was prepared using the Association of School Business Officials International's (ASBO) Meritorious Budget Award (MBA) criteria and framework. The MBA is the highest form of recognition in school business budgeting and the administration is committed to presenting a high-quality budget document to you and to the community. This document will be submitted to ASBO within 90 days after budget adoption for their consideration of the award. The administration is proud to create and distribute this budget to the Board of School Directors and to the North Penn community.

Mission Statement

The North Penn School District is an effective, innovative, student-centered community of teaching and learning where every student is empowered to:

- become an independent, adaptable, life-long learner who uses knowledge to create new understandings;
- exhibit creative, collaborative, and critical thinking;
- achieve at his or her highest potential; and
- live as a positive, responsible, and contributing citizen of the global society

Vision Statement

The North Penn School District is student-centered with a focus on academic challenge, meaningful experiences and personal responsibility.

Core Values

Visionary Leadership: Contributing to the development of a quality organization by building the relationships necessary to create the conditions that:

- foster a high level of employee, student and community engagement;
- provide opportunities for employee decision-making;
- include a high level of visibility; and
- are characterized by leadership coaching.

High Expectations for Learning: Cultivating an environment where every student knows he or she can succeed, and in which families, community members and staff demonstrate the confidence to meet the needs of every child by using strategies that ensure high levels of achievement and address student learning differences.

People-Centered: Empowering and equipping students, staff, and community members to better serve by providing them with a healthful environment in which they continuously learn and embrace change, and soliciting feedback to effectively understand and address the needs and concerns of students, staff, and the community.

Continuous Improvement: Creating a culture throughout the organization of commitment to use and share data in decision-making, planning focused on retaining strengths, addressing opportunities for improvement, and program assessment to measure improvements in student, employee, and organizational performance.

Partnerships and Teamwork: Utilizing the power of teaming to deliver the best for our school community.

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Universal Values: North Penn school community members will model universal values to collaborate effectively in their daily activities. These values include but are not limited to: civic responsibility, consideration, cooperation, dependability, fairness, goodwill, honesty, kindness, orderliness, patience, perseverance, politeness, respect, responsibility, and sportsmanship.

Educational Community

The North Penn School District is a large suburban district of approximately 12,800 students located in southeastern Pennsylvania. The district encompasses 42.73 square miles, including the municipalities of Upper Gwynedd, North Wales, Hatfield Borough, Hatfield Township, Lansdale, Line Lexington, Towamencin Township, and Montgomeryville. The 2010 census identifies the total population of the district as 98,175. The district celebrates its increasing diversity. Over the past seven years, the African American student population has increased from 4.65% to 8.34%. In the same time span, the Hispanic student population has increased from 3.2% to 6.54% and the Asian student population has increased from 13.57% to 19.99%. As a result, the North Penn School District has one of the largest representations of Asian students in the state of Pennsylvania. Within these groups, students represent many specific ethnicities and home languages. Overall, the district has 3.8% of its students qualifying for English as a Second Language (ESL) services, with individual schools ranging as high as 14.5% ESL. Similarly, an increasing number of economically disadvantaged students resulted in 32% of NPSD students qualifying for free or reduced lunch in 2016-17, with individual schools ranging as high as 61% qualifying. NPSD is fortunate to collaborate with many businesses and community organizations to provide additional supports and services for students.

Board of School Directors

Vincent Sherpinsky	President
Josephine Charnock	Vice-President
Edward Diasio	Member
Timothy Kerr	Member
Suzan Leonard	Member
Patrick McGee, Jr.	Member
Frank O'Donnell	Member
Theresa Prykowski	Member
John Schilling	Member
Steve Skrocki	Secretary (non-voting)
Donna Mengel	Treasurer (non-voting)

North Penn School District
2017-2018 Budget

Central Office Administration

Dr. Curtis Dietrich	Superintendent of Schools
Dr. Diane Holben	Assistant Superintendent
Dr. Elizabeth Santoro	Director of Elementary Education
Dr. Deborah McKay	Director of Secondary Education
Dr. Jenna Rufo	Director of Special Education
Dr. Frances Garner	Assistant Director of Special Education
Dr. Cheryl McCue	Director of Human Resources
Christine Liberaski	Director of School/Community Engagement
Dr. Kristen Landis	Director of Technology
Stephen Skrocki	Director of Business Administration
Scott Kenedy	Director of Facilities & Operations
Dr. Toni Butz	Director of Curriculum

Budget Process and Timeline

The administration and Board of School Directors are committed to providing each child in the District with the best possible educational opportunity while maximizing the use of available resources. This consideration goes into the budget process each year as both parties attempt to balance these needs with the available local, state, and federal resources.

Normally the annual budget process begins in September so that a Preliminary Budget can be presented and adopted in February. The Base Act 1 index is published by the Pennsylvania Department of Education and is the state mandated limit for real estate tax increases (2.5% for 2017-18) unless exceptions are utilized or voter approval is given to raise taxes above the index. If the Board of Directors adopts a resolution that it will not need to raise taxes above the state mandated limit, it can forgo the adoption of the preliminary budget. In November, the School Board of Directors adopted the resolution not to raise taxes above the Act 1 index.

The Administration develops a timeline that works backwards from the final budget adoption date in June to the previous September. The following timeline by month summarizes the North Penn School District's budget process:

Month	Key Processes and Deadlines
September	<ul style="list-style-type: none"> • Act 1 Index and timeline published by PDE
November	<ul style="list-style-type: none"> • Building per pupil allocations are distributed • District enrollment projections are calculated • Adoption of board resolution not to raise taxes above the Act 1 index • Final budget timeline is created
December	<ul style="list-style-type: none"> • Deadline to notify residents of homestead/farmstead exclusion
January	<ul style="list-style-type: none"> • Deadline to opt out of Act 1 exceptions

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	<ul style="list-style-type: none"> • Building and department budget requests are due to the business office • Budget meetings are held with administrators
February	<ul style="list-style-type: none"> • Deadline to adopt preliminary budget unless resolution not to exceed Act 1 index adopted
March	<ul style="list-style-type: none"> • Homestead/farmstead application deadline • Deadline for referendum exception request to PDE • Deadline to submit primary election referendum question seeking voter approval of tax increase in excess of the Act 1 index • Deadline for PDE ruling on referendum exception request
May	<ul style="list-style-type: none"> • County provides certified homestead/farmstead information • PDE provides property tax relief allocation information • Board adoption of the proposed final budget • Public notice of intent to adopt final budget • Budget presented for public inspection
June	<ul style="list-style-type: none"> • Board adoption of the final budget

For the 2017-2018 budget, the District adopted the resolution not to exceed the Act 1 index on November 17, 2016 and the proposed final budget on May 9, 2017. The final budget was adopted by the board of directors at the June 15, 2017 board action meeting.

Student Enrollment

The projected student enrollment for the 2017-18 school year is 12,795 total students. At the June 6, 2017 board work session, the Montgomery County Planning Commission presented its enrollment study.

Personnel Resources

On an April to April comparison, the District increased staffing in 2016-2017 from 1936 total employees in 2015-2016 to 1945 employees. Over that same time period, full time employees decreased from 1768 to 1767 in 2016-2017 and part time employees increased from 168 in 2015-16 to 178 in 2016-2017. Total staffing levels decreased by sixteen employees in all support departments, increased by sixteen in the elementary schools, and increased by nine employees in the secondary schools. During the 2017-2018 budget process, staffing was reduced by fifteen total positions. Seven support department positions, five elementary teaching and three secondary teaching positions were eliminated.

District Facilities and Capital Improvements

The District is currently completing renovations to Montgomery Elementary School which are scheduled to be completed prior to the beginning of the 2017-2018 school year. To finance this project, the District sought two separate bond issues, one in 2016 for \$9.84 million and one in 2017 for \$17.57 million, a portion of which will finance roofing projects at various buildings. The District has plans to install air conditioning at Gwyn-Nor, Knapp and Oak Park Elementary Schools in the summer of 2018.

Other potential upcoming projects include athletic fields at North Penn High School and building renovations at Knapp Elementary School.

Budget Summary for All Funds

The following is a summary of the 2017-2018 budgets for each of the District's funds. Budgeted revenues include resources from local, state, and federal sources and expenditures represent those resources allocated towards supporting the District's programs and services. Enterprise Funds consist of the School Nutrition Fund, Extended School Care Fund and Community Education Fund which charge fees for services. The Internal Service Fund is used to account for self-insurance expenditures paid for at actual cost by the District.

North Penn School District
2017-2018 Budget

Summary of All Funds

Fund	2016-2017 Budget	2017-2018 Budget	Budget Change FY 2017 to FY 2018	Percent Change FY 2017 to FY 2018
General Fund				
Beginning Fund Balance	\$ 36,736,866	\$ 33,422,213	\$ (3,314,653)	-9.02%
Revenues	242,174,877	247,856,963	5,682,086	2.35%
Expenditures	245,489,530	252,401,886	6,912,356	2.82%
Other Financing Sources/(Uses)	-	-	-	0.00%
Net Change in Fund Balance	(3,314,653)	(4,544,923)	(1,230,270)	37.12%
Ending Fund Balance	\$ 33,422,213	\$ 28,877,290	(4,544,923)	-13.60%
Capital Projects Fund				
Beginning Fund Balance	\$ 15,367,006	\$ 8,382,006	\$ (6,985,000)	-45.45%
Revenues	25,000	35,000	10,000	40.00%
Expenditures	22,010,000	12,779,321	(9,230,679)	-41.94%
Other Financing Sources/(Uses)	15,000,000	1,800,000	(13,200,000)	-88.00%
Net Change in Fund Balance	(6,985,000)	(10,944,321)	(3,959,321)	56.68%
Ending Fund Balance*	\$ 8,382,006	\$ (2,562,315)	(10,944,321)	-130.57%
Enterprise Funds				
Beginning Fund Balance	\$ 1,519,591	\$ 1,634,854	\$ 115,263	7.59%
Revenues	8,331,292	8,100,019	(231,273)	-2.78%
Expenditures	8,216,029	8,488,388	272,359	3.31%
Other Financing Sources/(Uses)	-	-	-	0.00%
Net Change in Fund Balance	115,263	(388,369)	(503,632)	-436.94%
Ending Fund Balance	\$ 1,634,854	\$ 1,246,485	(388,369)	-23.76%
Internal Service Fund				
Beginning Fund Balance	\$ 7,297,022	\$ 7,190,522	\$ (106,500)	-1.46%
Revenues	29,820,000	29,847,300	27,300	0.09%
Expenditures	29,926,500	29,921,300	(5,200)	-0.02%
Other Financing Sources/(Uses)	-	-	-	0.00%
Net Change in Fund Balance	(106,500)	(74,000)	32,500	-30.52%
Ending Fund Balance	\$ 7,190,522	\$ 7,116,522	(74,000)	-1.03%
Total All Funds				
Beginning Fund Balance	\$ 60,920,485	\$ 50,629,595	\$ (10,290,890)	-16.89%
Revenues	\$ 280,351,169	285,839,282	5,488,113	1.96%
Expenditures	305,642,059	303,590,895	(2,051,164)	-0.67%
Other Financing Sources/(Uses)	15,000,000	1,800,000	(13,200,000)	-88.00%
Net Change in Fund Balance	(10,290,890)	(15,951,613)	(5,660,723)	55.01%
Ending Fund Balance	\$ 50,629,595	\$ 34,677,982	(15,951,613)	-31.51%

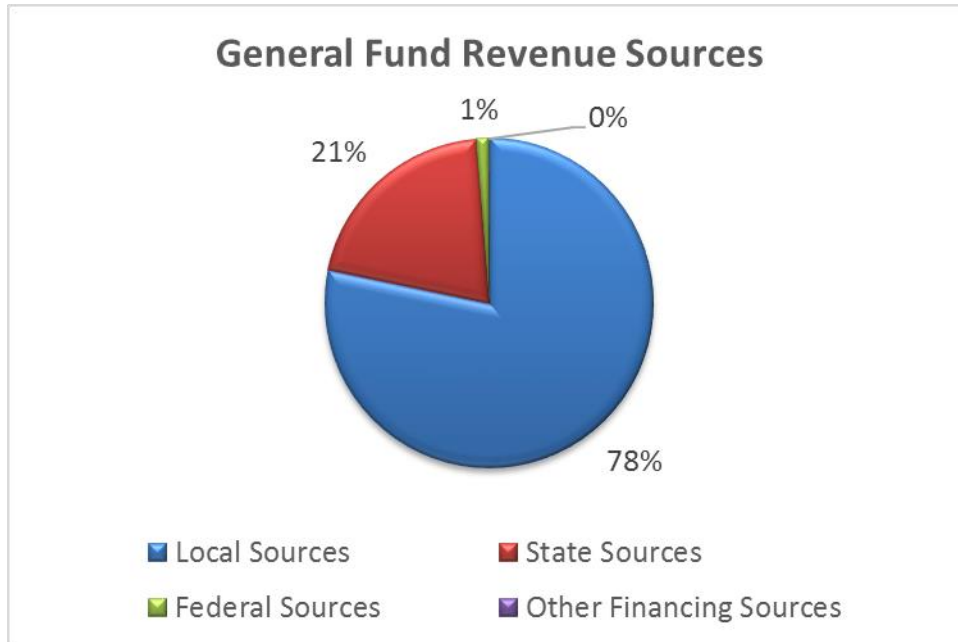
General Fund Overview

Revenues

The General Fund of the District is funded from local, state, and federal sources of revenue. Local revenue is the largest source of revenue which accounts for 78% of the \$247,856,963 in total

North Penn School District
2017-2018 Budget

budgeted revenue for the 2017-2018 fiscal year. The remaining 22% of revenue budgeted is comprised of state subsidies and grants (21%) as well as federal grant money (1%) and a minimum amount of other financing sources.

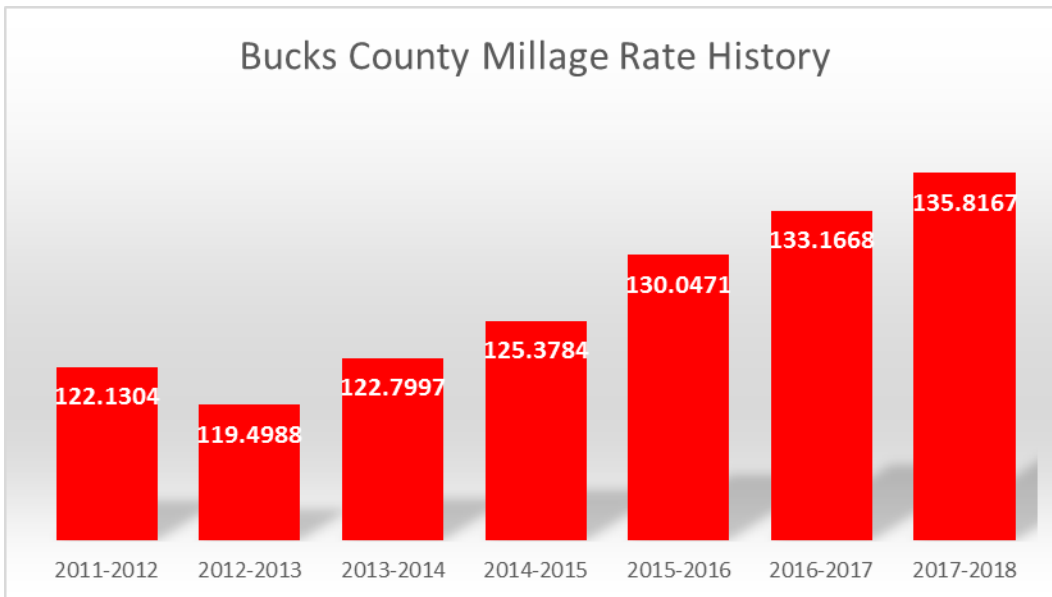
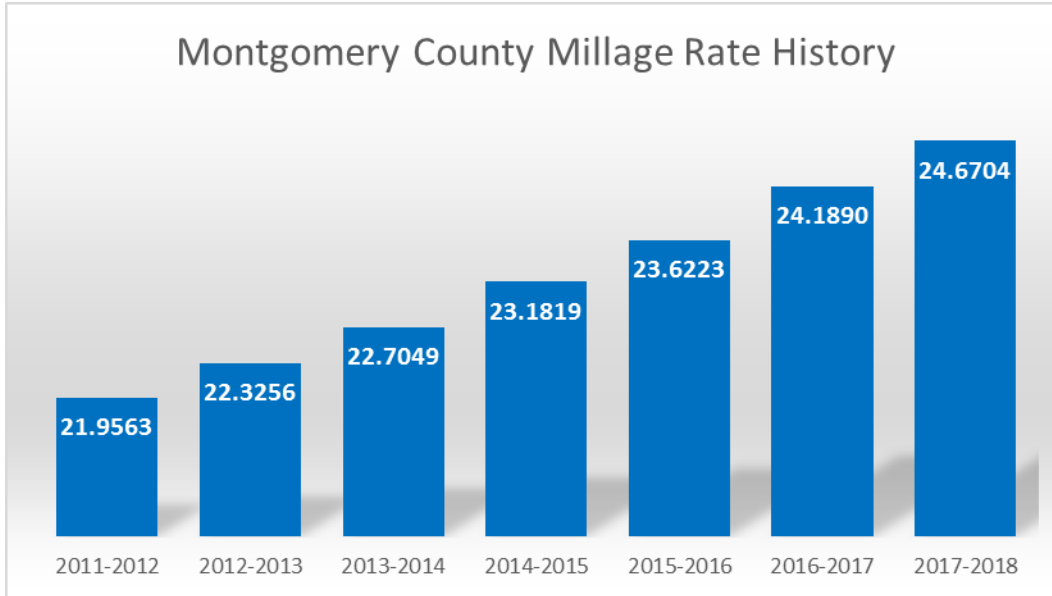


Local Sources

The largest portion of local revenue is made up of current taxes on real estate. Local current real estate tax revenue is budgeted to be \$167,912,922 which is 87% of local revenue sources budgeted and 68% of total revenue sources budgeted. Current real estate tax revenue budgeted is \$3,762,037 higher than budgeted in the previous year. The North Penn School District lies in Montgomery and Bucks Counties so there are two real estate tax bases that make up current real estate tax revenue. The combined assessed property values for Bucks and Montgomery Counties is \$7,214,506,737 for the 2017-2018 school year.

The 2017-2018 real estate tax rate required to fund the District's programs and services for Bucks County is 135.8167 and 24.6704 for Montgomery County. The Montgomery County rate increased by 1.99% from the previous year which is under the amount allowable under Act 1 for the 2017-2018 school year. The Bucks County increase was also 1.99% above the original millage rate for 2016-2017. This increase in the tax rate along with higher assessed property values and a weighted average tax collection percentage of 97% will generate the additional \$3.8 million in resources for the District. The following two charts show the millage rate history for both counties since the 2011-2012 school year.

North Penn School District
2017-2018 Budget



Tax Impact on Average Home

	Assessment	2016-17 Millage	2017-18 Millage	2016-17 Tax	2017-18 Tax	Increase
Montgomery County	200,000	24.1890	24.6704	4,837.80	4,934.08	96.28
Buck County	28,000	133.1668	135.8167	3,728.67	3,802.87	74.20

The second largest source of local revenue is from proportional tax assessments including earned income taxes (EIT) and real estate transfer taxes. Both of these taxes are collected at a rate of 50% of the total tax levy. The District anticipates collecting \$16 million in EIT revenue and \$3.1 million in

North Penn School District
2017-2018 Budget

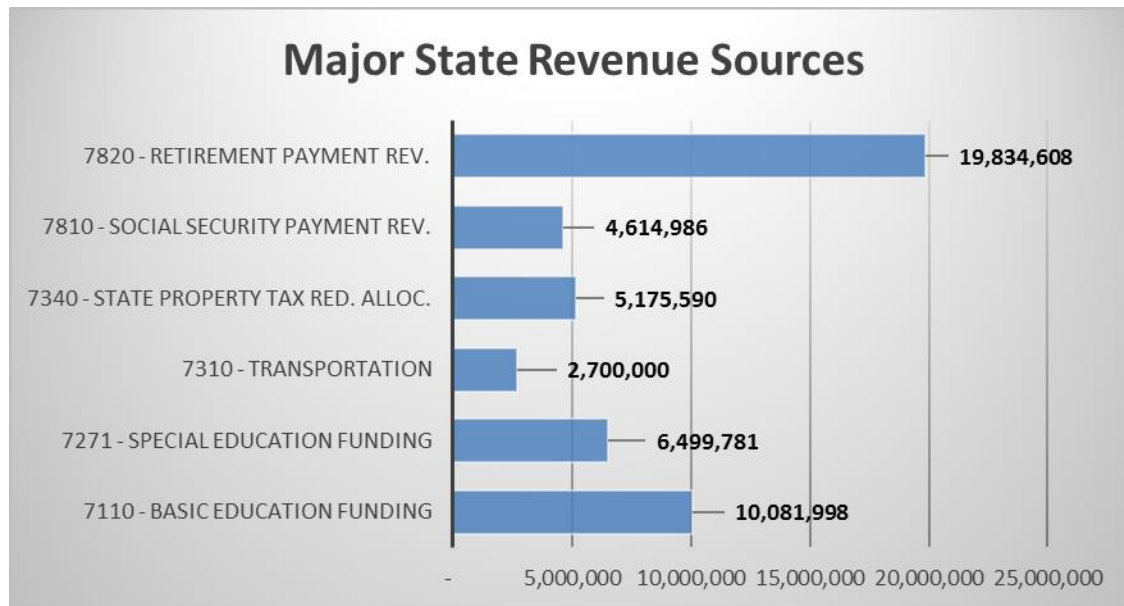
real estate transfer taxes. Other local sources of revenue include interim and delinquent payments on real estate taxes, earnings on investments, revenues from district activities, and other various sources.

Other Local Revenue Sources

Revenue Sources	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018
Interim Taxes	\$ 2,400,972	\$ 1,112,696	\$ 693,962	\$ 1,100,000	\$ 1,000,000
Earned Income tax (EIT)	15,327,539	16,440,290	16,260,065	15,500,000	16,000,000
Real Estate Transfer Tax	2,891,319	2,638,027	3,164,072	2,600,000	3,100,000
Delinquent Real Estate Tax	3,290,588	2,971,795	2,586,366	2,400,000	2,100,000
Total	\$ 23,910,418	\$ 23,162,808	\$ 22,704,465	\$ 21,600,000	\$ 22,200,000

State Sources

State sources comprise 21% of the total budget at \$50,756,788 which is a 3.9% increase from the 2016-2017 fiscal year. State sources include subsidies from basic education, special education, transportation, and rental (or building reimbursement) payments. The chart below shows the budgeted subsidy payments for 2017-2018.



The largest line item in state sources comes from the state's share of retirement contributions. The state reimburses the District for half of their Pennsylvania School Employee's Retirement System (PSERS) retirement costs. For 2017-2018, the rate that districts pay into PSERS is 32.57 % and in return the state reimburses half of this expense. This amount is \$19,834,608 which is a \$1.5 million (8.35%)

North Penn School District
2017-2018 Budget

increase from the previous year. This increase is attributed to an increase in salaries as well as an increase in the contribution rate from 30.03% to 32.57%. The state also reimburses districts for one half of their Social Security and Medicare taxes which in 2017-2018 equates to \$4,614,986.

The District also receives money from the state to offset property taxes from Act 1 of 2006. These funds are collected by the state through gaming revenues and other tax programs which are then distributed to school districts to pass on as a tax credit to approved homestead and farmstead properties to reduce property taxes. This allocation for the 2017-2018 school year is \$5,175,590 which equates to a tax reduction of \$209 for each eligible property.

Federal Sources

Revenue from federal sources is comprised primarily of grant money for specific programs. The District receives money for the following programs:

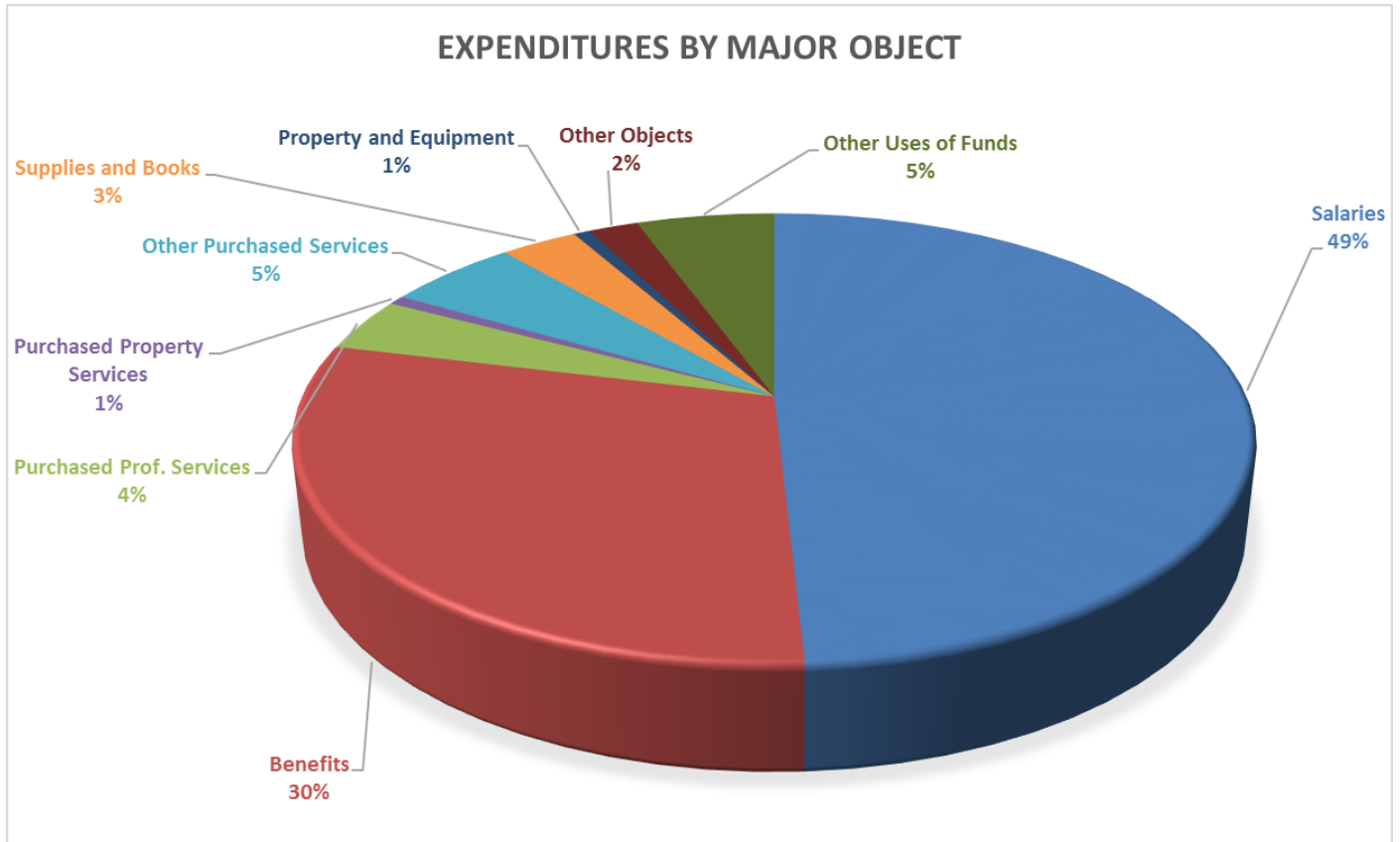
- Title I - Improving the Academic Achievement of the Disadvantaged
- Title II - Prepare, Train, and Recruit Highly Qualified Teachers and Principals
- Title III - Language Instruction of LEP and Immigrant Students
- Keystones to Opportunity - Striving Readers Comprehensive Literacy Prog. (budgeted in Title I)

The District also receives monies through the School-Based Access Medicaid Program which provides reimbursement for eligible health care service costs.

Expenditures

For the 2017-2018 school year, budgeted expenditures in the General Fund are \$252,401,886, which is an increase of \$6,912,356 (2.8%) from 2016-2017. The following table compares these expenditures by category:

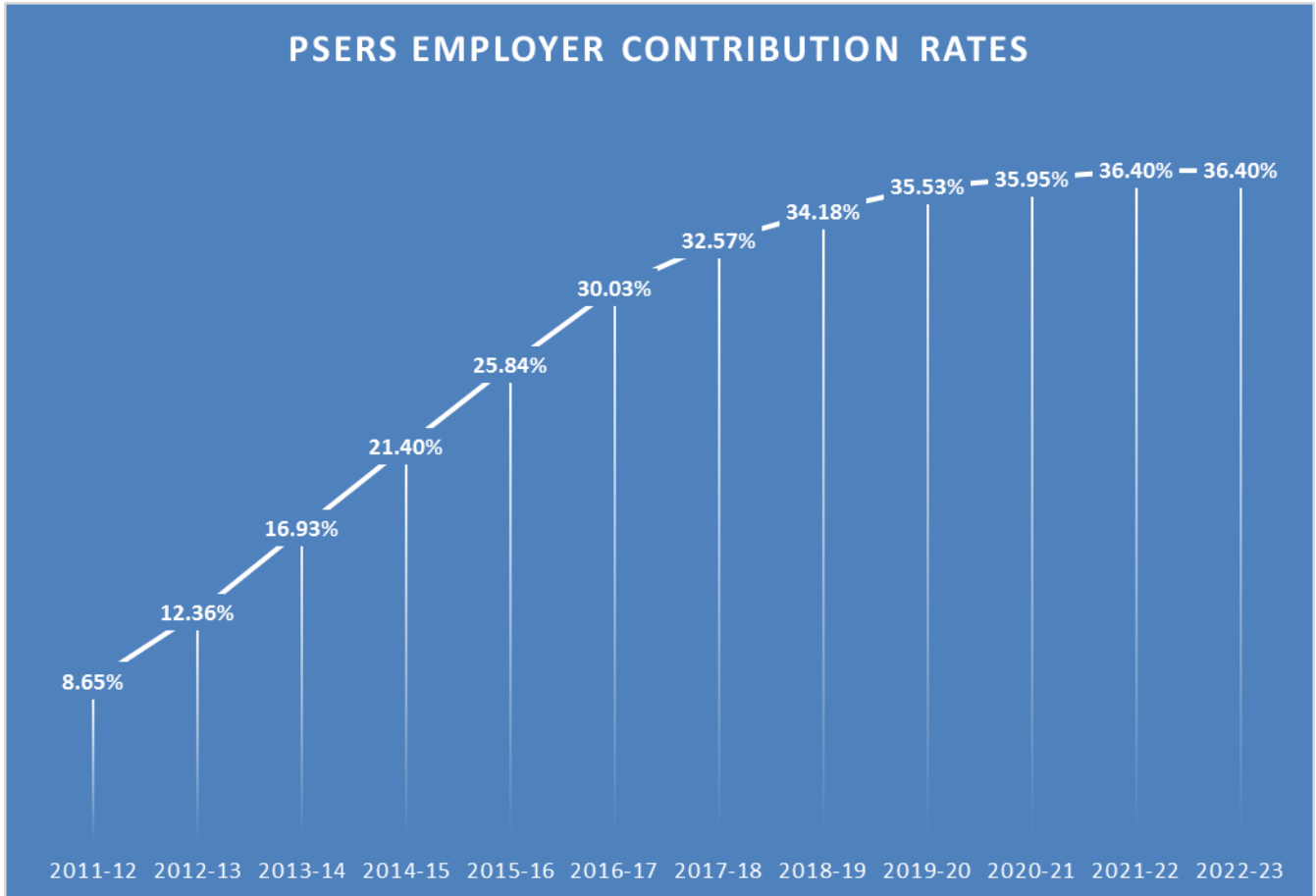
North Penn School District
2017-2018 Budget



Expenditure Analysis

The largest budget challenge facing the North Penn School District as well as the other 499 public school districts in the Commonwealth is the required contributions to the Pennsylvania State Education Retirement System (PSERS). Districts are required to pay a defined contribution amount towards employee pensions each year to PSERS. For the 2017-2018 school year, this amount is 32.57% which means that for each \$1 in eligible salaries the District must contribute 32.57 cents to PSERS. The table below shows the historical, current, and projected PSERS contribution rates:

North Penn School District
2017-2018 Budget



The total budgeted PSERS expenditure is \$39,669,217 for 2017-2018 which is an increase of \$3,056,814 (8.35%) from the previous year.

The following table shows the budgeted expenditures by object (major category) for 2017-2018 along with the dollar and percentage changes from the 2016-2017 budget.

North Penn School District
2017-2018 Budget

General Fund Change In Expenditure Objects

	<u>Budget 2016-2017</u>	<u>Budget 2017-2018</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Expenditures				
Salaries	123,166,797	124,082,802	916,005	0.74%
Benefits	71,304,329	74,912,311	3,607,982	5.06%
Purchased Prof. Services	9,641,491	9,770,845	129,354	1.34%
Services	3,847,637	1,670,566	(2,177,071)	-56.58%
Other Purchased Services	12,283,379	13,377,906	1,094,527	8.91%
Supplies and Books	5,952,776	7,842,764	1,889,988	31.75%
Property and Equipment	693,764	1,639,216	945,452	136.28%
Other Objects	4,856,840	5,072,024	215,184	4.43%
Other Uses of Funds	13,742,517	14,033,452	290,935	2.12%
Total Expenditures	<u>245,489,530</u>	<u>252,401,886</u>	<u>6,912,356</u>	<u>2.82%</u>

Along with the PSERS contribution, the other major items impacting the expenditure budget are as follows:

- Salaries – Salaries have increased by 0.74%. The North Penn Education Association (NPEA) and North Penn Educational Support Professionals Association (NPESPA) were both without a contract at the end of the 2016-2017 school year.
- Chromebook Purchase-An additional \$1,388,717 was budgeted for Chromebooks to be issued to students in grades 6, 11, and 12 in place of a three-year technology lease of as had been budgeted the previous two years.
- New debt for the Montgomery Elementary School renovations – The second of two bond issues to finance the Montgomery Elementary project was issued in February 2017. This increase was offset by the advance refunding of the 2011 General Obligation Bonds. Net debt service payments will increase by \$930,640.

Analysis of Outstanding General Obligation Bonds

	Principal Balance		
	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Debt at Beginning of Year	98,405,000	97,765,000	103,835,000
Additional Debt Incurred During Year	9,840,000	34,970,000	-
Retirements/Repayments	<u>10,480,000</u>	<u>28,900,000</u>	<u>11,545,000</u>
Debt at End of Year	97,765,000	103,835,000	92,290,000

The net increase for these major items is \$6,292,176.

Capital Projects Fund Overview

The capital projects funds are comprised of the capital reserve fund and any capital funds where bond proceeds are deposited to use for construction projects. For 2017-2018, there is a projected beginning fund balance of \$8,382,006 in bond and capital reserve funds available that will be used to finish the following projects:

- Renovations to Montgomery Elementary School which will be completed in August 2017
- Roof replacements various District buildings
- Installation of air conditioning at the three elementary schools that are not currently air conditioned

The District recently engaged in an Athletic Campus Master Plan and is evaluating potential projects as a result.

School Nutrition Fund Overview

For the 2017-2018 school year, the District's School Nutrition fund is budgeting revenues of \$5,178,365. Local revenues, which are comprised of sales to students and staff, are budgeted to decrease by \$251,741 (-9.2%) due to a decrease in breakfast sales projections, and student sales due to increased free and reduced eligibility.

This increase in free and reduced meal sales leads to an increase of state and federal meal reimbursement revenue. The United States Department of Agriculture (USDA) reimburses school districts for eligible meal sales. However, this increase is offset by an anticipated funding adjustment for the Summer Food Service Program and the 2017-2018 budget shows a decrease in combined state and federal revenue sources of \$42,766 (-1.6%). The District is also receiving an additional 6 cents per meal in reimbursement for having completed the Pennsylvania Direct Meal Certification program.

The expenditure budget of \$5,519,505 is an increase of \$92,903 (1.7%) over the previous year. This can be attributed to an increase in salaries, increased food and supply costs, and replacement equipment costs for the kitchens at Oak Park and Knapp Elementary Schools.

Extended School Care Fund Overview

The Extended School Care Fund continued to show a profit for the 2016-2017 school year. With a consistent enrollment of 780 students throughout this school year and increases made to the part time rates three years ago, the program is able to cover all expenses and will end the school year showing a profit.

Through the month of February 2017 income was up approximately 2.0% over the previous year. Expenses thus far are slightly more than last year. This is due to increases in income at Bridle Path, Gwyn Nor, Walton Farm and York Avenue Elementary schools on the income side and increases in salaries, medical benefits and pension on the expense side.

North Penn School District
2017-2018 Budget

With no fee increase scheduled for the 2017-2018 school year, income is budgeted at \$2,301,362 and expenses at \$2,350,493.

Monthly fees will change from nine and one half payments to nine payments. This reduces the number of months for which we need to bill, collect fees and enter payments into the accounting system. It will also better align with the shift in the school calendar to a start date in August and an ending date in early June.

Summer camp was off to a great start, enrolling over 100 students during our evening registration event on March 20, 2017. More than 150 students had signed as of the budget presentation at the April 24, 2017, Finance Committee meeting. We have almost reached capacity at Inglewood and continue to enroll students at the Bridle Path location.

Community Education Fund Overview

The District's Community Education Program has provided affordable life-long learning opportunities for close to 50 years. This year alone nearly 1,500 residents participated in close to 200 different classes. In addition, approximately 1,000 children enrolled in our summer camps. Also, more than 600 of our "Gold Carders" (residents 60 and older) enjoyed our programs for free or at a reduced rate. In an age when school districts are ending such programs, NPSD boasts thriving support of this community tradition.

The philosophy of the Community Education Program has been to support district needs, when financially possible, in areas that support community engagement and community use of our resources. During the 2016-2017 school year, Community Education funded the inaugural Knights of Honor Celebration and provided the funds for the interactive display that greets visitors to North Penn High School. In addition, we funded a contract with Site Improve to increase website accessibility of the NPSD website for all audiences.

Also included under the Community Education Program are programs for water polo, aquatics, and swim team. The water polo and swim team programs hold competitive meets and tournaments while the aquatic program holds swim lessons for the community.

Internal Service Fund Overview

The North Penn School District is self-insured which means all medical, prescription, dental, and vision claims are paid at the actual cost by the District. The internal service fund is used to account for these expenses on a cost-reimbursement basis. For the 2017-2018 school year, budgeted revenues (transfers from the general fund from both employer and employee cost-sharing) are \$29,847,300 and expenditures (the cost of claims) is \$29,921,300.

North Penn School District
2017-2018 Budget

Budget Forecast

The following budget forecast shows the estimated budget for ALL North Penn School District Funds through the 2020-2021 school year:

	<u>2017/2018</u> Final Budget	<u>2018/2019</u> Projection	<u>2019/2020</u> Projection	<u>2020/2021</u> Projection
GENERAL FUND				
Total Revenues	\$247,856,963	\$255,197,705	\$263,964,992	\$272,970,752
Total Expenses	<u>\$252,401,886</u>	<u>\$262,391,504</u>	<u>\$270,491,554</u>	<u>\$277,256,876</u>
Revenues Over (Under) Expenses	\$ (4,544,923)	\$ (7,193,799)	\$ (6,526,561)	\$ (4,286,124)
Beginning Fund Balance 7/1 Assigned + Unassigned	\$ 33,422,213	\$ 28,877,290	\$ 21,683,491	\$ 15,156,930
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 28,877,290	\$ 21,683,491	\$ 15,156,930	\$ 10,870,806
CAPITAL PROJECTS FUND				
Total Revenues	\$ 1,835,000	\$ 1,010,000	\$ 1,010,000	\$ 1,010,000
Total Expenses	<u>\$ 12,779,321</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Revenues Over (Under) Expenses	\$ (10,944,321)	\$ 10,000	\$ 10,000	\$ 10,000
Beginning Fund Balance 7/1 Assigned + Unassigned	\$ 8,382,006	\$ (2,562,315)	\$ (2,552,315)	\$ (2,542,315)
Ending Fund Balance 6/30 Assigned + Unassigned	\$ (2,562,315)	\$ (2,552,315)	\$ (2,542,315)	\$ (2,532,315)
ENTERPRISE FUNDS				
Total Revenues	\$ 8,100,019	\$ 8,506,512	\$ 8,935,460	\$ 9,319,699
Total Expenses	<u>\$ 8,488,388</u>	<u>\$ 8,660,559</u>	<u>\$ 8,923,694</u>	<u>\$ 9,180,230</u>
Revenues Over (Under) Expenses	\$ (388,369)	\$ (154,047)	\$ 11,766	\$ 139,469
Beginning Fund Balance 7/1 Assigned + Unassigned	\$ 1,634,854	\$ 1,246,485	\$ 1,092,438	\$ 1,104,204
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 1,246,485	\$ 1,092,438	\$ 1,104,204	\$ 1,243,673
INTERNAL SERVICE FUND				
Total Revenues	\$ 29,847,300	\$ 31,041,132	\$ 32,282,734	\$ 33,573,999
Total Expenses	<u>\$ 29,921,300</u>	<u>\$ 31,114,952</u>	<u>\$ 32,356,350</u>	<u>\$ 33,647,404</u>
Revenues Over (Under) Expenses	\$ (74,000)	\$ (73,820)	\$ (73,616)	\$ (73,405)
Beginning Fund Balance 7/1 Assigned + Unassigned	\$ 7,190,522	\$ 7,116,522	\$ 7,042,702	\$ 6,969,086
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 7,116,522	\$ 7,042,702	\$ 6,969,086	\$ 6,895,681

North Penn School District
2017-2018 Budget

The following assumptions were made in these forecasts:

- Millage increases equal to the projected Act 1 index each year
- 97% tax collection rate
- 2% annual increase in earned income tax, 4% increase for transfer taxes
- 2% annual increase to state and federal revenue
- 2.75% increase annually in salaries
- Pension rates using PSERS projected rates
- 4% increase per year in other benefits; 3% increase per year in professional/technical services, purchased property services, and other purchased services; and 2% increase per year in supplies.

North Penn School District
2017-2018 Budget

Countywide Benchmarking Data

The Montgomery County Intermediate Unit publishes a statistical report each year comparing the county school district's statistical information. These schedules are helpful to compare where the North Penn School District is in comparison with the other schools in the county.

The chart below shows the total expenditures in the 2015-16 school year and the per pupil expenditure for each district. The North Penn School District ranks 15th out of 21 schools while having the second largest total expenditure budget. This illustrates that the District is able to provide a quality educational program for each student at a low per pupil cost. The per-pupil cost of \$18,362.38 is \$1,953.81 less than the county average of \$20,316.19.

2015-2016 District Expenditure Cost of Total Functions

	TOTAL 2015-2016 EXPENDITURES	**TOTAL PUPILS 2015-2016	PUPIL COST	RANK
ABINGTON	\$137,529,050	7,817	\$17,593.58	19
CHELTENHAM	106,640,357	4,693	22,723.28	6
COLONIAL	107,098,197	4,764	22,480.73	7
HATBORO-HORSHAM	94,880,812	4,769	19,895.33	12
JENKINTOWN	15,004,463	657	22,837.84	5
LOWER MERION	239,705,875	8,347	28,717.61	1
LOWER MORELAND	54,965,454	2,221	24,748.07	2
METHACTON	98,900,799	4,864	20,333.22	10
NORRISTOWN	143,147,812	7,165	19,978.76	11
NORTH PENN	234,781,418	12,786	18,362.38	15
PERKIOMEN VALLEY	94,341,945	5,662	16,662.30	20
POTTSGROVE	62,040,306	3,242	19,136.43	14
POTTSTOWN	56,885,083	3,147	18,075.97	17
SOUDERTON	118,661,722	6,511	18,224.81	16
SPRINGFIELD	55,649,916	2,348	23,700.99	3
SPRING-FORD	140,197,898	7,860	17,836.88	18
UPPER DUBLIN	91,637,966	4,187	21,886.31	8
UPPER MERION	91,389,118	4,001	22,841.57	4
UPPER MORELAND	60,148,046	3,132	19,204.36	13
UPPER PERKIOMEN	53,525,723	3,298	16,229.75	21
WISSAHICKON	92,829,267	4,354	21,320.46	9
TOTAL DISTRICTS	\$2,149,961,227	105,825	\$20,316.19	

North Penn School District
2017-2018 Budget

The next schedule compares the equalized mills of each district in the county. The millage rate is used to calculate the annual real estate tax bill for taxpayers by multiplying the assessed value of a property times the millage rate. The North Penn School District is ranked 17th of the 21 districts in the county at 16.70 mills. The District has a strong tax base and is able to keep the millage rate low compared to the other districts each year to generate the necessary revenue to support the educational programs offered.

2015-2016 AUDITED DISTRICTS REVENUES - EQUALIZED MILLS

	2015-16 R. E. TAXES COLLECTED	2015-16 REAL ESTATE MILLS	2015-16 VALUE OF EACH MILL	2014-2015 EQUALIZED MILLS	RANK
ABINGTON	\$94,178,772	30.8300	3,054,777	19.50	13
CHELTENHAM	77,065,934	45.0943	1,708,995	30.40	2
COLONIAL	77,815,906	20.9638	3,711,918	13.40	19
HATBORO-HORSHAM	65,529,371	27.4870	2,384,013	18.10	16
JENKINTOWN	10,099,378	38.9836	259,067	27.30	4
LOWER MERION	196,047,491	27.3963	7,155,984	15.60	18
LOWER MORELAND	32,809,991	33.3179	984,756	21.00	8
METHACTON	66,588,120	28.7400	2,316,914	20.40	10
NORRISTOWN	86,056,198	34.3890	2,502,434	23.70	5
NORTH PENN	160,534,977	24.1890	6,636,693	16.70	17
PERKIOMEN VALLEY	60,797,824	31.6000	1,923,982	23.20	6
POTTSGROVE	37,577,776	37.7158	996,340	28.80	3
POTTSTOWN	28,745,659	39.2522	732,332	32.90	1
SOUDERTON	76,119,266	28.7820	2,644,683	20.80	9
SPRINGFIELD	37,008,587	21.6638	1,708,315	19.30	14
SPRINGFORD	93,954,706	26.2442	3,580,018	18.50	15
UPPER DUBLIN	66,013,693	31.4099	2,101,684	21.10	7
UPPER MERION	71,458,958	18.9600	3,768,932	12.80	21
UPPER MORELAND	39,667,803	28.7969	1,377,503	19.60	11
UPPER PERKIOMEN	31,317,322	23.0622	1,357,950	19.60	11
WISSAHICKON	61,448,787	17.9800	3,417,619	13.20	20
TOTALS	\$1,470,836,520				

North Penn School District
2017-2018 Budget

Acknowledgements

We appreciate the fiscal support provided by the North Penn Board of Directors and the community for the development, implementation, and maintenance of an excellent educational setting for all school age children.

We express sincere thanks to the North Penn School District staff who help to carry out the District's main purpose of educating the children of the North Penn Community.

We also acknowledge the business office staff for their commitment to the budget process which demand long hours and additional work and effort.

This budget document represents the contribution of many North Penn School District employees and we thank everyone who helped in its preparation.



Curtis R. Dietrich, Ed.D.
District Superintendent



Stephen B. Skrocki
Director of Business Administration



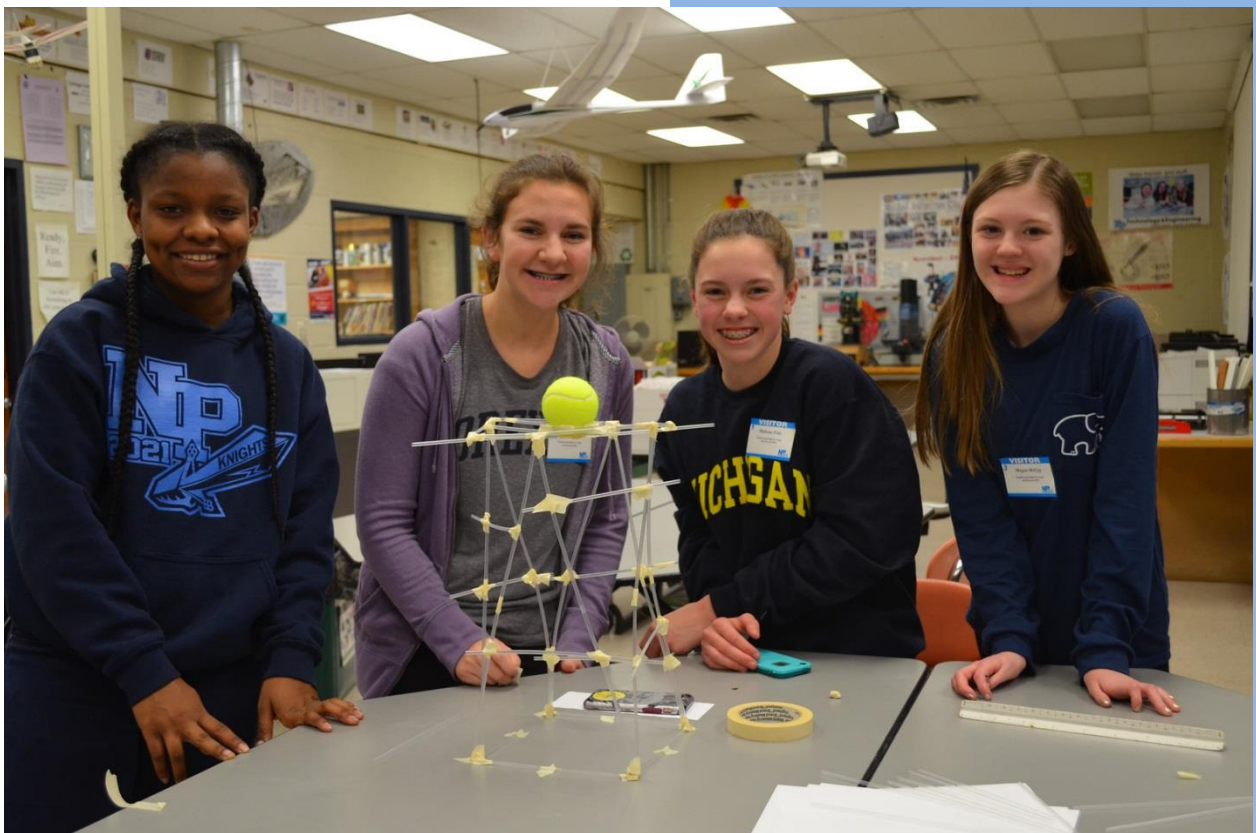
Carol J. Pitts
Assistant Director of Business Administration

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Organizational Section

North Penn School District

2017-2018 Budget



North Penn School District
Lansdale, Pennsylvania
www.npenn.org
Dr. Curtis Dietrich, Superintendent

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Legal Autonomy and Fiscal Independence

The North Penn School District is a political subdivision of the Commonwealth of Pennsylvania located in the north-central section of Montgomery County, Pennsylvania, and a small portion of southern central Bucks County, Pennsylvania. The District is comprised of the municipal subdivisions of the Boroughs of Hatfield, Lansdale and North Wales and the Townships of Hatfield, Montgomery, Towamencin and Upper Gwynedd, all located in Montgomery County and a small portion of the Townships of Hilltown and New Britain located in Bucks County.

Authority is given to an elected nine-member Board of Directors elected for a four-year term to govern the District. The Superintendent is the chief administrative officer of the District with overall responsibility for all aspects of operations, including education and finance. The Director of Business Administration is responsible for budget and financial operations. Both of these officials are selected by the Board of Directors.

Level of Education Provided

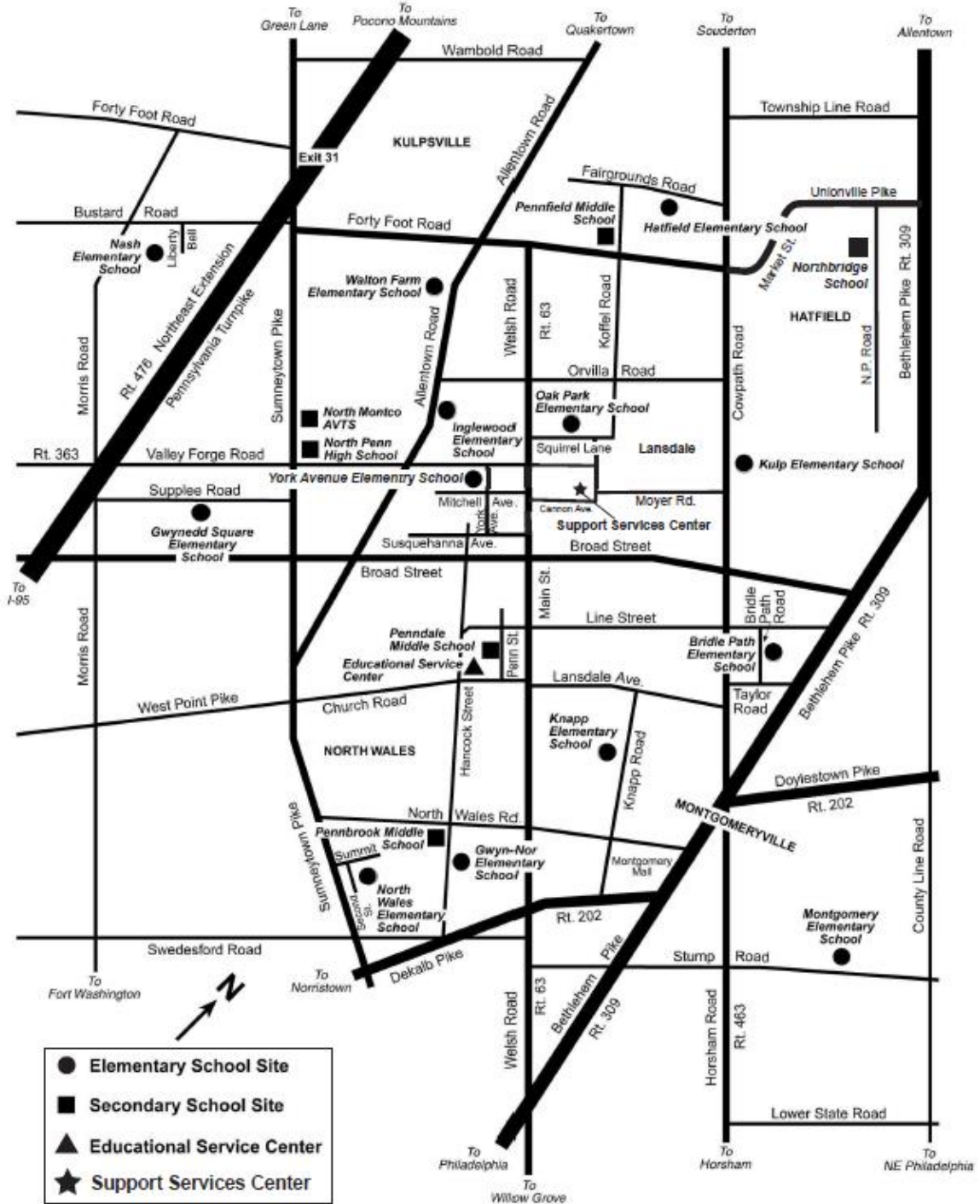
The District presently provides K-12 educational services for approximately 12,800 students enrolled from Kindergarten through Grade 12. The District also provides alternative education services and vocational education for students in grades 10 through 12 at the North Montgomery County Area Vocational Technical School.

Geographic Area Served

The North Penn School District is a large suburban district of approximately 12,800 students located in Montgomery County in southeastern Pennsylvania. The district encompasses 42.73 square miles, including the municipalities of Upper Gwynedd, North Wales, Hatfield Borough, Hatfield Township, Lansdale, Line Lexington, Towamencin Township and Montgomeryville. The 2010 census identifies the total population of the district as 98,175.



North Penn School District Map



North Penn School District
2017-2018 Budget

District Facilities

The North Penn School District currently owns thirteen elementary schools, three middle schools, one high school, an alternative education school, a Support Services Center and the Educational Services Center. The following table describes the District's current facilities:

**NORTH PENN SCHOOL DISTRICT
SCHOOL FACILITIES**

Building	Original Construction Date	Addition/ Renovation Date	Grades	Rated Pupil Capacity*	2016-17 Enrollment
<i>Elementary:</i>					
Bridle Path.....	1994	---	K-6	889	515
Gwyn-Nor.....	1966	2004	K-6	920	619
Gwynedd Square.....	1991	---	K-6	980	586
Hatfield.....	1970	2015	K-6	920	498
Inglewood.....	1963	1972/2013	K-6	732	506
Knapp.....	1955	1999	K-6	665	584
Kulp.....	1957	1963/2009	K-6	1,020	547
Montgomery.....	1965	1990	K-6	1,098	710
Nash.....	1976	1997	K-6	584	385
North Wales.....	1927	1974/2010	K-6	629	472
Oak Park.....	1959	2002	K-6	856	499
Walton Farm.....	1994	---	K-6	889	605
York Avenue.....	1927	2008	K-6	570	276
<i>Secondary:</i>					
Pennbrook Middle.....	1959	2006	7-9	1,264	837
Penndale Middle.....	1931	1997	7-9	1,749	1,222
Pennfield Middle.....	1964	2007	7-9	1,362	806
North Penn High.....	1971	1999	10-12	3,782	3,120
Northbridge Alternate School.....	1989	2008	7-12		Included above
Education Service Center.....	1963	1990	N/A		
Support Service Center.....	1982	2008	N/A		

Governance Structure

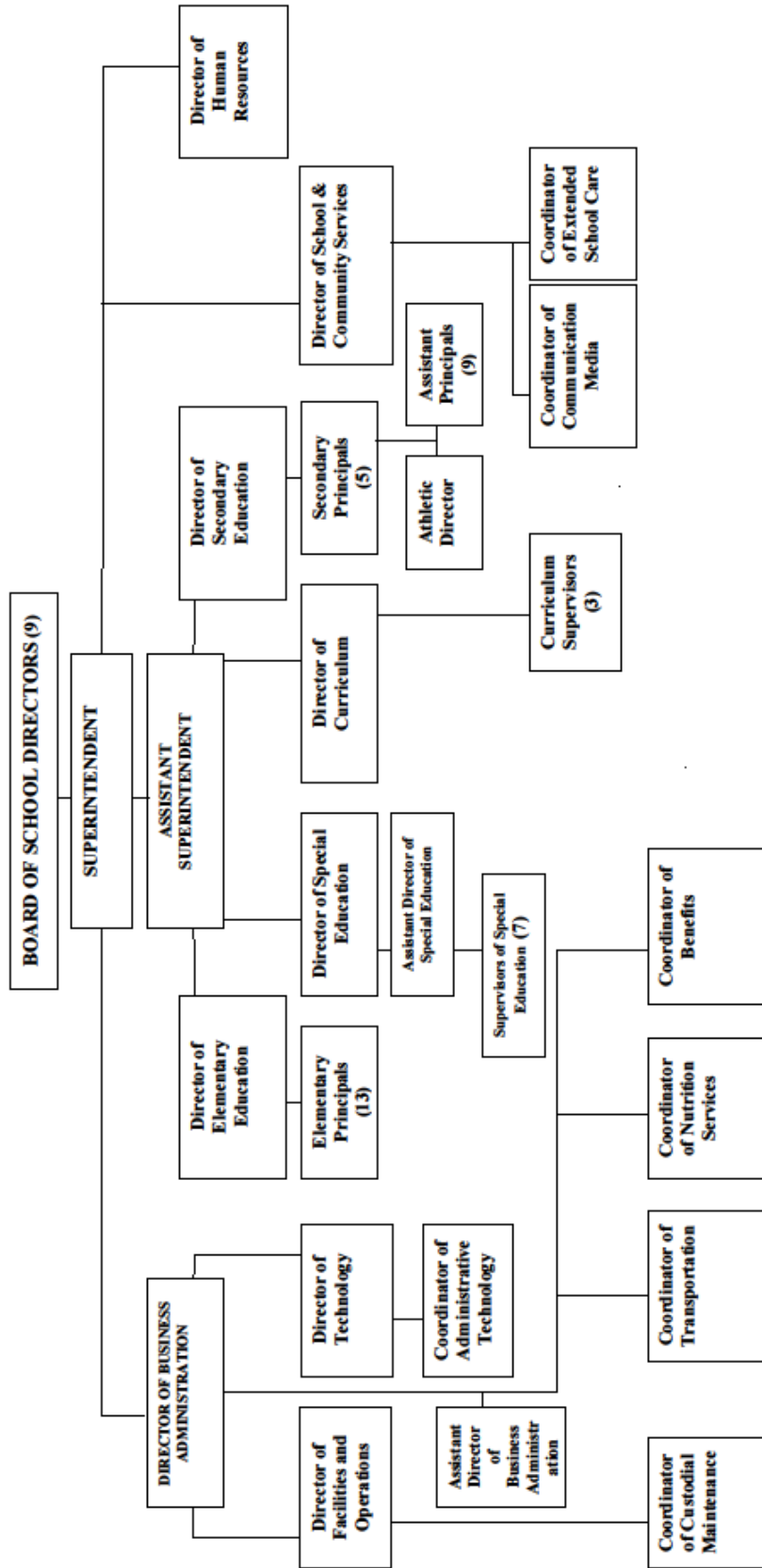
The North Penn School District is led by the nine elected Board of Directors who are responsible for oversight of all district operations and activities. The board is responsible for hiring a Superintendent who acts as the leader and CEO of the organization. The Assistant Superintendent, Director of Business Administration, Director of Human Resources, and the Director of School and Community Services all report directly to the Superintendent. The organization chart below shows the administrative structure of the District as it currently exists.

Board of School Directors

Vincent Sherpinsky	President
Josephine Charnock	Vice-President
Edward Diasio	Member
Timothy Kerr	Member
Suzan Leonard	Member
Patrick McGee, Jr.	Member
Frank O'Donnell	Member
Theresa Prykowski	Member
John Schilling	Member
Steve Skrocki	Secretary (non-voting)
Donna Mengel	Treasurer (non-voting)

NORTH PENN SCHOOL DISTRICT
Table of Organization

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Mission Statement

The North Penn School District is an effective, innovative, student-centered community of teaching and learning where every student is empowered to:

- become an independent, adaptable, life-long learner who uses knowledge to create new understandings;
- exhibit creative, collaborative, and critical thinking;
- achieve at his or her highest potential; and
- live as a positive, responsible, and contributing citizen of the global society

Vision Statement

The North Penn School District is student-centered with a focus on academic challenge, meaningful experiences and personal responsibility.

Core Values

Visionary Leadership: Contributing to the development of a quality organization by building the relationships necessary to create the conditions that:

- foster a high level of employee, student and community engagement;
- provide opportunities for employee decision-making;
- include a high level of visibility; and
- are characterized by leadership coaching.

High Expectations for Learning: Cultivating an environment where every student knows he or she can succeed, and in which families, community members and staff demonstrate the confidence to meet the needs of every child by using strategies that ensure high levels of achievement and address student learning differences.

People-Centered: Empowering and equipping students, staff, and community members to better serve by providing them with a healthful environment in which they continuously learn and embrace change, and soliciting feedback to effectively understand and address the needs and concerns of students, staff, and the community.

Continuous Improvement: Creating a culture throughout the organization of commitment to use and share data in decision-making, planning focused on retaining strengths, addressing opportunities for improvement, and program assessment to measure improvements in student, employee, and organizational performance.

Partnerships and Teamwork: Utilizing the power of teaming to deliver the best for our school community.

North Penn School District
2017-2018 Budget

Universal Values: North Penn school community members will model universal values to collaborate effectively in their daily activities. These values include but are not limited to: civic responsibility, consideration, cooperation, dependability, fairness, goodwill, honesty, kindness, orderliness, patience, perseverance, politeness, respect, responsibility, and sportsmanship.

Goals

The 2015-2018 Comprehensive Plan Goals and Strategies outlined the following five goals, which drive decisions for the North Penn School District:

- Student Achievement - Every Student will demonstrate high levels of achievement that provide pathways for college and career success.
- Safe, Healthy and Orderly Environment – NPSD will provide a safe and secure environment for all students, staff and community members to support personal growth and well-being.
- Organizational Effectiveness – NPSD will be committed to continuous improvement that aligns resources for student-centered outcomes, institutes practices that maximize resources and focuses on its goals and outcomes through use of data.
- Quality Workforce – NPSD will carefully select and develop employees to succeed and contribute to the mission, vision and values of the organization.
- School Community Engagement – NPSD will engage all students, staff and community members as active participants in the success of the district.

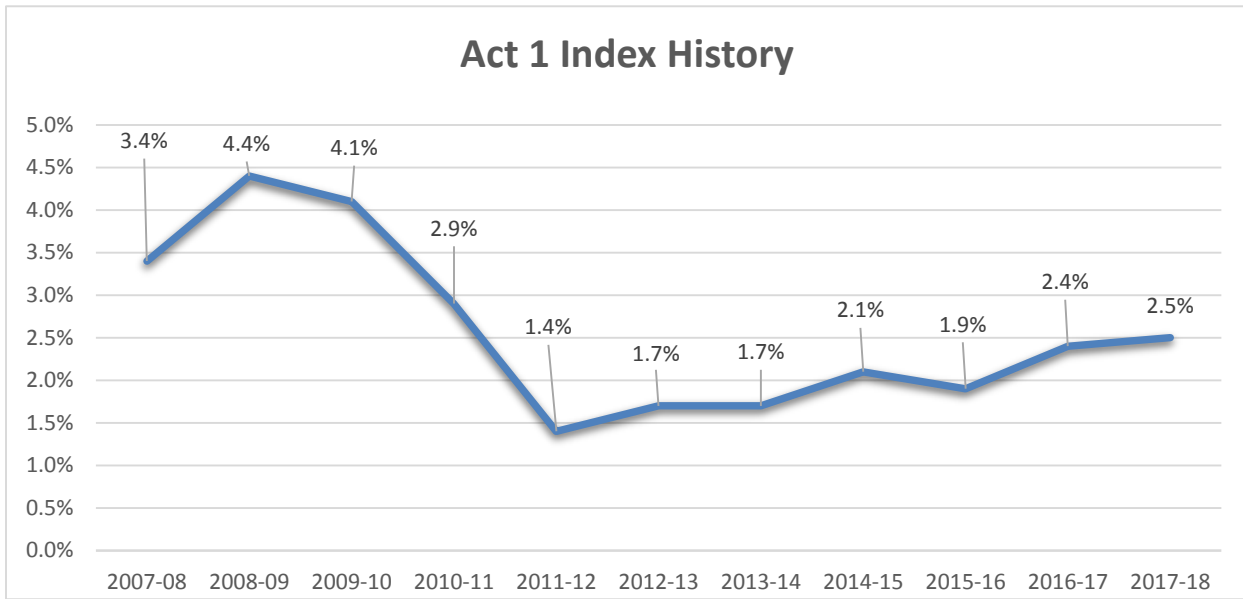
Budget Development

The administration and Board of School Directors are committed to providing each child in the District with the best possible educational opportunity while maximizing the use of available resources. This consideration goes into the budget process each year as both parties attempt to balance these needs with the available local, state, and federal resources.

Normally the annual budget process begins in September so that a Preliminary Budget can be presented and adopted in February. The Base Act 1 index is published by the Pennsylvania Department of Education and is the state mandated limit for real estate tax increases (2.5% for 2017-2018) unless exceptions are utilized or voter approval is given to raise taxes above the index. If the Board of Directors adopts a resolution that it will not need to raise taxes above the state mandated limit, it can forgo the adoption of the preliminary budget. In November, the School Board of Directors adopted the resolution not to raise taxes above the Act 1 index.

The Commonwealth of Pennsylvania mandates that no school district with a budget greater than or equal to \$19,000,000 shall approve an increase in real property taxes unless it has adopted a budget that includes an estimated unassigned fund balance less than or equal to 8% of budgeted expenditures. School Board Policy adopts this maximum fund balance limitation.

North Penn School District
2017-2018 Budget



The Administration develops a timeline that works backwards from the final budget adoption date in June to the previous September. The following timeline by month summarizes the North Penn School District's budget process:

North Penn School District
2017-2018 Budget

Month	Key Processes and Deadlines
September	<ul style="list-style-type: none"> • Act 1 Index and timeline published by PDE
November	<ul style="list-style-type: none"> • Building per pupil allocations are distributed • District enrollment projections are calculated • Adoption of board resolution not to raise taxes above the Act 1 index • Final budget timeline is created
December	<ul style="list-style-type: none"> • Deadline to notify residents of homestead/farmstead exclusion
January	<ul style="list-style-type: none"> • Deadline to opt out of Act 1 exceptions • Building and department budget requests are due to the business office • Budget meetings are held with administrators
February	<ul style="list-style-type: none"> • Deadline to adopt preliminary budget unless resolution not to exceed Act 1 index adopted
March	<ul style="list-style-type: none"> • Homestead/farmstead application deadline • Deadline for referendum exception request to PDE • Deadline to submit primary election referendum question seeking voter approval of tax increase in excess of the Act 1 index • Deadline for PDE ruling on referendum exception request
May	<ul style="list-style-type: none"> • County provides certified homestead/farmstead information • PDE provides property tax relief allocation information • Board adoption of the proposed final budget • Public notice of intent to adopt final budget • Budget presented for public inspection
June	<ul style="list-style-type: none"> • Board adoption of the final budget

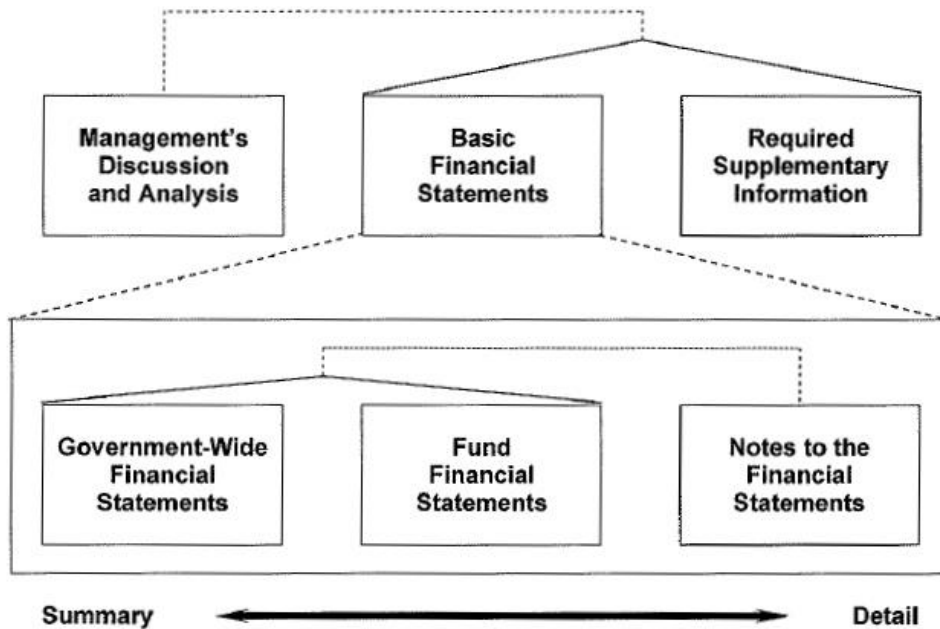
The District administers and manages the budget by entering a line-item budget in the financial software and putting controls into place that prevent over-expenditures on any line item. Budget transfers between line items are allowed beginning October 1st of each fiscal year. Each month for the Financial Committee meeting a report is prepared showing actual expenditures and projected expenditures compared to the budget.

Capital Projects for consideration are presented at the monthly Support Services Committee. At each Finance Committee Meeting a report is prepared showing outstanding projects with remaining balances and a comparison of the total remaining balance to funds remaining in the Capital Projects Funds, providing information on funds available to fund future projects.

Financial Reporting and Accounting Structure

The District’s Financial Statements are prepared in accordance with GASB Statement No. 34 and present both government-wide and fund level financial statements using both the accrual and modified accrual basis of accounting, respectively. The following chart illustrates how the various parts of the District’s annual report are arranged and relate to one another.

Organization of the North Penn School District Annual Financial Report



Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. These statements are reported using the full accrual method of accounting. Both statements report the District's net position (the difference between assets and liabilities) and how it has changed and are divided into two categories; Governmental Activities which includes basic services and Business-Type Activities which includes the District's community education, extended child care, and school nutrition service programs.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds and not on the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending in particular programs. The fund financial statements are reported using the modified accrual method of accounting. The District has three kinds of funds:

- Governmental Funds – Most of the District's basic services are included here and generally focus on how cash and other assets can be converted to cash and the balances left at the end of the year that are available. Governmental Funds utilized by the North Penn School District include the General Fund and Capital Projects Funds.

North Penn School District
2017-2018 Budget

- Proprietary Funds – Services for which the District charges a fee are reported here. These include the community education, extended child care, and school nutrition service programs. These funds are collectively referred to as Enterprise Funds in the budget and financial statements. Additionally the North Penn School District utilizes an Internal Service Fund to account for self-insurance paid at actual cost by the District.
- Fiduciary Funds – The District is the trustee, or fiduciary, for assets that belong to others such as the Scholarship and Student Activities Funds. These activities are excluded from the District-wide financial statements because they cannot be used as assets to finance the District’s operations.

Major Features of the Government-Wide and Fund Financial Statements				
	Government-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire School District (except Fiduciary Funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the School District operates similar to private businesses: school nutrition services and community education	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Revenue Sources

This dimension permits segregation of revenues by source. The primary classification differentiates Local, State and Federal revenue sources. Other Financing Sources are included in the dimension breakdown, although in a strict accounting sense, these are not revenues.

6111 Current Real Estate Taxes

Revenue received from taxes assessed and levied upon real property.

6112 Interim Real Estate Taxes

Taxes levied under Act 544 of 1952 (Section 677.1) on new construction not appearing on the tax duplicate.

6113 Public Utility Realty Tax

Revenue received under terms of the Public Utility Realty Tax Act (Act 66 of 1970). Lands and structures owned by public utilities and used in providing their services are subject to state taxation under Act 66 of 1970. The state then collects and distributes a prescribed sum among local taxing authorities, and that payment of state tax shall be in lieu of local taxes upon utility realty.

6114 Payments In Lieu Of Current Taxes – State / Local Reimbursement

Revenue received in lieu of taxes for property withdrawn from the tax rolls of the LEA for public housing, forest lands, game lands, water conservation or flood control.

6151 Current Act 511 Earned Income Taxes

Revenue received under Act 511 for taxes levied upon wages, salaries, commissions, net profits or other compensation of those who earn income within the taxing jurisdiction of the LEA.

6153 Current Act 511 Real Estate Transfer Taxes

Revenue received under Act 511 for percentage assessment on the transfer price of real property within the jurisdiction of the LEA.

6411 Delinquent Real Estate Taxes

Revenue received from taxes assessed and levied upon real property, which have become delinquent.

6510 Interest on Investments and Interest-Bearing Checking Accounts

Interest revenue received on temporary or permanent interest-bearing investments and interest-bearing checking accounts. (Investments would include U.S. treasury bills, notes, savings accounts, certificates of deposit, mortgages, or other interest-bearing investments.)

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6700 Revenues from District Activities

Revenues resulting from co-curricular and extra-curricular activities controlled and administered by the LEA. These revenues are not to be commingled with the proceeds from student activities which should be accounted for in agency funds.

6832 Federal IDEA Revenue Received as Pass Through

Federal IDEA revenue received by a school entity passed through from a Pennsylvania LEA or another primary recipient.

6910 Rentals

Revenues from the rental of school property which is being used for school purposes, and the net earnings from rents and leases of school property that is not being used for school purposes, but is being held for future use or disposal. The credit to this account should include only receipts from flat rate rental charges not identifiable as an offset against expenditures. Include here gas lease or royalty revenues.

6920 Contributions/Donations/Grants from Private Sources

Contributions, donations and grants from private sources are revenues from philanthropic foundations, private individuals or organizations for which no repayment or service is expected.

6942 Summer School Tuition

Revenue received from students, their parents or their guardians for summer school education provided by the LEA.

6944 Receipts from Other LEAs in Pennsylvania – Education

Monies received from other LEAs in Pennsylvania for education provided to pupils from the paying LEA. Note: Charter Schools should record payments from the sending districts to this account, whether by direct payment or deduction.

6960 Services Provided Other Local Governmental Units/LEAs

Revenues from services provided other local governmental units. These services could include transportation, data processing, purchasing, maintenance, cleaning, cash management, consulting and a variety of other educational related services.

6990 Refunds and Other Miscellaneous Revenue

Revenue from local sources not classified elsewhere.

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7110 Basic Education

Revenue received from the Commonwealth of PA designated for Basic Education.

7160 Tuition for Orphans and Children Placed in Private Homes

Revenue received from the Commonwealth of PA as tuition for children who are orphans and/or children placed in private homes by the court. Payments are made in accordance with Section 1305 and 1306 of the Public School Code.

7271 Special Education Funding For School Aged Pupils

Revenue received from the Commonwealth of PA for expenditures incurred in instructing school age special education students.

7310 Transportation (Regular and Additional)

Revenue received from the Commonwealth of PA for pupil transportation expenditures and / or board and lodging in lieu of transportation. Payments for pupil transportation are made in accordance with section 2541 of the Public School Code. Payments for board and lodging in lieu of transportation are made in accordance with Section 2542 of the Public School Code. This account includes transportation subsidies for nonpublic and charter school students, also.

7320 Rental and Sinking Fund Payments/Building Reimbursement Subsidy

Revenue received from the Commonwealth of PA as a payment for approved lease rentals, sinking fund obligations, or any approved LEA debt obligations for which the Department of Education has assigned a lease number.

7330 Health Services (Medical, Dental, Nurse, Act 25)

Revenue received from the Commonwealth of PA for health service expenditures. Payments are made in accordance with Section 2505.1 of the Public School Code and include revenue for medical, dental, nurse and Act 25 health services.

7340 State Property Tax Reduction Allocation

Revenue received from the Commonwealth of PA designated for school district property tax reduction. Payments are made in accordance with section 505 of Special Session Act 1 of 2006.

7501 PA Accountability Grants

Revenue received from the Commonwealth of PA authorized by Act 48 of 2003 for school districts to implement research-based programs to boost student achievement.

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7599 Other State revenue not listed elsewhere in the 7000 series

Revenue received not specifically accounted for elsewhere in the 7000 series of accounts. Include in this revenue code payments received for ELECT, school demonstration grants and from other State agencies such as the Department of Environmental Resources and DCED.

7810 State Share of Social Security and Medicare Taxes

Revenue received from the Commonwealth of PA designated as the Commonwealth's matching share of the employer's contribution of the Social Security and Medicare Taxes for covered employees who are not federally funded.

7820 State Share of Retirement Contributions

Revenue received from the Commonwealth of PA designated as the Commonwealth's matching share of the employer's contribution of Retirement Contributions for active members of the Public School Employees Retirement System.

8390 Other Restricted Federal Grants-In-Aid Directly from the Federal Government

Revenue received directly from the Federal Government not specified elsewhere in the 8300 series of accounts. Include here ERRP (Early Retiree Reinsurance Program).

8514 NCLB, Title I – Improving the Academic Achievement of the Disadvantaged

Revenue received for the education of disadvantaged children under NCLB, Title I. Funding for programs such as Keystones to Opportunities, School Improvement Grants, Comprehensive School Reform Program, Reading First, Even Start, and Improving Literacy Through Libraries (list not all inclusive) should be recorded in this account.

8515 NCLB, Title II – Preparing, Training and Recruiting High Quality Teachers and Principals

Revenue received for the education of children under NCLB Title II. Improving Teacher Quality, and Eisenhower Professional Development (list not all inclusive) are samples of funding.

8516 NCLB, Title III – Language Instruction for Limited English Proficient and Immigrant Students

Revenue received for the education of children under NCLB, Title III. Includes Grants for English Language Acquisition, and Technology Literacy Challenge (list not all inclusive).

8810 School Based Access Medicaid Reimbursement Program (SBAP) Reimbursements (ACCESS)

SBAP is an MA program that reimburses school entities for direct, eligible health-related services including transportation. These services are provided to MA enrolled, special needs students, and reimbursement claims are processed through Public Consulting Group. Reimbursable services include,

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but are not limited to, occupational therapy, physical therapy and psychological counseling. Payments for SBAP costs come from the Department of Education (PDE) through the completion of the PDE-352 ACCESS Funds Request Form.

8820 Medical Assistance Reimbursement for Administrative Claiming (Quarterly) Program

The Administrative Claiming Program reimburses LEAs for the costs associated with administrative Medicaid-related activities. These funds also include the partial reimbursement that schools receive on behalf of the service fees paid to Public Consulting Group for the processing of their SBAP claims. Payments for SBAP Administrative Claiming are received from the Department of Public Welfare. Expenditures utilizing this source of funding should be reported as federal expenditures on the Annual Financial Report.

9000 Other Financing Sources

Other financing sources include governmental fund general long-term debt proceeds, interfund transfers-in, proceeds of fixed asset dispositions and other transfer-in and receipts. Such amounts are classified separately from revenues. (Other Financing Sources represent revenues in the Debt Service Fund.)

Expenditure Codes

Expenditure Functions

The Function describes the activities for which a service or material is acquired. The functions of an LEA are classified into five broad areas:

- 1) Instruction
- 2) Support Services
- 3) Operation of Non-instructional Services
- 4) Facilities Acquisition, Construction and Improvement Services
- 5) Other Financing Uses

Functions consist of activities, which have somewhat the same general operational objectives.

1100 Regular Programs – Elementary/Secondary

Activities designed to provide grades K–12 students with learning experiences to prepare them for activities as citizens, family members, and non-vocational workers as contrasted with programs designed to improve or overcome physical, mental, social and/or emotional handicaps.

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1200 Special Programs – Elementary/Secondary

Activities designed primarily for students having special needs. The Special Programs include support classes for pre-kindergarten, kindergarten, elementary and secondary students identified as exceptional.

1300 Vocational Education

PDE approved programs under public supervision and control that provide organized learning experiences designed to develop skills, knowledge, attitudes and work habits in order to prepare individuals for entrance into and progress through various levels of employment in occupational fields including agriculture, business, distribution, health, gainful and useful home economics, and trade and industry. PDE approved programs are those programs approved by the Pennsylvania Department of Education as reflected in the approved program listing of the Career and Technical Education Information System (CATS).

1400 Other Instructional Programs – Elementary/Secondary

Activities that provide grades K-12 students with learning experiences not included in the function codes 1100-1300, 1500, 1600 and 1800.

1800 Pre-Kindergarten

Activities designed to provide Pre-K students with learning experiences to prepare them for activities as citizens, family members, and non-vocational workers as contrasted with programs designed to improve or overcome physical, mental, social and / or emotional handicaps.

2100 Support Services - Students

Activities designed to assess and improve the well-being of students to supplement the teaching process and to meet the applicable provisions of Article XIII of the Public School Code of 1949, as amended, and Chapter 7 of the State Board of Education Regulations. Included in this sub-function are program coordination, consultation, and services to the pupil personnel staff of an LEA.

2200 Support Services – Instructional Staff

Activities associated with assisting, supporting, advising and directing the instructional staff with or on the content and process of providing learning experiences for students.

2300 Support Services - Administration

Activities concerned with establishing and administering policy in connection with operating the LEA.

2400 Support Services – Pupil Health

Physical and mental health services, which are not direct instruction. Included are activities that provide students with appropriate medical, dental and nurse services.

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2500 Support Services – Business

Activities concerned with paying, transporting, exchanging and maintaining goods and services for the LEA. Included are the fiscal and internal services necessary for operating the LEA.

2600 Operation and Maintenance of Plant Services

The activities concerned with keeping the physical plant open, comfortable and safe for use, and keeping the grounds, buildings and equipment in effective working condition and state of repair.

2700 Student Transportation Services

Expenditures include those activities concerned with the conveyance of students to and from school, as provided by State and Federal law. It includes transportation costs only for trips between home and school and from school to school.

2800 Support Services - Central

Activities, other than general administration, which support each of the other instructional and supporting services program. These activities include planning, research, development, evaluation, information, staff and data processing services.

2900 Other Support Services

All other support services not classified elsewhere in the 2000 series.

3200 Student Activities

School sponsored activities under the guidance and supervision of the LEA staff.

3300 Community Services

Those activities concerned with providing community services to students, staff or other community participants. Examples of this function would be the operation of a community swimming pool, a recreation program for the elderly, a child-care center for working mothers, etc.

4600 Existing Building Improvement Services

Record to this subfunction the capital expenditures incurred to renovate or improve existing buildings, service systems and other built-in equipment. Capital expenditures include non-routine and extraordinary (or substantial) costs incurred to maintain or improve buildings, service systems and other built-in equipment.

5110 Debt Service

This account is used to record and accumulate expenditures incurred to retire current year principal and interest payments on long-term debt other than refunded bond issues.

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5130 Refund of Prior Year Revenues/Receipts

Record to this account the recognition of all refunds of prior year revenues and receipts. This account is also used to record refunds and deductions taken from your State subsidies to adjust for prior year audits and subsidy calculation changes. This account should be reported as an expenditure on your financial statements consistent with GASB #33.

5200 Interfund Transfers - Out

Included are transactions that withdraw money from one fund and place it in another without recourse.

5900 Budgetary Reserve

Budgetary Reserve is not an expenditure function or account. It is strictly a budgetary account.

In addition to the appropriations, it is a sound management practice to provide for operating contingencies through a Budgetary Reserve. Experience indicates that there are certain variables over which control is impossible regardless of the care with which the budget is prepared. These variables include unpredictable changes in the costs of goods and services, and the occurrences of events which are vaguely perceptible during the time of budget preparations, but which nevertheless, may require expenditures by the LEA during the year for which the budget is being prepared.

Even though the operating contingencies for which provision is being made may contain certain unknowns, the Budgetary Reserve should be composed of components for which estimates are made. For example, there may be Federal, State or local programs, which may or may not, require expenditures by the school system in the fiscal year for which the budget is being prepared.

Rather than provide for such contingencies by “padding” the functional appropriations, it is preferable to limit the functional appropriations to amounts that are supportable by estimates based upon financial, enrollment and other statistics as related to the more definite educational plans and programs for the budget year, and earmark a reserve for the less predictable requirements. The Budgetary Reserve should be reasonable in amount and in proper proportion to the known operating requirements of the LEA.

Expenditures may not be made against the Budgetary Reserve, but only against the line items, which appear throughout the functional appropriations. Whatever may be needed from the Budgetary Reserve may not be used until after transfer from the Reserve to the line items against which the expenditures are to be charged. Each such transfer requires the prior authorization of the Board of School Directors, and may be made only during the last nine (9) months of the fiscal year.

To the extent that the contingencies for which the Budgetary Reserve has been provided fail to materialize in the budget year, there will be a balance remaining in the Budgetary Reserve at the close of the budget year. If covered by revenues realized during the budget year, as it should be in all school systems operating on a pay-as-you-go basis, such a balance becomes a part of the total resources available for application against the requirements of the next fiscal year.

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Expenditure Objects

The Object Dimension is the service or commodity bought. This manual identifies nine (9) major object categories:

- Personnel Services – Salaries
- Personnel Services – Employee Benefits
- Purchased Professional and Technical Services
- Purchased Property Services
- Other Purchased Services
- Supplies
- Property
- Other Objects
- Other Financing Uses

100 Personnel Services - Salaries

Gross salaries paid to employees of the LEA who are considered to be in positions of a permanent nature or hired temporarily, including personnel substituting for those in permanent positions. This includes gross salary for personnel services rendered while on the payroll of the LEA.

200 Personnel Services – Employee Benefits

Amounts paid by the LEA on behalf of employees; these amounts are not included in gross salary, but are in addition to that amount. Such payments are fringe benefit payments; and, while not paid directly to employees, are part of the cost of personnel services.

300 Purchased Professional and Technical Services

Services that by their nature require persons or firms with specialized skills and knowledge. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, accountants, tax collectors etc. Payments for services provided by Intermediate Units to LEAs should be recorded to this object.

400 Purchased Property Services

Services purchased to operate, repair, maintain and rent property owned and / or used by the LEA. These services are performed by persons other than LEA employees

500 Other Purchased Services

Amounts paid for services not provided by LEA personnel but rendered by organizations or personnel, other than Professional and Technical Services and Purchased Property Services.

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600 Supplies

Amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorate in use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances.

700 Property

Expenditures for the acquisition of fixed / capital assets, including expenditures for land or existing buildings and improvements of grounds; initial equipment; additional equipment and replacement of equipment.

800 Other Objects

Amounts paid for expenditures not otherwise classified in objects 100 through 700.

900 Other Uses of Funds

This series of codes is used to classify transactions which record redemption of principal on long-term debt, authority obligations, fund transfers, and transfers to component units (as defined by GASB Statement #14).

Financial Section

North Penn School District

2017-2018 Budget



North Penn School District
Lansdale, Pennsylvania
www.npenn.org
Dr. Curtis Dietrich, Superintendent

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North Penn School District
2017-2018 Budget

Summary of All Funds

A portion of the General Fund's fund balance has been committed to minimize the impact of projected retirement contributions on the District's taxpayers. The Capital Projects Fund 2016-2017 expenditures are anticipated to be less than budgeted due to the timing of the Montgomery Elementary renovation project, eliminating the projected negative fund balance. Anticipated inter-fund transfers from the General Fund will maintain a stable fund balance in this fund.

The following is a summary of the 2017-2018 budgets for each of the District's funds. Budgeted revenues include resources from local, state, and federal sources and expenditures represent those resources allocated towards supporting the District's programs and services.

Summary of All Funds								
	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018	Projection 2018-2019	Projection 2019-2020	Projection 2020-2021
GENERAL FUND								
Fund Balance July 1, 20XX	\$ 33,948,917	\$ 38,066,317	\$ 36,636,675	\$ 36,736,866	\$ 33,422,213	\$ 28,877,290	\$ 21,683,491	\$ 15,156,929
Revenue								
Local Sources	177,016,637	181,485,231	186,597,398	189,483,165	194,007,132	198,959,717	205,687,417	213,196,354
State Sources	38,919,095	40,848,095	44,579,098	48,868,009	50,756,788	53,085,284	55,064,017	56,498,769
Federal Sources	2,754,915	3,192,351	3,346,380	3,823,703	2,983,043	3,042,704	3,103,558	3,165,629
Other Sources	<u>131,157</u>	<u>80,662</u>	<u>358,732</u>	<u>-</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>
Total Revenue	218,821,804	225,606,339	234,881,608	242,174,877	247,856,963	255,197,705	263,964,992	272,970,752
Expenditures								
Salaries	113,394,288	115,445,132	119,759,051	123,166,797	124,082,802	127,495,079	131,001,194	134,603,727
Benefits	50,606,946	58,032,947	62,767,863	71,304,329	74,912,311	79,682,167	83,962,151	87,182,118
Purchased Prof. Services	8,926,680	8,471,262	9,436,093	9,641,491	9,770,845	10,063,970	10,365,889	10,676,866
Services	3,856,156	3,874,260	3,688,071	3,847,637	1,670,566	1,720,683	1,772,303	1,825,472
Other Purchased Services	11,499,178	11,534,152	12,144,405	12,283,379	13,377,906	13,778,054	14,191,396	14,617,138
Supplies and Books	5,865,212	6,312,448	7,133,645	5,952,776	7,842,764	8,000,797	8,160,813	8,324,029
Property and Equipment	1,032,716	2,833,465	1,387,372	693,764	1,639,216	1,721,177	1,807,236	1,897,598
Other Objects	4,411,784	4,376,765	4,094,530	4,856,840	5,072,024	4,829,352	4,275,737	3,753,178
Other Uses of Funds	<u>15,111,444</u>	<u>16,155,550</u>	<u>14,370,387</u>	<u>13,742,517</u>	<u>14,033,452</u>	<u>15,100,225</u>	<u>14,954,835</u>	<u>14,376,750</u>
Total Expenditures	214,704,404	227,035,981	234,781,417	245,489,530	252,401,886	262,391,504	270,491,554	277,256,876
Excess of Revenue Over (Under) Expenditures	4,117,400	(1,429,642)	100,191	(3,314,653)	(4,544,923)	(7,193,799)	(6,526,562)	(4,286,124)
Fund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	4,117,400	(1,429,642)	100,191	(3,314,653)	(4,544,923)	(7,193,799)	(6,526,562)	(4,286,124)
Fund Balance June 30, 20XX	<u>\$ 38,066,317</u>	<u>\$ 36,636,675</u>	<u>\$ 36,736,866</u>	<u>\$ 33,422,213</u>	<u>\$ 28,877,290</u>	<u>\$ 21,683,491</u>	<u>\$ 15,156,929</u>	<u>\$ 10,870,805</u>

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	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018	Projection 2018-2019	Projection 2019-2020	Projection 2020-2021
CAPITAL PROJECTS FUND								
Fund Balance July 1, 20XX	\$ 8,876,237	\$ 8,061,094	\$ 13,592,001	\$ 15,367,006	\$ 8,382,006	\$ (2,562,315)	\$ (2,552,315)	\$ (2,542,315)
Revenue								
Local Sources	2,439	14,306	31,205	25,000	35,000	10,000	10,000	10,000
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-
Total Revenue	2,439	14,306	31,205	25,000	35,000	10,000	10,000	10,000
Expenditures								
Salaries	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Purchased Prof. Services	577,948	951,049	2,602,999	1,600,000	766,759	60,000	60,000	60,000
Purchased Property	-	-	-	-	-	-	-	-
Services	2,932,398	14,591,442	6,256,895	19,400,000	12,012,562	940,000	940,000	940,000
Other Purchased Services	-	3,495	9,655	5,000	-	-	-	-
Supplies and Books	6,768	3,858	5,178	5,000	-	-	-	-
Property and Equipment	1,055,110	517,391	659,450	500,000	-	-	-	-
Other Objects	245,358	619,555	626,896	500,000	-	-	-	-
Other Uses of Funds	-	-	156,465	-	-	-	-	-
Total Expenditures	4,817,582	16,686,790	10,317,538	22,010,000	12,779,321	1,000,000	1,000,000	1,000,000
Excess of Revenue Over (Under) Expenditures	(4,815,143)	(16,672,484)	(10,286,333)	(21,985,000)	(12,744,321)	(990,000)	(990,000)	(990,000)
Fund Transfers/Other Financ	4,000,000	22,203,391	12,061,338	15,000,000	1,800,000	1,000,000	1,000,000	1,000,000
Net Change in Fund Balance	(815,143)	5,530,907	1,775,005	(6,985,000)	(10,944,321)	10,000	10,000	10,000
Fund Balance June 30, 20XX	\$ 8,061,094	\$ 13,592,001	\$ 15,367,006	\$ 8,382,006	\$ (2,562,315)	\$ (2,552,315)	\$ (2,542,315)	\$ (2,532,315)
ENTERPRISE FUNDS								
Fund Balance July 1, 20XX	\$ 358,905	\$ 582,257	\$ 1,069,305	\$ 1,519,591	\$ 1,634,854	\$ 1,246,485	\$ 1,092,438	\$ 1,104,204
Revenue								
Local Sources	5,540,554	5,638,402	5,447,323	5,602,416	5,413,009	5,632,375	5,860,133	6,029,099
State Sources	151,623	181,671	186,062	209,800	137,891	147,543	157,871	168,922
Federal Sources	1,933,989	2,226,383	2,512,885	2,519,076	2,548,219	2,726,594	2,917,456	3,121,678
Other Sources	2,954	5,376	6,796	-	900	-	-	-
Total Revenue	7,629,120	8,051,832	8,153,066	8,331,292	8,100,019	8,506,512	8,935,460	9,319,699
Expenditures								
Salaries	3,203,874	3,257,374	3,382,288	3,456,827	3,423,757	3,517,911	3,614,653	3,714,056
Benefits	1,575,959	1,640,268	1,682,544	1,918,098	1,937,374	1,941,413	2,031,737	2,111,086
Purchased Prof. Services	126,552	101,470	107,903	113,936	175,513	180,778	186,201	191,788
Purchased Property	-	-	-	-	-	-	-	-
Services	29,291	23,334	36,243	28,350	46,600	47,998	49,438	50,921
Other Purchased Services	17,126	20,046	28,608	35,635	37,700	38,832	39,996	41,196
Supplies - Food and Cons	2,356,301	2,407,214	2,340,974	2,418,625	2,394,890	2,442,788	2,491,645	2,541,477
Property and Equipment	18,717	24,154	45,395	150,850	247,000	259,350	272,318	285,934
Other Objects	50,698	63,203	52,476	64,308	91,125	95,682	100,467	105,490
Other Uses of Funds	27,250	27,723	26,351	29,400	134,430	135,807	137,239	138,282
Total Expenditures	7,405,768	7,564,784	7,702,780	8,216,029	8,488,388	8,660,559	8,923,694	9,180,230
Excess of Revenue Over (Under) Expenditures	223,352	487,048	450,286	115,263	(388,369)	(154,047)	11,766	139,469
Fund Transfers/Other Financ	-	-	-	-	-	-	-	-
Net Change in Fund Balance	223,352	487,048	450,286	115,263	(388,369)	(154,047)	11,766	139,469
Fund Balance June 30, 20XX	\$ 582,257	\$ 1,069,305	\$ 1,519,591	\$ 1,634,854	\$ 1,246,485	\$ 1,092,438	\$ 1,104,204	\$ 1,243,673

North Penn School District
2017-2018 Budget

	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018	Projection 2018-2019	Projection 2019-2020	Projection 2020-2021
INTERNAL SERVICE FUND								
Fund Balance July 1, 20XX	\$ 4,261,596	\$ 1,270,184	\$ 6,677,152	\$ 7,297,022	\$ 7,190,522	\$ 7,116,522	\$ 7,042,702	\$ 6,969,086
Revenue								
Local Sources	-	2,150	92,236	-	6,000	6,180	6,384	6,595
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Other Sources	27,654,101	34,334,894	28,367,434	29,820,000	29,841,300	31,034,952	32,276,350	33,567,404
Total Revenue	27,654,101	34,337,044	28,459,670	29,820,000	29,847,300	31,041,132	32,282,734	33,573,999
Expenditures								
Salaries	-	-	-	-	-	-	-	-
Benefits	30,645,513	28,930,076	27,839,800	29,926,500	29,841,300	31,034,952	32,276,350	33,567,404
Purchased Prof. Services	-	-	-	-	80,000	80,000	80,000	80,000
Purchased Property Services	-	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-
Supplies and Books	-	-	-	-	-	-	-	-
Property and Equipment	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Other Uses of Funds	-	-	-	-	-	-	-	-
Total Expenditures	30,645,513	28,930,076	27,839,800	29,926,500	29,921,300	31,114,952	32,356,350	33,647,404
Excess of Revenue Over (Under) Expenditures	(2,991,412)	5,406,968	619,870	(106,500)	(74,000)	(73,820)	(73,616)	(73,405)
Net Change in Fund Balance	(2,991,412)	5,406,968	619,870	(106,500)	(74,000)	(73,820)	(73,616)	(73,405)
Fund Balance June 30, 20XX	\$ 1,270,184	\$ 6,677,152	\$ 7,297,022	\$ 7,190,522	\$ 7,116,522	\$ 7,042,702	\$ 6,969,086	\$ 6,895,681
TOTAL OF ALL FUNDS								
Fund Balance July 1, 20XX	\$ 47,445,655	\$ 47,979,852	\$ 57,975,133	\$ 60,920,485	\$ 50,629,595	\$ 34,677,982	\$ 27,266,316	\$ 20,687,904
Revenue								
Local Sources	182,559,630	187,140,089	192,168,162	195,110,581	199,461,141	204,608,272	211,563,934	219,242,048
State Sources	39,070,718	41,029,766	44,765,160	49,077,809	50,894,679	53,232,827	55,221,888	56,667,691
Federal Sources	4,688,904	5,418,734	5,859,265	6,342,779	5,531,262	5,769,298	6,021,014	6,287,307
Other Sources	27,788,212	34,420,932	28,732,962	29,820,000	29,952,200	31,144,952	32,386,350	33,677,404
Total Revenue	254,107,464	268,009,521	271,525,549	280,351,169	285,839,282	294,755,349	305,193,186	315,874,450
Expenditures								
Salaries	116,598,162	118,702,506	123,141,339	126,623,624	127,506,559	131,012,990	134,615,847	138,317,783
Benefits	82,828,417	88,603,291	92,290,207	103,148,927	106,690,985	112,658,532	118,270,238	122,860,608
Purchased Prof. Services	9,631,180	9,523,781	12,146,995	11,355,427	10,793,117	10,384,748	10,692,090	11,008,654
Purchased Property Services	6,817,845	18,489,036	9,981,209	23,275,987	13,729,728	2,708,681	2,761,741	2,816,393
Other Purchased Services	11,516,304	11,557,693	12,182,668	12,324,014	13,415,606	13,816,886	14,231,392	14,658,334
Supplies and Books	8,228,282	8,723,520	9,479,797	8,376,401	10,237,654	10,443,585	10,652,458	10,865,506
Property and Equipment	2,106,543	3,375,010	2,092,217	1,344,614	1,886,216	1,980,527	2,079,554	2,183,532
Other Objects	4,707,840	5,059,523	4,773,902	5,421,148	5,163,149	4,925,034	4,376,204	3,858,668
Other Uses of Funds	15,138,694	16,183,273	14,553,203	13,771,917	14,167,882	15,236,032	15,092,074	14,515,032
Total Expenditures	257,573,267	280,217,631	280,641,535	305,642,059	303,590,895	303,167,015	312,771,598	321,084,510
Excess of Revenue Over (Under) Expenditures	(3,465,803)	(12,208,110)	(9,115,986)	(25,290,890)	(17,751,613)	(8,411,666)	(7,578,412)	(5,210,060)
Fund Transfers/Other Financ	4,000,000	22,203,391	12,061,338	15,000,000	1,800,000	1,000,000	1,000,000	1,000,000
Net Change in Fund Balance	534,197	9,995,281	2,945,353	(10,290,890)	(15,951,613)	(7,411,666)	(6,578,412)	(4,210,060)
Fund Balance June 30, 20XX	\$ 47,979,852	\$ 57,975,133	\$ 60,920,485	\$ 50,629,595	\$ 34,677,982	\$ 27,266,316	\$ 20,687,904	\$ 16,477,844

North Penn School District
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General Fund

The General Fund is the main operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund and is where operating revenue and expenditures are budgeted and recorded. Currently \$16.9M of fund balance has been committed for projected retirement contribution increases.

General Fund Summary

	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018
Fund Balance July 1, 20XX	\$ 33,948,917	\$ 38,066,317	\$ 36,636,675	\$ 36,736,866	\$ 33,422,213
Revenue					
Local Sources	177,016,637	181,485,231	186,597,398	189,483,165	194,007,132
State Sources	38,919,095	40,848,095	44,579,098	48,868,009	50,756,788
Federal Sources	2,754,915	3,192,351	3,346,380	3,823,703	2,983,043
Other Sources	131,157	80,662	358,732	-	110,000
Total Revenue	218,821,804	225,606,339	234,881,608	242,174,877	247,856,963
Expenditures					
Salaries	113,394,288	115,445,132	119,759,051	123,166,797	124,082,802
Benefits	50,606,946	58,032,947	62,767,863	71,304,329	74,912,311
Purchased Prof. Services	8,926,680	8,471,262	9,436,093	9,641,491	9,770,845
Services	3,856,156	3,874,260	3,688,071	3,847,637	1,670,566
Other Purchased Services	11,499,178	11,534,152	12,144,405	12,283,379	13,377,906
Supplies and Books	5,865,212	6,312,448	7,133,645	5,952,776	7,842,764
Property and Equipment	1,032,716	2,833,465	1,387,372	693,764	1,639,216
Other Objects	4,411,784	4,376,765	4,094,530	4,856,840	5,072,024
Other Uses of Funds	15,111,444	16,155,550	14,370,387	13,742,517	14,033,452
Total Expenditures	214,704,404	227,035,981	234,781,417	245,489,530	252,401,886
Excess of Revenue Over (Under) Expenditures	4,117,400	(1,429,642)	100,191	(3,314,653)	(4,544,923)
Fund Transfers	-	-	-	-	-
Net Change in Fund Balance	4,117,400	(1,429,642)	100,191	(3,314,653)	(4,544,923)
Fund Balance June 30, 20XX	\$ 38,066,317	\$ 36,636,675	\$ 36,736,866	\$ 33,422,213	\$ 28,877,290

North Penn School District
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General Fund Revenue

The General Fund of the District is funded from local, state, and federal sources of revenue. Local revenue is the largest source of revenue which accounts for 78% of the \$247,856,963 in total budgeted revenue for the 2017-2018 fiscal year. The remaining 22% of revenue budgeted is comprised of state subsidies and grants (21%) as well as federal grant money (1%) and a minimum amount of other financing sources.

Local Sources

The largest portion of local revenue is made up of current taxes on real estate. Local current real estate tax revenue is budgeted to be \$167,912,922 which is 87% of local revenue sources budgeted and 68% of total revenue sources budgeted. Current real estate tax revenue budgeted is \$3,762,037 higher than budgeted in the previous year. The North Penn School District lies in Montgomery and Bucks Counties so there are two real estate tax bases that make up current real estate tax revenue. The combined assessed property values for Bucks and Montgomery Counties is \$7,214,506,737 for the 2017-2018 school year.

The 2017-2018 real estate tax rate required to fund the District's programs and services for Bucks County is 135.8167 and 24.6704 for Montgomery County. The Montgomery County rate increased by 1.99% from the previous year which is below the amount allowable under Act 1 for the 2017-2018 school year. The Bucks County increase was 1.99% above the original millage rate for 2016-2017. This increase in the tax rate along with higher assessed home values and a weighted average tax collection percentage of 97% will generate the additional \$3.8 million in resources for the District.

The second largest source of local revenue is from proportional tax assessments including earned income taxes (EIT) and real estate transfer taxes. Both of these taxes are collected at a rate of 50% of the total tax levy. The District anticipates collecting \$16 million in EIT revenue and \$3.1 million in real estate transfer taxes. Other local sources of revenue include interim and delinquent payments on real estate taxes, earnings on investments, revenues from district activities, and other various sources.

State Sources

State sources comprise 21% of the total budget at \$50,756,788 which is a 3.9% increase from the 2016-2017 fiscal year. State sources include subsidies from basic education, special education, transportation, and rental (or building reimbursement) payments.

The largest line item in state sources comes from the state's share of retirement contributions. The state reimburses the District for half of its PSERS retirement costs. For 2017-2018, the rate that districts pay into PSERS is 32.57 % and in return the state reimburses half of this expense. This amount is \$19,834,608 which is a \$1.5 million (8.35%) increase from the previous year. This increase is attributed to an increase in salaries as well as an increase in the contribution rate from

North Penn School District
2017-2018 Budget

30.03% to 32.57%. The state also reimburses districts for one half of their Social Security and Medicare taxes which in 2017-2018 equates to \$4,614,986.

The District also receives money from the state to offset property taxes from Act 1 of 2006. These funds are collected by the state through gaming revenues and other tax programs which are then distributed to school districts to pass on as a tax credit to approved homestead and farmstead properties to reduce property taxes. This allocation for the 2017-2018 school year is \$5,175,590 which equates to a tax reduction of \$209 for each eligible property.

Federal Sources

Revenue from federal sources is comprised primarily of grant money for specific programs. The District receives money for the following programs:

- Title I - Improving the Academic Achievement of the Disadvantaged
- Title II - Prepare, Train, and Recruit Highly Qualified Teachers and Principals
- Title III - Language Instruction of LEP and Immigrant Students
- Keystones to Opportunity - Striving Readers Comprehensive Literacy Prog. (budgeted in Title I)

The District also receives monies through the School-Based Access Medicaid Program which provides reimbursement for eligible health care service costs.

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General Fund Revenue Detail

	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018
6000 - Revenue from Local Sources					
6111 - Current Real Estate Taxes	\$ 149,432,913	\$ 154,512,804	\$ 159,841,015	\$ 164,150,885	\$ 167,912,922
6112 - Interim Real Estate Taxes	2,400,972	1,112,696	693,962	1,100,000	1,000,000
6113 - Public Utility Realty Tax	203,424	212,371	201,448	210,000	200,000
6114 - Payments in Lieu of Taxes	210	210	210	210	210
6150 - Current Act 511 Taxes	18,217,858	19,078,318	19,424,137	18,100,000	19,100,000
6400 - Delinquent Taxes Levied	3,290,588	2,971,795	2,586,366	2,400,000	2,100,000
6500 - Earnings on Investments	177,082	235,509	385,008	300,000	475,000
6700 - Revenue from Student Activ.	310,906	287,572	227,702	250,000	275,000
6832 - Federal IDEA Pass Through	2,275,550	2,377,069	2,330,020	2,582,570	2,364,000
6910 - Rentals	105,480	94,519	82,564	70,000	125,000
6940 - Tuitions	70,442	66,110	78,108	147,000	160,000
6944 - Receipts from Other PA LEAS	109,303	162,694	422,885	100,000	100,000
6999 - All Other Local Revenues	421,911	373,564	323,973	72,500	195,000
Total from Local Sources	177,016,637	181,485,231	186,597,398	189,483,165	194,007,132
7000 - Revenue from State Sources					
7110 - Basic Education Funding	8,949,801	8,941,887	9,369,587	9,501,364	10,081,998
7160 - Tuition - Orphans/Priv. Homes	419,183	298,928	195,401	350,000	300,000
7271 - Special Education Funding	6,448,961	6,476,273	6,545,567	6,464,861	6,499,781
7272 - Early Intervention	-	-	-	-	-
7310 - Transportation	3,035,973	2,622,388	2,805,029	3,000,000	2,700,000
7320 - Rental Payments	1,571,981	565,823	430,509	660,000	702,286
7330 - Health Services	270,124	308,079	276,461	270,000	270,000
7340 - State Property Tax Red. Alloc.	4,481,606	4,886,160	4,949,846	5,079,806	5,175,590
7501 - PA Accountability Grant	229,898	455,129	577,539	577,539	577,539
7599 - Additional Grants	-	15,000	-	-	-
7810 - Social Security Payment Rev.	4,122,777	4,153,156	4,136,124	4,658,237	4,614,986
7820 - Retirement Payment Rev.	9,388,791	12,125,272	15,293,035	18,306,202	19,834,608
Total from State Sources	38,919,095	40,848,095	44,579,098	48,868,009	50,756,788
8000 - Revenue from Federal Sources					
8390 - Restricted Grants	72,585	63,009	64,706	71,000	71,000
8514 - NCLB, Title I	1,381,466	2,100,868	2,336,243	2,524,156	1,663,706
8515 - NCLB, Title II	405,441	244,803	252,683	316,064	335,873
8516 - NCLB, Title III	181,492	106,710	164,521	300,483	262,464
8701 - ARRA, IDEA Part B	-	-	-	-	-
8709 - ARRA Education Jobs Fund	-	-	-	-	-
8810 - Medical Access Reimb.	650,000	625,000	475,000	600,000	600,000
8820 - Medical Access Admin Reimb.	63,931	51,961	53,227	12,000	50,000
Total from Federal Sources	2,754,915	3,192,351	3,346,380	3,823,703	2,983,043
9000 - Other Financing Sources	131,157	80,662	358,732	-	110,000
Grand Total Revenue	\$ 218,821,804	\$ 225,606,339	\$ 234,881,608	\$ 242,174,877	\$ 247,856,963

North Penn School District
2017-2018 Budget

General Fund Expenditures

For the 2017-2018 school year, budgeted expenditures in the General Fund are \$252,401,886, which is an increase of \$6,912,356 (2.8%) from 2016-2017. The largest budget challenge facing the North Penn School District as well as the other 499 public school districts in the Commonwealth is the required contributions to the Pennsylvania State Education Retirement System (PSERS). Districts are required to pay a defined contribution amount towards employee pensions each year to PSERS. For the 2017-2018 school year, this amount is 32.57% which means that for each \$1 in eligible salaries the District must contribute 32.57 cents to PSERS. The total budgeted PSERS expenditure is \$39,669,217 for 2017-2018 which is an increase of \$3,056,814 (8.35%) from the previous year.

Along with the PSERS contribution, the other major items impacting the expenditure budget are as follows:

- Salaries – Salaries have increased by 0.74%. The North Penn Education Association (NPEA) and North Penn Educational Support Professionals Association (NPESPA) were both without a contract at the end of the 2016-2017 school year.
- Chromebook Purchase-An additional \$1,388,717 was budgeted for Chromebooks to be issued to students in grades 6, 11, and 12 in place of a three-year technology lease of as had been budgeted the previous two years.
- New debt for the Montgomery Elementary School renovations – The second of two bond issues to finance the Montgomery Elementary project were issued in February 2017. This increase was offset by the advance refunding of the 2011 General Obligation Bonds. Net debt service payments will increase by \$930,640.

The total of the increases in these major items totals \$6,292,176.

North Penn School District
2017-2018 Budget

General Fund Expenditure Detail

	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018
1100 - Regular Programs					
100 - Salaries	\$ 61,803,845	\$ 62,750,030	\$ 65,500,551	\$ 67,980,292	\$ 67,458,676
200 - Benefits	25,606,446	29,373,327	32,327,513	36,986,716	38,433,147
300 - Purchased Prof. Services	675,886	646,275	754,138	520,981	540,797
400 - Purchased Property Services	40,272	59,424	57,350	69,700	68,565
500 - Other Purchased Services	1,123,921	1,062,903	1,272,148	1,093,168	1,646,737
600 - Supplies and Books	2,754,883	3,177,801	4,320,172	3,110,311	2,577,494
700 - Property and Equipment	104,831	1,920,815	549,942	190,659	1,388,717
800 - Other Objects	902,909	517,175	1,518,249	2,296,642	2,144,471
Total Regular Programs	93,012,992	99,507,750	106,300,063	112,248,469	114,258,604
1200 - Special and Gifted Education					
100 - Salaries	18,505,147	19,146,468	20,178,083	20,150,553	21,251,988
200 - Benefits	9,311,954	10,875,637	11,715,512	13,011,842	14,261,256
300 - Purchased Prof. Services	5,283,988	5,423,809	6,720,257	6,337,195	6,785,167
400 - Purchased Property Services	639	-	62	1,000	500
500 - Other Purchased Services	2,254,290	2,474,115	2,466,974	2,860,389	2,666,379
600 - Supplies and Books	179,891	152,190	120,860	175,266	159,502
700 - Property and Equipment	15,050	3,208	17,796	15,600	10,000
800 - Other Objects	-	223	1,560	-	-
Total Special Education	35,550,958	38,075,650	41,221,104	42,551,845	45,134,792
1300 - Vocational Education					
500 - Other Purchased Services	3,360,019	3,407,612	3,446,353	3,469,597	3,573,982
800 - Other Objects	320,360	86,473	187,581	315,961	315,448
Total Vocational Education	3,680,379	3,494,085	3,633,934	3,785,558	3,889,430
1400 - Other Instructional Programs					
100 - Salaries	73,696	58,593	65,753	70,000	57,500
200 - Benefits	18,640	17,897	22,701	27,050	23,722
300 - Purchased Prof. Services	220,540	154,258	125,155	220,000	157,500
500 - Other Purchased Services	7,219	5,053	4,469	5,000	1,000
600 - Supplies and Books	-	-	-	-	-
Total Other Instructional Programs	320,095	235,801	218,078	322,050	239,722
1500 - Nonpublic Programs					
100 - Salaries	-	-	-	-	-
200 - Benefits	-	-	-	-	-
Total Nonpublic Programs	-	-	-	-	-
1700 - Community Ed Programs					
500 - Other Purchased Services	-	-	-	-	-
Total Community Ed	-	-	-	-	-

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	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018
1800 - Pre Kindergarten					
100 - Salaries	6,863	17,038	18,918	26,250	10,302
200 - Benefits	2,937	6,656	6,287	12,353	6,019
300 - Purchased Prof. Services	59,050	51,116	65,215	57,500	10,239
500 - Other Purchased Services	977	3,306	5,013	-	3,000
600 - Supplies and Books	22,301	37,421	26,507	9,574	3,174
700 - Property and Equipment	3,325	1,678	-	-	-
800 - Other Objects	-	-	151	-	-
Total Pre Kindergarten	95,453	117,215	122,091	105,677	32,734
2100 - Pupil Personnel					
100 - Salaries	5,402,662	5,531,671	5,579,447	5,737,254	5,860,405
200 - Benefits	2,345,403	2,620,404	2,810,240	3,176,787	3,371,428
300 - Purchased Prof. Services	7,047	2,043	1,977	3,000	5,000
500 - Other Purchased Services	3,217	4,840	4,960	4,500	3,500
600 - Supplies and Books	44,224	53,865	71,486	71,038	71,426
800 - Other Objects	120	115	385	400	400
Total Pupil Personnel	7,802,674	8,212,938	8,468,495	8,992,979	9,312,159
2200 - Instructional Support					
100 - Salaries	3,143,047	3,261,141	3,209,823	3,614,165	3,318,008
200 - Benefits	1,469,089	1,647,593	1,724,016	2,075,690	2,280,034
300 - Purchased Prof. Services	457,779	435,928	294,273	430,337	423,039
400 - Purchased Property Services	53,637	46,804	31,584	35,400	36,900
500 - Other Purchased Services	15,423	26,205	32,095	38,035	59,899
600 - Supplies and Books	264,521	339,063	374,182	403,425	429,141
700 - Property and Equipment	225,558	522,441	298,540	361,225	210,499
800 - Other Objects	166,203	29,493	2,821	6,365	3,565
Total Instructional Support	5,795,256	6,308,668	5,967,334	6,964,642	6,761,085
2300 - Administration Services					
100 - Salaries	7,113,690	7,179,911	7,134,323	7,014,270	7,179,260
200 - Benefits	3,133,836	3,576,615	3,583,466	3,985,249	4,275,419
300 - Purchased Prof. Services	1,188,160	976,282	679,588	1,038,675	985,953
400 - Purchased Property Services	6,984	5,182	6,396	6,728	1,200
500 - Other Purchased Services	626,270	502,577	387,280	475,041	576,718
600 - Supplies and Books	100,195	91,085	118,498	87,712	114,951
700 - Property and Equipment	32,235	11,723	39,139	380	30,000
800 - Other Objects	28,578	27,716	25,889	25,950	39,780
Total Administration Services	12,229,949	12,371,091	11,974,579	12,634,005	13,203,281

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	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018
2400 - Pupil Health Services					
100 - Salaries	1,697,356	1,612,916	1,705,543	1,687,554	1,864,254
200 - Benefits	866,003	980,637	1,051,688	1,167,914	1,285,374
300 - Purchased Prof. Services	26,473	23,076	25,663	29,135	27,135
400 - Purchased Property Services	807	1,076	1,214	10,052	8,760
500 - Other Purchased Services	1,109	127	89	-	-
600 - Supplies and Books	13,156	24,717	17,189	17,301	27,466
700 - Property and Equipment	-	46,809	-	-	-
800 - Other Objects	175	25	-	289	288
Total Pupil Health Services	2,605,078	2,689,383	2,801,386	2,912,245	3,213,277
2500 - Business Services					
100 - Salaries	1,164,831	1,145,004	1,084,024	1,357,958	1,635,638
200 - Benefits	527,256	592,683	610,997	872,934	916,171
300 - Purchased Prof. Services	184,657	176,224	128,537	157,400	58,100
400 - Purchased Property Services	396,227	411,229	404,335	400,500	402,400
500 - Other Purchased Services	28,437	21,127	24,455	21,900	27,350
600 - Supplies and Books	134,982	344,538	123,659	187,463	301,248
700 - Property and Equipment	-	37,211	5,987	5,000	-
800 - Other Objects	(8,086)	31,683	33,340	68,000	29,900
Total Business Services	2,428,303	2,759,699	2,415,334	3,071,155	3,370,807
2600 - Operation and Maintenance					
100 - Salaries	6,472,075	6,627,273	6,715,383	6,525,141	6,708,783
200 - Benefits	3,449,097	3,888,371	4,083,421	4,469,607	4,714,016
300 - Purchased Prof. Services	129,379	116,964	92,366	150,859	161,350
400 - Purchased Property Services	3,091,297	3,027,890	2,798,771	3,166,662	994,886
500 - Other Purchased Services	467,685	488,880	516,303	564,437	419,539
600 - Supplies and Books	973,843	841,228	775,780	866,028	2,982,581
700 - Property and Equipment	179,532	172,733	403,067	-	-
800 - Other Objects	35,230	-	310	-	500
Total Operation and Maintenance	14,798,138	15,163,339	15,385,401	15,742,734	15,981,655
2700 - Transportation Services					
100 - Salaries	5,389,396	5,358,565	5,390,762	5,146,486	4,724,680
200 - Benefits	3,030,408	3,419,754	3,382,862	3,696,379	3,333,314
300 - Purchased Prof. Services	338,996	92,546	44,845	48,600	9,800
400 - Purchased Property Services	142,514	68,756	62,189	85,500	81,500
500 - Other Purchased Services	3,327,561	3,221,259	3,632,541	3,397,923	3,879,062
600 - Supplies and Books	1,177,655	1,088,761	987,969	810,637	917,463
700 - Property and Equipment	5,895	3,399	172	8,000	-
800 - Other Objects	182,561	281,417	288,251	288,311	288,311
Total Transportation	13,594,987	13,534,457	13,789,591	13,481,836	13,234,130

North Penn School District
2017-2018 Budget

	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018
2800 - Data Processing Services					
100 - Salaries	921,724	976,959	1,408,972	2,037,840	2,133,365
200 - Benefits	441,938	535,301	880,958	1,115,352	1,265,446
300 - Purchased Prof. Services	67,449	68,347	242,070	347,603	300,461
400 - Purchased Property Services	80,432	68,296	6,333	6,000	6,000
500 - Other Purchased Services	6,049	7,149	25,665	22,500	176,800
600 - Supplies and Books	20,620	3,084	22,675	21,668	46,300
700 - Property and Equipment	-	-	4,995	-	-
800 - Other Objects	-	5,400	5,675	5,400	5,650
Total Data Processing	1,538,212	1,664,536	2,597,343	3,556,363	3,934,022
2900 - Other Support Services					
100 - Salaries	126,038	121,820	119,425	133,793	137,163
200 - Benefits	35,665	38,890	43,713	54,696	59,759
500 - Other Purchased Services	201,098	205,320	206,895	209,249	209,826
600 - Supplies and Books	-	-	-	60	100
Total Other Support Services	362,801	366,030	370,033	397,798	406,848
3200 - Student Activities					
100 - Salaries	1,570,047	1,656,003	1,646,896	1,682,864	1,740,395
200 - Benefits	367,327	458,690	524,105	650,768	686,154
300 - Purchased Prof. Services	200,708	221,058	205,631	220,205	226,305
400 - Purchased Property Services	40,945	44,966	41,613	66,095	69,495
500 - Other Purchased Services	77,837	103,378	118,895	121,340	133,814
600 - Supplies and Books	169,403	149,246	160,957	181,944	199,774
700 - Property and Equipment	24,960	35,864	60,327	112,900	-
800 - Other Objects	83,874	94,128	107,777	101,091	105,575
Total Student Activities	2,535,101	2,763,333	2,866,201	3,137,207	3,161,512
3300 - Community Services					
100 - Salaries	3,870	1,741	1,149	2,338	2,387
200 - Benefits	947	493	384	1,031	1,050
300 - Purchased Prof. Services	49,589	78,771	54,097	80,000	80,000
500 - Other Purchased Services	300	300	270	300	300
600 - Supplies and Books	9,539	9,449	8,965	10,350	12,503
Total Community Services	64,245	90,754	64,865	94,019	96,240
4600 - Building Improvement					
300 - Purchased Prof. Services	34,746	4,562	-	-	-
400 - Purchased Property Services	2,403	140,638	-	-	-
700 - Property and Equipment	441,329	77,585	7,407	-	-
Total Building Improvement	478,478	222,785	7,407	-	-
5100 - Debt Service					
800 - Other Objects	4,131,304	4,118,633	3,812,927	3,490,948	3,876,588
900 - Other Uses of Funds	9,680,000	10,050,000	10,480,000	11,000,000	11,545,000
Total Debt Service	13,811,304	14,168,633	14,292,927	14,490,948	15,421,588

North Penn School District
2017-2018 Budget

	<u>Actual 2013-2014</u>	<u>Actual 2014-2015</u>	<u>Actual 2015-2016</u>	<u>Budget 2016-2017</u>	<u>Budget 2017-2018</u>
5200 - Fund Transfers					
900 - Other Uses of Funds	4,000,000	5,289,834	2,000,000	-	-
Total Fund Transfers	4,000,000	5,289,834	2,000,000	-	-
5500 - Extraordinary Losses					
300 - Purchased Prof. Services	-	-	2,280	-	-
400 - Purchased Property Services	-	-	278,224	-	-
600 - Supplies and Books	-	-	4,747	-	-
Total Debt Service	-	-	285,251	-	-
5900 - Budgetary Reserve					
800 - Other Objects	-	-	-	1,000,000	750,000
Total Budgetary Reserve	-	-	-	1,000,000	750,000
Grand Total Expenditures	\$ 214,704,404	\$ 227,035,981	\$ 234,781,417	\$ 245,489,530	\$ 252,401,886

North Penn School District
2017-2018 Budget

General Fund Expenditure Summary By Location

Location	Department	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018
1	Superintendent	777,939	813,514	901,689	878,578	913,006
2	Business Office	24,629,198	26,337,278	22,005,862	21,761,565	23,634,623
4	Human Resources	837,644	936,499	788,131	3,895,372	3,646,923
5	Pupil Services	530	-	-	-	-
6	Nutrition Services	161,703	160,710	163,138	188,488	196,922
7	Community Relations	1,420,204	1,585,638	1,380,390	1,448,041	1,320,122
8	Physical Plant	3,500,248	3,985,137	3,970,019	3,856,228	3,553,941
9	Transportation	13,498,775	13,432,406	13,691,979	13,374,579	13,106,378
10	Technology	3,630,240	4,948,651	4,732,647	5,359,880	6,770,577
12	Warehouse	678,046	636,292	564,806	650,341	696,870
13	Assessment	814,180	1,084,049	1,317,160	1,090,540	236,902
14	Dir. Of Elementary Ed	813,960	1,357,183	1,280,536	1,352,936	1,158,254
15	Dir. Of Secondary Ed.	4,623,587	4,333,504	4,373,854	4,220,805	5,023,115
16	Curriculum	3,183,466	4,428,523	5,159,466	5,501,987	4,807,155
17	Special Ed.	36,925,562	39,259,711	43,649,621	45,446,926	48,159,610
20	Bridle Path	5,032,795	4,992,802	5,286,787	5,442,627	5,534,258
21	Gwyn-Nor	4,815,996	4,927,306	5,347,286	5,595,299	6,003,284
22	Gwynedd Square	4,799,927	5,119,528	5,412,684	5,716,899	5,803,204
23	Hatfield	4,430,743	4,346,201	4,646,452	4,943,684	5,023,751
24	Inglewood	4,163,804	4,187,685	4,584,620	4,830,389	4,978,352
25	Knapp	5,223,115	5,832,647	5,654,361	6,010,889	5,728,338
26	Kulp	4,248,268	4,751,414	4,966,101	5,126,281	5,395,659
27	Montgomery	5,374,622	5,462,556	5,957,451	6,182,249	6,493,211
28	Nash	3,889,814	3,848,231	4,019,588	4,214,118	4,408,573
29	North Wales	3,700,303	4,027,977	4,104,805	4,298,006	4,524,529
30	Oak Park	4,408,819	4,542,835	4,853,974	5,191,431	4,832,334
31	Walton Farm	4,509,198	4,754,354	5,207,663	5,492,037	5,734,567
32	York Avenue	3,178,477	3,365,191	3,241,512	3,530,287	3,217,081
50	Pennbrook	9,216,055	9,561,550	10,178,197	10,534,795	10,537,895
60	Pennfield	8,727,097	9,108,249	9,452,549	9,733,478	9,880,715
70	Penndale	13,193,873	13,745,608	14,514,548	15,031,815	15,283,493
80	NPHS	28,304,343	29,431,197	31,564,273	32,664,559	33,756,009
82	NPHS ROTC	247,454	292,484	295,794	295,512	255,280
90	Northbridge	1,744,418	1,439,071	1,513,474	1,628,909	1,786,952
Total Expenditures		214,704,404	227,035,981	234,781,417	245,489,530	252,401,886

General Fund Budget Forecast

The North Penn School District has developed a general fund budget forecast to anticipate future revenues and expenditures and how this will impact the District's fund balance. As with the current year budget, the largest factors in the forecast include ACT 1 and the state budget for revenues as well as salaries, benefits, PSERS retirement contributions, charter schools, special education costs and building improvements.

The following assumptions were made in these forecasts:

- Millage increases equal to the projected Act 1 index each year
- Growth of tax base of .4% per year
- 97% tax collection rate
- 2% annual increase in earned income tax, 4% increase for transfer taxes
- Increases at the ACT 1 index percentage for interim taxes and other local revenue
- 2% annual increase to basic education and special education state subsidies
- Level property tax reduction allocation and transportation subsidy
- 2% annual increase federal revenue
- 2.75% increase annually in salaries
- Pension rates using PSERS projected rates
- 4% increase per year in other benefits; 3% increase per year in professional/technical services, purchased property services, and other purchased services; and 2% increase per year in supplies.
- Debt service at current schedule
- Level budgetary reserve requirement

The District plans on exploring further cost saving options and other revenue sources to help lessen the usage of fund balance in the upcoming years. A portion of the fund balance is assigned to help with PSERS expense and the employer contribution rate is expected to reach 36.4% by the 2021-2022 school year.

North Penn School District
2017-2018 Budget

	2017-2018 Final Budget	2018-2019 Projection	2019-2020 Projection	2020-2021 Projection
Revenues				
Total Net Collectible Current Real Estate Taxes	\$ 167,912,922	\$ 172,765,615	\$ 178,838,452	\$ 185,654,306
Percent Increase Millage	1.99%	2.40%	3.00%	3.30%
Earned Income Tax	\$ 16,000,000	\$ 16,320,000	\$ 16,646,400	\$ 16,979,328
Real Estate Transfer Taxes	\$ 3,100,000	\$ 3,224,000	\$ 3,352,960	\$ 3,487,078
Interim Real Estate Taxes	\$ 1,000,000	\$ 1,024,000	\$ 1,054,720	\$ 1,089,526
Other Local Revenue	\$ 5,994,210	\$ 5,626,102	\$ 5,794,885	\$ 5,986,116
Total Local Revenue - 6000	\$ 194,007,132	\$ 198,959,717	\$ 205,687,417	\$ 213,196,354
Basic Education Funding	\$ 10,081,998	\$ 10,283,638	\$ 10,489,311	\$ 10,699,097
Special Education Funding	\$ 6,499,781	\$ 6,629,777	\$ 6,762,373	\$ 6,897,620
Property Tax Reduction Allocation	\$ 5,175,590	\$ 5,175,590	\$ 5,175,590	\$ 5,175,590
Retirement Subsidy	\$ 19,834,608	\$ 21,571,020	\$ 23,039,639	\$ 23,953,070
Social Security Subsidy	\$ 4,614,986	\$ 4,838,437	\$ 4,972,546	\$ 5,110,343
Transportation Subsidy	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000	\$ 2,700,000
Other State Revenue	\$ 1,849,825	\$ 1,886,822	\$ 1,924,558	\$ 1,963,049
Total State Revenue - 7000	\$ 50,756,788	\$ 53,085,284	\$ 55,064,017	\$ 56,498,769
Total Federal Revenue - 8000	\$ 2,983,043	\$ 3,042,704	\$ 3,103,558	\$ 3,165,629
Total Other Revenue - 9000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000
Total Revenues	\$ 247,856,963	\$ 255,197,705	\$ 263,964,992	\$ 272,970,752
Expenditures				
Salaries - 100	\$ 124,082,802	\$ 127,495,079	\$ 131,001,194	\$ 134,603,727
Retirement - 230	\$ 39,669,217	\$ 43,142,040	\$ 46,079,277	\$ 47,906,139
Social Security - 220	\$ 9,413,044	\$ 9,676,874	\$ 9,945,091	\$ 10,220,685
Other Employee Benefits - 200	\$ 25,830,051	\$ 26,863,253	\$ 27,937,783	\$ 29,055,294
Purchased Professional & Technical Services - 300	\$ 9,770,845	\$ 10,063,970	\$ 10,365,889	\$ 10,676,866
Purchased Property Services - 400	\$ 1,670,566	\$ 1,720,683	\$ 1,772,303	\$ 1,825,472
Other Purchased Services - 500	\$ 13,377,906	\$ 13,778,054	\$ 14,191,396	\$ 14,617,138
Supplies - 600	\$ 7,842,764	\$ 8,000,797	\$ 8,160,813	\$ 8,324,029
Property - 700	\$ 1,639,216	\$ 1,721,177	\$ 1,807,236	\$ 1,897,598
Interest on Leases/North Montco Interest	\$ 133,936	\$ 138,113	\$ 130,991	\$ 124,928
Interest on Bonds	\$ 3,776,588	\$ 3,259,164	\$ 2,691,067	\$ 2,151,887
Principal on Leases/North Montco Principal	\$ 2,488,451	\$ 2,955,225	\$ 2,959,835	\$ 2,966,750
Principal on Bonds	\$ 11,545,000	\$ 12,145,000	\$ 11,995,000	\$ 11,410,000
Other Objects - 800	\$ 411,500	\$ 432,075	\$ 453,679	\$ 476,363
Budgetary Reserve	\$ 750,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Total Expenses	\$ 252,401,886	\$ 262,391,504	\$ 270,491,554	\$ 277,256,876
Revenues Over (Under) Expenses	\$ (4,544,923)	\$ (7,193,799)	\$ (6,526,562)	\$ (4,286,124)
Beginning Fund Balance 7/1 Assigned + Unassigned	\$ 33,422,213	\$ 28,877,290	\$ 21,683,491	\$ 15,156,929
Ending Fund Balance 6/30 Assigned + Unassigned	\$ 28,877,290	\$ 21,683,491	\$ 15,156,929	\$ 10,870,805

Capital Project Funds

The capital projects funds are comprised of the capital reserve fund and any capital funds where bond proceeds are deposited to use for construction projects. For 2017-2018, there is a projected beginning fund balance of \$8,382,006 in bond and capital reserve funds available that will be used to finish the following projects:

- Renovations to Montgomery Elementary School which will be completed in August 2017.
- Roof replacements various District buildings
- Installation of air conditioning at the three elementary that are not currently air conditioned

Expenditures for 2016-2017 are anticipated to be less than budgeted due to timing of the Montgomery Elementary renovation project and will eliminate the projected negative fund balance.

Annually the district evaluates the General Fund budget results to determine the amount, if any, available to transfer to the Capital Projects Fund to fund major projects.

The District recently engaged in an Athletic Campus Master Plan and is evaluating potential projects as a result.

North Penn School District
2017-2018 Budget

Capital Funds Summary

	<u>Actual 2013-2014</u>	<u>Actual 2014-2015</u>	<u>Actual 2015-2016</u>	<u>Budget 2016-2017</u>	<u>Budget 2017-2018</u>	<u>Projection 2018-2019</u>	<u>Projection 2019-2020</u>	<u>Projection 2020-2021</u>
Fund Balance July 1, 20XX	\$ 8,876,237	\$ 8,061,094	\$ 13,592,001	\$ 15,367,006	\$ 8,382,006	\$ (2,562,315)	\$ (2,552,315)	\$ (2,542,315)
Revenue								
Local Sources	2,439	14,306	31,205	25,000	35,000	10,000	10,000	10,000
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-
Total Revenue	2,439	14,306	31,205	25,000	35,000	10,000	10,000	10,000
Expenditures								
Salaries	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-
Purchased Prof. Services	577,948	951,049	2,602,999	1,600,000	766,759	60,000	60,000	60,000
Purchased Property Services	2,932,398	14,591,442	6,256,895	19,400,000	12,012,562	940,000	940,000	940,000
Other Purchased Services	-	3,495	9,655	5,000	-	-	-	-
Supplies and Books	6,768	3,858	5,178	5,000	-	-	-	-
Property and Equipment	1,055,110	517,391	659,450	500,000	-	-	-	-
Other Objects	245,358	619,555	626,896	500,000	-	-	-	-
Other Uses of Funds	-	-	156,465	-	-	-	-	-
Total Expenditures	4,817,582	16,686,790	10,317,538	22,010,000	12,779,321	1,000,000	1,000,000	1,000,000
Excess of Revenue Over (Under)								
Expenditures	(4,815,143)	(16,672,484)	(10,286,333)	(21,985,000)	(12,744,321)	(990,000)	(990,000)	(990,000)
Fund Transfers/Other Financing	4,000,000	22,203,391	12,061,338	15,000,000	1,800,000	1,000,000	1,000,000	1,000,000
Net Change in Fund Balance	(815,143)	5,530,907	1,775,005	(6,985,000)	(10,944,321)	10,000	10,000	10,000
Fund Balance June 30, 20XX	\$ 8,061,094	\$ 13,592,001	\$ 15,367,006	\$ 8,382,006	\$ (2,562,315)	\$ (2,552,315)	\$ (2,542,315)	\$ (2,532,315)

North Penn School District
2017-2018 Budget

North Penn School District
Short Term Capital Projects Cash Forecast

Fund	Project No.	Projects	Budget	6/30/2017	
				Total Expenditures	Balance Due
36	853	Inglewood	\$14,950,773	\$14,683,547	\$267,226
32	861	Wireless Upgrade	\$545,600	\$530,116	\$15,484
31	863	Hatfield Renovations	\$19,626,168	\$18,884,884	\$741,284
37	864	Montgomery Renovations	\$24,000,000	\$15,655,352	\$8,344,648
32	870	Asphalt/Concrete Repair *	\$350,000	\$256,642	\$93,358
32	882	Roof Replacement-BP, KN, YA, PB, NW	\$4,642,770	\$4,266,599	\$376,170
32	883	Entrances-BP, WF, GS, GN, OP, KN, DV	\$1,436,769	\$1,092,455	\$344,314
32	886	HS Synthetic Turf Field Replacement	\$470,000	\$423,017	\$46,983
32	887	HS/ESC Security Upgrades	\$475,000	\$451,195	\$23,805
32	888	Surveillance Camera/Server Upgrade	\$57,000	\$46,807	\$10,193
32	889	HS & MS Athletic Facility Master Plan	\$15,000	\$14,205	\$795
32	894	Asbestos Abatement*	\$1,400,000	\$412,060	\$987,940
34	895	Roofing Projects-GS/PD/SSC/NB/WF	\$2,526,580	\$308,979	\$2,217,601
32	896	Air Conditioning-GN, KN, OP	\$4,498,408	\$256,409	\$4,241,999
32	897	Plumbing-Knapp	\$85,800	\$0	\$85,800
32	898	Security Cameras-GN, KN, OP, YA	\$159,095	\$0	\$159,095
32	TBD	Dust Collector-Pennbrook	\$81,850	\$0	\$81,850
			\$75,320,813	\$57,282,267	\$18,038,546

* - Budgeted amount is an estimate prior to bids

Current funding need

Capital Projects & Bond Fund Cash Balances

Fund 32 (Capital Reserve)	\$3,312,852	
Bond Fund 31	\$2,222,680	
Bond Fund 34	\$5,469,838	
Bond Fund 36	\$235,612	
Bond Fund 37	<u>\$8,219,727</u>	
Funds available for Projects	<u>\$19,460,710</u>	\$1,422,164

Future Plans

Fund	Building	Project	Budget	Projected Timeline
TBD	NPHS	Fields	TBD	TBD
TBD	Knapp	Building Upgrades	TBD	TBD

North Penn School District
2017-2018 Budget

School Nutrition Fund

For the 2017-2018 school year, the District's School Nutrition fund is budgeting revenues of \$5,178,365. Local revenues, which are comprised of sales to students and staff, are budgeted to decrease by \$251,741 (-9.2%) due to a decrease in breakfast sales projections, and student sales due to increased free and reduced eligibility.

This increase in free and reduced meal sales leads to an increase of state and federal meal reimbursement revenue. The United States Department of Agriculture (USDA) reimburses school districts for eligible meal sales. However, this increase is offset by an anticipated funding adjustment for the Summer Food Service Program and the 2017-2018 budget shows a decrease in combined state and federal revenue sources of \$42,766 (-1.6%). The District is also receiving an additional 6 cents per meal in reimbursement for having completed the Pennsylvania Direct Meal Certification program.

The expenditure budget of \$5,519,505 is an increase of \$92,903 (1.7%) over the previous year. This can be attributed to an increase in salaries, increased food and supply costs, and replacement equipment costs for the kitchens at Oak Park and Knapp Elementary Schools.

The North Penn School Nutrition Services (SNS) Program is self-operated by North Penn employees. SNS provides breakfast and lunch for all students and staff who wish to participate. SNS is self-supporting, receiving no aid from the General Fund in its operating budget. All funding for the SNS operation is through the sale of food and reimbursements from the state and federal government.

The 2016-2017 reimbursement rates per meal for grades Kindergarten through 12th are:

**2016-2017 School Nutrition Services Meal
Reimbursement Rates**

Federal			
	Breakfast-Non-Severe		After School
Meal Type	Need/Severe Need	Lunch	Snack
Paid	0.29/0.29	0.36	0.07
Reduced	1.41/1.74	2.82	0.43
Free	1.71/2.04	3.22	0.86
State			
Meal Type	Breakfast	Lunch/ADP <=20%	After School Snack
Paid	0.10	.10/.02	0.00
Reduced	0.10	0.10	0.00
Free	0.10	0.10	0.00

North Penn School District
2017-2018 Budget

Breakfast is offered at all levels for \$ 1.75. Lunch prices are; elementary \$2.80, middle school \$3.00 and high school \$3.25. A la carte items are offered at every level. SNS follows the Smart Snacks in Schools regulation. This is North Penn 4th year in the Summer Food Service Program. This program has given us an alternative revenue stream as well has helped us bridge the summer hunger gap.

School Nutrition Fund Summary

	<u>Actual 2013-2014</u>	<u>Actual 2014-2015</u>	<u>Actual 2015-2016</u>	<u>Budget 2016-2017</u>	<u>Budget 2017-2018</u>	<u>Projection 2018-2019</u>	<u>Projection 2019-2020</u>	<u>Projection 2020-2021</u>
Fund Balance July 1, 20XX	\$ 94,400	\$ 292,312	\$ 561,230	\$ 863,565	\$ 908,935	\$ 567,795	\$ 460,057	\$ 523,677
Revenue								
Local Sources	3,021,403	2,854,422	2,658,853	2,743,096	2,491,355	2,616,868	2,747,711	2,824,647
State Sources	146,898	178,708	180,835	209,800	137,891	147,543	157,871	168,922
Federal Sources	1,933,989	2,226,383	2,512,885	2,519,076	2,548,219	2,726,594	2,917,456	3,121,678
Other Sources	2,954	3,152	6,796	-	900	-	-	-
Total Revenue	5,105,244	5,262,665	5,359,369	5,471,972	5,178,365	5,491,005	5,823,038	6,115,247
Expenditures								
Salaries	1,756,818	1,753,747	1,814,337	1,856,226	1,823,632	1,873,782	1,925,311	1,978,257
Benefits	918,464	952,141	968,041	1,116,836	1,090,959	1,060,763	1,109,043	1,152,393
Purchased Prof. Services	8,425	8,162	23,041	30,193	32,200	33,166	34,161	35,186
Purchased Property Services	24,186	18,107	31,123	20,000	30,000	30,900	31,827	32,782
Other Purchased Services	5,669	4,248	4,343	6,350	6,350	6,541	6,737	6,939
Supplies - Food and Consum.	2,172,367	2,231,836	2,178,444	2,243,147	2,236,364	2,281,091	2,326,713	2,373,247
Property and Equipment	18,717	23,057	35,404	150,850	247,000	259,350	272,318	285,934
Other Objects	2,686	2,449	2,301	3,000	3,000	3,150	3,308	3,473
Other Uses of Funds	-	-	-	-	50,000	50,000	50,000	50,000
Total Expenditures	4,907,332	4,993,747	5,057,034	5,426,602	5,519,505	5,598,743	5,759,418	5,918,211
Excess of Revenue Over (Under) Expenditures	197,912	268,918	302,335	45,370	(341,140)	(107,738)	63,620	197,036
Fund Transfers/Other Financing	-	-	-	-	-	-	-	-
Net Change in Fund Balance	197,912	268,918	302,335	45,370	(341,140)	(107,738)	63,620	197,036
Fund Balance June 30, 20XX	\$ 292,312	\$ 561,230	\$ 863,565	\$ 908,935	\$ 567,795	\$ 460,057	\$ 523,677	\$ 720,713

Extended School Care Fund

The Extended School Care Fund continued to show a profit for the 2016-2017 school year. With a consistent enrollment of 780 students throughout this school year and increases made to the part time rates three years ago, the program is able to cover all expenses and will end the school year showing a profit.

Through the month of February 2017 income was up approximately 2.0% over the previous year. Expenses thus far are slightly more than last year. This is due to increases in income at Bridle Path, Gwyn Nor, Walton Farm and York Avenue Elementary schools on the income side and increases in salaries, medical benefits and pension on the expense side.

With no fee increase scheduled for the 2017-2018 school year, income is budgeted at \$2,301,362 and expenses at \$2,350,493.

North Penn School District
2017-2018 Budget

Monthly fees will change from nine and one half payments to nine payments. This reduces the number of months for which we need to bill, collect fees and enter payments into the accounting system. It will also better align with the shift in the school calendar to a start date in August and an ending date in early June.

Summer camp was off to a great start, enrolling over 100 students during our evening registration event on March 20, 2017. More than 150 students had signed as of the budget presentation at the April 24, 2017, Finance Committee meeting. We have almost reached capacity at Inglewood and continue to enroll students at the Bridle Path location.



North Penn School District
2017-2018 Budget

Extended School Care Fund Summary

	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018	Projection 2018-2019	Projection 2019-2020	Projection 2020-2021
Fund Balance July 1, 20XX	\$ 103,912	\$ 63,446	\$ 256,924	\$ 399,939	\$ 464,873	\$ 415,742	\$ 357,451	\$ 290,095
Revenue								
Local Sources	1,920,406	2,214,448	2,249,079	2,293,470	2,301,362	2,370,403	2,441,515	2,514,760
State Sources	4,725	2,963	5,227	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Other Sources	-	2,224	-	-	-	-	-	-
Total Revenue	1,925,131	2,219,635	2,254,306	2,293,470	2,301,362	2,370,403	2,441,515	2,514,760
Expenditures								
Salaries	1,205,357	1,251,769	1,309,810	1,351,524	1,383,308	1,421,349	1,460,436	1,500,598
Benefits	598,108	614,058	640,269	701,932	739,105	775,353	812,441	844,149
Purchased Prof. Services	3,153	2,951	3,537	3,830	5,580	5,747	5,919	6,097
Purchased Property Services	-	-	-	-	-	-	-	-
Other Purchased Services	10,473	14,723	15,086	19,850	20,850	21,476	22,120	22,784
Supplies and Books	147,603	138,562	137,261	148,800	148,800	151,776	154,812	157,908
Property and Equipment	-	204	5,328	-	-	-	-	-
Other Objects	-	3,890	-	2,600	2,850	2,993	3,143	3,300
Other Uses of Funds	903	-	-	-	50,000	50,000	50,000	50,000
Total Expenditures	1,965,597	2,026,157	2,111,291	2,228,536	2,350,493	2,428,694	2,508,871	2,584,836
Excess of Revenue Over (Under) Expenditures	(40,466)	193,478	143,015	64,934	(49,131)	(58,291)	(67,356)	(70,076)
Fund Transfers/Other Financing	-	-	-	-	-	-	-	-
Net Change in Fund Balance	(40,466)	193,478	143,015	64,934	(49,131)	(58,291)	(67,356)	(70,076)
Fund Balance June 30, 20XX	\$ 63,446	\$ 256,924	\$ 399,939	\$ 464,873	\$ 415,742	\$ 357,451	\$ 290,095	\$ 220,019

Community Education Fund

The District's Community Education Program has provided affordable life-long learning opportunities for close to 50 years. This year alone nearly 1,500 residents participated in close to 200 different classes. In addition, approximately 1,000 children enrolled in our summer camps. Also, more than 600 of our "Gold Carders" (residents 60 and older) enjoyed our programs for free or at a reduced rate. In an age when school districts are ending such programs, NPSD boasts thriving support of this community tradition.

The philosophy of the Community Education Program has been to support district needs, when financially possible, in areas that support community engagement and community use of our resources. During the 2016-2017 school year, Community Education funded the inaugural Knights of Honor Celebration and provided the funds for the interactive display that greets visitors to North Penn High School. In addition, we funded a contract with Site Improve to increase website accessibility of the NPSD website for all audiences.

During the upcoming school, Community Education will also look at switching online merchant vendors to align with other school district efforts. This may result in cost savings. Additionally, we have made changes to the course catalogue that resulted in printing and postage savings.

North Penn School District
2017-2018 Budget

The community education fund also includes revenues and expenditures for the North Penn School District Aquatics, Swim Team, and Water Polo programs. Details for each of these programs follow this section.

Community Education Fund Summary

	<u>Actual 2013-2014</u>	<u>Actual 2014-2015</u>	<u>Actual 2015-2016</u>	<u>Budget 2016-2017</u>	<u>Budget 2017-2018</u>	<u>Projection 2018-2019</u>	<u>Projection 2019-2020</u>	<u>Projection 2020-2021</u>
Fund Balance July 1, 20XX	\$ 138,537	\$ 189,611	\$ 208,303	\$ 213,046	\$ 218,005	\$ 219,907	\$ 223,309	\$ 228,398
Revenue								
Local Sources	335,273	292,310	275,889	271,850	275,992	287,032	298,513	306,871
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-
Total Revenue	335,273	292,310	275,889	271,850	275,992	287,032	298,513	306,871
Expenditures								
Salaries	95,164	92,156	94,101	97,670	49,873	51,245	52,654	54,102
Benefits	27,035	29,679	31,465	32,361	27,284	28,684	30,053	31,226
Purchased Prof. Services	114,974	90,357	78,056	75,490	136,733	140,835	145,060	149,412
Purchased Property Services	-	-	-	-	700	721	743	765
Other Purchased Services	-	-	8,379	8,360	9,000	9,270	9,548	9,834
Supplies and Books	18,408	24,061	18,513	19,000	5,000	5,100	5,202	5,306
Property and Equipment	-	893	3,524	-	-	-	-	-
Other Objects	28,618	36,472	37,108	34,010	45,500	47,775	50,164	52,672
Other Uses of Funds	-	-	-	-	-	-	-	-
Total Expenditures	284,199	273,618	271,146	266,891	274,090	283,630	293,424	303,317
Excess of Revenue Over (Under) Expenditures	51,074	18,692	4,743	4,959	1,902	3,402	5,089	3,554
Fund Transfers/Other Financing	-	-	-	-	-	-	-	-
Net Change in Fund Balance	51,074	18,692	4,743	4,959	1,902	3,402	5,089	3,554
Fund Balance June 30, 20XX	\$ 189,611	\$ 208,303	\$ 213,046	\$ 218,005	\$ 219,907	\$ 223,309	\$ 228,398	\$ 231,952

North Penn School District
2017-2018 Budget

Aquatics Program

The 2017-2018 projected budget for swim lessons is \$64,000. Aquatic Classes will work with the Head Swimming Coordinator and Head Water Polo Coordinator to offer additional Learn to Swim Classes during the fall and spring. There will also be a slight increase in enrollment fees for our aquatic programs.

Some technical aquatic staff will see an increase in pay as set by the District's pay scale. Community Aquatic Class supply expenses will include rescue and pool equipment, medical supplies for the first aid room and American Red Cross Certification Cards for the Lifeguard Training and Review Classes.

Aquatics Program Summary

	<u>Actual 2013-2014</u>	<u>Actual 2014-2015</u>	<u>Actual 2015-2016</u>	<u>Budget 2016-2017</u>	<u>Budget 2017-2018</u>	<u>Projection 2018-2019</u>	<u>Projection 2019-2020</u>	<u>Projection 2020-2021</u>
Fund Balance July 1, 20XX	\$ (2,709)	\$ 2,307	\$ 3,982	\$ 9,098	\$ 9,098	\$ 9,098	\$ 9,417	\$ 10,131
Revenue								
Local Sources	57,060	55,546	56,431	54,000	64,000	66,560	69,222	71,160
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-
Total Revenue	57,060	55,546	56,431	54,000	64,000	66,560	69,222	71,160
Expenditures								
Salaries	37,363	37,930	35,072	32,698	36,844	37,857	38,898	39,968
Benefits	4,115	7,298	7,273	10,109	16,719	17,600	18,467	19,185
Purchased Prof. Services	-	-	-	1,700	1,000	1,030	1,061	1,093
Purchased Property Services	-	-	-	-	-	-	-	-
Other Purchased Services	384	100	-	-	-	-	-	-
Supplies and Books	4,475	2,990	3,326	4,093	3,037	3,098	3,160	3,223
Property and Equipment	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Other Uses of Funds	5,706	5,555	5,643	5,400	6,400	6,656	6,922	7,116
Total Expenditures	52,044	53,872	51,315	54,000	64,000	66,241	68,508	70,585
Excess of Revenue Over (Under) Expenditures	5,016	1,675	5,116	-	-	319	714	575
Fund Transfers/Other Financing	-	-	-	-	-	-	-	-
Net Change in Fund Balance	5,016	1,675	5,116	-	-	319	714	575
Fund Balance June 30, 20XX	\$ 2,307	\$ 3,982	\$ 9,098	\$ 9,098	\$ 9,098	\$ 9,417	\$ 10,131	\$ 10,706

North Penn School District
2017-2018 Budget

Swim Team Program

The 2017-2018 projected budget for swim team will be \$239,000. There will be an increase in the registration fees for the 2017-2018 fiscal year due to retirement and benefit costs, rental fees and administration fees.

Technical salaries and pay for coaches will see an increase of 1.5% for salary coaches and the per hour coaches as set by the new coaches' pay scale. Not all coaches will receive a pay increase.

Other expenditures for the program include:

- Other Rentals - Rental of other facilities for the US summer long course season and Sunday US meets held at North Penn High School Pool.
- Travel - For travel expenses to Junior Olympics, Senior Champs, Junior Nationals and other US meets.
- General Supplies – The purchase of supplies and equipment to successfully run the growing swim and dive teams.
- Dues and Fees - Payment to Middle Atlantic for Sanction Fees to host Middle Atlantic US meets, the registration of non-athletes (coaches) to Middle Atlantic and the user fee per year to use Team Unify for the registration of the swim and dive athletes.
- Conference Fees/Dues – Registration fees for the NPAC athletes to the Suburban Aquatic League. Splash Fees of \$1.20 per splash into pool during US Meets paid to Middle Atlantic (New Years, Bronze, Distance, Valentines, Sumer Long Course and any additional meets).



North Penn School District
2017-2018 Budget

Swim Team Program Summary

	<u>Actual 2013-2014</u>	<u>Actual 2014-2015</u>	<u>Actual 2015-2016</u>	<u>Budget 2016-2017</u>	<u>Budget 2017-2018</u>	<u>Projection 2018-2019</u>	<u>Projection 2019-2020</u>	<u>Projection 2020-2021</u>
Fund Balance July 1, 20XX	\$ 18,608	\$ 26,949	\$ 33,598	\$ 22,280	\$ 22,280	\$ 22,280	\$ 30,438	\$ 40,150
Revenue								
Local Sources	182,294	198,205	179,525	205,000	239,000	248,560	258,502	265,740
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-
Total Revenue	182,294	198,205	179,525	205,000	239,000	248,560	258,502	265,740
Expenditures								
Salaries	101,034	109,624	117,980	112,709	122,900	126,280	129,753	133,321
Benefits	27,502	35,463	34,170	38,227	56,920	52,567	55,009	57,143
Purchased Prof. Services	-	-	3,269	2,723	-	-	-	-
Purchased Property Services	3,965	4,227	3,371	7,350	15,500	15,965	16,444	16,937
Other Purchased Services	-	-	-	-	-	-	-	-
Supplies and Books	10,514	6,741	1,235	2,664	1,206	1,230	1,255	1,280
Property and Equipment	-	-	1,139	-	-	-	-	-
Other Objects	12,708	15,681	11,727	20,827	18,575	19,504	20,479	21,503
Other Uses of Funds	18,229	19,821	17,953	20,500	23,900	24,856	25,850	26,574
Total Expenditures	173,953	191,557	190,843	205,000	239,000	240,402	248,790	256,758
Excess of Revenue Over (Under) Expenditures	8,341	6,648	(11,318)	-	-	8,158	9,712	8,982
Fund Transfers/Other Financing	-	-	-	-	-	-	-	-
Net Change in Fund Balance	8,341	6,648	(11,318)	-	-	8,158	9,712	8,982
Fund Balance June 30, 20XX	\$ 26,949	\$ 33,598	\$ 22,280	\$ 22,280	\$ 22,280	\$ 30,438	\$ 40,150	\$ 49,132

North Penn School District
2017-2018 Budget

Water Polo Program

The 2017-2018 projected budget for water polo will be \$41,300. The 2016-2017 budget was \$35,000. The Head Water Polo Coordinator will take a boys and girls, 18 and under, Community Aquatics Water Polo Team to California in July 2017 for Junior Olympics. We have seen an increase of enrollment in the 10, 12 and 14 and under Community Aquatics Water Polo teams since the Head Water Polo Coordinator Position has been established. There will be a slight increase in program fees for the 2017-2018 fiscal year due to retirement and benefit costs and administration fees.

Assistant coaches are paid from the technical salaries account. Additional expenses for the Water Polo program include:

- Officials - To pay for the water polo referees during tournaments
- Other Rentals – Pool rental to Whites Road Pool for hosting summer water polo tournaments on Sundays.
- Travel - Travel expenses to the away tournaments held in California and Connecticut.
- Supplies - Purchase of new supplies and equipment for the growing Community Aquatic Water Polo program.
- Conference Fees and Dues - Entry fees into the American Water Polo – Main Line League Tournaments for the North Penn Community Aquatic Water Polo teams. Also any registration fees for other away tournaments.



North Penn School District
2017-2018 Budget

Water Polo Program Summary

	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Actual</u> <u>2015-2016</u>	<u>Budget</u> <u>2016-2017</u>	<u>Budget</u> <u>2017-2018</u>	<u>Projection</u> <u>2018-2019</u>	<u>Projection</u> <u>2019-2020</u>	<u>Projection</u> <u>2020-2021</u>
Fund Balance July 1, 20XX	\$ 6,158	\$ 7,633	\$ 5,269	\$ 11,664	\$ 11,664	\$ 11,664	\$ 11,767	\$ 11,754
Revenue								
Local Sources	24,118	23,470	27,546	35,000	41,300	42,952	44,670	45,921
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-
Total Revenue	<u>24,118</u>	<u>23,470</u>	<u>27,546</u>	<u>35,000</u>	<u>41,300</u>	<u>42,952</u>	<u>44,670</u>	<u>45,921</u>
Expenditures								
Salaries	8,137	12,148	10,988	6,000	7,200	7,398	7,601	7,810
Benefits	734	1,629	1,326	18,633	6,387	6,446	6,724	6,990
Purchased Prof. Services	-	-	-	-	-	-	-	-
Purchased Property Services	1,140	1,000	1,749	1,000	400	412	424	437
Other Purchased Services	600	975	800	1,075	1,500	1,545	1,591	1,639
Supplies and Books	2,934	3,024	2,195	921	483	493	503	513
Property and Equipment	-	-	-	-	-	-	-	-
Other Objects	6,686	4,711	1,340	3,871	21,200	22,260	23,373	24,542
Other Uses of Funds	2,412	2,347	2,755	3,500	4,130	4,295	4,467	4,592
Total Expenditures	<u>22,643</u>	<u>25,834</u>	<u>21,151</u>	<u>35,000</u>	<u>41,300</u>	<u>42,849</u>	<u>44,683</u>	<u>46,523</u>
Excess of Revenue Over (Under) Expenditures	1,475	(2,364)	6,395	-	-	103	(13)	(602)
Fund Transfers/Other Financing	-	-	-	-	-	-	-	-
Net Change in Fund Balance	<u>1,475</u>	<u>(2,364)</u>	<u>6,395</u>	<u>-</u>	<u>-</u>	<u>103</u>	<u>(13)</u>	<u>(602)</u>
Fund Balance June 30, 20XX	<u>\$ 7,633</u>	<u>\$ 5,269</u>	<u>\$ 11,664</u>	<u>\$ 11,664</u>	<u>\$ 11,664</u>	<u>\$ 11,767</u>	<u>\$ 11,754</u>	<u>\$ 11,152</u>

North Penn School District
2017-2018 Budget

Internal Service Fund

The North Penn School District is self-insured which means all medical, prescription, dental, and vision claims are paid at the actual cost by the District. The internal service fund is used to account for these expenses on a cost-reimbursement basis. For the 2017-2018 school year, budgeted revenues (transfers from the general fund from both employer and employee cost-sharing) are \$29,847,300 and expenditures (the cost of claims) is \$29,921,300.

Internal Service Fund Summary

	<u>Actual 2013-2014</u>	<u>Actual 2014-2015</u>	<u>Actual 2015-2016</u>	<u>Budget 2016-2017</u>	<u>Budget 2017-2018</u>	<u>Projection 2018-2019</u>	<u>Projection 2019-2020</u>	<u>Projection 2020-2021</u>
Fund Balance July 1, 20XX	\$ 4,261,596	\$ 1,270,184	\$ 6,677,152	\$ 7,297,022	\$ 7,190,522	\$ 7,116,522	\$ 7,042,702	\$ 6,969,086
Revenue								
Local Sources	-	2,150	92,236	-	6,000	6,180	6,384	6,595
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Other Sources	27,654,101	34,334,894	28,367,434	29,820,000	29,841,300	31,034,952	32,276,350	33,567,404
Total Revenue	<u>27,654,101</u>	<u>34,337,044</u>	<u>28,459,670</u>	<u>29,820,000</u>	<u>29,847,300</u>	<u>31,041,132</u>	<u>32,282,734</u>	<u>33,573,999</u>
Expenditures								
Salaries	-	-	-	-	-	-	-	-
Benefits	30,645,513	28,930,076	27,839,800	29,926,500	29,841,300	31,034,952	32,276,350	33,567,404
Purchased Prof. Services	-	-	-	-	80,000	80,000	80,000	80,000
Purchased Property Services	-	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-
Supplies and Books	-	-	-	-	-	-	-	-
Property and Equipment	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Other Uses of Funds	-	-	-	-	-	-	-	-
Total Expenditures	<u>30,645,513</u>	<u>28,930,076</u>	<u>27,839,800</u>	<u>29,926,500</u>	<u>29,921,300</u>	<u>31,114,952</u>	<u>32,356,350</u>	<u>33,647,404</u>
Excess of Revenue Over (Under) Expenditures	(2,991,412)	5,406,968	619,870	(106,500)	(74,000)	(73,820)	(73,616)	(73,405)
Net Change in Fund Balance	<u>(2,991,412)</u>	<u>5,406,968</u>	<u>619,870</u>	<u>(106,500)</u>	<u>(74,000)</u>	<u>(73,820)</u>	<u>(73,616)</u>	<u>(73,405)</u>
Fund Balance June 30, 20XX	<u>\$ 1,270,184</u>	<u>\$ 6,677,152</u>	<u>\$ 7,297,022</u>	<u>\$ 7,190,522</u>	<u>\$ 7,116,522</u>	<u>\$ 7,042,702</u>	<u>\$ 6,969,086</u>	<u>\$ 6,895,681</u>

North Penn School District
2017-2018 Budget

Debt Limit and Remaining Borrowing Capacity

The statutory borrowing limit of North Penn School District under the Local Government Unit Debt Act (Act 52 of 1978) is computed as a percentage of the School District's "Borrowing Base". The "Borrowing Base" is defined as the annual arithmetic average of "Total Revenues" (as defined by the Debt Act), for the three full fiscal years ended next preceding the date of incurring the debt. The calculation of the present borrowing base and the borrowing capacity is as follows:

Total Revenues for 2013-2014	217,107,995
Total Revenues for 2014-2015	224,959,854
Total Revenues for 2015-2016	234,170,541
Total Revenues - Past Three Years	\$ 676,238,390

Borrowing Base (annual arithmetic average) \$ 225,412,797

Under the Debt Act as presently in effect, no school district shall incur any nonelectoral debt or lease rental debt if the aggregate net principal amount of such new debt, together with any other net nonelectoral debt and lease rental debt then outstanding, would cause the net nonelectoral debt plus net lease rental debt to exceed 225% of the Borrowing Base. The application of the aforesaid percentage to the School District's Borrowing Base produces the following:

<u>Net Nonelectoral Debt and Lease Rental Debt Limit</u>	<u>Legal Limit</u>	<u>Net Debt Outstanding</u>	<u>Remaining Borrowing Capacity</u>
225% of Borrowing Base	\$507,178,793	\$ 103,835,000	\$403,343,793

Current debt levels are at 20.5% of the legal limit. The District has ample borrowing capacity if the need arises.

General Obligation Bonds and Notes

The District issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. The outstanding debt was issued to finance additions and improvements at General Nash, Inglewood, Hatfield and Montgomery Elementary Schools. The following tables illustrate the debt service (or debt payment) schedules as well as the amount of outstanding debt. For 2017-2018, the total debt service payments owed are \$15,321,589 which is 6.07% of the total expenditures for the fiscal year.

North Penn School District
2017-2018 Budget

Debt Service Summary

<u>YEAR</u>	<u>2008 Bond</u>	<u>2010 Bond A</u>	<u>2010 Bond</u>	<u>2013 Bond</u>	<u>2014 Bond</u>	<u>2015 Bond</u>	<u>2016 Bond</u>	<u>2017A Bond</u>	<u>2017 Bond</u>	<u>Total</u>	<u>Principal Outstanding</u>
2017 - 18	4,446,263	3,839,350	4,335,950	216,083	311,119	256,575	201,800	918,117	796,333	15,321,589	\$ 92,290,000
2018 - 19	-	3,851,000	8,778,550	215,990	398,869	324,925	201,700	874,568	758,563	15,404,164	\$ 80,145,000
2019 - 20	-	3,863,600	2,334,800	215,898	232,269	204,925	201,600	6,874,500	758,475	14,686,067	\$ 68,150,000
2020 - 21	-	-	-	215,805	232,169	199,775	201,500	11,954,250	758,388	13,561,887	\$ 56,740,000
2021 - 22	-	-	-	5,115,713	1,772,069	914,700	1,401,400	-	1,923,300	11,127,182	\$ 47,195,000
2022 - 23	-	-	-	5,117,613	1,767,306	920,300	1,402,300	-	1,919,800	11,127,319	\$ 37,420,000
2023 - 24	-	-	-	-	6,761,869	915,500	1,522,700	-	1,978,550	11,178,619	\$ 27,345,000
2024 - 25	-	-	-	-	-	7,675,500	1,525,200	-	1,956,300	11,157,000	\$ 17,025,000
2025 - 26	-	-	-	-	-	-	4,697,100	-	6,251,800	10,948,900	\$ 6,665,000
2026-27	-	-	-	-	-	-	-	-	6,931,600	6,931,600	\$ -
Totals	4,446,263	11,553,950	15,449,300	11,097,102	11,475,670	11,412,200	11,355,300	20,621,434	24,033,108	121,444,327	

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Debt Service Principal and Interest Payments

YEAR	2008 Bond	2010 Bond A	2010 Bond	2013 Bond	2014 Bond	2015 Bond	2016 Bond	2017A Bond	2017 Bond	Total
2017 - 18										
Principal	4,265,000	3,445,000	3,685,000	5,000	75,000	55,000	5,000	5,000	5,000	11,545,000
Interest	181,263	394,350	650,950	211,083	236,119	201,575	196,800	913,117	791,333	3,776,589
	4,446,263	3,839,350	4,335,950	216,083	311,119	256,575	201,800	918,117	796,333	15,321,589
2018 - 19										
Principal	-	3,560,000	8,275,000	5,000	165,000	125,000	5,000	5,000	5,000	12,145,000
Interest	-	291,000	503,550	210,990	233,869	199,925	196,700	869,568	753,563	3,259,164
	-	3,851,000	8,778,550	215,990	398,869	324,925	201,700	874,568	758,563	15,404,164
2019 - 20										
Principal	-	3,715,000	2,245,000	5,000	5,000	10,000	5,000	6,005,000	5,000	11,995,000
Interest	-	148,600	89,800	210,898	227,269	194,925	196,600	869,500	753,475	2,691,067
	-	3,863,600	2,334,800	215,898	232,269	204,925	201,600	6,874,500	758,475	14,686,067
2020 - 21										
Principal	-	-	-	5,000	5,000	5,000	5,000	11,385,000	5,000	11,410,000
Interest	-	-	-	210,805	227,169	194,775	196,500	569,250	753,388	2,151,887
	-	-	-	215,805	232,169	199,775	201,500	11,954,250	758,388	13,561,887
2021 - 22										
Principal	-	-	-	4,905,000	1,545,000	720,000	1,205,000	-	1,170,000	9,545,000
Interest	-	-	-	210,713	227,069	194,700	196,400	-	753,300	1,582,182
	-	-	-	5,115,713	1,772,069	914,700	1,401,400	-	1,923,300	11,127,182
2022 - 23										
Principal	-	-	-	5,005,000	1,575,000	740,000	1,230,000	-	1,225,000	9,775,000
Interest	-	-	-	112,613	192,306	180,300	172,300	-	694,800	1,352,319
	-	-	-	5,117,613	1,767,306	920,300	1,402,300	-	1,919,800	11,127,319
2023 - 24										
Principal	-	-	-	-	6,605,000	750,000	1,375,000	-	1,345,000	10,075,000
Interest	-	-	-	-	156,869	165,500	147,700	-	633,550	1,103,619
	-	-	-	-	6,761,869	915,500	1,522,700	-	1,978,550	11,178,619
2024 - 25										
Principal	-	-	-	-	-	7,525,000	1,405,000	-	1,390,000	10,320,000
Interest	-	-	-	-	-	150,500	120,200	-	566,300	837,000
	-	-	-	-	-	7,675,500	1,525,200	-	1,956,300	11,157,000
2025 - 26										
Principal	-	-	-	-	-	-	4,605,000	-	5,755,000	10,360,000
Interest	-	-	-	-	-	-	92,100	-	496,800	588,900
	-	-	-	-	-	-	4,697,100	-	6,251,800	10,948,900
2026 - 27										
Principal	-	-	-	-	-	-	-	-	6,665,000	6,665,000
Interest	-	-	-	-	-	-	-	-	266,600	266,600
	-	-	-	-	-	-	-	-	6,931,600	6,931,600
Principal	\$ 4,265,000	\$ 10,720,000	\$ 14,205,000	\$ 9,930,000	\$ 9,975,000	\$ 9,930,000	\$ 9,840,000	\$ 17,400,000	\$ 17,570,000	\$ 103,835,000
Interest	181,263	833,950	1,244,300	1,167,102	1,500,670	1,482,200	1,515,300	3,221,434	6,463,108	17,609,327
Debt Service	\$ 4,446,263	\$ 11,553,950	\$ 15,449,300	\$ 11,097,102	\$ 11,475,670	\$ 11,412,200	\$ 11,355,300	\$ 20,621,434	\$ 24,033,108	\$ 121,444,327

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Post-Employment Benefits Other than Pensions (OPEB)

The District provides medical and prescription drug insurance benefits to eligible retired employees, spouses, and dependents through a single-employer defined benefit plan. All aspects of the plan are administered by the District and can be amended through personnel manuals and contracts. The activity of the plan is reported in the District's General Fund.

The District negotiates the contribution percentage between itself and employees through union contracts and personnel policy and may vary depending on the applicable agreement. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis and costs of the plan are paid by the District.

The District's OPEB expense is calculated based on the annual required contribution of the employer (ARC) which is an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The components of the District's annual OPEB cost for the year are as follows.

	Total
<u>For Fiscal Year July 1, 2015 to June 30, 2016</u>	
Annual Required Contribution (ARC)	\$879,105
Interest on Net OPEB Obligation ¹	224,786
Adjustment to ARC ²	(306,665)
Annual OPEB Cost	\$797,226
Contributions Made (Estimated)	(275,152)
Estimated Increase in Net OPEB Obligation	\$522,074
Net OPEB Obligation - Beginning of Year	\$4,995,235
Estimated Net OPEB Obligation - End of Year ³	\$5,517,309
<u>For Fiscal Year July 1, 2016 to June 30, 2017</u>	
Annual Required Contribution (ARC) ⁴	\$879,105
Estimated Interest on Net OPEB Obligation ¹	248,279
Estimated Adjustment to ARC ²	(338,716)
Annual OPEB Cost	\$788,668
Contributions Made (Estimated)	(307,357)
Estimated Increase in Net OPEB Obligation	\$481,311
Estimated Net OPEB Obligation - Beginning of Year	\$5,517,309
Estimated Net OPEB Obligation - End of Year ³	\$5,998,620

¹ Interest on Net OPEB Obligation is calculated at the discount rate of 4.50%.

² Net OPEB Obligation - End of prior year divided by the amortization factor of 16.2889.

³ Note: These amounts are estimates only. These amounts may be adjusted for actual contributions deposited or benefit payments made during the fiscal year. In addition, a new valuation should be performed if there have been significant changes in benefit provisions, the size or composition of the population covered by the plan, or other changes that impact long-term assumptions.

⁴ Annual Required Contribution (ARC) is assumed to be a level dollar amount.

Fund Balance Designations

The District has previously implemented GASB Statement No. 54 which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the District's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable – Amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints. Fund balance types of this category are inventories and prepaid expenditures.
- Restricted – Amounts that can be spent only for specific purposes stipulated by external resource providers or through enabling legislation. Fund balance types in this category include amounts for capital projects.
- Committed – Amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the Board and do not lapse at year-end. Fund balance of this type is for the retirement rate increase. Since the District is required to contribute to the retirement plan, the retirement rate increase has been set up by the Board to provide any fluctuations to the rate increases.
- Assigned – Amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Director of Business Administration. Fund balance of this type include amounts for debt service along with funds to be set aside for self-insurance funding.
- Unassigned – Amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. It is the policy of the District to follow state requirements that unassigned fund balance will not exceed 8% of the subsequent year operating budget in this category. For 2017-2018, the anticipated unassigned fund balance amount is \$19,049,201 or 7.5% of the operating budget.

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Informational Section

North Penn School District

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North Penn School District
Lansdale, Pennsylvania
www.npenn.org
Dr. Curtis Dietrich, Superintendent

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Current Real Estate Tax

Real Estate Tax is the main source of revenue for funding the operation of the North Penn School District. It is based on the assessed valuation, as determined by the Montgomery County Board of Assessment, of all taxable property within the School District and is collected through elected tax collectors in each municipality.

The millage rate is the rate which the Board of School Directors sets for the taxation of the assessment on a property. The assessment value is determined by the Montgomery County Board of Assessments. The millage rates for 2017-2018 are:

Montgomery County Residents: 24.6704
Bucks County Residents: 135.8167

The current school district real estate tax can be calculated by taking the millage rate and multiplying it by your property assessment.

Example: .0246704 x 200,000 = \$4,934.08 Face Value
 Millage Assessment Tax

The current real estate tax bill payment schedule is as follows:

Payment Period	Payment Schedule
Discount	Payments received from July 1 to August 31 receive a 2% discount from the face value.
Face	Payments received from September 1 through October 31 are applied at the face value.
Penalty	Payments received after October 31 are subject to a 10% penalty on the face value.
Liened	Payments not received by December 31 will be considered delinquent and will be placed on a lien status with Montgomery or Bucks County.

Each municipality has an elected tax collector where payments should be sent. The tax collectors as of June 1, 2017 are:

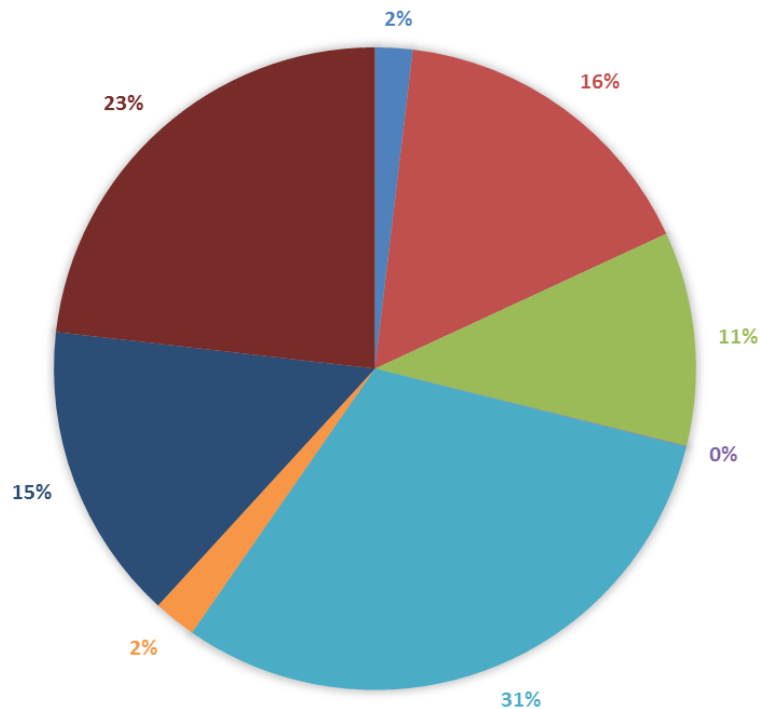
- Hatfield Borough - Nancy DeFinis
- Hatfield Township - Christina Murphy
- Lansdale Borough - Christine Calhoun
- Montgomery Township - Patricia Gallagher
- North Wales Borough - Diane Skudlarek
- Towamencin Township - Robert DiDomizio, Jr.
- Upper Gwynedd Township - Jane Murray
- Bucks County (Line Lexington/Hilltown/New Britain Township) - Deb Schmid

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Assessed Value History

Township/Borough	TAX BASE 2013-2014 Assessment (Fixed as of April)	TAX BASE 2014-2015 (Fixed as of April)	TAX BASE 2015-2016 (Fixed as of April)	TAX BASE 2016-2017 (Fixed as of April)	TAX BASE 2017-2018 (Fixed as of April)
Hatfield Borough	\$134,049,000	\$134,786,580	\$134,601,030	\$135,358,030	\$136,132,690
Hatfield Township	1,130,875,090	1,141,094,110	1,143,368,170	1,143,308,390	1,169,848,380
Lansdale Borough	740,118,893	753,129,113	768,400,713	773,291,983	777,174,708
Line Lexington	2,267,310	2,267,310	2,256,600	2,256,600	2,256,600
Montgomery Township	2,136,621,934	2,184,821,154	2,196,794,554	2,202,288,404	2,218,242,184
North Wales Borough	152,717,600	153,779,020	154,349,000	154,975,580	155,163,500
Towamencin Township	1,020,650,943	1,036,656,018	1,076,233,746	1,082,681,176	1,083,273,185
Upper Gwynedd Township	1,671,600,870	1,693,300,100	1,696,753,160	1,701,710,410	1,672,415,490
Montgomery County Assessment Total	\$ 6,986,634,330	\$ 7,097,566,095	\$ 7,170,500,373	\$ 7,193,613,973	\$ 7,212,250,137
Bucks County Assessment Total	2,267,310	2,267,310	2,256,600	2,256,600	2,256,600
Montgomery County Tax Base	\$ 158,630,834	\$ 164,535,067	\$ 169,383,711	\$ 174,006,328	\$ 177,929,096
Bucks County Tax Base	278,425	284,272	293,464	300,504	306,484
Montgomery County Millage Rate	22.7049	23.1819	23.6223	24.1890	24.6704
Bucks County Millage Rate	122.7997	125.3784	130.0471	133.1668	135.8167

2017-2018 ASSESSED TAX BASE



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Assessed Value Projections

<u>Township/Borough</u>	TAX BASE 2017-2018 Assessment (Fixed as of April)	TAX BASE 2018-2019 Assessment (Fixed as of April)	TAX BASE 2019-2020 Assessment (Fixed as of April)	TAX BASE 2020-2021 Assessment (Fixed as of April)
Hatfield Borough	\$136,132,690	\$136,677,221	\$137,223,930	\$137,772,826
Hatfield Township	1,169,848,380	1,174,527,774	1,179,225,885	1,183,942,789
Lansdale Borough	777,174,708	780,283,407	783,404,541	786,538,159
Line Lexington	2,256,600	2,265,626	2,274,689	2,283,788
Montgomery Township	2,218,242,184	2,227,115,153	2,236,023,614	2,244,967,708
North Wales Borough	155,163,500	155,784,154	156,407,291	157,032,920
Towamencin Township	1,083,273,185	1,087,606,278	1,091,956,703	1,096,324,530
Upper Gwynedd Township	1,672,415,490	1,679,105,152	1,685,821,573	1,692,564,859
Montgomery County Assessment Total	\$ 7,212,250,137	\$ 7,241,099,139	\$ 7,270,063,537	\$ 7,299,143,791
Bucks County Assessment Total	2,256,600	2,265,626	2,274,689	2,283,788
% Increase		0.4%	0.4%	0.4%

Homestead/Farmstead Reduction

The Homestead/Farmstead real estate tax reduction was created by Act I Legislation (The Taxpayer Relief Act, Act 1 of Special Session 1 of 2006) that was signed into law by Governor Rendell on June 27, 2006. In order for a resident to qualify for the Homestead/Farmstead reduction, the property in which they live must be your primary residence. Commercial and Rental properties do not qualify. Residents cannot claim a primary residence and receive a benefit in another state or county and residents can have only one primary residence.

If the property has been Homestead/Farmstead approved, residents will see a Homestead/Farmstead Reduction on their tax bill when there are proceeds returned to the taxing District to pass through. The District has the County mail Notifications/Applications in December to residents who do not already have an approved homestead property informing them it is necessary to apply and the deadline to apply is March 1.

If the resident is a primary residential approved homestead property owner, they will see a reduction in their tax bill. This reduction is a revenue from the state using the pool of money that is collected for gambling in the state of Pennsylvania. The amount may vary year based upon the number of approved homesteads and the amount of money that is received by each of the school districts in the state.

Homestead approved property owners will have the option of paying using installment coupons. These coupons are set up in three installments with all of the payments to be made by October 31. The coupons are based strictly on the face amount of your tax bill. If residents opt to use the coupons, they

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do not get to take the 2% discount payment option. If two coupon payments are late, residents are automatically removed from being able to receive coupon payments in the future.

Local Current Property Tax Collection History

<u>Township/Borough</u>	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018
Hatfield Borough	\$ 2,840,175	\$ 2,946,146	\$ 2,988,640	\$ 3,083,277	\$ 3,160,393
Hatfield Township	23,996,615	24,624,712	25,227,750	26,043,053	27,156,880
Lansdale Borough	15,360,037	16,073,796	16,945,051	17,614,553	18,041,122
Line Lexington	259,148	264,859	274,409	289,975	288,490
Montgomery Township	45,797,290	47,483,718	48,744,602	50,165,130	51,493,750
North Wales Borough	3,203,607	3,320,127	3,387,081	3,530,139	3,601,833
Towamencin Township	21,788,603	22,656,442	23,720,762	24,662,045	25,147,219
Uppe Gwynedd Township	35,971,616	37,468,398	38,337,760	38,762,713	38,823,235
Assessment Appeals	215,821	(325,393)	214,959	-	200,000
Total	\$ 149,432,912	\$ 154,512,805	\$ 159,841,014	\$ 164,150,885	\$ 167,912,922
Collection Percentage	96.77%	96.52%	97.03%	97.00%	97.00%
Montgomery County Millage Rate	22.7049	23.1819	23.6223	24.1890	24.6704
Bucks County Millage Rate	122.7997	125.3784	130.0471	133.1668	135.8167

IMPACT OF TAX INCREASES ON AVERAGE PROPERTY OWNER

	Assessment	2014-2015 Tax	2015-2016 Tax	2016-2017 Tax	2017-2018 Tax	2017-2018 Tax
Montgomery County	200,000	4,636.38	4,724.46	4,837.80	4,934.08	4,934.08
Buck County	28,000	3,510.60	3,641.32	3,728.67	3,802.87	3,802.87
Montgomery County Millage Rate		23.1819	23.6223	24.1890	24.6704	24.6704
Bucks County Millage Rate		125.3784	130.0471	133.1668	135.8167	135.8167

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District's Ten Largest Real Estate Taxpayers

Owner	Property	Assessed Value	Taxes Due
Merck & Company	Pharmaceuticals	\$517,380,600	\$ 12,763,986
Montgomeryville Associates	Shopping Mall	\$90,931,046	2,243,305
Robert Nicoletti Family Trust	Commercial	\$38,741,840	955,777
KIR Montgomery 049 LLC	Shopping Center	\$35,960,000	887,148
SPUS7 Station Square LLC	Shopping Center	\$35,504,000	875,898
Brittany Pointe Estates (ACTS, Inc.)	Senior Housing	\$31,770,560	783,792
Robert & Madeline Nappen	Industrial Centers	\$30,784,370	759,463
Nappen & Associates	Industrial Centers	\$30,557,930	753,876
Hatfield Village Associates	Apartments	\$29,250,000	721,609
KBF Associates	Shopping Center	<u>\$28,810,070</u>	<u>710,756</u>
	Top 10 Assessments	\$869,690,416	\$21,455,610
	Total Assessments	7,214,506,737	178,235,580
	Percentage of Total	12.05%	12.04%

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Other Local Revenue Sources

The second largest source of local revenue is from proportional tax assessments including earned income taxes (EIT) and real estate transfer taxes. Both of these taxes are collected at a rate of 50% of the total tax levy. The District anticipates collecting \$16 million in EIT revenue and \$3.1 million in real estate transfer taxes. Other local sources of revenue include interim and delinquent payments on real estate taxes, earnings on investments, revenues from district activities, and other various sources.

Other Local Revenue Sources

Revenue Sources	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Budget 2016-2017	Budget 2017-2018
Interim Taxes	\$ 2,400,972	\$ 1,112,696	\$ 693,962	\$ 1,100,000	\$ 1,000,000
Earned Income tax (EIT)	15,327,539	16,440,290	16,260,065	15,500,000	16,000,000
Real Estate Transfer Tax	2,891,319	2,638,027	3,164,072	2,600,000	3,100,000
Delinquent Real Estate Tax	3,290,588	2,971,795	2,586,366	2,400,000	2,100,000
Total	\$ 23,910,418	\$ 23,162,808	\$ 22,704,465	\$ 21,600,000	\$ 22,200,000

Enrollment Projections

The District uses a four-year average of cohort movement from grade to grade to project enrollment. Kindergarten enrollment is projected using the four-year average of the percent of live births that enroll in kindergarten. In addition to internat enrollment projectins, at the June 6, 2017, board work session, the Montgomery County Planning Commission presented its enrollment study. The following charts show actual and projected enrollment.

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Historical Student Enrollment by Building and Grade Level

	Grade K				Grade 1				Grade 2				Grade 3				Grade 4				Grade 5				Grade 6														
	2014	2015	2016	2017	2018	2019	2020	2021	2014	2015	2016	2017	2018	2019	2020	2021	2014	2015	2016	2017	2018	2019	2020	2021	2014	2015	2016	2017	2018	2019	2020	2021	2014	2015	2016	2017	2018	2019	2020
Bridle Path	70	66	74	44	58	65	77	80	81	88	79	82	75	93	65	80	83	97	74	98	63	79	81	100	71	95	64	88	81	100	100	74	96	88	113				
Gwyn-Nor	80	65	66	75	66	83	99	84	74	89	106	95	90	77	75	102	96	84	90	83	105	96	85	79	76	90	112	94	84	73	81	81							
Gwynedd Square	79	65	65	80	69	83	95	83	83	95	78	84	103	81	86	75	81	83	99	80	95	74	84	100	77	93	84	87	76	88	73								
Hatfield	68	63	78	56	64	82	68	75	77	60	75	76	61	75	73	69	77	74	70	77	70	75	73	72	54	68	69	77	74	72	47	61	70	73					
Inglewood	64	65	64	46	62	85	81	85	71	56	61	94	76	84	72	77	74	93	75	88	59	79	73	80	72	53	55	75	54	59	80	74							
Knapp	88	94	65	78	77	102	108	91	72	96	99	107	93	81	72	91	92	89	93	79	70	101	76	86	94	80	88	80	88	59	94	81							
Kulp	60	66	74	71	67	75	73	77	83	83	63	82	72	83	84	77	67	78	71	83	80	83	63	84	77	67	86	78	69	87	73	68	92	86	73				
Montgomery	67	74	72	72	67	81	73	110	92	88	83	92	111	93	91	84	106	101	114	114	100	101	101	91	75	114	104	109	94	93	86	120	107						
Nash	42	55	36	56	46	64	49	56	47	65	43	65	47	58	47	61	48	59	49	58	50	65	52	63	52	68	59	65	55	59	54								
North Wales	54	45	67	69	50	62	72	50	69	79	60	69	67	54	69	70	57	69	71	53	60	72	60	73	73	54	68	69	60	74	74	58	67	76	62				
Oak Park	65	61	60	73	63	70	68	70	66	76	72	67	65	73	65	71	75	64	72	75	64	72	74	71	75	72	66	71	69	74	74	66	75	71					
Walton Farm	61	71	78	62	66	88	79	92	88	78	76	85	80	96	90	88	76	98	78	99	77	89	102	82	76	79	95	88	105	72	76	82	91	87					
York Avenue	69	50	35	35	37	46	61	43	38	29	70	38	53	43	35	63	57	24	50	38	43	57	47	26	50	38	48	50	47	25	50	37	44	51	47				
District Elementary	847	840	834	808	792	986	1003	996	941	940	972	1002	984	1008	945	975	982	1002	992	1018	952	1005	995	1013	1008	986	985	990	941	1024	1024	985	890	941	1087	1019			
District Total	12699	12755	12732	12879	12795																																		

SOURCES: 2014 and 2015 from prior year budget information; 2016 and 2017 from PIMS data extracted 9/7/17; and 2018 from projections.
NOTE: Four students in grades 1, 2, 4, and 7 are not assigned to a building in PIMS for 2016. Five students from grades 2, 3, and 5 are not assigned to a building in PIMS for 2017.

North Penn School District
2017-2018 Budget

Projected 2017--18 Student Enrollment

School	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Bridle Path	58	49	82	83	79	64	96							511
Gwyn-Nor	66	89	77	90	85	96	113							616
Gwynedd Square	69	95	86	80	100	84	81							595
Hatfield	64	60	73	77	72	74	73							493
Inglewood	62	56	72	88	72	76	74							500
Knapp	77	96	72	79	94	88	81							587
Kulp	67	83	84	83	73	87	73							550
Montgomery	67	85	93	114	101	109	107							676
Nash	46	65	47	59	52	68	54							391
North Wales	50	79	69	53	73	74	62							460
Oak Park	63	76	65	75	75	70	71							495
Walton Farm	66	78	90	99	82	105	87							607
York Avenue	37	29	35	38	50	25	47							261
PennBrook								303	270	281				854
Penndale								466	399	372				1237
Pennfield								287	284	277				848
North Penn HS											1045	1044	1025	3114
District Total	792	940	945	1018	1008	1020	1019	1056	953	930	1045	1044	1025	12795

Montgomery County Planning Commission Enrollment Projections

Year	Option 1- Base Future Births	Option 2- Higher Future Births	Option 3- Future Births w/ Housing Adjustment
2017-18	12,757	12,757	12,770
2018-19	12,734	12,734	12,767
2019-20	12,705	12,705	12,753
2020-21	12,682	12,682	12,724
2021-22	12,747	12,753	12,789

North Penn School District
2017-2018 Budget

*** FULL TIME PERSONNEL DISTRIBUTION (April, 2017) - Minimum of 900 Annual Hours ***																	
Department/Assignment	Permanent Per-Diem Sub	Administrator	ESL Support	Ext. School Care	Facilities	Food Services	Math/Reading Support	Secretaries/Library Supt	Specialists	Spec Ed Asst.	Staff Nurse	Aquatics	Teachers/Professional	Technology Assistants	Supervisors	Transportation	TOTAL
Business Office		3						6	1						2		12
School & Community Engagement		2						6	5								13
Elementary Learning		7															7
District Wide						1					4						5
Extended School Care		1		27				1	2								31
ESC					1												1
School Nutrition Services		1						2									3
Human Resources		1						2	2						1		6
Office/Superintendent		1						1									2
Support Services Center		2			18			6									26
Secondary Learning		9						9									18
Technology		2						1	15					1	1		20
Transportation		1						1								110	112
Elementary Schools	6	13			51	22	2	38	1	110	16		501	6			766
Middle Schools	5	7	3		33	10		21		41	2		246	2			370
Alternative Ed. School		1			2	1		1		1	1		9				16
NPHS	7	8	5		35	14	3	18		40	5	3	217	3	1		359
TOTAL FULL TIME EMPLOYEES	18	59	8	27	140	48	5	113	26	192	28	3	973	12	5	110	1767
*** PART-TIME PERSONNEL DISTRIBUTION (April, 2015) - Less Than 900 Hours Annually ***																	
Business Office																	
School & Community Engagement																	
Elementary Learning																	
District Wide						2											2
Extended School Care				23													23
ESC																	
School Nutrition Services																	
Human Resources																	
Office/Superintendent																	
Support Services Center																	
Secondary Learning								1									1
Technology																	
Transportation																6	6
Elementary Schools			11		2	41	25				2		16	4			101
Middle Schools					4	15		1					5				25
Alternative Ed. School						1											1
NPHS						15		2					2				19
TOTAL PART-TIME EMPLOYEES	0	0	11	23	6	74	25	4	0	0	2	0	23	4	0	6	178
TOTAL ALL EMPLOYEES	18	59	19	50	146	122	30	117	26	192	30	3	996	16	5	116	1945

North Penn School District
2017-2018 Budget

***** FULL TIME PERSONNEL DISTRIBUTION (April, 2016) *****																
Department/Level	Employee Group															
	Permanent Per-Diem Sub	Administrator	Classroom Asst.	ESL Support	Ext. School Care	Facilities	Food Services	Math/Reading Support	Secretaries/ Library Supt	Specialists	Spec Ed Asst.	Staff Nurse	Teachers/ Professional	Technology Assistants	Transportation	TOTAL
Business Office		3							6	4						13
School & Community Engagement		2							3	5						10
Elementary Learning		6							6							12
District Wide											4					4
ESC																
Extended School Care		1			29				1	2						33
School Nutrition Services		1					47		2							50
Human Resources		1							2	3						6
Office/Superintendent		1							1							2
Support Services Center		2				135				1						138
Secondary Learning		7							9							16
Instructional & Curric Supervisors		3														3
Technology		2							4	10				14		30
Transportation		1							1			6			125	133
Elementary Schools	8	13						2	39		109	12	498			681
Middle Schools	5	7		4				3	22		41	1	244			327
Northbridge		1							1		1	1	9			13
NPHS	5	8		4					21		39	3	217			297
TOTAL FULL TIME EMPLOYEES	18	59		8	29	135	47	5	118	25	190	27	968	14	125	1768
***** PART-TIME PERSONNEL DISTRIBUTION (April, 2016) *****																
Extended School Care					18											18
Elementary Learning									1							1
District Wide																
School Nutrition Services							73									73
Support Services Center																
Technology																
Transportation														6		6
Elementary Schools				11				25	1			3	9	5		54
Middle Schools					1				1				6			8
Northbridge																
NPHS						1			3				3	1		8
TOTAL PART-TIME EMPLOYEES				11	18	2	73	25	6			3	18	6	6	168
TOTAL ALL EMPLOYEES	18	59	0	19	47	137	120	30	124	25	190	30	986	20	131	1936

North Penn School District
2017-2018 Budget

*** FULL TIME PERSONNEL DISTRIBUTION (April, 2015) - Minimum of 900 Annual Hours ***																	
Department/Level	Employee Group																
	Permanent	Per-Diem Sub	Administrator	Classroom Asst.	ESL Support	Ext. School Care	Facilities	Food Services	Math/Reading Support	Secretaries/Library Supt	Specialists	Spec Ed Asst.	Staff Nurse	Teachers/Professional	Technology Assistants	Transportation	TOTAL
Business Office			3							8	2						13
School & Community Engagement			2							3	4						9
Elementary Learning			6							6							12
District Wide												4					4
Extended School Care			1			30				1	2						34
School Nutrition Services			1					48		2							51
Human Resources			1							3	2						6
Office/Superintendent			1							1							2
Support Services Center			2				145			5							152
Secondary Learning			7							10							17
Instructional & Curric Supervisors			3														3
Technology			2							3	9				13		27
Transportation			1							1			7			129	138
Elementary Schools	7	13	1						5	39		110	9	494			678
Middle Schools	3	7		4					3	22		44	2	241			326
Alternative Ed. School			1							1		1	1	11			15
NPHS	4		8							22	4	39	4	211			292
TOTAL FULL TIME EMPLOYEES	14	59	1	4	30	145	48	8	127	23	194	27	957	13	129	1779	
*** PART-TIME PERSONNEL DISTRIBUTION (April, 2015) - Less Than 900 Hours Annually ***																	
Extended School Care					19												19
ESC									1								1
School Nutrition Services								74									74
Support Services Center						2											2
Technology														8			8
Transportation															8		8
Elementary Schools				11					26			2	9				48
Middle Schools										1			8				9
NPHS										2			1				3
TOTAL PART-TIME EMPLOYEES				11	19	2	74	26	4			2	18	8	8	172	
TOTAL ALL EMPLOYEES	14	59	1	15	49	147	122	34	131	23	194	29	975	21	137	1951	

North Penn School District
2017-2018 Budget

FULL TIME PERSONNEL DISTRIBUTION (April, 2014) - Minimum of 900 Annual Hours																
Department/Level	Employee Group															
	Permanent Per-Diem Sub	Administrator	Classroom Asst.	ESL Support	Ext. School Care	Facilities	Food Services	Math/Reading Support	Secretaries/ Library Supt	Specialists	Spec Ed Asst.	Staff Nurse	Teachers/ Professional	Technology Assistants	Transportation	TOTAL
Business Office		2							7	3						12
School & Community Engagement		2							2	5						9
Elementary Learning		5							9							14
District Wide												4				4
Extended School Care		1			31				1	2						35
School Nutrition Services		1					49		2							52
Human Resources		1							3	2						6
Office/Superintendent		2							1							3
Support Services Center		3				146			6	2						157
Secondary Learning		6							8							14
Instructional & Curric Supervisors		3														3
Technology		2							2	10				14		28
Transportation									1			6			139	146
Elementary Schools	8	13	2					1	36		102	10	483			655
Middle Schools	5	6		4				3	20		39	2	234			313
Alternative Ed. School		1							1		4	1	14			21
NPHS	5	8		4					18		37	2	212			286
TOTAL FULL TIME EMPLOYEES	18	56	2	8	31	146	49	4	117	24	182	25	943	14	139	1758
PART-TIME PERSONNEL DISTRIBUTION (April, 2014) - Less Than 900 Hours Annually																
Extended School Care					20											20
ESC									1							1
School Nutrition Services							72									72
Technology														8		8
Transportation												1			14	15
Elementary Schools				11				25				1	9			46
Middle Schools									1			1	7			9
NPHS									1							1
TOTAL PART-TIME EMPLOYEES				11	20		72	25	3			3	16	8	14	172
TOTAL ALL EMPLOYEES	18	56	2	19	51	146	121	29	120	24	182	28	959	22	153	1930

North Penn School District
2017-2018 Budget

FULL TIME PERSONNEL DISTRIBUTION (April, 2013) - Minimum of 900 Annual Hours																
Department/Level	Employee Group															
	Permanent Per-Diem Sub	Administrator	Classroom Asst.	ESL Support	Ext. School Care	Facilities	Food Services	Math/Reading Support	Secretaries/ Library Supt	Specialists	Spec Ed Asst.	Staff Nurse	Teachers/ Professional	Technology Assistants	Transportation	TOTAL
Business Office		2							7	2						11
School & Community Engagement		2							4	5						11
Elementary Learning		5	2						9							16
District Wide												3				3
Extended School Care		1			33				1	2						37
School Nutrition Services		1					69		2							72
Human Resources		1							3	2						6
Office/Superintendent		1							1							2
Support Services Center		3				146			6	2						157
Secondary Learning		7							8							15
Instructional & Curric Supervisors		3														3
Technology		2							2	10				14		28
Transportation									1			8			146	155
Elementary Schools	8	13						3	39		97	12	475			647
Middle Schools	5	7		4				3	22		42	4	247			334
Alternative Ed. School		1							1		4	1	12			19
NPHS	5	7		4					22		32	3	207			280
TOTAL FULL TIME EMPLOYEES	18	56	2	8	33	146	69	6	128	23	175	31	941	14	146	1796
PART-TIME PERSONNEL DISTRIBUTION (April, 2013) - Less Than 900 Hours Annually																
Elementary Learning									1							1
Extended School Care					14											14
School Nutrition Services							70									70
Support Services Center						2										2
Technology														8		8
Transportation															18	18
Elementary Schools				11				25					12			48
Middle Schools									1			1	10			12
NPHS									2				4			6
TOTAL PART-TIME EMPLOYEES				11	14	2	70	25	4			1	26	8	18	179
TOTAL ALL EMPLOYEES	18	56	2	19	47	148	139	31	132	23	175	32	967	22	164	1975

General Obligation Bonds and Notes

The District issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. The outstanding debt was issued to finance additions and improvements at General Nash, Inglewood, Hatfield and Montgomery Elementary Schools. The following tables illustrate the debt service (or debt payment) schedules as well as the amount of outstanding debt. For 2017-2018, the total debt service payments owed are \$15,321,589 which is 6.07% of the total expenditures for the fiscal year.

North Penn School District
2017-2018 Budget

Debt Service Summary

<u>YEAR</u>	<u>2008 Bond</u>	<u>2010 Bond A</u>	<u>2010 Bond</u>	<u>2013 Bond</u>	<u>2014 Bond</u>	<u>2015 Bond</u>	<u>2016 Bond</u>	<u>2017A Bond</u>	<u>2017 Bond</u>	<u>Total</u>	<u>Principal Outstanding</u>
2017 - 18	4,446,263	3,839,350	4,335,950	216,083	311,119	256,575	201,800	918,117	796,333	15,321,589	\$ 92,290,000
2018 - 19	-	3,851,000	8,778,550	215,990	398,869	324,925	201,700	874,568	758,563	15,404,164	\$ 80,145,000
2019 - 20	-	3,863,600	2,334,800	215,898	232,269	204,925	201,600	6,874,500	758,475	14,686,067	\$ 68,150,000
2020 - 21	-	-	-	215,805	232,169	199,775	201,500	11,954,250	758,388	13,561,887	\$ 56,740,000
2021 - 22	-	-	-	5,115,713	1,772,069	914,700	1,401,400	-	1,923,300	11,127,182	\$ 47,195,000
2022 - 23	-	-	-	5,117,613	1,767,306	920,300	1,402,300	-	1,919,800	11,127,319	\$ 37,420,000
2023 - 24	-	-	-	-	6,761,869	915,500	1,522,700	-	1,978,550	11,178,619	\$ 27,345,000
2024 - 25	-	-	-	-	-	7,675,500	1,525,200	-	1,956,300	11,157,000	\$ 17,025,000
2025 - 26	-	-	-	-	-	-	4,697,100	-	6,251,800	10,948,900	\$ 6,665,000
2026-27	-	-	-	-	-	-	-	-	6,931,600	6,931,600	\$ -
Totals	4,446,263	11,553,950	15,449,300	11,097,102	11,475,670	11,412,200	11,355,300	20,621,434	24,033,108	121,444,327	

North Penn School District
2017-2018 Budget

Debt Service Principal and Interest Payments

YEAR	2008 Bond	2010 Bond A	2010 Bond	2013 Bond	2014 Bond	2015 Bond	2016 Bond	2017A Bond	2017 Bond	Total
2017 - 18										
Principal	4,265,000	3,445,000	3,685,000	5,000	75,000	55,000	5,000	5,000	5,000	11,545,000
Interest	181,263	394,350	650,950	211,083	236,119	201,575	196,800	913,117	791,333	3,776,589
	4,446,263	3,839,350	4,335,950	216,083	311,119	256,575	201,800	918,117	796,333	15,321,589
2018 - 19										
Principal	-	3,560,000	8,275,000	5,000	165,000	125,000	5,000	5,000	5,000	12,145,000
Interest	-	291,000	503,550	210,990	233,869	199,925	196,700	869,568	753,563	3,259,164
	-	3,851,000	8,778,550	215,990	398,869	324,925	201,700	874,568	758,563	15,404,164
2019 - 20										
Principal	-	3,715,000	2,245,000	5,000	5,000	10,000	5,000	6,005,000	5,000	11,995,000
Interest	-	148,600	89,800	210,898	227,269	194,925	196,600	869,500	753,475	2,691,067
	-	3,863,600	2,334,800	215,898	232,269	204,925	201,600	6,874,500	758,475	14,686,067
2020 - 21										
Principal	-	-	-	5,000	5,000	5,000	5,000	11,385,000	5,000	11,410,000
Interest	-	-	-	210,805	227,169	194,775	196,500	569,250	753,388	2,151,887
	-	-	-	215,805	232,169	199,775	201,500	11,954,250	758,388	13,561,887
2021 - 22										
Principal	-	-	-	4,905,000	1,545,000	720,000	1,205,000	-	1,170,000	9,545,000
Interest	-	-	-	210,713	227,069	194,700	196,400	-	753,300	1,582,182
	-	-	-	5,115,713	1,772,069	914,700	1,401,400	-	1,923,300	11,127,182
2022 - 23										
Principal	-	-	-	5,005,000	1,575,000	740,000	1,230,000	-	1,225,000	9,775,000
Interest	-	-	-	112,613	192,306	180,300	172,300	-	694,800	1,352,319
	-	-	-	5,117,613	1,767,306	920,300	1,402,300	-	1,919,800	11,127,319
2023 - 24										
Principal	-	-	-	-	6,605,000	750,000	1,375,000	-	1,345,000	10,075,000
Interest	-	-	-	-	156,869	165,500	147,700	-	633,550	1,103,619
	-	-	-	-	6,761,869	915,500	1,522,700	-	1,978,550	11,178,619
2024 - 25										
Principal	-	-	-	-	-	7,525,000	1,405,000	-	1,390,000	10,320,000
Interest	-	-	-	-	-	150,500	120,200	-	566,300	837,000
	-	-	-	-	-	7,675,500	1,525,200	-	1,956,300	11,157,000
2025 - 26										
Principal	-	-	-	-	-	-	4,605,000	-	5,755,000	10,360,000
Interest	-	-	-	-	-	-	92,100	-	496,800	588,900
	-	-	-	-	-	-	4,697,100	-	6,251,800	10,948,900
2026 - 27										
Principal	-	-	-	-	-	-	-	-	6,665,000	6,665,000
Interest	-	-	-	-	-	-	-	-	266,600	266,600
	-	-	-	-	-	-	-	-	6,931,600	6,931,600
Principal	\$ 4,265,000	\$ 10,720,000	\$ 14,205,000	\$ 9,930,000	\$ 9,975,000	\$ 9,930,000	\$ 9,840,000	\$ 17,400,000	\$ 17,570,000	\$ 103,835,000
Interest	181,263	833,950	1,244,300	1,167,102	1,500,670	1,482,200	1,515,300	3,221,434	6,463,108	17,609,327
Debt Service	\$ 4,446,263	\$ 11,553,950	\$ 15,449,300	\$ 11,097,102	\$ 11,475,670	\$ 11,412,200	\$ 11,355,300	\$ 20,621,434	\$ 24,033,108	\$ 121,444,327

North Penn School District
2017-2018 Budget

Free and Reduced Meal Counts by Building and Level

	Free			Reduced			Total			Percent Free/Reduced		
	2014-2015	2015-2016	2016-2017	2014-2015	2015-2016	2016-2017	2014-2015	2015-2016	2016-2017	2014-2015	2015-2016	2016-2017
Bridle Path	10,937	12,414	12,402	1,926	1,846	1,255	44,034	42,041	40,623	29%	34%	34%
Gwyn-Nor	11,518	15,326	17,293	3,251	3,264	1,779	42,838	44,718	44,787	34%	42%	43%
Gwynedd Square	8,543	8,347	6,997	949	1,488	2,168	37,094	38,061	38,582	26%	26%	24%
Hatfield	27,891	30,397	36,492	5,568	4,340	3,501	44,016	47,781	51,854	76%	73%	77%
Inglewood	18,034	19,118	21,560	2,296	2,824	1,188	42,446	43,792	42,618	48%	50%	53%
Knapp	30,664	32,194	33,907	5,433	3,252	4,404	59,335	53,354	55,819	61%	66%	69%
Kulp	20,492	20,062	21,778	2,834	3,353	2,051	46,561	44,334	43,805	50%	53%	54%
Montgomery	8,210	9,533	10,094	803	1,078	974	40,437	47,640	46,666	22%	22%	24%
Nash	6,152	6,986	5,359	1,425	323	500	28,961	25,685	22,280	26%	28%	26%
North Wales	13,552	11,757	13,059	1,056	1,165	1,500	30,330	26,568	27,802	48%	49%	52%
Oak Park	28,381	30,653	34,331	6,838	5,023	4,483	49,308	48,476	51,313	71%	74%	76%
Walton Farm	12,423	13,585	13,605	1,885	2,652	2,039	40,642	45,051	42,179	35%	36%	37%
York Avenue	15,201	11,608	10,644	909	653	509	25,208	21,674	20,112	64%	57%	55%
District Elementary	211,998	221,980	237,521	35,173	31,261	26,351	531,210	529,175	528,440	47%	48%	50%
	Free			Reduced			Total			Percent Free/Reduced		
	2014-2015	2015-2016	2016-2017	2014-2015	2015-2016	2016-2017	2014-2015	2015-2016	2016-2017	2014-2015	2015-2016	2016-2017
Pennbrook	15,404	12,797	16,759	3,023	3,119	2,034	58,424	56,072	54,320	32%	28%	35%
Penndale	50,147	54,817	52,143	8,014	6,675	5,517	111,194	107,462	93,248	52%	57%	62%
Pennfield	22,406	24,801	26,181	4,688	3,974	2,880	61,706	63,702	62,642	44%	45%	46%
North Penn HS	76,047	77,353	89,420	15,103	15,092	10,974	236,481	218,302	213,660	39%	42%	47%
District Secondary	164,004	169,768	184,503	30,828	28,860	21,405	467,805	445,538	423,870	42%	45%	49%
District Total	376,002	391,748	422,024	66,001	60,121	47,756	999,015	974,713	952,310	44%	46%	49%

School Nutrition Service Meal Prices

	2014-15	2015-16	2016-17	2017-18
Breakfast (all levels)	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75
Lunch				
Elementary	2.80	2.80	2.80	2.80
Middle	3.00	3.00	3.00	3.00
High	3.25	3.25	3.25	3.25

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Indicator	2013-14	2014-15	2015-16
Graduation Rate (4 Year Cohort)	94.60%	95.76%	95.63%
Dropout Rate (Annual)	0.49%	0.49%	84.00%
PSSA Percent Proficient	Math: 88.3% Reading: 83.8% Science: 83.7%	Math: 58.5% Reading: 77.2% Science: 83.9%	Math: 57.8% Reading: 77.3% Science: 79.4%
Keystones Percent Proficient by Grade 11	Algebra 1: 90.12% Literature: 93.02% Biology: 89.15%	Algebra 1: 91.01% Literature: 92.55% Biology: 90.71%	Algebra 1: 89.5% Literature: 91.8% Biology: 88.6%
SAT Average Score	Math: 564 Reading: 540 Writing: 531	Math: 560 Reading: 540 Writing: 522	Math: 560 Reading: 534 Writing: 518
AP% of Seniors with a score of 3 or higher	35.10%	32.38%	35.69%
Attendance Rate	95.80%	96.00%	95.61%

District School Performance Profile

The Pennsylvania School Performance Profile (SPP) is the state measure of accountability for public schools in the Commonwealth. While schools and districts across the state previously received designations under the Adequate Yearly Progress system of school accountability, individual schools now receive an academic performance score based on many data points. This change to the PA School Performance Profile serves several purposes including:

- Informing the public of school performance
- Providing a building level score for educators as part of their evaluation system
- Allowing the public to compare schools across the state
- Giving schools a methodology to analyze their strengths and needs

The School Performance Profile scoring system is based on a 100-point system in which each individual school receives a rating. Schools may also earn extra points beyond the 100 points for students who have earned advanced scores on state, industry and Advanced Placement exams. Many data elements contribute to the academic score and are categorized into five areas.

The first three areas represent 50 percent of the school academic performance score:

- Indicators of Academic Achievement - Include PSSA/Keystone performance, industry standards-based competency assessments, grade three reading proficiency, and SAT/ACT college ready benchmarks.
- Indicators of Closing the Achievement Gap - All student scores are used to define how well a school is making progress toward proficiency of all students.
- Indicators of Closing the Achievement Gap - Historically Underperforming Students' scores are used to define how well a school is making progress toward proficiency. The high needs students are students who have historically not demonstrated proficiency.

This category represents 40 percent of the school academic performance score:

- Indicators of Academic Growth/PVAAS - Measures the school's impact on the academic progress of groups of students from year-to-year.

This category represents 10 percent of the school academic performance score:

- Other Academic Indicators - Assesses factors that contribute to student achievement (e.g., graduation rate, promotion rate, attendance rate).

Schools may earn up to 7 additional points via Extra Credit for Advanced Achievement based upon advanced performance on state and industry assessments, as well as for students earning a 3 or higher on an Advanced Placement exam or 4 or higher on an International Baccalaureate exam.

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Beginning in 2016-17, the closing the achievement gap calculation will include reading, math, and science.

The following table shows the North Penn School District's School Performance Profile Scores for the 2015-16 academic year.

**Pennsylvania School Performance Profile Scores
2015-16 Academic Profile**

<u>Building</u>	<u>Building Level Academic Score</u>
Bridle Path Elementary	80.7
General Nash Elementary	90.3
Gwynedd Square Elementary	86.2
Gwyn-Nor Elementary	67.7
Hatfield Elementary	68.5
Inglewood Elementary	83.8
Knapp Elementary	71.4
Kulp Elementary	67.3
Montgomery Elementary	84.7
North Wales Elementary	86.7
Oak Park Elementary	70.5
Walton Farm Elementary	71.3
York Avenue Elementary	91.2
Pennbrook Middle	82.2
Penndale Middle	57.9
Pennfield Middle	72.9
North Penn High	100.3

The following table available on the Pennsylvania SPP website has District Fast Facts including the number of Advanced Placement (AP) courses offered, gifted enrollment, dropout percentages, enrollment by ethnicity, and enrollment by specific student groups such as English Language Learners and Special Education students.

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District Fast Facts																																																			
District Specifics	Percent Enrollment By Race/Ethnicity																																																		
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Please visit the school website for programs offered and additional information.																																																			

North Penn High School Students Take First Place in National Economics Challenge

The North Penn School District (NPSD) is proud to recognize the team of North Penn High School (NPHS) students Clare Dentner, Reid Dentner, Ben DiCristo and Stephanie Zhang, coached by NPHS teacher Mrs. Linda Westerlund, for placing first in the nation in the David Ricardo Division of the National Economics Challenge (NEC).



The NEC is the nation's most prestigious high school economics competition. Student teams of four compete on their knowledge, skills and ability to work collaboratively to progress through multiple rounds which measure comprehension and application of concepts related to a rapidly changing global economy. In this year's competition, more than 10,500 students from 41 states participated in the Economics Challenge, making it the largest competition to date.

This accomplishment comes as a result of the NPHS team being named one of two Pennsylvania State Champions in March. State winners advanced to the semi-final round where they compete in a computer-based assessment. The top four scoring teams in each division were

then invited to New York City in May for a three-day, all-expenses-paid trip to compete for top awards and honors totaling more than \$20,000 in prizes at the National Finals.

In addition to this distinguished honor, Stephanie Zhang was selected as one of only two American students who will travel to Germany to participate in the National Economy Camp this summer.

North Penn Earns Second Place Literacy Innovation Award by the Pennsylvania Department of Education

Although school was out for the summer, the outstanding legacy of the North Penn School District (NPSD) continued with recent accomplishments of staff members in the Special Education and Student Services Department at the Pennsylvania Literacy Conference in Hershey, PA June 27 through 29.

At this conference hosted by the Pennsylvania Department of Education (PDE), the NPSD Special Education and Student Services Department was awarded the second place Pennsylvania Literacy Conference Innovation Incentive Award and a prize of \$12,500. The Pennsylvania Literacy Conference Innovation Incentive Awards recognize innovative practices designed to improve literacy in Pennsylvania school districts. Funded in part by the Keystones to Opportunity (KtO) Grant, two school districts receiving grant funds are recognized in each of five categories.

With the help of her team and district staff, Dr. Jenna Rufo, NPSD Director of Special Education and Student Services, applied for the award earlier this year. The application process included a series of in-depth questions regarding the program, data showing results and success of the program, curriculum alignment with the NPSD Comprehensive Literacy Plan, a site visit and staff interviews.

This year, NPSD was recognized with a second place award in “Category 2: Increasing Literacy Outcomes at the Elementary Level throughout the KtO Grant” for their use of grant funds to improve the literacy achievement of students with disabilities. The implementation of the inclusion facilitator model was considered a noteworthy innovative practice because it provides site-based coaching and support with accommodations and modifications to both general education and special education teachers, which in turn supports meaningful access to literacy instruction for all students. NPSD began this practice with a District Inclusion Facilitator, Jackie Giammarco, and has added a cadre of inclusion facilitators for all schools. This commitment to creating an inclusive environment for all students ensures that these processes become institutionalized at the building level.

“We are honored to receive the KTO innovation award to support our efforts in implementing the inclusion facilitator positions,” said Dr. Jenna Rufo. “The inclusion facilitators have been instrumental in supporting our students with the most significant cognitive disabilities and collaborating with their school teams. We will use the funding from the award to send a team

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of educators to the Syracuse Institute on Inclusion in August, a national conference that will provide us with additional tools and professional development. A teacher from every building in the district will attend so they can bring best practices back to their buildings. The attendees include general education teachers, special educators, reading specialists and ESL teachers. Administrative staff will also attend and representation includes principals, assistant principals, special education supervisors, and directors.”

Glossary

Accounting Method – The method by which income and expenses are reported. The District uses two methods of accounting:

- **Full Accrual** – An accounting method that measures the performance and position of a company by recognizing economic events regardless of when cash transactions occur. The general idea is that economic events are recognized by matching revenues to expenses (the matching principle) at the time in which the transaction occurs rather than when payment is made (or received).
- **Modified Accrual** - An accounting method commonly used by government agencies that combines accrual-basis accounting with cash-basis accounting. Modified accrual accounting recognizes revenues when they become available and measurable and, with a few exceptions, recognizes expenditures when liabilities are incurred.

Act 1 - Special Session Act 1 of 2006, the Taxpayer Relief Act, was signed on June 27, 2006, and modified in June 2011 by Act 25 of 2011. This law eases the financial burden of home ownership by providing school districts the means to lower property taxes to homeowners, especially senior citizens, via the funding provided by gaming revenue. Act 1 establishes an index rate in which property tax millage cannot be raised by unless exceptions are granted to the District.

Assessed Value - The dollar value assigned to a property for purposes of measuring applicable taxes. Assessed valuation is used to determine the value of a residence for tax purposes and takes comparable home sales and inspections into consideration. It is the price placed on a home by the corresponding government municipality to calculate property taxes.

Board of School Directors – The elected or appointed body which has been created to state law and vested with responsibilities for educational activities in a given geographic area. The District is governed by a Board of School Directors.

Bond - A bond is a debt investment in which an investor loans money to an entity (typically corporate or governmental) which borrows the funds for a defined period of time at a variable or fixed interest rate. Bonds are used by companies, municipalities, states and sovereign governments to raise money and finance a variety of projects and activities. Owners of bonds are debtholders, or creditors, of the issuer.

Budget - An estimation of the revenue and expenses over a specified future period of time.

Capital Expenditure - Funds used by a district to acquire or upgrade physical assets such as property, buildings or equipment. These expenditures can include everything from repairing a roof to a building, to purchasing a piece of equipment, or building a brand new school.

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Debt Limit - The statutory borrowing limit of a district under the Local Government Unit Debt Act (Act 52 of 1978) is computed as a percentage of the School District's "Borrowing Base". The "Borrowing Base" is defined as the annual arithmetic average of "Total Revenues" (as defined by the Debt Act), for the three full fiscal years ended next preceding the date of incurring the debt. Under the Debt Act as presently in effect, no school district shall incur any nonelectoral debt or lease rental debt if the aggregate net principal amount of such new debt, together with any other net nonelectoral debt and lease rental debt then outstanding, would cause the net nonelectoral debt plus net lease rental debt to exceed 225% of the Borrowing Base.

Debt Service - The cash that is required for a particular time period to cover the repayment of interest and principal on a debt.

Exceptions - A school district that adopts a preliminary budget with real estate taxes that exceed its index may seek approval for referendum exceptions to increase tax rates by more than its adjusted index. Section 333 of the Taxpayer Relief Act, as amended by Act 25 of 2011, provides for four exceptions that require approval by the Pennsylvania Department of Education including special education expenditures and PSERS retirement contributions.

Expenditures – Charges incurred, whether paid or not, which benefit the current fiscal period.

Fiscal Year – The twelve month period of time which the annual budget applies, and at the end of which, the District determines its financial position and results of its operations. This period is normally from July 1 to June 30.

Function – An expenditure dimension that captures activity aimed towards accomplishing a specific purpose. Examples include regular education, special education, and transportation services.

Fund – A fiscal or accounting entity with a self-balancing set of accounts recording financial transactions.

Fund Balance – The excess of assets in a fund over its liabilities and reserves.

GASB – The Governmental Accounting Standards Board is the source of generally accepted accounting principles used by State and Local governments in the United States. The mission of the Governmental Accounting Standards Board is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports.

LEA – Local Education Agency such as a school district.

Levy – The act of imposing a tax or assessment.

Mill – The current property tax rate per thousand dollars of assessed value. One mill is equal to \$1.00 per \$1,000 of assessed value.

Object – An expenditure dimension that describes the service or commodity obtained for a specific expenditures. Examples include salaries, benefits, supplies, and equipment.

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OPEB- Other Postemployment Benefits (or OPEB) are benefits (other than pensions) that U.S. state and local governments provide to their retired employees. These benefits principally involve health care benefits, but also may include life insurance, disability, legal and other services.

PSERS – The Public School Employees’ Retirement System (PSERS) is an agency of the Commonwealth of Pennsylvania that administers the pension plan for Pennsylvania’s public school employees. Under the Internal Revenue Service (IRS) Code, the PSERS pension plan is classified as a 401(a), governmental defined benefit plan. A defined benefit plan means that the retirement benefit is determined by a formula which includes a retirement factor, years of credited service, and the final average salary.

Revenue – Monies received from taxes, fees, state and federal subsidies, and other sources that are available to the District to fund expenditures.

Self-Insured - Type of plan usually present in larger companies where the employer itself collects premiums from enrollees and takes on the responsibility of paying employees’ and dependents’ medical claims.