

Houston County Board of Education, Alabama

Houston County Board of Education, Special Tax School Warrants, Series 2016, \$8,135,000, Dated: May 1, 2016

Houston County Board of Education, Capital Outlay Warrants, Series 2015, \$9,500,000 Dated: January 1, 2015

Houston County Board of Education Capital Outlay Warrants, Series 2012, \$3,065,000 Dated: May 1, 2012

Houston County Board of Education, Capital Outlay Warrants, Series 2009, \$15,400,000 Dated: July 1, 2009

Series 2016, 2015, 2012, 2009

THE SPECIAL SALES TAX

<u>Net Collections of the Local Sales and Use Tax within the County</u>				
Fiscal Year	Share Allocated to Houston County Board of Education	Per Cent	Share Allocated to Dothan City Board of Education	Per Cent
2008	4,470,928	40.33775	6,526,167	59.66225
2009	4,107,945	40.24640	6,099,042	59.97536
2010	4,097,281	39.75390	6,209,350	60.24610
2011	4,222,216	39.92146	6,361,092	60.07854
2012	4,301,918	39.52160	6,583,047	60.47840
2013	4,408,236	40.06140	6,595,626	59.93860
2014	4,477,613	39.91620	6,739,738	60.08380
2015	4,689,713	39.72614	7,105,055	60.27386
2016	4,774,911	39.49211	7,315,864	60.50789
FY 2017 Distribution Ratio		39.80989%		60.19011%

Series 2016, 2015, 2012, 2009

GENERAL FINANCIAL INFORMATION

As of September 30, 2016

Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues					
State	\$ 30,119,463.88	\$ 30,846,198.18	\$ 31,038,490.68	\$ 31,785,677.56	\$ 31,564,292.35
Federal	52,051.99	70,472.27	89,067.82	72,793.09	49,871.90
Local	10,267,761.57	10,612,105.38	11,298,174.28	10,968,592.48	11,119,927.30
Other	43,012.14	45,392.35	51,167.26	59,742.55	49,314.30
Total Revenues	40,482,289.58	41,574,168.18	42,476,900.04	42,886,805.68	42,783,405.85
EXPENDITURES					
Current:					
Instruction	26,527,971.75	26,465,814.23	27,197,364.75	27,325,949.56	27,871,713.89
Instructional Support	5,159,779.84	5,182,721.24	6,555,740.50	6,301,249.21	5,786,868.53
Operation and Maintenance	3,547,593.13	4,299,041.29	4,116,315.67	3,711,042.72	3,919,296.44
Auxiliary Services	3,107,930.01	3,194,336.79	3,416,536.92	3,406,355.65	3,292,502.53
General Administrative Services	1,611,699.24	1,899,021.23	2,072,554.57	1,843,528.12	2,050,043.58
Other	100,840.24	90,681.52	97,362.79	128,488.32	115,743.94
Capital Outlay	0.00	0.00	50000.00	181735.68	212288.08
Debt Service:					
Principal					
Interest and Fiscal Charges Debt Issuance					
Costs					
Total Expenditures	40,055,814.21	41,131,616.30	43,505,875.20	42,898,349.26	43,248,456.99
Excess (Deficiency) of Revenues Over Expenditures	426,475.37	442,551.88	(1,028,975.16)	(11,543.58)	(465,051.14)
OTHER FINANCING SOURCES (USES)					
Indirect Cost	183,023.00	119,574.00	444,240.00	639,117.00	589,078.13
Long-term Debt Issued					
Transfers In	1,091,578.00	1,110,242.73	820,966.88	158,430.15	732,658.78
Sale of Capital Assets	1,000.00	10,850.00	60,037.00	0.00	0.00
Other Financing Sources	161,656.59	33,934.65	59,199.61	73,263.05	0.00
Transfers Out	(1,251,186.85)	(908,395.65)	(692,413.64)	(1,186,576.93)	(1,641,741.76)
Total Other Financing Sources	186,070.74	366,205.73	692,029.85	315,766.73	320,004.85
Net Change in Fund Balances	612,546.11	808,757.61	336,945.31	327,310.31	785,055.99
Fund Balances - Beginning of Year	10,771,036.03	11,383,582.14	12,192,339.75	11,855,394.44	11,528,084.13
Fund Balances - End of Year	\$11,383,582.14	\$12,192,339.75	\$11,855,394.44	\$11,528,084.13	\$10,743,028.14

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Funds

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>REVENUES</u>					
State	\$33,246,754.04	\$32,887,272.96	\$33,226,969.97	\$34,049,620.94	\$33,481,173.33
Federal	6,111,855.18	6,170,362.44	6,356,863.26	6,281,203.88	6,340,520.59
Local	13,848,591.48	14,244,998.63	14,826,556.84	14,570,552.22	14,982,382.66
Other	477,523.28	293,957.10	508,917.33	391,977.77	454,638.24
Total Revenues	53,684,723.98	53,596,591.13	54,919,307.40	55,293,354.81	55,258,714.82
<u>EXPENDITURES</u>					
Current:Instruction	29,965,390.20	29,723,748.30	31,105,331.69	30,677,851.87	30,975,755.44
Instructional Support	6,615,149.10	6,519,588.37	7,871,197.22	7,541,293.41	7,383,004.32
Operation and Maintenance	3,738,680.65	4,653,552.98	4,420,593.33	4,327,376.91	4,159,842.02
Auxiliary Services: Food Service	4,278,924.84	5,470,547.42	4,662,015.36	4,688,076.36	4,555,034.37
Auxiliary Services: Transportation	3,107,930.01	3,194,336.79	3,416,536.92	5,394,544.15	3,292,502.53
General Administrative Services	2,195,236.83	2,219,792.48	2,415,511.06	2,385,445.12	2,440,850.91
Other	819,939.07	818,302.54	833,191.74	885,830.93	904,442.10
Capital Outlay	10,095,192.55	4,556,081.34	2,083,006.42	908,636.98	1,480,594.96
Debt Service:Principal	851,318.42	1,091,626.89	1,042,179.33	1,263,736.24	1,438,287.07
Interest and Fiscal Charges	626,550.07	682,765.44	663,611.08	574,295.09	660,588.74
Other Debt Services		650.00		9,513,295.56	
Debt Issuance Costs	45,975.00				
Total Expenditures	62,340,286.74	58,930,992.55	58,513,174.15	68,160,382.62	57,290,902.46
Excess (Deficiency) of Revenues Over Expenditures	(8,655,562.76)	(5,334,401.42)	(3,593,866.75)	(12,867,027.81)	(2,032,187.64)
<u>OTHER FINANCING SOURCES (USES)</u>					
Indirect Cost	183,023.00	119,574.00	444,240.00	639,117.00	589,078.13
Long-term Debt Issued	3,065,000.00	1,204,829.37		11,305,405.43	8,154,028.00
Premium on Long-term Debt Issued	13714.95			-	-
Transfers In	3,499,950.65	5,005,332.61	3,087,495.45	3,394,817.15	3,379,081.13
Sale of Capital Assets	1,000.00	10,850.00	60,037.00	-	-
Discount of Long-term Debt Issued				90,209.70	0.00
Other Financing Sources	2,403,256.59	33,934.65	59,199.61	73,263.05	0.00
Transfers Out	(3,499,950.65)	(5,005,332.61)	(3,087,495.45)	(3,394,817.15)	(3,379,081.13)
Total Other Financing Sources	5,665,994.54	1,369,188.02	563,476.61	12,107,995.18	8,743,106.13
Net Change in Fund Balances	(2,989,568.22)	(3,965,213.40)	(3,030,390.14)	(759,032.63)	6,710,918.49
Fund Balances - Beginning of Year	29,517,746.92	26,528,193.15	22,562,479.75	19,489,932.17	18,730,899.55
Fund Balances - End of Year	\$ 26,528,178.70	\$ 22,562,979.75	\$ 19,532,089.61	\$ 18,730,899.54	\$ 25,441,818.04

A statement of the net proceeds of the Special Sales Tax

As of September 30, 2014

Pursuant to Act No. 89-480 enacted at the 1989 Regular Session of the Legislature of Alabama ("the Local Sales and Use Tax Act"), as amended, there are levied in the County special privilege, license and excise taxes generally paralleling the state and use taxes (such taxes being herein together called "the Local Sales and Use Tax"). The Local Sales and Use Tax Act allocates, after deduction for collection charges, the proceeds of the Special Sales Tax, as follows:

- (a) 30% is paid to the County for deposit in its road and bridge fund; and
- (b) 70% is divided between and paid to the Boards of Education of Houston County and the City of Dothan in the same relative proportion as legislative funds are allocated according to the State's Foundation Program for education.

The Local Sales and Use Tax is levied at the basic rate of one percent (1%), except with respect to sales of automobile vehicles, boats, farm equipment and machines used in mining, manufacturing and processing, for which the rate is one-half of one percent (1/2%) of the gross proceeds of such sales. The Local Sales and Use Tax Act was amended, by Act No. 2007-322, to terminate on December 31, 2030. Prior to this amendment, the levy and imposition of the tax was scheduled to terminate on October 31, 2014.

The Local Sales and Use Tax Act provides that the Local Sales and Use Tax is to be collected and administered by the County or its agent. The County contracts with Alatax, a tax collection company, to collect the tax and pays Alatax a fee for this. Under the Local Sales and Use Tax Act, the County is entitled to retain 5% of the proceeds for administrative expenses; this portion is paid into the County's General Fund to offset the cost of collection. Alatax pays over to the County, on a monthly basis, the thirty percent (30%) of net receipts that is to be deposited into the County's Public Buildings, Roads and Bridges Fund. The balance of the said tax proceeds is paid to the Boards of Education of the City of Dothan and Houston County on a monthly basis.

A statement of the average annual debt service and maximum annual debt service with respect to indebtedness of the Board payable from the proceeds of the Special Sales Tax

As of September 30, 2015

Based upon the actual receipts by the Board from its share of the Special Sales Tax for the fiscal year that ended September 30, 2015, \$4,689,713.21, the maximum annual debt service on the Warrants (\$1,547,716.27 being that for the fiscal year ending September 30, 2016) will be covered approximately 3.03 times and the average annual debt service on the Warrants (\$1,850,556.08) will be covered approximately 2.53 times.