

Oldham County Schools Bonding Capacity Update

SEPTEMBER 2023



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**Outstanding Debt Profile and
Refinancing Analysis**

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**Review Restricted Revenues and
Bonding Capacity Update**

Outstanding Debt Profile and Refinancing Analysis

Constantly Monitoring Outstanding Debt For Refinancing and/or Prepayment Opportunities

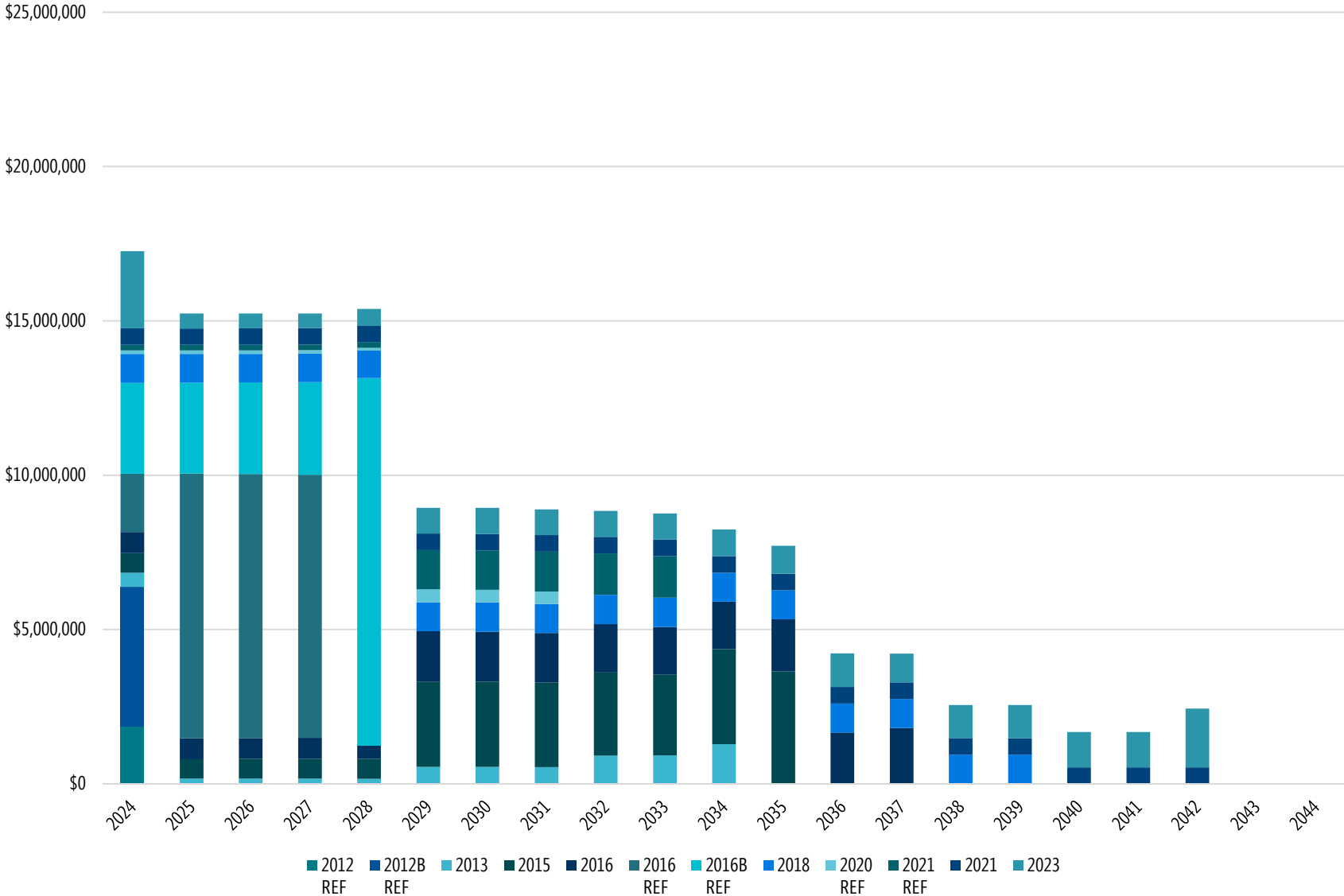
SERIES	PURPOSE	ORIGINAL PRINCIPAL	OUTSTANDING PRINCIPAL	COUPONS ON OUTSTANDING PRINCIPAL	FIRST OPTIONAL REDEMPTION/ PREPAYMENT DATE	PAYMENT DATES	FINAL MATURITY
2012 REF	Advance refund Series 2004 Bonds; SFCC pays $\approx 2.8\%$ ⁽¹⁾	\$17,820,000	\$1,885,000	2.00%	non-callable	May: P+I; Nov: I	5/1/2024
2012B REF	Advance refund Series 2003 Bonds; SFCC pays $\approx 4\%$ ⁽²⁾	13,035,000	4,575,000	2.40%	non-callable	Oct: P+I; April: I	10/1/2023
2013	Fund renovations to Oldham County Middle School; SFCC pays $\approx 22.7\%$	10,360,000	5,570,000	3.88%	8/1/2023	August: P+I; Feb: I	8/1/2033
2015	Fund renovations to South Oldham MS; SFCC pays $\approx 2.5\%$	18,465,000	18,170,000	2.40%-4.00%	3/1/2025	March: P+I, Sept: I	3/1/2035
2016	Fund renovations to Arvin Education Center	15,565,000	14,160,000	2.00%-4.00%	10/1/2025	Oct: P+I; April: I	10/1/2036
2016 REF	Advance refund Series 2007 Bonds ⁽³⁾	28,965,000	23,975,000	5.00%	non-callable	June: P+I, Dec: I	6/1/2027
2016B REF	Advance refund 2nd Series of 2007 Bonds; SFCC pays $\approx 0.5\%$ ⁽⁴⁾	33,485,000	18,830,000	3.00%-4.00%	non-callable	Sept: P+I; March: I	9/1/2027
2018	Fund renovations/addition to Camden Station ES	13,740,000	11,035,000	3.00%-3.50%	9/1/2026	Sept: P+I; March: I	9/1/2038
2020 REF	Advance refund Series 2011 Bonds ⁽⁵⁾	1,960,000	1,640,000	1.00%-1.50%	2/1/2031	Feb: P+I, Aug: I	2/1/2031
2021 REF	Advance refund Series 2012 Bonds ⁽⁶⁾	6,700,000	6,560,000	1.50%	9/1/2029	Sept: P+I; March: I	9/1/2032
2021	Fund renovations to Buckner ES and East Oldham MS	8,800,000	8,435,000	2.00%	10/1/2029	Oct: P+I; April: I	10/1/2041
2023	Fund athletic improvements at Oldham County, North Oldham County and South Oldham County High Schools	12,755,000	12,755,000	4.00%	5/1/2031	May: P+I; Nov: I	5/1/2042
TOTAL		\$181,650,000	\$127,590,000				

- (1) Series 2004 Bonds funded the construction of Kenwood Station Elementary and North Elementary
- (2) Series 2003 Bonds funded the construction of a new elementary school
- (3) Series 2007 Bonds funded additions/renovations at Oldham County HS and construction of new Locust Grove ES
- (4) 2nd Series of 2007 Bonds funded addition/renovations to North Oldham HS and demolition of existing building and construction of new Crestwood ES
- (5) Series 2011 Bonds funded renovations at the bus compound/annex
- (6) Series 2012 Bonds funded construction of Centerfield Elementary

Amortization of Principal is Vital to Protecting Bonding Capacity and Minimizing Interest Expense

FY	2012 REF	2012B REF	2013	2015	2016	2016 REF	2016B REF	2018	2020 REF	2021 REF	2021	2023	Total
2024	\$1,868,917	\$4,508,895	\$463,421	\$635,971	\$678,650	\$1,888,750	\$2,945,888	\$933,644	\$122,450	\$178,708	\$535,000	\$2,497,445	\$17,257,739
2025			168,055	629,471	676,850	8,579,250	2,943,914	931,469	116,450	177,658	532,550	485,200	15,240,867
2026			168,116	638,041	674,650	8,553,500	2,967,536	928,844	110,500	186,533	534,950	478,000	15,240,670
2027			167,981	646,253	680,200	8,515,500	3,004,107	930,694	104,600	185,333	532,200	471,000	15,237,868
2028			167,652	644,003	426,200		11,910,145	887,619	93,750	184,133	524,400	549,200	15,387,102
2029			549,575	2,751,753	1,642,400			943,794	417,925	1,269,720	536,400	829,200	8,940,767
2030			548,456	2,761,203	1,620,431			943,116	411,925	1,276,908	533,150	842,800	8,937,989
2031			546,563	2,740,578	1,596,719			946,319	400,925	1,292,719	534,750	835,200	8,893,773
2032			916,531	2,690,503	1,572,075			943,819		1,346,068	536,150	837,200	8,842,346
2033			922,878	2,609,616	1,555,538			945,144		1,342,303	532,400	848,400	8,756,279
2034			1,281,904	3,085,978	1,528,675			944,713			533,500	863,400	8,238,170
2035				3,638,610	1,692,300			942,463			534,400	902,000	7,709,773
2036					1,662,325			943,763			535,100	1,083,200	4,224,388
2037					1,811,775			944,013			535,600	931,200	4,222,588
2038								943,213			535,900	1,079,000	2,558,113
2039								946,275			531,050	1,079,800	2,557,125
2040											531,050	1,149,200	1,680,250
2041											535,800	1,144,400	1,680,200
2042											535,300	1,903,200	2,438,500
TOTAL	\$1,868,917	\$4,508,895	\$5,901,132	\$23,471,980	\$17,818,788	\$27,537,000	\$23,771,590	\$14,998,902	\$1,778,525	\$7,440,079	\$10,139,650	\$18,809,045	\$158,044,503

Outstanding Debt Payments are Manageable with Ample Borrowing Capacity for Future Projects



Positioned to Act Quickly on Refinancing Opportunities

REFUNDING OF SERIES 2013 BONDS

FY	TOTAL PRIOR DEBT SERVICE	TOTAL REFUNDING DEBT SERVICE	ANNUAL SAVINGS
2024	\$107,919	\$112,584	(\$4,665)
2025	338,416	345,300	(6,884)
2026	338,475	345,200	(6,725)
2027	338,341	344,900	(6,559)
2028	338,013	339,500	(1,487)
2029	719,934	726,100	(6,166)
2030	718,816	724,300	(5,484)
2031	716,922	721,700	(4,778)
2032	1,086,891	1,090,700	(3,809)
2033	1,093,238	1,095,800	(2,562)
2034	1,406,738	1,412,700	(5,962)
TOTAL	\$7,203,703	\$7,258,784	(\$55,081)

Net PV Savings

(\$43,964)

Percentage of Net PV Savings

-0.79%

	Today	-25 bps	-50 bps	-75 bps	-100 bps
Rate	3.83%	3.58%	3.33%	3.07%	2.82%
\$ Net PV Savings	(\$43,694)	\$45,750	\$137,123	\$230,275	\$325,283
% of Net PV Savings	-0.79%	0.82%	2.46%	4.13%	5.84%

Restricted Revenues and Bonding Capacity Update

Revenue Sources for K-12 Schools

Local Taxpayer



Commonwealth



Taxes

SEEK



Unrestricted Funds

Restricted Funds

SFCC Offers of Assistance

Funds we use to calculate bonding capacity

In KY School Funding, Every Dollar Has a Purpose

UNRESTRICTED FUNDS – pay salaries, utilities, operating expenses (General Fund)

- Derived from various sources including local tax base and the SEEK funding program
- Special permission needed to use for bonding capital projects

RESTRICTED FUNDS – pay for capital projects and debt service (Capital Outlay Fund and Building Fund)

- Derived from different sources including local tax base and the SEEK funding program and FSPK
- Focus for calculating bonding capacity

OCPS Leads in Commitment to Building Fund

Mr. and Mrs. Property Owner
Address

PRESORTED
FIRST CLASS MAIL
US POSTAGE PAID
FLORENCE, KY
PERMIT #147

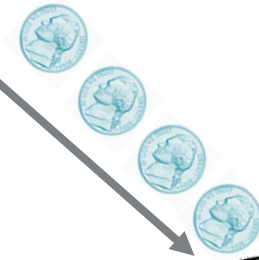
TAX AUTHORITY	RATE	ASSESSED VALUE	TAX
STATE	0.1150	\$100,000	\$115.00
COUNTY	0.0870	\$100,000	87.00
SCHOOL	0.8120	\$100,000	812.00
FIRE	0.1000	\$100,000	100.00
LIBRARY	0.0410	\$100,000	41.00
HEALTH	0.0250	\$100,000	25.00
AMBULANCE	0.0474	\$100,000	47.40

← $\$.812/100 \times$
assessed
value



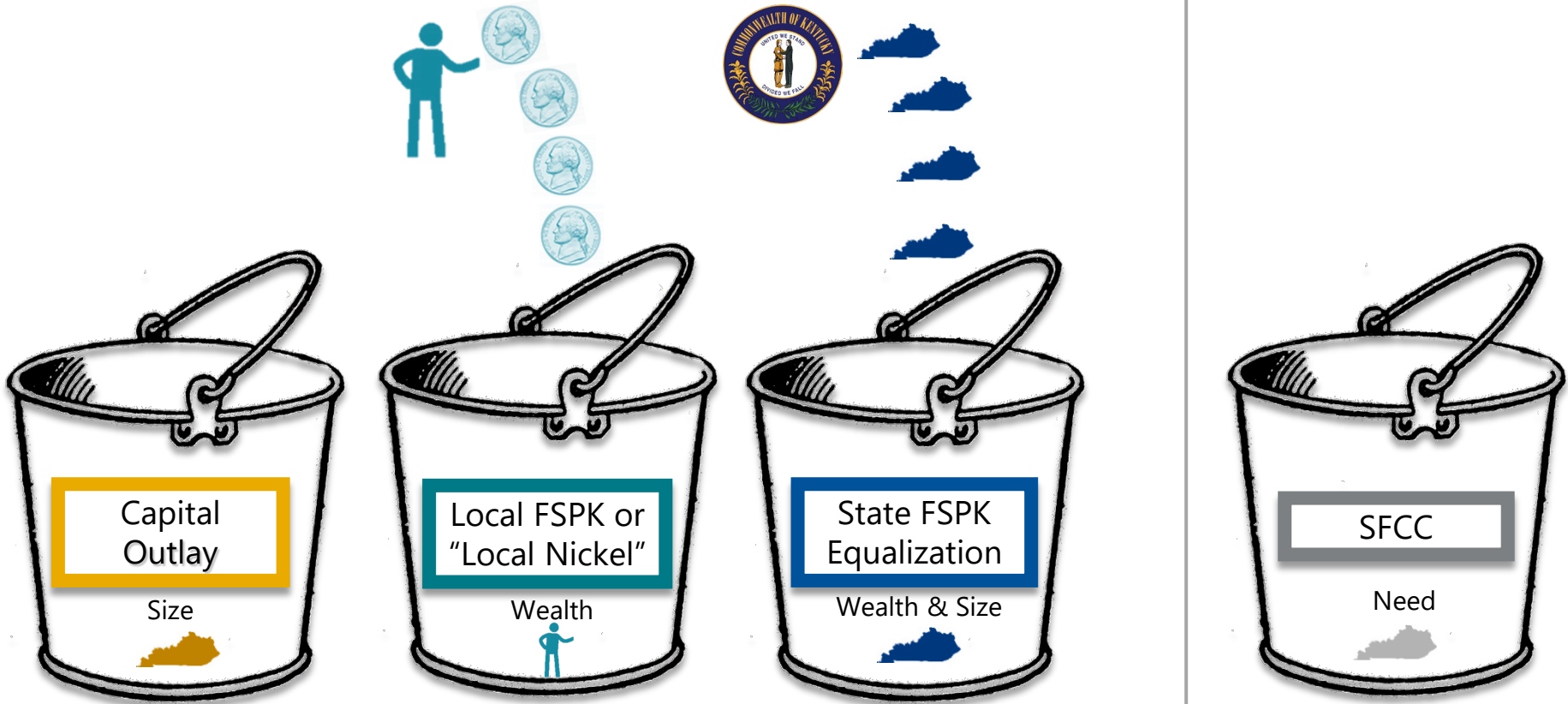
To participate in the FSPK program, districts are required to transfer to their Building Fund the exact amount produced by 5¢/\$100 of assessed value of property and motor vehicles

≈61.2¢
General
Fund of
District







≈20¢

School Funding in Kentucky is Based on Size, Wealth and Need

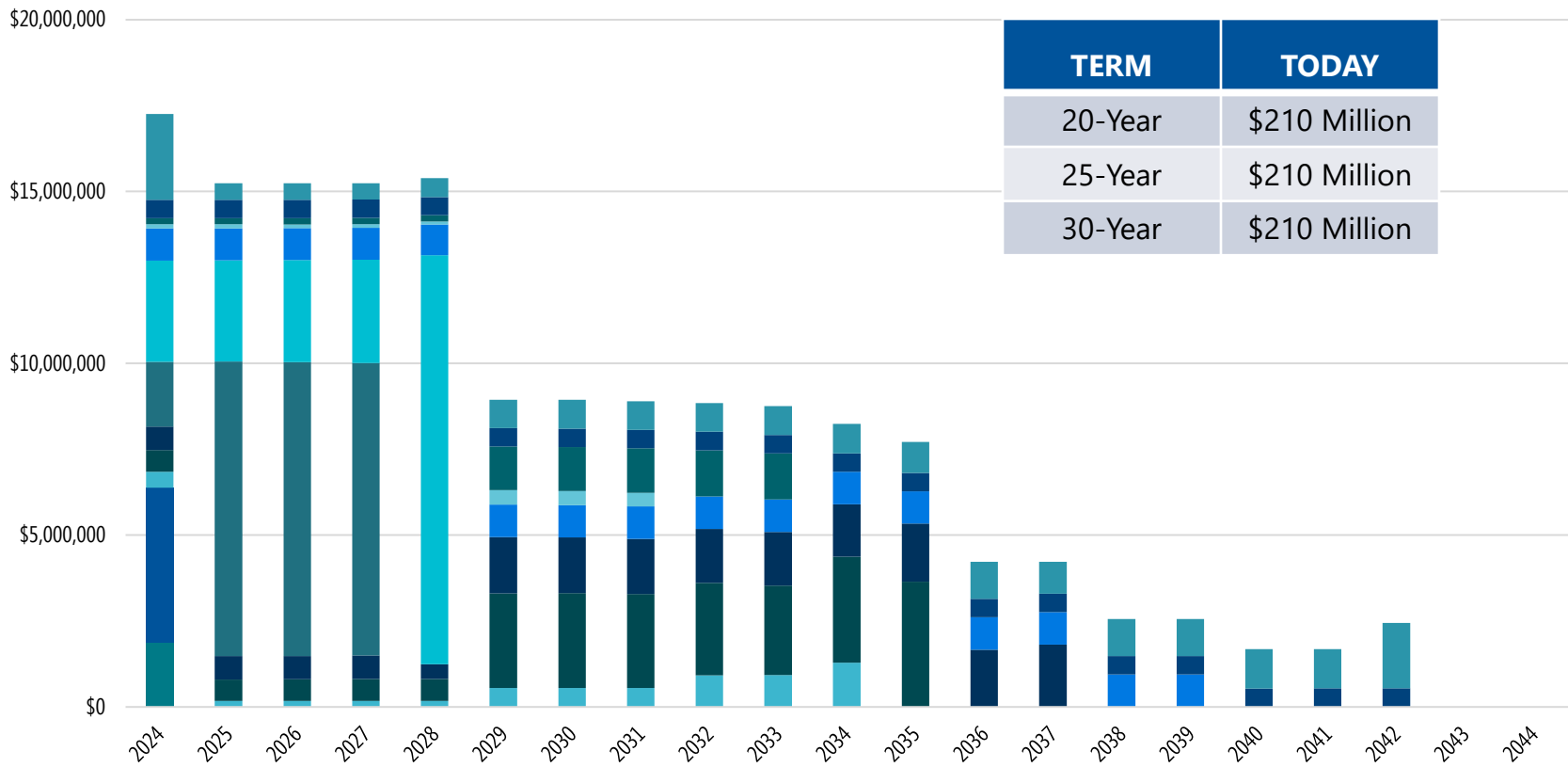


OCPS Has a Very Healthy Amount of Restricted Funds Available for Bonding Capacity

	ASSESSMENT	\$9,092,588,181
	PRIOR YEAR AADA PLUS GROWTH	11,510.984
	FSPK EQUALIZATION PER AADA	\$508
	State Capital Outlay at 80%	\$920,879
	Local FSPK Nickel	4,546,294
	Local Original Growth Nickel	4,546,294
	Local Equalized Growth Nickel	4,546,294
	Local Recallable Nickel	4,546,294
	State Equalization of FSPK	1,301,286
	State Equalization of Original Growth	1,301,286
	State Equalization of Recallable	1,301,286
	State Equalization of Eq. Growth	1,301,286
	Total Restricted Funds Available for Debt Service	\$24,311,198
	Total of SFCC Offers of Assistance (2014 Offer & 2016 Offer)	42,803
	TOTAL RESTRICTED FUNDS AVAILABLE FOR DEBT SERVICE	\$24,354,001

Equalization of 4th Nickel Generates Among the Highest Bonding Capacities of Any Kentucky District

TOTAL RESTRICTED FUNDS AVAILABLE FOR DEBT SERVICE



SUMMARY OF BONDING CAPACITY

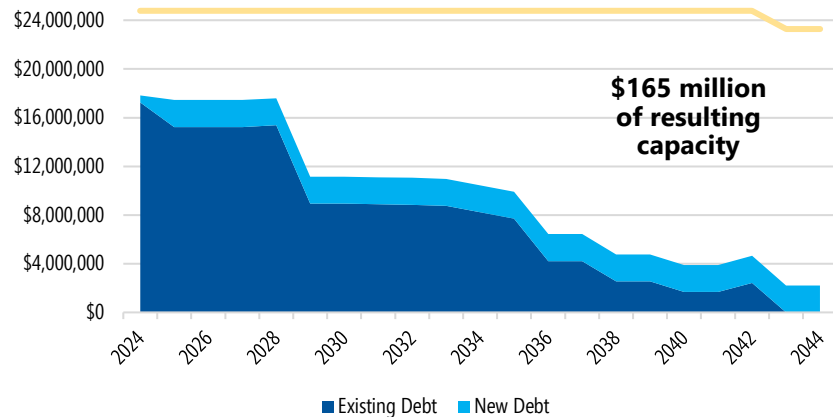
TERM	TODAY
20-Year	\$210 Million
25-Year	\$210 Million
30-Year	\$210 Million

■ 2012 ■ 2012B ■ 2013 ■ 2015 ■ 2016 ■ 2016 ■ 2016B ■ 2018 ■ 2020 ■ 2021 ■ 2021 ■ 2023
 REF REF

OCPS Can Repay Debt Much Faster Than Other Districts; Saving Millions in Interest Expense

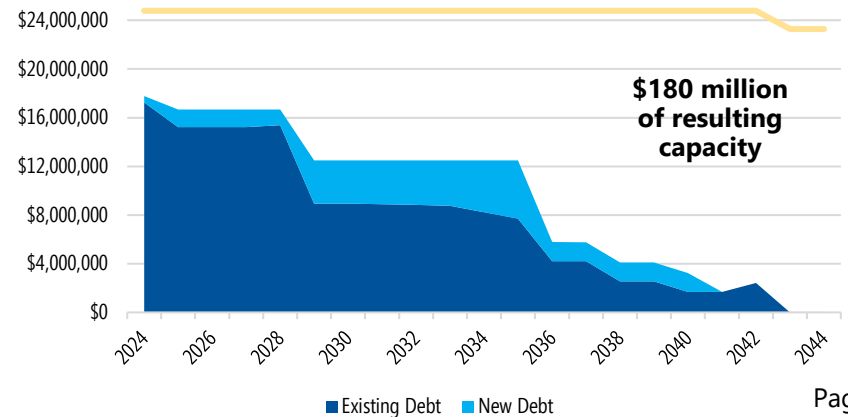
Level

	FY	Principal	Interest	Total P+I	Existing Debt	New Total
	2024		\$563,991	\$563,991	\$17,257,739	\$17,821,730
1	2025	\$1,015,000	1,204,081	2,219,081	15,240,867	17,459,948
2	2026	1,055,000	1,165,269	2,220,269	15,240,670	17,460,938
3	2027	1,095,000	1,124,956	2,219,956	15,237,868	17,457,824
4	2028	1,135,000	1,083,144	2,218,144	15,387,102	17,605,245
5	2029	1,180,000	1,039,738	2,219,738	8,940,767	11,160,505
6	2030	1,225,000	994,644	2,219,644	8,937,989	11,157,632
7	2031	1,270,000	947,863	2,217,863	8,893,773	11,111,635
8	2032	1,320,000	899,300	2,219,300	8,842,346	11,061,646
9	2033	1,370,000	848,863	2,218,863	8,756,279	10,975,141
10	2034	1,420,000	796,550	2,216,550	8,238,170	10,454,720
11	2035	1,475,000	742,269	2,217,269	7,709,773	9,927,042
12	2036	1,535,000	685,448	2,220,448	4,224,388	6,444,836
13	2037	1,595,000	624,781	2,219,781	4,222,588	6,442,369
14	2038	1,660,000	558,835	2,218,835	2,558,113	4,776,948
15	2039	1,730,000	487,195	2,217,195	2,557,125	4,774,320
16	2040	1,810,000	410,633	2,220,633	1,680,250	3,900,883
17	2041	1,890,000	328,740	2,218,740	1,680,200	3,898,940
18	2042	1,980,000	241,170	2,221,170	2,438,500	4,659,670
19	2043	2,070,000	148,515	2,218,515		2,218,515
20	2044	2,170,000	50,453	2,220,453		2,220,453
	TOTAL	\$30,000,000	\$14,946,435	\$44,946,435	\$158,044,503	\$202,990,938



Optimal

	FY	Principal	Interest	Total P+I	Existing Debt	New Total
	2024		\$530,752	\$530,752	\$17,257,739	\$17,788,491
1	2025	\$275,000	1,145,871	1,420,871	15,240,867	16,661,738
2	2026	285,000	1,135,371	1,420,371	15,240,670	16,661,041
3	2027	300,000	1,124,403	1,424,403	15,237,868	16,662,270
4	2028	160,000	1,115,778	1,275,778	15,387,102	16,662,879
5	2029	2,495,000	1,065,996	3,560,996	8,940,767	12,501,763
6	2030	2,595,000	970,559	3,565,559	8,937,989	12,503,547
7	2031	2,740,000	870,528	3,610,528	8,893,773	12,504,300
8	2032	2,895,000	764,871	3,659,871	8,842,346	12,502,217
9	2033	3,095,000	652,559	3,747,559	8,756,279	12,503,837
10	2034	3,740,000	524,403	4,264,403	8,238,170	12,502,573
11	2035	4,420,000	371,403	4,791,403	7,709,773	12,501,176
12	2036	1,290,000	264,018	1,554,018	4,224,388	5,778,406
13	2037	1,340,000	213,043	1,553,043	4,222,588	5,775,631
14	2038	1,395,000	157,631	1,552,631	2,558,113	4,110,744
15	2039	1,455,000	97,403	1,552,403	2,557,125	4,109,528
16	2040	1,520,000	33,060	1,553,060	1,680,250	3,233,310
17	2041				1,680,200	1,680,200
18	2042				2,438,500	2,438,500
19	2043					
20	2044					
	TOTAL	\$30,000,000	\$11,037,645	\$41,037,645	\$158,044,503	\$199,082,149



History of Healthy Increases in State FSPK Equalization With Anticipation of Increases to Continue

FSPK EQUALIZATION RATES PER AADA

PERIOD	RATE PER AADA (\$)	% CHANGE
2022-24	508.0	10.90%
2020-22	458.0	9.50%
2018-20	417.0	6.50%
2016-18	391.5	4.50%
2014-16	374.5	3.30%
2012-14	362.5	-1.50%
2010-12	368.0	3.20%
2008-10	356.5	11.90%
2006-08	318.5	8.50%
2004-06	293.5	7.70%
	AVERAGE	6.45%

BONDING CAPACITY FORECAST

TODAY (\$508 PER AADA)	JULY 2024 +5% IN FSPK (\$533 PER AADA)	JULY 2024 +10% IN FSPK (\$558 PER AADA)
\$210 Million	\$236 Million	\$252 Million

Key Features of OCPS' Bonding Capacity



The Commonwealth recognizes OCPS' commitment to the Building Fund by equalizing its four Local Nickels



OCPS' rebuilds bonding capacity much faster than most other districts (\$10-\$12 million per year)



Ability to shorten the payback terms on capital projects (savings taxpayers significant interest expense)