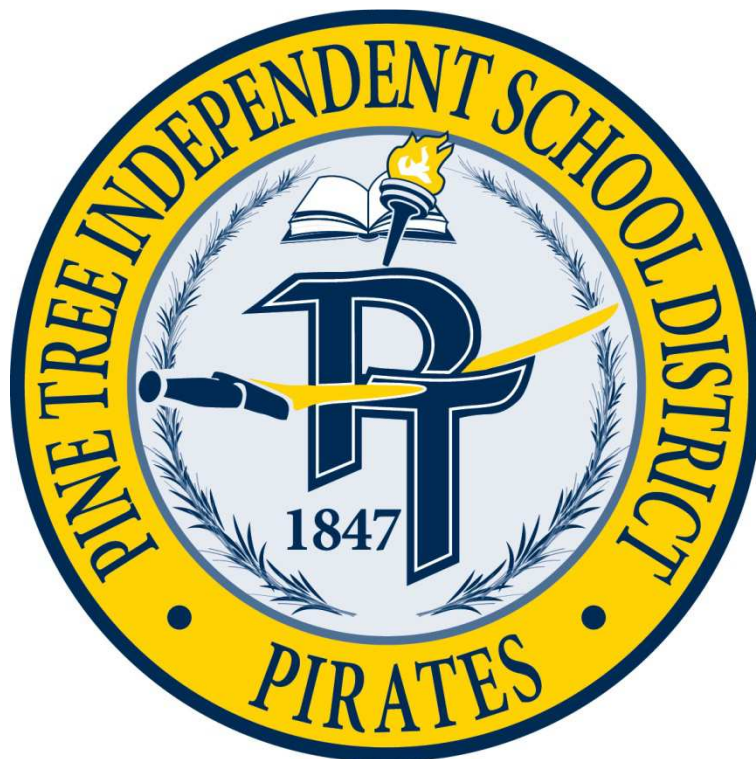


PINE TREE ISD  
PRELIMINARY BUDGET  
MAY 13, 2013

PRESENTED BY  
PINE TREE ISD ADMINISTRATION



PINE TREE INDEPENDENT SCHOOL DISTRICT

2013/2014 BUDGET WORKSHOP

MAY 13, 2013

The following documents represent the budget development based on information known as of May 9, 2013. The final budget is to be adopted by the Board of Trustees on June 24, 2013. The Board of Trustees has also scheduled a second budget workshop for May 29, 2013.

The preliminary information received by the district is the 2013 Certified Estimated Property Values from the Gregg Appraisal District on April 29, 2013 and information regarding the House and Senate Versions of possible State of Texas legislation. The presentation will include no decline in property values based on the House version of possible new legislation, a 2% decline in property values based on the House version of possible new legislation, a 9.8% decline in property values based on both the House and Senate version of possible new legislation. There are also presentations of no increase in tax rate and increase in tax rate to meet the 2013/2014 debt service.

The district has contacted the appraisal district to gather information on the possible property value outcome. We feel a no decline or 2% decline would be the district's choices to review and to also review the preliminary estimated certified values. The following items occurring in Gregg County will affect the property values for the upcoming fiscal year beginning July 1, 2013 and ending June 30, 2014. They are: movement of oilfield equipment to the south part of Texas, especially in the San Antonio and Shiner, Texas areas; no new oil wells were developed for taxing purpose this year; only one new gas well was developed; special inventory litigation which affects \$64 million of compressors in Gregg County; and loss of Schlumberger equipment and movement of the company to Shreveport, Louisiana.

The latest State of Texas finance template for state revenues is based on the house and senate versions of possible legislation. There is a difference between the two resulting in less state revenues for the district when based on the Senate version.

When reviewing the preliminary budget estimates, you will see a list of carryover projects from the 2012/2013 fiscal year. Please keep in mind that the 2012/2013 fiscal year will end June 30, 2013. Therefore, we feel these projects will still be in process when the fiscal year ends. The GASB (Governmental Accounting Standards Board) rules require progress billings to record the percentage of completion or if billed on total completion the projects would have to be expended in the 2013/2014 fiscal year. In other words, we cannot expend the total project cost until it is completed.

You will also observe a list of other projects attached to fund balance. If the district does not increase the debt service tax rate a portion of the bonded debt service for 2013/2014 fiscal year would need to be paid from the general fund. Other items recommended from the general fund balance are HVAC projects that are on the district's deferred maintenance list and the portion of the middle school project that bond funds may not cover. We have calculated expenditures over revenues after each of the project sections.

We have included in the presentation preliminary budgets, preliminary tax rate calculations, current surrounding district tax rates, and a copy of the 2013 Certified Estimated Taxable Values. All of these preliminary budgets include a step increase and longevity stipend for all district personnel.

PINE TREE ISD  
2013.2014 PRELIMINARY BUDGET - HOUSE VERSION  
AS OF MAY 8, 2013  
STEP INCREASE 13.14 & LONGEVITY STIPEND WITH NO DECLINE IN TAX REVENUES

	2012/2013	2013/2014	DIFFERENCE
<b>REVENUES</b>			
TAX REVENUES	\$ 17,804,271	\$ 17,804,271	\$ -
STATE REVENUES	\$ 13,057,775	\$ 14,155,268	\$ 1,097,493
LOCAL REVENUES	\$ 448,540	\$ 455,467	\$ 6,927
OTHER STATE REVENUES	\$ 1,388,307	\$ 1,469,389	\$ 81,082
FEDERAL REVENUES	\$ 175,000	\$ 175,000	\$ -
	<b>\$ 32,873,893</b>	<b>\$ 34,059,395</b>	<b>\$ 1,185,502</b>
<b>EXPENDITURES</b>			
PAYROLL COSTS	\$ 26,899,615	\$ 28,101,468	\$ 1,201,853
CONTRACTED SERVICES	\$ 3,419,981	\$ 4,177,541	\$ 757,560
SUPPLIES AND MATERIALS	\$ 1,518,132	\$ 1,737,951	\$ 219,819
OTHER OPERATING	\$ 804,217	\$ 956,814	\$ 152,597
DEBT SERVICE	\$ 227,068	\$ 381,022	\$ 153,954
INVENTORY AND CAPITAL ASSETS	\$ 531,948	\$ 694,633	\$ 162,685
	<b>\$ 33,400,961</b>	<b>\$ 36,049,429</b>	<b>\$ 2,648,468</b>
EXPENDITURES OVER REVENUES	<b>\$ (527,068)</b>	<b>\$ (1,990,034)</b>	<b>\$ (1,462,966)</b>
CARRYOVER PROJECTS FROM FISCAL YEAR 2012.2013		\$ 592,200	
CONSISTS OF			
ELEMENTARY LANE		\$ 262,000	
BUILDING SECURITY MODIFICATIONS		\$ 255,200	
ARCHIVE SYSTEM		\$ 75,000	
TOTAL CARRYOVER PROJECTS		<u>\$ 592,200</u>	
NET EXPENDITURES OVER REVENUES		<b>\$ (1,397,834)</b>	
CONSISTS OF			
DEBT SERVICE		\$ 381,022	
REPLACE HVAC		\$ 347,960	
MIDDLE SCHOOL PROJECT		\$ 300,000	
TOTAL OTHER PROJECTS/DEBT		<u>\$ 1,028,982</u>	
NET EXPENDITURES OVER REVENUES		<b>\$ (368,852)</b>	

ALL ESTIMATES DO NOT ASSUME AN INCREASE IN DEBT SERVICE TAX RATE

DEBT SERVICE BUDGETED IN GENERAL FUND	\$ 381,022	IF TAX VALUES ARE FLAT AND NO INCREASE IN TAX RATE
DEBT SERVICE BUDGETED IN GENERAL FUND	\$ 930,479	IF TAX VALUES FALL 9.8% PER CERTIFIED ESTIMATED VALUES AND NO INCREASE IN TAX RATE

**2% DECLINE IN 2012 PROPERTY VALUES**

EXPENDITURES OVRE REVENUES 2.0% DECLINE IN TAX VALUES	<b>\$ (2,523,322)</b>
CARRYOVER PROJECTS FROM FISCAL YEAR 2012.2013	\$ 592,200
CONSISTS OF	
ELEMENTARY LANE	\$ 262,000
BUILDING SECURITY MODIFICATIONS	\$ 255,200
ARCHIVE SYSTEM	\$ 75,000
TOTAL CARRYOVER PROJECTS	<u>\$ 592,200</u>
NET EXPENDITURES OVER REVENUES	<b>\$ (1,931,122)</b>
CONSISTS OF	
DEBT SERVICE	\$ 381,022
REPLACE HVAC	\$ 347,960
MIDDLE SCHOOL PROJECT	\$ 300,000
TOTAL OTHER PROJECTS/DEBT	<u>\$ 1,028,982</u>
NET EXPENDITURES OVER REVENUES	<b>\$ (902,140)</b>

**HOUSE VERSION WITH 9.8% DECLINE IN TAX VALUES**

EXPENDITURES OVER REVENUES 9.8% DECLINE IN TAX VALUES	<b>\$ (4,176,482)</b>
CARRYOVER PROJECTS FROM FISCAL YEAR 2012.2013	\$ 592,200
CONSISTS OF	
ELEMENTARY LANE	\$ 262,000
BUILDING SECURITY MODIFICATIONS	\$ 255,200
ARCHIVE SYSTEM	\$ 75,000
TOTAL CARRYOVER PROJECTS	<u>\$ 592,200</u>
NET EXPENDITURES OVER REVENUES	<b>\$ (3,584,282)</b>
CONSISTS OF	
DEBT SERVICE	\$ 930,479
REPLACE HVAC	\$ 347,960
MIDDLE SCHOOL PROJECT	\$ 300,000
TOTAL OTHER PROJECTS/DEBT	<u>\$ 1,578,439</u>
NET EXPENDITURES OVER REVENUES	<b>\$ (2,005,843)</b>

**SENATE VERSION WITH 9.8% DECLINE IN VALUES**

EXPENDITURES OVER REVENUES 9.8% DECLINE IN TAX VALUES	<b>\$ (4,261,626)</b>
CARRYOVER PROJECTS FROM FISCAL YEAR 2012.2013	\$ 592,200
CONSISTS OF	
ELEMENTARY LANE	\$ 262,000
BUILDING SECURITY MODIFICATIONS	\$ 255,200
ARCHIVE SYSTEM	\$ 75,000
TOTAL CARRYOVER PROJECTS	<u>\$ 592,200</u>
NET EXPENDITURES OVER REVENUES	<b>\$ (3,669,426)</b>
CONSISTS OF	
DEBT SERVICE	\$ 930,479
REPLACE HVAC	\$ 347,960
MIDDLE SCHOOL PROJECT	\$ 300,000
TOTAL OTHER PROJECTS/DEBT	<u>\$ 1,578,439</u>
NET EXPENDITURES OVER REVENUES	<b>\$ (2,090,987)</b>

**PINE TREE ISD**  
**2013 ESTIMATED VALUES IF 2% DECLINE IN PROPERTY VALUES**  
**FISCAL YEAR 2013/2014**  
**AS OF MAY 6, 2013**

	<u>2013/2014</u>		<u>2012/2013</u>
Taxable Value (See Note Below*)	1,421,418,649		1,459,755,030
Frozen Taxes	\$ 1,380,179		\$ 1,241,005
Estimated Collection Rate	98.00%		98.00%
Adjusted Taxable Value	<b>1,392,990,276</b>		<b>1,430,559,929</b>
Adjusted Frozen Taxes	<b>\$ 1,352,575</b>		<b>\$ 1,216,185</b>
Estimated Tax Collections @ \$1.17	\$ 16,297,986		\$ 16,737,551
Frozen Taxes attributed to LM tax rate/1.17	\$ 1,047,328		\$ 941,718
<b>Total Estimated Taxes M&amp;O assuming total tax rate of \$1.17</b>	<b>\$ 17,345,315</b>		<b>\$ 17,679,269</b>
<b>Estimated Debt Service Tax Collections @ .3410</b>	\$ 4,750,097		\$ 4,878,209
<b>Frozen Taxes attributed to I&amp;S at \$0.3410/.3410 tax rate</b>	\$ 305,247		\$ 274,467
<b>TOTAL INTEREST &amp; SINKING ASSUMING TOTAL TAX RATE \$1.5310/\$1.5110</b>	<b>\$ 5,055,344</b>		<b>\$ 5,152,676</b>
<b>Proposed Tax Rate</b>			
Maintenance & Operations	\$ 1.1700		\$ 1.1700
Debt Service - Bond	\$ 0.3410		\$ 0.3410
<b>TOTAL PROPOSED TAX RATE</b>	<b>\$ 1.5110</b>		<b>\$ 1.5110</b>
<b>TAXABLE VALUE BEFORE ADJUSTMENTS</b>			
Total Certified Estimated Taxable Value	1,580,812,692	-2.0000%	1,613,074,176
<b>Local Homestead Option (ELIMINATED)</b>			
Less: Total Value Over 65 Frozen	<u>(159,394,043)</u>	3.9623%	<u>(153,319,146)</u>
<b>ADJUSTED TAXABLE VALUE BEFORE PROTESTED PROPERTY</b>	<b>1,421,418,649</b>	-2.6262%	<b>1,459,755,030</b>
Add: Protested Property	0	#DIV/0!	0
<b>ADJUSTED TAXABLE VALUE</b>	<b><u>1,421,418,649</u></b>	-2.6262%	<b><u>1,459,755,030</u></b>
<b>BOND PAYMENT DUE IN 2013/2014</b>	<b>\$ 5,658,698</b>		
NO TAX RATE INCREASE			
9.8% DELCINE IN VALUES	\$ 930,479		NEEDED IN FUND 199
FLAT TAXES AND NO TAX			
RATE INCREASE	\$ 381,022		NEEDED IN FUND 199
2% DELCLINE AND NO TAX			
RATE INCREASE	\$ 580,354		NEEDED IN FUND 199

Includes the 8% reduction in QSCB subsidy

**PINE TREE ISD**  
**2013 ESTIMATED VALUES IF 2% DECLINE IN PROPERTY VALUES**  
**FISCAL YEAR 2013/2014**  
**AS OF MAY 6, 2013**  
**INCREASE DEBT SERVICE TAX RATE**

	<u>2013/2014</u>		<u>2012/2013</u>
Taxable Value (See Note Below*)	1,421,418,649		1,459,755,030
Frozen Taxes	\$ 1,380,179		\$ 1,241,005
Estimated Collection Rate	98.00%		98.00%
Adjusted Taxable Value	<b>1,392,990,276</b>		<b>1,430,559,929</b>
Adjusted Frozen Taxes	<b>\$ 1,352,575</b>		<b>\$ 1,216,185</b>
Estimated Tax Collections @ \$1.17	\$ 16,297,986		\$ 16,737,551
Frozen Taxes attributed to LM tax rate/1.17	\$ 1,026,939		\$ 941,718
<b>Total Estimated Taxes M&amp;O assuming total tax rate of \$1.17</b>	<b>\$ 17,324,925</b>		<b>\$ 17,679,269</b>
<b>Estimated Debt Service Tax Collections @ .3410</b>	\$ 5,167,994		\$ 4,878,209
<b>Frozen Taxes attributed to I&amp;S at \$0.3410/.3410 tax rate</b>	\$ 325,636		\$ 274,467
<b>TOTAL INTEREST &amp; SINKING ASSUMING TOTAL TAX RATE \$1.5310/\$1.5110</b>	<b>\$ 5,493,630</b>		<b>\$ 5,152,676</b>
<b>Proposed Tax Rate</b>			
Maintenance & Operations	\$ 1.1700		\$ 1.1700
Debt Service - Bond	\$ 0.3710		\$ 0.3410
<b>TOTAL PROPOSED TAX RATE</b>	<b>\$ 1.5410</b>		<b>\$ 1.5110</b>
<b>TAXABLE VALUE BEFORE ADJUSTMENTS</b>			
Total Certified Estimated Taxable Value	1,580,812,692	-2.0000%	1,613,074,176
<b>Local Homestead Option (ELIMINATED)</b>			
Less: Total Value Over 65 Frozen	<u>(159,394,043)</u>	3.9623%	<u>(153,319,146)</u>
<b>ADJUSTED TAXABLE VALUE BEFORE PROTESTED PROPERTY</b>	<b>1,421,418,649</b>	-2.6262%	<b>1,459,755,030</b>
Add: Protested Property	0	#DIV/0!	0
<b>ADJUSTED TAXABLE VALUE</b>	<b><u>1,421,418,649</u></b>	-2.6262%	<b><u>1,459,755,030</u></b>

<b>BOND PAYMENT DUE IN 2013/2014</b>	<b>\$ 5,658,698</b>
NO TAX RATE INCREASE	
9.8% DECLINE IN VALUES	\$ 930,479
FLAT TAXES AND NO TAX RATE INCREASE	\$ 381,022
2% DECLINE AND NO TAX RATE INCREASE	\$ 580,354

Includes the 8% reduction in QSCB subsidy

**PINE TREE ISD**  
**2013 CERTIFIED ESTIMATED TAXABLE VALUE 04.26.13**  
**FISCAL YEAR 2013/2014**  
**AS OF MAY 6, 2013**

	<u>2013/2014</u>		<u>2012/2013</u>
Taxable Value (See Note Below*)	1,316,647,357		1,459,755,030
Frozen Taxes	\$1,380,179		\$1,241,005
Estimated Collection Rate	<u>98.00%</u>		<u>98.00%</u>
Adjusted Taxable Value	<b>1,290,314,410</b>		<b>1,430,559,929</b>
Adjusted Frozen Taxes	<b>\$1,352,575</b>		<b>\$1,216,185</b>
Estimated Tax Collections @ \$1.17	\$15,096,679		\$16,737,551
Frozen Taxes attributed to LM tax rate/1.17	<u>\$1,047,328</u>		<u>\$941,718</u>
<b>Total Estimated Taxes M&amp;O assuming total tax rate of \$1.17</b>	<b>\$16,144,007</b>		<b>\$17,679,269</b>
<b>Estimated Debt Service Tax Collections @ .3410</b>	\$4,399,972		\$4,878,209
<b>Frozen Taxes attributed to I&amp;S at \$0.3410/.3410 tax rate</b>	<u>\$305,247</u>		<u>\$274,467</u>
<b>TOTAL INTEREST &amp; SINKING ASSUMING TOTAL TAX RATE \$1.5310/\$1.5110</b>	<b>\$4,705,219</b>		<b>\$5,152,676</b>
<b>Proposed Tax Rate</b>			
Maintenance & Operations	\$1.1700		\$1.1700
Debt Service - Bond	<u>\$0.3410</u>		<u>\$0.3410</u>
<b>TOTAL PROPOSED TAX RATE</b>	<b>\$1.5110</b>		<b>\$1.5110</b>
<b>TAXABLE VALUE BEFORE ADJUSTMENTS</b>			
Total Certified Estimated Taxable Value	1,476,041,400	-8.4951%	1,613,074,176
<b>Local Homestead Option (ELIMINATED)</b>			
Less: Total Value Over 65 Frozen	<u>(159,394,043)</u>	3.9623%	<u>(153,319,146)</u>
<b>ADJUSTED TAXABLE VALUE BEFORE PROTESTED PROPERTY</b>	<b>1,316,647,357</b>	-9.8035%	<b>1,459,755,030</b>
Add: Protested Property	0	#DIV/0!	0
<b>ADJUSTED TAXABLE VALUE</b>	<u><b>1,316,647,357</b></u>	-9.8035%	<u><b>1,459,755,030</b></u>

**BOND PAYMENT DUE IN 2013/2014**                      **\$5,658,698**

    NOT TAX RATE INCREASE

    9.8% DECLINE IN VALUES                      \$930,479 NEEDED IN FUND 199

    FLAT TAXES AND NO TAX

    RATE INCREASE                                      \$381,022 NEEDED IN FUND 199

Includes the 8% reduction in QSCB subsidy

**PINE TREE ISD**  
**2013 CERTIFIED ESTIMATED TAXABLE VALUE 04.26.13**  
**FISCAL YEAR 2013/2014**  
**AS OF MAY 6, 2013**  
**INCREASE IN DEBT SERVICE TAX RATE**

	<u>2013/2014</u>		<u>2012/2013</u>
Taxable Value (See Note Below*)	1,316,647,357		1,459,755,030
Frozen Taxes	\$ 1,380,179		\$ 1,241,005
Estimated Collection Rate	98.00%		98.00%
Adjusted Taxable Value	<b>1,290,314,410</b>		<b>1,430,559,929</b>
Adjusted Frozen Taxes	<b>\$ 1,352,575</b>		<b>\$ 1,216,185</b>
Estimated Tax Collections @ \$1.17	\$ 15,096,679		\$ 16,737,551
Frozen Taxes attributed to LM tax rate/1.17	\$ 1,007,970		\$ 941,718
<b>Total Estimated Taxes M&amp;O assuming total tax rate of \$1.17</b>	<b>\$ 16,104,649</b>		<b>\$ 17,679,269</b>
<b>Estimated Debt Service Tax Collections @ .3410</b>	\$ 5,161,258		\$ 4,878,209
<b>Frozen Taxes attributed to I&amp;S at \$0.3410/.3410 tax rate</b>	\$ 344,605		\$ 274,467
<b>TOTAL INTEREST &amp; SINKING ASSUMING TOTAL TAX RATE \$1.5310/\$1.5110</b>	<b>\$ 5,505,863</b>		<b>\$ 5,152,676</b>
<b>Proposed Tax Rate</b>			
Maintenance & Operations	1.1700		1.1700
Debt Service - Bond	0.4000		0.3410
<b>TOTAL PROPOSED TAX RATE</b>	<b>1.5700</b>		<b>1.5110</b>
<b>TAXABLE VALUE BEFORE ADJUSTMENTS</b>			
Total Certified Estimated Taxable Value	1,476,041,400	-8.4951%	1,613,074,176
<b>Local Homestead Option (ELIMINATED)</b>			
Less: Total Value Over 65 Frozen	<u>(159,394,043)</u>	3.9623%	<u>(153,319,146)</u>
<b>ADJUSTED TAXABLE VALUE BEFORE PROTESTED PROPERTY</b>	<b>1,316,647,357</b>	-9.8035%	<b>1,459,755,030</b>
Add: Protested Property	0	#DIV/0!	0
<b>ADJUSTED TAXABLE VALUE</b>	<b><u>1,316,647,357</u></b>	-9.8035%	<b><u>1,459,755,030</u></b>
<b>BOND PAYMENT DUE IN 2013/2014</b>	<b>\$ 5,658,698</b>		
NOT TAX RATE INCREASE	\$ 930,479	NEEDED IN FUND 199	
9.8% DECLINE IN VALUES			
FLAT TAXES AND NO TAX			
RATE INCREASE	\$ 381,022	NEEDED IN FUND 199	
2% DECLINE IN TAX AND NO			
TAX RATE INCREASE	\$ 580,354	NEEDED IN FUND 199	

Includes the 8% reduction in QSCB subsidy



## GREGG APPRAISAL DISTRICT

4367 W Loop 281  
Longview, TX 75604  
(903) 238-8823  
FAX (903) 238-8829

Thomas R. Hays, RPA, CCA, CTA  
Chief Appraiser

April 26, 2013

Rec'd  
04/29/13  
by mail

PINE TREE I.S.D.  
Dr. Teresa J. Farler, Superintendent  
PO Box 5878  
Longview, Texas 75608

Dear Dr. Farler,

As required by Section 26.01 (e) of the Texas Property Tax Code, your **2013 Certified Estimated Taxable Value is:**

\$ 1,476,041,400 ESTIMATED TAXABLE VALUE

Included in this estimate is \$ 159,394,043 of frozen value that produces approximately \$ 1,380,179 in frozen taxes.

Please remember that this number is just our best **estimate** at this time. Your final value will be higher or lower than this number since many values remain uncertain and could possibly change during the Appraisal Review process.

If I could be of further help please let me know.

Sincerely,

Thomas R. Hays, RPA, CCA, CTA  
Chief Appraiser



**2012 TAX RATES  
INDEPENDENT SCHOOL DISTRICTS**

	2011	2012	2012	2012		LEVY W/HS	LEVY W/HS	LEVY W/HS
SCHOOL	TAX RATE	M&O	I&S	TAX RATE	L/O HS	100,000	150,000	200,000
MARSHALL ISD	1.0400	1.0400	0.0000	1.0400	20%	676.00	1,092.00	1,508.00
SABINE ISD	1.0400	1.0400	0.0000	1.0400	20%	676.00	1,092.00	1,508.00
GLADEWATER ISD	1.1700	1.1700	0.0000	1.1700	20%	760.50	1,228.50	1,696.50
HENDERSON ISD	1.1800	1.0400	0.1400	1.1800	20%	767.00	1,239.00	1,711.00
GILMER ISD	1.1950	1.0400	0.1450	1.1850	none	1,007.25	1,599.75	2,192.25
WHITE OAK ISD	1.2439	1.1700	0.0633	1.2333	20%	801.65	1,294.97	1,788.29
KILGORE ISD	1.3092	1.0400	0.2692	1.3092	20%	850.98	1,374.66	1,898.34
HALLSVILLE ISD	1.4230	1.0400	0.3500	1.3900	20%	903.50	1,459.50	2,015.50
PINE TREE ISD	1.5110	1.1700	0.3410	1.5110	20%	982.15	1,586.55	2,190.95
LONGVIEW, ISD	1.5130	1.0400	0.4730	1.5130	none	1,286.05	2,042.55	2,799.05
SPRING HILL ISD	1.5400	1.1700	0.5000	1.6700	15%	1,169.00	1,878.75	2,588.50