



# East Allen County Schools

2011 Work Session - July 13, 2010

- Capital Projects
- Bus Replacement

# Work Session Review

- Budget Schedule
- Budget Considerations
- Capital Projects Plan
  - Qualified School Construction Bond
  - Future Allocations
  - Maximum Rate
- Bus Replacement Plan

# Budget Schedule

- **July 13<sup>th</sup> Meeting**
  - Capital Projects & Bus Replacement
- **August 17<sup>th</sup> Meeting**
  - Entire Budget Review [i.e. General Fund; Debt Services; Transportation; etc.]
  - Approval of Advertisement
- **September 7<sup>th</sup> Meeting**
  - Public Hearing
    - Capital Projects Plan
    - Bus Replacement Plan
    - General; Debt Services; Pension Debt; Transportation; Art Institute
  - Approval of Capital Projects Plan and Bus Replacement Plan
- **October 5<sup>th</sup> Meeting**
  - Budget Approval

## *2011 Budget Considerations*

- **Protect East Allen County Schools**
  - AV is not available.
  - Advertised Rates & Levies are overstated so that EACS can be safe with either a significantly lower final AV or higher AV compared to our advertised AV amount. We can be harmed by either the rate or the levy being understated
  - Internal Estimate for EACS is \$2,160,150,000 (98% of 09Pay10 AV).
  - The Auditor's office has not suggested an assessed valuation for advertisement as of yet.
  - **To protect EACS, using \$1,781,567,000 (80% of 09Pay10 AV)**

# **CAPITAL PROJECTS - INTRODUCTION:**

- **The 1987 Indiana General Assembly passed House Enrolled Act 1683 which established a Capital Projects Fund that replaced the Cumulative Building Fund**
- **The uses of the Capital Projects Fund are basically similar to the Cumulative Building Fund; however the Capital Projects Fund broadens some purposes for which it may be used, thereby giving more flexibility for building repairs. Expenditures for facilities which are used for or primarily for interscholastic or extracurricular activities are limited within the plan. All motor vehicles are also excluded.**
- **A three-year plan must be developed on an annual basis. Year one establishes an annual budget and tax rate for the fund when it is advertised, adopted and finally approved by the Division of Local Government and Finance. The tax rate levied for the Capital Projects Fund is limited by the State and is established annually when the budget is advertised and approved. In addition, revenue for the Capital Projects Fund is derived from auto excise taxes, bank property taxes, and other miscellaneous sources.**
- **Expenditures from Capital Projects Fund may be used for:**

<b>Land Acquisition and Development</b>	<b>Emergency Allocation</b>
<b>Professional Services</b>	<b>Maintenance of Equipment</b>
<b>Educational Specifications Development</b>	<b>School Sports Facilities</b>
<b>Building Acquisition, Construction and Improvement</b>	<b>Other Staff Services</b>
<b>Rental of Buildings and Equipment</b>	<b>Transfer to a Repair and Replacement Fund</b>
<b>Purchase of Mobile or Fixed Equipment</b>	<b>Property or Casualty Insurance</b>
<b>Utility Services</b>	

## CAPITAL PROJECTS PLAN:

- Each year, a 3-year plan is developed to schedule plans for construction, repair, remodeling, repair existing equipment and purchase new equipment. This fund allows funding for future projects which have been identified within the Capital Projects Plan. An annual hearing must be held for discussion and public input on the proposed projects. Appropriations within this fund may be used for the purchase, lease or repair of equipment, computer equipment, software, and many of the technologies are to be purchased from this fund. The maximum levy rate for East Allen in CY2010 based on the formula is **\$0.3285** [**\$0.2429-Rate Cap + \$0.0856-Utility & Insurance**]. Utility & Insurance expenditures paid out of CPF can not exceed 3.5% of the school corporation's 2005 calendar year distribution.
  - School Corporations allowed to pay Utility Services and/or Property Casualty Insurance from CPF. (CY 2004 at \$523,000 (1%); CY 2005 at \$1,060,000 (2%); CY 2006 at \$1,498,310 (2.75%); CY 2007/2008/2009/2010 at \$1,905,171 (3.5%)).

<b>2011</b>					
<b>CAPITAL PROJECTS FUND</b>					
<b>REVENUE AND EXPENDITURE ANALYSIS</b>					
JULY 1, 2010 - DECEMBER 31, 2011					
<b>CASH BALANCE 06/30/10</b>					\$ 8,793,814
<b>REVENUE 07/01/10 TO 12/31/10</b>					
	Property Taxes		\$ 3,389,197		
	Bank Taxes		19,543		
	Vehicle Taxes		304,823		
	CVET Taxes		40,457		
	Payment of InterFund Loan		-		
	<b>Total</b>		<b>\$ 3,754,020</b>	<b>3,754,020</b>	
<b>TOTAL REVENUE</b>					<b>\$ 12,547,834</b>
<b>EXPENDITURES 07/01/10 TO 12/31/10</b>					
	Budget 2010		\$ 10,543,121		
	Encumbrances 2009		2,325,559		
	Additional Approp 2010		-		
	Yearend Deletions		3,629,295		
	Expended		3,625,633		
	Future Projects Balance		4,847,786		
<b>TOTAL EXPENDITURES</b>			<b>\$ 5,613,752</b>	<b>5,613,752</b>	
<b>UNENCUMBERED CASH BALANCE 12/31/10</b>					<b>\$ 6,934,082</b>
<b>REVENUE 01/01/10 TO 12/31/10</b>					
	Property Tax		\$ 7,077,988	AV Rate & CBC	
	Bank Tax		39,800		
	Vehicle Taxes		595,900		
	CVET Taxes		85,700		
	Interest on Invest		-		
	<b>Total</b>		<b>\$ 7,799,388</b>	<b>7,799,388</b>	
<b>TOTAL 2011 RESOURCES</b>					<b>\$ 14,733,470</b>
<b>PROPOSED 2011 BUDGET</b>					<b>10,811,148</b>
<b>OPERATING BALANCE</b>					<b>\$ 3,922,322</b>
<b>2011 TAX RATE</b>					
AV = 09Pay10	2,226,958,772	\$	0.3178		
09Pay10 -2%	2,182,419,597	\$	0.3243		
09Pay10 -20%	1,781,567,018	\$	0.3973		
<b>CASH BALANCE 12/31/09</b>					<b>\$ 8,121,748</b>
<b>Encumbrances 12/31/09</b>					<b>2,325,559</b>
<b>Cash Balance Net of Encumbrances 01/01/10</b>					<b>\$ 5,796,189</b>

<b>Adopted Fund Budgets 2002-2011</b>					
<b>035 Capital Projects</b>					
		<b>Projected</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Use of</b>
		<b>Revenue</b>	<b>Approp</b>	<b>Shortage</b>	<b>Operating</b>
					<b>Balance</b>
2002		\$6,974,100	\$7,232,500	(\$258,400)	\$258,400
2003		\$6,821,814	\$7,173,000	(\$351,186)	\$351,186
2004		\$7,638,671	\$7,521,962	\$116,709	\$0
2005		\$8,334,218	\$9,747,756	(\$1,413,538)	\$1,413,538
2006		\$8,787,849	\$8,836,640	(\$48,791)	\$48,791
2007		\$9,161,820	\$12,456,999	(\$3,295,179)	\$3,295,179
2008		\$9,380,488	\$10,737,989	(\$1,357,501)	\$1,357,501
2009		\$7,909,138	\$12,434,531	(\$4,525,393)	\$4,525,393
2010		\$7,838,863	\$10,547,950	(\$2,709,087)	\$2,709,087
2011		\$7,799,388	\$10,811,148	(\$3,011,760)	\$3,011,760



<b>CAPITAL PROJECTS FUND ACTUALS</b>					
	<b>Beg Bal</b>	<b>Actual</b>	<b>Actual</b>	<b>Difference</b>	<b>Ending Fund</b>
		<b>Revenue</b>	<b>Expenditures</b>		<b>Balance</b>
<b>2002</b>	\$5,058,618	\$7,149,253	\$6,940,567	\$208,686	\$5,267,304
<b>2003</b>	\$5,267,304	\$4,507,033	\$6,467,011	(\$1,959,978)	\$3,307,325
<b>2004</b>	\$3,307,325	\$10,229,447	\$7,234,292	\$2,995,155	\$6,302,480
<b>2005</b>	\$6,302,480	\$8,313,023	\$5,607,280	\$2,705,743	\$9,008,223
<b>2006</b>	\$9,008,223	\$8,878,510	\$7,600,217	\$1,278,293	\$10,286,516
<b>2007</b>	\$10,286,516	\$9,240,159	\$8,863,503	\$376,656	\$10,663,172
<b>2008</b>	\$10,663,172	\$9,448,312	\$9,351,467	\$96,845	\$10,760,017
<b>2009</b>	\$10,760,017	\$7,695,883	\$10,334,152	(\$2,638,269)	\$8,121,748
<b><u>Appropriations:</u></b>					
<b>2010</b>	\$8,121,748	\$7,838,863	\$10,547,950	(\$2,709,087)	\$5,412,661
<b>2011</b>	\$5,412,661	\$7,799,388	\$10,811,148	(\$3,011,760)	\$2,400,901

## **QUALIFIED SCHOOL CONSTRUCTION BOND:**

- As part of the American Recovery and Reinvestment Act (ARRA) of 2009, the federal Treasury has continued the Qualified School Construction Bond (QSCB) program for 2010. Indiana's authorization is for the 2010 program is \$182,583,000. Of this amount \$82,583,000 will be designated for bonds up to \$2,000,000 and the remaining \$100,000,000 will be designated for bonds over \$2,000,000 but no larger than \$10,000,000.
- Proceeds of this bond will be used for qualified construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed.
- These are low interest bonds and for a less than \$2,000,000 bond the ten-year tax rate would be less than \$0.018 per \$100 AV.

# Capital Projects – Plan Summary

The following is a general outline of the plan:	Account No.	2011	2012	2013
<b>CURRENT EXPENDITURES</b>				
(1) Land Acquisition and Development	41000	-	-	-
(2) Professional Services	43000	120,500	144,900	97,000
(3) Education Specifications Development	44000	-	-	-
(4) Building Acquisition, Construction, and Improvements	45100	4,189,140	4,717,600	3,762,160
(5) Rental of Buildings, Grounds and Equipment	45500	24,000	24,000	24,000
(6) Purchase of Mobile or Fixed Equipment	47000	378,150	349,000	349,000
(7) Emergency Allocations	49000	130,000	130,000	130,000
(8) Utilities (Maintenance of Buildings)	26200	1,760,000	1,760,000	1,760,000
(9) Maintenance of Equipment	26400	536,000	536,000	536,000
(10) Sports Facilities	45400	-	-	-
(11) Property or Casualty Insurance	26700	150,000	150,000	150,000
(12) Other Operation and Maintenance of Plant	26800	-	-	-
(13) Technology	22300/25800	3,523,358	3,315,253	3,379,960
<b>SUBTOTAL CURRENT EXPENDITURES</b>		10,811,148	11,126,753	10,188,120
(14) Allocation for Future Projects (Cumulative Totals)		4,847,786	4,847,786	4,847,786
(15) Transfer From One Fund to Another	60100	-	-	-
<b>TOTAL EXPENDITURES AND ALLOCATIONS</b>		\$ 15,658,934	\$ 15,974,539	\$ 15,035,906

<b>Capital Projects Plan - Summary</b>	2011	2012	2013	
	<u>Summary Cost</u>	<u>Summary Cost</u>	<u>Summary Cost</u>	<u>Pending</u>
<b>Cedarville</b>	43,000	4,500	16,500	803,425
<b>Harlan</b>	10,000	-	-	327,500
<b>Highland Terrace</b>	35,000	41,000	27,400	984,000
<b>Hoagland</b>	6,000	30,000	25,000	2,835,000
<b>Leo Elementary</b>	15,000	30,000	25,000	833,600
<b>Meadowbrook</b>	10,000	6,500	206,500	440,000
<b>Monroeville</b>	31,000	15,000	15,000	265,000
<b>New Haven Elementary</b>	249,000	154,000	62,000	716,200
<b>Southwick</b>	42,500	268,000	48,000	671,000
<b>Village Elementary</b>	26,000	43,000	30,000	938,090
<b>Woodburn</b>	24,000	30,000	400,000	198,000
<b>Park Hill</b>	400,000	32,500	75,000	1,305,000
<b>New Haven Middle</b>	30,000	84,000	33,000	7,210,000
<b>Prince Chapman Academy</b>	2,500	-	-	40,000
<b>Heritage</b>	47,000	250,000	33,000	3,964,602
<b>Leo Jr/Sr</b>	144,500	810,000	42,000	932,000
<b>New Haven High School</b>	401,000	218,000	225,000	5,815,000
<b>Paul Harding</b>	314,000	200,000	151,000	7,342,900
<b>Woodlan</b>	30,000	20,000	41,000	-
<b>Administrative Building</b>	25,000	100,000	-	-
<b>Maintenance/Transportation Building</b>	40,000	77,400	-	49,000
<b>District Wide Projects</b>				
Professional Services	120,500	144,900	97,000	-
Maintenance Services (Repairs/Inspections/Suppli	2,263,630	2,303,700	2,306,760	-
Equipment	378,150	349,000	349,000	-
Emergency Allocations	130,000	130,000	130,000	-
Utilities and Insurance	1,910,000	1,910,000	1,910,000	-
Maintenance of Equipment	536,000	536,000	536,000	-
Rental	24,000	24,000	24,000	-
Technology	3,523,358	3,315,253	3,379,960	-
<b>Grand Total</b>	<b>10,811,138</b>	<b>11,126,753</b>	<b>10,188,120</b>	<b>35,670,317</b>

## **BUS REPLACEMENT FUND:**

- Is used to cover the purchase of all buses, and requires the establishment of a 12-year replacement plan. As only the first year of the plan is firm, there is opportunity to make necessary adjustments to the proposed number of buses to be purchased in ensuing years. Hearings must be held annually for review and public input on the 12-year purchase plan.

<b>TRANSPORTATION FUND - Bus Replacement 042</b>				
<b>REVENUE AND EXPENDITURE ANALYSIS</b>				
JULY 1, 2010 - DECEMBER 31, 2011				
<b>CASH BALANCE 06/30/10</b>				\$ 333,639
<b>REVENUE 07/01/10 TO 12/31/10</b>				
Property Taxes			\$ 139,282	
Bank Taxes			804	
Vehicle Taxes/CVET			14,190	
Basic Grant			-	
Reimbursement			-	
Interest on Invest			-	
Repayment of Interfund Loan			-	
<b>Total</b>			<b>\$ 154,276</b>	<b>154,276</b>
<b>TOTAL REVENUE</b>				<b>\$ 487,915</b>
<b>EXPENDITURES 07/01/10 TO 12/31/10</b>				
Budget 2010			\$ 351,855	
Encumbrances 2009			490,568	
Repay CPF Loan			-	
Expended 01/01/10 To 06/30/10			490,568	
Repay TAW'S			-	
Vol Red Budget			-	
<b>TOTAL EXPENDITURES</b>			<b>\$ 351,855</b>	<b>351,855</b>
<b>CASH BALANCE 12/31/10</b>				<b>\$ 136,060</b>
<b>REVENUE 01/01/11 TO 12/31/11</b>				
Property Tax			\$ 2,078,198	
Bank Tax			1,636	
Vehicle Tax			28,007	
Basic Grant			-	
Reimbursements			-	
Interest on Invest			-	
<b>Total</b>			<b>\$ 2,107,841</b>	<b>2,107,841</b>
<b>TOTAL 2011 RESOURCES</b>				<b>\$ 2,243,901</b>
<b>PROPOSED 2011 BUDGET</b>				<b>2,104,776</b>
<b>OPERATING BALANCE</b>				<b>\$ 139,125</b>
<b>2011 TAX RATE</b>				
AV = 09Pay10	2,226,958,772	\$0.0933		
09Pay10 -2%	2,182,419,597	\$0.0952		
09Pay10 -20%	1,781,567,018	\$0.1167		
<b>CASH BALANCE 12/31/09</b>				<b>\$ 648,199</b>
<b>Encumbrances 12/31/09.</b>				<b>590,568</b>
<b>Cash Balance Net of Encumbrances 01/01/10</b>				<b>\$ 57,631</b>

<b>Adopted Fund Budgets 2002-2011</b>					
<b>042 Bus Replacement</b>					
		<b>Projected</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Use of</b>
		<b>Revenue</b>	<b>Approp</b>	<b>Shortage</b>	<b>Operating</b>
					<b>Balance</b>
2002		\$1,124,555	\$1,117,200	\$7,355	\$0
2003		\$1,166,682	\$1,150,704	\$15,978	\$0
2004		\$1,166,432	\$1,120,000	\$46,432	\$0
2005		\$867,069	\$1,170,000	(\$302,931)	\$302,931
2006		\$1,429,023	\$1,505,114	(\$76,091)	\$76,091
2007		\$1,027,252	\$1,309,288	(\$282,036)	\$282,036
2008		\$638,352	\$1,354,780	(\$716,428)	\$716,428
2009		\$0	\$647,025	(\$647,025)	\$647,025
2010		\$392,940	\$649,640	(\$256,700)	\$256,700
2011		\$2,107,998	\$2,104,776	\$3,222	\$0

<b>BUS REPLACEMENT FUND ACTUALS</b>					
	<b>Beg Bal</b>	<b>Actual Revenue</b>	<b>Actual Expenditures</b>	<b>Difference</b>	<b>Ending Fund Balance</b>
<b>2002</b>	\$155,484	\$1,151,105	\$1,249,332	(\$98,227)	\$57,257
<b>2003</b>	\$57,257	\$937,000	\$993,376	(\$56,376)	\$881
<b>2004</b>	\$881	\$1,615,476	\$1,239,371	\$376,105	\$376,986
<b>2005</b>	\$376,986	\$864,335	\$887,892	(\$23,557)	\$353,429
<b>2006</b>	\$353,429	\$1,442,917	\$801,982	\$640,935	\$994,364
<b>2007</b>	\$994,364	\$1,034,882	\$907,629	\$127,253	\$1,121,617
<b>2008</b>	\$1,121,617	\$640,193	\$0	\$640,193	\$1,761,810
<b>2009</b>	\$1,761,810	\$0	\$1,113,611	(\$1,113,611)	\$648,199



Fund 042			<b>EAST ALLEN COUNTY SCHOOLS</b>				
			<b>2011 BUS REPLACEMENT BUDGET</b>				
INDEX NUMBER	OBJ.	LOC.	DESCRIPTION OF EXPENDITURE	2010 BUDGET	2011 BUDGET	DIFFERENCE	
27400			<b>PURCHASE OF SCHOOL BUSES</b>				
	731	030	Replace 15 buses + 2 New Special Needs	351,855	2,104,776	1,752,921	
			2002 \$ 750,757				
			2003 \$ 987,076				
			2004 \$ 1,016,371				
			2005 \$ 887,892				
			2006 \$ 801,982.02				
			2007 \$ 907,829.01				
			2008/09 \$ 1,113,611				
			2009/10 \$ 490,568				
			2010 \$ 351,855 (estimate)				
			<b>TOTAL BUS REPLACEMENT FUND 042</b>	<b>351,855</b>	<b>2,104,776</b>	<b>1,752,921</b>	
			Note: CY2007 \$1,769,070 (Advertisement) - \$ 459,782 (Pension Reduction) = \$1,309,288				
			CY2008 \$1,804,455 (Advertisement) - \$ 449,675 (Pension Reduction) = \$1,354,780				
			CY2009 \$ 732,900 (Advertisement) - \$ 85,875 (Pension Reduction) = \$ 647,025				
			CY2010 \$ 649,640 (Advertisement) - \$ 297,785 (Pension Reduction) = \$ 351,855				

# EACS – Budget Work Session

- Questions
- Concerns
- Issues
- Action Items