



Lake
Orion
Community
Schools

School Debt & Capital Funding Overview

Fiscal Year 2014-15

EDUCATING OUR STUDENTS FOR THE CHALLENGES OF TOMORROW



What does the District's debt structure look like?



- Voter Approved Bond Debt
- School Bond Loan Fund Debt (SBLF)
 - State Supported Program
- Non-voted Board Authorized Bond Debt
 - Energy Bonds
- Installment Purchase Agreements
 - Capital Leases

Recent District Bond Debt Refunding Activity

- 2012 Refunding - \$25.4 million block
 - Savings/Costs Avoided by Tax Payers: \$6.0 million
- 2015 Refunding - \$28.3 million block
 - Savings/Costs Avoided by Tax Payers: \$3.6 million
- 2016 ???
- **Total Direct Savings or Costs Avoided: \$9.6 m**



District Debt Structure

Post February 4, 2015 Refunding

- Voted Bond Debt (P&I): \$116,500,949
- School Bond Loan Fund: 34,551,195
- Non-voted Bond Debt (P&I): 7,445,565
 - Energy Bond
- Installment Purchase Agrmts: 4,456,276
- Total Outstanding District Debt: \$162,953,985

- Note: District assets funded by debt include: LOHS, Natatorium, Oakview, Paint Creek, Moose Tree Preserve, Orion Oaks, Multiple Existing Facility & Site Renovations

School Bond Loan Fund

How Does That Program Work?

- Year 1: Debt Service Due: \$15,400,000
- Less Year 1: Debt Levy (7.491m): (12,100,000)
- Tax Levy Funding Shortfall: 3,300,000
- **Amount Borrowed from SBLF: \$3,300,000**

- Year 15: Debt Service Due: \$8,000,000
- Less Year 15: Debt Levy (7.491m): (13,500,000)
- Tax Levy Funding Overage: 5,500,000

- **Amount re-paid to SBLF: \$5,500,000**

Where does the funding to pay the debt come from?

- Debt service tax levy on all tax payers within the district's boundaries:
 - Voted bond debt
 - School Bond Loan Fund debt
- LOCS General Fund operating revenues:
 - Non-voted bond debt (Energy Bonds)
 - Installment purchase agreements

How quickly is the District paying down the debt?

- Fiscal Year 2015 **Net** Debt Reduction: \$ 11,839,374
- Fiscal Year 2016 **Net** Debt Reduction: \$ 12,103,230
- Fiscal Year 2017 **Net** Debt Reduction: \$ 12,412,992
- Fiscal Year 2018 **Net** Debt Reduction: \$ 12,483,038
- Fiscal Year 2019 **Net** Debt Reduction: \$ 12,579,827
- **Five Year Total Reduction: \$ 61,418,461**
 - 37.7% Reduction!

SBLF Repayment – FY2021 to FY2026



Funding Sources for District Facility & Major Capital Expenditures



- Voted Bonds:
 - Requires public vote of approval
 - Carries long term debt & DS Levy authorization
- Building & Site Sinking Funds:
 - Requires public vote of approval
 - No long term debt - “pay as you go levy”
- General Fund:
 - Resolution bonds, IPAs, Other capital leases
 - Reduces available funds for instructional programs