

# 2016 Bond Update



# 2016 Bond Authorization: 2019 Bond Issue



## Bonds issued 5/23/2019

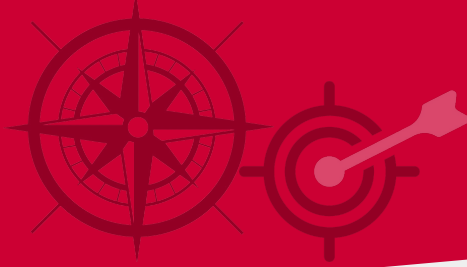
- Issued to complete 2016 bond authorization
- Spent on projects during coronavirus pandemic
- Savings on overall bond projects remain
  
- 85% of bond funds should be spent within 3 years of issuance
- Challenge of pandemic slowed projects
- Within 5 years, all funds must be spent or risk loss of tax-exempt status on bonds
- 5 year deadline is 5/23/2024
  
- Current funds remaining: \$20.7 million



## Finance requirements: Investment of bond proceeds

- Arbitrage Rebates: *certain earnings must be rebated back to the US Treasury*
  - *Bond funds can earn interest while invested*
  - *Earnings may be subject to rebate*
  
- Yield Restriction: *limits the investment yield that may be earned on bond proceeds*
  - *Amount earned over yield must be paid to the US Treasury in full through a Yield Reduction Payment*
  - *Bond funds typically subject to yield restriction when funds remain 3 years after issuance*
  - *2019 bond yield ~ 2.45%*
  - *Current earnings on investments ~ 5%*

The Rebate and Reduction Payments are made from the excess earnings on the invested funds. The district has full access to the original bond proceeds.



# 2016/2023 Bond Projects



# 2019 Bond Issue: Proposed projects



<b>PROGRAM</b>	<b>ESTIMATED COST</b>	<b>2016 Bond Project</b>	<b>2023 Bond Project</b>	<b>New Project</b>
TRANSPORTATION	\$844,000		\$844,000	
FINE ARTS	\$248,000		\$149,000	\$99,000
SECURITY/TECHNOLOGY	\$5,067,200	\$800,000	\$4,250,000	\$17,200
TECHNOLOGY	\$8,661,000	\$2,345,000	\$6,316,000	
MAINTENANCE	\$785,000			\$785,000
FOOD SERVICES	\$2,140,000		\$2,140,000	
<b>TOTAL:</b>	<b>\$17,745,200</b>	<b>\$3,145,000</b>	<b>\$13,699,000</b>	<b>\$901,200</b>
REBATE/YIELD REDUCTION	\$1,000,000			
	<b>\$18,745,200</b>			



# 2019 Bond Issue: Summary



Funds Remaining (estimated)	\$20.7 million
Encumbered	\$ 0.7 million
Balance Available	\$20.0 million
Rebate/Reduction	\$ 1.0 million
Proposed Projects	\$17.7 million
Balance	\$ 1.3 million

Balances as of 7/24/2023