

Litchfield Elementary School District

Update of the Progress of Capital Improvements

Financed Through Bonding

On November 7, 2006 our voters authorized the District to sell class B bonds in the amount of \$30,500,000. Also on November 3, 2009 our voters authorized the District to sell class B bonds in the amount of \$20,000,000. Per State Statute 15-491K a school district that has issued bonds must hold a public meeting each year between September 1 and October 31 to give an update on the progress of the capital improvements financed through bonds. The following is the breakdown of the 2006 Bond Issue for \$30,500,000 and the 2009 Bond Issue for \$20,000,000 as noted in the election ballot documents:

2006 Bond Issue \$30,500,000:

Remodel Existing Schools	\$ 3,440,040
New School Construction	\$24,960,524
Administrative Construction	\$ 657,655
Pupil Transportation Vehicles	<u>\$ 1,441,781</u>

\$30,500,000 Current Balance \$12,886

Below you will find an update by category:

Remodel Existing Schools

Budget: \$3,440,040 Expenditures to Date: \$3,909,338 Balance: \$(469,298)

Litchfield Elementary School - \$2,753,048: The District has completed the upgrade of electrical power to the school campus. We have completed the installation of new heating and cooling units on the 1700 and 1800 buildings. We have completed the remodeling of the media center and computer lab. We have completely remodeled all classrooms in the 1700 and 1800 buildings and reroofed the 1700 and 1800 buildings. We started the remodeling of classrooms into a cafeteria with a kitchen. The project will be completed under the 2009 bond issue.

Scott Libby Elementary School - \$1,138,865: The District has completed the remodel of student restrooms and the school office. We have completed the installation of a new intercom system and upgraded computer wiring including new fiber optics. We've improved and added a new fence around the gymnasium. We have worked with APS to replace the main electrical transformer. We have completed major electrical improvements to the kitchen building and computer lab areas. The entire main water line has been replaced. All classrooms in the "G", "E", "D" and "C" buildings have been remodeled. We completed the design process for the remodeling of the Media Center, nurse's office, main entrance, parking lot and bus drop off. This project will be completed under the 2009 bond issue.

Rancho Santa Fe - \$14,632: The District remodeled the entrance to the school office. The new entrance now requires visitors to go through the school office before entering the campus.

Verrado Elementary School - \$2,793: Added door cover to Administrative Building.

New School Construction

Budget: \$24,960,524 Expenditures to Date: \$24,592,847 Balance: \$367,677

Verrado Elementary School - \$11,903,553: We have completed Phase I, Phase II and Phase III of the Verrado Elementary School. The entire project was completed and operational by the end of December 2009.

L. Thomas Heck Middle School - \$3,655,910: We had several issues with this project; sewer line locations, burrowing owls, dealing with Maricopa County on drainage issues. The project is 99% complete and we opened for the first day of the 2009-10 school year.

Mabel Padgett Elementary School - \$8,880,500: The State School Facilities Board had originally approved the funding of a new elementary school for our District. Unfortunately due to the economy the State School Facilities Board has put this project on hold. Because we still needed another elementary school the Governing Board of the Litchfield Elementary School District approved moving money from other areas of the overall bond budget to build this school. This action takes money away from remodeling our oldest schools and the ability to purchase more school buses. The construction is complete and the school opened for the first day of the 2010-11 school year.

Litchfield Elementary School - \$152,884

We have designed three new buildings to include a new gymnasium, school office, and classrooms. This project will be completed under the 2009 bond issue.

Administrative Construction:

Budget: \$657,655 Expenditures to Date: \$508,932 Balance: \$148,723

The Administrative Office – Temporary Classroom building has been completed and was used as classrooms for Litchfield Elementary School. The space has been remodeled and is now the District Office for the Litchfield Elementary School District.

Pupil Transportation Vehicles:

Budget: \$1,441,781 Expenditures to Date: \$1,460,824 Balance: \$(19,043)

Financial Costs Associated with the 2006 Bond sale:

By law the District may spend bond proceeds to cover the legal cost of issuing bonds. To date the District has spent \$15,173 for the sale of the 2006 Bonds.

	<u>Bonds</u>	-	<u>Expenditures</u>	=	<u>Balance</u>
<u>2006 Bond Issue Total</u>	<u>\$30,500,000</u>	-	<u>\$30,487,114</u>	=	<u>\$12,886</u>

2009 Bond Issue \$20,000,000:

Remodel Existing Schools	\$ 3,000,000		
New School Construction	\$12,000,000		
Administrative Construction	\$ 4,000,000		
Pupil Transportation Vehicles	<u>\$ 1,000,000</u>		
	\$20,000,000	Current Balance	\$17,857,888
		Unsold Bonds	<u>\$ 9,649,850</u>
		Available Balance	\$ 8,208,038

Even though the voters approved a \$20,000,000 bond issue, to date the District has only sold \$10,350,150. Below you will find an update by category:

Remodel Existing Schools

Budget: \$3,000,000 Expenditures to Date: \$1,293,934 Balance: \$1,706,066

Litchfield Elementary School - \$719,741: We started the remodeling of classrooms into a cafeteria with a kitchen. Construction was completed August 2012.

Scott Libby Elementary School - \$569,193: All classrooms in the "C" building have been remodeled. We completed the design process for the remodeling of the Media Center, nurse's office, main entrance, parking lot and bus drop off. These projects were started in June 2012 and completed by September 2012.

L. Thomas Heck Middle School - \$5,000: The District contracted with an engineer to redesign the storm drain on the west side of the campus.

New School Construction

Budget: \$12,000,000 Expenditures to Date: \$432,102 Balance: \$11,567,898

Litchfield Elementary School - \$432,102: We have designed three new buildings to include a new gymnasium, school office, and classrooms. Before construction could begin, the old gymnasium, cafeteria/kitchen and administration buildings had to be demolished.

Operational and Administrative Construction:

Budget: \$4,000,000 Expenditures to Date: \$74,475 Balance: \$3,925,525

We have started designing a new warehouse, food service offices, transportation offices and bus garage. We hope to have the design completed and the project started by summer of 2013.

Pupil Transportation Vehicles:

Budget: \$1,000,000

Expenditures to Date: \$313,489

Balance: \$686,511

We received and paid for 3 buses by June 30, 2012. Two additional buses were received in July 2012.

Financial Costs Associated with the 2009 Bond sale:

By law the District may spend bond proceeds to cover the legal cost of issuing bonds. To date the District has spent \$28,112 for the sale of the 2009 Bonds.

	<u>Bonds</u>	-	<u>Expenditures</u>	=	<u>Balance</u>
<u>2009 Bond Issue Total</u>	<u>\$20,000,000</u>	-	<u>\$2,142,112</u>	=	<u>\$17,857,888</u>

Construction Costs and Future Plans: Construction costs are starting to increase. Also we continue to run into hidden issues (asbestos, bad pipes, unknown columns). The next remodel project for Litchfield Elementary School will be the classrooms in the 200 buildings. This should cost approximately \$325,000. We are also still planning to construct the support facility. The current estimated cost is \$2,900,000.

Other Funds Used for Construction:

The District used funds from our Capital Budget to help with the cost of remodeling the new Administrative Office – Temporary Classroom building. Capital funds were also used to furnish the new schools. We’ve also used money donated by DMB to help offset the cost of construction of the Verrado Elementary School. Since we are unable to sell the authorized bonds due to decreased assessment values, approximately \$800,000 of capital funds and \$292,000 of donated funds will be used to complete the Litchfield Elementary School construction. Also \$1,000,000 of capital funds will be used for the operations center.