

Debt Service Schedules

The following debt services schedules used in developing the 2014-2015 proposed budget are published in the college's Comprehensive Annual Financial Report (audit report). The schedules are located on pages 39-45 of the fiscal year 2013 audit report.

Bonds Payable

On November 4, 2008, voters approved authority for the College to issue \$83 million in general obligation bonds to be used to renovate outdated infrastructure and instructional technology. In June 2009, the College issued Series 2009 General Obligation Bonds in the original amount of \$45 million and in August 2012, the College issued \$38 million in Series 2012 General Obligation Bonds. These general obligation bonds were issued to finance the costs of capital construction and improvements to District facilities and to pay the costs of issuance of the Bonds. The bonds will be retired from property taxes levied by the College. The bonds are due annually and interest is payable semi-annually, on June 15 and December 15, with interest rates ranging from 3.0% to 5.0% on the Series 2009 Bonds and 2.0% to 5.0% on the Series 2012 Bonds. Future bonded debt requirements are as follows:

| | <u>Series 2009 Bonds</u> | | <u>Series 2012 Bonds</u> | | <u>Total</u> |
|---------------|--------------------------|---------------------|--------------------------|---------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | |
| 2013-14 | \$ 3,780,000 | \$ 1,176,675 | \$ 150,000 | \$ 1,525,375 | \$ 6,632,050 |
| 2014-15 | 1,935,000 | 1,053,075 | 2,220,000 | 1,522,375 | 6,730,450 |
| 2015-16 | 2,105,000 | 979,800 | 2,510,000 | 1,475,975 | 7,070,775 |
| 2016-17 | 2,295,000 | 889,600 | 2,750,000 | 1,420,775 | 7,355,375 |
| 2017-18 | 2,480,000 | 792,063 | 2,990,000 | 1,307,100 | 7,569,163 |
| 2018-19 | 1,205,000 | 687,862 | 4,575,000 | 1,176,900 | 7,644,762 |
| 2019-20 | 1,180,000 | 637,163 | 5,070,000 | 972,650 | 7,859,813 |
| 2020-21 | 2,250,000 | 587,462 | 4,585,000 | 774,850 | 8,197,312 |
| 2021-22 | 3,460,000 | 490,713 | 4,000,000 | 596,050 | 8,546,763 |
| 2022-23 | 3,725,000 | 348,300 | 4,295,000 | 437,300 | 8,805,600 |
| 2023-24 | 4,015,000 | 180,675 | 4,645,000 | 228,425 | 9,069,100 |
| Totals | <u>\$28,430,000</u> | <u>\$ 7,823,388</u> | <u>\$37,790,000</u> | <u>\$11,437,775</u> | <u>\$85,481,163</u> |

In October 2012, the College issued \$1,500,000 of Qualified Energy Conservation Bonds to finance capital costs for energy conservation measures. The bonds are due annually and interest is payable semi-annually, on June 15 and December 15, with interest at 4.62 percent per annum. The bonds qualify for interest subsidy payments from the U.S. Treasury for up to 70% of the interest payments on the bonds. Future bonded debt requirements are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------|---------------------|-------------------|---------------------|
| 2013-14 | \$ 75,000 | \$ 65,835 | \$ 140,835 |
| 2014-15 | 80,000 | 62,370 | 142,370 |
| 2015-16 | 80,000 | 58,674 | 138,674 |
| 2016-17 | 85,000 | 54,978 | 139,978 |
| 2017-18 | 90,000 | 51,051 | 141,051 |
| 2018-19 | 95,000 | 46,893 | 141,893 |
| 2019-20 | 100,000 | 42,504 | 142,504 |
| 2020-21 | 100,000 | 37,884 | 137,884 |
| 2021-22 | 105,000 | 33,264 | 138,264 |
| 2022-23 | 110,000 | 28,413 | 138,413 |
| 2023-24 | 115,000 | 23,331 | 138,331 |
| 2024-25 | 125,000 | 18,018 | 143,018 |
| 2025-26 | 130,000 | 12,243 | 142,243 |
| 2026-27 | 135,000 | 6,237 | 141,237 |
| | <u>135,000</u> | <u>6,237</u> | <u>141,237</u> |
| Total | <u>\$ 1,425,000</u> | <u>\$ 541,695</u> | <u>\$ 1,966,695</u> |

Pension Bonds Payable

In April 2003, the College issued \$51,803,948 of Limited Tax Pension Obligation Bonds and transferred the net proceeds to the State of Oregon Public Employees Retirement System to cover a portion of the College's share of the cost sharing plan's unfunded actuarial liability. The resulting pension asset is being used to pay a portion of the College's annual required contribution. Principal payments are due annually through June 30, 2028 and interest is payable in December and June of each year with rates ranging from 5.13% to 6.25%. Future pension bonds requirements are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------|----------------------|----------------------|----------------------|
| 2013-14 | \$ 2,495,000 | \$ 1,529,250 | \$ 4,024,250 |
| 2014-15 | 2,700,000 | 1,529,250 | 4,229,250 |
| 2015-16 | 2,915,000 | 1,529,250 | 4,444,250 |
| 2016-17 | 3,140,000 | 1,529,250 | 4,669,250 |
| 2017-18 | 3,375,000 | 1,529,250 | 4,904,250 |
| 2018-19 | 3,620,000 | 1,529,250 | 5,149,250 |
| 2019-20 | 3,875,000 | 1,529,250 | 5,404,250 |
| 2020-21 | 4,140,000 | 1,529,250 | 5,669,250 |
| 2021-22 | 4,420,000 | 1,529,250 | 5,949,250 |
| 2022-23 | 4,705,000 | 1,529,250 | 6,234,250 |
| 2023-24 | 5,010,000 | 1,529,250 | 6,539,250 |
| 2024-25 | 5,605,000 | 1,245,684 | 6,850,684 |
| 2025-26 | 6,250,000 | 927,880 | 7,177,880 |
| 2026-27 | 6,945,000 | 572,880 | 7,517,880 |
| 2027-28 | <u>3,285,000</u> | <u>183,960</u> | <u>3,468,960</u> |
| Total | 62,480,000 | <u>\$ 19,752,154</u> | <u>\$ 82,232,154</u> |
| Less deferred interest | <u>(10,397,305)</u> | | |
| Carrying amount | <u>\$ 52,082,695</u> | | |

Debt Obligations Payable

In December 2010, the College issued \$19,355,000 of Full Faith and Credit Obligations, Series 2010 (Federally Taxable – Recovery Zone Economic Development Bonds – Direct Payment). The Obligations are being used to finance the costs of capital improvements for the College’s student housing project, to pay capitalized interest and to pay the costs of issuance of the Obligations.

The College has irrevocably elected to designate the Obligations as “Recovery Zone Economic Development Bonds” under the provisions of the American Recovery and Reinvestment Act of 2009. The College has additionally irrevocably elected to receive subsidy payments (each a “Direct Payment”) from the United States Treasury in connection therewith in an amount equal to 45 percent of the portion of each financing payment designated and constituting interest. The debt service payments are the responsibility of the College. To the extent the Direct Payments are not received by the Escrow Agent on a timely basis, the College shall make the debt service payments in full when due.

Principal payments are due annually through December 1, 2035 and interest is payable on June 1st and December 1st of each year with rates ranging from 4.324% to 7.197%. Future debt service requirements are as follows:

| | Principal | Total | Interest Subsidy | Net | Net Debt Service |
|---------|---------------------|---------------------|-----------------------|---------------------|------------------------|
| 2013-14 | \$ - | \$ 1,307,142 | \$ (588,214) | \$ 718,928 | \$ 718,928 |
| 2014-15 | - | 1,307,142 | (588,214) | 718,928 | 718,928 |
| 2015-16 | - | 1,307,142 | (588,214) | 718,928 | 718,928 |
| 2016-17 | 680,000 | 1,292,440 | (581,598) | 710,842 | 1,390,842 |
| 2017-18 | 695,000 | 1,261,323 | (567,595) | 693,728 | 1,388,728 |
| 2018-19 | 715,000 | 1,226,592 | (551,966) | 674,626 | 1,389,626 |
| 2019-20 | 735,000 | 1,188,899 | (535,005) | 653,894 | 1,388,894 |
| 2020-21 | 760,000 | 1,142,921 | (514,314) | 628,607 | 1,388,607 |
| 2021-22 | 790,000 | 1,088,671 | (489,902) | 598,769 | 1,388,769 |
| 2022-23 | 820,000 | 1,032,321 | (464,544) | 567,777 | 1,387,777 |
| 2023-24 | 855,000 | 973,696 | (438,163) | 535,533 | 1,390,533 |
| 2024-25 | 890,000 | 912,621 | (410,679) | 501,942 | 1,391,942 |
| 2025-26 | 925,000 | 849,096 | (382,093) | 467,003 | 1,392,003 |
| 2026-27 | 960,000 | 783,121 | (352,404) | 430,717 | 1,390,717 |
| 2027-28 | 995,000 | 714,696 | (321,613) | 393,083 | 1,388,083 |
| 2028-29 | 1,035,000 | 643,646 | (289,641) | 354,005 | 1,389,005 |
| 2029-30 | 1,075,000 | 569,796 | (256,408) | 313,388 | 1,388,388 |
| 2030-31 | 1,120,000 | 492,971 | (221,837) | 271,134 | 1,391,134 |
| 2031-32 | 1,165,000 | 411,848 | (185,332) | 226,516 | 1,391,516 |
| 2032-33 | 1,210,000 | 326,384 | (146,873) | 179,511 | 1,389,511 |
| 2033-34 | 1,260,000 | 237,501 | (106,875) | 130,626 | 1,390,626 |
| 2034-35 | 1,310,000 | 145,020 | (65,259) | 79,761 | 1,389,761 |
| 2035-36 | 1,360,000 | 48,940 | (22,023) | 26,917 | 1,386,917 |
| Totals | <u>\$19,355,000</u> | <u>\$19,263,929</u> | <u>\$ (8,668,766)</u> | <u>\$10,595,163</u> | <u>\$29,950,163</u> |

Other Debt Service Obligations

Flight Service Technology Debt Service

In 2013, the College financed two new airplanes for the Flight Technology Program. The expected benefits of these airplanes are lower fuel costs, high reliability, low down-time and industry standard equipment that will better prepare students for the equipment they will be using after graduation. It is expected that the cost of these planes will be recovered within 5 years. The annual debt service is paid by an interfund transfer from Fund IX (Flight Technology Program) to the Debt Service Fund III so there is no impact on the General Fund. The loans will be fully paid September 14, 2023. The financing vehicles for each of the two planes are Promissory Notes with Umpqua Bank:

Plane #1:

Principal: \$115,000

Interest Rate: 3.251%

Loan Date: 07-15-2013

Maturity: 07-15-2023

Plane #2:

Principal: \$115,000

Interest Rate: 3.685%

Loan Date: 09-16-2013

Maturity: 09-15-2023

FY15 (7/1/14-6/30/15) annual scheduled payments total \$23,867.