

Building Reserve Fund

The Building Reserve Fund is used to accumulate funds for future construction, equipping or enlarging school buildings, or for purchasing land needed for school purposes. The fund is established upon passage of a voted levy that authorizes the levy for up to 20 years. The amount levied in one year is limited to the total authorized levy divided by the number of years authorized. Fund balance reappropriated and non-levy revenues are also sources of funding for the Building Reserve Fund. The Building Reserve Fund can also be used to fund transition costs of opening or closing schools, based on a voted levy for up to 6 years.

What is the purpose of the Flexibility Fund?

To finance voter approved buildings or construction projects funded with district mill levies

Valid Expenditures:

- Restricted to language on the ballot. Must specify purpose for which the building reserve would be used from the list below:
- To raise money for the future construction, equipping, enlarging of school buildings or for purchasing land needed for school purposes.
- To raise money for transitional costs of opening/closing schools, replacing school buildings or consolidating/annexing.

Funding:

- Fund Balance Re-appropriated (Year End Cash Balance)
- +Non-Levy Revenues
 - All Non-Levy Revenues Attached to a Levy
 - Interest Earnings
 - Combined Fund School Block Grant
- +Local Levy
 - Trustees must adopt a resolution addressing the duration of time over which the total amount of money will be raised, in equal, annual installments
 - Limited to a maximum of 20 years for building-type reserve
 - Limited to a maximum of 6 years for transitional-type reserve
 - Must be Voter Approved

Common Coding:

Fund: 161 Elementary Flexibility Fund
 261 High School Flexibility Fund

Program: 100 Regular Program

Function: 2600 Operational and Maintenance Services
 4000 Facilities Acquisition and Construction Services

Object Codes: All Object Codes

Reserve Limit:

- None

History of the Building Reserve Fund at Gallatin Gateway School:

Year	Adopted Budget	Total Reserves	Unreserved Fund Balance	District Mill Levy	District Mills
16-17	\$88,208.27	\$0.00	\$53,208.27	\$35,000.00	6.53
15-16	\$60,364.04	\$2,000.00	\$25,364.39	\$35,000.00	7.05
14-15	\$35,000.00	\$1,606.45	\$0.00	\$35,000.00	7.36
13-14	\$53,988.65	\$1,800.00	\$18,988.65	\$35,000.00	7.59
12-13	\$35,000.00	\$1,352.60	\$0.00	\$35,000.00	7.66
11-12	\$26,475.00	\$0.00	\$1,495.75	\$25,000.00	5.35
10-11	\$25,007.17	\$0.00	\$7.17	\$25,000.00	5.41
09-10	\$35,991.26	\$0.00	\$10,991.26	\$25,000.00	5.52

Gallatin Gateway School Building Reserve Election History:

Election Date	Total Authorized	Maximum Levy per Year	Years Authorized
May 2012	\$175,000	\$35,000	5
May 2007	\$125,000	\$25,000	5
May 2005	\$30,000	\$15,000	2
May 2000	\$50,000	\$10,000	5

Most Recent Ballot wording from May 2012 Ballot:

Shall the district be authorized to impose a building reserve in the amount of thirty-five thousand dollars (\$35,000.00) per year for five (5) years and being approximately 7.53 mills, for a total amount of one hundred seventy-five thousand dollars (\$175,000.00), for the purpose of properly maintaining, equipping, furnishing, remodeling and retro-fitting buildings and grounds of the district. Passage of this proposal will result in an annual tax of \$11.10 on a home with an assessed market value of \$100,000 and \$22.19 on a home with an assessed market value of \$200,000.

Current Building Reserve ends at the end of 2016-2017 school year. The District must reevaluate the need for a building reserve election for May 2017.