

A FINANCE STUDY
FOR
MIDDLEBURY COMMUNITY SCHOOLS

ADMINISTRATION

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FINANCES

A specified budgeting procedure is required of all school corporations in the State of Indiana. It is a simple unified system of budgetary preparation and accounting based on the concept of a program budget system. Various funds are established in this procedure, and each of these funds serves a specific purpose in the budget system. Indiana public education receives its funding from various sources, but the majority comes from state and local sources. Funds have been established for the operational cost, transportation cost, pre-school special education program cost, debt retirement cost, and capital improvement cost of a school corporation. A school corporation establishes local property tax rates for the purpose of raising local property taxes for the support of each of these major funds. Certain criteria exist for the use of each of these funds. In this report the concern is to look at only those funds that are used primarily to finance capital improvements. Two funds are used for this purpose, and they are the Capital Projects Fund and the Debt Service Fund. A New Facility Appeal for the General Fund will also be addressed in the report.

A school corporation's relative capacity to finance capital improvements is extremely important to long-range educational program and facility planning. In Indiana, a state in which virtually the entire burden of paying for school facilities falls on the shoulders of local taxpayers, the ability of the school corporation to raise money through local property taxes is the determining factor in its ability to finance capital improvement projects.

The content of this section of the report examines the school corporation's fiscal ability, fiscal effort, existing debt, debt capacity, and the effect on taxpayers if future debt obligations are assumed. Analysis of these factors is a critical component of this study. This information is critical to long-range planning in that the data provides an important element of information necessary for developing realistic long-term debt obligations for resolving existing or future facility-related needs.

Knowledge of the Capital Projects Fund and the Debt Service Fund is necessary to understand how a school corporation can finance capital improvements. Following is a brief explanation of each of these funds:

Capital Projects Fund

The 1987 Indiana General Assembly established the Capital Projects Fund. The Capital Projects Fund is supported by a three-year (or more) plan providing the basis for approval of appropriations when the annual budget is approved. The Capital Projects Fund may be used for the following: land acquisition and development, fees for professional services, educational specification development, building acquisition, construction and improvements, rental of buildings and equipment, purchase of mobile or fixed equipment, maintenance of equipment including the salaries of computer maintenance personnel, school sport facilities and, when appropriate, certain maintenance personnel. The maximum annual tax rate for the Capital Projects Fund may not exceed \$1.25 per \$100 of assessed valuation adjusted in 1996 by the amount of growth in the 1995 assessed valuation which is greater than the average growth in assessed valuation the preceding three years. The annual tax rate was adjusted again in 2004 due to reassessment.

Debt Service Fund

The Debt Service Fund can be established annually to meet debt service obligations, including lease rental, bond retirement, civil aid bond obligations, and Veterans Memorial and Common School Fund repayments to the General Fund. There is no ceiling placed on the Debt Service Fund tax rate or levy. The local tax rate generates the majority of the revenue for this fund. The remaining revenue is from license and commercial vehicle excise tax and financial institution tax.

FISCAL ABILITY

Fiscal ability is a term that is analogous to wealth. The wealth of a school corporation is commonly measured by its assessed valuation, i.e., the aggregate value of property that is taxed in the school corporation. Assessments of property are conducted by township and county governmental structures. Although property is supposed to be assessed at its real value, variances have been shown to exist among counties either because of less than uniform assessment practices or because of political positions about property taxes. At the present, the state attempts to equalize this variance in the General Fund by using a Tax Rate Adjustment Factor, but this factor does not apply to the other tax funds. The General Assembly implemented a True Tax Value system in 2002 to more reflect true market values.

All properties are re-assessed on a periodic basis as determined by the State Legislature. In the past, re-assessments have been conducted every ten years, with new valuations becoming effective in the first year of each new decade. This practice changed in the 1990's with the enactment of the following law as set-forth in I.C. 6-1.1-4-4:

A general re-assessment of the real property of all the counties of this state shall begin July 1, 1993, and each fourth year thereafter. Each re-assessment shall be completed on or before March 1 of the immediately following odd-numbered year and shall be the basis for taxes payable in the year in which the general assessment is to be completed.

Consequently, a re-assessment was due to be completed by March 1, 1995, and the new assessments will be effective in 1996. The next re-assessment was then due to be completed by March 1, 1999, and be effective in the year 2000. The 1997 General Assembly moved these dates to March 1, 2000 and effective in the year 2001. Litigation and court mandates have caused these dates to be moved to March 1, 2002 effective in the year 2003. It must be noted that Middlebury Community Schools have not received the certified 2004 budget from the Department of Local Government Finance.

Assessed valuations for the Middlebury Community Schools since 1998 are displayed in Table T-1.

History of Assessed Valuations Since 1998

Budget Year	Assessed Valuation	True Tax Value Assessment	% Change*
1998	\$198,053,240	\$594,159,720	5.70%
1999	\$211,343,160	\$634,029,480	6.71%
2000	\$222,094,560	\$666,283,680	5.09%
2001	\$234,548,030	\$703,644,090	5.61%
2002	\$732,589,030	\$732,589,030	4.11%
2003**	\$999,888,550	\$999,888,550	36.49%
2004***	\$980,123,120	\$980,123,120	(-1.98%)
Annual Ave. % Increase 1998-2002			5.44%

*percent change from previous year

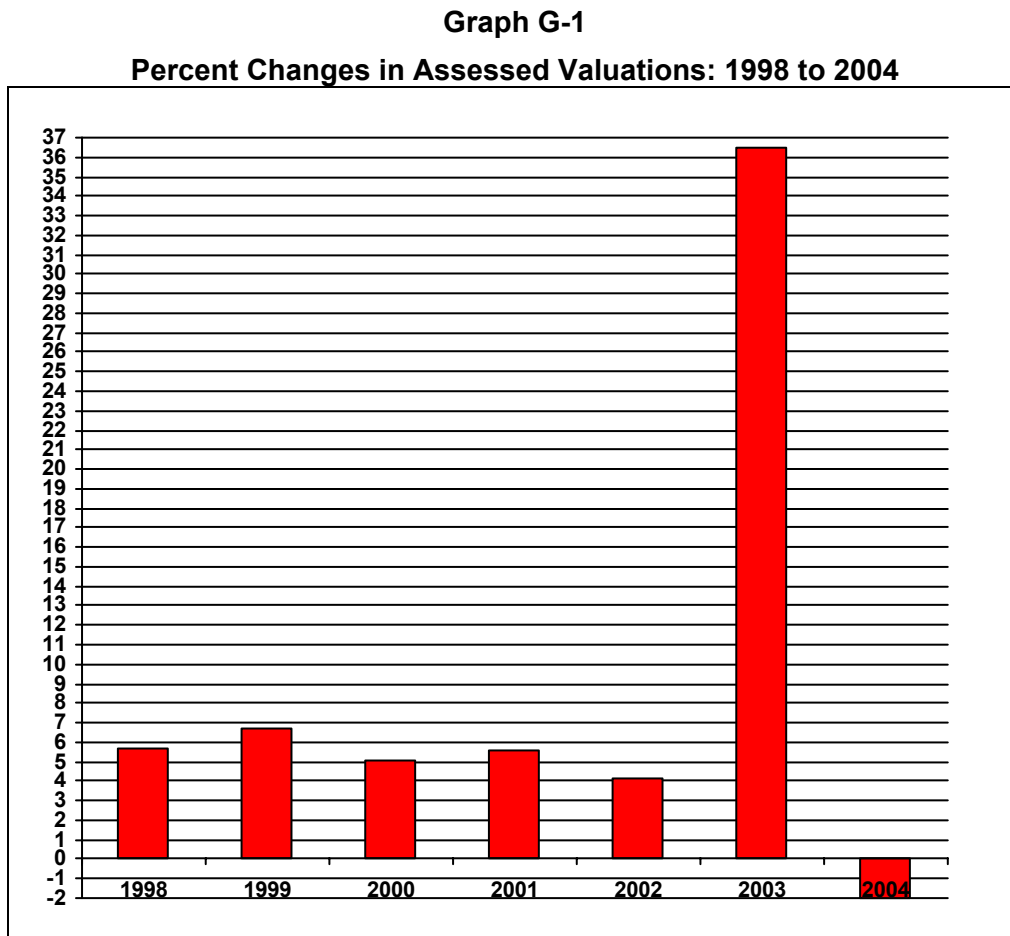
** Reassessment is an outlier and not included in annual average % increase.

***2004 TTV- Decrease due to loss of Interstate Commerce TTV
(data source: school corporation records)

Note: 2003 increase due to reassessment; 2004 decrease due to Interstate Commerce

A review of the data shown in Table T-1 indicates that the assessed valuation for Middlebury Community Schools for 1998-2002 has increased an average of 5.44% annually. By using the historical data for the growth of assessed valuation from the past five (5) years, anticipated growth in the tax base can be projected to grow at the same rate (5.44% per year). Note: Assessed valuation in 2003 was impacted by reassessment and not included in the annual average increase. AV for 2004 was reduced by Interstate Commerce Exemption. Both are statistical outliers.

A visual presentation of percent changes in assessed valuation for the period 1998 to 2004 is presented in Graph G-1.



Future assessed valuations can be influenced by many variables such as:

- Changes in the current pattern of business and industrial development can affect projections significantly (including bankruptcies).
- Acceleration or declines in housing starts are especially cogent.

- Since law sets assessment practices, they are subject to change by the legislature or court system. Alterations to either the parameters or procedural policies would obviously affect projections.
- Conditions in the general economy affect migration patterns and business investments. Hence, swings in inflation rates, unemployment rates, the Consumer Price Index, and so forth can impact the accuracy of fiscal projections.
- Appeals to adjust assessed values especially in a reassessment cycle.

Marked increases in assessed valuations are caused most often by the periodic re-assessment of real and personal property. As previously noted, re-assessment will now occur every four years with the next re-assessment to be effective with taxes to be paid in the year 2007.

Despite uncertainties about future growth in aggregate property values, projections of future valuations are critical to estimating debt ratios and tax impact. Table T-2 provides three different scenarios of possible increases in assessed valuation using the 2004 assessed valuation. Three different levels of annual increases (4.5%, 5.0%, and 5.44%) are presented. Comparison and projections completed in this study use the 5.44% annual increase. Graph G-2 gives a visual picture of these projected growths. Assessed value for 2003 pay 2004 is the base year for assessment projections in this report.

Table T-2
Estimated Assessed Valuations 2005-2008 with an Assessed
Valuation of \$980,123,120 Effective in 2004

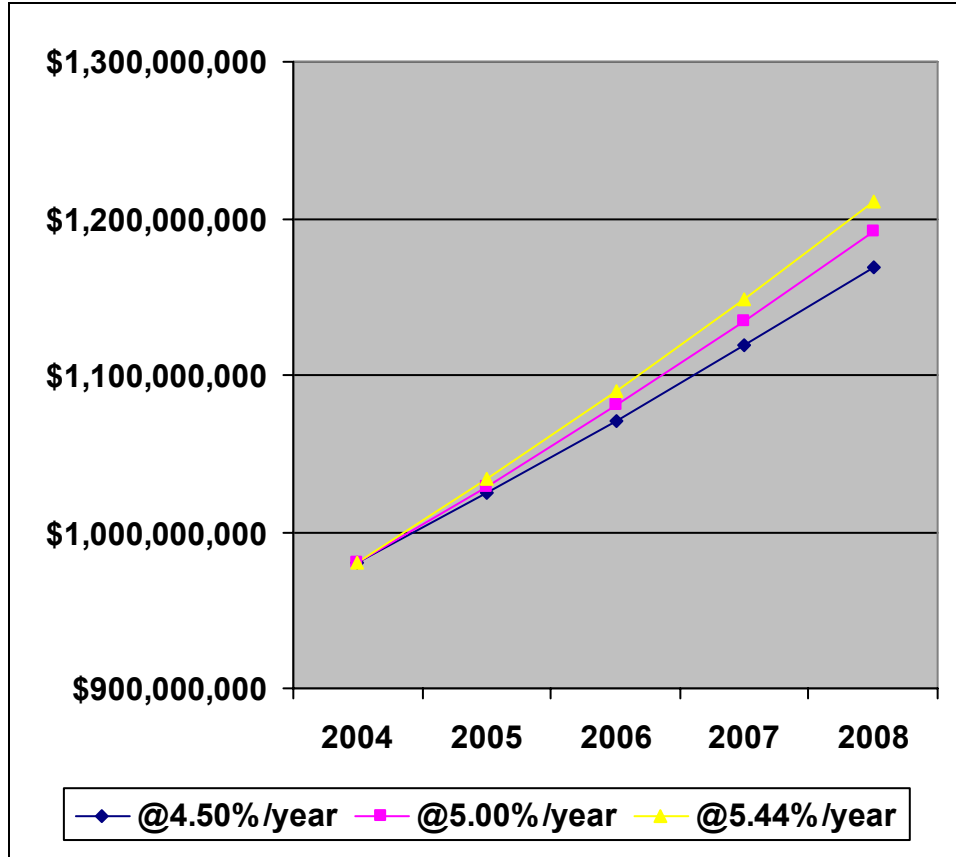
Year	@4.50%	@5.00%	@5.44%
2004*	\$980,123,120	\$980,123,120	\$980,123,120
2005	\$1,024,228,660	\$1,029,129,276	\$1,033,441,818
2006	\$1,070,318,950	\$1,080,585,740	\$1,089,661,053
2007	\$1,118,483,303	\$1,134,615,027	\$1,148,938,614
2008	\$1,168,815,052	\$1,191,345,778	\$1,211,440,875

*Base year

Effective March 1, 2001 assessed values are stated as True Tax Values. Re-assessment effective in 2003 provided a substantial increase to the corporation's assessed valuation -- and thusly, increase the corporation's fiscal ability to incur debt.

Graph G-2

Growth in Assessed Valuation with a 2004 True Tax Value Assessment of \$980,123,120



Since School corporations have varying enrollments, comparing fiscal ability solely on the basis of total assessed valuations is usually misleading. For example, assume that one school corporation has an assessed valuation of \$200 million and 20,000 pupils, and a second corporation has an assessed valuation of \$100 million and 1,000 pupils; initially, one might conclude that the first corporation is the wealthier since it has twice as much assessed valuation. But the first also has 20 times more pupils. Thus, when the amount of assessed valuation supporting each pupil is properly considered, the second corporation actually has a much higher fiscal ability per pupil.

Comparisons of the fiscal ability of school corporations are usually made with an index called *assessed valuation per pupil* (the amount of taxable property behind each student). This index provides a much more equitable statistic for establishing the relative wealth of school corporations. Table T-3 provides a comparison of total assessed valuations and assessed valuations per pupil for the Middlebury Community Schools and for school corporations in Elkhart County.

Data in Table T-3 exhibits that the seven school corporations compared in rank from lower to higher with regard to fiscal ability when compared to all school corporations throughout the state. Middlebury Community Schools is 2nd out of 7 school corporations in fiscal ability among school corporations compared and is in the upper 22% (62 out of 293) in ranking of all schools in the state.

Table T-3
Comparison of 2002 Assessed Valuations per Pupil
Middlebury Community Schools
Elkhart County School Corporations

Corporation	ADM Rank	2002 Assessed Valuation	AV/ADM	State Rank
Wa-Nee	90	\$666,232,360	\$223,231	41
Middlebury	75	\$732,589,030	\$207,956	62
Concord	57	\$851,702,890	\$202,089	67
Elkhart	10	\$2,465,197,080	\$200,286	70
Baugo	156	\$336,716,470	\$192,409	82
Goshen	46	\$960,740,680	\$176,616	110
Fairfield	136	\$338,485,950	\$170,462	120
Group Average		\$196,150		
		N=7		
State Average		\$181,842		
		N=293		

Data Source: 2002 Farm Bureau Report

FISCAL EFFORT

The fiscal effort of a school corporation is measured by local tax rates. Analyzing local school tax rates over a period of time can show a historical perspective of fiscal effort. While generalizations from such analysis are limited by intervening variables, the perspective gained can be beneficial as an initial step in providing an overview of any discernible trends that may have occurred during the period analyzed.

**Table T-4
Middlebury Community Schools
Tax Rates 1998 to 2004***

Year	General Fund	Debt Service Fund	Capital Projects	Transp. Fund	Bus Fund	Pre-School Fund	Pension Bond	Total Rate
1998	\$0.8051	\$0.4500	\$0.2334	\$0.1735		\$0.0032		\$1.6652
1999	\$0.8243	\$0.5170	\$0.1929	\$0.1693		\$0.0032		\$1.7067
2000	\$0.8448	\$0.4826	\$0.1723	\$0.1971		\$0.0032		\$1.7000
2001	\$0.8331	\$0.4375	\$0.2509	\$0.1573	\$0.0330	\$0.0032		\$1.7150
2002	\$0.8240	\$0.4500	\$0.3014	\$0.1563	\$0.0352	\$0.0031		\$1.7700
2003**	\$0.6492	\$0.4502	\$0.2098	\$0.1228	\$0.0203	\$0.0032		\$1.4555
2004	\$0.6900	\$0.3486	\$0.2676	\$0.1313	\$0.0252	\$0.0024	\$0.0446	\$1.5097

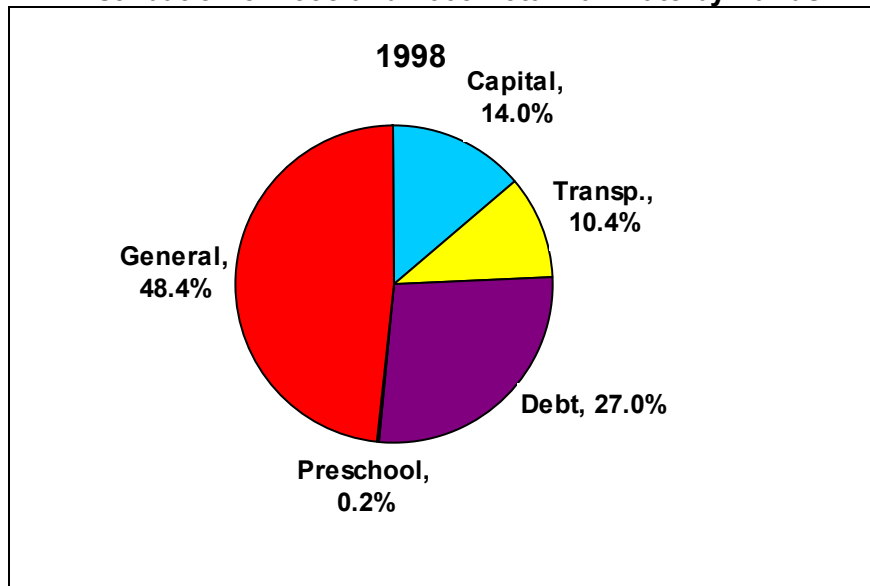
* Tax Rates Converted to TTV

**Lower tax rate is the result of reassessment

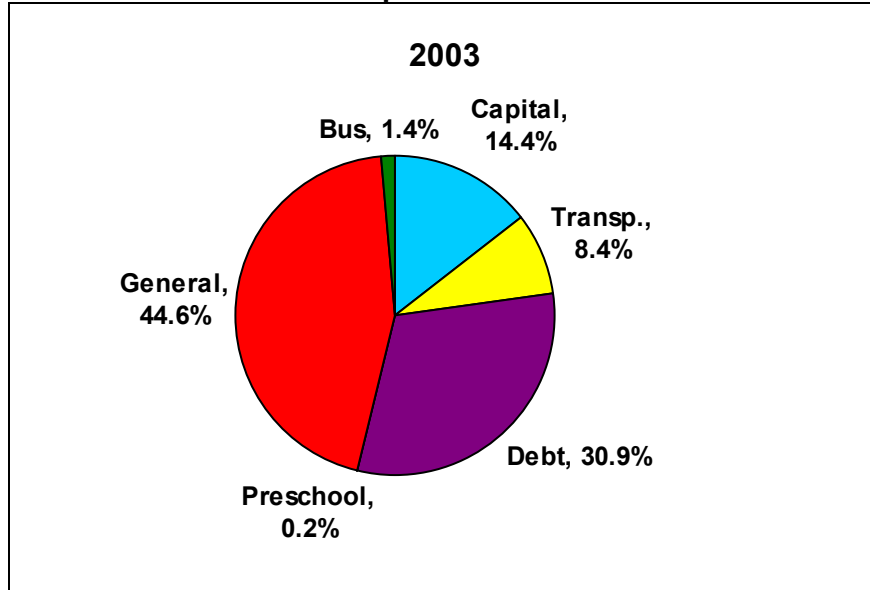
Changes in the total tax rate over this six year period were relatively minor except reassessment in 2003.

Graph G-3 represents the distribution of 1998 and 2002 total tax rates by funds.

**Graph G-3
Distribution of 1998 and 2003 Total Tax Rate by Funds**

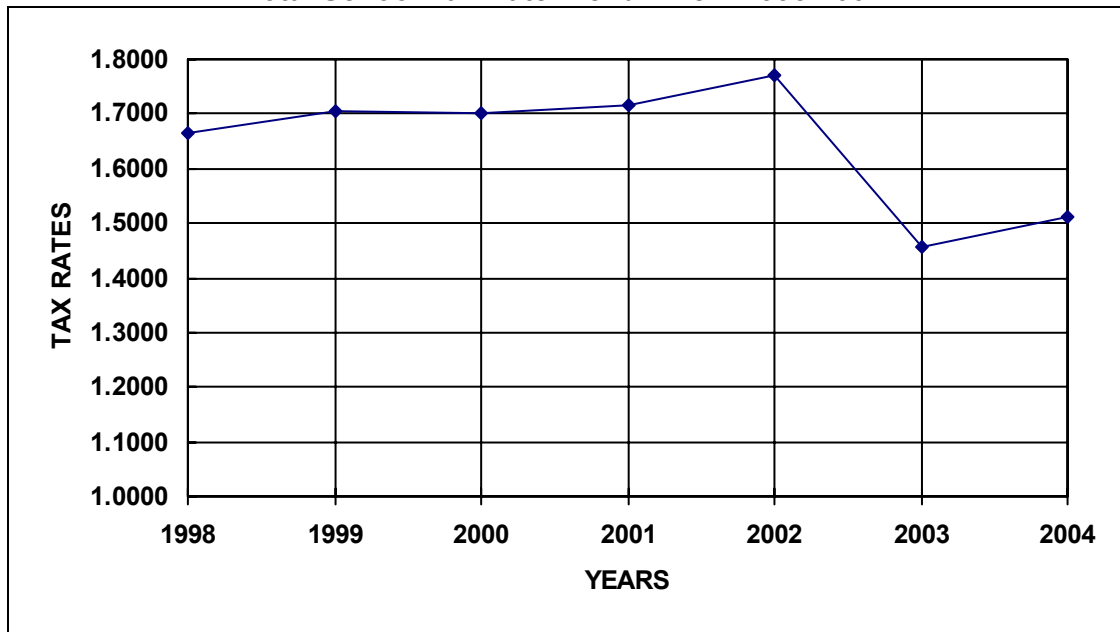


Graph G-3 Cont.



Graph G-4 presents a total school tax trend line for the years 1998 thru 2004.

Graph G-4
Total School Tax Rate Trend Line -- 1998-2004*



*Lower tax rate in 2003 is the result of reassessment

A comparison (lower to higher) of the total tax rates of the selected school corporation is presented in Table T-5. Rankings are provided for the school corporations in the comparison in relationship to all school corporations in Indiana.

Table T-5
Comparison of 2002 School Tax Rates:
Middlebury Community Schools
Elkhart County School Corporations

Corporation	Total Rate	State Rank
Goshen	\$1.8724	147
Wa-Nee	\$1.8668	150
Concord	\$1.8333	159
Middlebury	\$1.7700	184
Baugo	\$1.7251	203
Elkhart	\$1.6540	234
Fairfield	\$1.6317	241
Group Average	\$1.7648	
	N=7	
State Average	\$1.9098	
	N=293	

Data Source: 2002 Farm Bureau Report

Data in Table T-5 shows that Middlebury Community Schools is below the state average in rank in fiscal effort when compared to school corporations in the comparison group. In the Elkhart County group ranking in 2002, Middlebury Community Schools tax rate was the median with three higher and three lower. This data would suggest that the school has been fiscally responsible.

By state statute, school corporations in Indiana may enter into debt obligations for specified reasons, the most common of which is school construction and renovation. Although true costs to taxpayers involve both principal and interest on such debts, analysis of obligations usually focuses on principal. School corporations in the state of Indiana are permitted by law to issue General Obligation (G.O.) bonds in amounts that

may not exceed 2% (adjusted to AV/3x2% in 2002) of assessed valuation. Debt may also be incurred through state loans, temporary bank loans, and lease purchase agreements with either public or private holding corporations.

On January 1, 2004, the school corporation has outstanding debt involving both general obligation (G.O.) bond and holding corporation. These loans are displayed in Table T-6 along with the G.O. bonding leeway as of January 1, 2004, (the 2004 A.V. of \$980,123,120 was used in determining the leeway). The debt to AV ratio excludes the G.O. Bond.

Table T-6
Outstanding Debt (Principal) and G.O. Bond Leeway as of January 1, 2004*

Source of Debt	Purpose	Outstanding Principal	Date of Maturity
General Obligation Bond	School Building Bonds	\$1,985,000	January 1, 2007
Lease Rental	Middlebury Elem/Middle School	\$3,356,764	June 30, 2012
Lease Rental	Northridge H.S. Additions	\$6,830,000	June 30, 2009
Lease Rental	Middlebury Elementary Schools	\$11,785,000	June 30, 2018
Common School (A-0206)		\$31,223.28	July 1, 2005
Common School (A-0277)		\$450,000	July 1, 2009
Common School (A-0349)		\$787,500	January 1, 2014
Common School (A-1029)		\$85,658	
Total Outstanding Debt (Principal) 1/1/04		\$25,311,145.00	0.0233%
Leeway for Additional G.O. Bonds based on 2004 AV-\$980,123,120: \$4,549,154			\$4,549,154

*Debt schedule and graph for outstanding principal are located in Appendix A-1; A-2

Note: G.O. Bond payments begin in 2005 for 3 years, however, are excluded in the debt to AV ratio.

An important comparison that is made concerning outstanding debt is the debt to assessed valuation ratio. The debt to assessed valuation ratio for the Middlebury Community Schools, as of January 1, 2004, using the 2004 assessed valuation of \$980,123,120 is .0233%. Note: Middlebury Community Schools has sold G.O. pension bonds. That obligation is not included in the Debt Service Fund.

DEBT LEEWAY

Debt leeway is an estimate of a school corporation's fiscal capacity to assume additional debt. Since most of the revenue for paying debt must come from local taxes, debt levels vary significantly across school corporations. Debt leeway is typically indexed to current outstanding debt levels. The debt leeway is calculated to be the difference between current debt to assessed valuation ratio and amount of debt that would cause that ratio not to reach beyond some agreed to ratio. Ratios above 10% are considered high. The amounts of leeway that will cause ratios of 7%, 10% and 13% are displayed in Table T-7. The following points should be noted:

- If the school corporation were to enter into further debt obligations, the earliest relevant year would be 2006. By then, assessment will have raised and the existing debt will be less than stated in Table T-6.
- Although there are restrictions on General Obligation bonds, debt levels are not restricted for other forms of obligations. Debt levels causing ratios over 10%, however, are likely to affect interest rates on debt obligations.

Table T-7
Estimates of Debt Leeway as of January 1, 2004, 2005, 2006, 2007, and 2008

	Valuation	Debt*	7%	10%	13%
2004	\$980,123,120	\$23,326,145	\$45,282,473	\$74,686,167	\$104,089,861
2005	\$1,024,228,660	\$20,945,533	\$50,750,473	\$81,477,333	\$112,204,193
2006	\$1,070,318,950	\$18,467,790	\$56,454,537	\$88,564,105	\$120,673,674
2007	\$1,118,483,303	\$12,943,659	\$65,350,172	\$98,904,671	\$132,459,170
2008	\$1,168,815,052	\$13,213,527	\$68,603,527	\$103,667,978	\$138,732,430

*Principal only - Appendix A-1; without G.O. Bonds

**AV increase in 2005, 2006, 2007, 2008 at 5.44% per year

***2004 AV is base year- \$980,123,120

Again, it needs to be stressed that figures in Table T-7 are based on the 2004 True Tax Value assessment. As shown, the school corporation could incur additional debt in ensuing years because of increasing assessed valuation. When evaluating a commitment to long-term debt, the more conservative financial advisors suggest that school corporations limit the long-term indebtedness to no more than 6.67% of the net True Tax Value assessment of the school corporation. The upper limit of sound fiscal practice would be to limit the long-term indebtedness to no more than 10% of the net True Tax Value assessment. As stated earlier, there is no statutory limit to debt that a school corporation can incur through a school holding corporation. These are only guidelines. It also must be noted that construction costs (hard costs) plus 25 to 30% for soft costs comprises the final principal. Interest is then assessed on the principal. The interest is market driven and affected by length of payback and bond rating for school corporations.

TAX IMPACT

If the school corporation decides to move forward with facility projects, how will this decision affect tax rates? Many taxpayers will ask this question. Several assumptions must be made in trying to provide an answer. Foremost is a projection with regard to growth in assessed valuation. As was pointed out earlier in this report (Table T-1, p.3), the average growth of assessed valuation from 1998 to 2002 was 5.44% per year. The tax impact statement provided in this report for 2006 (Table T-8, p.14), is based on the 2004 assessed valuation and an annual increase in 2005 - 2008 of 5.44%.

It should also be noted that three other sources of locally generated revenues for public school corporations, the Property Tax Replacement Credit, the License Excise Tax and the Financial Institutions Tax, could help to offset increases in debt service rates due to new debt. Finally, interest on debt obligations is part of the cost of financing that must be considered and interest rates are affected by several factors. They include the following:

- Length of issue (The greater the number of years it takes to pay back the debt, the higher the total interest payments).
- Rating of the Insurer (The better the bond rating of the school corporation, the lower the interest rates).

- Financial conditions at time of bond sale (Interest rates are heavily influenced by market conditions at the time bonds are sold).
- Existing debt level of the issuer (A high debt level can cause higher interest rates).
- Size of the issue (High amounts can cause higher interest rates).
- Type of bonds issued (Callable bonds increase uncertainty for the buyer, and thusly, they often have slightly higher interest rates).
- Elimination of Inventory AV and Interstate Commerce Exemption.

Table T-8 includes projections of tax impact for \$1 million dollars of debt to be paid starting in 2006. Several factors must be kept in mind as these data are reviewed:

- As noted, the estimates are based on projected growth in assessed valuation.
- The estimates are based on simple interest. The annual payments are based on equal payments over the life of the issue. When a financial plan for a project is actually designed, a number of options may be available to alter annual payments (e.g., lower annual payments in the first few years with higher payments in the later years).

Estimates can be based on a half-year payment in the first year. Often debt repayments are structured so that only a partial payment is made the first year. This projection assumes a full year payment in the first year (2006).

Table T-8
Estimates of Added Year 2005 Debt Service Rate per \$1 Million of New Debt Repaid
Over 21 Years with Payments starting in the first Half of Year 2006

Estimated Assessed Valuation with \$980,123,120 A.V. in 2004	Added Debt Service Rate With Interest Rates of		
	5.00%	5.50%	6.00%
4.5%inc. each yr. 2006 AV \$1,070,318,950	\$0.0075	\$0.0078	\$0.0081
5.0%inc. each yr. 2006 AV \$1,080,585,740	\$0.0074	\$0.0077	\$0.0080
5.44%inc. each yr. 2006 AV \$1,089,661,053	\$0.0074	\$0.0077	\$0.0080

Keep in mind that the data in Table T-8 is based on \$1 million of additional debt and reflects increases in existing debt service rates. These rates will decrease over time as assessed valuation increases. Also Property Tax Replacement Credit is not factored into the tax rate. In 2006 the 2003 debt service tax rate of \$0.4502 is expected to decrease to \$0.3659 or less. The decrease to tax rate is due to increased TTV and paying down the debt.

The final component of this study is an *estimated* gross tax rate impact for construction projects in 2006 for residential and non-residential True Tax Value using four scenarios. Definitions to assist the reader in understanding Table T-9 are located in Appendix A-3.

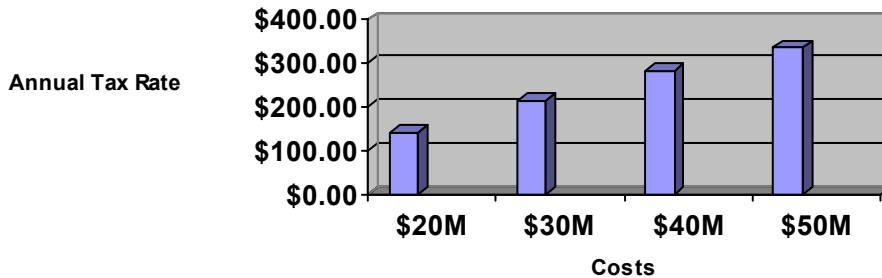
Table T-9
Guideline for New Project Costs- 2006(Estimated)

True Tax Value	
	\$138,000
Deductions	
	Mortgage \$3,000
	Standard \$35,000
Net AV	
	\$100,000
Tax Rate*	
	\$0.0077 per \$1M of debt
Gross Tax**	
\$20M	
	Annual \$154.00
	Monthly \$12.83
\$30M	
	Annual \$231.00
	Monthly \$19.25
\$40M	
	Annual \$308.00
	Monthly \$25.67
\$50M	
	Annual \$385.00
	Monthly \$32.08

*Source of Estimated Tax Rate: Table T-8, p.14: \$1,089,661,053 AV and \$0.0077 per \$1,000,000 of New Debt Tax Rate; 5.50% Interest Rate; 5.44% Annual AV Increase

**Source of Estimated Construction Costs: Four scenarios of \$20M; \$30M; \$40M; \$50M

**Tax Rate Guidelines for New Project Costs-
2006(Estimate)**



Note: 1. Overall Gross Tax will be affected by each property tax fund.

2. Overall Net Tax will be affected by non-exempted levies as PTRC and Homestead Credit (20% respectively) set by DLGF.
3. Bond payments can be amortized to coincide with decrease and retirement debt payments.
4. Severance/Retirement (Pension) Bond sale in 2004 pay beginning in 2005 will affect General Obligation Bond capacity, however, payments are levy neutral.
5. Capital Projects Fund can sustain portions of construction and professional fee costs through annual and/or future allocation monies.

General Fund New Facility Appeal

A new facility appeal (I.C.6-1.1-19-4.3) may be requested as an additional or excessive levy to increase the local levy base (revenue) for operation of a new facility. The Property Tax Control Board will rule on the legality of the appeal based on increased costs for safety, health, space, Heat/AC (HVAC), or lighting. The increase costs must be associated to physical operating cost and not for increase cost due to certified staff, transportation, or curriculum. The Department of Local Government Finance requires the appeal be placed on line #15 and included in line #12 on Form #3, advertised, and mailed or hand delivered to DLGF no later than 2 days after school board adoption of budget. The DLGF also requires the appeal be placed on their forms.

The "Rule of Thumb" for increased physical operating costs is \$3.50-4.00 sq. ft. A "Rule of Thumb" also limits the levy increase to the square feet of new construction, utilities costs (gas, electricity, fuel oil, other), costs for maintenance and custodial personnel (including salaries and benefits) supplies and materials, a wide range of safety equipment and supplies, lighting supplies, and property casualty insurance. The administration has created an excellent sample of increased costs applicable to a new facility appeal. State statute requires the dollar amount of new facility appeal which is advertised as an excessive levy to be included in preliminary determination procedure.

For example: 100,000 sq. ft. of new building space;

Estimated New Facility Appeal at \$3.50 sq. ft. = \$350,000

Estimated New Facility Appeal at \$4.00 sq. ft. = \$400,000

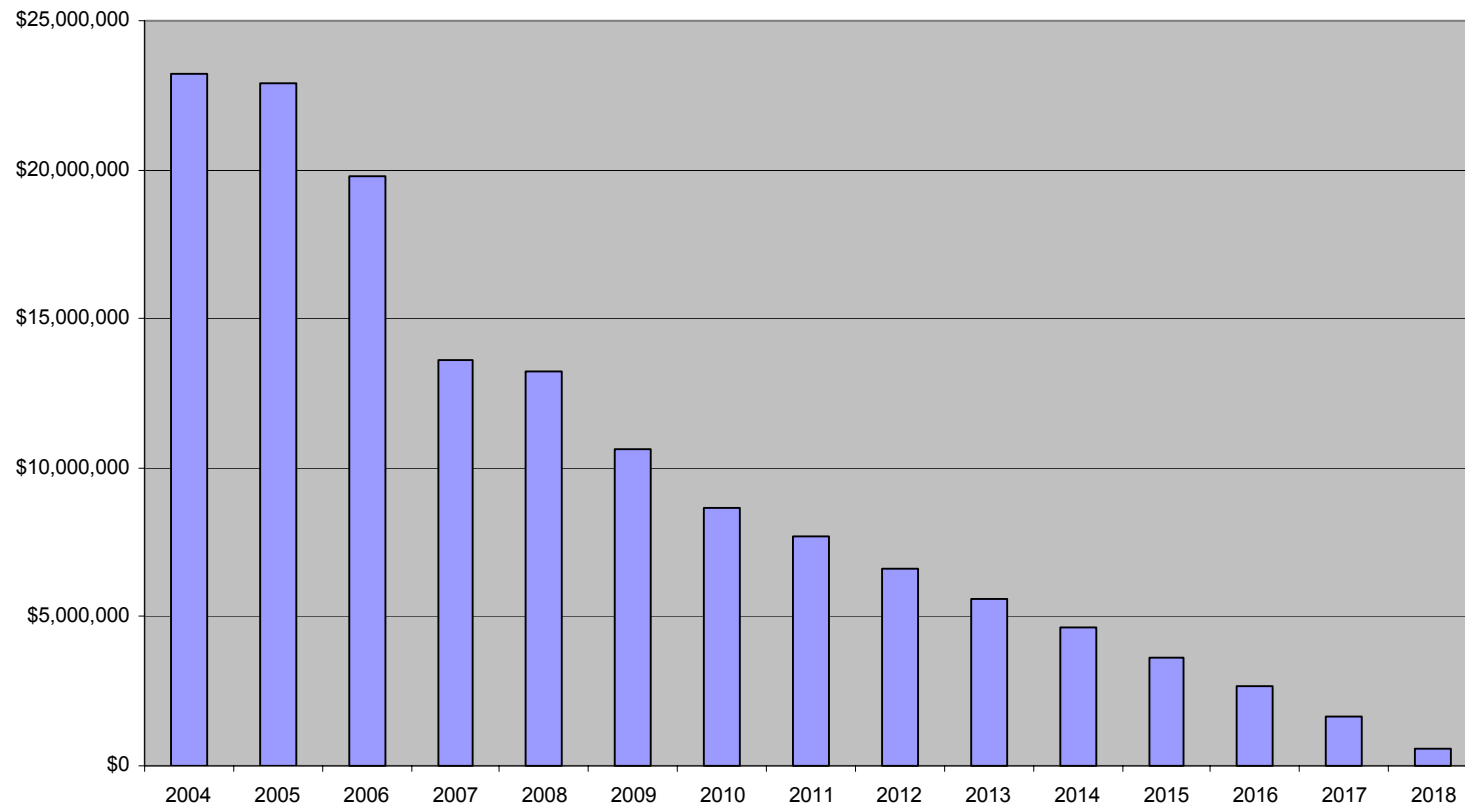
Appendix A-1

**Middlebury Community Schools
Outstanding Principal as of Jan. 1, 2004**

Budget Year	<u>G.O. Bond</u>	<u>Lease Rental Elem./M.S.</u>	<u>Lease Rental H.S. ADD.</u>	<u>Lease Rental Bldg. Corp.</u>	<u>Common Sch. A-0206</u>	<u>Common Sch. A-0277</u>	<u>Common Sch. A-0349</u>	<u>Common Sch. A-1029</u>	<u>Total</u>
2004		\$3,356,764	\$6,830,000	\$11,785,000	\$31,223	\$450,000	\$787,500		\$23,240,487
2005	\$1,985,000	\$2,851,764	\$5,685,000	\$11,220,000	\$15,611	\$375,000	\$712,500	\$85,658	\$22,930,533
2006	\$1,345,000	\$2,326,764	\$4,505,000	\$10,630,000		\$300,000	\$637,500	\$68,526	\$19,812,790
2007	\$685,000	\$1,771,764	\$328,000	\$10,005,000		\$225,000	\$562,500	\$51,395	\$13,628,659
2008		\$1,186,764	\$2,005,000	\$9,350,000		\$150,000	\$487,500	\$34,263	\$13,213,527
2009		\$759,810	\$680,000	\$8,655,000		\$75,000	\$412,500	\$17,132	\$10,599,442
2010		\$526,454		\$7,792,000			\$337,500		\$8,655,954
2011		\$306,494		\$7,150,000			\$262,500		\$7,718,994
2012		\$99,160		\$6,330,000			\$187,500		\$6,616,660
2013				\$5,480,000			\$112,500		\$5,592,500
2014				\$4,590,000			\$37,500		\$4,627,500
2015				\$3,655,000					\$3,655,000
2016				\$2,675,000					\$2,675,000
2017				\$1,645,000					\$1,645,000
2018				\$565,000					\$565,000

Appendix A-2

Outstanding Principal as of Jan. 1, 2004



Appendix A-3

Definitions:

1. True Tax Value (Assessed Valuation/AV)
 - A. Divided into residential and non-residential.
2. Residential
 - A. Includes single family dwelling, one garage (attached or detached), attached improvements, and up to one acre that immediately surrounds the dwelling
 - B. Qualifies for standard deduction, mortgage deduction, and homestead credit
3. Non-residential
 - A. Includes non-attached yard improvements such as swimming pools, utility sheds, gazebos, tennis courts, income producing portions of dwelling, and land over the one acre limit
 - B. Does not qualify for standard deduction, mortgage deduction, and homestead credit
4. Standard Deduction
 - A. Subtracted from residential assessed valuation
 - B. \$35,000
 - C. Residential assessed valuation under \$70,000 will receive a deduction of one-half of the residential value
5. Mortgage Deduction
 - A. Subtracted from residential assessed valuation
 - B. \$3,000
6. Property Tax Replacement Credit
 - A. Exempt levies include debt service levies for 1984 and after, capital project fund, referendum fund.
 - B. 60% for school general fund
 - C. 20% for all other school levies
 - D. Rate is calculated for each taxing district
 - E. Rate calculation is done by DLGF
7. Homestead Credit
 - A. Same exempt levies as PTRC

- B. 20% for qualifying levies
- C. Applied to net taxes after the PTRC calculation is made
- D. Rate is calculated for each taxing unit by DGLF

8. Tax Statement Calculation

AV – Residential	AV-NR= Net Value
(-) Standard Deduction	
<u>(-) Mortgage Deduction</u>	
(=) Gross Tax	

Net Value	Net Value
<u>(X) Tax Rate/100</u>	<u>(X) Tax Rate/100</u>
(=) Gross Tax	(=) Gross Tax

Gross Tax	Gross Tax
<u>(X) PTRC Rate</u>	<u>(X) PTRC Rate</u>
(=) PTRC Amount	(X) PTRC Amount

Gross Tax	Gross Tax
<u>(-) PTRC Amount</u>	<u>(-) PTRC Amount</u>
(=) Adjusted Gross Tax	(=) NR Annual Net Tax

Adjusted Gross Tax
(x) Homestead Credit Rate
 (=) Homestead Amount

Adjusted Gross Tax
(-) Homestead Amount
 (=) Residential Annual Net Tax

Annual Net Tax Liability= Residential Net + Non-residential Net

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Consultant

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After teaching sixth grade for four years, in Plainfield, IN, Dr. Roberson spent the next thirty years in his hometown of Mooresville, with the Mooresville Consolidated School Corporation as principal, assistant superintendent and superintendent. Among his many accomplishments throughout his career, Bill developed the “Karing for Kindergartners” program, which he presented at three national education conventions. He has also published two different articles in three educational magazines. Dr. Roberson was one of forty administrators from the U.S. to be selected to participate in the Fourth Annual Oxford International Round Table, Oxford, England, on the Superintendency and Principalship.

EDUCATION

Indiana State University- B.S. - Elementary Education
Indiana University- M.S. – Elementary Education and Administration
Indiana State University - Ed.S. – Educational Administration
Indiana University – Ed.D – Leadership and Curriculum

PROFESSIONAL AND RELATED ACTIVITIES

Elementary Teacher – 4years
Principal – 15 years
Assistant Superintendent of Schools – 7 years
Superintendent of Schools – 8 years
Indiana University Faculty – 2 years: School Finance
Indiana Wesleyan University – 3 years: Research, Law, Leadership, School Finance
Consultant, Educational Services Company – 2 years

Received many awards, including:
District 4 Superintendent of the Year
Region 7 School Business Official of the Year
Indiana Department of Education Bell Ringer
Distinguished Hoosier-Presented by Indiana's Governor
Kentucky's highest award – Kentucky Colonel-Presented by Kentucky's
Governor
Indiana's highest award – Sagamore of the Wabash-Presented by Indiana's
Governor
JAYCEE Outstanding Young Educator
Mooresville: Community Foundation Founder Award
Mooresvillian of the Year
High School Outstanding Alumnus
Dr. Roberson Day (12/11/01)
High School Athletic Hall of Fame