

*Budget and Finance Committee Meeting  
October 5, 2010*

***Budget Development Update  
General Fund  
2010 Estimated Final  
2011 Preliminary Budget***



# 2011 Budget Adoption Timeline

- June 23, 2010 Board certified that there would not be an increase in taxes beyond the index for 2011
- November 24, 2010 Release of Preliminary 2011 Budget available for public inspection (no less than 20 days prior to adoption). Release can be earlier
- December 1, 2010 Committee Meeting – Budget update
- December 6, 2010 Budget Public Hearing (noon)
- December 13, 2010 Budget Public Hearing (Part of regular public hearing)
- December 15, 2010 Regular legislative meeting adoption of 2011 Budget



SCHOOL DISTRICT OF PITTSBURGH  
 FUND 010 - GENERAL FUND  
 THREE YEAR ROLLING FORECAST

9/27/2010

<b><u>BASELINE PROJECTION</u></b>						
	<b>Actual Year Ended 2008</b>	<b>Actual Year Ended 2009</b>	<b>2010 Adopted BUDGET</b>	<b>Projected Year Ended 2010</b>	<b>Projected Year Ended 2011</b>	<b>Projected Year Ended 2012</b>
Total Revenues	\$514,163,971.37	\$514,842,837.17	\$517,758,404.72	\$512,070,850.25	\$529,236,647.66	\$521,214,851.17
Total Expenditures	\$515,901,408.28	\$514,988,638.13	\$525,371,597.00	\$519,715,728.16	\$553,158,794.96	\$599,915,157.51
Beginning Balance	\$73,403,945.27	\$71,666,508.36	\$71,520,707.39	\$71,520,707.39	\$63,875,829.49	\$39,953,682.19
Operating Surplus/(Deficit)	(\$1,737,436.92)	(\$145,800.96)	(\$7,613,192.28)	(\$7,644,877.91)	(\$23,922,147.30)	(\$78,700,306.34)
Ending Fund Balance	\$71,666,508.36	\$71,520,707.39	\$63,907,515.12	\$63,875,829.49	\$39,953,682.19	(\$38,746,624.16)
Less Projected Reservations	(\$4,693,507.01)	(\$3,548,326.62)	(\$2,500,000.00)	(\$2,500,000.00)	(\$2,500,000.00)	(\$2,500,000.00)
<b>Unreserved Fund Balance</b>	<b>\$66,973,001.35</b>	<b>\$67,972,380.77</b>	<b>\$61,407,515.12</b>	<b>\$61,375,829.49</b>	<b>\$37,453,682.19</b>	<b>(\$41,246,624.16)</b>
% Budgeted Expenditures	12.98%	13.20%	11.69%	11.81%	6.77%	-6.88%
Compliance with Fund Balance Policy	Yes	Yes	Yes	Yes	Yes	No

<b><u>FINANCIAL STABILITY: 20XX REDUCTIONS</u></b>						
	<b>Actual Year Ended 2008</b>	<b>Actual Year Ended 2009</b>	<b>2010 Adopted BUDGET</b>	<b>Projected Year Ended 2010</b>	<b>Projected Year Ended 2011</b>	<b>Projected Year Ended 2012</b>
Total Revenues	\$514,163,971.37	\$514,842,837.17	\$517,758,404.72	\$512,070,850.25	\$529,236,647.66	\$521,214,851.17
Total Expenditures	\$515,901,408.28	\$514,988,638.13	\$525,371,597.00	\$512,052,360.65	\$529,236,553.68	\$521,198,413.24
Beginning Balance	\$73,403,945.27	\$71,666,508.36	\$71,520,707.39	\$71,520,707.39	\$71,539,196.99	\$71,539,290.96
Operating Surplus/(Deficit)	(\$1,737,436.92)	(\$145,800.96)	(\$7,613,192.28)	\$18,489.60	\$93.97	\$16,437.93
Ending Fund Balance	\$71,666,508.36	\$71,520,707.39	\$63,907,515.12	\$71,539,196.99	\$71,539,290.96	\$71,555,728.89
Less Projected Reservations	(\$4,693,507.01)	(\$3,548,326.62)	(\$2,500,000.00)	(\$2,500,000.00)	(\$2,500,000.00)	(\$2,500,000.00)
<b>Unreserved Fund Balance</b>	<b>\$66,973,001.35</b>	<b>\$67,972,380.77</b>	<b>\$61,407,515.12</b>	<b>\$69,039,196.99</b>	<b>\$69,039,290.96</b>	<b>\$69,055,728.89</b>
% Budgeted Expenditures	12.98%	13.20%	11.69%	13.48%	13.05%	13.25%
Compliance with Fund Balance Policy	Yes	Yes	Yes	Yes	Yes	Yes
Targeted Reduction 2010 (Recurring)				\$7,663,367.50	\$7,663,367.50	\$7,663,367.50
Targeted Reduction 2011 (Recurring)					\$16,258,873.77	\$16,258,873.77
Targeted Reduction 2012 (Recurring)						\$54,794,503.00

<b>Total Reductions Needed</b>	<b>\$78,716,744.27</b>
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\* Assumes the District allocates 100% of the Education Jobs Fund to preventing reductions and will have absolutely no new program costs associated with it

\*\* There are actions the State can take to reduce this number, e.g., address the Stimulus funding cliff and the PSERS crisis.

# 2010 Estimated Final Expenditures and Revenues

2010 Estimated Final Expenditures	\$519.7 million
2010 Estimated Final Revenues	\$512.1 million
2010 Estimated Operating Deficit	-\$7.6 million

# 2011 Estimated Expenditures and Revenues

2011 Estimated Expenditures	\$553.2 million
2011 Estimated Revenues	\$529.2 million
2011 Estimated Operating Deficit	-\$24.0 million

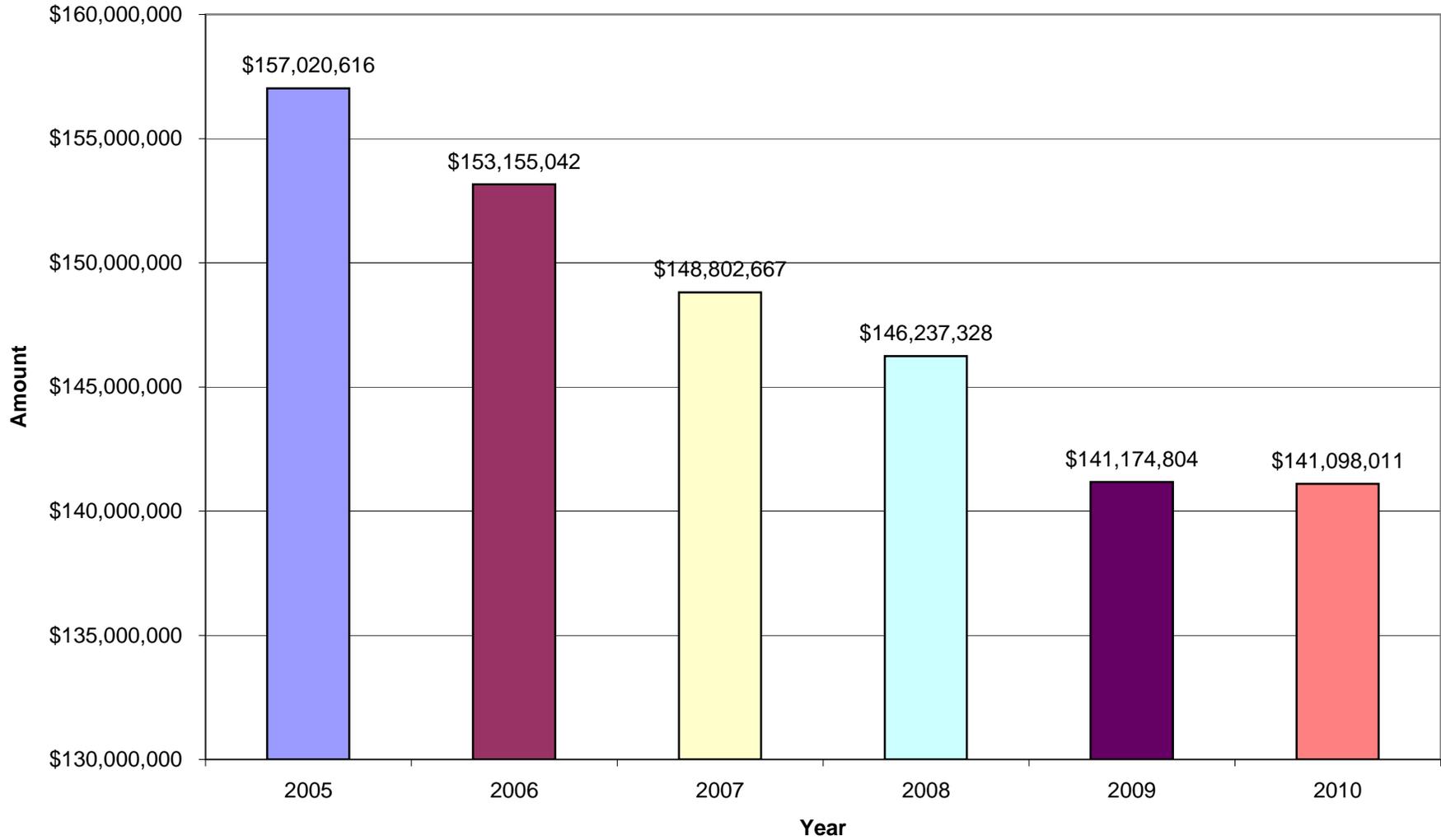
## 2011 Preliminary Budget compared with 2010 Budget

- 2011 Preliminary Budget \$553.1 million
- 2010 Budget \$525.4 million
- Increase \$27.7 million
- **Percentage increase in Budget 5.27%**

# Major Expenditure Increases from 2010 to 2012

	<u>2011</u>	<u>2012</u>	<u>Total</u>
Salaries	\$8.7m	\$7.0m	\$15.7m
Medical Insurance	4.6	3.5	8.1
Retirement Contribution	2.4	24.0	26.4
Special Ed Contribution	3.4	4.3	7.7
Transportation	1.0	0.7	1.7
<b>Total</b>	<b>\$20.1m</b>	<b>\$39.5m</b>	<b>\$59.6m</b>

**SCHOOL DISTRICT OF PITTSBURGH**  
**Gross General Fund Payroll as of September 30, 2010**



**Public School Employees' Retirement System of Pennsylvania**  
**Projection of Contribution Rates and Funded Ratios As of June 30, 2009**  
**Market Returns and Pension Rate Floors Set by User**

**5.64% Projection**

Fiscal Year Ending June	Appropriation Payroll (thousands)	Fiscal Year Market Rate of Return	Pension Rate Floor	Employee Contribution Rate	Employer Normal Cost	Unfunded Liability Rate	Preliminary Employer Pension Rate	Health Care Contribution	Total Employer Contribution Rate	Projected Total Employer Contribution (thousands)	Funded Ratio	Unfunded Accrued Liability (\$ Millions)	GASB Compliant?
2008	\$ 12,881,244	(2.82) %	4.00 %	7.25 %	6.68 %	(0.24) %	6.44 %	0.69 %	7.13 %		86.0 %	\$ 9,923.0	
2009	12,500,000	(26.54)	4.00	7.29	6.68	(3.37)	3.31	0.76	4.76		<b>79.2</b>	<b>15,739.2</b>	
2010	12,899,000	8.00	4.00	7.32	7.35	(3.72)	3.63	0.78	4.78	\$ 616,572	73.4	20,898.6	
<b>2011</b>	<b>13,510,000</b>	8.00	4.00	<b>7.34</b>	<b>8.08</b>	<b>(0.50)</b>	<b>7.58</b>	<b>0.64</b>	<b>5.64</b>	761,964	66.4	27,412.4	
2012	13,920,859	8.00	4.00	7.37	8.02	1.85	9.87	0.72	10.59	1,474,219	57.8	35,604.9	
2013	14,345,321	8.00	4.00	7.38	8.00	20.74	28.74	0.72	29.46	4,226,132	53.7	40,526.3	yes
2014	14,797,664	8.00	4.00	7.40	7.96	23.65	31.61	0.71	32.32	4,782,605	54.7	41,117.1	yes
2015	15,280,148	8.00	4.00	7.42	7.93	25.20	33.13	0.70	33.83	5,169,274	56.3	41,123.3	yes
2016	15,794,512	8.00	4.00	7.43	7.91	24.90	32.81	0.68	33.49	5,289,582	58.1	40,819.8	yes
2017	16,341,270	8.00	4.00	7.44	7.89	24.40	32.29	0.67	32.96	5,386,083	60.1	40,255.7	yes
2018	16,926,735	8.00	4.00	7.45	7.87	23.74	31.61	0.65	32.26	5,460,565	62.2	39,515.2	yes
2019	17,557,664	8.00	4.00	7.46	7.85	22.98	30.83	0.64	31.47	5,525,397	64.4	38,673.5	yes
2020	18,232,076	8.00	4.00	7.46	7.84	22.16	30.00	0.61	30.61	5,580,838	66.5	37,742.9	yes
2021	18,948,040	8.00	4.00	7.47	7.82	21.34	29.16	0.59	29.75	5,637,042	68.6	36,726.5	yes
2022	19,703,172	8.00	4.00	7.47	7.81	20.53	28.34	0.59	28.93	5,700,128	70.7	35,623.7	yes
2023	20,493,701	8.00	4.00	7.48	7.79	19.74	27.53	0.59	28.12	5,762,829	72.7	34,430.3	yes
2024	21,321,539	8.00	4.00	7.48	7.78	18.97	26.75	0.59	27.34	5,829,309	74.8	33,140.4	yes
2025	22,185,011	8.00	4.00	7.48	7.77	18.23	26.00	0.59	26.59	5,898,994	76.8	31,746.8	yes
2026	23,081,835	8.00	4.00	7.48	7.77	17.53	25.30	0.59	25.89	5,975,887	78.7	30,241.4	yes
2027	24,006,797	8.00	4.00	7.49	7.75	16.85	24.60	0.59	25.19	6,047,312	80.7	28,615.5	yes
2028	24,958,599	8.00	4.00	7.49	7.74	16.21	23.95	0.59	24.54	6,124,840	82.6	26,859.5	yes
2029	25,937,456	8.00	4.00	7.49	7.73	15.60	23.33	0.59	23.92	6,204,239	84.5	24,962.9	yes
2030	26,943,962	8.00	4.00	7.49	7.72	15.01	22.73	0.59	23.32	6,283,332	86.3	22,914.7	yes
2031	27,978,093	8.00	4.00	7.49	7.71	14.46	22.17	0.59	22.76	6,367,814	88.1	20,702.5	yes
2032	29,041,527	8.00	4.00	7.49	7.70	13.93	21.63	0.59	22.22	6,453,027	89.9	18,313.4	yes
2033	30,136,493	8.00	4.00	7.49	7.69	11.29	18.98	0.59	19.57	5,897,712	91.3	16,375.3	yes
2034	31,268,441	8.00	4.00	7.49	7.68	10.01	17.69	0.59	18.28	5,715,871	92.6	14,556.9	yes
2035	32,446,271	8.00	4.00	7.50	7.66	8.68	16.34	0.59	16.93	5,493,154	93.7	12,905.8	yes
2036	33,675,824	8.00	4.00	7.50	7.64	7.53	15.17	0.59	15.76	5,307,310	94.6	11,403.4	yes
2037	34,956,565	8.00	4.00	7.50	7.63	6.21	13.84	0.59	14.43	5,044,232	95.4	10,144.9	yes
2038	36,292,078	8.00	4.00	7.50	7.62	5.77	13.39	0.59	13.98	5,073,633	96.2	8,864.1	yes
2039	37,690,635	8.00	4.00	7.50	7.60	6.54	14.14	0.59	14.73	5,551,831	97.0	7,107.3	yes

The Board at its January 2009 meeting adopted to reduce the interest rate from 8.50% to 8.25% for the June 30, 2008 valuation and to 8.00% thereafter.

# Projected Unreserved Fund Balance

12/31/10 Unreserved Fund Balance	\$61.4 million
<b>2011 Operating Deficit</b>	<b>(\$23.9) million</b>
12/31/11 Unreserved Fund Balance	\$37.5 million

# Things the State can do for 2012

- Projected 2012 Operating Deficit \$78.7 million

## Solve for

- PSERS Rate Increase \$29.8 million
  - Less reduced State Reimbursement -\$14.9 million
- Federal Stimulus Funding Cliff \$18.7 million
- Remaining 2012 Operating Deficit \$45.1 million



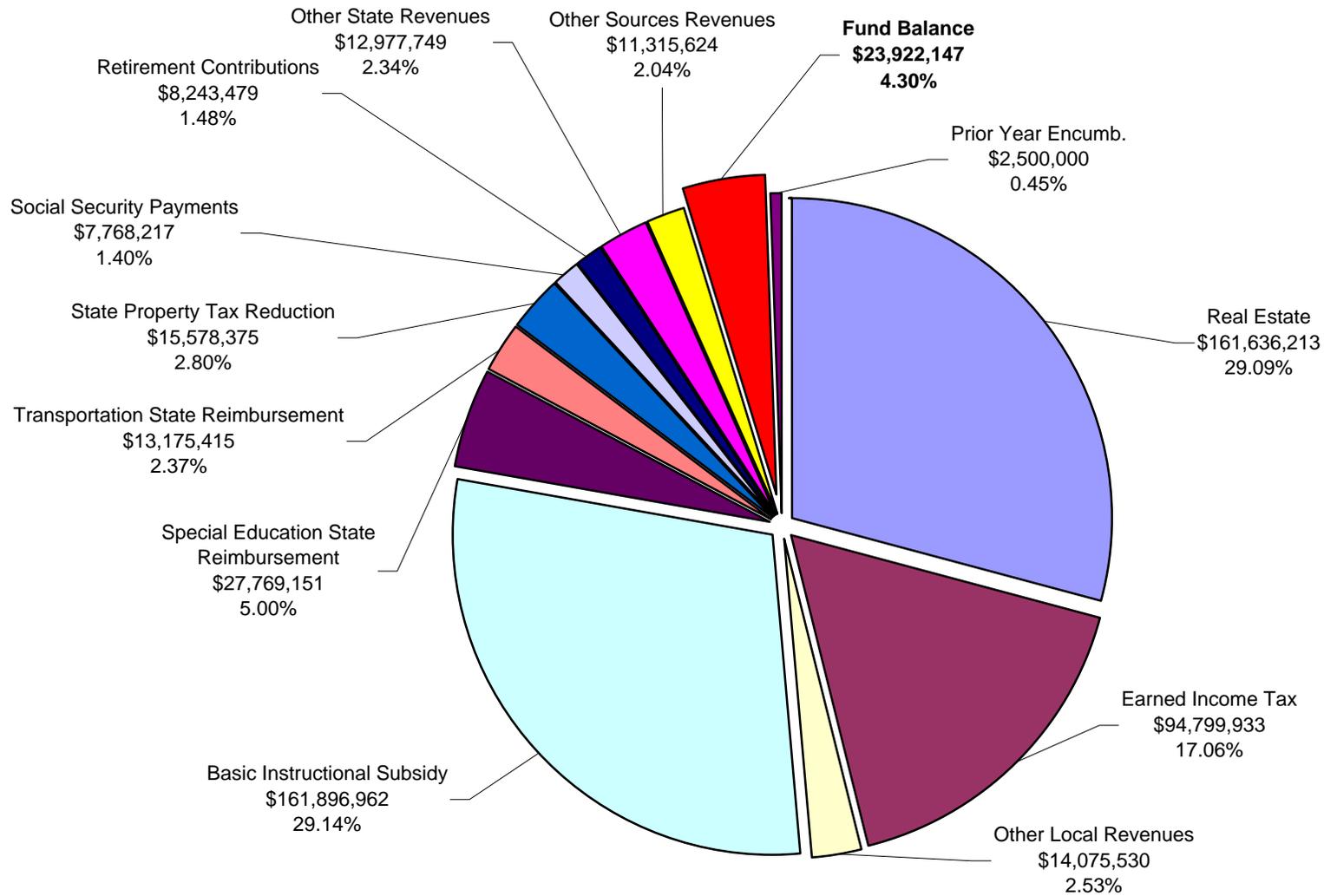
# Things We Plan to do for 2012

- Review student teacher ratios
- Review class offerings
- Continue to monitor under enrolled schools

# Risks – and how accounted for in the long term forecast

- Port Authority
- PSERS Contribution
- Harrisburg – change in leadership
- Healthcare
- Local Economy / Tax Collections
- Commodity Volatility (e.g. natural gas, electricity)

## School District of Pittsburgh 2011 Revenue

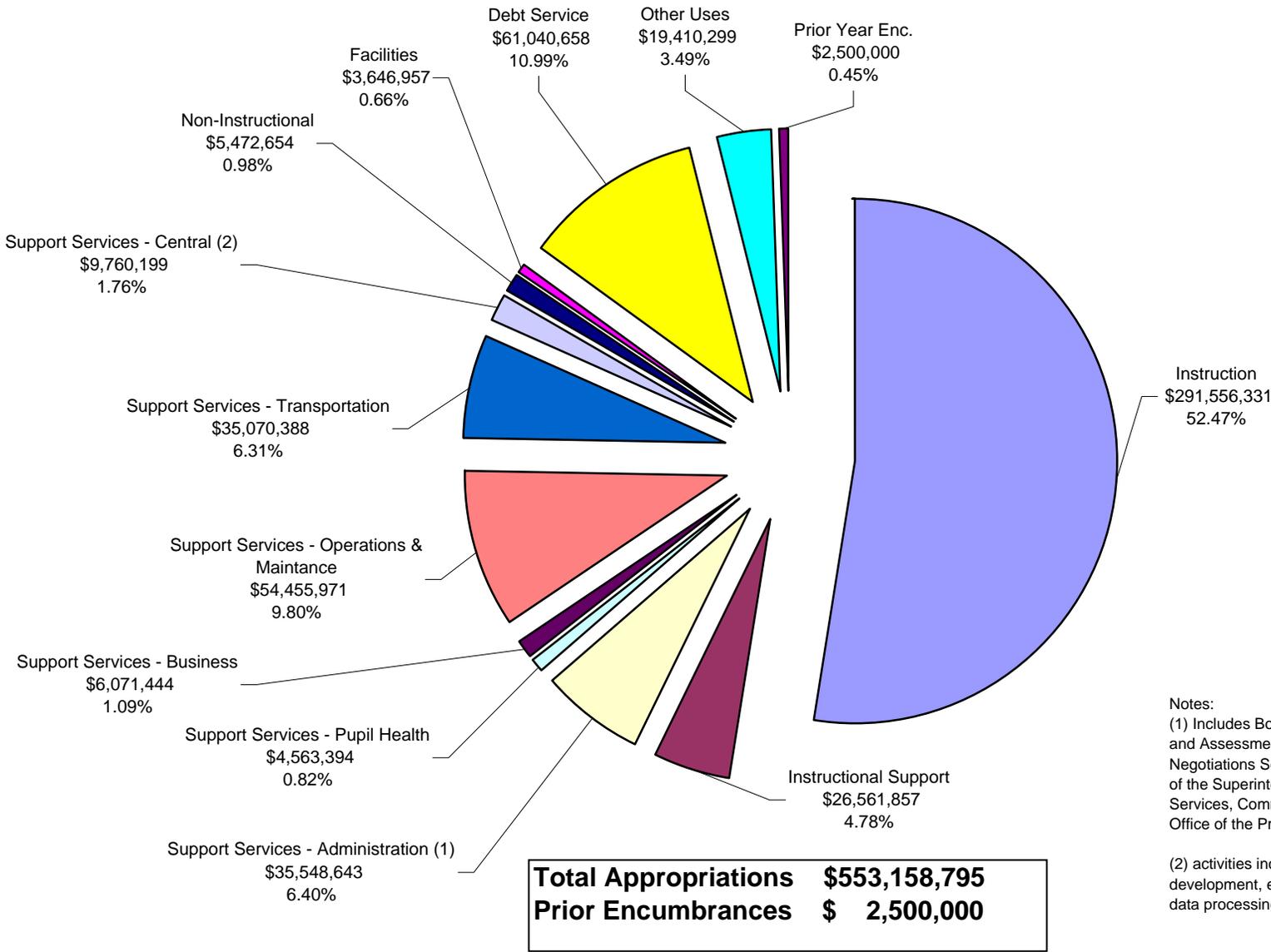


<b>Total Revenue</b>	<b>\$529,236,648</b>
<b>Prior Encumbrances</b>	<b>\$ 2,500,000</b>
<b>Deficit</b>	<b>\$ 23,922,147</b>

**School District of Pittsburgh  
2011 REVENUES**

<b>LOCAL SOURCES</b>	<b>PROJECTED REVENUES</b>	<b>PERCENT OF TOTAL</b>	
Real Estate	\$161,636,213	29.09%	
Earned Income Tax	\$94,799,933	17.06%	
Other Local Revenues	\$14,075,530	2.53%	
<b>Total - Local Sources</b>	<b>\$270,511,676</b>		<b>48.68%</b>
<b>STATE SOURCES</b>			
Basic Instructional Subsidy	\$161,896,962	29.14%	
Special Education State Reimbursement	\$27,769,151	5.00%	
Transportation State Reimbursement	\$13,175,415	2.37%	
State Property Tax Reduction	\$15,578,375	2.80%	
Social Security Payments	\$7,768,217	1.40%	
Retirement Contributions	\$8,243,479	1.48%	
Other State Revenues	\$12,977,749	2.34%	
<b>Total - State Sources</b>	<b>\$247,409,348</b>		<b>44.53%</b>
<b>REVENUE FROM OTHER SOURCES</b>	<b>\$11,315,624</b>	<b>2.04%</b>	
	<b>\$11,315,624</b>		<b>2.04%</b>
<b>FROM FUND BALANCE</b>	<b>\$23,922,147</b>	<b>4.30%</b>	
	<b>\$23,922,147</b>		<b>4.30%</b>
<b>RESERVE FOR PRIOR YEAR ENCUMBRANCES</b>	<b>\$2,500,000</b>	<b>0.45%</b>	
	<b>\$2,500,000</b>		<b>0.45%</b>
<b>TOTAL</b>	<b>\$555,658,795</b>		<b>100.00%</b>

# School District of Pittsburgh 2011 Appropriations by Function



Notes:  
 (1) Includes Board Services, Tax Collection and Assessment Services, Staff Relations and Negotiations Services, Legal Services, Office of the Superintendent (Deputy/Assistants) Services, Community Relations Services and Office of the Principal Services.

(2) activities include planning, research, development, evaluation, information, staff and data processing services.



Pittsburgh Public Schools  
Budget System

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Report Id : PPSB114  
Legacy Report : FB7411  
Report Title : Appropriations by Function  
Run Date Time : 2010-09-30 10:27:50.093  
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Fiscal Year : 2011  
Revision : Preliminary  
Status : Pending  
Fund Code : 010 - General Fund

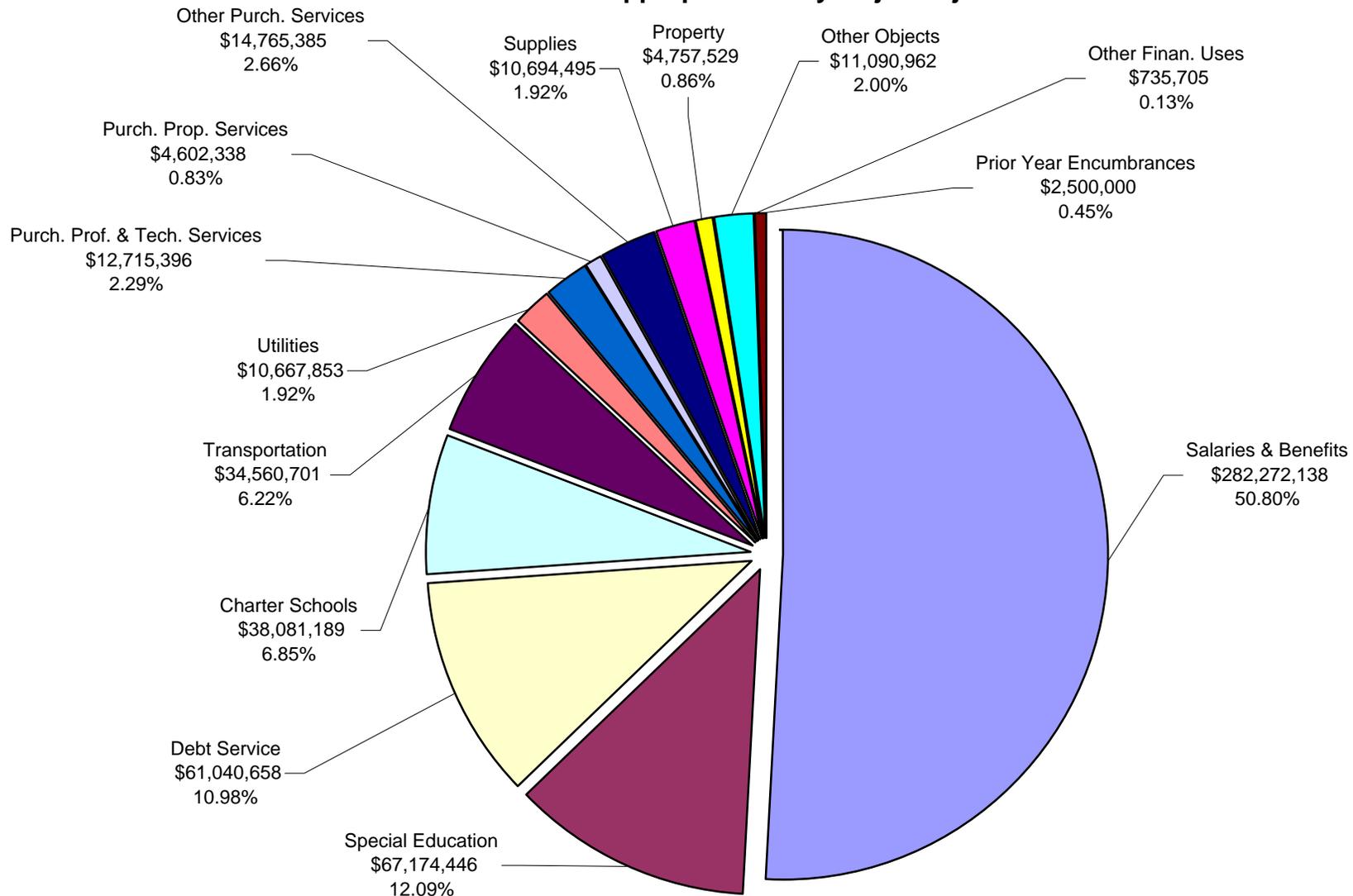
Requested by : labrams1  
Run Control ID : Summarybyfunction

Pages: 2

2011 APPROPRIATIONS BY FUNCTION

<u>FUNCTION</u>	<u>DESCRIPTION</u>	<u>SALARY AND FRINGE BENEFITS</u>	<u>OTHER APPROPRIATIONS</u>	<u>APPROPRIATIONS</u>	<u>PERCENT OF TOTAL BUDGET</u>
1100	REGULAR PRGS - ELEM/SEC	\$158,826,441	\$ 50,860,731	\$209,687,172	37.74
1200	SPECIAL PROGRAMS ELEM/SEC	300,000	73,274,446	73,574,446	13.24
1300	VOCATIONAL EDUCATION PROGRAMS	6,030,036	419,361	6,449,397	1.16
1400	OTHER INSTR PROGRAMS - ELE/SEC	1,300,773	44,543	1,345,316	0.24
1800	INSTR PROG. PRE-K STUDENTS	500,000	****	500,000	0.09
1000	INSTRUCTION	\$166,957,250	\$124,599,081	\$291,556,331	52.47
2100	SUPPORT SVCS-PUPIL PERSONNEL	10,737,747	317,250	11,054,997	1.99
2200	SUPPORT SERVICES-INSTRUCTIONAL	9,134,970	6,371,890	15,506,860	2.79
2300	SUPPORT SERVICE ADMINISTRATION	27,794,484	7,754,159	35,548,643	6.40
2400	SUPPORT SVCS-PUPIL HEALTH	4,243,514	319,880	4,563,394	0.82
2500	SUPPORT SERVICES-BUSINESS	4,114,202	1,957,242	6,071,444	1.09
2600	OPERATION & MAINT OF PLANT SER	38,020,839	16,435,132	54,455,971	9.80
2700	STUDENT TRANSPORTATION SVCS	614,478	34,455,910	35,070,388	6.31
2800	SUPPORT SERVICES-CENTRAL	7,716,486	2,043,713	9,760,199	1.76
2000	SUPPORT SERVICES	\$102,376,720	\$ 69,655,176	\$172,031,896	30.96
3100	FOOD SERVICES	18,870	****	18,870	0.00
3200	STUDENT ACTIVITIES	3,547,471	1,891,313	5,438,784	0.98
3300	COMMUNITY SERVICES	15,000	****	15,000	0.00
3000	OPERATION OF NONINSTRU SERVICE	\$ 3,581,341	\$ 1,891,313	\$ 5,472,654	0.98
4400	ARCH, ENG & EDUC SPEC-REPLACE	879,959	29,500	909,459	0.16
4600	BUILDING IMPROVE SERV-REPLACEM	977,298	1,760,200	2,737,498	0.49
4000	FACILITIES ACQ. CON. & IMPROVE	\$ 1,857,257	\$ 1,789,700	\$ 3,646,957	0.66
5100	DEBT SERVICE	****	61,040,658	61,040,658	10.99
5130	REFUND OF PRIOR YR REVENUES	****	5,471,624	5,471,624	0.98
5200	FUND TRANSFERS	1,010,000	1,039,105	2,049,105	0.37
5900	BUDGETARY RESERVE	6,489,570	5,400,000	11,889,570	2.14
5000	OTHER FINANCING USES	\$ 7,499,570	\$ 72,951,387	\$ 80,450,957	14.48
	PRIOR YEAR ENCUMBRANCES	****	<u>2,500,000</u>	<u>2,500,000</u>	<u>0.45</u>
	TOTAL	<u>\$282,272,138</u>	<u>\$273,386,657</u>	<u>\$555,658,795</u>	<u>100.00</u>

## School District of Pittsburgh 2011 Appropriations by Major Object



<b>Total Appropriations</b>	<b>\$553,158,795</b>
<b>Prior Encumbrances</b>	<b>\$ 2,500,000</b>



# Pittsburgh Public Schools

## Budget System

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Report Id : PPSB123  
Legacy Report : FB7412  
Report Title : Appropriations by Object with Estimated Final  
Run Date Time : 2010-09-30 10:17:23.463  
Database : FNPROD

Fiscal Year : 2011  
Revision : Preliminary  
Status : Pending  
Fund Code : 010 - General Fund

Requested by : labrams1  
Run Control ID : Objectsummaryestimatedfinal

Pages: 8

2011 APPROPRIATIONS BY OBJECT WITH ESTIMATED FINAL

<u>OBJECT</u>	<u>DESCRIPTION</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGET</u>	<u>2010 ESTIMATED FINAL</u>	<u>2011 BUDGET</u>	<u>INCREASE DECREASE 11 OVER 10</u>
	100 SALARIES					
111	SUPERINTENDENTS.....	\$ 455,533.48	\$ 370,000	\$ 387,000	\$ 387,000	\$ 17,000
112	SCHOOL CONTROLLER.....	20,496.00	20,496	20,803	20,803	307
113	DIRECTORS.....	2,718,896.36	2,960,221	3,232,581	3,367,601	407,380
114	PRINCIPALS.....	11,634,387.11	10,972,068	10,901,238	10,001,785	-970,283
116	CENTRL SUPPORT ADMIN.....	3,248,261.86	3,622,476	3,566,185	3,626,563	4,087
119	OTHER PERSONNEL COSTS.....	1,825,896.79	1,601,908	1,601,908	1,609,362	7,454
121	CLASSROOM TEACHERS.....	108,415,098.18	105,608,187	107,053,219	115,554,303	9,946,116
122	TEACHER-SPEC ASSGNMT.....	274,477.76	202,444	162,659	108,987	-93,457
123	SUBSTITUTE TEACHERS.....	4,106,008.86	3,468,800	3,461,400	3,461,400	-7,400
124	COMP-ADDITIONAL WORK.....	1,183,549.01	976,567	871,185	866,435	-110,132
125	WKSP-COM WK-CUR-INSV.....	48,072.76	119,608	38,168	15,281	-104,327
126	COUNSELORS.....	3,264,134.46	3,042,228	3,042,228	3,098,379	56,151
127	LIBRARIANS.....	3,162,439.22	2,710,030	2,715,781	2,597,275	-112,755
129	OTHER PERSONNEL COSTS.....	710,982.59	1,395,000	1,395,000	1,395,000	****
132	SOCIAL WORKERS.....	2,865,320.59	2,930,350	2,929,850	2,566,349	-364,001
133	SCHOOL NURSES.....	2,515,626.83	2,648,045	2,629,900	2,756,417	108,372
134	COORDINATORS.....	15,691.00	25,000	25,000	25,000	****
135	OTHER CENT SUPP STAFF.....	530,482.32	536,549	1,240,300	1,243,270	706,721
136	OTHER PROF EDUC STAFF.....	368,432.26	383,567	383,567	398,700	15,133
137	ATHLETIC COACHES.....	1,646,087.47	1,962,277	1,962,277	1,962,277	****
138	EXTRA CURR ACTIV PAY.....	806,536.95	817,334	814,334	653,626	-163,708
139	OTHER PERSONNEL COSTS.....	14,838.43	85,000	85,000	85,000	****
141	ACCOUNTANTS-AUDITORS.....	1,205,080.64	1,438,191	1,360,656	1,383,103	-55,088
142	OTHER ACCOUNTING PERS.....	575,170.26	628,295	606,617	617,256	-11,039
143	PURCHASING PERSONNEL.....	266,427.41	271,307	272,339	276,248	4,941
144	COMPUTER SERVICE PERS.....	2,455,848.00	2,595,527	2,602,854	2,526,334	-69,193
145	FACIL-PLANT OPR PERS.....	1,284,169.32	1,342,832	1,335,700	1,345,000	2,168
146	OTHER TECHNICAL PERS.....	3,541,567.66	3,917,854	4,161,891	3,940,913	23,059
147	TRANSPORTATION PERS.....	297,427.58	309,138	309,611	312,116	2,978
148	COMP-ADDITIONAL WORK.....	206,421.90	183,758	160,658	162,758	-21,000
149	OTHER PERSONNEL COSTS.....	73,570.13	4,500	4,500	4,500	****
151	SECRETARIES.....	931,218.90	1,009,742	976,890	1,015,077	5,335
152	TYPIST-STENOGRAPHERS.....	387,938.14	420,701	425,461	419,990	-711
153	SCH SECRETARY-CLERKS.....	3,104,598.61	3,142,148	3,141,848	2,777,274	-364,874
154	CLERKS.....	461,652.46	460,676	453,503	470,797	10,121
155	OTHER OFFICE PERS.....	2,269,312.62	2,273,732	2,404,310	2,314,489	40,757
157	COMP-ADDITIONAL WORK.....	86,291.16	76,153	73,953	76,426	273
159	OTHER PERSONNEL COSTS.....	59,499.40	61,500	56,500	56,500	-5,000
161	TRADESMEN.....	3,578,187.27	3,568,531	3,568,531	3,568,531	****
163	REPAIRMEN.....	771,340.44	791,976	791,976	791,976	****
167	TEMP CRAFTS & TRADES.....	52,680.75	9,000	13,429	10,000	1,000
168	COMP-ADDITIONAL WORK.....	1,139,325.61	911,000	1,105,700	911,000	****
169	OTHER PERSONNEL COSTS.....	13,226.53	****	****	****	****
172	AUTOMOTIVE EQUIP OPR.....	775,227.37	967,964	967,964	967,964	****
177	SUBSTITUTES.....	44,662.18	100,000	100,000	100,000	****
178	COMP-ADDITIONAL WORK.....	151,483.05	251,085	251,085	251,085	****
179	OTHER PERSONNEL COSTS.....	3,060.00	****	****	****	****
181	CUSTODIAL - LABORER.....	10,687,584.30	11,831,956	11,831,956	11,834,764	2,808
182	FOOD SERVICE STAFF.....	33,609.23	47,000	47,000	14,000	-33,000
183	SECURITY PERSONNEL.....	2,929,658.17	3,310,517	3,296,154	3,331,758	21,241
184	STORES HANDLING STAFF.....	46,024.15	46,901	46,901	46,901	****
185	SUBSTITUTES.....	1,303,799.24	1,745,968	1,745,718	1,745,718	-250

2011 APPROPRIATIONS BY OBJECT WITH ESTIMATED FINAL (CONT'D)

<u>OBJECT</u>	<u>DESCRIPTION</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGET</u>	<u>2010 ESTIMATED FINAL</u>	<u>2011 BUDGET</u>	<u>INCREASE DECREASE 11 OVER 10</u>
186	GROUNDSKEEPER.....	406,384.58	402,584	402,584	402,584	****
187	STUD WRKRS/TUTORS/INTERNS.....	51,434.20	32,500	32,500	122,326	89,826
188	COMP-ADDITIONAL WORK.....	4,470,053.28	3,996,750	3,994,150	4,002,828	6,078
189	OTHER PERSONNEL COSTS.....	77,067.88	1,500	1,500	1,500	****
191	INSTR PARAPROFESSIONAL.....	2,924,217.34	2,559,707	2,527,408	2,238,852	-320,855
197	COMP-ADDITIONAL WORK.....	46,958.60	28,185	29,585	30,120	1,935
198	SUBSTITUTE PARAPROF.....	56,555.68	50,506	50,506	59,773	9,267
199	OTHER PERSONNEL COSTS.....	<u>8,728.00</u>	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>	<u>****</u>
	TOTAL 100 SALARIES.....	<u>\$ 196,608,712.33</u>	<u>\$195,280,839</u>	<u>\$197,704,521</u>	<u>\$203,964,274</u>	<u>\$ 8,683,435</u>
	200 EMPLOYEE BENEFITS					
200	EMPLOYEE BENEFITS.....	\$ 51,882.98	\$ ****	\$ ****	\$ ****	\$ ****
211	MEDICAL INSURANCE.....	226,414.34	****	****	****	****
212	DENTAL INSURANCE.....	1,744,363.09	1,786,377	1,786,377	1,563,826	-222,551
213	LIFE INSURANCE.....	41,580.33	281,861	281,861	62,427	-219,434
214	INCOME PROTECT INSURANCE.....	13,125.20	****	****	****	****
220	SOCIAL SECURITY CONT.....	15,141,026.36	15,087,189	14,994,482	15,536,434	449,245
230	RETIREMENT CONTRIBUTION.....	10,399,103.23	14,104,011	10,765,755	16,486,958	2,382,947
250	UNEMPLOYMENT COMP.....	309,337.33	189,137	189,137	407,929	218,792
260	WORKERS' COMP.....	904,326.81	1,751,116	1,751,116	2,039,643	288,527
271	SELF INSURANCE- MEDICAL HEALTH.....	27,084,872.66	37,392,869	37,605,176	42,117,797	4,724,928
281	OPEB - RETIREE'S HEALTH BEN.....	9,343,576.41	****	****	****	****
282	OPEB-OHTR THAN HEALTH BEN.....	186.27	****	****	****	****
290	OTHER EMPLOYEE BENEFITS.....	23,436.06	90,000	90,000	92,850	2,850
299	OTHER EMPLOYEE BENEFITS.....	<u>46,020.00</u>	<u>****</u>	<u>****</u>	<u>****</u>	<u>****</u>
	TOTAL 200 EMPLOYEE BENEFITS.....	<u>\$ 65,329,251.07</u>	<u>\$ 70,682,560</u>	<u>\$ 67,463,904</u>	<u>\$ 78,307,864</u>	<u>\$ 7,625,304</u>
	300 PURCHASED PROFESSIONAL & TECH					
310	PURCH OF/ADMIN SERVC.....	\$ 3,630,339.76	\$ 3,743,242	\$ 3,844,194	\$ 4,269,278	\$ 526,036
322	PROF. EDUC. SERVICES-IUS.....	61,850,768.34	63,478,618	62,832,587	66,914,446	3,435,828
323	PROF-EDUCATIONAL SERVC.....	4,627,949.51	4,420,423	4,415,923	4,455,823	35,400
324	PROF-EDUC SERVC - PROF DEV.....	72,016.99	91,915	23,000	59,590	-32,325
329	PROF-EDUC SERVC - OTHER.....	220,036.75	53,750	221,550	229,400	175,650
330	OTHER PROFESSIONAL SERVC.....	2,366,035.52	2,945,041	2,967,726	2,783,688	-161,353
340	TECHNICAL SERVICES.....	337,616.64	308,917	304,217	320,617	11,700
348	TECHNOLOGY SERVICES.....	<u>242,557.62</u>	<u>704,000</u>	<u>655,000</u>	<u>597,000</u>	<u>-107,000</u>
	TOTAL 300 PURCHASED PROFESSIONAL & TECH.....	<u>\$ 73,347,321.13</u>	<u>\$ 75,745,906</u>	<u>\$ 75,264,197</u>	<u>\$ 79,629,842</u>	<u>\$ 3,883,936</u>
	400 PURCHASED PROPERTY SERVICES					
411	DISPOSAL SERVICES.....	\$ 469,660.85	\$ 621,256	\$ 621,256	\$ 621,256	\$ ****
413	CUSTODIAL SERVICES.....	43,545.00	60,750	50,000	50,000	-10,750
415	LAUNDRY-LINEN SERVICE.....	5,935.15	3,760	3,760	3,760	****
422	ELECTRICITY.....	5,029,504.73	4,976,490	5,297,376	4,839,528	-136,962
424	WATER/SEWAGE.....	923,073.17	1,146,787	1,069,971	1,196,221	49,434
431	RPR & MAINT - BLDGS.....	2,350,071.73	2,193,084	2,193,084	2,193,084	****
432	RPR & MAINT - EQUIP.....	720,762.41	969,510	924,318	872,993	-96,517
433	RPR & MAINT - VEHICLES.....	824.72	900	900	900	****
438	RPR & MAINT - TECH.....	92,807.18	340,398	336,898	353,830	13,432

2011 APPROPRIATIONS BY OBJECT WITH ESTIMATED FINAL (CONT'D)

<u>OBJECT</u>	<u>DESCRIPTION</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGET</u>	<u>2010 ESTIMATED FINAL</u>	<u>2011 BUDGET</u>	<u>INCREASE DECREASE 11 OVER 10</u>
441	RENTAL - LAND & BLDGS.....	310,969.25	442,278	434,391	446,062	3,784
442	RENTAL - EQUIPMENT.....	29,482.02	32,457	32,307	34,407	1,950
444	RENTAL OF VEHICLES.....	5,473.50	900	900	900	****
449	OTHER RENTALS.....	2,142.52	1,000	1,000	1,000	****
450	CONSTRUCTION SERVICES.....	****	4,206	4,206	5,706	1,500
460	EXTERMINATION SERVICES.....	8,093.14	10,000	10,000	10,000	****
490	OTHER PROPERTY SERVICES.....	48,709.83	9,640	7,440	8,440	-1,200
	TOTAL 400 PURCHASED PROPERTY SERVICES...	<u>\$ 10,041,055.20</u>	<u>\$ 10,813,416</u>	<u>\$ 10,987,807</u>	<u>\$ 10,638,087</u>	<u>\$ -175,329</u>
	500 OTHER PURCHASED SERVICES					
513	CONTRACTED CARRIERS.....	\$ 21,251,899.52	\$ 22,898,507	\$ 21,756,560	\$ 23,819,897	\$ 921,390
515	PUBLIC CARRIERS.....	3,121,365.88	3,650,875	3,505,415	3,650,875	****
516	STUDENT TRANSPORTATION - I.U.....	6,433,048.04	6,528,520	5,468,515	6,520,000	-8,520
519	OTHER STUDENT TRANSP.....	339,277.26	439,425	413,415	569,929	130,504
522	AUTO LIABILITY INSURANCE.....	114,547.67	130,000	130,000	130,000	****
523	GENERAL PROPERTY - LIAB INS.....	228,163.41	300,000	300,000	300,000	****
525	BONDING INSURANCE.....	17,020.00	****	****	****	****
529	OTHER INSURANCE.....	188,212.11	190,000	190,000	190,000	****
530	COMMUNICATIONS.....	513,099.02	885,131	727,154	797,598	-87,533
538	TELECOMMUNICATIONS.....	331,221.74	549,234	791,139	818,672	269,438
540	ADVERTISING.....	303,784.76	280,421	347,570	257,486	-22,935
550	PRINTING & BINDING.....	508,979.29	579,914	561,713	611,949	32,035
561	TUITION - OTHER PA LEA.....	3,313,320.60	3,125,000	3,107,692	3,320,000	195,000
562	TUITION - CHARTER SCHOOLS.....	37,302,960.37	37,883,353	36,426,675	38,081,189	197,836
567	TUITION TO APPROVED PRIVATE.....	4,982,401.35	5,000,000	5,421,864	5,500,000	500,000
568	TUITION - PRRI.....	1,004,003.29	1,100,000	618,469	600,000	-500,000
569	TUITION - OTHER.....	67,825.51	20,827	72,080	71,035	50,208
581	MILEAGE.....	156,532.86	169,612	167,212	171,131	1,519
582	TRAVEL.....	161,342.80	216,396	273,771	253,382	36,986
594	SVC-IU SPECIAL CLASSES.....	250,648.66	260,000	82,851	260,000	****
595	I U PAYMENTS BY WITHHOLDING.....	14,997.15	****	****	****	****
599	OTHER PURCHASED SERVICES.....	<u>1,423,586.09</u>	<u>1,616,292</u>	<u>1,660,278</u>	<u>1,744,132</u>	<u>127,840</u>
	TOTAL 500 OTHER PURCHASED SERVICES.....	<u>\$ 82,028,237.38</u>	<u>\$ 85,823,507</u>	<u>\$ 82,022,373</u>	<u>\$ 87,667,275</u>	<u>\$ 1,843,768</u>
	600 SUPPLIES					
610	GENERAL SUPPLIES.....	\$ 6,012,082.07	\$ 5,196,646	\$ 5,348,489	\$ 5,378,338	\$ 181,692
618	ADM OP SYS TECH.....	1,111,131.43	1,571,894	1,787,443	1,684,733	112,839
621	NATURAL GAS - HTG & AC.....	5,697,159.71	5,599,355	4,692,424	4,222,026	-1,377,329
624	OIL - HTG & AC.....	515.01	10,078	10,078	10,078	****
626	GASOLINE.....	89,478.23	150,281	162,865	150,180	-101
627	DIESEL FUEL.....	78,719.04	70,200	70,200	70,200	****
628	STEAM - HTG & AC.....	285,679.19	400,000	400,000	400,000	****
634	STUDENT SNACKS.....	16,529.29	63,716	61,466	47,650	-16,066
635	MEALS & REFRESHMENTS.....	56,369.55	66,018	68,698	73,995	7,977
640	BOOKS & PERIODICALS.....	4,063,665.47	3,349,459	3,233,463	3,196,699	-152,760
650	SUPPLIES & FEES - TECHNOLOGY.....	<u>120,274.40</u>	<u>66,508</u>	<u>84,308</u>	<u>92,700</u>	<u>26,192</u>
	TOTAL 600 SUPPLIES.....	<u>\$ 17,531,603.39</u>	<u>\$ 16,544,155</u>	<u>\$ 15,919,434</u>	<u>\$ 15,326,599</u>	<u>\$ -1,217,556</u>

2011 APPROPRIATIONS BY OBJECT WITH ESTIMATED FINAL (CONT'D)

<u>OBJECT</u>	<u>DESCRIPTION</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGET</u>	<u>2010 ESTIMATED FINAL</u>	<u>2011 BUDGET</u>	<u>INCREASE DECREASE 11 OVER 10</u>
700 PROPERTY						
750	EQUIP-ORIGINAL & ADD.....	\$ 344,353.60	\$ 476,757	\$ 419,857	\$ 464,718	\$ -12,039
758	TECH EQUIP - NEW.....	495,043.65	293,706	285,462	752,663	458,957
760	EQUIPMENT-REPLACEMENT.....	636,376.72	1,160,165	1,163,269	961,956	-198,209
768	TECH EQUIP - REPLACE.....	1,259,383.87	1,659,950	1,696,942	1,831,635	171,685
788	TECH INFRASTRUCTURE.....	<u>688,772.57</u>	<u>481,953</u>	<u>479,953</u>	<u>746,557</u>	<u>264,604</u>
	TOTAL 700 PROPERTY.....	<u>\$ 3,423,930.41</u>	<u>\$ 4,072,531</u>	<u>\$ 4,045,483</u>	<u>\$ 4,757,529</u>	<u>\$ 684,998</u>
800 OTHER OBJECTS						
810	DUES & FEES.....	\$ 136,211.77	\$ 182,143	\$ 176,683	\$ 180,238	\$ -1,905
831	INT-LOAN-LEASE PURCH.....	1,017,986.92	151,012	151,012	231,047	80,035
832	INT-SERIAL BONDS.....	22,650,642.15	24,346,515	24,166,722	23,193,908	-1,152,607
840	BUDGETARY RESERVE.....	****	1,000,000	700,000	5,400,000	4,400,000
880	REFUNDS OF PRIOR YEAR RECEIPTS.....	4,044,174.80	4,000,000	5,802,978	5,471,624	1,471,624
890	MISC EXPENDITURES.....	<u>37,992.50</u>	<u>33,700</u>	<u>33,700</u>	<u>39,100</u>	<u>5,400</u>
	TOTAL 800 OTHER OBJECTS.....	<u>\$ 27,887,008.14</u>	<u>\$ 29,713,370</u>	<u>\$ 31,031,095</u>	<u>\$ 34,515,917</u>	<u>\$ 4,802,547</u>
900 OTHER FINANCING USES						
911	LOAN-LEASE PURCH-PRINCIPAL.....	\$ 2,535,000.00	\$ 1,650,000	\$ 1,650,000	\$ 1,645,000	\$ -5,000
912	SERIAL BONDS-PRINCIPAL.....	32,310,746.86	32,714,159	32,609,158	35,970,703	3,256,544
939	OTHER FUND TRANSFERS.....	<u>3,945,772.22</u>	<u>2,331,154</u>	<u>1,017,755</u>	<u>735,705</u>	<u>-1,595,449</u>
	TOTAL 900 OTHER FINANCING USES.....	<u>\$ 38,791,519.08</u>	<u>\$ 36,695,313</u>	<u>\$ 35,276,913</u>	<u>\$ 38,351,408</u>	<u>\$ 1,656,095</u>
	TOTAL ALL OBJECTS.....	<u>\$ 514,988,638.13</u>	<u>\$525,371,597</u>	<u>\$519,715,727</u>	<u>\$553,158,795</u>	<u>\$ 27,787,198</u>
	PRIOR YEAR ENCUMBRANCES.....	<u>\$ 3,548,326.62</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ ****</u>
	GRAND TOTAL.....	<u>\$ 518,536,964.75</u>	<u>\$527,871,597</u>	<u>\$522,215,727</u>	<u>\$555,658,795</u>	<u>\$ 27,787,198</u>

2011 APPROPRIATIONS BY MAJOR OBJECT WITH ESTIMATED FINAL

<u>MAJOR OBJECT</u>	<u>DESCRIPTION</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGET</u>	<u>2010 ESTIMATED FINAL</u>	<u>2011 BUDGET</u>	<u>INCREASE DECREASE 11 OVER 10</u>
100	SALARIES.....	\$ 196,608,712.33	\$195,280,839	\$197,704,521	\$203,964,274	\$ 8,683,435
200	EMPLOYEE BENEFITS.....	65,329,251.07	70,682,560	67,463,904	78,307,864	7,625,304
300	PURCHASED PROFESSIONAL & TECH.....	73,347,321.13	75,745,906	75,264,197	79,629,842	3,883,936
400	PURCHASED PROPERTY SERVICES.....	10,041,055.20	10,813,416	10,987,807	10,638,087	-175,329
500	OTHER PURCHASED SERVICES.....	82,028,237.38	85,823,507	82,022,373	87,667,275	1,843,768
600	SUPPLIES.....	17,531,603.39	16,544,155	15,919,434	15,326,599	-1,217,556
700	PROPERTY.....	3,423,930.41	4,072,531	4,045,483	4,757,529	684,998
800	OTHER OBJECTS.....	27,887,008.14	29,713,370	31,031,095	34,515,917	4,802,547
900	OTHER FINANCING USES.....	<u>38,791,519.08</u>	<u>36,695,313</u>	<u>35,276,913</u>	<u>38,351,408</u>	<u>1,656,095</u>
	TOTAL APPROPRIATIONS.....	\$ 514,988,638.13	\$525,371,597	\$519,715,727	\$553,158,795	\$ 27,787,198
	PRIOR YEAR ENCUMBRANCES.....	<u>\$ 3,548,326.62</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ ****</u>
	GRAND TOTAL.....	<u>\$ 518,536,964.75</u>	<u>\$527,871,597</u>	<u>\$522,215,727</u>	<u>\$555,658,795</u>	<u>\$ 27,787,198</u>

2011 APPROPRIATIONS BY MAJOR OBJECT

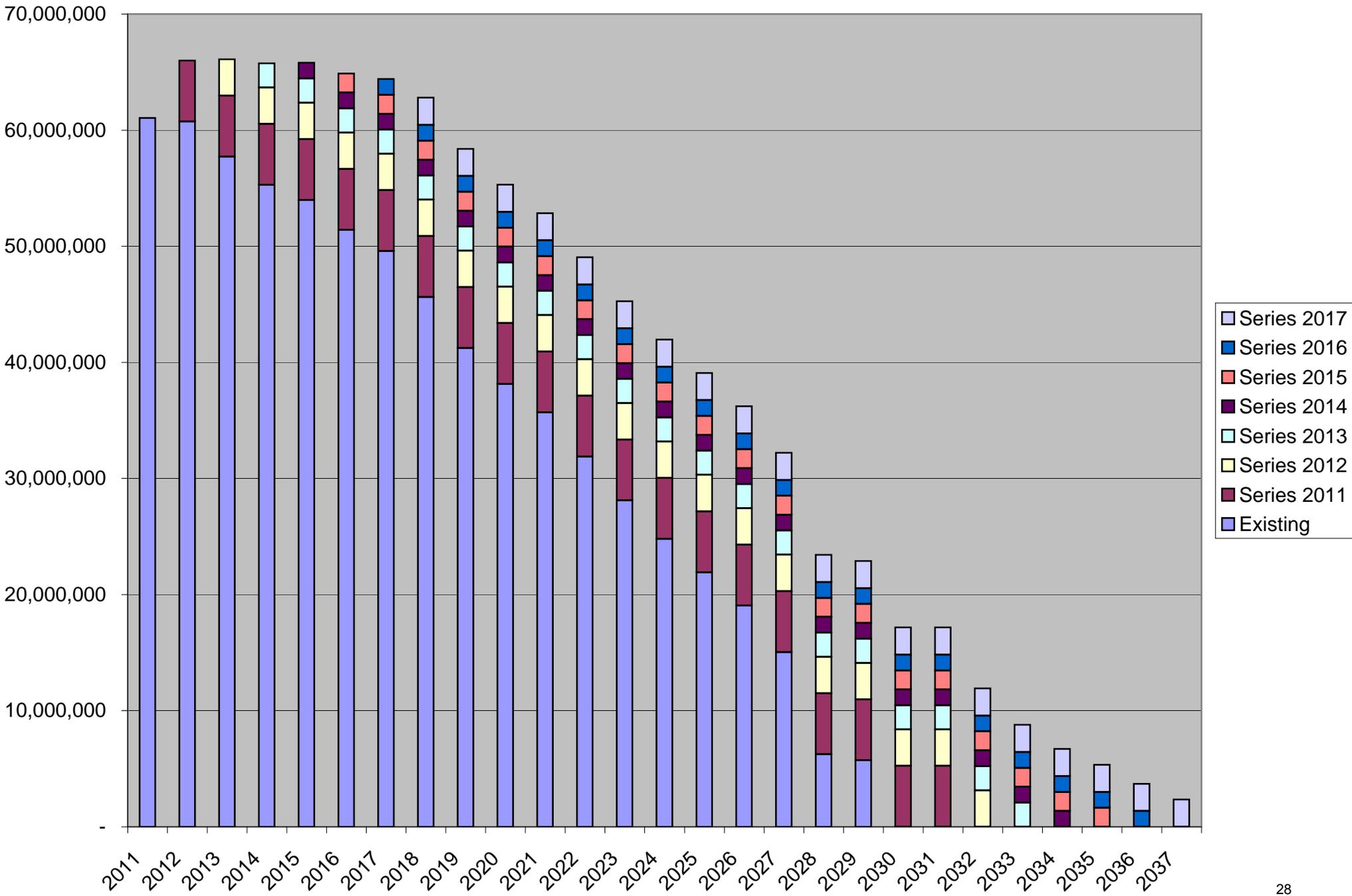
<u>OBJECT</u>	<u>DESCRIPTION</u>	<u>2011 BUDGET</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
110	OFFICIAL/ADMINISTRATION	\$ 19,013,114		
120	PROFESSIONAL - EDUCATION	127,097,060		
130	PROFESSIONAL - OTHER	9,690,639		
140	TECHNICAL	10,568,228		
150	OFFICE/CLERICAL	7,130,553		
160	CRAFT AND TRADES	5,281,507		
170	OPERATIVE	1,319,049		
180	SERVICE WORKER AND LABORER	21,502,379		
190	INSTRUCTIONAL ASSISTANT	<u>2,361,745</u>		
100	SALARIES		203,964,274	36.71
210	GROUP INSURANCE	1,626,253		
220	SOCIAL SECURITY CONT	15,536,434		
230	RETIREMENT CONTRIBUTION	16,486,958		
250	UNEMPLOYMENT COMP	407,929		
260	WORKERS' COMP	2,039,643		
270	GROUP INSURANCE-SELF-INSURANCE	42,117,797		
290	OTHER EMPLOYEE BENEFITS	<u>92,850</u>		
200	EMPLOYEE BENEFITS		78,307,864	14.09
310	PURCH OF/ADMIN SERVC	4,269,278		
320	PROFESSIONAL-EDUCATIONAL SVCS	71,659,259		
330	OTHER PROFESSIONAL SERV	2,783,688		
340	TECHNICAL SERVICES	<u>917,617</u>		
300	PURCHASED PROFESSIONAL & TECH		79,629,842	14.33
410	CLEANING SERVICES	675,016		
420	UTILITY SERVICES	6,035,749		
430	REPAIRS & MAINTENANCE SERVICE	3,420,807		
440	RENTALS	482,369		
450	CONSTRUCTION SERVICES	5,706		
460	EXTERMINATION SERVICES	10,000		
490	OTHER PROPERTY SERVICES	<u>8,440</u>		
400	PURCHASED PROPERTY SERVICES		10,638,087	1.91
510	TRANSPORTATION	34,560,701		
520	INSURANCE - GENERAL	620,000		
530	COMMUNICATIONS	1,616,270		
540	ADVERTISING	257,486		
550	PRINTING & BINDING	611,949		
560	OTHER-TUITION	47,572,224		
580	TRAVEL	424,513		
590	MISC PURCHASED SERVICES	<u>2,004,132</u>		
500	OTHER PURCHASED SERVICES		87,667,275	15.78
610	GENERAL SUPPLIES	7,063,071		
620	ENERGY	4,852,484		
630	FOOD PRODUCTS	121,645		
640	BOOKS & PERIODICALS	3,196,699		

2011 APPROPRIATIONS BY MAJOR OBJECT (CONT'D)

<u>OBJECT</u>	<u>DESCRIPTION</u>	<u>2011 BUDGET</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
650	SUPPLIES & FEES - TECHNOLOGY	<u>92,700</u>		
600	SUPPLIES		15,326,599	2.76
750	EQUIP-ORIGINAL & ADD	1,217,381		
760	EQUIPMENT-REPLACEMENT	2,793,591		
780	INFRASTRUCTURE ASSETS	<u>746,557</u>		
700	PROPERTY		4,757,529	0.86
810	DUES & FEES	180,238		
830	INTEREST	23,424,955		
840	BUDGETARY RESERVE	5,400,000		
880	REFUNDS OF PRIOR YEAR RECEIPTS	5,471,624		
890	MISC EXPENDITURES	<u>39,100</u>		
800	OTHER OBJECTS		34,515,917	6.21
910	REDEMPTION OF PRINCIPAL	37,615,703		
930	FUND TRANSFERS	<u>735,705</u>		
900	OTHER FINANCING USES		38,351,408	6.90
	PRIOR YEAR ENCUMBRANCES		<u>\$ 2,500,000</u>	0.45
	TOTAL		<u>\$555,658,795</u>	<u>100.00</u>

# School District of Pittsburgh Debt Service through 2017 Borrowing

9/27/10



School District of Pittsburgh

## Overview

### Qualified Zone Academy Bonds / Qualified School Construction Bonds

The current debt service projection includes behind it calculations on the use of two types of taxable borrowings to support the 2010 and 2011 capital programs. In September 2010 the Board is considering resolutions bond counsel has prepared to effectuate the 2010 borrowing that will be reviewed at agenda review.

To familiarize the District Leadership with a Qualified Zone Academy Bond (we have done three) or a Qualified School Construction Bond (we have never done these—they are new—but share many of the same or very similar regulations and pricing), the attached information has been prepared.

Two amortization schedules are attached, one at 5%, one at 1%. A hypothetical principal amount of \$1,000,000 was used with even interest rate amounts so that the calculations are easy to follow.

The 5%, represents something like a fixed rate general obligation bond is taken over 20. The 1%, taken over the currently maximum 17 years for Qualified Zone Academy Bonds/Qualified School Construction Bonds, represents, of course, QZAB/QSCB.

There are a few immediate observations:

1. The per year debt service for years 1 through 17 is less with the QZAB/QSCB; the QZAB/QSCB is **about 20% cheaper per year**.
2. Once you add up the difference between annual payments on the QZAB/QSCB vs. a traditional borrowing for years 1 through 17, plus years 18 through 20 (where the fixed rate still has payments), **over the life of the borrowing per million dollars borrowed the issuer avoids nearly \$500,000 in cost.**

The mechanics on the QZAB/QSCB work like this. The issuer borrows at a taxable rate. The federal government pays a subsidy back. The borrower makes annual payments to a sinking fund which earns interest which the borrower receives as a credit on their debt service bill. At the end of the loan--17 years currently--the total of the sinking fund equals the par amount of the bonds and the debt is retired.

Although markets change from time to time, the QZAB/QSCB is a close to 0% borrowing as a municipal issuer will find.

There is nothing exotic or derivative about these structures. PPS has no SWAPS outstanding, nor any plans to enter into one.

**Loan Data**

Original Principal	\$ 1,000,000
Loan Term (Years)	17
Annual Interest Rate	1.00%
Payments per Year	1
Payment	\$64,258.06

<b>Year</b>	<b>Payment</b>	<b>Interest</b>	<b>Principal</b>	<b>Balance</b>
0				1,000,000.00
1	64,258.06	10,000.00	54,258.06	945,741.94
2	64,258.06	9,457.42	54,800.64	890,941.31
3	64,258.06	8,909.41	55,348.64	835,592.67
4	64,258.06	8,355.93	55,902.13	779,690.54
5	64,258.06	7,796.91	56,461.15	723,229.39
6	64,258.06	7,232.29	57,025.76	666,203.63
7	64,258.06	6,662.04	57,596.02	608,607.61
8	64,258.06	6,086.08	58,171.98	550,435.63
9	64,258.06	5,504.36	58,753.70	491,681.93
10	64,258.06	4,916.82	59,341.24	432,340.70
11	64,258.06	4,323.41	59,934.65	372,406.05
12	64,258.06	3,724.06	60,533.99	311,872.05
13	64,258.06	3,118.72	61,139.33	250,732.72
14	64,258.06	2,507.33	61,750.73	188,981.99
15	64,258.06	1,889.82	62,368.24	126,613.75
16	64,258.06	1,266.14	62,991.92	63,621.84
17	64,258.06	636.22	63,621.84	0.00

**Loan Data**

Original Principal	\$ 1,000,000
Loan Term (Years)	20
Annual Interest Rate	5.00%
Payments per Year	1
Payment	\$80,242.59

<b>Year</b>	<b>Payment</b>	<b>Interest</b>	<b>Principal</b>	<b>Balance</b>
0				1,000,000.00
1	80,242.59	50,000.00	30,242.59	969,757.41
2	80,242.59	48,487.87	31,754.72	938,002.70
3	80,242.59	46,900.13	33,342.45	904,660.24
4	80,242.59	45,233.01	35,009.57	869,650.67
5	80,242.59	43,482.53	36,760.05	832,890.62
6	80,242.59	41,644.53	38,598.06	794,292.56
7	80,242.59	39,714.63	40,527.96	753,764.60
8	80,242.59	37,688.23	42,554.36	711,210.24
9	80,242.59	35,560.51	44,682.08	666,528.17
10	80,242.59	33,326.41	46,916.18	619,611.99
11	80,242.59	30,980.60	49,261.99	570,350.00
12	80,242.59	28,517.50	51,725.09	518,624.91
13	80,242.59	25,931.25	54,311.34	464,313.57
14	80,242.59	23,215.68	57,026.91	407,286.66
15	80,242.59	20,364.33	59,878.25	347,408.41
16	80,242.59	17,370.42	62,872.17	284,536.24
17	80,242.59	14,226.81	66,015.78	218,520.47
18	80,242.59	10,926.02	69,316.56	149,203.90
19	80,242.59	7,460.20	72,782.39	76,421.51
20	80,242.59	3,821.08	76,421.51	(0.00)

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*Budget and Finance Committee Meeting  
October 5, 2010*

***Budget Development Update  
General Fund  
2010 Estimated Final  
2011 Preliminary Budget***

