

	Unweighted ADM	Current Capital Outlay Capital Outlay Base	Revenue Limit (CORL) Text Book Allowance	Projection Total	Legislative Cut	2013-14 CORL					
Reserve for Sports Complex	1154.234	\$	267.94	\$	69.68	\$	337.62	\$	(151,266)	\$	238,426
Copy Machine Lease						\$	(163,283)				
Capital to M&I						\$	(11,333)				
Total Commitments						\$	(63,811)				
						\$	(238,427)				
<b>Remaining CORL (unrestricted capital)</b>						<u>\$</u>	<u>(0)</u>				

**Waddle, Kirk**

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**To:** Miller, Erika S  
**Subject:** RE: Capital Financing needs

Attached is the updated analysis for the refinancing and adding a 10-year lease.

Assumes:

- closing in mid-September after HB 2202 becomes effective
- \$500,000 project fund deposit
- payoff amount for track is \$157,567.54
- rates estimated, subject to change
- new money 10-year financing would be approximately \$75,000/year

SAV for 2013/14 estimated to be: \$257,735,715  
\$11,030,000 outstanding class B bonds after 7/1/2013 payment  
Bonding capacity would be \$1,856,786 as of the third Monday in August

If it is for equipment, it would have a 5-year limit. I've attached that scenario as well. If we layer in the \$1,800,000 over 5-years starting in 7/1/2015 and assume a 2.5% rate to be conservative, the average tax impact would be \$0.1551 per \$100 of secondary assessed value.

2013/14 owner occupied secondary assessed value: \$11,194 (Full cash value \$111,944) would pay an estimated \$17.36/year. (column 8 has the estimated additional tax rate.)

This would assume 0% increase in SAV and account for class 1 and class 2 ratio adjustments.

If the District wanted to consider a capital override for \$525,000 over a 7-year period. This would break down to \$75,000 per year and based off the 2013/14 assessed value, this would be approximately \$0.03 per \$100 of secondary assessed value.

Let us know if we can be of further assistance before your meeting on Friday morning.

Thanks,  
Mark & Erika

*Please note my new email address:*

**Erika S. Miller**

Assistant Vice President

**Stifel, Nicolaus & Company, Incorporated**

2555 E. Camelback Road, Ste. 280, Phoenix, AZ 85016

## Comparison of Class B Bonds and Capital Outlay Overrides

	Class B Bonds	Capital Outlay Overrides
<b>Allowable Projects</b>	<p>Almost all capital items</p> <ul style="list-style-type: none"> <li>No retrofitting buses with air-conditioning (equipment must be for supplying school buildings)</li> <li>No transportation vehicles other than pupil transportation</li> <li>Some attorneys say yes to books generally and others say books only when stocking a new school or library; Auditor General says no to books because they are supplies</li> </ul>	<ul style="list-style-type: none"> <li>Any capital item</li> </ul>
<b>Ideal Use</b>	<ul style="list-style-type: none"> <li>Land</li> <li>New construction and major renovations</li> <li>School buses if a district is not growing rapidly</li> </ul>	<ul style="list-style-type: none"> <li>Equipment and technology</li> <li>Small capital projects</li> <li>Capital items that can't be included in a bond</li> </ul>
<b>Practical Use</b>	<ul style="list-style-type: none"> <li>Any allowable project</li> </ul>	<ul style="list-style-type: none"> <li>Any item if capital overrides are easy to pass in this district</li> <li>Capital items that can't be included in a bond</li> </ul>
* <b>Advantages</b>	<ul style="list-style-type: none"> <li>Much easier to pass</li> <li>Debt service can be folded around existing debt to create level tax rates</li> <li>Voters are given average annual tax impact which takes projected growth into account</li> <li>Is not seen as a new tax</li> <li>Money is usually available sooner</li> <li>Can spread repayment over more years (maximum 20)</li> </ul>	<ul style="list-style-type: none"> <li>No interest or issuance costs</li> <li>Less paperwork for District</li> <li>Good for districts with no or limited bonding capacity</li> </ul>
* <b>Disadvantages</b>	<ul style="list-style-type: none"> <li>Issuance and interest costs</li> <li>District must provide information to issue bonds and there are other reporting requirements</li> <li>Bonding capacity is decreased when property values decline</li> </ul>	<ul style="list-style-type: none"> <li>Much harder to pass</li> <li>Tax is usually new</li> <li>Tax rate is fairly level</li> <li>Voters are given first year tax rate</li> <li>Money comes in equal amounts each year which may not be when it is needed</li> <li>Limited to 7 years and 10% of RCL</li> </ul>
<b>Similarities</b>	<ul style="list-style-type: none"> <li>Voter pamphlet and ballot requirements</li> <li>Allowable election dates (November only)</li> <li>Impact on state funding for facilities</li> <li>Source of funding (secondary property tax)</li> </ul>	

# STIEHL

## Summary of Class B Bond and Capital Outlay Override Election Results 1999 - 2012

Year	Class B Bonds			Capital Outlay Overrides*			Difference Between Bond Yes and Override Yes
	No. of Questions	Percent Approved	Amount Approved	No. of Questions	Percent Approved	Annual Amount Approved	
1999	8	88%	\$ 179,145,000	4	75%	\$ 10,055,174	9.8%
2000	5	100%	\$ 77,900,000	1	0%	\$ -	21.8%
2001	7	86%	\$ 167,538,000	2	0%	\$ -	3.2%
2002	12	100%	\$ 352,335,000	3	33%	\$ 1,802,000	18.2%
2003	9	89%	\$ 403,010,000	11	55%	\$ 12,736,000	12.4%
2004	17	100%	\$ 753,585,000	5	40%	\$ 5,300,000	19.7%
2005	28	89%	\$ 1,133,955,000	14	79%	\$ 40,175,939	6.6%
2006	27	100%	\$ 1,227,255,000	9	22%	\$ 4,050,000	10.7%
2007	16	81%	\$ 496,610,000	11	45%	\$ 21,351,348	8.1%
2008	12	100%	\$ 356,615,000	4	75%	\$ 9,785,000	12.8%
2009	13	92%	\$ 280,130,000	4	25%	\$ 4,600,000	6.5%
2010	13	77%	\$ 513,080,000	7	29%	\$ 1,100,000	15.7%
2011	14	71%	\$ 733,880,000	6	33%	\$ 12,708,000	10.3%
2012	9	89%	\$ 622,510,000	11	64%	\$ 13,949,619	
<b>TOTAL</b>	<b>190</b>	<b>92%</b>	<b>\$ 6,675,038,000</b>	<b>92</b>	<b>49%</b>		<b>10.8%</b>
Even Yrs	95	97%		40	43%		
Odd Yrs	95	86%		52	54%		
Total number of districts that have passed at least one bond or capital override since 1999:							
110							
28							

\*Includes only overrides funded by property taxes. Beginning in 2005, amounts include renewals of previously-approved overrides.

# COMPLIANCE REQUIREMENTS FOR BOND AND OVERRIDE ELECTIONS

## General Requirements and Preparation for the Election

Item	Class B and Impact Aid Revenue Bonds	Capital Outlay Overrides	M&O and SP Overrides
<b>Definition</b>	Class B Bonds: 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. Impact Aid Revenue Bonds: voter authorized bonds sold to investors and repaid with federal Impact Aid revenues.	An increase in a school district's capital budget subject to voter authorization and funded by a secondary property tax. (Not available to JTEDs.)	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 JTEDs.)
<b>Limitations on Amount</b>	Class B Bonds: principal amount is limited to the greater of 10% of secondary assessed valuation (5% for elementary and high school districts) or \$1,500 per student. Combined Class A and B debt may not exceed the Constitutional debt limit. Exceptions: -JTED limit is 1% of secondary assessed valuation. Impact Aid Revenue Bonds: 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.	Limited to 10% of the RCL but the amount is constant over the life of the override.	<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 small districts and a temporary 17% limit for certain K-8 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 (except for temporary 17% limit)</li> </ul>
<b>Maximum Duration</b>	20 years, 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 6 years after the election (10 years for elections held after 2009) and Class B Bonds cannot be issued if any Impact Aid Revenue Bonds are outstanding.	Not applicable.	Not applicable.
<b>Election Dates</b>	Class B Bonds: only allowed in November. Impact Aid Revenue Bonds: may be held in March, May, September or November.	Only allowed in November. Capital Outlay, 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 year. Capital Outlay, M&O, or SP Overrides for the same budget year must be held at the same election.
<b>Deadline for Calling the 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.	Determined by the County School Superintendent, plus statutory deadline

## *Election / Voter Information Pamphlet Requirements*

Item	Class B and Impact Aid Revenue Bonds	Capital Outlay Overrides	M&O and SP Overrides
<b>Notification and Contracts</b>	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.)		
<b>Ballot Language Review</b>	Ballot language must be submitted to Legislative Council for review 85 days before the election.		Ballot language review not required.
<b>Notice</b>	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.	
<b>Letter to Dept. of Justice</b>	Districts must send a letter to the U.S. Department of Justice requesting approval of voting procedures changes (called pre-clearance submission) at least 60 days prior to the election.		
<b>Information Required for Voter Pamphlets</b>	<p>Purpose statement for the bond or override.</p> <p>Bond information, including maximum interest rate and estimated debt service schedule.</p> <p>Class B bonds: 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.</p>	<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 alternative 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. <b><u>Tax rate and average values must be calculated using current year Secondary Assessed Valuation received from the Department of Revenue.</u></b></li> </ul>	Not applicable.
<b>Pro and Con Arguments</b>	<ul style="list-style-type: none"> <li>Executive summary of district's capital plan (from SFB).</li> <li>A complete list of improvements to be funded with the cost of each (administrative improvements listed separately).</li> <li>The 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 Capital Outlay Overrides (not required for Impact Aid Revenue Bonds).</li> </ul>	<p><b><u>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.</u></b> Districts must also advertise for pro and con arguments. The District's pro arguments must be adopted by the Governing Board at a public meeting, signed by board members, and sent to the County School Superintendent by the deadline, usually 90 days before the election. Pro and con arguments are limited to 200 words.</p>	
<b>Pamphlet Mailing Deadline</b>	35 days before the election.		

Note: **Bold underlined language** indicates provisions added in 2012.

### *Election Communication / Advocacy*

<b>Item</b>	<b>Class B Bonds and Impact Aid Revenue Bonds</b>	<b>Capital Outlay Overrides</b>	<b>M&amp;O and SP Overrides</b>
<b>Written Information</b>	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.	
<b>Translations</b>	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.		
<b>Use of District Resources</b>	School district resources may not be used to influence the outcome of any election. (This restriction does not include resources used for the preparation of voter information pamphlets.)		
<b>Advisory and Advocacy Committees</b>	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</u> making any expenditures, accepting any contributions or distributing any campaign literature.		

### *Reporting Requirements*

<b>Item</b>	<b>Class B Bonds and Impact Aid Revenue Bonds</b>	<b>Capital Outlay Overrides</b>	<b>M&amp;O and SP Overrides</b>
<b>ADE Report</b>	Report of Special Election must be submitted to AZ Department of Education within 15 days after the election.		
<b>Annual Public Meeting</b>	An annual public meeting must be held between 9/1 and 10/31. For bonds and capital 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 capital overrides, it 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. For maintenance and operation overrides the presentation is the amounts expended and budgeted for each of the purposes identified in the information pamphlet.		
<b>ADOR and IRS Reports</b>	A voter information pamphlet must be sent to the 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 ADOR and the IRS after closing. In addition, a report on bonded indebtedness and lease purchases must be submitted to ADOR annually by Sept. 15. <a href="http://www.azdor.gov/ResearchStats/BondedIndebtedness.htm">www.azdor.gov/ResearchStats/BondedIndebtedness.htm</a>		Not applicable.
<b>Continuing Disclosure</b>	Districts must upload Comprehensive Annual Financial Reports 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	Class B Bonds and Impact Aid Revenue Bonds	Capital Outlay Overrides	M&O and SP Overrides
<b>Limitations on Type of Expenditure</b>	<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, non-pupil transportation vehicles, or retro-fitting buses for air conditioning.</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 JTEDs, intergovernmental agreements are 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.	M&O overrides may be used for any M&O purpose.  SP overrides are limited to M&O or capital expenditures for a special program designed for pupils in grades K-12.
<b>Interest Earnings</b>	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.	No similar restriction.
<b>Carry Forward</b>	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 are used to reduce taxes.
<b>IRS and Arbitrage</b>	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 indefinitely.	M&O overrides: subject to the M&O budget balance carry forward limit.  SP overrides: Up to 50% of unspent proceeds may be included in the M&O budget balance carry forward.
<b>IRS and Arbitrage</b>	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.	Not applicable.

4/18/12



SOURCES AND USES OF FUNDS

Mingus Union High School District No. 4  
 Lease Purchase Obligations, Series 2013  
 Estimated, Subject to Change

Dated Date 09/13/2013  
 Delivery Date 09/13/2013

Sources:	Lease Purchase Obligations, Series 2013A (New Money Buses)	Lease Payment Obligations, Series 2013B (Refinancing Track)	Total
Bond Proceeds:			
Par Amount	531,000.00	168,000.00	699,000.00
	531,000.00	168,000.00	699,000.00
Uses:	Lease Purchase Obligations, Series 2013A (New Money Buses)	Lease Payment Obligations, Series 2013B (Refinancing Track)	Total
Project Fund Deposits:			
Project Fund	500,000.00		500,000.00
Refunding Escrow Deposits:			
Cash Deposit		157,567.54	157,567.54
Delivery Date Expenses:			
Cost of Issuance	30,386.27	9,613.73	40,000.00
Other Uses of Funds:			
Additional Proceeds	613.73	818.73	1,432.46
	531,000.00	168,000.00	699,000.00

Note: Assumes lease payoff amount is equal to cash deposit.

## BOND DEBT SERVICE

Mingus Union High School District No. 4  
 Lease Purchase Obligations, Series 2013  
 Estimated, Subject to Change

Dated Date 09/13/2013  
 Delivery Date 09/13/2013

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/13/2013					
11/13/2013			3,506.25	3,506.25	
05/13/2014			10,518.75	10,518.75	14,025.00
11/13/2014	84,000	2.250%	10,518.75	94,518.75	
05/13/2015	84,000	2.250%	9,573.75	93,573.75	188,092.50
11/13/2015	29,000	3.250%	8,628.75	37,628.75	
05/13/2016	30,000	3.250%	8,157.50	38,157.50	75,786.25
11/13/2016	30,000	3.250%	7,670.00	37,670.00	
05/13/2017	31,000	3.250%	7,182.50	38,182.50	75,852.50
11/13/2017	31,000	3.250%	6,678.75	37,678.75	
05/13/2018	32,000	3.250%	6,175.00	38,175.00	75,853.75
11/13/2018	32,000	3.250%	5,655.00	37,655.00	
05/13/2019	33,000	3.250%	5,135.00	38,135.00	75,790.00
11/13/2019	33,000	3.250%	4,598.75	37,598.75	
05/13/2020	34,000	3.250%	4,062.50	38,062.50	75,661.25
11/13/2020	35,000	3.250%	3,510.00	38,510.00	
05/13/2021	35,000	3.250%	2,941.25	37,941.25	76,451.25
11/13/2021	36,000	3.250%	2,372.50	38,372.50	
05/13/2022	36,000	3.250%	1,787.50	37,787.50	76,160.00
11/13/2022	37,000	3.250%	1,202.50	38,202.50	
05/13/2023	37,000	3.250%	601.25	37,601.25	75,803.75
	699,000		110,476.25	809,476.25	809,476.25

## BOND DEBT SERVICE

Mingus Union High School District No. 4  
Lease Purchase Obligations, Series 2013A (New Money Buses)

Dated Date 09/13/2013

Delivery Date 09/13/2013

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/13/2013					
11/13/2013			2,876.25	2,876.25	
05/13/2014			8,628.75	8,628.75	11,505.00
11/13/2014			8,628.75	8,628.75	
05/13/2015			8,628.75	8,628.75	17,257.50
11/13/2015	29,000	3.250%	8,628.75	37,628.75	
05/13/2016	30,000	3.250%	8,157.50	38,157.50	75,786.25
11/13/2016	30,000	3.250%	7,670.00	37,670.00	
05/13/2017	31,000	3.250%	7,182.50	38,182.50	75,852.50
11/13/2017	31,000	3.250%	6,678.75	37,678.75	
05/13/2018	32,000	3.250%	6,175.00	38,175.00	75,853.75
11/13/2018	32,000	3.250%	5,655.00	37,655.00	
05/13/2019	33,000	3.250%	5,135.00	38,135.00	75,790.00
11/13/2019	33,000	3.250%	4,598.75	37,598.75	
05/13/2020	34,000	3.250%	4,062.50	38,062.50	75,661.25
11/13/2020	35,000	3.250%	3,510.00	38,510.00	
05/13/2021	35,000	3.250%	2,941.25	37,941.25	76,451.25
11/13/2021	36,000	3.250%	2,372.50	38,372.50	
05/13/2022	36,000	3.250%	1,787.50	37,787.50	76,160.00
11/13/2022	37,000	3.250%	1,202.50	38,202.50	
05/13/2023	37,000	3.250%	601.25	37,601.25	75,803.75
	531,000		105,121.25	636,121.25	636,121.25

BOND DEBT SERVICE

Mingus Union High School District No. 4  
 Lease Payment Obligations, Series 2013B (Refinancing Track)

Dated Date 09/13/2013  
 Delivery Date 09/13/2013

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/13/2013					
11/13/2013			630	630	
05/13/2014			1,890	1,890	2,520
11/13/2014	84,000	2.250%	1,890	85,890	
05/13/2015	84,000	2.250%	945	84,945	170,835
	168,000		5,355	173,355	173,355

BOND SUMMARY STATISTICS

Mingus Union High School District No. 4  
Lease Purchase Obligations, Series 2013  
Estimated, Subject to Change

Dated Date	09/13/2013
Delivery Date	09/13/2013
First Coupon	11/13/2013
Last Maturity	05/13/2023
Arbitrage Yield	3.176485%
True Interest Cost (TIC)	3.176485%
Net Interest Cost (NIC)	3.181461%
All-In TIC	4.516365%
Average Coupon	3.181461%
Average Life (years)	4.968
Duration of Issue (years)	4.533
Par Amount	699,000.00
Bond Proceeds	699,000.00
Total Interest	110,476.25
Net Interest	110,476.25
Total Debt Service	809,476.25
Maximum Annual Debt Service	188,092.50
Average Annual Debt Service	83,738.92
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Bond Component	699,000.00	100.000	3.181%	4.968	4.517	312.73
	699,000.00			4.968		312.73

	TIC	All-In TIC	Arbitrage Yield
Par Value	699,000.00	699,000.00	699,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(40,000.00)	
- Other Amounts			
Target Value	699,000.00	659,000.00	699,000.00
Target Date	09/13/2013	09/13/2013	09/13/2013
Yield	3.176485%	4.516365%	3.176485%

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4  
OF YAVAPAI COUNTY, ARIZONA**

**BOND PROGRAM FOR \$1,800 MILLION SALE**

**Debt Service Requirements and Projected Impact on the Secondary Tax Rate**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
					<b>\$1,800,000</b> School Improvement Bonds Project of 2013 Series A (2014) Bonds Dated 4/01/14								
			<b>Bonds Currently Outstanding</b>				<b>Estimated Additional</b>					<b>Estimated Growth over</b> [With Special Legislation]	
Fiscal Year	Combined Valuation (a)(b)	Debt Service	Secondary Bond Tax Rate (c)	Principal	Estimated Interest (d)	Debt Service	Secondary Bond Tax Rate (e)	Debt Service	Secondary Bond Tax Rate (f)	Net Bonding Capacity (d)	Net Bonding Capacity (e)		
2013/14	\$257,841,399	\$1,514,006	\$0.59			\$0	\$0.00	\$1,514,006	\$0.59	\$56,786	\$25,830,357		
2014/15	255,622,438	1,512,606	0.59	\$335,000	\$56,250	391,250	0.15	1,903,856	0.74	980,838	26,532,513		
2015/16	253,403,476	1,514,606	0.60	355,000	36,625	391,625	0.15	1,906,231	0.75	2,279,890	27,609,669		
2016/17	249,315,991	1,514,206	0.61	360,000	27,750	387,750	0.16	1,901,956	0.76	3,550,515	28,471,546		
2017/18	249,315,991	1,512,406	0.61	370,000	18,750	388,750	0.16	1,901,156	0.76	5,080,515	30,001,546		
2018/19	249,315,991	1,513,806	0.61	380,000	9,500	389,500	0.16	1,903,306	0.76	6,665,515	31,586,546		
2019/20	249,315,991	1,511,625	0.61					1,511,625	0.61	8,310,515	33,231,546		
2020/21	249,315,991	1,515,875	0.61					1,515,875	0.61	9,625,515	34,546,546		
2021/22	249,315,991	1,511,625	0.61					1,511,625	0.61	11,010,515	35,931,546		
2022/23	249,315,991	0	0.00					0	0.00	12,460,515	37,381,546		
2023/24	249,315,991	0	0.00					0	0.00	12,460,515	37,381,546		
				<b>\$1,800,000</b>				<b>\$1,948,875</b>					

(a) Fiscal Year 2013/14 is preliminary, provided by the Assessor of the County. Subsequent years assume 0% growth. The SAV is also adjusted to reflect the following statutory assessment ratio phase downs: in class 1 from 25% in 2005/06 to 20% in 2011/12 and phase down beginning in 2013/14 to 18% in 2016/17, and class 2 from 16% in 2015/16 to 15% in 2016/17

(b) Includes the Salt River Project in-lieu valuation and assumes 0% growth.

(c) Secondary tax rates are per \$100 of assessed valuation. Subsequent years' projected tax rates are not adjusted for interest earnings, arbitrage rebate or delinquent tax collections (if any).

(d) Interest is estimated at 2.50% for the Bonds.

(e) Capacity based on proposed legislation which would permanently increase limitations on bonded indebtedness to 10% for ESD and UHSDs and 20% for USDs.

**Note: The information in this analysis is not intended to be used as the primary basis for determining a district'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 district, but is not guaranteed as to accuracy and does not purport to be complete. Any information expressed in this analysis is subject to change.**

**MINGUS UNION HIGH SCHOOL DISTRICT NO. 4  
OF YAVAPAI COUNTY, ARIZONA**

**ESTIMATED TAX IMPACT  
SCENARIO 1 - BOND INFORMATION**

**AVERAGE ANNUAL TAX RATE PER \$100 OF SECONDARY ASSESSED VALUATION: \$0.1551**

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

**ESTIMATED AVERAGE ANNUAL TAX RATE PER \$100  
OF SECONDARY ASSESSED VALUATION: \$0.1551**

**OWNER OCCUPIED RESIDENTIAL PROPERTY  
(Assessed at 10.0% of full cash value)**

Assessor's Full Cash Value (a)	Secondary Assessed Value	Estimated Annual Cost (b)	Estimated Monthly Cost (b)
\$111,944 (c) 100,000	\$11,194 (c) 10,000	\$17.36 15.51	\$1.45 1.29

**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 \$31.90 per year for 5 years or \$0,159.48 total cost. (d)**

**COMMERCIAL AND INDUSTRIAL PROPERTY  
(Assessed at 19.5% of full cash value) (e)**

Assessor's Full Cash Value (a)	Secondary Assessed Value	Estimated Annual Cost (b)	Estimated Monthly Cost (b)
\$440,568 (c) 100,000	\$85,911 (c) 19,500	\$133.25 30.24	\$11.10 2.52

**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 \$0,233.47 per year for 5 years or \$1,167.36 total cost. (d)**

**AGRICULTURAL AND VACANT PROPERTY  
(Assessed at 16.0% of full cash value) (f)**

Assessor's Full Cash Value (a)	Secondary Assessed Value	Estimated Annual Cost (b)	Estimated Monthly Cost (b)
\$33,912 (c) 100,000	\$5,426 (c) 16,000	\$8.42 24.82	\$0.70 2.07

**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 \$19.65 per year for 5 years or \$0,098.24 total cost. (d)**

- (a) Assessor's full cash value is the value of your property as it appears on your tax bill and does not necessarily represent the market value.
- (b) Cost based on the average projected tax rate over the life of the bond issues and a number of other financing assumptions which are subject to change. District as provided by the Arizona Department of Revenue.
- (d) Assumes the assessed valuation of the property grows or declines at half the rate of the total assessed value shown on the projected debt service schedule.
- (e) Assessment ratio will phase down to 19.5% in 2013-2014 and will be further reduced one-half of one percent for each year to 18% for 2016-2017 and thereafter.
- (f) Assessment ratio will be reduced to 15% in 2016-2017 and thereafter.

**Note: The information in this analysis is not intended to be used as the primary basis for determining a district'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 district, but is not guaranteed as to accuracy and does not purport to be complete. Any information expressed in this analysis is subject to change.**

## **Additional Information**

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