11 - Bus Depreciation Reserve Fund Budget

PURPOSE: This fund is a reserve fund used to levy taxes for the following:

- Replace, remodel or convert yellow school buses and activities/athletics buses owned by the district;
- Replace or purchase communication and safety devices used in the transportation program;
- Purchase additional yellow school buses to be operated on home to school bus routes; and
- Purchase and install video cameras for security on buses.

The district can accumulate ("depreciate") a reserve to purchase:

- Yellow school buses owned by the school district or vehicles meeting the legal definition of a school bus (such as a Type E bus) and used as a school bus;
- Replace Motor Coach buses (like a Greyhound-type) used for athletics/activities; and
- Communication and safety devices used in the transportation program.

The fund cannot be used:

- To purchase or replace vehicles which are not school buses. (§20-10-147, MCA, and ARM 10.10.311); or
- To purchase Motor Coach buses (like Greyhound-type).
- To purchase or replace cell phones, which do not qualify as communication devices.
- Since this is a reserve fund, there is traditionally no set aside operating reserve.

VOTING REQUIREMENTS: The Bus Depreciation Reserve Fund (11) tax levy is permissive up to the statutory limits. Consequently, it is not subject to voter approval. However, projected mill increases in this fund are subject to voter notification by March 31st per §20-9-116, MCA.

USE NON-LEVY REVENUE Tab:

The district must choose either to use non-levy revenue to lower the tax levy for "depreciation" of buses and radios OR to use the non-levy revenues to add to budget authority. Regardless of how the district chooses to use non-levy revenues, estimates under 9100 Other Revenues and 9710 Residual Equity Transfer In are used to add budget authority (not to reduce the tax levy).

BUDGET & RESERVES Tab:

1. The district may levy up to 20% of each asset's value per year and up to a maximum of 150% of the assets value. An asset can be fully depreciated in 8 (7.5) years, as a minimum. However, a district may levy less than the 20% per year maximum to extend the period of the "depreciation" up until the asset is disposed. The annual levy amount may be lowered using estimated non-levy revenues.

2. MAEFAIRS calculates the budget from the information entered in Step 3: Bus Depreciation. Generally, the budget may include:
   Fund balance reappropriated (includes the amount of the balance accumulated in the fund to date);
   Plus: Any amount entered as an estimate under 9100 or 9710 revenue;
**Plus:** Amounts to be levied (as district specified under "Levy Amount");

**Minus:** Non-Levy Revenues & TIF fund balance (1123 through 3460 & 0973) -- If the option selected is "Use non-levy revenue to reduce the tax amount";

- OR -

**Plus:** Non-Levy Revenues (1123 through 3460) – If the option selected is "Use non-levy revenue to add budget authority and not reduce the levy amount."

3. The Bus Depreciation Reserve Fund (11) is a reserve fund; therefore, there is not an operating reserve unless the district wishes to set aside cash or fund balance without budget authority to spend it.

**REVENUES Tab:**

Bus Depreciation Reserve Fund (11) receives the following revenues:

1. Non-levy Revenues are entered by the district and should be ESTIMATED.
   - Non-levy revenue sources include: 1123, 1510, 1900, 3302, 3460, 9100, and 9710.
   - Estimated 1123 Coal Gross Proceeds: Pre-filled by the OPI using information provided by the Department of Revenue (DOR) each June.

2. Fund Balance Reappropriated; **MAEFAIRS calculates**

3. Tax Levies; **MAEFAIRS calculates**

**Note:** If levy authority was transferred to the General Fund (01) from any allowable fund, the 1110 District Tax Levy will be limited to the Ending Levy Authority Balance for all funds listed on the General Fund (01) Flexible Non-Voted Levy Authority tab.

Also, the Total Amount Levied for All Buses on the Asset Depreciation page cannot exceed the Ending Levy Authority Balance on the Flexible Non-Voted Levy Authority Tab in the General Fund (01).

**SUMMARY Tab: No input required.**

Verify the information on the screen including the number of mills.