



Lake
Orion
Community
Schools

District Debt Structure Overview

June 2018

EDUCATING OUR STUDENTS FOR THE CHALLENGES OF TOMORROW



What does the District's capital debt structure look like?



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

District's Voter Approved Bond Debt Structure Activity

- Bonded P&I Debt as of June 2011 \$164.3 m
- Bonded P&I Debt as of June 2018 \$ 87.7 m
- Bonded P&I Debt gross reduction \$ 76.6 m
- Results of the 2012, 2015A, 2015B, 2016 Refunding's
 - \$135 Million of Existing Bond P&I Debt Refunded
 - Savings/Costs Avoidance for Tax Payers: \$16.0 million



District Consolidated Debt Structure

- **Voted Bond Debt (P&I):** **\$ 87,714,871**
- School Loan Revolving Fund: 10,845,288
- Non-Voted Energy Bond Debt (P&I): 5,971,812
- Installment Purchase Agreements (IPAs): 1,854,096
- Capital Leases: 191,531
- **Total for the District:** **\$106,577,598**
- Note: District assets funded by debt include: LOHS, Natatorium, Oakview, Paint Creek, Moose Tree Preserve, Orion Oaks, Multiple Existing Facility & Site Renovations

Where does the funding to pay the debt come from?



- Debt Service tax levy on tax payers with in the district's boundaries – 7.491 mills:
 - Voted Bond Debt
 - School Loan Revolving Fund Debt
- General Fund operating and other revenues:
 - Board authorized bonded debt
 - Installment purchase agreements

Funding Sources for Major Capital Expenditures



- **Voted Bonds:**
 - Bond issuance and levy requires public vote of approval
 - Carries long term debt
 - Debt Service levy authorization (7.491 mills)
- **Building & Site Sinking Funds:**
 - Levy requires public vote of approval
 - No long term debt - “pay as you go levy”
 - Tax levy authorization (FY2019 levy of 1.9607 mills)
- **General Fund:**
 - Resolution bonds, IPAs, Other capital leases
 - Reduces available funds for instructional programs