

## Briefing to the Audit and Finance Committee

May 18, 2020

Prepared by Amy Fleming, Accounting Director

### Subject: John Stanford Center for Educational Excellence (JSCEE) Series A Bond

**Background:** The District issued \$54.5 million in bonds (Series A & B) in May 2001 to acquire property to consolidate headquarters and school support operations in 2002. Proceeds from surplus building sales of \$28.6M were used to retire the Series B bonds. The District’s general fund made payments of \$4.3M until about 2004 when resources were needed for school programs. The Series A Bonds were refunded in 2010 and again in 2020 to decrease interest payments over the life of the bond.

Prior to the bond refunding the total principal and interest outstanding as of May 18<sup>th</sup> was \$23.5 million. With the most recent bond refunding, the principal and interest outstanding as of May 18<sup>th</sup> is \$21.6, saving the district \$1.9 million over the remaining six fiscal years, and including fiscal year 2020:

Limited General Obligation Refunding Bonds, 2010				Limited General Obligation Refunding Bonds, 2020			
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Savings
6/1/2020		366,850.00	366,850.00	200,000	30,496.17	230,496.17	136,353.83
12/1/2020	2,250,000	366,850.00	2,616,850.00	2,459,000	123,547.05	2,582,547.05	34,302.95
6/1/2021		333,100.00	333,100.00		108,670.10	108,670.10	224,429.90
12/1/2021	2,455,000	333,100.00	2,788,100.00	2,621,000	108,670.10	2,729,670.10	58,429.90
6/1/2022		293,206.25	293,206.25		92,813.05	92,813.05	200,393.20
12/1/2022	2,575,000	293,206.25	2,868,206.25	2,691,000	92,813.05	2,783,813.05	84,393.20
6/1/2023		251,362.50	251,362.50		76,532.50	76,532.50	174,830.00
12/1/2023	2,815,000	251,362.50	3,066,362.50	2,874,000	76,532.50	2,950,532.50	115,830.00
6/1/2024		202,100.00	202,100.00		59,144.80	59,144.80	142,955.20
12/1/2024	3,075,000	202,100.00	3,277,100.00	3,059,000	59,144.80	3,118,144.80	158,955.20
6/1/2025		140,600.00	140,600.00		40,637.85	40,637.85	99,962.15
12/1/2025	3,365,000	140,600.00	3,505,600.00	3,258,000	40,637.85	3,298,637.85	206,962.15
6/1/2026		73,300.00	73,300.00		20,926.95	20,926.95	52,373.05
12/1/2026	3,665,000	73,300.00	3,738,300.00	3,459,000	20,926.95	3,479,926.95	258,373.05
	20,200,000	3,321,037.50	23,521,037.50	20,621,000	951,493.72	21,572,494	1,948,543.78

**Recommended Action:** It is recommended the District commit to making annual JSCEE Bond principal payments using current and future capital levies (\$20.6 Million).

- \$.20M is planned to be paid from BTA IV Capital Levy funds.
- \$10.6M is planned to be paid from BEX V Capital Levy funds.
- \$9.8M is planned to be paid from BTA V Capital Levy funds.

Payments will be made over six years with the final JSCEE Bond principal payment scheduled to occur fiscal year 2026-27 using proceeds from the BTA V capital levy. The recommended principal and interest repayment amount and schedule by fiscal year and by fund source is as follows:

**JSCEE Series A Bond Repayment Plan**

<b>Fiscal Year (FY)</b>	<b>BTA IV</b>	<b>BEX V</b>	<b>BTA V</b>	<b>CEP*</b>	<b>Total by FY</b>
<b>FY 2019-20</b>	\$200,000			\$30,496.17	\$230,496.17
<b>FY 2020-21</b>		\$2,459,000		\$232,217.15	\$2,691,217.15
<b>FY 2021-22</b>		\$2,621,000		\$201,483.15	\$2,822,483.15
<b>FY 2022-23</b>		\$2,691,000		\$169,345.55	\$2,860,345.55
<b>FY 2023-24</b>		\$2,874,000		\$135,677.30	\$3,009,677.30
<b>FY 2024-25</b>			\$3,059,000	\$99,782.65	\$3,158,782.65
<b>FY 2025-26</b>			\$3,258,000	\$61,564.80	\$3,319,564.80
<b>FY 2026-27</b>			\$3,459,000	\$20,926.95	\$3,479,926.95
<b>TOTAL BY FUND</b>	<b>\$200,000</b>	<b>\$10,645,000</b>	<b>\$9,776,000</b>	<b>\$951,493.72</b>	<b>\$21,572,494.00</b>

\*Capital Eligible Projects (CEP) Fund – Interest Payments