

## Capital and Debt Service Expenditures

Capital – funds used to acquire or upgrade physical assets such as property, buildings or equipment

- To be considered a capital expenditure, a single item must have a value greater than \$1,000 and a useful life of more than 1 year
  - Items less than \$1,000 are considered a supply item, regardless of useful life
- The District currently budgets six cents of the operating levy for capital expenditures
  - This levy generates about \$1.4 million annually
- The list of major capital projects identified by the Strategic Planning Facilities Committee has an estimated cost of \$25 million
- The 2016-17 budget included \$2.1 million in capital expenditures for minor capital projects (ADA, paving, sidewalks, etc.)
- The District budgets a transfer to the capital fund each year to make up any difference between the revenue generated by the levy and the actual expenditures that year
  - The transfer is budgeted at \$500,000, but the actual amount transferred, if any, is always based on actual expenditures
  - Funds transferred into the Capital Projects Fund cannot be transferred out
- As of October 31, 2016, the Capital Fund had a total fund balance of \$4.7 million

Debt Service – funds used for payment of principal and interest on outstanding general obligation bonds

- The District's current debt service levy is \$0.6713
- Revenue generated by the debt service levy can only be used to pay the principal and interest in the District's outstanding general obligation debt
- As of June 30, 2016, the District had \$143,260,000 in outstanding general obligation debt
- For the next several years, the principal and interest payments due exceed the revenue generated on a current basis (see table below)

12-05-2016

### Projected GO Debt Levy and Fund Balance Report After 2016 GO Refunding Bonds

Kevin's Analysis

| Tax Year | Debt Year | AV            | Growth | Tax Rate  | Tax Revenue @ |            |               | Aggregate Net | Req'd    | (Use) of Fund  | Fund Balance   |
|----------|-----------|---------------|--------|-----------|---------------|------------|---------------|---------------|----------|----------------|----------------|
|          |           |               |        |           | 99%           | SARRU      | Total Revenue | Debt Service  | Levy     | Balance        |                |
| 2014     | 2015      | 2,190,272,276 |        | \$ 0.6713 | \$ 14,556,265 | \$ 388,265 | \$ 14,944,530 |               |          |                |                |
| 2015     | 2016      | 2,326,681,255 |        | \$ 0.6713 | \$ 15,462,821 | \$ 403,546 | \$ 15,866,367 | \$ 14,432,747 | \$ 0.620 | \$ 1,433,620   | \$ 13,638,100  |
| 2016     | 2017      | 2,362,718,833 | 1.0%   | \$ 0.6713 | \$ 15,702,322 | \$ 403,077 | \$ 16,105,399 | \$ 16,921,091 | \$ 0.716 | \$ (815,692)   | \$ 12,822,408  |
| 2017     | 2018      | 2,480,854,775 | 5.0%   | \$ 0.6713 | \$ 16,487,438 | \$ 403,077 | \$ 16,890,515 | \$ 18,997,647 | \$ 0.766 | \$ (2,107,132) | \$ 10,715,277  |
| 2018     | 2019      | 2,505,663,322 | 1.0%   | \$ 0.6713 | \$ 16,652,313 | \$ 403,077 | \$ 17,055,390 | \$ 17,372,088 | \$ 0.693 | \$ (316,698)   | \$ 10,398,578  |
| 2019     | 2020      | 2,630,946,489 | 5.0%   | \$ 0.6713 | \$ 17,484,928 | \$ 403,077 | \$ 17,888,005 | \$ 16,566,405 | \$ 0.630 | \$ 1,321,600   | \$ 11,720,179  |
| 2020     | 2021      | 2,657,255,953 | 1.0%   | \$ 0.6713 | \$ 17,659,778 | \$ 403,077 | \$ 18,062,855 | \$ 15,132,228 | \$ 0.569 | \$ 2,930,627   | \$ 14,650,805  |
| 2021     | 2022      | 2,790,118,751 | 5.0%   | \$ 0.6713 | \$ 18,542,767 | \$ 403,077 | \$ 18,945,844 | \$ 14,196,021 | \$ 0.509 | \$ 4,749,823   | \$ 19,400,628  |
| 2022     | 2023      | 2,818,019,939 | 1.0%   | \$ 0.6713 | \$ 18,728,194 | \$ 403,077 | \$ 19,131,271 | \$ 13,638,720 | \$ 0.484 | \$ 5,492,551   | \$ 24,893,179  |
| 2023     | 2024      | 2,958,920,936 | 5.0%   | \$ 0.6713 | \$ 19,664,604 | \$ 403,077 | \$ 20,067,681 | \$ 13,654,359 | \$ 0.461 | \$ 6,413,322   | \$ 31,306,501  |
| 2024     | 2025      | 2,988,510,145 | 1.0%   | \$ 0.6713 | \$ 19,861,250 | \$ 403,077 | \$ 20,264,327 | \$ 11,583,009 | \$ 0.388 | \$ 8,681,318   | \$ 39,987,819  |
| 2025     | 2026      | 3,137,935,652 | 5.0%   | \$ 0.6713 | \$ 20,854,312 | \$ 403,077 | \$ 21,257,389 | \$ 8,394,278  | \$ 0.268 | \$ 12,863,111  | \$ 52,850,930  |
| 2026     | 2027      | 3,169,315,009 | 1.0%   | \$ 0.6713 | \$ 21,062,856 | \$ 403,077 | \$ 21,465,933 | \$ 8,505,678  | \$ 0.268 | \$ 12,960,255  | \$ 65,811,185  |
| 2027     | 2028      | 3,327,780,759 | 5.0%   | \$ 0.6713 | \$ 22,115,998 | \$ 403,077 | \$ 22,519,075 | \$ 8,448,040  | \$ 0.254 | \$ 14,071,035  | \$ 79,882,220  |
| 2028     | 2029      | 3,361,058,567 | 1.0%   | \$ 0.6713 | \$ 22,337,158 | \$ 403,077 | \$ 22,740,235 | \$ 8,640,100  | \$ 0.257 | \$ 14,100,135  | \$ 93,982,355  |
| 2029     | 2030      | 3,529,111,495 | 5.0%   | \$ 0.6713 | \$ 23,454,016 | \$ 403,077 | \$ 23,857,093 | \$ 3,461,880  | \$ 0.098 | \$ 20,395,213  | \$ 114,377,568 |