

Borough of State College
General Fund
5-Year Financial Projection
August 2016

Projection Assumptions:

Revenue:

- No change in tax rates from 2017 – 2021
- Real Estate Tax Revenue increases projected for specific known development projects
- Overall continuation of flat revenue growth

Expenditures:

- Salaries & Wages – Contracted union wage increases, 2-2.5% for non-union employees, current staffing levels
- Employee Benefits – Recent trends in cost increases, 8% for health care, 2-3% for other benefits
- Operating Expenditures – 2% annual increase unless specific trends were identified
- Capital – Minimal capital expenditures and current trend with Depreciation
- Debt – Based on current debt amortization schedules

Items not included:

- Health Care Cadillac tax
- Regular contributions to the Capital Fund

Summary:

General Fund revenue growth is limited to Real Estate taxes that have been projected for known developments producing generally flat overall revenue growth. Total General Fund expenditures will grow at an annual rate of approximately 2.7% creating an annual structural deficit of approximately \$750,000. This annual structural deficit will cause the total deficit to grow from \$728,000 in 2017 to \$3,538,000 by 2021 if steps are not taken to increase revenue, reduce expenditures or both.

This projection does not include expenditures for the proposed Health Care Cadillac tax, nor regular annual contributions to the Capital Fund.

5-YEAR PROJECTION

Account	2014 Actual	2015 Actual	2016 Projected	2016 Budget	% Used	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected
REVENUE:										
TAXES TOTAL	11,679,827	12,359,894	14,424,104	13,883,558	103.89%	13,927,324	14,131,869	14,131,869	14,131,869	14,131,869
LICENSES AND PERMITS TOTAL	657,621	680,955	676,996	676,996	100.00%	676,996	676,996	676,996	676,996	676,996
FINES AND VIOLATIONS TOTAL	1,059,523	1,001,176	1,121,000	1,320,200	84.91%	1,121,000	1,121,000	1,121,000	1,121,000	1,121,000
INTEREST AND RENTS TOTAL	115,603	115,787	104,528	103,500	100.99%	104,528	104,528	104,528	104,528	104,528
GRANTS TOTAL	317,945	249,724	223,288	215,519	103.60%	223,288	223,288	223,288	223,288	223,288
SHARE/ENTITL/IN LIEU TOTAL	1,355,325	1,554,610	1,323,478	1,322,314	100.09%	1,323,478	1,323,478	1,323,478	1,323,478	1,323,478
CONTRACTED SERVICES TOTAL	5,280,298	6,003,912	6,031,388	6,039,095	99.87%	6,166,388	6,166,388	6,166,388	6,166,388	6,166,388
USER/USAGE CHARGES TOTAL	610,376	645,980	558,019	552,500	101.00%	558,019	558,019	558,019	558,019	558,019
SPECIAL ASSESSMENTS TOTAL	45,625	23,303	11,855	1,000	1185.50%	11,855	11,855	11,855	11,855	11,855
MISC/CONTRIBUTIONS TOTAL	1,066,440	1,069,491	1,083,516	1,083,516	100.00%	1,042,453	1,011,944	980,972	950,000	950,000
DEBT PROCEEDS TOTAL	8,291,000	-	-	-		-	-	-	-	-
TOTAL REVENUE	30,479,583	23,704,832	25,558,172	25,198,198	101.43%	25,155,329	25,329,365	25,298,393	25,267,421	25,267,421
EXPENDITURES:										
PERSONNEL										
SALARIES AND WAGES TOTAL	11,314,032	10,823,821	11,347,809	11,347,809	100.00%	11,616,046	11,911,834	12,215,283	12,526,594	12,845,975
EMPLOYEE BENEFITS TOTAL	4,659,461	5,413,288	5,356,525	5,356,525	100.00%	5,613,880	5,890,064	6,186,550	6,504,911	6,846,858
EMPLOYEE SUPPLY/EXPN TOTAL	341,742	296,670	396,442	396,442	100.00%	404,371	412,458	420,706	429,120	437,699
PERSONNEL TOTAL	16,315,235	16,533,779	17,100,776	17,100,776	100.00%	17,634,297	18,214,356	18,822,539	19,460,625	20,130,532
OPERATING										
INSTITUTIONAL SUPPLY TOTAL	19,013	14,754	18,500	18,500	100.00%	18,870	19,248	19,633	20,025	20,425
FUEL & LUBRICANTS TOTAL	140,027	99,470	147,750	147,750	100.00%	150,705	153,720	156,794	159,932	163,130
OFFICE SUPPLIES TOTAL	99,969	100,443	116,819	116,819	100.00%	119,156	121,538	123,966	126,444	128,969
PROGRAM EXPENSES TOTAL	271,693	316,204	333,676	333,676	100.00%	340,349	347,155	354,096	361,177	368,405
PROFESSIONAL SERVICE TOTAL	2,365,036	2,514,333	2,584,749	2,539,749	101.77%	2,636,445	2,689,173	2,742,955	2,797,817	2,853,776
VEHICLE REPAIR/MAINT TOTAL	148,517	96,866	141,224	141,224	100.00%	144,049	146,929	149,868	152,866	155,923
HARDWARE/SOFTWARE TOTAL	181,198	273,970	502,413	502,413	100.00%	512,461	522,707	533,162	543,826	554,702
LAND/BLDG/FACILITIES TOTAL	69,600	93,087	114,038	114,038	100.00%	116,319	118,645	121,018	123,438	125,907
SMALL TOOLS/EQUIP TOTAL	43,674	55,047	72,105	72,105	100.00%	73,547	75,019	76,518	78,048	79,608
COMMUNICATIONS TOTAL	199,008	187,175	239,735	239,735	100.00%	244,530	249,419	254,406	259,492	264,682
UTILITIES TOTAL	151,064	152,888	167,500	167,500	100.00%	170,850	174,267	177,752	181,307	184,933
INSURANCE/RISK MGMT TOTAL	239,748	248,571	284,721	284,721	100.00%	290,415	296,223	302,147	308,191	314,355
CONTRIBUTIONS/GRANTS TOTAL	124,988	156,079	129,191	129,191	100.00%	131,775	134,410	137,098	139,840	142,636
OPERATING TOTAL	4,053,535	4,308,887	4,852,421	4,807,421	100.94%	4,949,471	5,048,453	5,149,413	5,252,403	5,357,451
CAPITAL										
CAPITAL CONSTRUCTION TOTAL	75,137	5,075	291,500	291,500	100.00%	124,000	124,000	124,000	124,000	124,000
DEPRECIATION TOTAL	434,861	414,211	434,620	434,620	100.00%	434,620	434,620	434,620	434,620	434,620
CAPITAL TOTAL	509,998	419,286	444,053	726,120	61.15%	558,620	558,620	558,620	558,620	558,620
DEBT										
DEBT TOTAL	8,929,133	1,037,632	1,392,618	1,281,177	108.70%	1,414,795	1,435,739	1,435,794	1,435,852	1,432,118
DEBT TOTAL	8,929,133	1,037,632	1,392,618	1,281,177	108.70%	1,414,795	1,435,739	1,435,794	1,435,852	1,432,118

5-YEAR PROJECTION

Account	2014 Actual	2015 Actual	2016 Projected	2016 Budget	% Used	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected
OTHER EXPENSE										
OTHER EXPENDITURES TOTAL	1,359,474	1,958,361	1,623,517	1,326,289	122.41%	1,326,289	1,326,289	1,326,289	1,326,289	1,326,289
OTHER EXPENSE TOTAL	1,359,474	1,958,361	1,623,517	1,326,289	122.41%	1,326,289	1,326,289	1,326,289	1,326,289	1,326,289
TOTAL EXPENDITURES	31,167,375	24,257,945	25,413,385	25,241,783	100.68%	25,883,472	26,583,457	27,292,655	28,033,789	28,805,010
SCB GENERAL FUND TOTAL	(687,792)	(553,113)	144,787	(43,585)	-332.19%	(728,143)	(1,254,092)	(1,994,262)	(2,766,368)	(3,537,589)