

Overview of Existing Debt and New Money Financing Review



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**Capital
Markets**

Overview

DCIU is planning for significant capital projects over the next three years

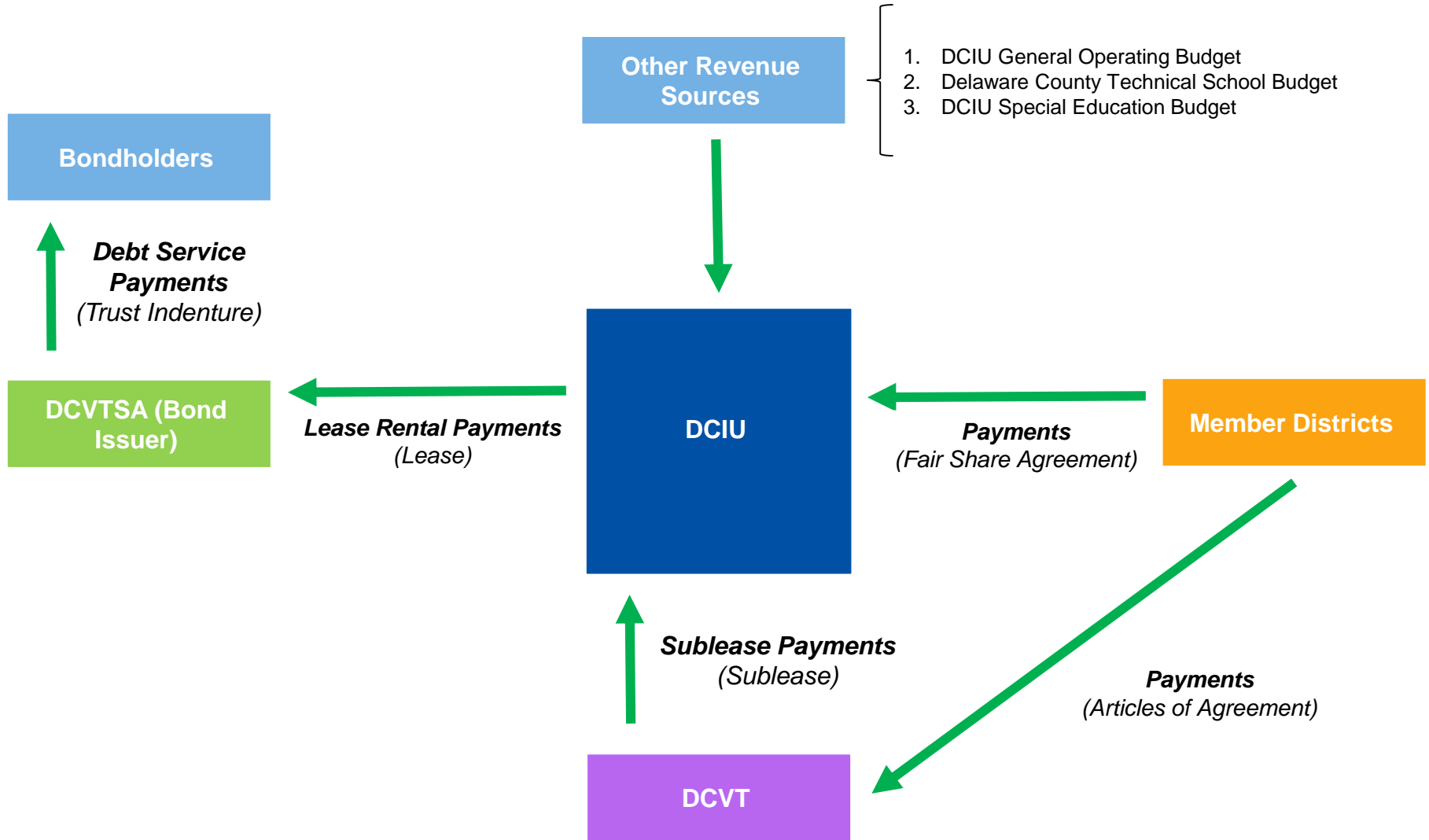
- Estimated total project cost of \$84.4 million based on most recent opinion of probable cost (including soft costs and construction contingencies)
- One project bid (April-May 2023) and two overall project phases are anticipated
 1. Folcroft parking, some classrooms, and potentially frame out of additional instructional space (construction start in late spring 2023; construction completion in summer 2024) – \$19.6 million
 2. Main building projects (construction start in fall 2023; construction completion in summer 2025) – \$64.8 million
- The DCIU is currently estimating a cash contribution of \$10 million to the project from funds on hand

RBCCM has conducted preliminary analyses in relation to a project fund deposit of \$74.4 million, with the assumption that the remaining funds needed for completion of the project would be funded with cash from the capital fund

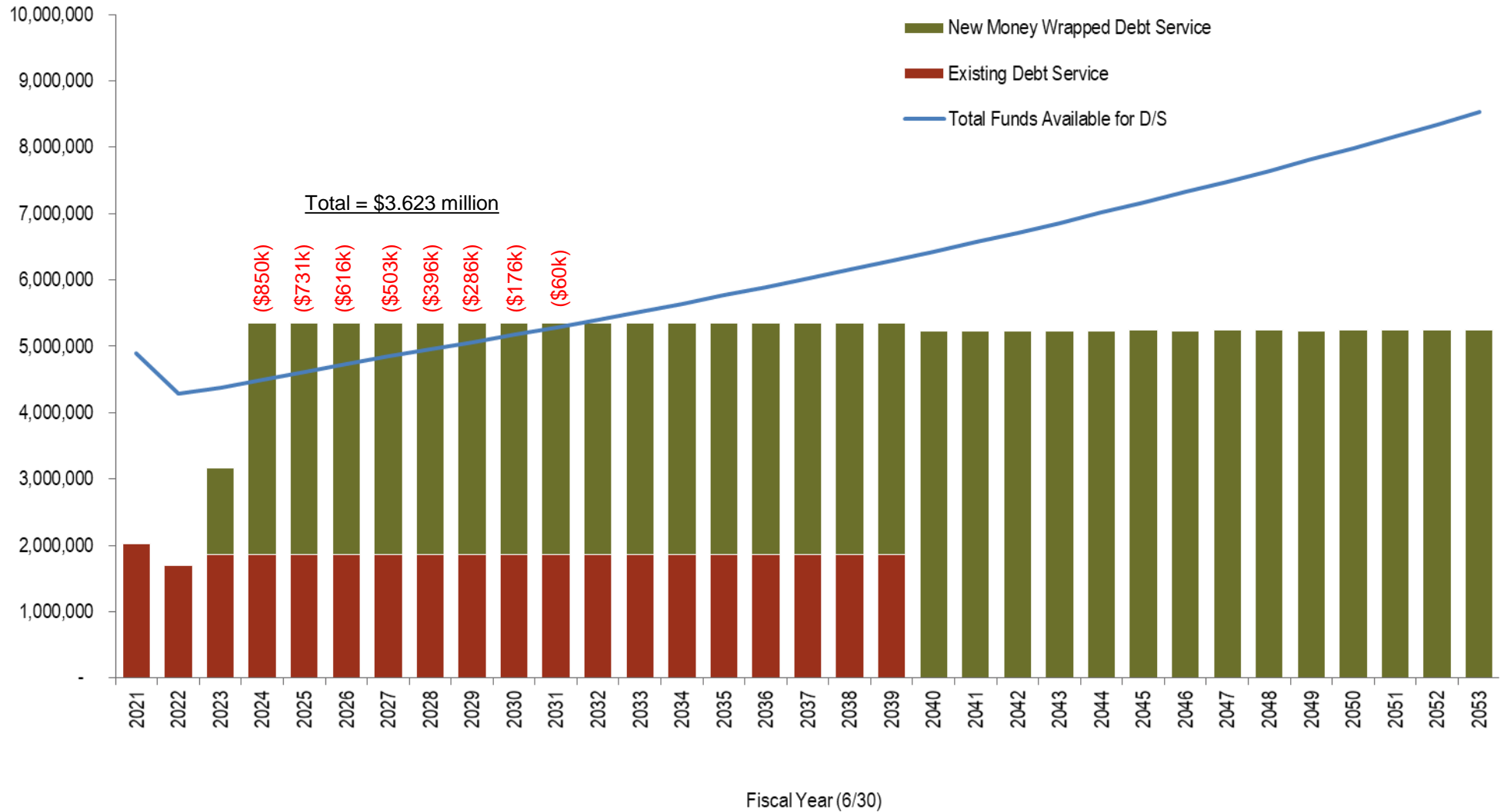
- The new debt service will not impact the budgets of the participating school districts
- Mitigation of Budgetary Impact In Early Years of New Debt Service
 - ✓ As it did in 2013, DCIU may consider utilizing capitalized interest for a certain period of time (i.e., three years) in order to mitigate the budget impact of the new debt service
 - ✓ DCIU may also consider utilizing cash from the capital fund
 - This is our assumption for purposes of this presentation

Note: Rules regarding spending of bond proceeds and utilization of capitalized interest are to be considered by bond counsel, and such matters are subject to bond counsel opinion.

Financing Mechanics



Revenue Availability to Pay Wrapped 2022 Debt Service & Total Debt Service



Note: Based on estimated current interest rates as of March 9th, which are subject to change, plus 0.50%.

Debt Profile Overview: Outstanding Gross Bonded Indebtedness

Debt Service Before Commonwealth Reimbursement (Gross)			
DCVTSA-DCIU			
Period Ending	2013 Bonds	2021 Taxable Bonds	Aggregate Gross Total
06/30/2022	1,481,269	217,200	1,698,469
06/30/2023	939,500	918,813	1,858,313
06/30/2024	941,188	921,313	1,862,500
06/30/2025	0	1,862,134	1,862,134
06/30/2026	0	1,859,209	1,859,209
06/30/2027	0	1,862,104	1,862,104
06/30/2028	0	1,861,543	1,861,543
06/30/2029	0	1,862,909	1,862,909
06/30/2030	0	1,861,918	1,861,918
06/30/2031	0	1,863,788	1,863,788
06/30/2032	0	1,863,230	1,863,230
06/30/2033	0	1,865,024	1,865,024
06/30/2034	0	1,858,542	1,858,542
06/30/2035	0	1,858,442	1,858,442
06/30/2036	0	1,859,951	1,859,951
06/30/2037	0	1,858,292	1,858,292
06/30/2038	0	1,862,938	1,862,938
06/30/2039	0	1,859,609	1,859,609
Total	3,361,957	29,976,959	33,338,915
Original Par Amount:	\$28,455,000	\$23,495,000	
Par Outstanding:	\$1,810,000	\$23,495,000	\$25,305,000
Call Provision:	11/01/2023	11/01/2031	
Maturity Date:	11/01/2023	11/01/2038	
Final Coupon:	3.500%	3.236%	
Purpose:	New Money - Educ. Bldng, Marple Center, Folcroft	Partial Advance Refunding of 2013	
Bank Qualified:	No	No	
Notes:			

Series of 2022 with Wrapped Debt Service – Issue Summary

Summary of New Money Financing Results	
Pricing Date	10/15/2022
Settlement Date	11/15/2022
Call Date	11/01/2030
All-In TIC	3.64%
Sources and Uses of Funds	
Sources:	
Par Amount	\$ 70,835,000
Original Issue Premium/(Discount)	4,509,908
Total Sources	\$ 75,344,908
Uses:	
Project Fund Deposit	\$ 74,400,000
Capitalized Interest Fund Deposit	-
Estimated Bond Insurance	300,030
Estimated Costs of Issuance (including UW fee)	643,554
Additional Proceeds	1,324
Total Uses	\$ 75,344,908
Interest Rate Sensitivity	
Present Value of 1 Basis Point Change	\$ 49,682

Annual Debt Service						
FY Ending	Principal	Interest	Cap. Interest*	Debt Service	Existing Gross D/S	Aggregate D/S
06/30/2023	-	1,306,512		1,306,512	1,858,313	3,164,825
06/30/2024	670,000	2,820,000		3,490,000	1,862,500	5,352,500
06/30/2025	695,000	2,792,700		3,487,700	1,862,134	5,349,834
06/30/2026	725,000	2,764,300		3,489,300	1,859,209	5,348,509
06/30/2027	755,000	2,734,700		3,489,700	1,862,104	5,351,804
06/30/2028	785,000	2,703,900		3,488,900	1,861,543	5,350,443
06/30/2029	815,000	2,671,900		3,486,900	1,862,909	5,349,809
06/30/2030	850,000	2,638,600		3,488,600	1,861,918	5,350,518
06/30/2031	880,000	2,604,000		3,484,000	1,863,788	5,347,788
06/30/2032	920,000	2,568,000		3,488,000	1,863,230	5,351,230
06/30/2033	955,000	2,530,500		3,485,500	1,865,024	5,350,524
06/30/2034	1,000,000	2,491,400		3,491,400	1,858,542	5,349,942
06/30/2035	1,040,000	2,450,600		3,490,600	1,858,442	5,349,042
06/30/2036	1,080,000	2,408,200		3,488,200	1,859,951	5,348,151
06/30/2037	1,130,000	2,364,000		3,494,000	1,858,292	5,352,292
06/30/2038	1,170,000	2,318,000		3,488,000	1,862,938	5,350,938
06/30/2039	1,220,000	2,270,200		3,490,200	1,859,609	5,349,809
06/30/2040	3,050,000	2,184,800		5,234,800		5,234,800
06/30/2041	3,175,000	2,060,300		5,235,300		5,235,300
06/30/2042	3,305,000	1,930,700		5,235,700		5,235,700
06/30/2043	3,440,000	1,795,800		5,235,800		5,235,800
06/30/2044	3,580,000	1,655,400		5,235,400		5,235,400
06/30/2045	3,730,000	1,509,200		5,239,200		5,239,200
06/30/2046	3,880,000	1,357,000		5,237,000		5,237,000
06/30/2047	4,040,000	1,198,600		5,238,600		5,238,600
06/30/2048	4,205,000	1,033,700		5,238,700		5,238,700
06/30/2049	4,375,000	862,100		5,237,100		5,237,100
06/30/2050	4,555,000	683,500		5,238,500		5,238,500
06/30/2051	4,740,000	497,600		5,237,600		5,237,600
06/30/2052	4,935,000	304,100		5,239,100		5,239,100
06/30/2053	5,135,000	102,700		5,237,700		5,237,700
Total	\$ 70,835,000	\$ 59,613,012	\$ -	\$ 130,448,012	\$ 31,640,446	\$ 162,088,459

Note: Based on estimated current interest rates as of March 9th, which are subject to change, plus 0.50%.

Revenue Availability to Pay Wrapped 2022 Debt Service & Total Debt Service

	Actual	Actual Budgeted		Projected				
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
Projected Funding Available for Debt Service								
DCIU Fair Share - District Contributions	\$ 2,049,895	\$ 2,079,464	\$ 2,109,606	\$ 2,154,963	\$ 2,206,682	\$ 2,259,642	\$ 2,313,873	\$ 2,369,406
Series of 2013 Bond Payments	(2,019,788)	(1,481,269)	(939,500)	(941,188)				
Series of 2021 Bond Payments	-	(217,200)	(918,813)	(921,313)	(1,862,134)	(1,859,209)	(1,862,104)	(1,861,543)
Projected Funding Available for New Debt OR Capital Transfers....(A)	\$ 30,108	\$ 380,995	\$ 251,293	\$ 292,462	\$ 344,547	\$ 400,433	\$ 451,770	\$ 507,864
DCIU General Operating Budget	\$ 332,754	\$ 332,754	\$ 342,404	\$ 352,676	\$ 363,256	\$ 372,338	\$ 381,646	\$ 389,279
Delaware County Technical School Budget	1,460,000	822,259	846,105	871,488	897,632	920,073	943,075	961,936
DCIU Special Education Budget	1,055,000	1,055,000	1,085,595	1,118,163	1,151,708	1,180,500	1,210,013	1,234,213
Projected Funding Available for New Debt OR Capital Transfers....(B)	\$ 2,847,754	\$ 2,210,013	\$ 2,274,103	\$ 2,342,326	\$ 2,412,596	\$ 2,472,911	\$ 2,534,734	\$ 2,585,429
Total Projected Funding Available for New Debt....(A+B)	\$ 2,877,862	\$ 2,591,008	\$ 2,525,396	\$ 2,634,789	\$ 2,757,143	\$ 2,873,344	\$ 2,986,504	\$ 3,093,292
Projected New Debt Service (Series of 2022 Bonds)			(1,306,512)	(3,490,000)	(3,487,700)	(3,489,300)	(3,489,700)	(3,488,900)
Balance Available for Transfers ... (C)	\$ 2,877,862	\$ 2,591,008	\$ 1,218,884	\$ (855,211)	\$ (730,557)	\$ (615,956)	\$ (503,196)	\$ (395,608)
Beginning Capital Balance	\$ -	\$ 18,900,838	\$ 11,491,846	\$ 12,710,730	\$ 11,855,519	\$ 11,124,962	\$ 10,509,006	\$ 10,005,810
DCIU Capital	12,769,546							
DCTS Capital	6,131,292							
Balance of Projected Funding Available for Transfers...(C)	-	2,591,008	1,218,884	(855,211)	(730,557)	(615,956)	(503,196)	(395,608)
Series of 2022 Bonds Contribution	-	(10,000,000)						
Ending Capital Balance	\$ 18,900,838	\$ 11,491,846	\$ 12,710,730	\$ 11,855,519	\$ 11,124,962	\$ 10,509,006	\$ 10,005,810	\$ 9,610,202

	Projected							
	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036
Projected Funding Available for Debt Service								
DCIU Fair Share - District Contributions	\$ 2,426,272	\$ 2,484,503	\$ 2,544,131	\$ 2,605,190	\$ 2,667,714	\$ 2,731,740	\$ 2,797,301	\$ 2,864,437
Series of 2013 Bond Payments								
Series of 2021 Bond Payments	(1,862,909)	(1,861,918)	(1,863,788)	(1,863,230)	(1,865,024)	(1,858,542)	(1,858,442)	(1,859,951)
Projected Funding Available for New Debt OR Capital Transfers....(A)	\$ 563,363	\$ 622,585	\$ 680,343	\$ 741,959	\$ 802,690	\$ 873,197	\$ 938,860	\$ 1,004,486
DCIU General Operating Budget	\$ 397,065	\$ 405,006	\$ 413,106	\$ 421,368	\$ 429,796	\$ 438,391	\$ 447,159	\$ 456,102
Delaware County Technical School Budget	981,175	1,000,799	1,020,815	1,041,231	1,062,056	1,083,297	1,104,963	1,127,062
DCIU Special Education Budget	1,258,897	1,284,075	1,309,757	1,335,952	1,362,671	1,389,925	1,417,723	1,446,077
Projected Funding Available for New Debt OR Capital Transfers....(B)	\$ 2,637,137	\$ 2,689,880	\$ 2,743,678	\$ 2,798,551	\$ 2,854,522	\$ 2,911,613	\$ 2,969,845	\$ 3,029,242
Total Projected Funding Available for New Debt....(A+B)	\$ 3,200,501	\$ 3,312,464	\$ 3,424,020	\$ 3,540,511	\$ 3,657,212	\$ 3,784,810	\$ 3,908,705	\$ 4,033,728
Projected New Debt Service (Series of 2022 Bonds)	(3,486,900)	(3,488,600)	(3,484,000)	(3,488,000)	(3,485,500)	(3,491,400)	(3,490,600)	(3,488,200)
Balance Available for Transfers ... (C)	\$ (286,399)	\$ (176,136)	\$ (59,980)	\$ 52,511	\$ 171,712	\$ 293,410	\$ 418,105	\$ 545,528
Beginning Capital Balance	\$ 9,610,202	\$ 9,323,803	\$ 9,147,668	\$ 9,087,688	\$ 9,140,199	\$ 9,311,911	\$ 9,605,321	\$ 10,023,425
DCIU Capital								
DCTS Capital								
Balance of Projected Funding Available for Transfers...(C)	(286,399)	(176,136)	(59,980)	52,511	171,712	293,410	418,105	545,528
Series of 2022 Bonds Contribution								
Ending Capital Balance	\$ 9,323,803	\$ 9,147,668	\$ 9,087,688	\$ 9,140,199	\$ 9,311,911	\$ 9,605,321	\$ 10,023,425	\$ 10,568,953

Note: Based on estimated current interest rates as of March 9th, which are subject to change, plus 0.50%. Information through FY 2036 for illustrative purposes.

Estimated/Preliminary Financing Timeline

Date	Activity
April 13	DCIU Facilities and Tech School Finance Committees Meetings <ul style="list-style-type: none"> • Information session on Parameters Resolutions
May 5	Authority Board information session
May 11	Authority Board Meeting <ul style="list-style-type: none"> • Authority approval of Parameters Debt Resolution
June 1	DCIU and Vo-Tech Board Meetings – approval of: <ul style="list-style-type: none"> • DCIU Parameters Resolution - maximum annual lease payments • Vo-Tech Parameters Resolution - maximum monthly sublease payments
August	Act 34 Hearing
Fall (Tentative)	Final local land use approvals anticipated to be obtained
4 Weeks following local approvals	Receive rating report from S&P; receive bond insurance bids; publish/print Preliminary Official Statement; RBCCM begins marketing Bonds to investors
5 Weeks following local approvals	Price Bond issue (sell to investors and lock-in interest rates)
9 Weeks following local approvals	Bond Settlement/Closing

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