Capital Financials

Financial Oversight Committee
September 26, 2023
### PROPOSED CAPITAL IMPROVEMENT PROGRAM

#### FUNDING

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Bond (Question 5B)</td>
<td>$567 Million</td>
</tr>
<tr>
<td>Annual Capital Transfer (6 years)</td>
<td>$138 Million</td>
</tr>
<tr>
<td>Available Funds</td>
<td>$705 Million</td>
</tr>
</tbody>
</table>

#### OUTLAY

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency &amp; Future Ready</td>
<td>$250 Million</td>
</tr>
<tr>
<td>Parity</td>
<td>$125 Million</td>
</tr>
<tr>
<td>Programmatic Needs</td>
<td>$50 Million</td>
</tr>
<tr>
<td>Growth Areas</td>
<td>$56 Million</td>
</tr>
<tr>
<td>Replacements</td>
<td>$56 Million</td>
</tr>
<tr>
<td>Safety, Security &amp; Technology</td>
<td>$26 Million</td>
</tr>
<tr>
<td>Charters</td>
<td>$56 Million</td>
</tr>
<tr>
<td>Contingency</td>
<td>$86 Million</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$705 Million</strong></td>
</tr>
</tbody>
</table>

Original marketing proposal to voters = $705 M
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.

Funds on official district financial statements

- Capital Reserve Fund
- Building Fund 2018
- Building Fund 2020
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.

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.

Building Fund 2018
- PAR $326.5M
- Premium $50.2M
- Costs ($1.7M)
- NET $375M
- INT to-date $11.9M
- TOT to-date $386.9M

Building Fund 2020
- PAR $240.5M
- Premium $68.3M
- Costs ($1.3M)
- NET $307.5M
- INT to-date $3.1M
- TOT to-date $310.6M

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

Oct-23