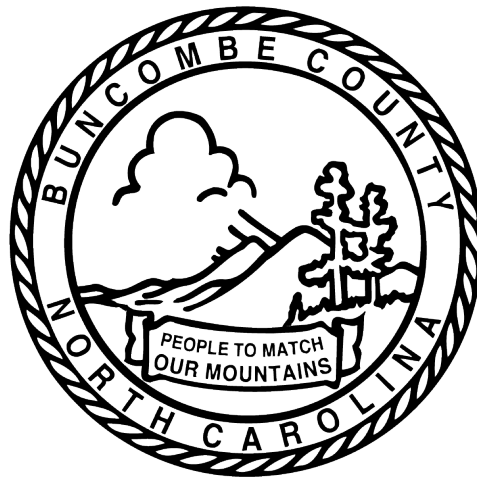


# School Capital Fund Commission



August 15, 2016

# Welcome & Introductions



# Senate Bill 888

**GENERAL ASSEMBLY NORTH CAROLINA  
SESSION 2015**

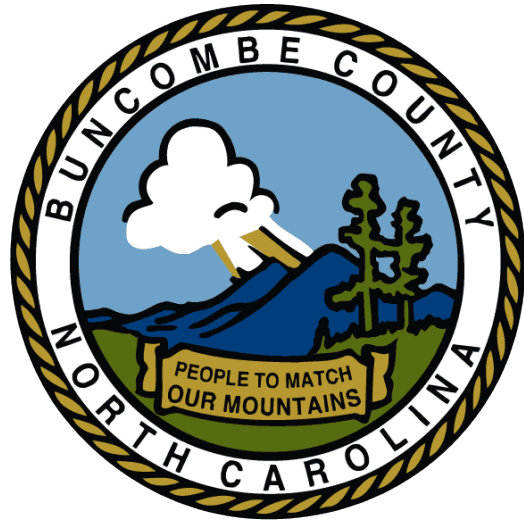
**SESSION LAW 2016-19  
SENATE BILL 888**

**AN ACT TO AMEND THE BUNCOMBE COUNTY SCHOOL CAPITAL FUND COMMISSION**



- Amends law from 1983
- Article 39 sales tax revenue only
- Allocation no longer based on ADM
- For public school capital needs in excess of \$100,000



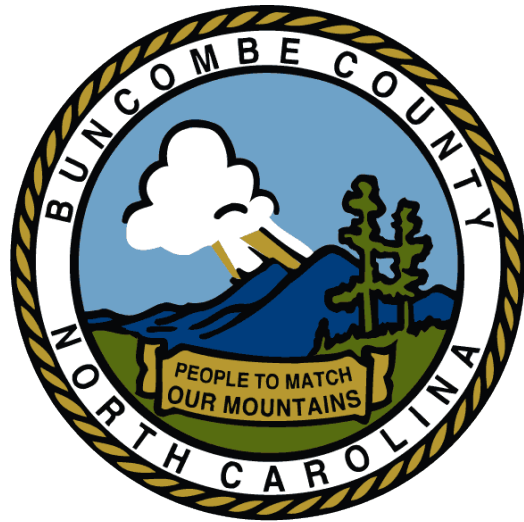


Appointment of 5<sup>th</sup> Member

# Current Appointments

- Brownie Newman – Vice Chair, BOCC  
Buncombe County Appointed Representative
- Ellen Frost – Board Member, BOCC  
Buncombe County Appointed Representative
- Pat Bryant – Board Member, BCS  
Buncombe County Schools Representative
- Donna Watson – Retired CFO, ACS  
Asheville City School Representative
- Vacant  
SCFC Appointment





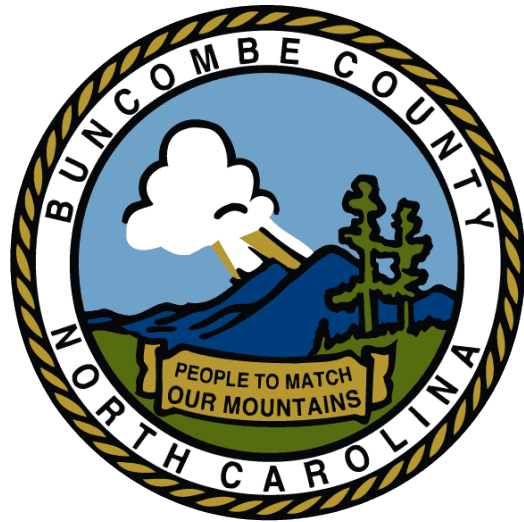
# SCFC By-laws Discussion

# SCFC By-laws

- Appointment of officers
- Roles and responsibilities
- Decisions required
- Approval at next meeting



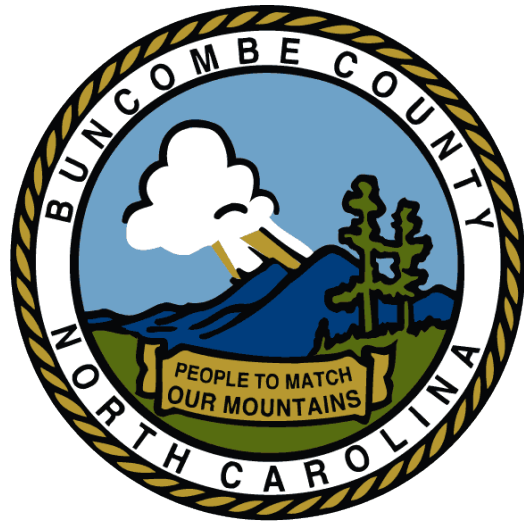




# Current Obligations

**School Capital Commission Projects**  
**As of July 1, 2016**

<b>Project</b>	<b>Debt Issuance Year</b>	<b>Original Debt Amount</b>	<b>Remaining Principal Balance</b>
Enka Intermediate School	2015	27,595,706	23,275,000
Indoor Swimming Pool	2015	6,544,836	5,305,000
Asheville Middle School	2014	43,688,362	36,190,000
Isaac Dickson Elementary School	2014	22,654,402	18,765,000
AHS Lab Renovations	2010	3,800,000	2,270,000
South Buncombe & North Buncombe Intermediate Schools	2009	36,465,000	19,678,355
ACS - Construction/Remodeling	2009	2,703,727	1,474,187
BCS - Construction/Remodeling	2009	3,100,529	1,770,813
ACS - AHS Cafeteria Addition	2006	8,612,282	4,185,649
BCS - Enka Reno, Enka Roofing, Fernihurst Reno, Maple Reno, OneStop Center, Paving	2006	33,956,397	11,412,854
ACS - Avl Middle Reno, Hall Fletcher, Jones Primary	1997/2000	4,425,756	3,268,251
BCS - Erwin High Reno, South Buncombe Middle, Enka Elem, Erwin Middle Reno, Leicester Elem, Johnston Elem	1997/2000	27,007,171	19,943,757
<b>Grand Total</b>		<b>\$ 220,554,168</b>	<b>\$ 147,538,866</b>



# Funding Forecast

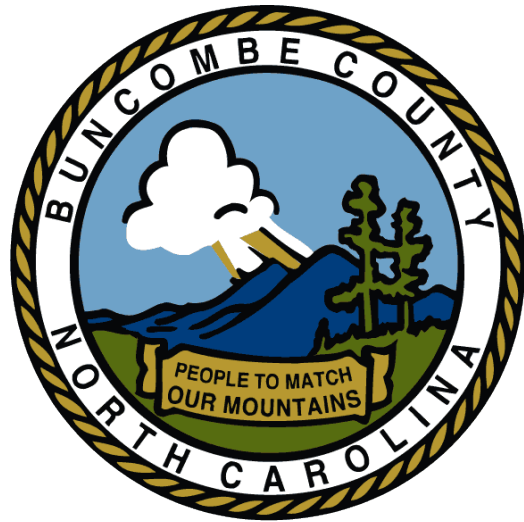
# Assumptions:

- Revenue growth based on current trends
- All projects funded through debt issuances
- 20 year project life
- Interest rates consistent with current trends



**Public School Capital Needs Fund  
Cash Flow Forecast**

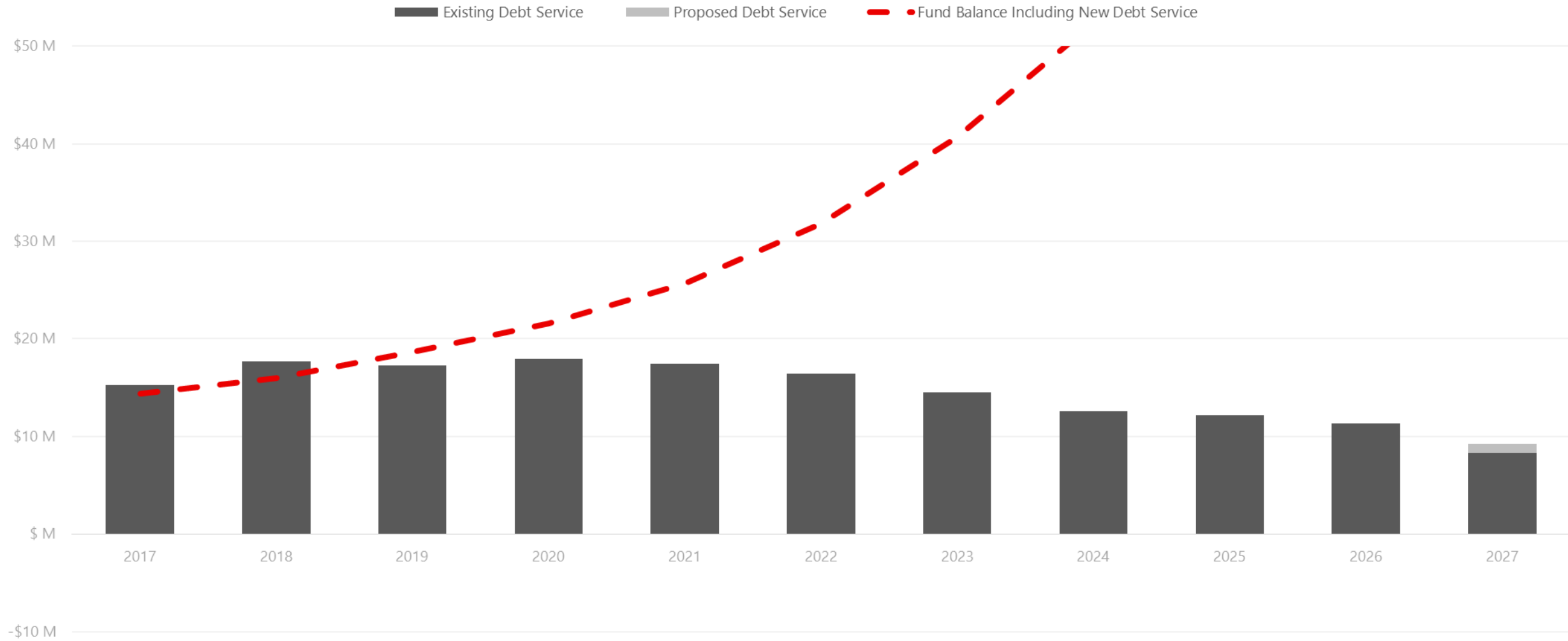
	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
Beginning balance	\$29,254,243	\$14,331,267	\$15,763,438	\$18,411,799	\$21,187,354	\$25,244,324	\$31,217,615
<b>REVENUES</b>							
Article 39 Sales Tax	18,146,657	18,872,524	19,627,425	20,412,522	21,229,022	22,078,183	22,961,311
Build America Bonds Subsidies	187,220	187,220	187,220	187,220	187,220	187,220	187,220
Interest Earnings/Other	167,219	94,363	98,137	102,063	106,145	110,391	114,807
Total revenues	18,501,097	19,154,106	19,912,782	20,701,804	21,522,388	22,375,794	23,263,337
<b>EXPENDITURES</b>							
Approved Projects in Progress	18,133,479	-	-	-	-	-	-
Debt Service (includes impact of various refundings)	15,290,593	17,721,936	17,264,420	17,926,249	17,465,417	16,402,504	14,522,864
Total expenditures	33,424,072	17,721,936	17,264,420	17,926,249	17,465,417	16,402,504	14,522,864
Revenues over (under) expenditures	(14,922,976)	1,432,171	2,648,361	2,775,555	4,056,970	5,973,290	8,740,474
Ending balance	\$14,331,267	\$15,763,438	\$18,411,799	\$21,187,354	\$25,244,324	\$31,217,615	\$39,958,088



# Demo: Impact of Debt Service

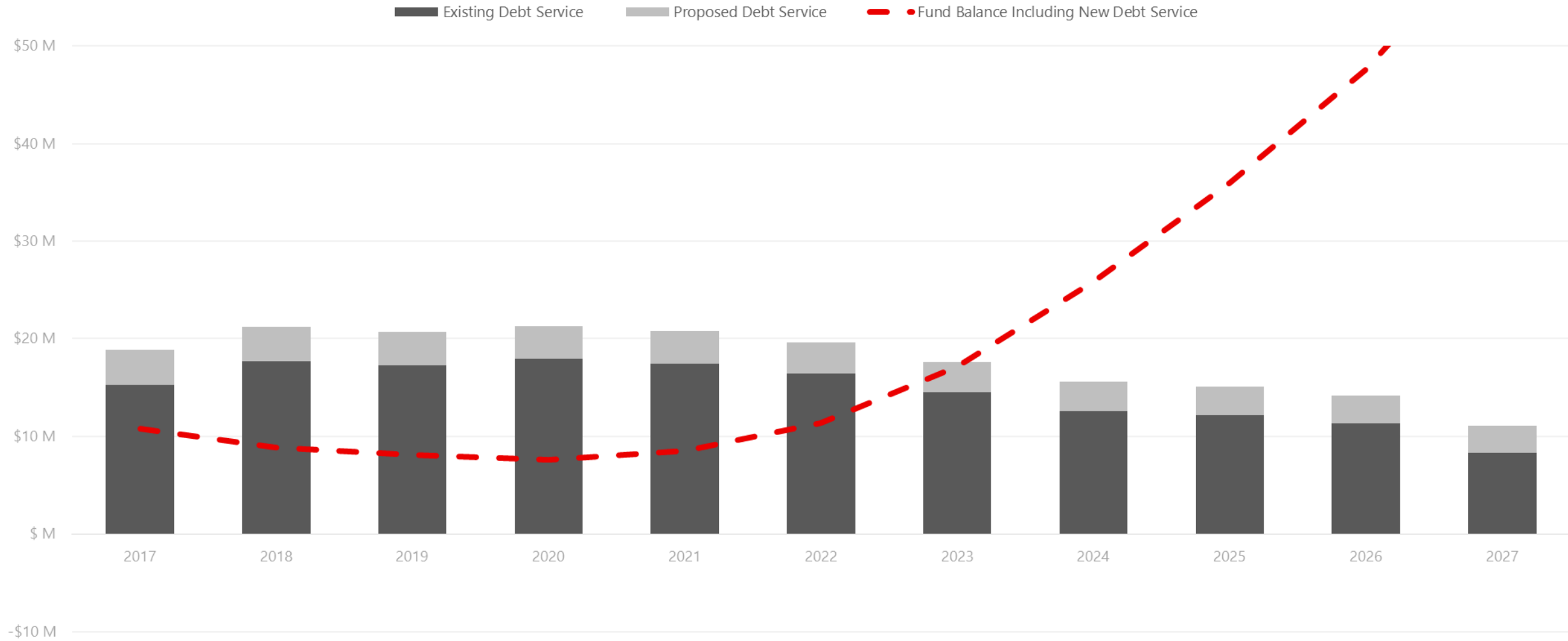
# Example: Debt Service Impact on Fund Balance

Estimated Fund Balance, No New Debt Service



# Example: Debt Service Impact on Fund Balance

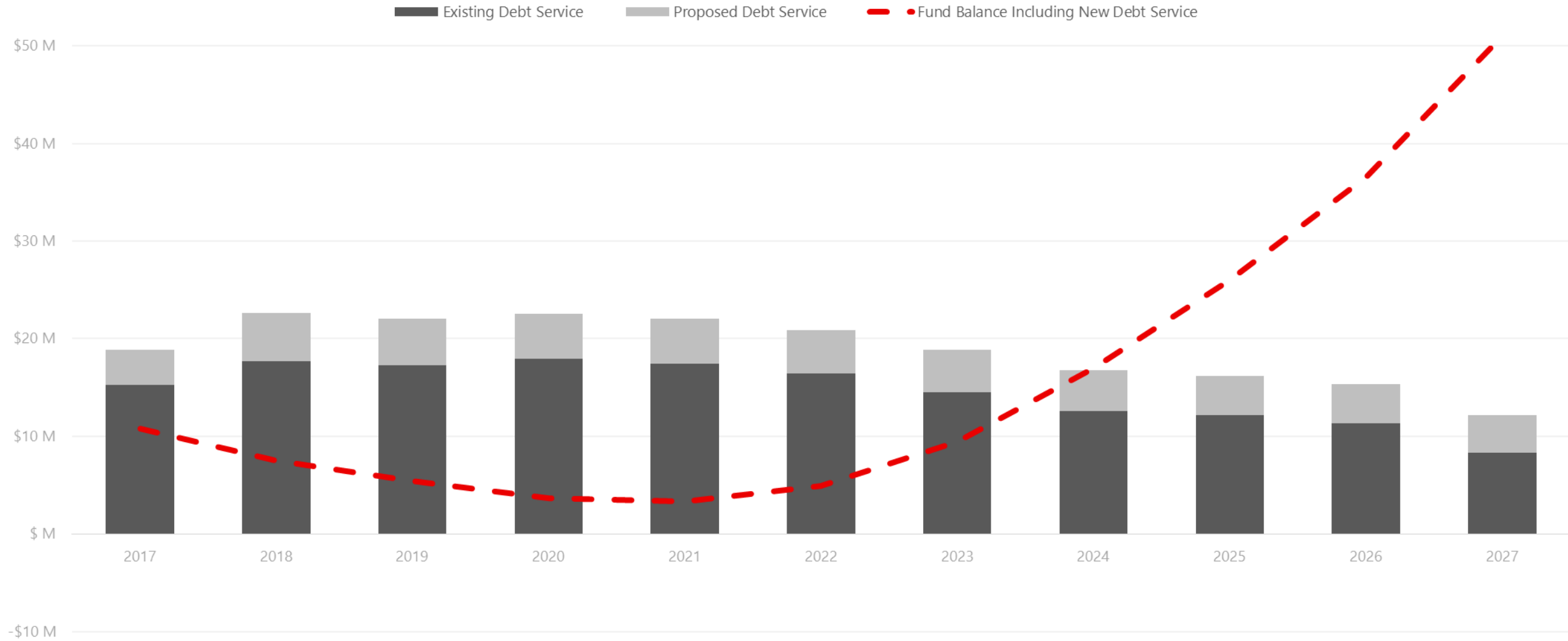
Estimated Fund Balance, \$40M New Debt in FY2017





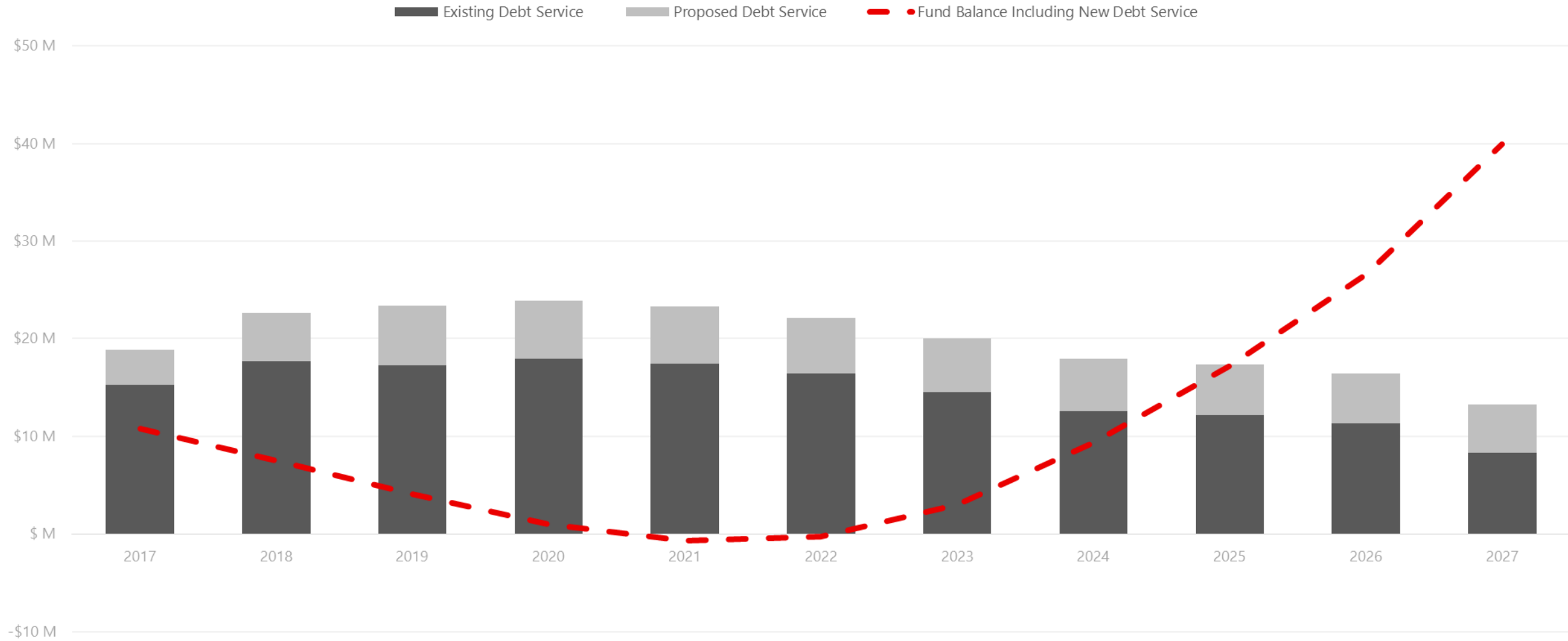
# Example: Debt Service Impact on Fund Balance

Estimated Fund Balance, \$15M New Debt in FY2018



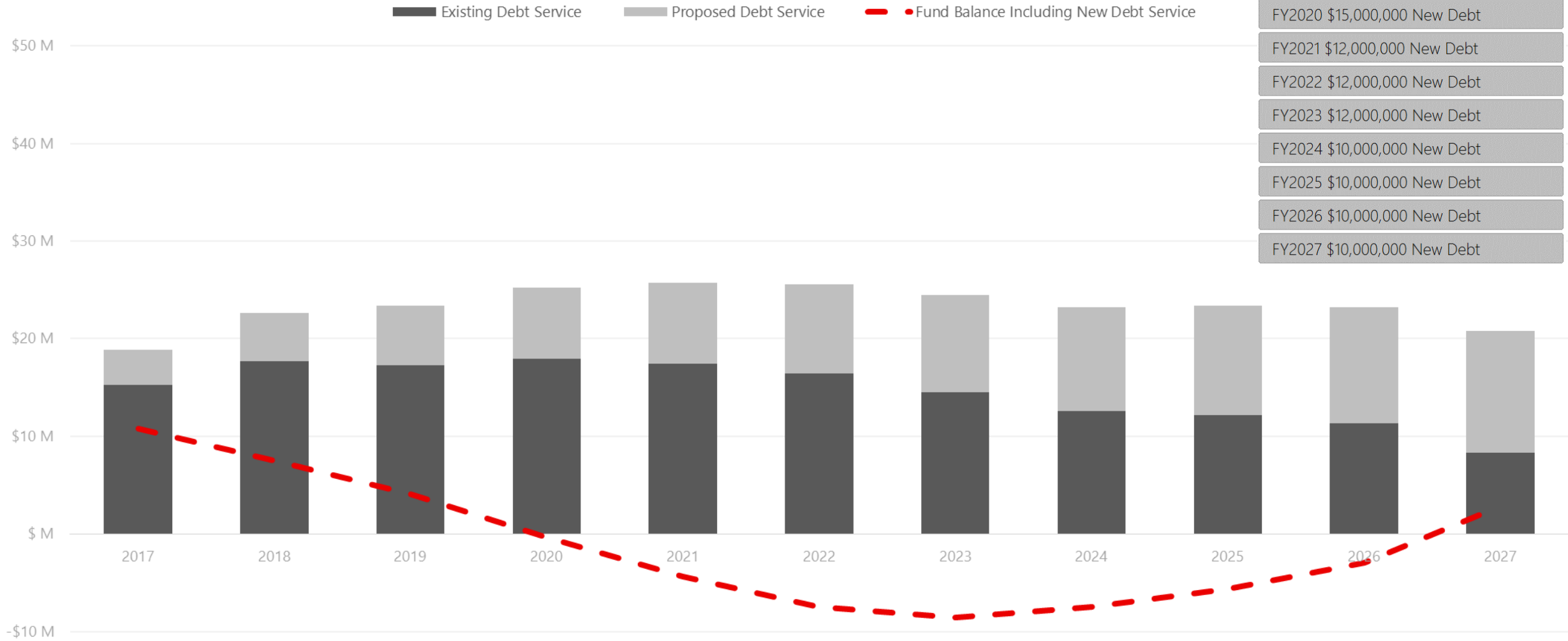
# Example: Debt Service Impact on Fund Balance

Estimated Fund Balance, \$15M New Debt in FY2019



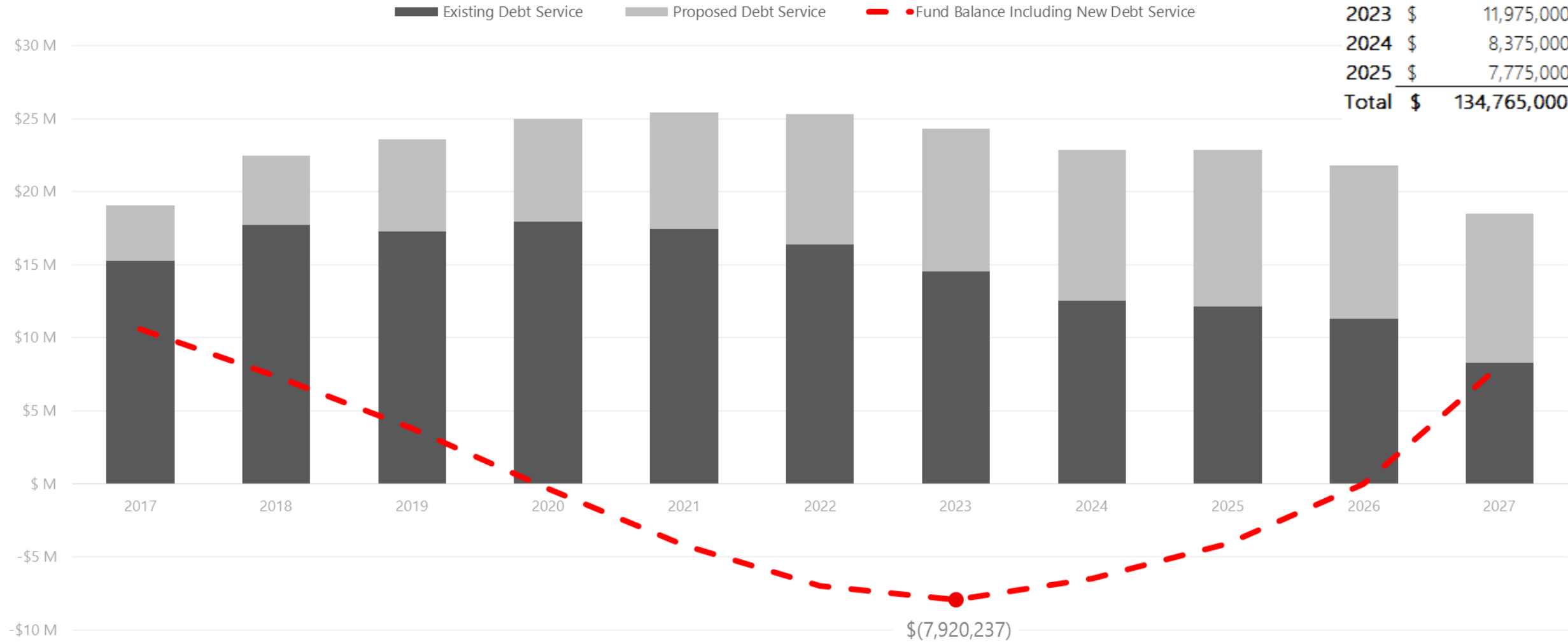
# Example: Debt Service Impact on Fund Balance

Estimated Fund Balance, including all Example Debt Issuances



# Scenario #1: All Currently Proposed Debt

Estimated Fund Balance, including all currently proposed debt, issued upfront

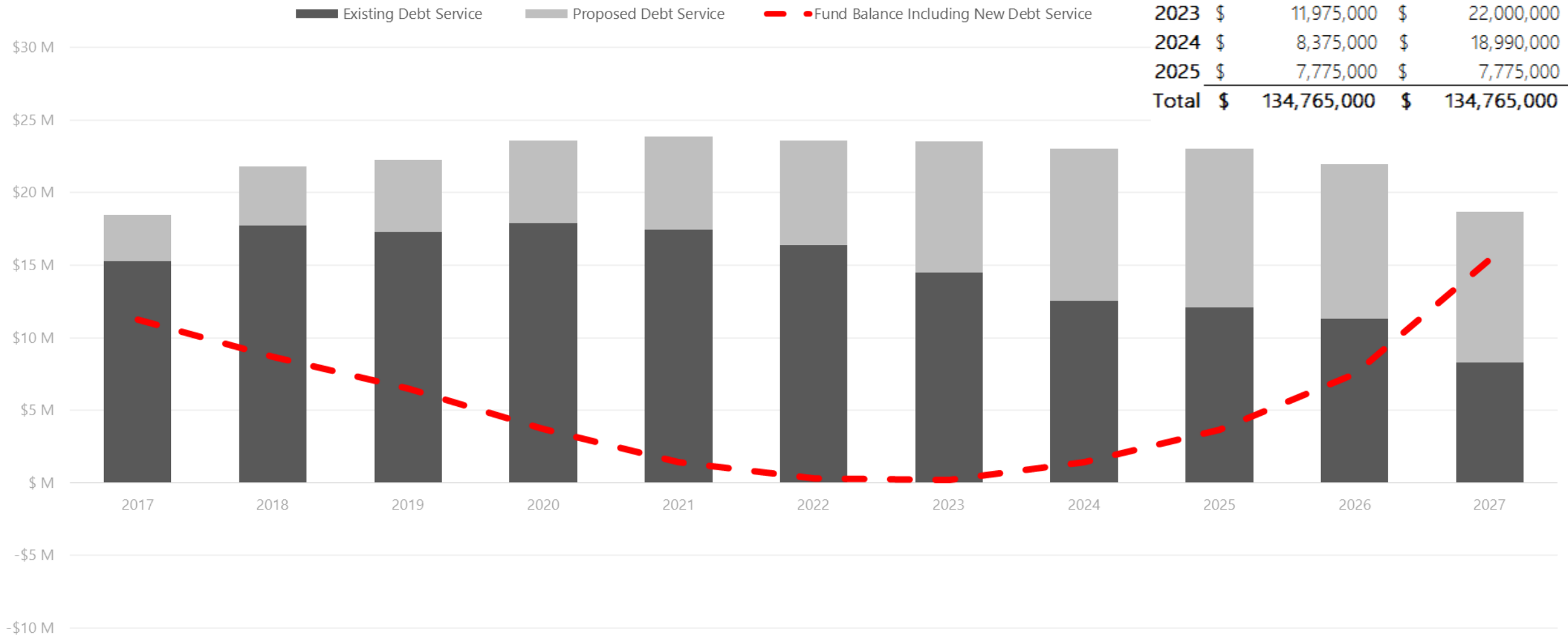


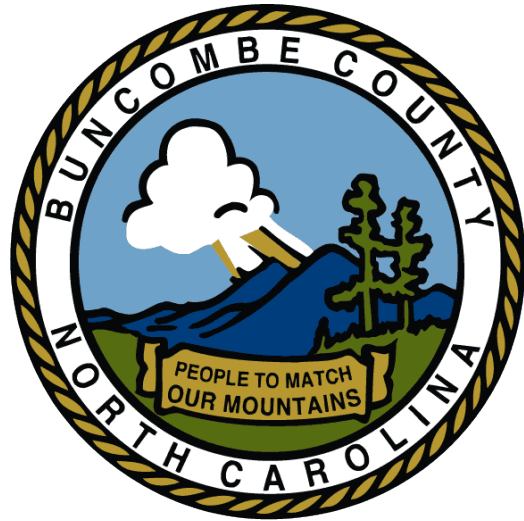
		Proposed
2017	\$	42,145,000
2018	\$	11,810,000
2019	\$	18,215,000
2020	\$	9,750,000
2021	\$	12,360,000
2022	\$	12,360,000
2023	\$	11,975,000
2024	\$	8,375,000
2025	\$	7,775,000
<b>Total</b>	<b>\$</b>	<b>134,765,000</b>

# Scenario #2: All Currently Proposed Debt, Cash Flow Managed

Estimated Fund Balance, including all currently proposed debt, with phased

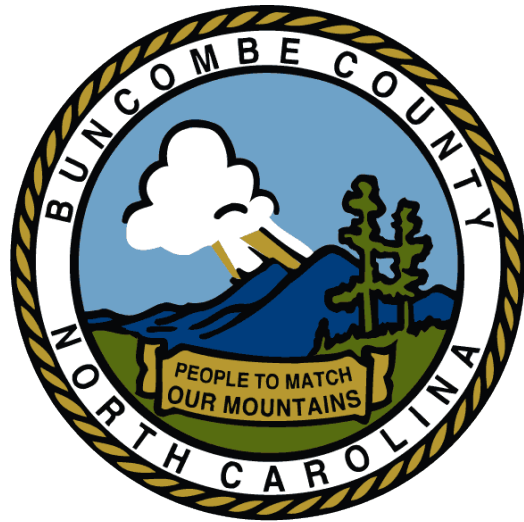
	Proposed		Issued	
2017	\$	42,145,000	\$	35,000,000
2018	\$	11,810,000	\$	11,000,000
2019	\$	18,215,000	\$	11,000,000
2020	\$	9,750,000	\$	9,000,000
2021	\$	12,360,000	\$	10,000,000
2022	\$	12,360,000	\$	10,000,000
2023	\$	11,975,000	\$	22,000,000
2024	\$	8,375,000	\$	18,990,000
2025	\$	7,775,000	\$	7,775,000
<b>Total</b>	<b>\$</b>	<b>134,765,000</b>	<b>\$</b>	<b>134,765,000</b>





# Initial Requests

To be discussed at a future time



# Meetings & Dates

# Contact Information

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Director of Finance

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828.250.4137