Update on Bonding Capacity

Marion County Schools

Dream
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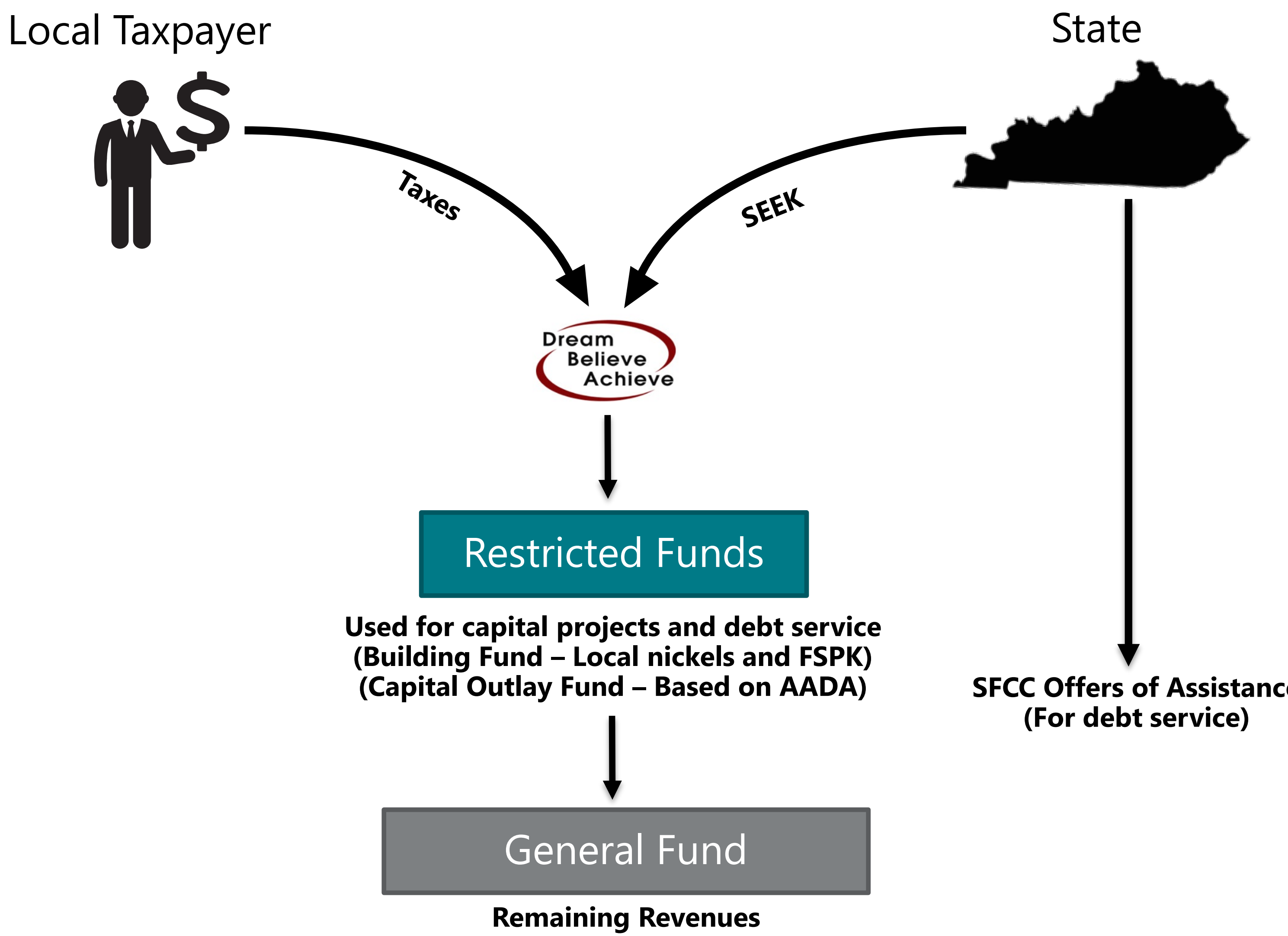
Achieve

Baird Public Finance
September 2020

Revenue Sources for Marion Schools



Sources of Bondable Revenues

Restricted State and Local Revenue Sources	
Local Nickel ($1,558,486,340 x .0005)	$779,243
Recallable Nickel ($1,558,486,340 x .0005)	779,243
Equalization State FSPK ($458 x 2,867.957 – 779,243)	534,281
Equalization of State Recallable ($458 x 2,867.957 – 779,243)	534,281
Capital Outlay ($100 x 2,867.948*80%)	229,437
Total	**$2,856,485**

SFCC Offers of Assistance	
2012	$42,383
2014	43,201
2016	36,429
2018	27,460
Total	**$149,473**

Summary of Outstanding Bond Issues

Marion County Schools - Principal Amounts Outstanding As of August 31, 2020									
Bond Series	**Original Purpose**	**Original Principal**	**Total Outstanding Principal**	**District Principal Outstanding**	**SFCC Principal Outstanding**	**Call Feature/Date**	**Coupons Rates on Outstanding Maturities**	**Average Coupon Rate**	**Final Maturity**
2012	Refund Series 2003 School Building Revenue Bonds	$3,210,000	$3,725,000	$2,169,587	$1,555,413	12/1/2021	1.50% - 2.125%	2.00%	2023
2012B (100% SFCC)	Renovations to Calvary Elementary and Marion County High School	1,030,000	670,000	-	670,000	6/1/2022	1.70% - 3.25%	2.83%	2032
2012C	Refund Series 2005A School Building Revenue Bonds	4,750,000	3,775,000	3,319,228	455,772	8/1/2022	2.00% - 2.375%	2.26%	2025
2014	Refund Series 2009B School Building Revenue Bonds	5,645,000	4,890,000	3,874,597	1,015,403	3/1/2024	2.00% - 3.50%	3.22%	2029
2015 ECM	Energy conservation measures to various school facilities (1)	3,635,000	3,140,000	3,140,000	-	6/1/2025	1.30% - 3.375%	3.12%	2035
2015A (100% SFCC)	New roof for Lebanon Middle (Marion Co. Knight Academy)	815,000	640,000	-	640,000	6/1/2025	1.30% - 3.50%	3.14%	2035
2020	Renovations to Marion County Middle School	1,555,000	1,555,000	1,023,860	531,140	2/1/2027	2.00% - 3.00%	2.45%	2040
		$20,640,000	**$18,395,000**	**$13,527,272**	**$4,867,728**				

Note:
(1) Portion of debt service is paid from General Fund

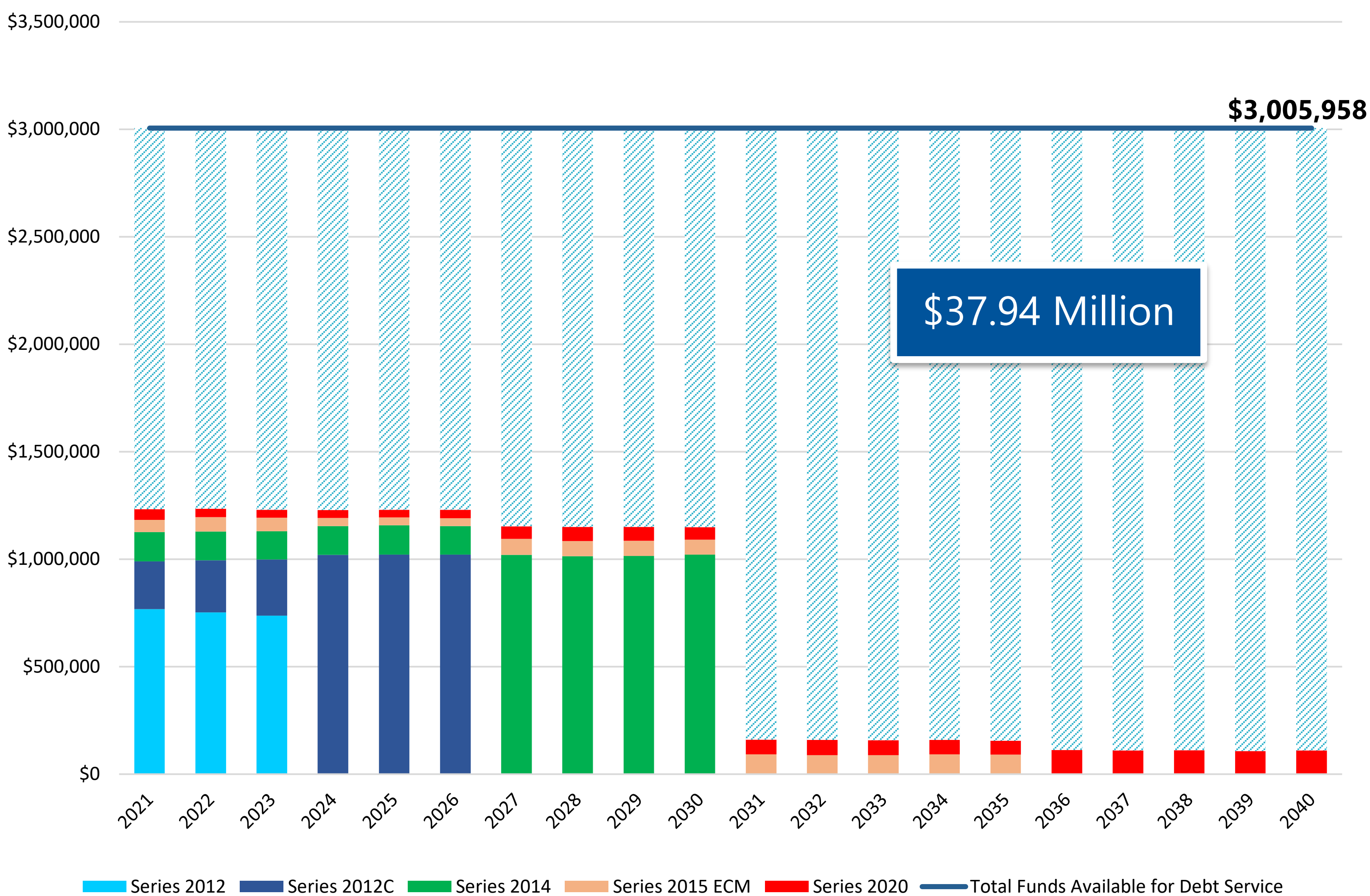
Local Bond Payments

Cash flow we use to predict bonding capacity

Fiscal Year-Ending 6/30	Series 2012	Series 2012C	Series 2014	Series 2015 ECM[(1)]	Series 2020	Total Restricted Fund Debt Service	Total District Restricted Funds Available for Debt Service	Total SFCC Funds Available for Debt Service	Total Funds Available for Debt Service	Net Restricted Funds Available for Debt Service
2021	$768,511	$222,133	$136,244	$55,814	$49,848	$1,232,550	$2,856,485	$149,473	$3,005,958	$1,773,408
2022	753,013	242,021	134,143	67,179	38,391	1,234,747	2,856,485	149,473	3,005,958	1,771,211
2023	737,513	261,052	131,702	62,732	37,341	1,230,340	2,856,485	149,473	3,005,958	1,775,618
2024		1,020,921	133,854	37,685	36,291	1,228,750	2,856,485	149,473	3,005,958	1,777,208
2025		1,021,789	135,873	37,366	35,241	1,230,270	2,856,485	149,473	3,005,958	1,775,688
2026		1,021,493	132,738	36,478	39,191	1,229,900	2,856,485	149,473	3,005,958	1,776,059
2027			1,020,828	74,305	57,991	1,153,124	2,856,485	149,473	3,005,958	1,852,834
2028			1,014,200	70,284	66,191	1,150,675	2,856,485	149,473	3,005,958	1,855,283
2029			1,015,322	70,595	64,791	1,150,708	2,856,485	149,473	3,005,958	1,855,250
2030			1,021,120	69,807	58,391	1,149,318	2,856,485	149,473	3,005,958	1,856,640
2031				93,153	67,091	160,244	2,856,485	149,473	3,005,958	2,845,714
2032				89,157	70,404	159,561	2,856,485	149,473	3,005,958	2,846,397
2033				89,221	68,604	157,825	2,856,485	149,473	3,005,958	2,848,133
2034				93,156	66,803	159,960	2,856,485	149,473	3,005,958	2,845,998
2035				90,774	65,003	155,777	2,856,485	149,473	3,005,958	2,850,181
2036					113,004	113,004	2,856,485	149,473	3,005,958	2,892,954
2037					109,753	109,753	2,856,485	149,473	3,005,958	2,896,205
2038					111,504	111,504	2,856,485	149,473	3,005,958	2,894,454
2039					108,128	108,128	2,856,485	149,473	3,005,958	2,897,830
2040					109,753	109,753	2,856,485	149,473	3,005,958	2,896,205
Total	**$2,259,038**	**$3,789,408**	**$4,876,024**	**$1,037,706**	**$1,373,715**	**$13,335,890**	**$57,129,700**	**$2,989,460**	**$60,119,160**	**$46,783,270**

Note:
(1) Represents only Restricted Fund Debt Service

Bonding Capacity



Note:
The District has $3.27 million of Cash Requirements to be used as an additional source of funds when using SFCC Offers of Assistance.

Factors that Affect Bonding Capacity

BAIRD

REVENUES

- Legislative issues (other Nickels)
- Facilities Support Program Kentucky Equalization
- Leveraging more or less than 80% Capital Outlay
- Leveraging General Fund
- Future School Facilities Construction Commission Offers of Assistance

EXPENSES

- Retiring old debt
- Refunding existing issues

EXTERNAL

- Average Daily Attendance (ADA) fluctuation
- Interest rate fluctuation

> - If District loses 100 students, current bonding capacity becomes $36.3 million
> - If interest rates rise 100 basis points, current bonding capacity drops to $34.1 million

- FSPK (Statue)
- Growth Nickel (Statute)
- Second Growth Nickel (Budget)
- Recallable Nickel (Budget)
- Equalized Facility Funding (House Bill)
- BRAC Nickel (House Bill)
- Category 5 Nickel

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