



# SUPERINTENDENT ADVISORY COUNCIL

## *Potential November 2019 Bond and Overrides Preliminary Analysis*

### **STIFEL PUBLIC FINANCE**

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	<b>BONDS</b>	<b>DISTRICT ADDITIONAL ASSISTANCE (CAPITAL) BUDGET OVERRIDE</b>	<b>MAINTENANCE &amp; OPERATION BUDGET OVERRIDES</b>
<b>DEFINITION</b>	Debt security sold to investors. Sale proceeds used for projects and property taxes used for repayment.	Budget increase funded with property taxes to be used for capital projects.	Budget increase funded with property taxes to be used for M&O .
<b>TYPICAL USE</b>	Land, Facilities, Vehicles, Furniture, Fixtures, Technology & Equipment**	Any Allowable Capital Use	Any allowable M&O use (i.e., Salaries, Programs, etc.)
<b>DURATION</b>	Sale phases up to 10 Years after Election; Each sale limited to 20-year repayment.	7 Fiscal Years after Election Fiscal Year.	7 Fiscal Years after Election Fiscal Year.
<b>MAX AMOUNT</b>	Each sale limited to 20% of assessed value for unified districts less outstanding bonds.	10% of Revenue Control Limit.	15% of Revenue Control Limit***; 6 <sup>th</sup> year @ 2/3 <sup>rd</sup> & 7 <sup>th</sup> year @ 1/3 <sup>rd</sup> .

\* Bonds and overrides are payable from local property taxes and require voter approval at a November election date.

\*\* Payments associated with furniture, technology and equipment items must be made within five-year statutory limit. Subject to bond counsel, may not be used for text books, software or non-pupil transportation (excluding equipment).

\*\*\* Statute allows for multiple M&O overrides (i.e., “special purpose”), subject to 15% limit when aggregated.

Override Amounts (%)	10%	12%	15%			
FY19 Override Amounts (\$)	\$2,080,000	\$2,496,000	\$3,120,000			
Tax Rate per \$100 of LAV	\$0.50	\$0.60	\$0.76			
Tax on Each \$100,000 Home Value	\$50	\$60	\$76			
Tax on Average Property Values:						
	Limited	Assessment	Limited			
	Value	Ratio	Assessed			
			Value			
Average Residential	\$130,930	10.0%	\$13,093	\$65	\$79	\$100
Half of Average Residential	65,465	10.0%	6,547	33	39	50
Twice the Average Residential	261,860	10.0%	26,186	131	157	199
Average Local Commercial	391,950	18.0%	70,551	353	423	536

\* Based upon FY19 data, including \$20.8 million District Revenue Control Limit (RCL), \$399.3 million net limited assessed value and \$13.6 million SRP in-lieu assessed value. Voter pamphlet tax impact info would differ due to FY20 assessed values provided in May 2019 by ADOR and projected FY21 Revenue Control Limit.

**Outstanding Principal** \$22.4 million

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**Existing Payments** \$3.9 million through FY26  
down from \$6.7 million in FY14

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**Limited Assessed Value (LAV)**  
(restricted, used for taxes) \$433 million (with \$13 million SRP)

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**Bond Tax Rate** \$0.90 per \$100 of LAV

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**Full Cash Assessed Value (FCAV)**  
(unrestricted, used for bond capacity) \$528 million

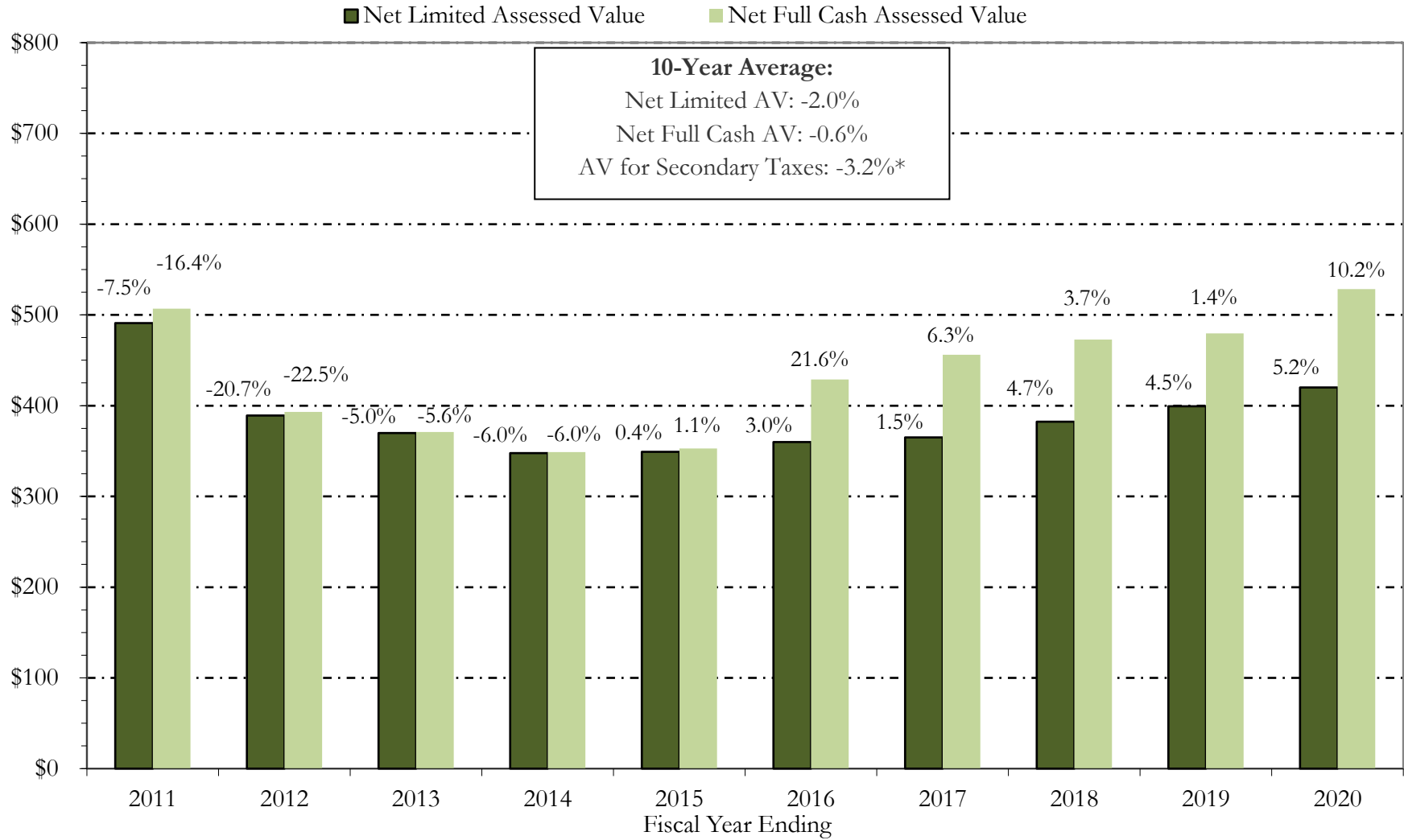
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**Statutory Bonding Capacity - 20% of FCAV** \$88 million (FY20)  
est. \$120 million by FY24

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# APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43

## Assessed Values\*



\* In millions. Prior to FY16, net full cash AV used for secondary tax rates. Per Prop 117, net limited AV used for secondary tax rates after FY15. Net full cash AV used for calculating bonding capacity. ADOR, Abstract of the Assessment Roll.

	<b>\$20 million</b>	<b>\$40 million</b>	<b>\$80 million</b>
<b>Furniture, Tech. &amp; Equip. Eligibility*</b> % of total	\$4.5 million 23%	\$8.7 million 22%	\$21.7 million 27%
<b>Max Tax Rate to FY25**</b> (new & existing bonds)	\$1.09	\$1.33	\$1.85
<b>Average Tax Rate (new bonds)***</b>	\$0.38	\$0.76	\$1.50
<b>Average Tax (new bonds only)</b>			
Each \$100,000 Home Value	\$38	\$76	\$150
Each \$100,000 Business Value	\$69	\$137	\$270
<b>Final New Bond Payment</b>	FY39 19 years	FY39 19 years	FY39 19 years

\* Spending on these items is limited to the amount of principal maturing within the statutory 5-year limit.

\*\* Estimated FY20 tax rate for existing bonds is estimated at \$0.90 per \$100 of assessed value.

\*\*\* Once bond election is called, all district public communications must include the estimated average tax rate for the new bonds.

<b>Principal Amount</b>	\$20, \$40 & \$80 million
<b>Timing of Sales</b>	Sales over 5 Years (FY24)
<b>Average Interest Rate</b>	5.0%*
<b>Payment Structure</b>	Declining Payments after final bond sale
<b>Furniture, Technology &amp; Equipment</b>	25% of Principal**
<b>Limited Assessed Value (tax rates)</b>	0% annual growth***
<b>Full Cash Assessed Value (bond capacity)</b>	3% annual growth

\* Average yield, adjusted upwards for all costs, under current market conditions is estimated at less than 4%.  
 \*\* Spending on these items is limited to the amount of principal maturing within the statutory 5-year limit.  
 \*\*\* For tax impact in voter pamphlets, statute limits AV growth to the 10-year historical average for first five years.

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