

**West Chester Area School District**

**Property and Finance Committee Meeting**

**November 19, 2001**

**Three-Year Forecast**

In November of every year, we do an initial calculation of future tax increases called the "Three-Year Forecast". The Forecast includes the millage increases for the upcoming budget. Historically, the millage increase calculated in the Forecast has been higher than the actual millage adopted by the Board in the following June.

Included in the forecast are assumptions for revenues and expenses for the next three years. Although future debt service amounts in the Forecast reflect borrowings recommended in the November 2000 Financing Plan, the borrowings are similar to those needed to fund the first three years of the secondary school options.

The Forecast includes revenue projections for the current budget year. We are aware of some variances on the expense side of the budget, however we have not listed these in our Forecast projections. After a thorough analysis of all expenses, we will include any projected variances in the Preliminary Budget presented in April.

**W  
C**

**West Chester Area School District**

**THREE-YEAR  
FORECAST**

**2002-03**

**2003-04**

**2004-05**

**November 19, 2001**

Prepared by: Suzanne K. Moore, Director of Business Affairs  
John Scully, Asst. Director of Business Affairs

**WEST CHESTER AREA SCHOOL DISTRICT  
THREE YEAR BUDGET FORECAST**

	ACTUAL 1999-00	ACTUAL 2000-01	BUDGET 2001-02	PROJECTED 2001-02	VARIANCE OVER/(UNDER)
<b>EXPENSES:</b>					
100 SALARIES	58,763,907	61,540,919	65,862,003	65,862,003	0
200 BENEFITS	14,793,356	14,584,491	15,486,099	15,486,099	0
300 PROFESSIONAL AND TECHNICAL SERVICES	4,868,570	5,331,277	5,925,400	5,925,400	0
400 PURCHASED PROPERTY SERVICES	2,617,135	2,760,917	2,690,764	2,690,764	0
500 OTHER PURCHASED SERVICES	11,740,816	13,702,833	14,931,269	14,931,269	0
600 SUPPLIES	2,788,165	2,927,103	3,157,200	3,157,200	0
700 PROPERTY	764,905	1,027,799	1,189,327	1,189,327	0
800 OTHER OBJECTS	5,404,446	5,710,307	8,858,342	6,358,342	(2,500,000)
900 OTHER FINANCING USES	4,317,577	5,791,392	6,497,000	6,497,000	0
<b>TOTAL</b>	<b>106,058,877</b>	<b>113,377,038</b>	<b>124,597,404</b>	<b>122,097,404</b>	<b>(2,500,000)</b>
<b>REVENUES:</b>					
CURRENT REAL ESTATE TAX	67,096,790	72,202,462	77,885,792	77,885,792	0
INTERIM REAL ESTATE TAX	4,659,395	4,680,143	2,800,000	4,000,000	1,200,000
PUBLIC UTILITY REALTY TAX	776,630	305,976	0	186,000	186,000
PAYMENTS IN LIEU OF TAXES	3,302	6,463	0	0	0
EARNED INCOME TAX	11,161,556	12,191,845	12,720,000	12,900,000	180,000
REAL ESTATE TRANSFER TAX	3,458,923	3,576,876	2,500,000	3,200,000	700,000
DELINQUENT TAXES	2,015,631	2,645,454	1,850,000	2,000,000	150,000
EARNINGS ON INVESTMENTS	2,134,463	2,476,104	1,830,000	1,300,000	(530,000)
TUITION FROM PATRONS	186,851	69,989	320,000	320,000	0
RENT & MISC	28,645	28,471	15,000	15,000	0
BEGINNING FUND BALANCE	2,481,043	5,287,329	6,011,574	6,625,372	613,798
BASIC INSTRUCTIONAL SUBSIDY	5,613,840	5,730,144	5,899,259	5,899,259	0
SPECIAL EDUC SUBSIDY	4,097,073	4,344,961	4,438,818	4,438,818	0
TUITION FOR PRIVATE HOME PLACEMENT	111,442	97,204	100,000	100,000	0
INSTRUCTIONAL SUPPORT TEAMS	0	0	0	0	0
TRANSPORTATION SUBSIDY	3,990,616	4,187,109	4,233,600	4,396,464	162,864
VOCATIONAL EDUC SUBSIDY	71	0	500	500	0
RENT SUBSIDY	881,940	1,006,158	875,000	875,000	0
MIGRATORY CHILDREN	240	80	50	50	0
MEDICAL, DENTAL & NURSE SVCES	265,685	274,341	270,000	270,000	0
HOMEBOUND INSTRUCTION	523	317	0	0	0
RETIREMENT SUBSIDY	1,351,127	602,850	355,447	355,447	0
SOCIAL SECURITY SUBSIDY	2,250,988	2,373,845	2,492,364	2,492,364	0
REVENUE IMPACT OF CHARTER SCHOOLS	817	2,750	0	0	0
SCHOOL PERFORMANCE INCENTIVES	0	2,500	0	0	0
REFUND OF PRIOR YEARS	12,010	4	0	0	0
RECEIPTS FROM LEAS	173,011	130,383	0	0	0
CAPITAL RESERVE FUND TRANSFERS	0	0	0	0	0
<b>TOTAL</b>	<b>112,752,612</b>	<b>122,223,758</b>	<b>124,597,404</b>	<b>127,260,066</b>	<b>2,662,662</b>
ENDING FUND BALANCE	5,287,329	6,625,372	0	5,162,662	5,162,662
FUND BALANCE RESERVE FOR TECHNOLOG IN THE CURRENT YEAR BUDGET	1,406,406	2,221,348			

**BUDGET  
2001-02**

1. NET AMOUNT TO BE RAISED FROM R E TAXES	77,885,792
2. GROSS TAX TO BE LEVIED	80,794,390
3. EQUALIZATION BETWEEN COUNTIES	
CHESTER %	94.89%
DELAWARE %	5.11%
CHESTER LEVY	76,667,750
DELAWARE LEVY	4,126,640
	80,794,390
4. MILLAGE CALCULATION	
CHESTER CO TAX LEVY	76,667,750
CHESTER CO ASSESSED VALUE	6,594,575,593
CHESTER CO MILLAGE	11.63
<b>PREVIOUS YR MILLAGE</b>	<b>11.38</b>
<b>INCREASE</b>	<b>0.25</b>
DELAWARE CO TAX LEVY	4,126,640
DELAWARE CO ASSESSED VALUE	358,918,510
DELAWARE CO MILLAGE	11.5
<b>PREVIOUS YR MILLAGE</b>	<b>10.6</b>
<b>INCREASE</b>	<b>0.94</b>

**WEST CHESTER AREA SCHOOL DISTRICT  
THREE YEAR BUDGET FORECAST**

	FORECAST					
	2002-03	% +/-	2003-04	% +/-	2004-05	% +/-
<b>EXPENSES:</b>						
100 SALARIES	68,484,757	4.0%	71,289,565	4.1%	74,141,361	4.0%
200 BENEFITS	17,103,919	10.4%	18,965,979	10.9%	21,047,402	11.0%
300 PROFESSIONAL AND TECHNICAL SERVICES	6,268,063	5.8%	6,634,197	5.8%	7,025,563	5.9%
400 PURCHASED PROPERTY SERVICES	2,771,487	3.0%	2,854,632	3.0%	2,940,270	3.0%
500 OTHER PURCHASED SERVICES	15,868,357	6.3%	17,268,845	8.8%	18,763,613	8.7%
600 SUPPLIES	3,283,747	4.0%	3,415,471	4.0%	3,552,589	4.0%
700 PROPERTY	1,225,007	3.0%	1,261,757	3.0%	1,299,610	3.0%
800 OTHER OBJECTS	6,793,028	6.8%	8,000,486	17.8%	9,617,005	20.2%
900 OTHER FINANCING USES	7,163,000	10.3%	8,147,000	13.7%	9,517,000	16.8%
<b>TOTAL</b>	<b>128,961,364</b>	<b>5.6%</b>	<b>137,837,931</b>	<b>6.9%</b>	<b>147,904,413</b>	<b>7.3%</b>
<b>REVENUES:</b>						
CURRENT REAL ESTATE TAX	86,567,553	11.1%	96,051,614	11.0%	106,039,534	10.4%
INTERIM REAL ESTATE TAX	3,300,000	-17.5%	3,300,000	0.0%	2,300,000	-30.3%
PUBLIC UTILITY REALTY TAX	186,000	0.0%	186,000		186,000	
PAYMENTS IN LIEU OF TAXES	0		0		0	
EARNED INCOME TAX	13,803,000	7.0%	14,769,210	7.0%	15,803,055	7.0%
REAL ESTATE TRANSFER TAX	3,200,000	0.0%	3,200,000	0.0%	2,700,000	-15.6%
DELINQUENT TAXES	2,050,000	2.5%	2,050,000	0.0%	2,050,000	0.0%
EARNINGS ON INVESTMENTS	1,486,097	14.3%	1,588,387	6.9%	1,704,389	7.3%
TUITION FROM PATRONS	336,000	5.0%	352,800	5.0%	370,440	5.0%
RENT & MISC	15,000	0.0%	15,000	0.0%	15,000	0.0%
BEGINNING FUND BALANCE	5,162,662	-22.1%	3,224,034	-37.6%	3,445,948	6.9%
BASIC INSTRUCTIONAL SUBSIDY	5,958,252	1.0%	6,017,834	1.0%	6,078,012	1.0%
SPECIAL EDUC SUBSIDY	4,660,759	5.0%	4,893,797	5.0%	5,138,487	5.0%
TUITION FOR PRIVATE HOME PLACEMENT	100,000	0.0%	100,000	0.0%	100,000	
INSTRUCTIONAL SUPPORT TEAMS	0		0		0	
TRANSPORTATION SUBSIDY	4,528,358	3.0%	4,664,209	3.0%	4,804,135	3.0%
VOCATIONAL EDUC SUBSIDY	500	0.0%	500	0.0%	500	0.0%
RENT SUBSIDY	900,000	2.9%	950,000	5.6%	1,000,000	5.3%
MIGRATORY CHILDREN	0		0		0	
MEDICAL, DENTAL & NURSE SVCES	270,000	0.0%	270,000	0.0%	230,000	-14.8%
HOMEBOUND INSTRUCTION						
RETIREMENT SUBSIDY	369,602	4.0%	384,739		400,129	
SOCIAL SECURITY SUBSIDY	2,591,615	4.0%	2,697,755	4.1%	2,805,673	4.0%
REVENUE IMPACT OF CHARTER SCHOOLS	0		0		0	
SCHOOL PERFORMANCE INCENTIVES						
REFUND OF PRIOR YEARS	0		0		0	
RECEIPTS FROM LEAs	0		0		0	
CAPITAL RESERVE FUND TRANSFERS	0		0		0	
<b>TOTAL</b>	<b>135,485,398</b>	<b>6.5%</b>	<b>144,715,880</b>	<b>6.8%</b>	<b>155,171,304</b>	<b>7.2%</b>
ENDING FUND BALANCE	3,224,034	-37.6%	3,445,948		3,697,610	
FUND BALANCE RESERVE FOR TECHNOLOGY IN THE CURRENT YEAR BUDGET	3,300,000		3,432,000		3,569,280	

	2002-03	% +/-	2003-04	% +/-	2004-05	% +/-
1. NET AMOUNT TO BE RAISED FROM R E TAXES	86,567,553	11.1%	96,051,614	11.0%	106,039,534	10.4%
2. GROSS TAX TO BE LEVIED	89,800,366	11.1%	99,638,604	11.0%	109,999,517	10.4%
3. EQUALIZATION BETWEEN COUNTIES						
CHESTER %	95.13%		95.13%		95.13%	
DELAWARE %	4.87%		4.87%		4.87%	
CHESTER LEVY	85,427,789		94,786,981		104,643,398	
DELAWARE LEVY	4,372,578		4,851,623		5,356,119	
<b>TOTAL</b>	<b>89,800,366</b>		<b>99,638,604</b>		<b>109,999,517</b>	
4. MILLAGE CALCULATION						
CHESTER CO TAX LEVY	85,427,789		94,786,981		104,643,398	
CHESTER CO ASSESSED VALUE	6,894,576,000		7,194,576,000		7,494,576,000	
CHESTER CO MILLAGE	12.39		13.17		13.96	
PREVIOUS YR MILLAGE	11.63		12.39		13.17	
<b>INCREASE</b>	<b>0.76</b>	<b>6.6%</b>	<b>0.78</b>	<b>6.3%</b>	<b>0.79</b>	<b>6.0%</b>
DELAWARE CO TAX LEVY	4,372,578		4,851,623		5,356,119	
DELAWARE CO ASSESSED VALUE	364,518,136		379,682,091		395,476,866	
DELAWARE CO MILLAGE	12.00		12.78		13.54	
PREVIOUS YR MILLAGE	11.50		12.00		12.78	
<b>INCREASE</b>	<b>0.5</b>	<b>4.3%</b>	<b>0.8</b>	<b>6.5%</b>	<b>0.8</b>	<b>6.0%</b>

**ASSUMPTIONS**

**MILL VALUE**

	CHESTER COUNTY			DELAWARE COUNTY		
	MILL VAL	+/- AMOUNT	+/- PERCENT	MILL VAL	+/- AMOUNT	+/- PERCENT
1989-90	\$313,000	\$313,000		\$4,400	\$4,400	
1990-91	\$335,718	\$22,718	7.3%	\$4,777	\$377	8.6%
1991-92	\$351,659	\$15,941	4.7%	\$4,955	\$178	3.7%
1992-93	\$356,877	\$5,218	1.5%	\$5,060	\$105	2.1%
1993-94	\$357,908	\$1,031	0.3%	\$5,179	\$119	2.4%
1994-95	\$361,317	\$3,409	1.0%	\$5,676	\$497	9.6%
1995-96	\$366,452	\$5,135	1.4%	\$5,943	\$267	4.7%
1996-97	\$371,134	\$4,682	1.3%	\$6,279	\$336	5.7%
1997-98	\$377,214	\$6,080	1.6%	\$6,812	\$533	8.5%
1998-99	\$5,803,372	n/a	n/a	\$7,332	\$520	7.6%
1999-00	\$5,996,808	\$193,436	3.3%	\$7,682	\$350	4.8%
2000-01	\$6,290,875	\$294,067	4.9%	\$359,308	n/a	n/a
2001-02	\$6,594,576	\$303,701	4.8%	\$358,919	(\$389)	-0.1%
10 YEAR AVERAGE		\$90,751	2.0%		\$234	4.52%
5 YEAR AVERAGE		\$159,457	2.94%		\$203	4.16%
3 YEAR AVERAGE		\$263,735	4.4%		(\$13)	1.56%
FORECAST:	Mill Value	Increase		Mill Value	Increase	
2002-03	\$6,894,576	\$300,000		\$364,518	\$5,599	
2003-04	\$7,194,576	\$300,000		\$379,682	\$15,164	
2004-05	\$7,494,576	\$300,000		\$395,477	\$15,795	

o IN CHESTER COUNTY ASSUME INCREASE IN ASSESSED VALUE REFLECTS PROJECTED REAL ESTATE GROWTH ACTIVITY FROM GROWTH PROJECTION REPORT DATED 3/15/99.  
o IN DELAWARE COUNTY ASSUME INCREASE IN ASSESSED VALUE 02-03 SAME AS THE THREE YEAR AVERAGE PERCENTGE INCREASE (1.56%) FOR 03-04- AND 04-05 SAME AS THE FIVE YEAR AVERAGE PERCENTAGE INCREASE (4.16%)

**TAX COLLECTION FACTOR**

o ASSUME TAX COLLECTION FACTOR: 96.4% 2002-03  
96.4% 2003-04  
96.4% 2004-05





**BENEFITS EXPENSE FORECAST (\$000)**

	2000-01	2001-02	2001-02	FORECAST						
	ACTUAL	BUDGET	PROJECTION	2002-03	% INCR.	2003-04	% INCR.	2004-05	% INCR.	
MEDICAL	\$4,881	\$5,074	\$5,074	\$5,835	15.0%	\$6,710	15.0%	\$7,717	15.0%	
DENTAL	\$807	\$986	\$986	\$1,134	15.0%	\$1,304	15.0%	\$1,500	15.0%	
VISION	\$150	\$166	\$166	\$191	15.0%	\$220	15.0%	\$252	15.0%	
PRESCRIPTION	\$1,707	\$1,974	\$1,974	\$2,270	15.0%	\$2,611	15.0%	\$3,002	15.0%	
LIFE INS	\$295	\$291	\$291	\$303	4.0%	\$315	4.1%	\$328	4.0%	
DISABILITY	\$113	\$111	\$111	\$115	4.0%	\$120	4.1%	\$125	4.0%	
SOCIAL SECURITY	\$4,731	\$4,986	\$4,986	\$5,185	4.0%	\$5,397	4.1%	\$5,613	4.0%	
RETIREMENT	\$1,202	\$711	\$711	\$739	4.0%	\$770	4.1%	\$800	4.0%	
TUITION	\$490	\$428	\$428	\$445	4.0%	\$463	4.1%	\$482	4.0%	
UNEMPLOYMENT	\$12	\$15	\$15	\$16	4.0%	\$16	4.1%	\$17	4.0%	
WORKERS' COMP	\$181	\$165	\$165	\$172	4.0%	\$179	4.1%	\$186	4.0%	
ADDITIONAL TEACHERS			\$0	\$514	0.0%	\$640	24.5%	\$812	26.8%	
OTHER	\$16	\$109	\$109	\$113	4.0%	\$118	4.1%	\$123	4.0%	
SUBTOTAL	\$14,585	\$15,016	\$15,016	\$17,032	13.4%	\$18,863	10.7%	\$20,956	11.1%	
ADDITIONAL TEACHERS		\$471	\$471	\$72		\$103		\$91		
TOTAL	\$14,585	\$15,487	\$15,487	\$17,104	10.4%	\$18,966	10.9%	\$21,047	11.0%	

- o ASSUME 15.0% INCR. FOR HEALTHCARE BENEFITS IN 2002-03, 2003-04, 2004-05.
- o ASSUME INCREASES IN SALARY RELATED BENEFITS PROPORTIONAL TO SALARY INCREASES.
- o ASSUME \$12,000 (2000-00 COST) AND 9.2% ANNUAL INFLATION IN BENEFITS FOR EVERY ADDITIONAL TEACHER HIRED DUE TO ENROLLMENT GROWTH.
- o ASSUME EMPLOYEE BENEFIT PROGRAM REMAINS UNCHANGED
- o ASSUME NO CHANGE IN ACCRUAL FOR POST RETIREMENT BENEFITS.

**300 PROFESSIONAL AND TECHNICAL SERVICES**

- o ASSUME 8% INFLATION FOR ALL YEARS FOR SPECIAL EDUCATION
- o ASSUME 3.0% ANNUAL INFLATION INCREASE FOR OTHER SERVICES
- o ASSUME CONTRACTED SERVICES FOR SPECIAL EDUCATION, CURRICULUM WORKSHOPS, TAX COLLECTION, AUDIT, LEGAL, MAINTENANCE INSPECTIONS/CONTRACTORS AND ATHLETIC OFFICIALS REMAIN AT 2001-02 ACTIVITY LEVELS.

SERVICE	2000-01	2001-02	2001-02	FORECAST		
	ACTUAL	BUDGET	PROJECTION	2002-03	2003-04	2004-05
OTHER PROFESSIONAL & TECHNICAL	\$1,334,605	\$1,728,187	\$1,728,187	\$1,780,033	\$1,833,434	\$1,888,437
SPECIAL EDUC AT C.C.I.U. & OTHER INST	\$3,142,079	\$3,298,013	\$3,298,013	\$3,561,854	\$3,846,802	\$4,154,547
EARLY INTERVENTION AT C.C.I.U.	\$95,183	\$116,600	\$116,600	\$120,098	\$123,701	\$127,412
PSYCHOLOGISTS AT C.C.I.U.	\$0	\$0	\$0	\$0	\$0	\$0
ALT. EDUC AT C.C.I.U. & OTHER (REG ED.)	\$759,411	\$782,600	\$782,600	\$806,078	\$830,260	\$855,168
				\$0	\$0	\$0
TOTAL	\$5,331,277	\$5,925,400	\$5,925,400	\$6,268,063	\$6,634,197	\$7,025,563

**400 PURCHASED PROPERTY SERVICES**

- o ASSUME 3.0% INFLATIONARY INCREASE FOR ALL YEARS.
- o ASSUME COPY MACHINE LEASES, ELECTRICITY USAGE, CUSTODIAL/MAINTENANCE SERVICES, AND COMPUTER SOFTWARE/HARDWARE MAINTENANCE REMAIN AT 2001-02 ACTIVITY LEVELS.

SERVICE	2000-01	2001-02	2001-02	FORECAST		
	ACTUAL	BUDGET	PROJECTION	2002-03	2003-04	2004-05
ELECTRICITY	\$1,407,736	\$1,235,500	\$1,235,500	\$1,272,565	\$1,310,742	\$1,350,064
PUBLIC WATER/SEWER	\$218,973	\$236,000	\$236,000	\$243,080	\$250,372	\$257,884
REPAIRS/MAINTENANCE	\$725,846	\$718,455	\$718,455	\$740,009	\$762,209	\$785,075
RENTALS/LEASES	\$408,362	\$500,809	\$500,809	\$515,833	\$531,308	\$547,248
TOTAL	\$2,760,917	\$2,690,764	\$2,690,764	\$2,771,487	\$2,854,632	\$2,940,270

**500 OTHER PURCHASED SERVICES**

SERVICE	2000-01	2001-02	2001-02	FORECAST		
	ACTUAL	BUDGET	PROJECTION	2002-03	2003-04	2004-05
TRANSPORTATION*	\$8,612,555	\$9,076,919	\$9,076,919	\$9,423,694	\$9,781,772	\$10,181,020
CHARTER SCHOOL	\$1,872,659	\$2,399,075	\$2,399,075	\$2,887,500	\$3,825,000	\$4,812,500
TUITION LEAs/PRRI & APS/ OTHER	\$1,243,191	\$1,263,500	\$1,263,500	\$1,301,405	\$1,340,447	\$1,380,661
TUITION FOR CAT	\$814,263	\$671,587	\$671,587	\$691,735	\$712,487	\$733,861
INSURANCE	\$169,435	\$177,000	\$177,000	\$180,540	\$184,151	\$187,834
I.U. CORE & MARKET BASKET	\$136,631	\$140,000	\$140,000	\$144,200	\$148,526	\$152,982
PRINTING	\$198,742	\$265,640	\$265,640	\$273,609	\$281,817	\$290,272
TELEPHONE & POSTAGE	\$270,625	\$277,585	\$277,585	\$285,913	\$294,490	\$303,325
OTHER	\$384,732	\$659,963	\$659,963	\$679,762	\$700,155	\$721,159
TOTAL	\$13,702,833	\$14,931,269	\$14,931,269	\$15,868,357	\$17,268,845	\$18,763,613

- o ASSUME STATE FUNDING REMAINS UNCHANGED FOR APPR PRIV SCHOOLS. USE 3% TUITION INCR FACTOR.
- o ASSUME ENROLLMENT AT CENTER FOR ARTS AND TECHNOLOGY WILL REMAIN UNCHANGED WITH 3% INFLATIONARY INCREASE.
- o ASSUME INSURANCE EXPENSE INCREASES 2% PER YEAR.
- o ASSUME 3% INFLATION EACH YEAR FOR I.U. SERVICES PAYMENTS, TELEPHONE, POSTAGE, PRINTING & OTHER CATEGORY.
- o PROJECTIONS FOR TELEPHONE EXPENSES DO NOT INCLUDE E-RATE DISCOUNT.
- o CHARTER SCHOOL STUDENTS PROJECTED TOTAL BY YEAR: 02-03 (350), 03-04 (450), 04-05 (550)

**\*TRANSPORTATION**

INCREASE IN STUDENT ENROLLMENT

BUDGET YEAR	ENROLLMENT	% INCREASE
2000-01	11,613	
2001-02	11,445	-1.4%
2002-03	11,560	1.0%
2003-04	11,673	1.0%
2004-05	11,827	1.3%

**CALCULATION OF TRANSPORTATION EXPENSES:**

YEAR END-ING	PUBLIC SCHOOL (INCL. SPEC ED)			NONPUBLIC SCHOOLS			SPECIAL ED TO I.U.	TOTAL
	STUDENTS TRANSPORTED	COST/STUDENT	TOTAL	STUDENTS TRANSPORTED	COST/STUDENT	TOTAL		
6/01	11,613	\$314	\$3,642,376	3,791	\$1,035	\$3,924,403	\$1,045,776	\$8,612,555
6/02*	11,445	\$272	\$3,109,822	3,849	\$1,061	\$4,085,432	\$1,881,665	\$9,076,919
6/03	11,560	\$280	\$3,235,302	3,888	\$1,093	\$4,250,277	\$1,938,115	\$9,423,694
6/04	11,673	\$288	\$3,364,935	3,926	\$1,126	\$4,420,579	\$1,996,258	\$9,781,772
6/05	11,827	\$297	\$3,511,608	3,977	\$1,160	\$4,613,266	\$2,056,146	\$10,181,020

\* BUDGET

- o ASSUME GROWTH IN NUMBER OF STUDENTS TRANSPORTED IS SAME AS GROWTH IN PROJECTED ENROLLMENT
- o ASSUME 3% INFLATION IN COST/STUDENT /YEAR BASED ON A MINIMUM INCREASE IN KRAPP CONTRACT.
- o ASSUME LEVEL OF SERVICE FOR PUBLIC AND NONPUBLIC SCHOOLS REMAINS THE SAME AS 2001-02.
- o ASSUME TRANSPORTATION COSTS INCREASE 3% ANNUALLY FOR I.U. SPECIAL EDUCATION.

**600 SUPPLIES AND TEXTBOOKS**

- o ASSUME 4.0% INCREASE/YEAR FOR PER PUPIL ALLOCATION INCLUDING ENROLLMENT GROWTH.
- o ASSUME INFLATION FOR GAS AND OIL IS 5% PER YEAR.  
FORECAST YEARS 02-03, 03-04 AND 04-05 REMAIN AT THE 01-02 LEVELS.

YEAR	EXPENSE
2001-02	\$3,157,200
2002-03	\$3,283,747
2003-04	\$3,415,471
2004-05	\$3,552,589

	2000-01	2001-02	2001-02	FORECAST		
	ACTUAL	BUDGET	PROJECTION	2002-03	2003-04	2004-05
SUPPLIES & TEXTBOOKS						
OPERATION & MAINT./CUSTODIAN SUPPLIES	\$473,341	\$514,120	\$514,120	\$529,544	\$545,430	\$561,793
HEAT/FUEL	\$638,335	\$540,000	\$540,000	\$567,000	\$595,350	\$625,118
CLASSROOM AND OTHER SUPPLIES	\$1,027,106	\$1,316,779	\$1,316,779	\$1,369,450	\$1,424,228	\$1,481,197
BOOKS/PERIODICALS	\$788,321	\$786,301	\$786,301	\$817,753	\$850,463	\$884,482
TOTAL	\$2,927,103	\$3,157,200	\$3,157,200	\$3,283,747	\$3,415,471	\$3,552,589

**700 PROPERTY**

- o ASSUME FACILITIES ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS GENERAL FUND SPENDING REMAINS AT 2000-01 LEVEL WITH 3.0% INFLATION.

**800 OTHER OBJECTS AND OTHER FINANCING USES**

900

800

**DUES AND FEES & PRIOR YEAR REFUNDS**

o ASSUME 3% INCREASE FOR ALL YEARS:	2001-02	\$235,485
	2002-03	\$242,550
	2003-04	\$249,826
	2004-05	\$257,321

900

**CAPITAL PROJECT FUND TRANSFER**

o CONSISTENT WITH 2001-02 BUDGET. DO NOT ALLOCATE 1 MILL TO CAPITAL RESERVE

2001-02 PROJECTION	\$0
2002-03	\$0
2003-04	\$0
2004-05	\$0

**DEBT SERVICE**

**EXISTING DEBT SERVICE**

	2001-02		2002-03		2003-04		2004-05	
	800 INTEREST	900 PRINCIPAL	800 INTEREST	900 PRINCIPAL	800 INTEREST	900 PRINCIPAL	800 INTEREST	900 PRINCIPAL
10/93 \$14,465,000 GOB	\$587,462	\$2,640,000	\$474,799	\$2,755,000	\$353,004	\$2,875,000	\$220,639	\$3,005,000
7/93 \$16,095,000 GOB	\$866,495	\$185,000	\$857,245	\$195,000	\$847,495	\$205,000	\$837,245	\$230,000
2/95 \$ 595,000 GOB	\$16,065	\$595,000	\$0	\$0	\$0	\$0	\$0	\$0
2/96 \$12,735,000 GOB	\$614,631	\$95,000	\$597,313	\$720,000	\$565,591	\$755,000	\$531,593	\$790,000
1/99 \$9,225,000 GOB	\$371,803	\$420,000	\$356,748	\$440,000	\$340,634	\$455,000	\$323,543	\$475,000
1/98 \$22,610,000 GOB	\$1,069,633	\$975,000	\$1,027,228	\$1,020,000	\$981,868	\$1,065,000	\$933,350	\$1,115,000
3/00 \$9,995,000 GOB	\$547,726	\$0	\$454,335	\$325,000	\$442,310	\$340,000	\$429,390	\$355,000
3/01 \$10,680,000 GOB	\$487,759	\$295,000	\$458,510	\$355,000	\$445,758	\$380,000	\$432,191	\$395,000
12/98 \$16,345,000 GOB	\$703,070	\$675,000	\$677,878	\$705,000	\$650,965	\$730,000	\$622,275	\$760,000
11/00 \$13,461,000 DVRA	\$511,445	\$617,000	\$438,200	\$648,000	\$414,925	\$682,000	\$390,443	\$717,000
<b>TOTAL</b>	<b>\$5,776,088</b>	<b>\$6,497,000</b>	<b>\$5,342,255</b>	<b>\$7,163,000</b>	<b>\$5,042,549</b>	<b>\$7,487,000</b>	<b>\$4,720,669</b>	<b>\$7,842,000</b>

\$12,273,088

\$12,505,255

\$12,529,549

\$12,562,669

**NEW DEBT SERVICE (FROM THE NOVEMBER 2000 FINANCING PLAN)**

FINANCING AMOUNT & YEAR	DEBT SERVICE IMPACT							
	2001-02		2002-03		2003-04		2004-05	
1/02 \$20,000,000	\$0	\$0	\$1,208,223	\$0	\$895,608	\$660,000	\$873,745	\$685,000
1/03 \$30,000,000	\$0	\$0	\$0	\$0	\$1,812,503	\$0	\$1,348,538	\$990,000
1/04 \$40,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,416,733	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,208,223</b>	<b>\$0</b>	<b>\$2,708,111</b>	<b>\$660,000</b>	<b>\$4,639,016</b>	<b>\$1,675,000</b>

**TOTAL DEBT SERVICE**

YEAR	800 INTEREST	900 PRINCIPAL	TOTAL DEBT SERVICE	INCREASE IN DEBT SERVICE
2001-02	\$5,776,088	\$6,497,000	\$12,273,088	
2002-03	\$6,550,478	\$7,163,000	\$13,713,478	\$1,440,391
2003-04	\$7,750,660	\$8,147,000	\$15,897,660	\$2,184,182
2004-05	\$9,359,685	\$9,517,000	\$18,876,685	\$2,979,025

**TOTAL OTHER OBJECTS AND OTHER FINANCING USES**

TOTAL	TOTAL 800	TOTAL 900	INCREASE
2001-02	\$6,011,573	\$6,497,000	
2002-03	\$6,793,028	\$7,163,000	\$1,447,455
2003-04	\$8,000,486	\$8,147,000	\$2,191,458
2004-05	\$9,617,005	\$9,517,000	\$2,986,520

**REVENUES**

**LOCAL REVENUES**

**INTERIM REAL ESTATE TAXES**

YEAR	AMOUNT (000)
1992-93	\$1,590
1993-94	\$1,275
1994-95	\$1,714
1995-96	\$1,378
1996-97	\$1,754
1997-98	\$1,465
1998-99	\$2,848
1999-00	\$4,706
2000-01	\$4,680
2001-02 BUDGET	\$2,800
2001-02 PROJECTION	\$4,000
AVERAGE	\$2,541

o ASSUME INTERIM TAX COLLECTIONS REFLECT FUTURE REAL ESTATE ACTIVITY

**PUBLIC UTILITY**

PURTA TAXES WILL REMAIN CONTANT FOR FORECAST YEARS

**EARNED INCOME TAX**

YEAR	AMOUNT (000)	INCR/(DECR)	% INCR/(DECR) #DIV/0!
1991-92	\$6,100	\$6,100	
1992-93	\$6,690	\$590	9.7%
1993-94	\$7,168	\$478	7.1%
1994-95	\$7,191	\$23	0.3%
1995-96	\$7,622	\$431	6.0%
1996-97	\$8,567	\$945	12.4%
1997-98	\$9,282	\$715	8.3%
1998-99	\$10,125	\$843	9.1%
1999-00	\$11,162	\$1,037	10.2%
2000-01	\$12,192	\$1,030	9.2%
2001-02 BUDGET	\$12,702	\$1,540	13.8%
2001-02 PROJECTION	\$12,702	\$1,540	13.8%
AVERAGE INCREASE		\$1,248	8.0%

o ASSUME 7.0% INCREASE IN EIT COLLECTIONS FOR ALL YEARS.

**REAL ESTATE TRANSFER TAX**

YEAR	AMOUNT (000)	INCR/(DECR)
1991-92	\$1,504	\$1,504
1992-93	\$1,638	\$134
1993-94	\$1,905	\$267
1994-95	\$2,081	\$176
1995-96	\$2,176	\$95
1996-97	\$2,286	\$110
1997-98	\$3,217	\$931
1998-99	\$3,592	\$375
1999-00	\$3,459	(\$133)
2000-01	\$3,577	\$118
2001-02 BUDGET	\$2,500	(\$959)
AVERAGE	\$2,540	\$238

o ASSUME TRANSFER TAX COLLECTIONS REFLECT ACTIVITY IN REAL ESTATE MARKET

**DELINQUENT TAXES**

YEAR	COLLECTED AMOUNT (000)	INCR/(DECR)	LIENED TAXES O/S @ 6/30 & PROJECTED
1996-97	\$1,949	\$1,949	
1997-98	\$1,777	(\$172)	\$472,121 6/30/01 ACTUAL
1998-99	\$1,767	(\$10)	\$841,728 6/30/01 ACTUAL
1999-00	\$2,016	\$249	\$1,975,993 6/30/01 ACTUAL
2000-01	\$2,645	\$629	\$1,500,000 PROJECTION @ JUNE 30TH
2001-02	\$2,050		\$1,500,000 PROJECTION @ JUNE 30TH
PROJECTED 2001-02	\$2,050		\$1,500,000 PROJECTION @ JUNE 30TH
PROJECTED 2002-03	\$2,050		\$1,500,000 PROJECTION @ JUNE 30TH

o ASSUME DELINQUENT TAX COLLECTIONS BASED ON OUTSTANDING DELINQUENTS @ 6/30/01 AND PROJECTED DELINQUENTS.

**TUITION FROM PATRONS**

o USE 5% INCREASE FOR ALL YEARS.

**EARNINGS ON INVESTMENTS AND CAPITAL PROJECT FUND TRANSFERS**

GENERAL FUND INTEREST

YEAR	BUDGET AMOUNT	% INCR	AVERAGE INVESTMENT	INTEREST 3.50%
2001-02	\$122,097,404		\$40,200,000	
2002-03	\$128,961,364	5.6%	\$42,459,927	\$1,486,097
2003-04	\$137,837,931	6.9%	\$45,382,495	\$1,588,387
2004-05	\$147,904,413	7.3%	\$48,696,837	\$1,704,389

TOTAL INTEREST INCOME

YEAR	CAPITAL PROJECTS (FUND TRANSFER)	GENERAL FUND			TOTAL	TOTAL
		TRANS	OTHER	GNRL FND		
2001-02	\$0	\$0	\$1,486,097	\$1,486,097	\$1,486,097	
2002-03	\$0	\$0	\$1,588,387	\$1,588,387	\$1,588,387	
2003-04	\$0	\$0	\$1,704,389	\$1,704,389	\$1,704,389	

**STATE SUBSIDIES**

**EQUALIZED SUBSIDY FOR BASIC EDUCATION**

o ASSUME INCREASE IN ESBE SUBSIDY EACH YEAR RELATIVE TO % INCREASE IN ADMS.

YEAR	ADMs	%INCREASE	SUBSIDY
2000-01 ADMS/2001-02	11,673		5,899,259
2001-02 ADMS/2002-03	11,790	1.0%	5,958,252
2002-03 ADMS/2003-04	11,908	1.0%	6,017,834
2003-04 ADMS/2004-05	12,027	1.0%	6,078,012

**SPECIAL EDUCATION**

- o ASSUME REIMBURSEMENT AT CURRENT 2001-02 FUNDING SCHEDULE.
- o ASSUME ADMS WILL GROW RELATIVE TO ENROLLMENT GROWTH.
- o ASSUME NO CONTINGENCY FUND REIMBURSEMENT.

MILDLY HANDICAPPED	\$1,315	X	15.0%	X	ADMs
SEVERELY HANDICAPPE	\$14,535	X	1.0%	X	ADMs

YEAR	ADMs	FUNDING			BASE FUNDING	5% GUARANTEE	TOTAL SPECIAL EDUCATION FUNDING	
		GROWTH	MILDLY	SEVERELY				
2000-01 ADMS/2001-02	11,673		\$2,302,499	\$1,696,671	\$3,999,170	\$439,648	\$4,438,818	
2001-02 ADMS/2002-03	11,790	117	\$2,325,524	\$1,713,637	\$4,039,161	\$621,597	\$4,660,759	105.00%
2002-03 ADMS/2003-04	11,908	118	\$2,348,779	\$1,730,774	\$4,079,553	\$814,244	\$4,893,797	
2003-04 ADMS/2004-05	12,027	119	\$2,372,267	\$1,748,081	\$4,120,349	\$1,018,138	\$5,138,487	

**TRANSPORTATION SUBSIDY**

o ASSUME TRANSPORTATION SUBSIDY INCREASES BY 3% PER YEAR

<u>YEAR</u>	<u>ENROLLMENT</u>	<u>% INCR</u>	<u>SUBSIDY</u>
2001-02	11,445		\$4,396,464
2002-03	11,560	3%	\$4,528,358
2003-04	11,673	3%	\$4,664,209
2004-05	11,827	3%	\$4,804,135

**SOCIAL SECURITY SUBSIDY**

o ASSUME SOCIAL SECURITY SUBSIDY INCREASES RELATIVE TO SALARY EXPENSE.  
o ASSUME CURRENT 50% OF SOCIAL SECURITY EXPENSE FUNDING FORMULA REMAINS UNCHANGED.

<u>YEAR</u>	<u>SALARY EXP</u>	<u>%INCREASE</u>	<u>SOCIAL SEC SUBSIDY</u>
2001-02	\$65,862,003		\$2,492,364
2002-03	\$68,484,757	4.0%	\$2,591,615
2003-04	\$71,289,565	4.1%	\$2,697,755
2004-05	\$74,141,361	4.0%	\$2,805,673

**PSERS (RETIREMENT) SUBSIDY**

o ASSUME RETIREMENT SUBSIDY INCREASES RELATIVE TO SALARY EXPENSE.  
o ASSUME CURRENT 50% OF RETIREMENT EXPENSE FUNDING FORMULA REMAINS UNCHANGED.

<u>YEAR</u>	<u>SALARY EXP</u>	<u>%INCREASE</u>	<u>RETIREMENT SUBSIDY</u>
2001-02	\$65,862,003		\$355,447
2002-03	\$68,484,757	4.0%	\$369,602
2003-04	\$71,289,565	4.1%	\$384,739
2004-05	\$74,141,361	4.0%	\$400,129