

## Armstrong Area School District, PA

- 1 Armstrong School District (Armstrong and Indiana Counties, Pennsylvania), General Obligation Bonds, Series of 2017, \$10,000,000, Dated: April 25, 2017
- 2 Armstrong School District (Armstrong and Indiana Counties, Pennsylvania) General Obligation Bonds, Series of 2016, \$14,450,000, Dated: December 20, 2016
- 3 Armstrong School District (Armstrong and Indiana Counties, Pennsylvania) General Obligation Bonds, Series of 2015, \$3,295,000, Dated: February 24, 2015
- 4 Armstrong School District (Armstrong and Indiana Counties, Pennsylvania) General Obligation Bonds, Series of 2014, \$3,640,000, Dated: November 6, 2014
- 5 Armstrong School District (Armstrong and Indiana Counties, Pennsylvania) General Obligation Bonds, Refunding Series of 2013, \$9,995,000, Dated: February 14, 2013
- 6 Armstrong School District (Armstrong and Indiana Counties, Pennsylvania) General Obligation Bonds, Refunding Series of 2012, \$7,170,000, Dated: December 18, 2012
- 7 Armstrong School District (Armstrong and Indiana Counties, Pennsylvania) General Obligation Bonds, Series A of 2010 (Direct Payment Build America Bonds), \$80,445,000, Dated: November 30, 2010

### Appendix A

Series 2017, 2016, 2015, 2014, 2013

#### School District Facilities

	<u>Year Built</u>	<u>Year(s) of Renovations and/or Additions</u>	<u>Grades</u>	<u>Rated Capacity</u>	<u>2016-17 Enrollment</u>
<b>Elementary Schools:</b>					
Dayton	1961	1994	K-6	475	228
Elderton	1950	1962 1980	K-6	350	219
Lenape	1968	2007	K-6	900	827
Shannock Valley	1963	1972 2017	K-6	550	351
West Hills Elementary	1972	2006	K-3	1000	663
West Hills Intermediate	2006		4 TO 6	600	548
<b>Secondary Schools:</b>					
Armstrong Jr. / Sr. High School	2015		7 to 12	1800	1595
West Shamokin Jr. / Sr. High School	2000		7 to 12	800	605

Series 2017, 2016, 2015, 2014, 2013

**School District Enrollment**

<u>Year Ending</u>	<u>K-6</u>	<u>7-12</u>	<u>Total</u>
2017	<u>2811</u>	<u>2241</u>	5052
<b>Projected Enrollments</b>			
<u>Year Ending</u>	<u>K-6</u>	<u>7-12</u>	<u>Total</u>
2018	<u>3025</u>	<u>2210</u>	5255
2019	<u>3047</u>	<u>2201</u>	5248
2020	<u>3056</u>	<u>2193</u>	5249
2021	<u>3127</u>	<u>2182</u>	5309

Series 2015, 2014, 2013

**School District Employees**

<u>Wages and Salaries</u>				
<u>Year</u>	<u>Instruction</u>	<u>Support Services</u>	<u>Noninstructional Services</u>	<u>Total</u>
2017	\$ 29,317,287.72	\$ 9,663,952.44	\$ 1,081,362.00	\$ 40,062,602.16

Series 2015, 2014, 2013

**School District Pension Program**

<u>School Year Ending June 30</u>	<u>Annual Retirement Contribution</u>
2017	\$ 11,789,177.89

Series 2015, 2014

**Other Post Employment Benefits**

**The School District's annual OPEB cost for the year ending June 30, 2017**

Annual Required Contribution	<u>\$ 3,640,087.00</u>
Adjustment to Annual Required Contribution	<u>\$ (860,826.00)</u>
Annual OPEB Cost (Expense)	<u>\$ 2,779,261.00</u>
Contributions Made	<u>\$ 1,187,400.00</u>
Increase on OPEB Obligation	<u>\$ 1,591,861.00</u>
Net OPEB Obligation - Beginning of Year	<u>\$ 6,646,175.00</u>
Net OPEB Obligation - End of Year	<u>\$ 8,238,036.00</u>

Series 2015, 2014

**The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation**

<u>Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage Of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 2,779,000.00	42.70%	\$ 8,238,000.00

Series 2015, 2014, 2013

**School District Employees - Union Participation (Labor Relations)**

<u>Name of Union</u>	<u>Description of Personnel Included</u>	<u>Date of Contract Expiration</u>
SEIU 32BJ	Administrative Assistants	6/30/2021
PSEA - AEA	Teachers	June 30 ,2021
SEIU 32BJ	Food Service Employees	6/30/2022
SEIU 32BJ	Custodial - Maintenance	6/30/2022
SEIU 32BJ	Paraprofessionals	June 30 ,2021

Series 2017, 2016, 2015, 2014, 2013, 2010A

Major Real Estate Taxpayers

		2017
<u>Ten Largest Taxpayers</u>	<u>Product/Service</u>	<u>Assessed Valuation</u>
Keystone Owners Group	Power Plant	\$ 8,506,250.00
Allegheny Energy Supply	Power Plant	\$ 3,787,500.00
West Kittanning Assoc	Retail Store	\$ 2,847,650.00
Buffalo Valley LTD	Mushroom Mine	\$ 1,946,893.00
Laurel Of Kittanning	Shopping Center	\$ 1,463,815.00
K & P rentals	Development Corp	\$ 1,197,585.00
Sinternet LLP	Manufacturing	\$ 1,182,150.00
Midmark Star Properties Inc	Hospitality	\$ 925,635.00
West Kittanning Assoc	Hilltop Plaza	\$ 827,080.00
Kittanning Holdings	Banking	\$ 737,425.00

Real Estate Valuation History

Series 2017, 2016, 2015, 2014, 2013

Real Property Values in the School District

<u>School</u>	<u>Assessed</u>	<u>Market</u>	
<u>Year</u>	<u>Value</u>	<u>Value</u>	<u>Ratio</u>
2017	\$ 653,267,415.00	\$ 1,705,283,881.00	0.383084261

Series 2017, 2016, 2015, 2014, 2013

**Tax Data for the Fiscal Year Ending June 30, 2017**

<u>Tax Category</u>		<u>Taxable Assessed Valuation</u>	<u>Millage Rate</u>	<u>Est. Revenue Available for Appropriation</u>	
Current Real Estate Taxes	Armstrong County	<u>\$ 598,273,015.00</u>	58.8523	\$ 35,209,743.00	
	Indiana County	<u>\$ 54,994,400.00</u>	13.8543	\$ 787,690.00	
				<u>\$ 35,997,433.00</u>	
			Less Tax Relief	\$ 3,587,652.00	
			Estimated Revenue	\$ 32,409,781.00	
		<u>Rate</u>		<u>\$ 29,499,962.00</u>	After Collection %
Current Act 511 Taxes – Proportional Assessments					
Earned Income Taxes		0.5		\$ 3,810,659.00	
Real Estate Transfer Taxes		0.5		\$ 488,805.00	
Total Act 511 Taxes, Proportional Assessments					
Total Act 511 Taxes				<u>\$ 4,299,464.00</u>	
Act 511 Tax Limit =	<u>\$ 20,463,407.00</u>	(\$ _____ - Market Value X ____ mills).			

Series 2015, 2014, 2013, 2010A

**Real Estate Tax Collection History**

Years Ending June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assessed Valuation	<u>\$ 650,838,030.00</u>	<u>\$ 596,413,735.00</u>	<u>\$ 594,153,076.00</u>	<u>\$ 577,645,260.00</u>
Levy	<u>\$ 31,825,815.00</u>	<u>\$ 31,661,640.00</u>	<u>\$ 31,532,231.00</u>	<u>\$ 28,419,995.00</u>
Current Collections	<u>\$ 28,740,995.00</u>	<u>\$ 28,643,619.00</u>	<u>\$ 28,329,426.00</u>	<u>\$ 26,590,831.00</u>
Current & Delinquent Taxes	<u>\$ 31,891,683.00</u>	<u>\$ 32,015,797.00</u>	<u>\$ 30,285,915.00</u>	<u>\$ 27,430,608.00</u>
%Current Collections				
to Current Levy	90.31	90.4	89.84	93.57
% Total Collections to				
Current Levy	100.2	101.11	96.07	96.52
Four Year Average of % Current Collections to Current Levy				91.03
Four Year Average of % Total Collections to Current Levy				98.48

Series 2015, 2014, 2013

### **Largest Employers in School District (2017)**

<u>Employer</u>	<u>Principal Business</u>	<u>Number of Employees</u>
<u>Rosebud Mining Company</u>	<u>Coal Mining</u>	<u>1194</u>
<u>ACMH</u>	<u>Healthcare</u>	<u>1130</u>
<u>Armstrong School District</u>	<u>Education</u>	<u>672</u>
<u>Snyder Associated Companies</u>	<u>Mineral Extraction</u>	<u>510</u>
<u>Armstrong County Government</u>	<u>Public Administration</u>	<u>506</u>
<u>Walmart Stores</u>	<u>Retail</u>	<u>300</u>
<u>Herkules Group</u>	<u>Manufacturing</u>	<u>220</u>
<u>Keystone Generation Station</u>	<u>Electric Generation</u>	<u>192</u>
<u>Allegheny Health Network</u>	<u>Medical Equipment</u>	<u>161</u>
<u>Appalachian Well Services</u>	<u>Gas well Services</u>	<u>132</u>
Total		<u>5017</u>

Series 2015, 2014, 2013

### **Debt Statement Pursuant To Section 8110 Local Government Unit Debt Act Armstrong School District**

#### Nonelectoral Gross Debt

<u>Series of 2015</u>	<u>\$</u>	<u>2,010,000.00</u>
<u>Series of 2014</u>	<u>\$</u>	<u>3,045,000.00</u>
<u>Series of 2013</u>	<u>\$</u>	<u>9,580,000.00</u>
<u>Series of 2016</u>	<u>\$</u>	<u>14,385,000.00</u>
<u>Series of 2017</u>	<u>\$</u>	<u>10,000,000.00</u>
<u>Series of 2012</u>	<u>\$</u>	<u>1,595,000.00</u>
<u>Sereis of 2010</u>	<u>\$</u>	<u>80,220,000.00</u>
Total Nonelectoral Debt	<u>\$</u>	<u>120,835,000.00</u>

#### Total Lease Rental Debt

Total Gross Debt	<u>\$</u>	<u>120,835,000.00</u>
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The aggregate principal amount of bonds or notes being issued:

Total Debt No longer outstanding:

Total Net Non-Electoral Debt	<u>\$</u>	<u>120,835,000.00</u>
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Combined Net Non-Electoral and Lease Rental Debt	<u>\$</u>	<u>120,835,000.00</u>
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#### Applicable Debt Limitations

Borrowing Base X 225%	<u>\$</u>	<u>203,968,256.25</u>
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Series 2015, 2014, 2013

**Borrowing Base Calculation**

<b>Fiscal Year:</b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
Total Governmental Fund Revenues	<u>\$ 90,698,705.00</u>	<u>\$ 93,351,509.00</u>	<u>\$ 99,779,514.00</u>
Less:			
State and Federal subsidies and reimbursements related to particular project financed by debt	<u>\$ 2,606,599.00</u>	<u>\$ 2,651,954.00</u>	<u>\$ 6,613,500.00</u>
Revenues, receipts, assessments, etc., pledged for self-liquidating debt	<u></u>	<u></u>	<u></u>
Interest on moneys in sinking funds pledged for debt	<u></u>	<u></u>	<u></u>
Grants and gifts-in-aid measured by construction or acquisition of specific projects	<u></u>	<u></u>	<u></u>
Nonrecurring receipts	<u></u>	<u></u>	<u></u>
Total Deductions	<u>\$ 2,606,599.00</u>	<u>\$ 2,651,954.00</u>	<u>\$ 6,613,500.00</u>
Subtotal	<u>\$ 88,092,106.00</u>	<u>\$ 90,699,555.00</u>	<u>\$ 93,166,014.00</u>
Total Net Revenues for Three (3) Years			<u>\$ 271,957,675.00</u>
Borrowing Base (Total Net Revenues divided by 3)			<u>\$ 90,652,558.33</u>
Total Nonelectoral Debt Limit (Borrowing Base X ____%)			<u>\$ 203,968,256.25</u>

Series 2015, 2014, 2013, 2010A

**Schedule of Bonded Indebtedness (as of 6/30/2017)**

	Gross Principal Before State Reimbursement Outstanding	Net After State Reimbursement
<b><u>DIRECT DEBT:</u></b>		
Series of 2015	\$ 2,010,000.00	\$ 1,465,545.00
Series of 2014	\$ 3,045,000.00	\$ 2,400,777.00
Series of 2013	\$ 9,580,000.00	\$ 7,511,912.00
Series of 2016	\$ 14,385,000.00	\$ 11,396,847.00
Series of 2017	\$ 10,000,000.00	\$ 10,000,000.00
Series of 2012	\$ 1,595,000.00	\$ 1,271,838.00
Sereis of 2010	\$ 80,220,000.00	\$ 68,947,414.00
TOTAL DIRECT DEBT	\$ 120,835,000.00	\$ 102,994,333.00

OVERLAPPING DEBT:

Municipal Debt:

Component Municipality Debt	\$ 28,002,629.00
Proportionate share of Armstrong County (70.98% share)	\$ 34,414,259.00
TOTAL OVERLAPPING DEBT	\$ 62,416,888.00

TOTAL NET DIRECT AND OVERLAPPING DEBT	\$ 165,411,221.00
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**DEBT RATIOS:**

Ratio of Net Direct Debt to:

Market Value (FY 2017)	6.04%
Assessed Value (FY 2017)	15.77%
Net Direct Debt per Capita (2010)	\$ 2,378.56

Ratio of Net Direct and Overlapping Debt to:

Market Value (FY 2017)	9.70%
Assessed Value (FY 2017)	25.32%
Net Direct and Overlapping Debt per Capita (2010)	\$ 3,820.03

Market Value (FY 2017)	\$ 1,705,283,881.00
Assessed Value (FY 2017)	\$ 653,267,415.00
Population (2010)	43,301



Series 2015

**Series of 2015 Debt Service Schedule**

<u>Period Ending</u>	<u>Principal Amount</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>
3/15/2018	\$ 655,000.00	2%	\$ 20,100.00	\$ 675,100.00
9/15/2018		0%	\$ 13,550.00	\$ 13,550.00
3/15/2019	\$ 785,000.00	2%	\$ 13,550.00	\$ 798,550.00
9/15/2019		0%	\$ 5,700.00	\$ 5,700.00
3/15/2020	\$ 570,000.00	2%	\$ 5,700.00	\$ 575,700.00
	\$ 2,010,000.00		\$ 58,600.00	\$ 2,068,600.00

Series 2014

**Series of 2014 Debt Service Schedule**

<u>Period Ending</u>	<u>Principal Amount</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>
3/15/2018	\$ 480,000.00	2.00%	\$ 31,884.38	\$ 511,884.38
9/15/2018		0.00%	\$ 27,084.38	\$ 27,084.38
3/15/2019	\$ 530,000.00	2.00%	\$ 27,084.38	\$ 557,084.38
9/15/2019		0.00%	\$ 21,784.38	\$ 21,784.38
3/15/2020	\$ 765,000.00	2.38%	\$ 21,784.38	\$ 786,784.38
9/15/2020		0.00%	\$ 12,700.00	\$ 12,700.00
3/15/2021	\$ 1,270,000.00	2.00%	\$ 12,700.00	\$ 1,282,700.00
	\$ 3,045,000.00		\$ 155,021.90	\$ 3,200,021.90

Series 2013

**Series of 2013 Debt Service Schedule**

<u>Period Ending</u>	<u>Principal Amount</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>
3/15/2018	\$ 185,000.00	1.50%	\$ 116,237.50	\$ 301,237.50
9/15/2018		0.00%	\$ 114,850.00	\$ 114,850.00
3/15/2019	\$ 190,000.00	1.50%	\$ 114,850.00	\$ 304,850.00
9/15/2019		0.00%	\$ 113,425.00	\$ 113,425.00
3/15/2020	\$ 190,000.00	1.75%	\$ 113,425.00	\$ 303,425.00
9/15/2020		0.00%	\$ 111,762.50	\$ 111,762.50
3/15/2021	\$ 350,000.00	1.75%	\$ 111,762.50	\$ 461,762.50
9/15/2021		0.00%	\$ 108,700.00	\$ 108,700.00
3/15/2022	\$ 1,660,000.00	2.00%	\$ 108,700.00	\$ 1,768,700.00
9/15/2022		0.00%	\$ 92,100.00	\$ 92,100.00
3/15/2023	\$ 1,690,000.00	2.00%	\$ 92,100.00	\$ 1,782,100.00
9/15/2023		0.00%	\$ 75,200.00	\$ 75,200.00
3/15/2024	\$ 1,725,000.00	3.00%	\$ 75,200.00	\$ 1,800,200.00
9/15/2024		0.00%	\$ 49,325.00	\$ 49,325.00
3/15/2025	\$ 1,780,000.00	3.00%	\$ 49,325.00	\$ 1,829,325.00
9/15/2025		0.00%	\$ 22,625.00	\$ 22,625.00
3/15/2026	\$ 1,810,000.00	2.50%	\$ 22,625.00	\$ 1,832,625.00
	\$ 9,580,000.00		\$ 1,492,212.50	\$ 11,072,212.50

## Appendix B - Armstrong School District Financial Statements

Series 2012

### **General Fund Budget**

For The Year Ending June 30, 2018

#### **Summary Of Estimated Revenues And Other Financing Sources**

	<b><u>2017-2018</u></b>
Estimated Beginning Fund Balance Available for Appropriation	<b><u>\$ 7,360,460.00</u></b>
Revenues from Local Sources	<u>\$ 38,261,492.00</u>
Revenues from State Sources	<u>\$ 53,693,597.00</u>
Revenues from Federal Sources	<u>\$ 4,155,570.00</u>
Other Financing Sources	<u>\$ 25,000.00</u>
Estimated Revenues & Other Financing Sources	<u>\$ 96,135,659.00</u>
Total Estimated Fund Balance, Revenues and Other Financing Sources	<u>\$ 103,496,119.00</u>

#### **Summary Of Estimated Expenditures And Other Financing Uses**

	<b><u>2017-2018</u></b>
Instruction	<u>\$ 59,520,902.00</u>
Support Services	<u>\$ 25,958,487.00</u>
Operation of Non-instructional Services	<u>\$ 1,542,444.00</u>
Facilities, Construction and Improvement Services	<u>\$ 439,135.00</u>
<b>Other Financing Uses</b>	
Debt Service	<u>\$ 16,500.00</u>
Fund Transfers	<u>\$ 9,860,000.00</u>
Budgetary Reserve	<u>\$ 200,000.00</u>
Total Estimated Expenditures and Other Financing Uses	<u>\$ 97,537,468.00</u>
Appropriation of Prior Year Encumbrances	<u></u>
Total Appropriations	<u>\$ 97,537,468.00</u>
Ending Unreserved Fund Balance	<u>\$ 5,958,651.00</u>
Total Appropriations and Ending Fund Balance	<u>\$ 5,958,651.00</u>

Series 2012

**Armstrong School District General Fund Balance Sheet**

For Years Ending June 30,

**2017**

**ASSETS**

Cash and cash equivalents	<u>\$ 14,325,153.00</u>
Investments	
Taxes Receivable	<u>\$ 4,853,308.00</u>
Dues from other funds	<u>\$ 334,508.00</u>
Dues from other governments	<u>\$ 5,486,834.00</u>
Other Receivables	<u>\$ 11,479.00</u>
Inventories	
Total Assets	<u>\$ 25,011,282.00</u>

**LIABILITIES RESERVES AND**

**FUND BALANCES:**

Liabilities:

Due to other funds	
Due to other governments	
Accounts payable	<u>\$ 476,480.00</u>
Accrued Salaries & Benefits	<u>\$ 9,949,447.00</u>
Payroll Deducts & Withholdings	<u>\$ 30,942.00</u>
Deferred Revenues	
Other Current Liabilities	<u>\$ 2,947.00</u>
Total Liabilities	<u>\$ 10,459,816.00</u>

**FUND EQUITY**

Reserve for Inventories	
Future Employer PSERS Expense	<u>\$ 1,550,000.00</u>
Reserve for Encumbrances	
Reserve for Next year Appropriations	
Reserve for capital projects	
Future Compensation and Benefits Increase	
Specific Fund Balance Reserves	<u>\$ 1,000,000.00</u>
Unreserved – Undesignated	<u>\$ 7,677,410.00</u>
Total Fund Balances	<u>\$ 10,227,410.00</u>
Total Liabilities and Fund Balances	<u>\$ 25,011,282.00</u>

Series 2012

**Armstrong School District General Fund Statement Of Revenues, Expenditures And Changes  
In Fund Equity**

For Years Ending June 30,

	<u>2017</u>
<b>REVENUES</b>	
Local Sources	<u>\$ 37,984,571.00</u>
State Sources	<u>\$ 57,600,074.00</u>
Federal Sources	<u>\$ 4,194,869.00</u>
Total Revenues	<u>\$ 99,779,514.00</u>
 <b>EXPENDITURES</b>	
Instruction	<u>\$ 57,844,253.00</u>
Support Services	<u>\$ 24,903,534.00</u>
Noninstructional Services	<u>\$ 1,323,686.00</u>
Capital outlay	<u>\$ 84,963.00</u>
Debt Service – (principal & interest)	<u></u>
Refund of Prior Year receipts	<u></u>
Total Expenditures	<u>\$ 84,156,436.00</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ 15,623,078.00</u>
 <b>OTHER FINANCING SOURCES/USES</b>	
Sale of Bonds	<u></u>
Interfund Transfers	<u>\$ 13,056,832.00</u>
Sale of or Compensation of Fixed Assets	<u>\$ 703.00</u>
Debt Service (refunded bond issues)	<u></u>
Refund of Prior Year Receipts	<u></u>
Transfer out	<u></u>
 Total Other Financing Sources/Uses	 <u>\$ 13,056,129.00</u>
 Net change in Fund Balances	 <u>\$ 2,566,949.00</u>
 Fund Balance- Beginning of Year	 <u>\$ 7,660,460.00</u>
 Fund Balance - End of Year	 <u>\$ 10,227,409.00</u>