

**PRESCOTT UNIFIED SCHOOL DISTRICT NO. 1  
OF YAVAPAI COUNTY, ARIZONA**

**November 3, 2015 Bond Program for \$15.000 million  
Assumes up to \$3.015 Million Maximum Available for Technology, F&E and Computers**

**SCENARIO 1 - Estimated Debt Service Requirements and Projected Impact on the Secondary Tax Rate**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Fiscal Year	Combined Valuation (a)	Bonds Currently Outstanding		\$15,000,000 School Improvement Bonds Project of 2015 Series A (2016) Bonds Dated: 3/01/16		Estimated Additional		Estimated Combined		M&O Override		Estimated Combined
		Debt Service	Secondary Bond Tax Rate (b)	Principal	Estimated Interest (c)	Debt Service	Secondary Bond Tax Rate (b)	Debt Service	Secondary Bond Tax Rate (b)	Debt Service	Secondary Bond Tax Rate (b)	Secondary Bond Tax Rate (b)
2014/15	\$730,872,454	\$2,609,050	\$0.35					\$2,609,050	\$0.35			\$0.35
2015/16	761,027,868	2,105,850	0.28					2,105,850	0.28			0.28
2016/17	774,499,031	0	0.00	\$300,000	\$900,000	\$1,200,000	\$0.15	1,200,000	0.15	\$1,000,000	\$0.13	0.28
2017/18	797,334,313	0	0.00	540,000	661,500	1,201,500	0.15	1,201,500	0.15	1,000,000	0.13	0.28
2018/19	820,842,870	0	0.00	625,000	637,200	1,262,200	0.15	1,262,200	0.15	1,000,000	0.12	0.28
2019/20	845,044,551	0	0.00	725,000	609,075	1,334,075	0.16	1,334,075	0.16	1,000,000	0.12	0.28
2020/21	869,959,792	0	0.00	825,000	576,450	1,401,450	0.16	1,401,450	0.16	1,000,000	0.11	0.28
2021/22	875,089,761	0	0.00	915,000	539,325	1,454,325	0.17	1,454,325	0.17	666,667	0.08	0.24
2022/23	880,249,979	0	0.00	1,180,000	498,150	1,678,150	0.19	1,678,150	0.19	333,333	0.04	0.23
2023/24	885,440,627	0	0.00	1,235,000	445,050	1,680,050	0.19	1,680,050	0.19		0.00	0.19
2024/25	890,661,882	0	0.00	1,290,000	389,475	1,679,475	0.19	1,679,475	0.19		0.00	0.19
2025/26	895,913,926	0	0.00	1,345,000	331,425	1,676,425	0.19	1,676,425	0.19		0.00	0.19
2026/27	901,196,940	0	0.00	1,410,000	270,900	1,680,900	0.19	1,680,900	0.19		0.00	0.19
2027/28	906,511,108	0	0.00	1,470,000	207,450	1,677,450	0.19	1,677,450	0.19		0.00	0.19
2028/29	911,856,611	0	0.00	1,535,000	141,300	1,676,300	0.18	1,676,300	0.18		0.00	0.18
2029/30	917,233,636	0	0.00	1,605,000	72,225	1,677,225	0.18	1,677,225	0.18		0.00	0.18
		\$4,714,900		\$15,000,000		\$21,279,525				\$6,000,000		

\$3,015,000 = Amount Avail for Tech, F&E, Computers

\$3,015,000

\$0.1742 = Average Annual Tax Rate

(a) Fiscal years 2014/15 is actual. Fiscal year 2015/16 is the preliminary net assessed limited value and assumes 4.13% growth; fiscal years 2016/17 through and including 2020/21 assumes 2.95% growth and subsequent years assume 0.59% growth. The AV 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 2011/12 to 14% in 2016/17. The assumed growth in AV is estimated using the historic 10 year average growth in AV used for secondary tax purposes and other factors including recent local trends and information provided by the District. All projections are subject to change.

(b) Secondary tax rates are per \$100 of assessed valuation. 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 Bonds.

The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The Issuer's actual results may differ, and Stifel makes no commitment to underwrite at these levels.

<b>November 3, 2015 Authorization</b>	<b>\$15,000,000</b>
Series A (2016)*	\$15,000,000
<b>Total</b>	<b>\$15,000,000</b>
<b>Authorization expires November 3, 2025</b>	
* Estimated future issue(s), subject to change.	

**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.**

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**ESTIMATED TAX IMPACT  
SCENARIO 1 - Cost to Taxpayer for November 3, 2015 Bond Program**

**AVERAGE ANNUAL TAX RATE PER \$100 OF SECONDARY ASSESSED VALUATION: \$0.1742**

The following tables illustrate the estimated annual and monthly cost to taxpayers, including principal and interest, based on varying types of property and various property 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 TAX RATE PER \$100  
OF ASSESSED VALUATION USED FOR SECONDARY TAX PURPOSES: \$0.1742**

<b>RESIDENTIAL PROPERTY (Assessed at 10.0%)</b>			
<u>Assessor's Value for Tax Purposes (a)</u>	<u>Assessed Value for Secondary Tax Purposes</u>	<u>Estimated Average Annual Cost (b)</u>	<u>Estimated Average Monthly Cost (b)</u>
\$195,553 (c) 100,000	\$19,555 (c) 10,000	\$34.07 17.42	\$2.84 1.45

**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 \$46.23 per year for 14 years or \$647.21 total cost. (d)**

<b>COMMERCIAL PROPERTY (Assessed at 18.0%) (e)</b>			
<u>Assessor's Value for Tax Purposes (a)</u>	<u>Assessed Value for Secondary Tax Purposes</u>	<u>Estimated Average Annual Cost (b)</u>	<u>Estimated Average Monthly Cost (b)</u>
\$481,701 (c) 1,000,000	\$86,706 (c) 180,000	\$151.04 313.56	\$12.59 26.13

**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 \$332.85 per year for 14 years or \$4,659.90 total cost. (d)**

<b>AGRICULTURAL AND OTHER VACANT PROPERTY (Assessed at 15.0%) (f)</b>			
<u>Assessor's Value for Tax Purposes (a)</u>	<u>Assessed Value for Secondary Tax Purposes</u>	<u>Estimated Average Annual Cost (b)</u>	<u>Estimated Average Monthly Cost (b)</u>
\$37,775 (c) 100,000	\$5,666 (c) 15,000	\$9.87 26.13	\$0.82 2.18

**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 \$27.74 per year for 14 years or \$388.33 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 2015-2016, 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 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 Issuer as provided by the Arizona Department of Revenue.
- (d) Assumes the assessed valuation of the property changes at the lesser of five percent or half the rate of the Issuer's total assessed value shown on the projected debt service schedule.
- (e) Assessment ratio will phase down to 18.5% in tax year 2015 and will be further reduced to 18.0% for tax year 2016 and thereafter.
- (f) Assessment ratio will be reduced to 15.0% in tax year 2016 and thereafter.

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