



CATALINA FOOTHILLS  
SCHOOL DISTRICT

**General Information Related to a Potential  
School Improvement Bond Election and  
M&O and DAA Override Continuation  
Elections**

May 10, 2022



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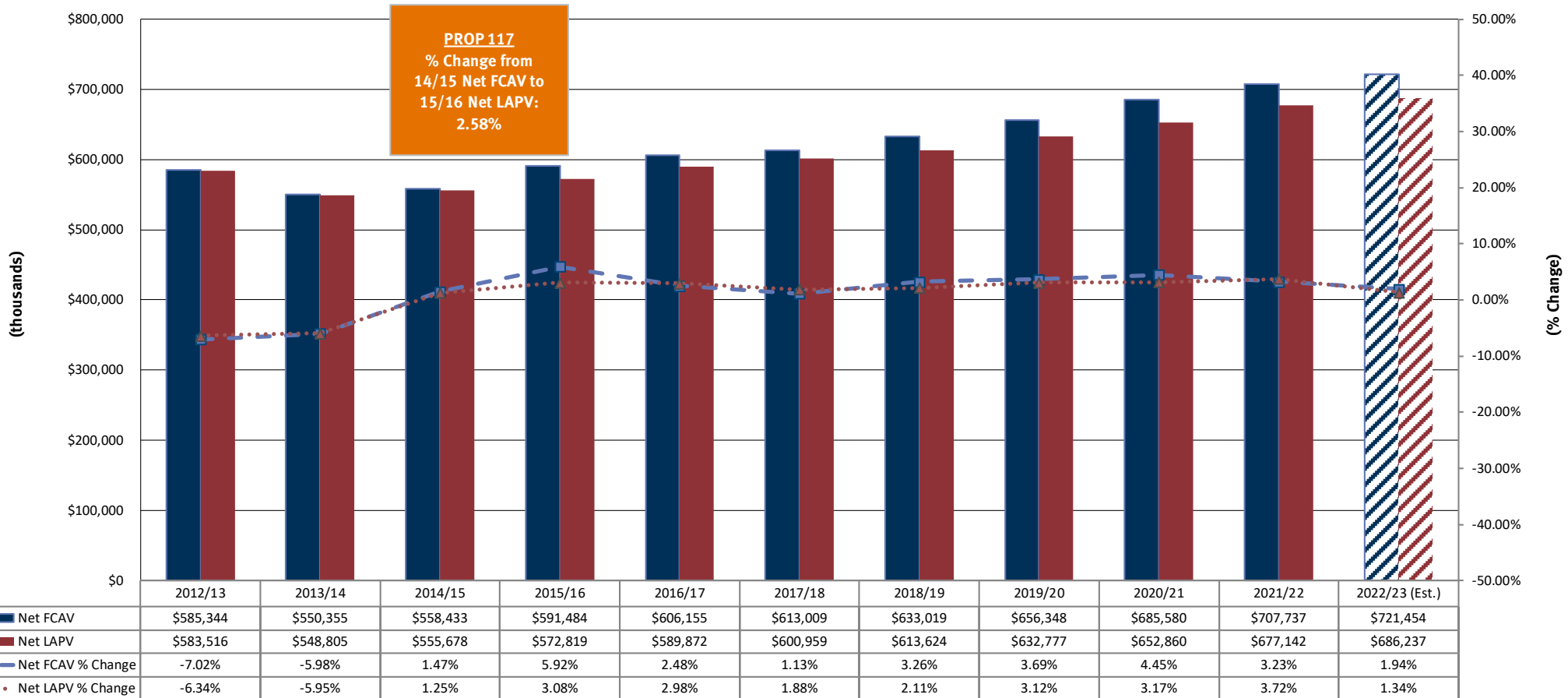
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## **S** **Section I: General Information**

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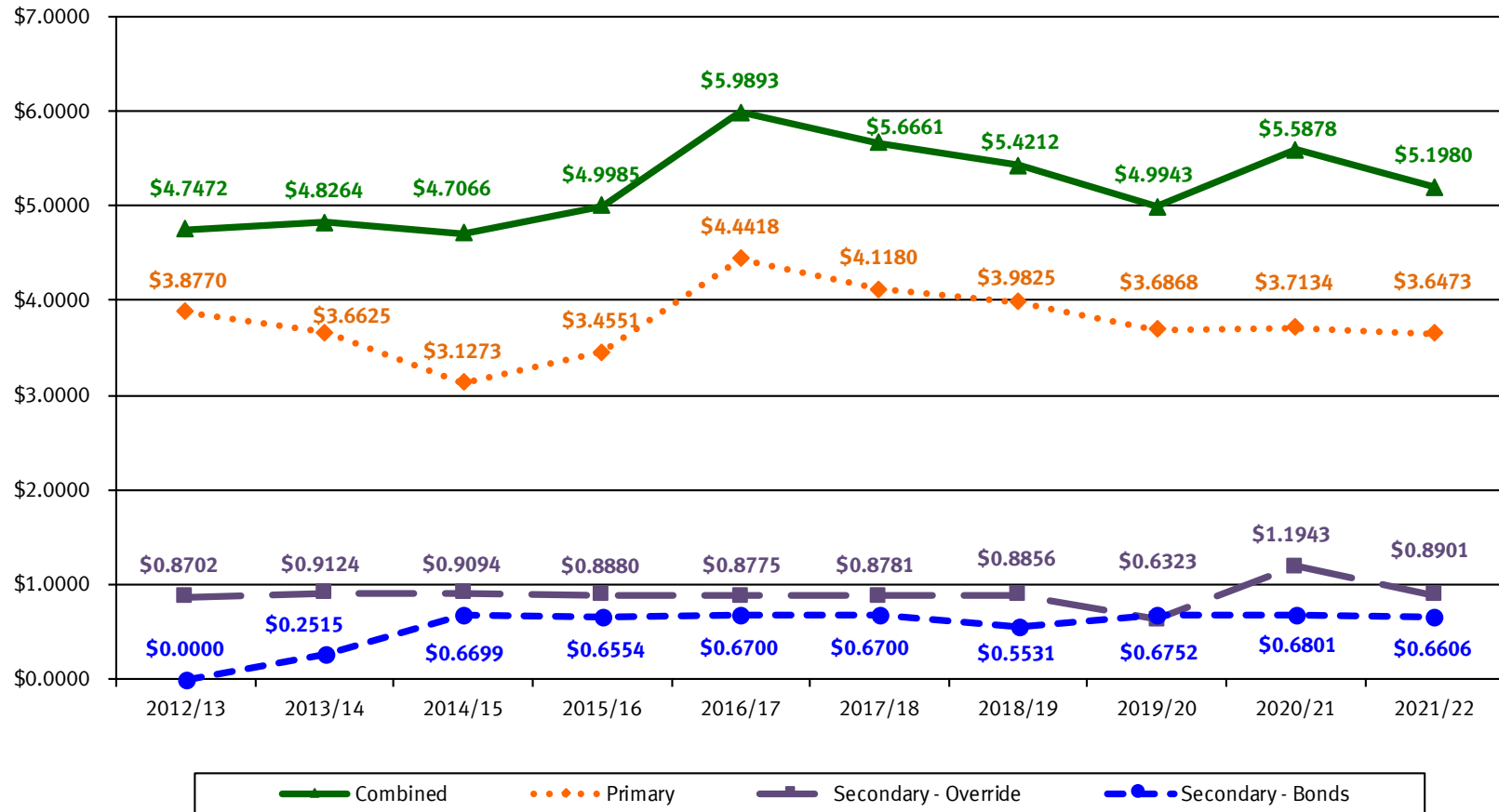
# Assessed Valuations (\$000s)

	with 2021/22			with 2022/23 (Est.)		
	Net FCAV	Net LAPV	Net AV for Taxes	Net FCAV	Net LAPV	Net AV for Taxes
5-Year Average:	3.15%	2.80%	2.80%	3.31%	2.69%	2.69%
10-Year Average:	1.26%	0.90%	0.80%	2.16%	1.67%	1.64%



Net FCAV = Net Full Cash Assessed Value (To Calculate Capacity)  
 Net LAPV = Net Limited Assessed Property Value (To Calculate Taxes)  
 Net AV = Net Assessed Property Value for Secondary Tax Purposes

# Historical Tax Rates



Five Year Average Tax Rate	
Primary Tax Rate	\$3.8296
Secondary - Override	\$0.8961
Secondary - Bonds	\$0.6478
Combined Tax Rate	\$5.3735

History of Overrides			
Date	Type	Last Year	
November 3, 2015	DAA \$2.0MM	2022/23	
November 6, 2018	M&O 13.3%	2025/26	

# Principal Amounts of Bonds Outstanding (\$000s)

Fiscal Year Ending (July 1)	\$6,075 School Improvement Bonds Project of 2009 Series C (2014) Dated: 10/2/14		\$7,500 School Improvement Bonds Project of 2015 Series A (2016) Dated: 5/4/16		\$7,360 Refunding Bonds Series 2016 Dated: 5/4/16		\$9,185 School Improvement Bonds Project of 2015 Series B (2018) Dated: 4/26/18		\$4,395 School Improvement Bonds Project of 2015 Series C (2020) Dated: 4/23/20		\$3,840 Refunding Bonds Series 2020 Dated: 4/23/20		\$2,800 Refunding Bonds Taxable Series 2021 Dated: 6/10/21		Total
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal
2022	\$450	2.500%	\$175	2.000%	\$700	3.000%	\$125	3.000%	\$275	4.000%	\$925	5.000%	\$540	2.660%	\$3,190
2023	600	2.500%	375	2.000%			190	4.000%	100	4.000%	960	5.000%	630	2.660%	2,855
2024	750	2.500%	525	2.000%			220	4.000%	100	4.000%	970	5.000%	525	2.660%	3,090
2025	850	3.000%	550	2.000%			320	4.000%		4.000%	985	5.000%	490	2.660%	3,195
2026	1,150	3.500%	425	3.000%			470	4.000%	300	4.000%			615 *	2.660%	2,960
2027	1,700	4.000%	700	2.500%			615	2.750%	100	4.000%					3,115
2028			850	4.000%			835	5.000%	360	4.000%					2,045
2029			950	4.000%			790	3.000%	375	4.000%					2,115
2030			900	4.000%			855	5.000%	390	4.000%					2,145
2031			875	3.000%			875	3.250%	405	4.000%					2,155
2032			825	3.000%			880	3.500%	420	4.000%					2,125
2033							910	4.000%	440	4.000%					1,350
2034							915	4.000%	455	4.000%					1,370
2035							995	4.000%	475	4.000%					1,470
	<u>\$5,500</u>		<u>\$7,150</u>		<u>\$700</u>		<u>\$8,995</u>		<u>\$4,195</u>		<u>\$3,840</u>		<u>\$2,800</u>		<u>\$33,180</u>
Call Features:	7/1/25 and After Callable 7/1/24 @ par		7/1/27 and After Callable 7/1/26 @ par		Non-callable		7/1/28 and After Callable 7/1/27 @ par		7/1/30 and After Callable 7/1/29 @ par		Non-callable		Non-callable		
Insurer:	None		None		None		None		None		None		None		
Purpose:	Various Improvements		Various Improvements		Current & Advance Refunding		Various Improvements		Various Improvements		Current Refunding		Current Refunding		
Remaining Authorization:					11/3/15 - \$14,500		11/3/15 - \$4,800		11/3/15 - None		11/3/15 - None		11/3/15 - None		
	\$18,440 = Callable bonds												* Final Payment 1/1/2026		

## School District Class B Bond Limit

- Unified School Districts: Greater of 20% of Net Full Cash Assessed Valuation (NFCAV) or \$1,500 per student based on last fiscal year
- Union High School / Elementary School Districts: Greater of 10% of Net Full Cash Assessed Valuation (NFCAV) or \$1,500 per student based on last fiscal year

Statutory Bonding Capacity Calculation			
	9/1/21	7/1/22	9/1/22 (Est)
Estimated NFCAV Growth Rate:	3.23%	3.23%	1.94%
District NFCAV:	\$707,737,414	\$707,737,414	\$721,454,363
Multiply by:	20%	20%	20%
Calculation Base:	\$141,547,482	\$141,547,482	\$144,290,872
Less: Outstanding Class B Bonds:	(\$33,180,000)	(\$29,990,000)	(\$29,990,000)
Less: Unamortized Original Issue Premium:	(\$1,125,917)	(\$1,036,959)	(\$1,036,959)
Total:	\$107,241,565	\$110,520,523	\$113,263,913

- Bonding authorization is good for 10 years... **Capacity can grow as NFCAV increases and as Class B principal is retired**

## **S** Section II: Phased Bonding Program



# \$38.5 Million Bond Election Estimated Debt Service Requirements and Projected Impact on Secondary Tax Rate\*

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Fiscal Year	Combined Valuation (a)	Debt Service	Secondary Bond Tax Rate (b)	School Improvement Bonds Project of 2022 Series A (2023) Bonds Dated: 4/01/23		School Improvement Bonds Project of 2022 Series B (2025) Bonds Dated: 7/01/25		School Improvement Bonds Project of 2022 Series C (2027) Bonds Dated: 7/01/27		School Improvement Bonds Project of 2022 Series D (2029) Bonds Dated: 7/01/29		Estimated Additional	Estimated Combined	November 3, 2015 DAA Override	Estimated Combined			
				Principal	Estimated Interest (c)	Principal	Estimated Interest (c)	Principal	Estimated Interest (c)	Principal	Estimated Interest	Debt Service	Secondary Bond Tax Rate (b)	Debt Service	Secondary Bond Tax Rate (b)	Levy (\$2.0 MM)	DAA Tax Rate (b)	Secondary Tax Rate (b)
2021/22	\$677,141,517	\$4,394,680	\$0.66															
2022/23	686,236,808	3,948,566	0.58	\$380,000	\$101,250							\$481,250	\$0.07	4,429,816	0.66	2,000,000	0.29	0.96
2023/24	697,703,806	4,084,708	0.59	0	387,900							387,900	0.06	4,472,608	0.66	2,000,000	0.29	0.95
2024/25	709,362,417	4,085,193	0.58	105,000	387,900							492,900	0.07	4,578,093	0.66	2,000,000	0.28	0.95
2025/26	721,215,843	3,730,430	0.52	310,000	383,175		\$371,250					1,064,425	0.15	4,794,855	0.66	2,000,000	0.28	0.94
2026/27	733,267,339	3,793,450	0.52	340,000	369,225		371,250					1,080,475	0.15	4,873,925	0.66	2,000,000	0.27	0.94
2027/28	745,520,216	2,617,038	0.35	365,000	353,925	\$425,000	371,250	\$425,000	\$391,875			2,332,050	0.31	4,949,088	0.66	2,000,000	0.27	0.93
2028/29	748,011,740	2,596,888	0.35	400,000	337,500	455,000	352,125	455,000	371,688			2,371,313	0.32	4,968,200	0.66	2,000,000	0.27	0.93
2029/30	750,511,591	2,550,188	0.34	425,000	319,500	175,000	331,650	175,000	350,075		\$650,000	2,426,225	0.32	4,976,413	0.66	2,000,000	0.27	0.93
2030/31	753,019,797	2,465,838	0.33	425,000	300,375	250,000	323,775	250,000	341,763		650,000	2,540,913	0.34	5,006,750	0.66			0.66
2031/32	755,536,384	2,364,950	0.31	450,000	281,250	200,000	312,525	200,000	329,888	\$200,000	650,000	2,623,663	0.35	4,988,613	0.66			0.66
2032/33	758,061,383	1,517,600	0.20	475,000	261,000	400,000	303,525	325,000	320,388	500,000	640,000	3,224,913	0.43	4,742,513	0.63			0.63
2033/34	760,594,820	1,483,600	0.20	500,000	239,625	400,000	285,525	325,000	304,950	525,000	615,000	3,195,100	0.42	4,678,700	0.62			0.62
2034/35	763,136,723	1,528,800	0.20	525,000	217,125	425,000	267,525	350,000	289,513	550,000	588,750	3,212,913	0.42	4,741,713	0.62			0.62
2035/36	765,687,122			550,000	193,500	450,000	248,400	375,000	272,888	575,000	561,250	3,226,038	0.42	3,226,038	0.42			0.42
2036/37	768,246,044			550,000	168,750	475,000	228,150	375,000	255,075	600,000	532,500	3,184,475	0.41	3,184,475	0.41			0.41
2037/38	770,813,518			575,000	144,000	500,000	206,775	400,000	237,263	625,000	502,500	3,190,538	0.41	3,190,538	0.41			0.41
2038/39	773,389,572			600,000	118,125	525,000	184,275	425,000	218,263	675,000	471,250	3,216,913	0.42	3,216,913	0.42			0.42
2039/40	775,974,236			650,000	91,125	525,000	160,650	450,000	198,075	700,000	437,500	3,212,350	0.41	3,212,350	0.41			0.41
2040/41	778,567,537			675,000	61,875	550,000	137,025	475,000	176,700	725,000	402,500	3,203,100	0.41	3,203,100	0.41			0.41
2041/42	781,169,506			700,000	31,500	575,000	112,275	475,000	154,138	775,000	366,250	3,189,163	0.41	3,189,163	0.41			0.41
2042/43	783,780,170					600,000	86,400	500,000	131,575	800,000	327,500	2,445,475	0.31	2,445,475	0.31			0.31
2043/44	786,399,559					650,000	59,400	525,000	107,825	850,000	287,500	2,479,725	0.32	2,479,725	0.32			0.32
2044/45	789,027,702						670,000	30,150	550,000	82,888	245,000	2,478,038	0.31	2,478,038	0.31			0.31
2045/46	791,664,628								56,763	925,000	200,000	1,756,763	0.22	1,756,763	0.22			0.22
2046/47	794,310,366								29,450	975,000	153,750	1,778,200	0.22	1,778,200	0.22			0.22
2047/48	796,964,947									1,025,000	105,000	1,130,000	0.14	1,130,000	0.14			0.14
2048/49	799,628,400									1,075,000	53,750	1,128,750	0.14	1,128,750	0.14			0.14
		<u>\$41,161,927</u>		<u>\$9,000,000</u>		<u>\$8,250,000</u>		<u>\$8,250,000</u>		<u>\$13,000,000</u>		<u>\$61,053,563</u>						
		Amount Available for FT&E:		\$1,500,000		\$1,055,000		\$1,505,000		\$1,225,000		Projected Avg Tax Rate:	\$0.2950					

\* Estimated, subject to change. See assumptions on next page.

**\$38.5 Million Bond Election**  
**Estimated Debt Service Requirements and Projected Impact on Secondary Tax Rate**

(a) Fiscal year 2021/22 is actual. Fiscal year 2022/23 is estimated, received by the Assessor and represents 1.34% growth. Fiscal years 2023/24 through and including 2027/28 are estimated at 1.67% growth. Subsequent fiscal years estimate 0.33% growth. (Per Arizona Revised Statutes 35-454: "(i) For the first five years of the estimated debt retirement schedule, the average of the annual percentage growth for the previous ten years in the net assessed valuation of the political subdivision. (ii) For the remaining years of the estimated debt retirement schedule, twenty per cent of the average of the annual percentage growth for the previous ten years in the net assessed valuation of the political subdivision.")

<b>November 8, 2022 Authorization</b>		<b>\$38,500,000</b>
Series A (2023)*		\$9,000,000
Series B (2025)*		8,250,000
Series C (2027)*		8,250,000
Series D (2029)*		13,000,000
	Total	<u>\$38,500,000</u>

**Election Authorization expires November 8, 2032**

*\* Estimated future issue(s), subject to change.*

(b) Secondary tax rates are per \$100 of assessed valuation. Fiscal years 2022/23, 2023/24 and 2024/25 assume a delinquency rate of 3.00%. Subsequent projected tax rates are not adjusted for interest earnings, arbitrage rebate or delinquent tax collections (if any).

(c) Interest is estimated at 4.50% for the Series 2023 Bonds, 4.50% for the Series 2025 Bonds, 4.75% for the Series 2027 Bonds and 5.00% for the Series 2029 Bonds.

1. Preliminary and subject to change.
2. The use of the NR/AA-/NR rating(s) is consistent with the rating(s) of the outstanding prior bonds.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. The issuer's actual results may differ, and Stifel makes no commitment to underwrite at these levels.
5. Costs of issuance and underwriter's discount are estimates for discussion purposes.

**Note: The information in this analysis is not intended to be used as the primary basis for determining an issuer's bonding capacity, tax rate or ability to sell bonds. This analysis is based on assumptions provided by sources considered to be reliable, including the issuer, but is not guaranteed as to accuracy and does not purport to be complete. Any information expressed in this analysis is subject to change.**

## \$38.5 Million Bond Election Estimated Cost to Taxpayer

The following tables illustrate the estimated annual and monthly cost to taxpayers, including principal and interest, based on varying types of property, property values and assessed values. To determine your estimated tax increase, refer to your property tax statement which identifies the specific assessed value of your property.

### ESTIMATED AVERAGE ANNUAL BOND TAX RATE PER \$100 OF ASSESSED VALUATION: \$0.2950

RESIDENTIAL PROPERTY (Assessed at 10.0%)			
Value for Tax Purposes (a)	2022/23 Assessed Value	Estimated Average Annual Cost (b)	Estimated Average Monthly Cost (b)
<b>\$438,480</b> (c)	<b>\$43,848</b> (c)	<b>\$129.33</b>	<b>\$10.78</b>
100,000	10,000	29.50	2.46

*The tax impact over the term of the bonds on an owner-occupied residence valued by the County Assessor at \$250,000 is estimated to be \$77.95 per year for 27 years or \$2,104.57 total cost. (d)*

COMMERCIAL PROPERTY (Assessed at 18.0%)			
Value for Tax Purposes (a)	2022/23 Assessed Value	Estimated Average Annual Cost (b)	Estimated Average Monthly Cost (b)
<b>\$1,675,806</b> (c)	<b>\$301,645</b> (c)	<b>\$889.73</b>	<b>\$74.14</b>
1,000,000	180,000	530.93	44.24

*The tax impact over the term of the bonds on a commercial property valued by the County Assessor at \$1,000,000 is estimated to be \$561.22 per year for 27 years or \$15,152.90 total cost. (d)*

AGRICULTURAL AND OTHER VACANT PROPERTY (Assessed at 15.0%)			
Value for Tax Purposes (a)	2022/23 Assessed Value	Estimated Average Annual Cost (b)	Estimated Average Monthly Cost (b)
<b>\$107,067</b> (c)	<b>\$16,060</b> (c)	<b>\$47.37</b>	<b>\$3.95</b>
100,000	15,000	44.24	3.69

*The tax impact over the term of the bonds on a agricultural and vacant property valued by the County Assessor at \$100,000 is estimated to be \$46.77 per year for 27 years or \$1,262.74 total cost. (d)*

(a) Assessor's value for tax purposes is the value of your property as it appears on your tax bill and does not necessarily represent the market value. Beginning with fiscal year 2015/16, this value cannot increase by more than 5% from the prior year if the property has not changed. For commercial property, only locally assessed property is subject to this limit.

(b) Cost based on the estimated average tax rate over the life of the bond issues and a number of other financing assumptions which are subject to change.

(c) Estimated average assessed value of owner-occupied residential properties, commercial properties or agricultural and vacant properties, as applicable, within the District as provided by the Arizona Department of Revenue.

(d) Per applicable statutes, assumes the net assessed valuation of the property changes at the lesser of five percent or half the rate of the District's total net assessed value shown on the projected debt service schedule. Page 11

# Proposed Capital Improvements

The following table presents the capital improvements expected to be paid from bond proceeds, the estimated cost of each capital improvement, the estimated average annual tax rate associated with each capital improvement and the estimated cost of each

	Estimated Costs (a)	Annual Tax Rate Associated with Improvement (b)	Estimated Annual Cost to Owner of an \$100,000 Full Cash Value Home
<b>Proposed Capital Improvements for Non - Administrative Purposes:</b>			
	\$25,445,000	\$0.1950	\$19.50
Building renovations, construction and improvements* and energy efficiency upgrades			
Improvement to grounds*	\$3,805,000	\$0.0292	\$2.92
Pupil Transportation Vehicles	\$7,680,000	\$0.0588	\$5.88
Subtotal of Non-Administrative Capital Improvements	\$36,930,000	\$0.2830	\$28.30
<b>Proposed Capital Improvements for Administrative Purposes:</b>			
District facilities improvements	\$1,570,000	\$0.0120	\$1.20
Subtotal of Administrative Capital Improvements	\$1,570,000	\$0.0120	\$1.20
Total:	<u>\$38,500,000</u>	<u>\$0.2950</u>	<u>\$29.50</u>

\* Includes furniture, technology and equipment.

(a) Bond issuance costs are included in the estimated costs of improvements.

(b) The estimated average annual tax rate and estimated average annual cost for each improvement is based on the average annual tax rate over the times of the proposed bond issue and other financing assumptions which are subject to change.

## **S** **Section III: Overrides**

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# M&O Override Tax Rate History

November 6, 2018 13.3% M&O Override							
Actual				Hypothetical			
Year	Fiscal Year	Levy	Tax Rate	Year	Fiscal Year	Levy	Tax Rate
1	2019/20	\$3,801,199	\$0.60				
2	2020/21	3,997,312	0.61				
3	2021/22	4,026,758	0.59				
4	2022/23 (est)	4,108,745	0.60	→ Nov 2022 Election			
5	2023/24			1	2023/24		
6 (a)	2024/25			2	2024/25		
7 (b)	2025/26			3	2025/26		
				4	2026/27		
				5	2027/28		
				6 (a)	2028/29		
				7 (b)	2029/30		

- (a) M&O Override phases down to 8.9%.
- (b) M&O Override phases down to 4.4%.

- A successful November 2022 13.3% M&O election would begin 2023/24 → “Budget Override Continuation”
- A successful November 2023 13.3% M&O election would begin 2024/25 → “Budget Override Continuation”

# M&O Override

Total amount of current year (2022-2023) Aggregate Budget	\$51,785,991
Total amount of proposed 2023-2024 Aggregate Budget with voter approval of both overrides (1)	\$53,857,431
Total amount of 2023-2024 alternate Aggregate Budget with voter approval of M&O override only (1)	\$51,857,431
Total amount of 2023-2024 alternate Aggregate Budget with voter approval of DAA override only (1)	\$53,857,431
Total amount of 2023-2024 alternate Aggregate Budget without voter approval of either override (1)	\$51,857,431
Estimated Revenues to fund 13.3% Maintenance & Operation Budget Override	\$4,273,095
Assessed Value for Tax Purposes (2)	\$686,236,808
Estimated Tax Rate per \$100 of Assessed Valuation to fund 13.3% M&O Budget override	\$0.6227

	Limited Property Value	Assessment Ratio	Assessed Value (3)	Estimated Override Tax Rate (4)	Estimated Annual Tax Amount
<b>A.R.S. 15-481B-11</b>					
The assessed valuation and the estimated amount of the secondary tax bill if the proposed budget is adopted for each of the following:					
<b>A.R.S. 15-481B-11a</b>					
An owner occupied residence whose assessed valuation is the average assessed valuation of property classified as class three for the current year in the school district.					
	\$439,713	10%	\$43,971	\$0.6227	\$273.81
<b>A.R.S. 15-481B-11b</b>					
An owner occupied residence whose assessed valuation is one-half of the assessed valuation of the residence in subdivision (a) of this paragraph (A.R.S. 15-481B-11a above).					
	\$219,857	10%	\$21,986	\$0.6227	\$136.90
<b>A.R.S. 15-481B-11c</b>					
An owner occupied residence whose assessed valuation is twice the assessed valuation of the residence in subdivision (a) of this paragraph (A.R.S. 15-481b-11a above).					
	\$879,426	10%	\$87,943	\$0.6227	\$547.62
<b>A.R.S. 15-481B-11d</b>					
A business whose assessed valuation is the average of the assessed valuation of property classified as class one, paragraphs 12 & 13, for the current year in the school district.					
	\$1,750,100	18%	\$315,018	\$0.6227	\$1,961.62

(1) The maintenance and operation override authorization is a continuation of the existing 13.3% maintenance and operation override authorized by the voters on November 6, 2018. If the override is not approved, the existing 13.3% maintenance and operation overrides will phase out by reducing one-third in fiscal year 2024-2025 and fiscal year 2025-2026. The proposed and alternate 2023-2024 budgets represents the District's best estimate based on various assumptions relating to student growth and other factors affecting revenues and expenditures. In adopting such alternate budgets, the Governing Board shall follow the procedures prescribed in A.R.S. Section 15-905.

(2) Assessed value for tax purposes is the 2022-2023 preliminary value provided by the Arizona Department of Revenue.

(3) Estimated by Arizona Department of Revenue based on preliminary 2022-2023 assessed values.

(4) Per \$100 of assessed valuation.

# DAA Override Tax Rate History

November 3, 2015 DAA Override							
Actual				Hypothetical			
Year	Fiscal Year	Levy	Tax Rate	Year	Fiscal Year	Levy	Tax Rate
1	2016/17	\$2,000,000	\$0.34				
2	2017/18	2,000,000	0.33				
3	2018/19	2,000,000	0.33				
4	2019/20	200,000	0.03				
5	2020/21	3,800,000	0.58				
6	2021/22	2,000,000	0.30				
7	2022/23	Current Override in Place		→ Nov 2022 Election			
				1	2023/24		
				2	2024/25		
				3	2025/26		
				4	2026/27		
				5	2027/28		
				6	2028/29		
				7	2029/30		

➤ A successful November 2022 DAA election would begin 2023/24.



The following table presents the capital improvements expected to be paid from the increase in the capital outlay budget, the estimated cost of each capital improvement, the estimated tax rate associated with each capital improvement and the estimated cost of each capital improvement for the owner of a single family home valued at \$80,000.

	Estimated Costs (a)	Annual Tax Rate Associated with Improvement (b)	Estimated Annual Cost to Owner of an \$80,000 Full Cash Value Home
<b>Proposed Capital Improvements for Non - Administrative Purposes:</b>			
Technology equipment and software	\$1,300,000	\$0.1894	\$15.15
Technology infrastructure upgrades	200,000	0.0291	2.33
Curriculum and library resources	400,000	0.0583	4.66
Subtotal of Non-Administrative Capital Improvements	\$1,900,000	\$0.2768	\$22.15
<b>Proposed Capital Improvements for Administrative Purposes:</b>			
Technology equipment and infrastructure upgrades	\$100,000	\$0.0146	\$1.17
Subtotal of Administrative Capital Improvements	\$100,000	\$0.0146	\$1.17
Total:	<b><u>\$2,000,000</u></b>	<b><u>\$0.2914</u></b>	<b><u>\$23.31</u></b>

- (a) Proposed annual costs reflect the average annual cost. The actual annual expenditures for any proposed capital improvement expended in any year may vary from the annual average cost but the total amount expended from override funds for all proposed capital improvements in any year will not exceed \$2,000,000 for fiscal year 2023-2024 and the six fiscal years thereafter; provided, however, the district additional assistance budget override amount is limited to 10% of the revenue control limit for the respective year (plus any unexpended monies from prior years).
- (b) Associated annual tax rates are stated as per \$100 of net assessed value and reflect the tax rate necessary to pay the costs of each proposed capital improvement based on the estimated 2022-2023 net assessed valuation for secondary tax purposes. The actual tax rate associated with any proposed capital improvement may vary from year to year, but the total annual tax rate for the override for all proposed capital improvements for fiscal year 2023-24 will not exceed a rate necessary to produce \$2,000,000 and for the six fiscal years thereafter; provided, however, the district additional assistance budget override amount is limited to 10% of the revenue control limit for each year.

## **S** Section IV: Election Information



# General Calendar for November Election

Date	Event
June	Maricopa County only: 1. Recommended date by which to call election 2. Required date for submittal of written notification of intent to call election
July	Maricopa County only (120 days before election): 1. Deadline for submittal of signed election resolutions to county 2. Submit publicity pamphlet information for printing
June – Aug.	Other counties: recommended date to call the election
August	Actual deadline for calling an override election (90 days* before the election) (Does not apply to bond elections)
July – August	Other counties: submit publicity pamphlet information for printing (actual deadlines vary by county)
August	Maricopa County only: pro/con arguments due
July – August	Other counties: pro/con arguments due (actual deadlines vary by county and some counties allow variation)
August	Deadline for submitting ballot language to Arizona Legislative Council for review (submitting earlier allows time for revision and re-submittal) (Not required for M&O override) (85 days* prior to election)
October	Deadline for mailing publicity pamphlet (35 days* before an election)
October	Early voting starts (27 days* before the election)
November	Election Day

\*Dates prescribed by law.

## **S** Section V: Team Contact Information

## Team Contact Information

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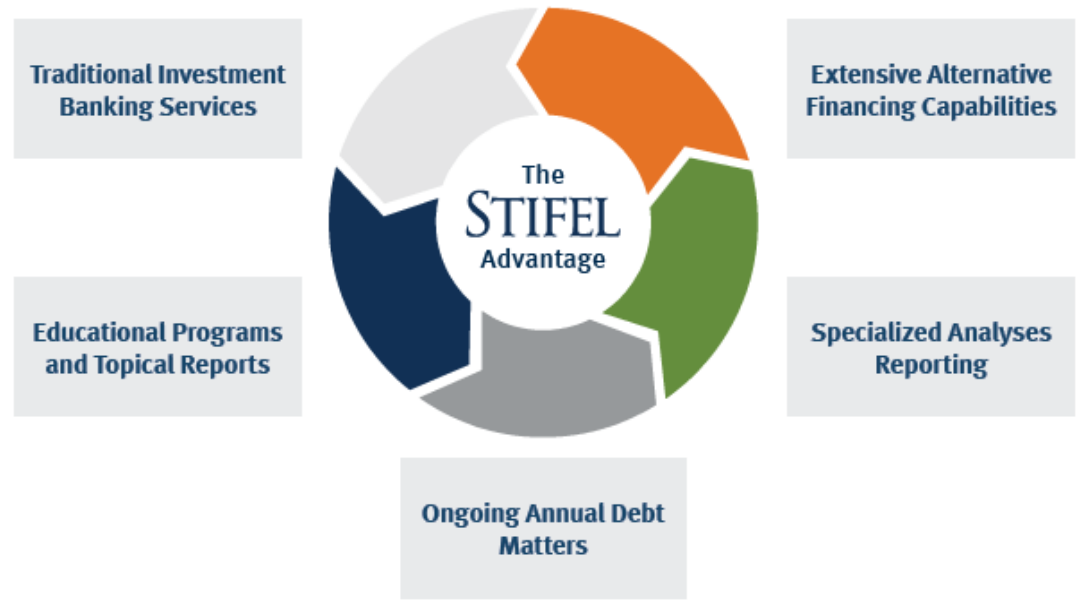
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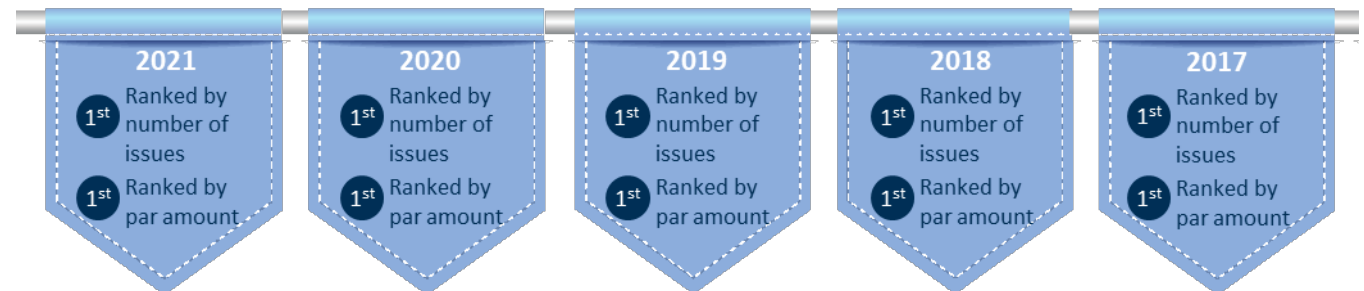
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## The Stifel Advantage



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# Appendix

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# General Requirements and Election Preparation

Item	District Additional Assistance Overrides		
	Class B and Impact Aid Revenue Bonds	(for capital purposes)	M&O and SP Overrides
<b>Definition</b>	<p><u>Class B Bonds</u>: general obligation bonds authorized by an election after 12/31/98. (Bonds authorized before 12/31/98 are Class A bonds.) A general obligation bond is a debt security sold to investors and repaid by a secondary property tax.</p> <p><u>Impact Aid Revenue Bonds</u>: voter authorized bonds sold to investors and repaid with federal Impact Aid revenues.</p>	An increase in a school district’s capital budget subject to voter authorization and funded by a secondary property tax. (Not available to CTEDs.)	An increase in a school district’s M&O budget subject to voter authorization (except that Special Program (SP) overrides may be spent for M&O or capital) and funded by a secondary property tax. (Not available to CTEDs.)
<b>Limitations on Amount</b>	<p><u>Class B Bonds</u>: principal amount is limited to the greater of 20% of the net full cash assessed value in the District (10% for elementary and high school districts) or \$1,500 per student. Combined Class A and B debt may not exceed Constitutional debt limit.</p> <p>Exceptions: <u>Career Technical Education Districts</u>: 1% of net full cash assessed value.</p> <p><u>Impact Aid Revenue Bonds</u>: principal amount is limited to three times the average of the previous five years’ Impact Aid receipts. Annual debt service is also limited by formula.</p>	Limited to 10% of the RCL but the maximum amount approved is constant over the life of the override. Overrides may be “stacked” up to the limitation.	<ul style="list-style-type: none"> <li>M&amp;O overrides are limited to 15% of the RCL, but there is a special formula for very small districts.</li> <li>SP overrides are limited to 5% of the RCL.</li> <li>The total of M&amp;O and SP overrides cannot exceed 15% of the RCL.</li> <li>New authorization replaces existing override – regardless of time remaining before expiration of existing override.</li> </ul>
<b>Maximum Duration</b>	20 years from date of sale, except that bonds that fund equipment have a 5 year limit.	7 years.	7 years (level percent of RCL for 5 years; last two years phase out to 2/3 and 1/3 of original percentage).
<b>Timing Limitations</b>	Bonds must be issued within 10 years after the election and Class B Bonds cannot be issued if any Impact Aid Revenue Bonds are outstanding.	Not applicable.	Not applicable.
<b>Election Dates</b>	<p><u>Class B Bonds</u>: only allowed in November.</p> <p><u>Impact Aid Revenue Bonds</u>: may be held in March, May, September or November.</p>	Only allowed in November. DAA, M&O, or SP Overrides for the same budget year must be held at the same election.	If funded by secondary taxes, only allowed in November. If funded by the cash balance, may be held in March, May, September or November, but only once a fiscal year. All overrides for the same budget year must be held at the same election.
<b>Deadline for Calling Election</b>	Determined by the County School Superintendent; deadlines vary from 150 to 90 days before the election.	Determined by the County School Superintendent, plus statutory deadline of 90 days before the election.	

# Election / Voter Information Pamphlet Requirements

Item	Class B and Impact Aid Revenue Bonds	District Additional Assistance Overrides (for capital purposes)	M&O and SP Overrides
Notification and Contracts	Districts must notify the County School Superintendent that the election has been called, and enter into contracts or agreements with the County School Superintendent, County Recorder, County Elections Department, printer, etc., as necessary. (Details vary by county.)		
Ballot Language Review	Ballot language must be submitted to Legislative Council for review 85 days before the election.	Ballot language review not required.	
Notice	Notice is given by mailing the voter pamphlet.	A notice of the election must be posted; procedures and deadlines vary by county, but statutes specify 25 days before the election.	
Information Required for Voter Pamphlets	Purpose statement for the bond or override. Statements are statutorily limited to factual information presented in a neutral manner.		
	Bond information, including maximum interest rate and estimated debt service schedule.  <u>Class B bonds:</u> average annual tax impact and total cost over the life of the bonds on a \$250,000 home, \$100,000 agriculture/vacant parcel and \$1,000,000 business.	<ul style="list-style-type: none"> <li>Length of override and proposed first year expenditures.</li> <li>Current, proposed and alternate budgets.</li> <li>Statement that the alternate budget will be adopted if the override is not approved.</li> <li>First year tax rate for the full override amount and estimated cost to average value homes and businesses. (Tax rate and estimated average taxpayer costs must be calculated based on current year assessed valuation received from the Department of Revenue.)</li> </ul>	
Pro and Con Arguments	<ul style="list-style-type: none"> <li>Executive summary of district’s capital plan (from SFB).</li> <li>Complete list of improvements to be funded with the cost of each (administrative improvements listed separately).</li> <li>Tax rate associated with each improvement and cost to the owner of a single family home valued at \$100,000 for Class B Bonds and \$80,000 for DAA Overrides (not required for Impact Aid Revenue Bonds).</li> </ul>	Not applicable.	
	<ul style="list-style-type: none"> <li>Governing Boards must set a deadline for submitting pro and con arguments at a public meeting and publish the deadline in a newspaper of general circulation.</li> <li>Districts must also advertise for pro and con arguments, which can be combined with the requirement to publish the deadline.</li> <li>Governing Board statement not permitted.</li> </ul>	<ul style="list-style-type: none"> <li>Governing Boards must declare the deadline for submitting pro and con arguments at the public meeting when an override election is called and immediately post the deadline on the District’s website.</li> <li>Districts must also advertise for pro and con arguments.</li> <li>Requires Governing Board pro argument, which must be adopted at a public meeting, signed by Board members, and sent to the County School Superintendent by the deadline, usually 90 days before the election.</li> <li>Pro and con arguments are limited to 200 words.</li> </ul>	
Pamphlet Mailing Deadline	35 days before the election.		

# Election Communication / Advocacy and Reporting Requirements

Item	District Additional Assistance Overrides	
	Class B and Impact Aid Revenue Bonds	(for capital purposes) M&O and SP Overrides
Written Information	All written information provided by the school district pertaining to a Class B bond election must include the estimated average annual tax rate.	All written information provided by the school district pertaining to the election must include the estimated first year tax rate for the proposed override amount.
Translations	Written materials must be translated into Spanish and interpreters must be available at informational meetings. In some cases, translations and interpreters for other languages are also required, including interpreters at the polls for non-written languages.	
Use of District Resources	School district resources may not be used to influence the outcome of any election. (Restriction does not include resources used for preparation of voter information pamphlets.) Prohibition applies to use of “non-routine” district focused promotional expenditures after election has been called through election day.	
Advisory & Advocacy Committees	The District Governing Board may appoint an advisory committee of citizens to make recommendations regarding bond and override elections. If the Board calls the election, the committee should be disbanded. The committee may reorganize itself as a pro-bond or pro-override committee, but it must register as a Political Committee with the County elections department <u>before making any expenditures, accepting any contributions or distributing any campaign literature.</u>	

Item	District Additional Assistance Overrides	
	Class B and Impact Aid Revenue Bonds	(for capital purposes) M&O and SP Overrides
ADE Report	Report of Special Election must be submitted to AZ Department of Education within 15 days after the election.	
Annual Public Meeting	Annual public meeting must be held between September 1 and October 31.	
	For bonds and DAA overrides the presentation is an update on the status of capital improvements. For bonds, the meeting is only required until the bond proceeds are spent. For DAA overrides, meeting is required each year the override is in effect. Included in the meeting shall be discussion of the school district’s use of state capital aid and voter approved bonding in funding capital improvements.	Presentation is the amounts expended and budgeted for each of the purposes identified in the information pamphlet.
Reporting: ADOR, ADOA and IRS	Voter information pamphlet must be sent to AZ Department of Revenue (ADOR) within 30 days after the election.	Not required for overrides.
	Reports on bond issues and lease purchases must be sent to the State Department of Administration and the IRS after closing. In addition, a report on bonded indebtedness and lease purchases must be submitted to the State Department of Administration annually.	Not applicable.
Continuing Disclosure	Districts may be required to upload Comprehensive Annual Financial Reports (including specified data tables) and notices of material events to the EMMA (Electronic Municipal Market Access) website ( <a href="http://www.emma.msrb.org">www.emma.msrb.org</a> ) while bonds are outstanding.	Not applicable.

## Restrictions on Expenditures / Investment Earnings

Item	District Additional Assistance Overrides (for capital purposes)		
	Class B and Impact Aid Revenue Bonds		M&O and SP Overrides
Limitations on Type of Expenditure	<ul style="list-style-type: none"> <li>• May be used for purchase or lease of school sites, building or renovating school buildings, improving school grounds, supplying school buildings with furniture, equipment and technology, purchasing pupil transportation vehicles or liquidating debt.</li> <li>• According to some bond attorneys and the Auditor General's Office may not be used for books.</li> <li>• Some disagreement as to whether non-pupil transportation vehicles qualify as "equipment."</li> <li>• May be used to retrofit buses for air conditioning, with equipment amortization.</li> <li>• May only be used for purposes stated on the ballot.</li> <li>• If issued as a Qualified School Construction Bond (QSCB), must meet Davis-Bacon requirements and may not be used for buses, for land unless the QSCB proceeds are used for construction on the land, or for equipment unless the equipment is for a QSCB-constructed building.</li> <li>• For CTEDs, intergovernmental agreements required for facilities located on a school district campus (15-1021.H).</li> </ul>	May be used for any authorized capital outlay expenditure as provided in the USFR.	<p><u>M&amp;O overrides:</u> May be used for any M&amp;O purpose.</p> <p><u>SP overrides:</u> For a special program designed for pupils in grades K-12.</p>
Interest Earnings	Proceeds may only be expended as listed in the voter pamphlet, except that 10% of the total may be used for general capital expenses and cost overruns.		No similar restriction.
	Interest earnings on bond proceeds must be used for debt service unless voters authorize use for projects in a separate question at the bond election or unless the bonds are issued as QSCB or Build America Bonds (BAB). Interest earnings are added to the 10% leeway described above.	Prior year's interest is added to the unrestricted capital budget limit.	Interest earnings on M&O funds enhance cash balances.
Carry Forward	When bonds are issued, the District must have a plan to expend at least 85% of the monies within three years. For bonds issued as QSCB, all proceeds must be spent within 3 years.	Unspent proceeds may be carried forward.	
IRS and Arbitrage	Tax-exempt financings, including bonds and lease purchases, are subject to IRS rules on arbitrage. Under certain circumstances, districts must restrict the yield on investments of proceeds and debt service funds or make yield reduction payments or arbitrage rebate payments. Special arbitrage experts should be consulted within two years of issuing bonds.	Not applicable.	

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