

REVENUES

General Fund revenues are received from a variety of local, state, and federal sources. These sources are used to provide instruction and adjunct support services consistent with the state Constitution's directive to provide for the "maintenance and support of a thorough and efficient system of public education."

Local Sources of revenue, included in **Function 6000**, are the amounts of money produced within the boundaries of the District. These sources include real estate taxes, per capita taxes, earned income taxes, real estate transfer taxes, and interest earnings on investments. The Public School Code of 1949 as amended, and the Local Tax Enabling Act of 1965 as amended, empower school districts with the authority to levy and collect such taxes for the purposes of providing public education. Substantially all of the local sources of revenue are from these levies, recorded as current or delinquent collections.

State Sources of revenue, included in **Function 7000**, are the amounts of money collected and distributed by the Commonwealth of Pennsylvania to support the activities of the District. These amounts are characterized as subsidies received or receivable from the Pennsylvania Department of Education. The subsidies include allocations for basic instruction and operation, as well as subsidies or reimbursements for specific expenditures such as special education, transportation, retirement, and social security taxes.

Federal Sources of revenue, included in **Function 8000**, are the amounts of money collected and distributed by the federal government to provide for certain categorical expenditures. The Pennsylvania Department of Education ordinarily acts as an agent for distributing these funds.

Other Financing Sources of revenue, included in **Function 9000**, are the amounts of money received from other local education agencies for instruction and transportation provided to pupils from the paying agency.

Following are detailed explanations of the specific sources of Local, State, and Federal revenue:

LOCAL SOURCES

6111 Current Real Estate Tax

Real Estate Tax is the main source of revenue for funding the operation of the Quakertown Community School District. It is based on the assessed valuation of all taxable property within the School District and is collected by the District.

6112 Interim Tax

Interim Tax is revenue from the increase in assessed valuations of local property as a result of improvements or construction to that property, after the mailing of original tax notices. This year's estimate is based on historical collections.

6113 Public Utility Realty Tax

Public Utility Realty Tax is revenue collected and distributed by the Commonwealth of Pennsylvania pursuant to Act 66 of 1970. The allocation is based on the District's total revenues as a ratio of the total revenues of all participants, and the real estate tax which the District could have collected if the utilities were not exempt entities. This year's estimate is based on historical collections.

6114 Payments in Lieu of Taxes

Payments in Lieu of Taxes are revenues received in lieu of taxes for property withdrawn from the tax rolls for public housing, forest lands, game lands, water conservation, or flood control. This is computed at \$0.40 per acre.

6120 &

6141 Current Per Capita Tax, S679 & A511

Section 679 of the school code provides for a \$5.00 "head tax" on all inhabitants of the School District who are at least 18 years of age. Act 511 of 1965 provides for an additional \$5.00 "head tax". Estimates are based upon this tax rate, appropriate census data, and historical collection rates.

6151 Earned Income Tax

Earned Income Taxes are assessed at a maximum rate of one percent (1.5%) of earned income pursuant to Act 511. Earned income tax revenues are shared equally with our component municipalities resulting in an effective rate equal to 1% for the School District. Estimates are made using historical collection and personal income data from the Commonwealth of Pennsylvania. The component municipalities collect most of the earned income taxes.

6153 Real Estate Transfer Tax

Transfer Tax is revenue collected by the County Recorder of Deeds on the value of all real estate property within the District boundaries sold during the year. This tax is equal to 1/2% of the value of the property being sold and is paid at the time of title transfer. This year's estimate is based on historical collections.

6411 Delinquent Real Estate Tax

Delinquent Real Estate Tax is revenue collected by the County Tax Claim Bureau for real estate tax not paid during the original year of levy. Estimates are based on the total amount outstanding for various tax years, as well as historical collection trends.

6420 &

6441 Delinquent Per Capita Tax, S679 & A511

Estimates are based on the total amount outstanding with the appointed delinquent tax collector (segregated by tax year) as well as historical collections trends.

6452 Delinquent Occupation Tax

Estimates are based on the total amount outstanding with the appointed delinquent tax collector (segregated by tax year) as well as historical collections trends.

6510 Interest Earnings

Interest earnings are revenues received from investing the District's resources as they become available, and includes earnings on various forms of cash and cash equivalents. Excess funds are automatically transferred to a qualified investment trust. Investments with a term maturity are purchased from the trust based on cash flow projections, market conditions, and projected yield estimates.

6710 Revenue for Admissions

Admissions revenue represents anticipated gate receipts for athletic events.

6831 Federal Revenue from Other Public Schools

Federal revenue received from intermediate sources as an agent of the federal government.

6910 Rentals

Rentals classify the revenue received from various government bodies, organizations, and civic groups for the rental of the District's buildings and facilities. This year's budget assumes the rental of classrooms and facilities to such organizations as the Bucks County Intermediate Unit and LifeSpan.

6940 Tuition from Patrons

Tuition from patrons represents the charges to non-resident students who attend classes in the Quakertown Community School District, the charges for summer programs, and the charges for adult education programs.

6980 Admission - Integrated Arts

Admission for Integrated Arts represents admission charges for various performing arts programs and performances.

6990 Miscellaneous Revenue

Miscellaneous Revenue is those items of revenue received during the year that cannot be classified as one of the previously identified sources.

STATE SOURCES

7110 Basic Education Funding

Basic Education Funding is the primary source of state funding provided to local school districts. In recent years, these funds have carried a variety of names and been distributed according to an equal number of funding formulas. As of the date of this printing, the Pennsylvania Department of Education has not passed their budget. However, their proposed budget shows an increase of \$168,285 for the Quakertown Community School District, which has been included in this budget.

7160 Children in Private Homes

This revenue represents tuition received from the Commonwealth for children who are orphans and/or children placed in private homes by the court. Payments are made in accordance with Sections 1305 and 1306 of the Public School Code.

7210 Homebound Instruction

Homebound Instruction is a reimbursement to school districts for instruction given to pupils unable to attend the public school because of temporary mental or physical handicaps.

7220 Vocational Education

Vocational Education is a reimbursement to each school district conducting vocational classes and programs organized in accordance with state prescribed standards and criteria.

7270 Special Education Subsidy

Special Education is a subsidy to school districts for the costs associated with instructing exceptional children in mandated special education programs. Payments are made in accordance with Sections 2509 and 1373.1 of the Public School Code.

7310 Transportation Subsidy

Transportation is a reimbursement to school districts for the operation of a school-busing program in compliance with state law and regulations. It is not required that each district operate a busing program, but if operated, it must comply with the state law and regulations and is then eligible for reimbursement based on the number of students transported, miles driven, and other approved factors.

7320 Rental & Sinking Fund Payments

Rental reimbursement is available to each school district to help with payment of debt in building construction and renovations. To be eligible, building plans must have been approved by the Department of Education in conformance with the District's Long-Range Plan.

7330 Health Services Subsidy

Medical, Dental Services and Nursing Services are reimbursements available to each school district providing the required health services to pupils (both public and non-public) in the district.

7340 State Property Tax Reduction Allocation

Gaming revenue is received from the State as a result of Special Session Act 1 of 2006, and is used to reduce real estate taxes for approved Homestead and Farmstead properties.

7360 Safe Schools

Safe schools is reimbursement for approved safe schools programs.

7810 State Social Security Subsidy (FICA)

Revenue received from the State designated as the Commonwealth's matching share of the employer's contribution of the social security taxes for covered employees which are not federally funded.

7820 Retirement Subsidy

Revenue received from the State designated as the Commonwealth's matching share of the contribution to the Public School Employees Retirement System for covered employees.

7910 Technology for Education

Revenue received from the State to supplement the District's investment in computer networking and professional development in technology

FEDERAL SOURCES

8514 ECIA Title 1

Revenue received (under the Education Consolidation and Improvement Act - ECIA) for programs designed to provide remediation to disadvantaged children in certain basic educational skills. The amount received for this item is determined by the number of students needing remedial education, amount available, and the number of other districts participating in the program.

8560 Federal Block Grants, ESEA, Title VI

Revenue received from the Federal Government to supplement and increase the level of funding available for the District's Instructional Program. Funding for the program is based on the number and classification of students enrolled in the school district.

8570 EESA – Title II

Revenues received for inservice and retraining programs for teachers.

8670 Drug Free Schools

Revenues received in support of programs conducted under the Drug-Free Schools and Community Act of 1986. Revenues include entitlements and proceeds from competitive grants.

8690 Other Restricted Federal Grants

Revenue received from the Federal Government as a grant-in-aid for reducing class size.

OTHER FINANCING SOURCES

9330 Transfers from Capital Projects Fund

Money received from the Capital Projects Fund to offset the interest expense on debt. The Capital Projects Fund earns interest income on funds borrowed but not yet expended on the project. These amounts are transferred to offset the expense in the General Fund.

9611 Receipts From Other LEA's

Money received from other local education agencies (LEA's) for instruction and transportation provided to pupils from the paying agency.