

DEBT SERVICE REIMBURSEMENT

➤ What is Debt Service Reimbursement?

Revenue received from the Commonwealth as a full or partial subsidy payment on an approved lease rental or debt obligation.

➤ How does a district qualify or get approval to receive the subsidy?

To qualify for the state Debt Service Reimbursement (also known as Rental and Sinking Fund Payments) a district is required to complete a process known as Plan Con when incurring debt for building additions and/or renovation.

Plan Con Process

➤ **Part A - Project Justification**

Provides the description of a proposed project and the justification of its need.

➤ **Part B - Schematic Design**

A technical review conference of the conceptual drawings, site plan, and educational specifications.

Plan Con Process

➤ **Part C - Site Acquisition**

Deals with the acquisition of land for school building projects or the purchase of a building for school or district administration office use. This part is completed only if land is acquired or a building is purchased as part of the scope of the project.

➤ **Part D - Project Accounting Based on Estimates**

A review of estimated project costs and the district's financial ability to make payments. Section 7-701.1 of the Public School Code requires public hearings or a referendum prior to construction. Plan Con Part D also provides an estimate of state reimbursement.

Plan Con Process

➤ **Part E - Design Development**

A conference is held with PDE to review the architectural design of the project when the design is fully developed.

➤ **Part F - Construction Documents**

Provides for further refinement of the architectural drawings of the project and documentation that other state and local agency requirements have been met, or will be met before entering into construction contracts. Departmental approval of Plan Con Part F authorizes a district to receive bids and enter into construction contracts.

Plan Con

➤ **Part G - Project Accounting Based on Bids**

A review of actual construction bids. A project's eligibility for reimbursement is ultimately determined at Plan Con Part G.

➤ **Part H - Project Financing**

Calculation of the temporary reimbursable percent for a project's financing. Once Plan Con Part H is approved, reimbursement on a project commences.

Plan Con

➤ **Part I - Interim Reporting**

Provides for the reporting of change orders and/or supplemental contracts during construction.

➤ **Part J - Project Accounting Based on Final Costs**

The final accounting for the project. The permanent reimbursable percent is calculated at Plan Con Part J.

➤ **Part K - Project Refinancing**

Required when a reimbursable bond issue is refunded, refinanced or restructured.

Outstanding Debt as of 06/30/07

	Last Pmt.	
Outstanding Debt	Date	Amount
General Obligation Bonds - 1991 Refinanced 1985 & 1989 bonds.	8/15/2014	\$2,415,000
General Obligation Note - 2003 Refinanced 1998 bonds.	5/15/2018	\$2,081,652
General Obligation Bonds - 2005 Refinanced 1996 bonds.	9/15/2017	\$15,005,000
General Obligation Note - 2007 Guaranteed energy savings loan.	10/1/2022	\$1,340,577
Total		\$20,842,229

Amortization Schedule

Date	Principal	Yield	Amount Issued	Interest	Debt Service
15-Aug-98	575,000	6.45%	368,247.25	0	575,000
15-Feb-99	175,000	6.65%	107,003.75	0	175,000
15-Aug-99	600,000	6.65%	355,068.00	0	600,000
15-Feb-2000	155,000	6.85%	87,322.35	0	155,000
15-Aug-2000	620,000	6.85%	337,720.20	0	620,000
15-Feb-2001	135,000	6.95%	70,449.75	0	135,000
15-Aug-2001	650,000	6.95%	327,808.00	0	650,000
15-Feb-2002	115,000	7.00%	55,765.80	0	115,000
15-Aug-2002	665,000	7.00%	311,565.80	0	665,000
15-Feb-2003	90,000	7.00%	40,740.30	0	90,000
15-Aug-2003	220,000	7.00%	96,199.40	0	220,000
15-Feb-2004	85,000	7.00%	35,919.30	0	85,000
15-Aug-2004	225,000	7.00%	91,865.25	0	225,000
15-Feb-2005	80,000	7.05%	31,352.80	0	80,000
15-Aug-2005	230,000	7.05%	87,071.10	0	230,000
15-Feb-2006	75,000	7.05%	27,426.00	0	75,000
15-Aug-2006	240,000	7.05%	84,775.20	0	240,000
15-Feb-2007	70,000	7.05%	23,884.00	0	70,000
15-Aug-2007	245,000	7.05%	80,747.10	0	245,000
15-Feb-2008	60,000	7.10%	18,949.80	0	60,000
15-Aug-2008	250,000	7.10%	76,250.00	0	250,000
15-Feb-2009	55,000	7.10%	16,199.70	0	55,000
15-Aug-2009	255,000	7.10%	72,534.75	0	255,000
15-Feb-2010	45,000	7.10%	12,361.05	0	45,000
15-Aug-2010	260,000	7.10%	68,972.80	0	260,000
15-Feb-2011	40,000	7.15%	10,151.20	0	40,000
15-Aug-2011	275,000	7.15%	67,380.50	0	275,000
15-Feb-2012	30,000	7.15%	7,096.80	0	30,000
15-Aug-2012	280,000	7.15%	63,952.00	0	280,000
15-Feb-2013	20,000	7.15%	4,410.20	0	20,000
15-Aug-2013	290,000	7.15%	61,741.00	0	290,000
15-Feb-2014	10,000	7.15%	2,055.50	0	10,000
15-Aug-2014	300,000	7.15%	59,538.00	0	300,000
15-Feb-2015	0		0	0	0
	7,420,000		3,162,524.65	0	7,420,000

Reimbursement Form

APPLICATION FOR REIMBURSEMENT FOR SCHOOL CONSTRUCTION PROJECT	
Send to Office of the Comptroller, Department of Labor, Education and Community Services, Division of School Finance, P.O. Box 60310, Harrisburg, PA 17106-0310 (See www.pde.state.pa.us/PDE-2071-instructions for additional instructions.)	
DISTRICT/AVTS:	PDE Lease #:
COUNTY:	A.U.N.:
Amount of Issue, Note or Loan:	COMPTROLLER'S USE ONLY
Scheduled Payment Date:	PAY DATE
	VT. NO.
Has this issue been refinanced or restructured since the last scheduled payment? YES <input type="checkbox"/> NO <input type="checkbox"/> If so, confirm that PlanCon Part K was completed and submitted to PDE and that you have received the PlanCon Part K approval letter; do <u>not</u> submit the PDE-2071 until you receive the PlanCon Part K approval letter from PDE.	
Is this the final payment on this issue? YES <input type="checkbox"/> NO <input type="checkbox"/>	
1. TOTAL SCHEDULED PAYMENT (as per Part H or K approved payment schedule) \$ _____	
2. Non-reimbursable Amount	
a. Administrative Expenses	\$ _____
b. Sale of Buildings and Land	\$ _____
c. Rental Income	\$ _____
d. Insurance income	\$ _____
e. Adjustments (Per Higher of Part H or K approval or bank credit)	\$ _____
f. Escrow Account	\$ _____
g. Other, specify _____	\$ _____
h. Total Non-Reimbursable Amount (Sum items a through g)	\$ _____
3. Total Eligible Amount (Item 1 minus item 2-h.) \$ _____	
4. Reimbursable Percentage (Per Part H, J or K Approval Letter) _____	
Vocational Technical and Special Schools, omit items 5-7, complete reverse and sign below.	
5. Eligible reimbursable amount (Item 3 times Item 4) \$ _____	
6. Applicable Aid Ratio (The greater of the Permanent Capital Account Reimbursement Fraction; minimum fraction (.5000) for density; or market value aid ratio) _____	
7. Reimbursable Amount (Item 5 times Item 6) \$ _____	
The facilities financed under this lease number are being used for classroom activities, or for the originally approved purpose, or have been granted an exception by the Department of Education pursuant to Section 349.28 of the School Building Standards. I certify that the information provided above is true to the best of my knowledge.	
_____	() _____ () _____
Contact Person	Phone number Fax Number
Signature, Chief School Administrator	Name, Chief School Administrator (typed or printed) Date
TRUSTEE OR PAYING AGENT: COMPLETE THE SECTION BELOW AND RETURN TO SCHOOL DISTRICT	
A. <u>Total Scheduled Payment</u> for the above referenced bond, issue or note (Payment must match approved schedule) \$ _____	
B. <u>Credits</u>	
1. <u>First scheduled payment</u> - This credit represents accrued interest and interest thereon, from the bond closing in the amount of:	\$ _____ (Non-reimbursable, see item 2.a. above)
2. <u>Escrow Account</u> - This credit represents excess funds from the closing of the escrow account in the amount of:	\$ _____ (Non-reimbursable, see item 2.f. above)
3. <u>All other payments</u> - This credit represents interest earnings due to early deposits of payments or monies held for unrepresented items in the amount of:	\$ _____ (Reimbursable - Do not deduct above)
4. <u>Other credit applied</u> (Explain) _____	\$ _____
If this is an authority issue, have any bonds been redeemed in advance of the original amortization schedule? YES <input type="checkbox"/> NO <input type="checkbox"/>	
C. <u>Actual Payment</u> Made by School District/AVTS (Item A minus Item B) \$ _____	
D. <u>Funds Available</u> (after this scheduled payment) \$ _____	
E. <u>Principal Outstanding</u> (after this scheduled payment) \$ _____	
NOTE: For Capital Appreciation Bonds, use maturity value.	
_____	() _____
Name, Trustee or Paying Agent (typed or printed)	Phone Number
Signature	Date

Reimbursement Calculations 2008 -2009

Payment Date	----- Principal Amount -----		
	1991 Series	2003 Note	2005 Series
8/15/08	\$250,000.00	\$64,892.50	
9/15/08			\$860,570.00
11/15/08		\$64,892.50	
2/15/09	\$55,000.00	\$64,892.50	
3/15/09			\$861,198.75
5/15/09		\$64,895.50	
Totals	\$305,000	\$259,573	\$1,721,769
Reimbursement %	18.57%	0.00	33.57%
Sub-Total	\$56,638.50		\$577,997.77
* PCARF	42.54%		42.54%
Reimbursement	\$24,094		\$245,880
Reimb. Per \$ Spent	\$0.079		\$0.143
* Permanent Capital Account Reimbursement Fraction			