

Bus Depreciation Fund

The Bus Depreciation Fund is guided by MCA 20-10-147 and is used to accumulate funds for bus replacement and additional school buses. Revenue may come from fund balance reappropriated, non-levy revenues, and non-voted district tax levy.

What is the purpose of the Bus Depreciation Fund?

The primary purpose is for financing replacement of buses including two-way radio equipment owned by a school district. Trustees of a district owning a bus or two way radio for purposes of transportation or for purposes of conveying pupils to and from school functions or activities have the authority to establish a bus depreciation reserve

Valid Expenditures:

- Funds can be used to convert, remodel, or rebuild buses
- Funds can be used to purchase an additional yellow bus for route (SB 229)
- Can replace a yellow bus or an activities (non-yellow) bus
- Replace 2 way radios
- Funds can not be used to buy additional activity bus (SB 229)
- Cannot be used for ordinary repairs and maintenance (SB 229)
- Districts often use this fund to level out the total mills

Common Coding:

Fund: 111 Elementary Bus Depreciation
 211 High School Bus Depreciation

Program: 100 Regular Programs
 200 Special Programs

Function: 2700 Student Transportation

Object Codes: 660 Equipment under amount of capitalization policy (ie. \$5,000)
 730 Equipment over amount of capitalization policy (ie. \$5,000)

Reserve Limit:

- None. Districts usually reappropriate all fund balance to support the budget and allow for expenditures during the year.

History of the Bus Depreciation Fund at Gallatin Gateway School:

Year	Funds Reappropriated	District Mill Levy	Adopted Budget	District Mills
15-16	\$87,588.12	\$24,300.00	\$111,888.12	4.90
14-15	\$62,268.46	\$24,231.54	\$86,500.00	5.10
13-14	\$38,309.10	\$24,200.00	\$62,509.10	5.25
12-13	\$67,663.55	\$27,432.20	\$95,395.75	6.00
11-12	\$39,805.22	\$26,408.78	\$66,214.00	5.69
10-11	\$77,336.46	\$26,413.95	\$103,750.41	5.72
09-10	\$57,878.01	\$19,321.99	\$77,200.00	4.26

Developing the Budget:

- Fund Balance Re-appropriated
 - (Year End Cash Balance)
 - Always budget at least the cash in the account
- +Non-Levy Revenues
- +Local Levy
 - Limited to 20% of the acquisition cost of each asset (bus or a 2 way radio) each year, not to exceed 150% over time
 - Ie: Bus cost 100,000
 - Annual depreciation is 20,000
 - Maximum depreciation 150,000

Current Bus Status:

Bus	Year	Original Cost	Depreciated through		Amount
	Purchased		Last Year	20% Limit	Depreciated
IC 2013	2013	\$58,012.62	\$23,040.77	\$11,602.52	\$11,600.00
IC 2011	2011	\$63,874.00	\$49,874.17	\$12,753.40	\$12,700.00
Totals:					\$24,300.00

Example Cost of Bus:

\$94,512.62	Total Price (with add-on's)
<u>\$36,500.00</u>	Trade-In from 2008 Bus
\$58,012.62	Total purchase Price

2013 bus was purchased with the following add-on's:

- Seatbelts
- Cameras/Installation
- Insta-Chains
- Wabasto Heaters

Other information regarding bus purchases:

- All buses since 1999 have been purchased through Harlow's Bus Sales in Whitehall, MT
- The District has also used an INTERCAP Loan to finance the purchase of a bus in the past, where there was not enough in the bus depreciation fund to finance the purchase of a new/used bus:
 - The INTERCAP program loans funds to eligible credit worthy government units defined under 17-5-1604, MCA for a variety of purposes lawfully authorized by statute. More information can be found at: <http://investmentmt.com/INTERCAP>
- History of Bus Purchases 2005- Present:
 - 2005 \$58,325.00 (IC 2005-- trade-in 1981 and 1994)
 - 2007 \$69,739.06 (IC 2008-- trade-in 1995)
 - 2010 \$63,767.00 (IC 2011-- trade-in 2005)
 - 2012 \$58,012.63 (IC 2013-- trade-in 2008)