

Capital Financials

Financial Oversight Committee

September 26, 2023

PROPOSED CAPITAL IMPROVEMENT PROGRAM



Original marketing proposal to voters = \$705 M

FUNDING

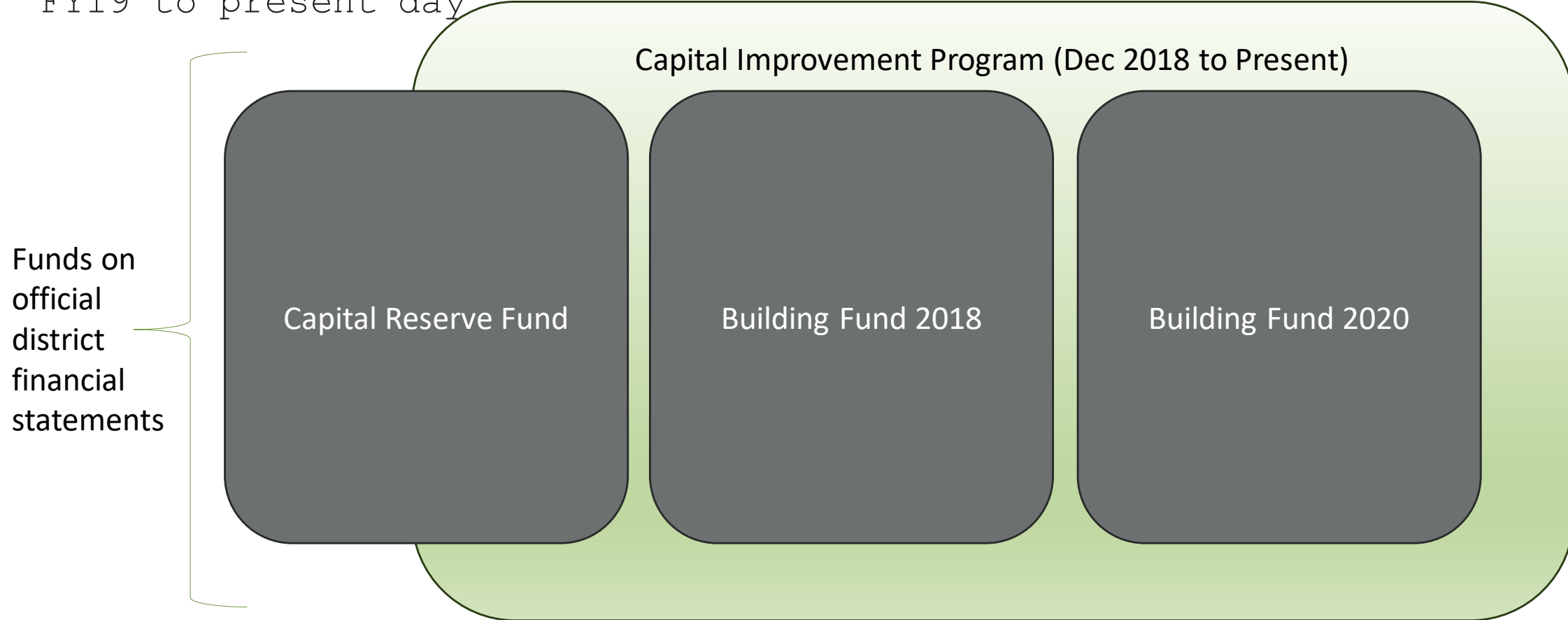
2018 Bond (Question 5B)	\$567 Million
Annual Capital Transfer (6 years)	\$138 Million
Available Funds	\$705 Million

OUTLAY

Efficiency & Future Ready	\$250 Million
Parity	\$125 Million
Programmatic Needs	\$50 Million
Growth Areas	\$56 Million
Replacements	\$56 Million
Safety, Security & Technology	\$26 Million
Charters	\$56 Million
Contingency	\$86 Million
TOTAL	\$705 Million

2018 Capital Improvement Program (CIP)

All activity (inflows and outflows) for the 2018 CIP is captured across three funds, as presented in the annual financial reports from FY19 to present day



Sources of Funds – 2018 and 2020 Building Funds

The 2018 and 2020A bond issuances, as well as monthly interest earnings on those proceeds, have supplied the actual dollars into the two funds, as of June 30, 2023

99.9% spent

Building Fund 2018

PAR	\$326.5M
Premium	\$50.2M
Costs	(\$1.7M)
NET	\$375M
<u>INT to-date</u>	<u>\$11.9M</u>
TOT to-date	\$386.9M

86.7% spent

Building Fund 2020

PAR	\$240.5M
Premium	\$68.3M
Costs	(\$1.3M)
NET	\$307.5M
<u>INT to-date</u>	<u>\$3.1M</u>
TOT to-date	\$310.6M

Combined Total To-Date \$697.5 (net of cost)

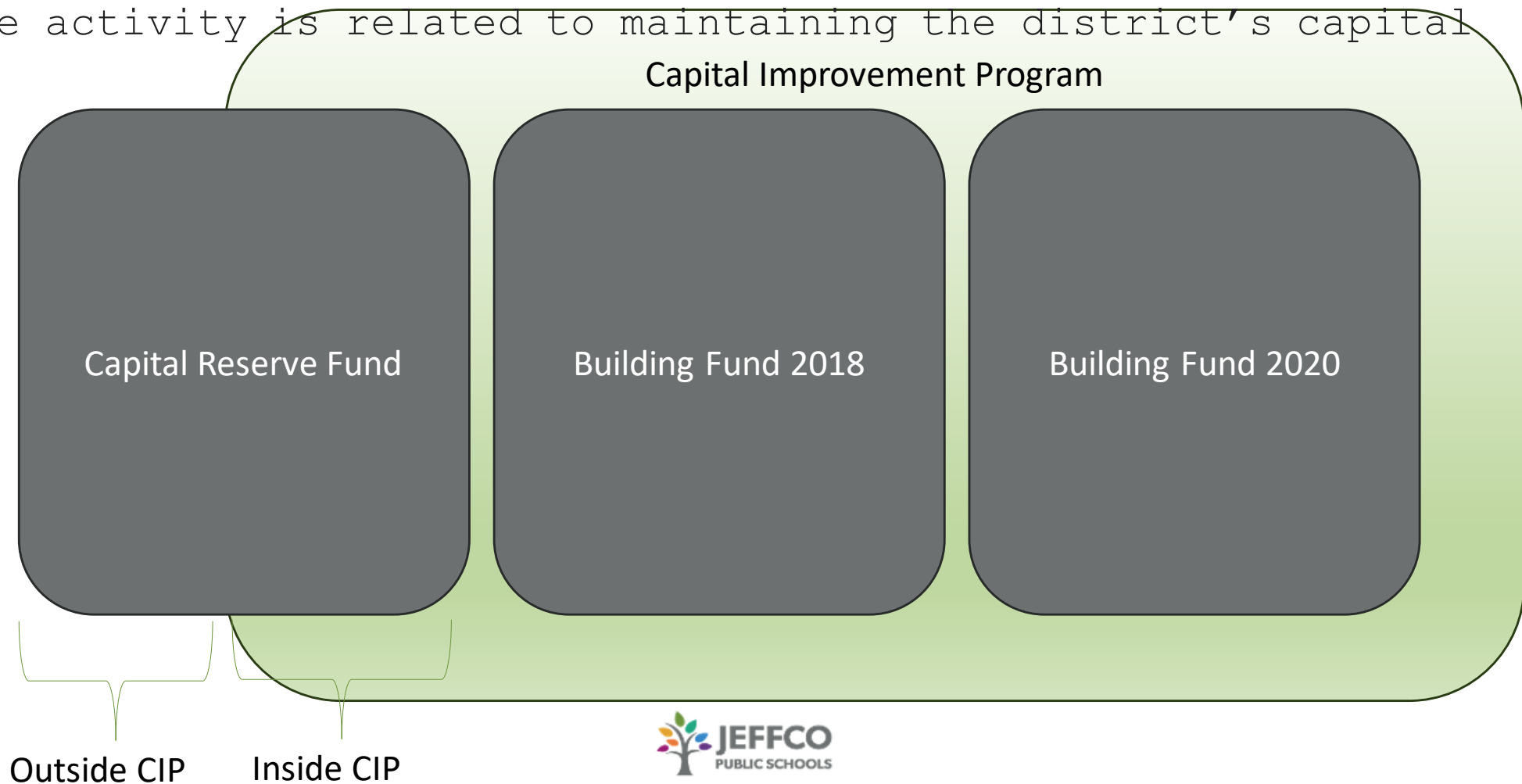
Premium and interest income have supplied an extra **\$133.5 M** to the bond funds since the ballot passed

We are still earning some interest on the 2020, but the balance is not large

Capital Reserve Fund vs. Capital Improvement Program

Activity in the Capital Reserve Fund is a mix of 1) CIP work and 2) non-CIP work;

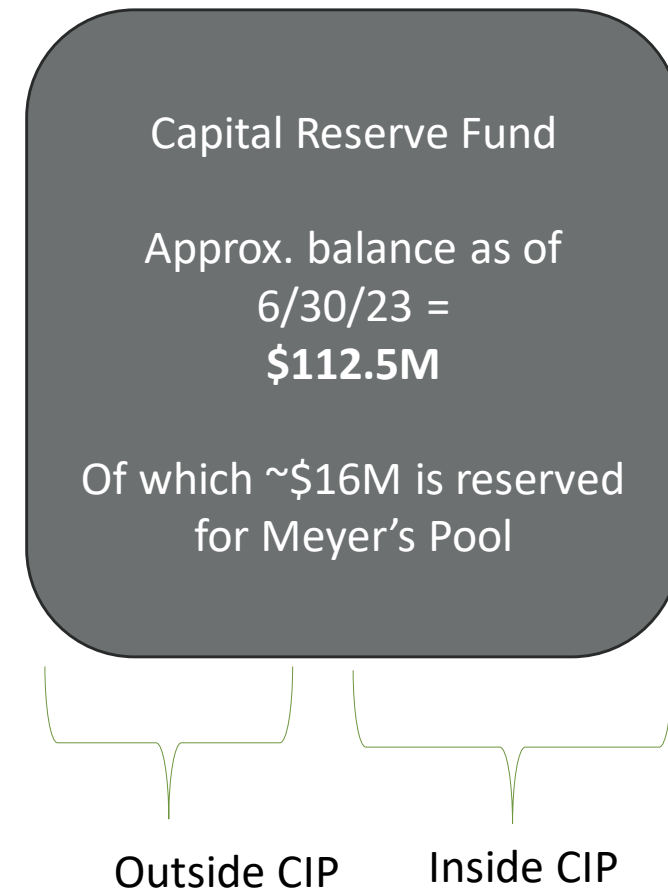
all the activity is related to maintaining the district's capital assets



Sources of Funds – Capital Reserve Fund

The Capital Reserve Fund handles all large capital purchases, renovations, repairs and maintenance; all purchases comply with state statute for use of funds designated for capital

- The district had been transferring ~\$30M per year into the Capital Reserve Fund for several years leading up to the 2018 ballot
 - This didn't cover the maintenance & upgrades necessary, thus the need for the new debt
- In FY19, the starting fund balance was \$42M
- The board has committed to contributing at least **\$138M from FY19 to FY25** via transfers, allocated interest income and sale/lease proceeds



Forecasted Total CIP

The district forecasts that the total 2018 Capital Improvement Program will invest **\$836M** in our facilities, infrastructure, and FF&E

- Resources are sufficient to complete the original scope, as modified to meet the evolving needs of the district
 - Certain projects were cancelled as part of school consolidation
 - Board will evaluate remaining projects, compared to enrollment patterns and needs
 - Several projects were added
- The bulk of the program is complete

What's Next?

The district will be developing a new multi-year capital plan during this school year

- Sources
 - Analyze all potential/prospective sources of funding for capital projects
 - Residual balance in capital reserve fund
 - General fund contributions
 - Future financing (i.e., general obligation bonds and/or lease financing)
 - Sale or lease proceeds from surplus properties
 - New mill levy override funds
- Uses
 - Analyze all potential capital needs
 - Building or grounds repair, maintenance and renovation
 - Expansions and/or additions
 - Enhancements to security equipment or other special purpose FF&E
 - Technology infrastructure and/or student technology