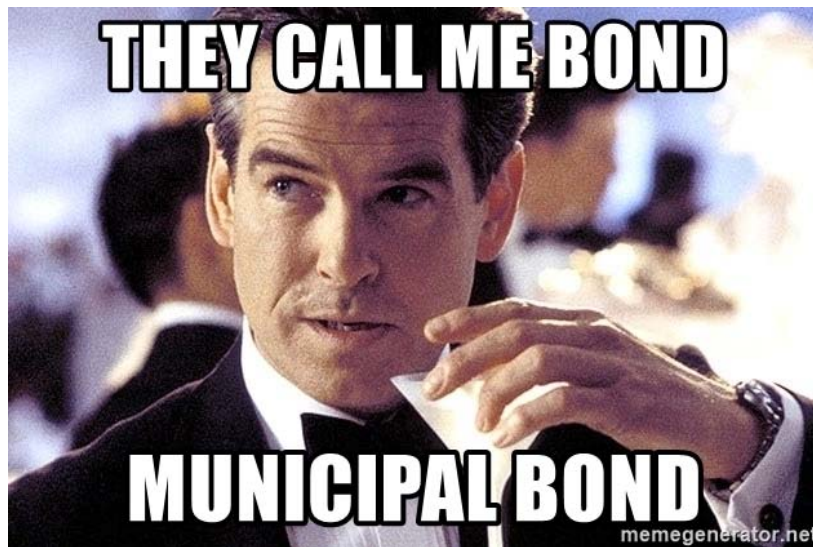


# Bond Savings

KRISTY STOICOIU, TREASURER/CFO



## What is a Municipal Bond?

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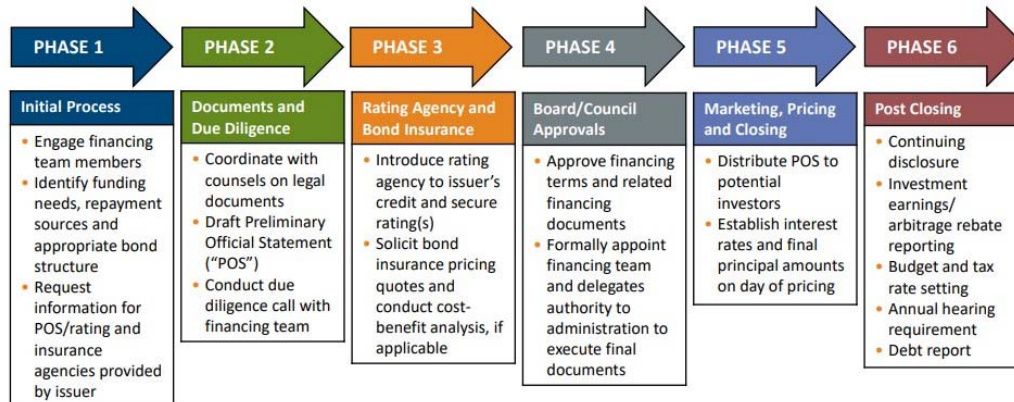
- A municipal bond is essentially a promise to repay money. In the context of municipal bonds, more technically, it's a debt security issued by a state, city, county or their agency to finance projects.
- Though they are highly regulated and complex, they are attractive to investors because they are generally issued as tax exempt bonds, which in turn allows the issuer such as a school district to receive the funds at a low interest rate.
- For the bond to be tax exempt the funds must be used for a governmental issue and used within a certain time frame.

## Bond Issuance Process

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- It is important to note that education bonds are voter-approved funds that can only be used for school facilities.
- School districts collect this money by taxing property owners on the assessed value of their properties and then sell the bond to investors.
- These funds then function similarly to a loan, like a home equity line, but for the school district.

# Bond Issuance Process



# Co-Funded Portion

**How is the State of Ohio involved in the Building Program?**  
 The Ohio Facilities Construction Commission (OFCC) provides funding, management oversight and technical assistance to school districts for renovation and construction of school facilities. That help comes in the form of doing building assessments to help the District evaluate the condition of schools. As a partner of the District they also co-approve project design and construction contracts.

CO-FUNDED PROJECT COST	
New 6-12 facility on Bolich site	\$ 87,387,350
Abate/Demo Newberry and Bolich	\$ 1,244,129
<b>Total</b>	<b>\$ 88,631,479</b>
CO-FUNDED BREAKDOWN	
District/Local Share (63%)	\$ 55,837,857
OFCC Share (37%)	\$ 32,793,622
<b>Total</b>	<b>\$ 88,631,479</b>

## Locally Funded Initiatives

### What is a Locally Funded Initiative?

Locally Funded Initiatives (LFIs) are building improvement programs and/or work not funded by the Ohio Facilities Construction Commission (OFCC). An LFI must be 100% funded by the District and/or other sources of funds. Examples include renovation or construction of fixed-seat auditoriums, athletic fields, land acquisition, indoor running tracks, swimming pools and extra facilities that support community outreach programs.

LOCALLY FUNDED INITIATIVES	
Phasing Costs	\$ 1,200,000
4% Escalator for Market Conditions	\$ 4,272,143
New 1,400 seat PAC	\$ 9,000,000
New 5,000 seat stadium	\$ 9,300,000
Building Material Enhancement	\$ 1,000,000
<b>Total</b>	<b>\$ 24,772,143</b>

## Total Project Cost – Cuyahoga Falls CSD

TOTAL PROJECT COST	
Local Share (Co-Funded Portion)	\$ 55,837,857
OFCC - State Share (Co-Funded Portion)	\$ 32,793,622
Locally Funded Initiatives	\$ 24,772,143
<b>Total</b>	<b>\$ 113,403,622</b>
TOTAL LOCAL SHARE/BALLOT AMOUNT	
Local Share (Co-Funded Portion)	\$ 55,837,857
Locally Funded Initiatives	\$ 24,772,143
<b>Total</b>	<b>\$ 80,610,000</b>



## 2019 Assumptions

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- Total bond issuance: \$80,610,000
- The terms of the bonds: 36 years at a 4.5% interest rate
- 2019 Taxable Valuation - \$770,662,690
- Projected total repayment (principal and interest) - \$147,717,825
- Total millage: 5.33 mills
- Total annual cost to a home of \$100,000 value is \$186.55

# 2019

BALLOT MILLAGE CALCULATION ASSUMPTIONS		TOTAL DEBT SERVICE	
2019 TAX VALUATION	\$ 770,662,690	TOTAL PRINCIPAL	\$ 80,610,000
INTEREST RATE	4.50%	TOTAL INTEREST	\$ 67,107,825
MAXIMUM (YEARS)	36	TOTAL TAXPAYER COST	\$ 147,717,825
MILLAGE CALCULATION		COST TO HOMEOWNER	
Average Annual Interest	\$ 1,864,106	Appraised Value	\$ 100,000
Average Annual Principal	\$ 2,239,167	Taxable Value	\$ 35,000
Average Annual Debt Service	\$ 4,103,273	Annual Cost	\$ 186.55
TOTAL MILLAGE	5.330	Monthly Cost	\$ 15.55

## 2020 Assumptions

- Total bond issuance: \$80,610,000
- The terms of the bonds: 36 years at a 4.5% interest rate
- 2020 Taxable Valuation - \$878,076,980
  - Real property in Summit County is assessed every three years. State law mandates that a sexennial reappraisal be performed (every six years), with the most recent effective in tax year 2020. For tax year 2020 the District's valuation increased 13.76% due to the sexennial reappraisal.
- Projected total repayment (principal and interest) - \$147,717,825
- Total millage: 4.65 mills
  - Reduced due to the increase in taxable valuation
- Total annual cost to a home of \$100,000 value is \$162.75

# 2020

BALLOT MILLAGE CALCULATION		TOTAL DEBT SERVICE	
2020 TAX VALUATION	\$ 878,076,980	TOTAL PRINCIPAL	\$ 80,610,000
INTEREST RATE	4.50%	TOTAL INTEREST	\$ 67,107,825
MAXIMUM (YEARS)	36	TOTAL TAXPAYER COST	\$ 147,717,825
MILLAGE CALCULATION		COST TO HOMEOWNER	
Average Annual Interest	\$ 1,864,106	Appraised Value	\$ 100,000
Average Annual Principal	\$ 2,239,167	Taxable Value	\$ 35,000
Average Annual Debt Service	\$ 4,103,273	Annual Cost	\$ 162.75
TOTAL MILLAGE	4.650	Monthly Cost	\$ 13.56

## 2021 Actual

- Bonds were sold in May 2021 at an average rate of 2.72% interest. A decrease from anticipated interest rates of 4.50%.
- The District also received \$5,147,135 in Additional Proceeds on the sale of bonds.
- The District has been collecting proceeds on the bond levy since tax year 2020. Those funds are kept separate in a bond retirement fund and can only be used to pay back bond debt.
- The first three years of repayment the District will make \$14,230,000 in principal payments with a combination of the Additional Proceeds and the tax revenue that has already been collected.
- As a result of the lower interest rate and large principal payments, taxpayers will save \$20,563,702 compared to 2019 assumptions.

# 2021

BALLOT MILLAGE CALCULATION		TOTAL DEBT SERVICE	
2020 TAX VALUATION*	\$ 878,076,980	TOTAL PRINCIPAL	\$ 80,610,000
INTEREST RATE	2.72%	TOTAL INTEREST	\$ 46,544,123
MAXIMUM (YEARS)	36	TOTAL TAXPAYER COST	\$ 127,154,123
MILLAGE CALCULATION		COST TO HOMEOWNER	
Average Annual Interest	\$ 1,329,832	Appraised Value	\$ 100,000
Average Annual Principal	\$ 2,303,143	Taxable Value	\$ 35,000
Average Annual Debt Service	\$ 3,632,975	Annual Cost	\$ 162.75
TOTAL MILLAGE	4.65	Monthly Cost	\$ 13.56

## Bond Proceeds

BOND PROCEEDS		BREAKDOWN	
All-In True Interest Cost	2.722698%	Local Share (Co-Funded Portion)	\$ 55,837,857
Par	\$ 80,610,000	Locally Funded Initiatives	\$ 24,772,143
Net Premium	\$ 6,150,715	Additional Proceeds	\$ 5,147,135
<b>Total Revenue</b>	<b>\$ 86,760,715</b>	<b>Total Proceeds</b>	<b>\$ 85,757,135</b>
Less Fees	\$ (1,003,580)		
<b>Total Proceeds</b>	<b>\$ 85,757,135</b>		



## Debt Service Schedule

YEAR	BEGINNING BALANCE	PRINCIPAL	INTEREST	TOTAL PAYMENT	ENDING BALANCE	YEAR	BEGINNING BALANCE	PRINCIPAL	INTEREST	TOTAL PAYMENT	ENDING BALANCE
1	\$ 80,610,000	\$ 7,460,000	\$ 1,200,998	\$ 8,660,998	\$ 73,150,000	19	\$ 43,570,000	\$ 1,965,000	\$ 1,379,125	\$ 3,344,125	\$ 41,605,000
2	\$ 73,150,000	\$ 3,900,000	\$ 2,380,775	\$ 6,280,775	\$ 69,250,000	20	\$ 41,605,000	\$ 2,025,000	\$ 1,320,175	\$ 3,345,175	\$ 39,580,000
3	\$ 69,250,000	\$ 2,870,000	\$ 2,263,775	\$ 5,133,775	\$ 66,380,000	21	\$ 39,580,000	\$ 2,085,000	\$ 1,259,425	\$ 3,344,425	\$ 37,495,000
4	\$ 66,380,000	\$ 1,170,000	\$ 2,177,675	\$ 3,347,675	\$ 65,210,000	22	\$ 37,495,000	\$ 2,150,000	\$ 1,196,875	\$ 3,346,875	\$ 35,345,000
5	\$ 65,210,000	\$ 1,205,000	\$ 2,142,575	\$ 3,347,575	\$ 64,005,000	23	\$ 35,345,000	\$ 2,215,000	\$ 1,132,375	\$ 3,347,375	\$ 33,130,000
6	\$ 64,005,000	\$ 1,240,000	\$ 2,106,425	\$ 3,346,425	\$ 62,765,000	24	\$ 33,130,000	\$ 2,280,000	\$ 1,065,925	\$ 3,345,925	\$ 30,850,000
7	\$ 62,765,000	\$ 1,290,000	\$ 2,056,825	\$ 3,346,825	\$ 61,475,000	25	\$ 30,850,000	\$ 2,350,000	\$ 997,525	\$ 3,347,525	\$ 28,500,000
8	\$ 61,475,000	\$ 1,340,000	\$ 2,005,225	\$ 3,345,225	\$ 60,135,000	26	\$ 28,500,000	\$ 2,420,000	\$ 927,025	\$ 3,347,025	\$ 26,080,000
9	\$ 60,135,000	\$ 1,395,000	\$ 1,951,625	\$ 3,346,625	\$ 58,740,000	27	\$ 26,080,000	\$ 2,490,000	\$ 854,425	\$ 3,344,425	\$ 23,590,000
10	\$ 58,740,000	\$ 1,450,000	\$ 1,895,825	\$ 3,345,825	\$ 57,290,000	28	\$ 23,590,000	\$ 2,590,000	\$ 754,825	\$ 3,344,825	\$ 21,000,000
11	\$ 57,290,000	\$ 1,510,000	\$ 1,837,825	\$ 3,347,825	\$ 55,780,000	29	\$ 21,000,000	\$ 2,695,000	\$ 651,225	\$ 3,346,225	\$ 18,305,000
12	\$ 55,780,000	\$ 1,570,000	\$ 1,777,425	\$ 3,347,425	\$ 54,210,000	30	\$ 18,305,000	\$ 2,805,000	\$ 543,425	\$ 3,348,425	\$ 15,500,000
13	\$ 54,210,000	\$ 1,630,000	\$ 1,714,625	\$ 3,344,625	\$ 52,580,000	31	\$ 15,500,000	\$ 2,915,000	\$ 431,225	\$ 3,346,225	\$ 12,585,000
14	\$ 52,580,000	\$ 1,695,000	\$ 1,649,425	\$ 3,344,425	\$ 50,885,000	32	\$ 12,585,000	\$ 3,030,000	\$ 314,625	\$ 3,344,625	\$ 9,555,000
15	\$ 50,885,000	\$ 1,750,000	\$ 1,598,575	\$ 3,348,575	\$ 49,135,000	33	\$ 9,555,000	\$ 3,105,000	\$ 238,875	\$ 3,343,875	\$ 6,450,000
16	\$ 49,135,000	\$ 1,800,000	\$ 1,546,075	\$ 3,346,075	\$ 47,335,000	34	\$ 6,450,000	\$ 3,185,000	\$ 161,250	\$ 3,346,250	\$ 3,265,000
17	\$ 47,335,000	\$ 1,855,000	\$ 1,492,075	\$ 3,347,075	\$ 45,480,000	35	\$ 3,265,000	\$ 3,265,000	\$ 81,625	\$ 3,346,625	\$ -
18	\$ 45,480,000	\$ 1,910,000	\$ 1,436,425	\$ 3,346,425	\$ 43,570,000		<b>Totals</b>	<b>\$ 80,610,000</b>	<b>\$ 46,544,123</b>	<b>\$ 127,154,123</b>	

## Taxpayer Cost

YEAR	TOTAL VALUATION	TOTAL PAYMENT	MILLAGE	COST PER YEAR FOR \$100,000 VALUE HOME	YEAR	TOTAL VALUATION	TOTAL PAYMENT	MILLAGE	COST PER YEAR FOR \$100,000 VALUE HOME
2021	\$ 878,076,980	\$ 8,660,998	4.65	\$ 162.75	2039	\$ 1,066,027,945	\$ 3,344,125	3.23	\$ 113.05
2022	\$ 879,454,701	\$ 6,280,775	4.65	\$ 162.75	2040	\$ 1,067,712,935	\$ 3,345,175	3.23	\$ 113.05
2023	\$ 880,835,177	\$ 5,133,775	4.65	\$ 162.75	2041	\$ 1,069,401,294	\$ 3,344,425	3.22	\$ 112.70
2024	\$ 906,888,991	\$ 3,347,675	3.81	\$ 133.35	2042	\$ 1,101,112,092	\$ 3,346,875	3.13	\$ 109.55
2025	\$ 908,313,725	\$ 3,347,575	3.80	\$ 133.00	2043	\$ 1,102,854,580	\$ 3,347,375	3.13	\$ 109.55
2026	\$ 909,741,309	\$ 3,346,425	3.79	\$ 132.65	2044	\$ 1,104,600,553	\$ 3,345,925	3.12	\$ 109.20
2027	\$ 936,662,307	\$ 3,346,825	3.68	\$ 128.80	2045	\$ 1,137,367,329	\$ 3,347,525	3.03	\$ 106.05
2028	\$ 938,135,659	\$ 3,345,225	3.68	\$ 128.80	2046	\$ 1,139,169,278	\$ 3,347,025	3.03	\$ 106.05
2029	\$ 939,611,958	\$ 3,346,625	3.67	\$ 128.45	2047	\$ 1,140,974,831	\$ 3,344,425	3.02	\$ 105.70
2030	\$ 967,429,075	\$ 3,345,825	3.57	\$ 124.95	2048	\$ 1,174,832,835	\$ 3,344,825	2.94	\$ 102.90
2031	\$ 968,952,704	\$ 3,347,825	3.56	\$ 124.60	2049	\$ 1,176,696,274	\$ 3,346,225	2.93	\$ 102.55
2032	\$ 970,479,380	\$ 3,347,425	3.56	\$ 124.60	2050	\$ 1,178,563,440	\$ 3,348,425	2.93	\$ 102.55
2033	\$ 999,222,521	\$ 3,344,625	3.45	\$ 120.75	2051	\$ 1,213,549,102	\$ 3,346,225	2.84	\$ 99.40
2034	\$ 1,000,798,142	\$ 3,344,425	3.45	\$ 120.75	2052	\$ 1,215,476,129	\$ 3,344,625	2.84	\$ 99.40
2035	\$ 1,002,376,915	\$ 3,348,575	3.44	\$ 120.40	2053	\$ 1,217,407,011	\$ 3,343,875	2.83	\$ 99.05
2036	\$ 1,032,076,981	\$ 3,346,075	3.34	\$ 116.90	2054	\$ 1,253,557,980	\$ 3,346,250	2.75	\$ 96.25
2037	\$ 1,033,706,369	\$ 3,347,075	3.34	\$ 116.90	2055	\$ 1,255,550,765	\$ 3,346,625	2.75	\$ 96.25
2038	\$ 1,035,339,016	\$ 3,346,425	3.33	\$ 116.55		<b>TOTALS</b>	<b>\$ 70,274,173</b>		<b>\$ 2,359.70</b>

## Comparison: 2019 vs. 2021

BALLOT MILLAGE CALCULATION		BALLOT MILLAGE CALCULATION	
2019 TAX VALUATION	\$ 770,662,690	2021 TAX VALUATION*	\$ 878,076,980
INTEREST RATE	4.50%	INTEREST RATE	2.72%
YEARS	36	YEARS	35
		<i>* Tax Valuation Increases with Historical Trends each Year</i>	
TOTAL DEBT SERVICE		TOTAL DEBT SERVICE	
TOTAL PRINCIPAL	\$ 80,610,000	TOTAL PRINCIPAL (BOND ISSUE)	\$ 80,610,000
TOTAL INTEREST	\$ 67,107,825	TOTAL INTEREST	\$ 46,544,123
TOTAL TAXPAYER COST	\$ 147,717,825	TOTAL TAXPAYER COST	\$ 127,154,123
TOTAL MILLAGE EACH YEAR	5.330	TOTAL MILLAGE EACH YEAR	VARIES
TOTAL COST FOR \$100,000 HOME VALUE FOR 36 YEARS	\$ 6,529.25	TOTAL COST FOR \$100,000 HOME VALUE FOR 35 YEARS	\$ 4,142.95

Total savings over the term of the bonds for a home value of \$100,000 is \$2,386.30.  
An overall savings of 36.5%!

