

**Centennial School District
Multiyear Revenue Projection Narrative, 2019-20 to 2023-24**

6100 TAXES LEVIED / ASSESSED BY THE LEA

- Definition: Compulsory charges levied by the LEA for the purpose of financing services performed for the common benefit. For state level reporting, only the net taxes are to be reported in the accounts of the 6100 series. Net taxes mean the face amount of the individual tax less discounts plus interest and penalties. This includes Current Real Estate Taxes (6111), Interim Real Estate Taxes (6112), Public Utility Realty Taxes (6113), Payments In Lieu of Current Taxes (6114), Current Act 511 Earned Income Taxes (6151), Current Act 511 Real Estate Transfer Taxes, Current Act 511 Business Privilege Taxes (6155), and Current Act 511 Mercantile Taxes (6157).
- Outlook:
 - The District filed reverse appeals in 2018 that should yield some increase in the real estate tax base. We assume modest year over year growth in assessed values.
 - No increase – not even an Act 1 index – is presumed in the real estate tax rate.
 - Self-assessed taxes tend to move with the general economy, albeit with a slight lag period. While the District is generally well-built out, we still anticipate some growth in Act 511 taxes every year, absent a general economic downturn.

6400 DELINQUENCIES ON TAXES LEVIED / ASSESSED BY THE LEA

- Definition: Compulsory charges levied by the LEA for the purpose of financing services performed for the common benefit that have become delinquent. (Delinquent, for accounting purposes only, shall mean taxes recognized as revenue in a fiscal year subsequent to the fiscal year of levy.) This includes Delinquent Real Estate Taxes (6411), Delinquent Act 511 Earned Income Taxes (6451), and Delinquent General Business Taxes (6465).
- Outlook:
 - The projection assumes the District continues our program for third-party auditing of business privilege and mercantile taxes, plus adds a third-party collections of delinquent real estate taxes.

6500 EARNINGS ON INVESTMENTS

- Definition: Revenue from holdings invested for earning purposes.
- Outlook:
 - Investment earnings have grown as the Federal Reserve Bank set higher target rates, something we anticipate continuing, albeit at a slower pace, in the near future.

6700 REVENUES FROM LEA ACTIVITIES

- Definition: 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. This includes Admissions (6710), Fees (6740), and Other LEA Activity Income (6790), such as alternative revenues.
- Outlook:
 - Very flat or modest at best growth is projected.

6820 STATE REVENUE RECEIVED FROM AN ENTITY ACTING AS AN AGENT FOR THE COMMONWEALTH

- Definition: Revenue received through an entity acting as an agent of the Commonwealth of PA. This includes IDEA passing through BCIU 22 (6821).
- Outlook:
 - IDEA funds have been very flat.

**Centennial School District
Multiyear Revenue Projection Narrative, 2019-20 to 2023-24**

6900 OTHER REVENUE FROM LOCAL SOURCES

- Definition: Revenue from local sources not classified above. Included are Rentals (6920), Tuition from Patrons (6940), and Refunds and Other Miscellaneous Revenue (6990), such as energy efficiency rebates.
- Outlook:
 - Very flat or modest at best growth is projected. We have been fortunate to attract tuition students in recent years from Bryn Athyn.

7100 BASIC INSTRUCTIONAL AND OPERATING SUBSIDIES

- Definition: Revenue received from Commonwealth of PA appropriations for basic instruction and operations. This includes Basic Education (7110) and Tuition for Orphans and Children Placed in Private Homes (7160).
- Outlook:
 - The Commonwealth has adopted a funding formula that new money is distributed through. Growth should be 1% or less, absent a substantial increase in the pool available for distribution.

7200 REVENUE FOR SPECIFIC EDUCATIONAL PROGRAMS

- Definition: Revenue received from Commonwealth of PA appropriations for specific educational programs. This Special Education Funding (7271).
- Outlook:
 - The Commonwealth has adopted a funding formula that new money is distributed through. Growth should be 1% or less, absent a substantial increase in the pool available for distribution.

7300 REVENUES FOR NON-EDUCATIONAL PROGRAMS

- Definition: Revenues received from Commonwealth of PA appropriations for non-educational programs. This includes Transportation (7310), Rental and Sinking Fund Payments (7320), Health Services 7330), and State Property Tax Reduction (7340).
- Outlook:
 - With slightly declining enrollment, growth will be flat or modest.

7500 STATE REVENUE NOT LISTED ELSEWHERE IN THE 7000 SERIES OF ACCOUNTS

- Definition: Revenue received from the Commonwealth of PA not specified elsewhere in the 7000 revenue series. This includes the Ready to Learn Block Grant (7505).
- Outlook:
 - The Block Grant has been flat for several years.

7800 REVENUE FROM THE COMMONWEALTH OF PA

- Definition: Revenue received from the Commonwealth of PA for employee benefits. This includes the State Share of Social Security and Medicare Taxes (7810) and the State Share of Retirement Contributions (7820).
- Outlook:
 - The PSERS employer contribution rate will grow, and with it, the District's reimbursement. Modest wage growth will grow are reimbursements proportionately.

**Centennial School District
Multiyear Revenue Projection Narrative, 2019-20 to 2023-24**

8500 RESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH

- Definition: This includes Title I (8514), Title II (8515), Title III (8516), and Title IV (8517).
- Outlook:
 - Revenues always equal expenditures in the federal Title programs. We are at the mercy of the Federal budget process, with a slightly increasing free and reduced lunch population. For simplicity sake, we show this as flat.

8800 MEDICAL ASSISTANCE (MA) REIMBURSEMENTS

- Definition: This includes Direct Services (8810) and Administrative Claiming (8820).
- Outlook:
 - From time to time, the Commonwealth has shifted vendors supporting these programs. The District draws ACCESS funds as needed across a five-year plan for student supports. Administrative Claiming has been generally slow, but steady. We generally use an average of revenues over time in the forecast.

9900 OTHER FINANCING SOURCES

- Definition: This includes Insurance Recoveries (9990).
- Outlook:
 - We just do not plan to have a huge insurance recovery. It sometimes happens on a smaller scale and that is typically what the projection reflects, along with modest sales of surplus equipment.

CMB
10/1/18