



pennsylvania
DEPARTMENT OF EDUCATION

December 27, 2019

Ms. Ruth Huck
Board Secretary
Warren County School District
6820 Market Street
Russell, PA 16345

RE: PLANCON PART H: PROJECT FINANCING- Revision*

PROJECT NO.: 3811
PROJECT BUILDING NAME: Warren Area High School
TYPE WORK: Additions/Alterations
COUNTY: Warren
BOARD ACTION: GOB Series of 2014 - January 25, 2016
QZAB Series of 2015 - January 25, 2016
QZAB Series of 2016 - January 11, 2017
GOB Series of 2017 – August 1, 2017
*GOB Series A of 2017 – January 8, 2018
REIMBURSEMENT BASIS: Maximum Reimbursable Formula Amount

Dear Ms. Huck:

The materials for PlanCon Part H, "Project Financing," have been reviewed and approved. This approval is based on a limited review of the documents submitted. If information reviewed subsequent to this approval violates law, policy or procedure, the department reserves the right to rescind any and all approvals materially affected.

<u>Lease Number</u>	<u>Bond Issue</u>	<u>Method of Financing</u>	<u>Temporary Percent</u>	<u>Effective Date</u>
143811	\$9,980,000	GOB Series of 2014	16.73%	7-1-2013
153811	\$8,449,000	QZAB Series of 2015	22.31%	7-1-2015
163811	\$2,522,000	QZAB Series of 2016	22.31%	7-1-2016
173811	\$9,920,000	GOB Series of 2017	22.31%	7-1-2017
*173911	\$2,478,000	GOB Series A of 2017	24.68%	7-1-2017

For bond issues/notes with PlanCon Part H approved for reimbursement by the department on or after July 1, 1998, the temporary reimbursable percent is based on a one-half percentage point (.5%) reduction.

The \$13,843.74 cash contribution made at settlement on the QZAB Series of 2016 issue must be reported as a revenue source on PlanCon Part J "Project Accounting Based on Final Cost".

This project is being reimbursed based on the maximum reimbursable formula amount. Therefore, when completing PlanCon Part J, "Project Accounting Based on Final Costs," it will not be necessary to submit Pages J07 through J12.

The permanent reimbursable percent(s) will be established following the submission and review of PlanCon Part J, "Project Accounting Based on Final Costs." PlanCon Part J for this project must be submitted within three years of the date bids were opened for this project, unless an extension is requested and granted by this office. PlanCon Part J must be submitted in the specified time or the temporary reimbursable percent(s) may become the permanent reimbursable percent(s) for this project. After the permanent reimbursable percent is assigned, the Commonwealth will calculate the retroactive reimbursement, if any, and make a lump sum payment.

In order to facilitate the PlanCon Part J review, the following procedures should be initiated:

1. The construction revenues and expenditures should be accounted for via the operation of a Capital Project Fund or a Special Revenue Fund in accordance with the Manual of Accounting and Related Procedures for Pennsylvania School Systems (Revised).
2. An audited balance sheet and statement of revenues, expenditures and changes in fund balances for the Capital Project Fund should be prepared for each fiscal year.
3. Section 148(f) of the Internal Revenue Code of 1986 deals with arbitrage rebate to the federal government. In order to properly identify the interest subject to arbitrage rebate, the school district or area vocational-technical school is responsible for keeping records which will track the interest earned on the investment of bond proceeds to meet the requirements of federal and state regulations.

The school district must file PDE-2071, "Application For Reimbursement For School Construction Project," electronically through the Consolidated Financial Reporting System (CFRS) PlanCon portal to receive the reimbursement on this financing.

This document and appended materials should be entered into the minutes of the next board meeting. If you have any questions, please contact James Grant at 717.787.4439.

Sincerely,



Danielle Mariano, Director
Bureau of Budget and Fiscal Management

Attachments

cc: Buchart Horn Inc. /BASCO Associate
PFM Financial Advisors, LLC
Project File - 3811
Budget/ Log

LEASE #: 173911 SD/AVTS: Warren County EFFECTIVE DATE: 7/1/2017		TEMPORARY REIMBURSABLE PERCENT FINANCING METHOD: TOTAL AMOUNT:						GOB 2017 A \$2,478,000.00	
PROJECT NUMBER & PROJECT BLDG NAME	3811 Warren Area HS	3908 Warren CTC	XXXX XXXX XXXX	XXXX XXXX XXXX	XXXX XXXX XXXX	XXXX XXXX XXXX	XXXX XXXX XXXX	TOTAL	
A. AMOUNT FINANCED BY THE ABOVE ISSUE, NOTE OR CASH PAYMENT FOR THIS PROJECT (G03, line J)	\$633,000	\$1,845,000	\$0	\$0	\$0	\$0	\$0	\$2,478,000	
B. TOTAL AMOUNT FINANCED FOR THIS PROJECT - ALL ISSUES, NOTES AND CASH PAYMENTS (G03, line J-Total)	\$29,094,000	\$18,620,000	\$0	\$0	\$0	\$0	\$0	XXXXXXXXXXXX	
C. AMOUNT FINANCED FACTOR (A divided by B)	0.0218	0.0991	0.0000	0.0000	0.0000	0.0000	0.0000	XXXXXXXXXXXX	
D. ADJUSTED MAXIMUM REIMBURSABLE PROJECT AMOUNT (GW07)	\$6,661,423	\$4,941,196	\$0	\$0	\$0	\$0	\$0	XXXXXXXXXXXX	
E. PRORATED REIMBURSEMENT FOR THIS ISSUE, NOTE OR CASH PYMT (C times D)	\$145,219	\$489,673	\$0	\$0	\$0	\$0	\$0	\$634,892	
F. TOTAL PROJECT COSTS (G03, line I)	\$29,205,028	\$19,021,973	\$0	\$0	\$0	\$0	\$0	XXXXXXXXXXXX	
G. PROJECT COSTS ASSIGNABLE TO THIS BOND ISSUE (C times F)	\$636,670	\$1,885,078	\$0	\$0	\$0	\$0	\$0	\$2,521,748	
H. TOTAL ISSUE, NOTE OR CASH AMOUNT FINANCED DIVIDED BY TOTAL ISSUE/NOTE/CASH (A divided by H)	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	\$2,478,000	
J. PRORATED REIMBURSEMENT DIVIDED BY COSTS (E divided by G; max = 1)	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1.0000	
K. REIMBURSABLE FRACTION (I times J)	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0.2518	
L. REIMBURSABLE PERCENT (K times 100)	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0.2518	
M. TEMPORARY REIMBURSABLE PERCENT (L minus .5%; min=0)	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	25.18%	
	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	24.68%	

NOTES:

PREPARED ON 9/24/2019

PLANCON-HW01