



La Cañada Unified School District

Overview of General Obligation Bond Financing and Review of Outstanding Bonds

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Tab 1

General Obligation Bond Introduction

What are General Obligation Bonds?

- Secured by an *ad valorem* tax on all taxable property within the School District's boundary
- *Ad valorem* taxes create a new revenue stream for the School District
- Requires voter approval of tax
- Highest level of investor security provides issuers with the lowest borrowing cost
- Bonding Capacity
 - ✓ Elementary and high school districts: 1.25% of Assessed Value
 - ✓ Unified and community college districts: 2.50% of Assessed Value



What are General Obligation Bonds?

➤ Proposition 46 (“Prop 46”)

- ✓ Separate Account/Annual Report
- ✓ No maximum tax rate
- ✓ 2/3rds voter approval required

➤ Proposition 39 (“Prop 39”)

- ✓ Separate Account/Annual Report
- ✓ List of specific school facility projects to be funded
- ✓ Citizens’ Oversight Committee (COC)
- ✓ Performance and Financial Audits
- ✓ 55% voter approval required

➤ Maximum tax rate as a result of any single Prop 39 election must be projected to be no more than (per \$100,000 of Assessed Value):

- ✓ \$30 for elementary and high school districts
- ✓ \$60 for unified school districts
- ✓ \$25 for community college districts



What are General Obligation Bonds?

➤ Assessed Valuation Drives Access

- ✓ Voter Approved Authorization \neq Cash Available Now
- ✓ Higher growth allows earlier issuance
- ✓ Lower growth / decline hinders issuance
- ✓ Tax Rate Caps – Legal vs. Political Restriction?
- ✓ Most bond programs are multi-year projects built into the plan



Tax Rates

$$\text{Tax Rate} = \frac{\text{Annual Debt Service}}{\text{Assessed Valuation}}$$

**Therefore, bonding capacity at a given tax rate
is a function of the following:**

1 Fact	<input type="checkbox"/> Beginning Assessed Valuation of Taxable Property
2 Assumptions	<input type="checkbox"/> Assumed Growth Rate of Assessed Valuation <input type="checkbox"/> Assumed Interest Rates on Bonds
2 Decisions	<input type="checkbox"/> Numbers of Years Tax to be Levied <input type="checkbox"/> Timing and Amount of Individual Bond Sales





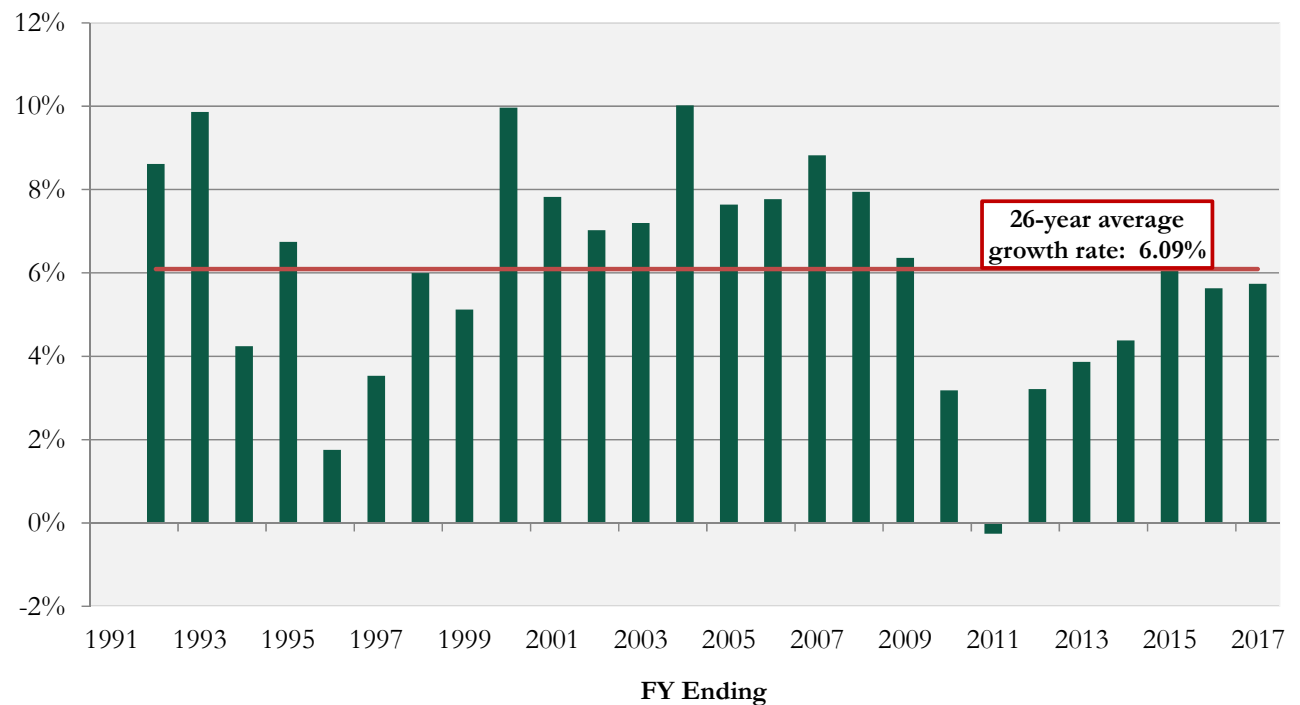
Tab 2

School District General Obligation
Bonds Outstanding

Historical Assessed Valuation

FY Ending	Assessed Valuation	% Change
1991	1,475,904,856	
1992	1,603,042,371	8.61%
1993	1,761,118,454	9.86%
1994	1,835,825,149	4.24%
1995	1,959,691,158	6.75%
1996	1,994,157,058	1.76%
1997	2,064,635,259	3.53%
1998	2,188,418,219	6.00%
1999	2,300,515,957	5.12%
2000	2,529,692,955	9.96%
2001	2,727,632,556	7.82%
2002	2,919,205,720	7.02%
2003	3,129,294,526	7.20%
2004	3,442,730,744	10.02%
2005	3,705,807,440	7.64%
2006	3,993,736,385	7.77%
2007	4,346,190,128	8.83%
2008	4,691,573,690	7.95%
2009	4,990,082,874	6.36%
2010	5,148,851,237	3.18%
2011	5,135,693,886	-0.26%
2012	5,300,749,715	3.21%
2013	5,505,717,422	3.87%
2014	5,746,779,964	4.38%
2015	6,103,777,255	6.21%
2016	6,447,498,179	5.63%
2017	6,817,735,467	5.74%
10-year average		4.63%
26-year average		6.09%

Historical % Change in Total Assessed Value

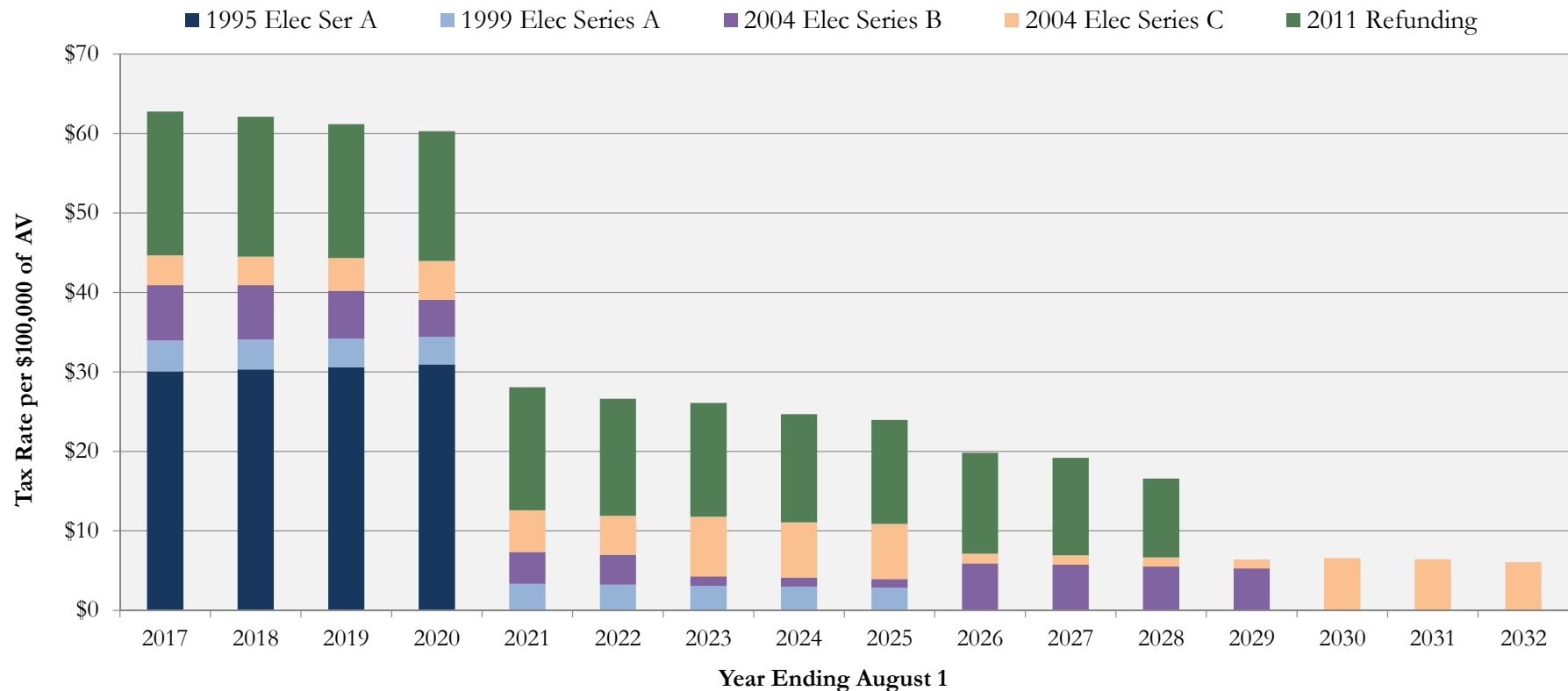


Fiscal Year	Assessed Value	Factor	Statutory Bonding Capacity	Outstanding Principal as of 9/7/16	Remaining Statutory Capacity
2016-17	6,817,735,467	2.50%	170,443,387	22,627,476	147,815,911



Aggregate Projected Tax Rates

Projected Tax Rates Under Election of 1995, 1999 and 2004



⁽¹⁾Assumes 4% growth for FY 17-18 and each year thereafter.

General Obligation Bonds Outstanding

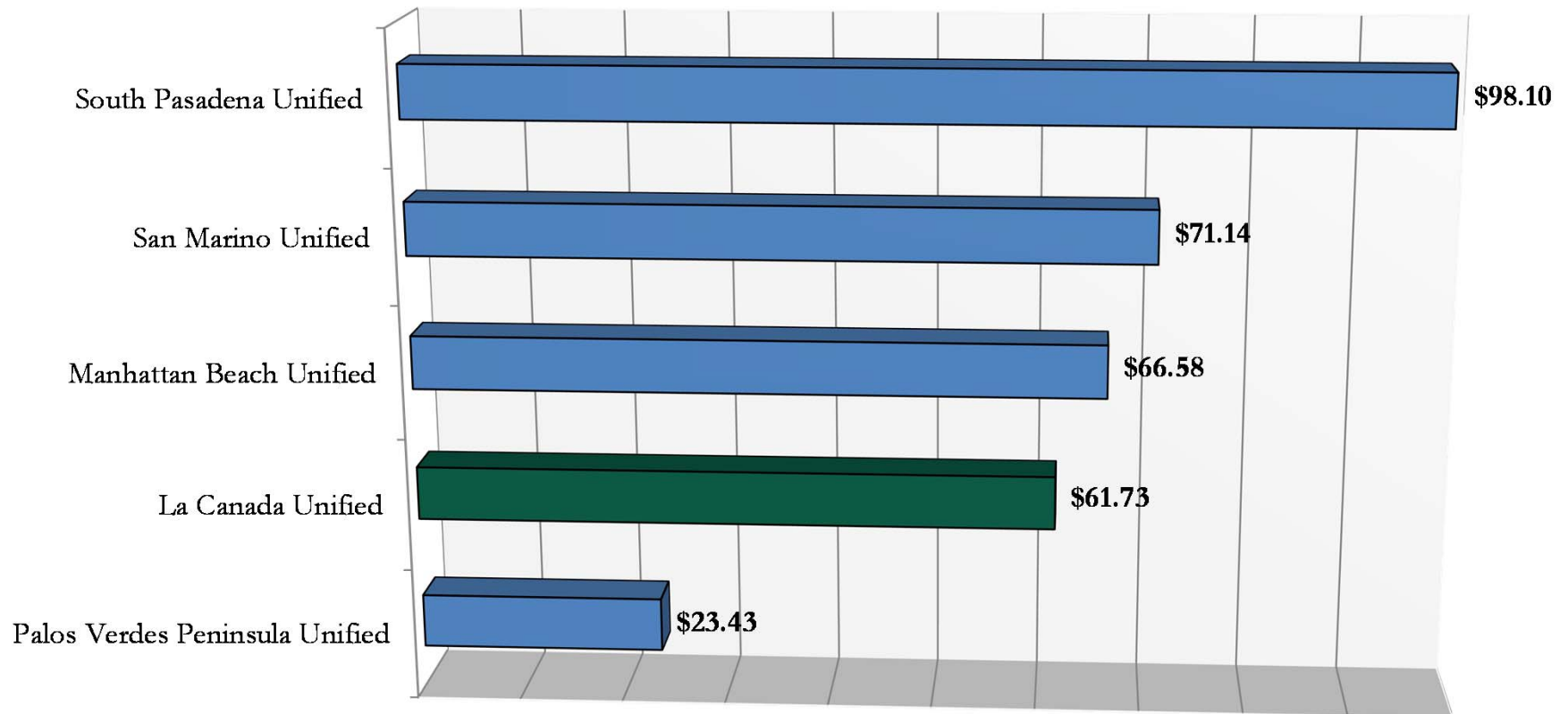
Issue	Dated Date	Final Maturity	Original Principal	Principal Outstanding as of 9/7/16	Next Call Date
1995 Election, Series A	8/30/2005	8/1/2020	\$14,999,976	\$1,932,476	Not Callable
1999 Election Series A	4/1/2000	8/1/2025	\$3,500,000	\$1,830,000	Not Callable
2004 Election Series B	8/5/2008	8/1/2029	\$5,800,000	\$3,595,000	Callable 8/1/18 @ 100% any date
2004 Election Series C	5/25/2009	8/1/2032	\$4,200,000	\$4,075,000	Callable 8/1/19 @ 100% any date
2011 Refunding	11/10/2011	8/1/2028	\$12,440,000	\$11,195,000	Callable 8/1/21 @ 100% any date
				\$22,627,476	

- The 2004 Election, Series B and C Bonds can be advance refunded for taxpayer savings



Comparison of Neighboring School Districts

Neighboring School Districts 2015-2016 GO Bond Tax Rates*



Source: Los Angeles County Auditor-Controller's Office

Comparison of Neighboring School Districts

Comparison of Total Voter-Approved Taxes

La Canada USD	
Estimated Assessed Value	\$800,000
General	\$1.000000
Metropolitan Water District	0.003500
La Canada USD GO Bond	0.061725
Pasadena Area CCD	0.008722
Total Tax Rate	1.073947
La Canada USD Parcel Tax (Measure LC - 2021)	450.00
Annual Approved Tax / Year (\$)	\$9,041.58

San Marino USD	
Estimated Assessed Value	\$800,000
General	\$1.000000
Metropolitan Water District	0.003500
San Marino USD	0.071135
Pasadena Area CCD	0.008722
Total Tax Rate	1.083357
San Marino USD Parcel Tax (Measure R - 2019)	330.00
San Marino USD Parcel Tax (Measure E - 2021)	865.00
Annual Approved Tax / Year (\$)	\$9,861.86

Palos Verdes Peninsula USD	
Estimated Assessed Value	\$800,000
General	\$1.000000
Metropolitan Water District	0.003500
Palos Verdes Peninsula USD	0.023433
Los Angeles CCD	0.035755
Palos Verdes Library District	0.005630
Total Tax Rate	1.068318
Palos Verdes USD Parcel Tax (Measure M no expiration)	374.00
Annual Approved Tax / Year (\$)	\$8,920.54

South Pasadena USD	
Estimated Assessed Value	\$800,000
General	\$1.000000
Metropolitan Water District	0.003500
South Pasadena USD	0.098104
Pasadena Area CCD	0.008722
Total Tax Rate	1.110326
South Pasadena USD Parcel Tax (Measure S - 2017)	386.00
Annual Approved Tax / Year (\$)	\$9,268.61

Manhattan Beach USD	
Estimated Assessed Value	\$800,000
General	\$1.000000
Metropolitan Water District	0.003500
Manhattan Beach USD GO Bond	0.066579
El Camino CCD	0.017447
Total Tax Rate	1.087526
Annual Approved Tax / Year (\$)	\$8,700.21



Source: Los Angeles County Auditor-Controller's Office

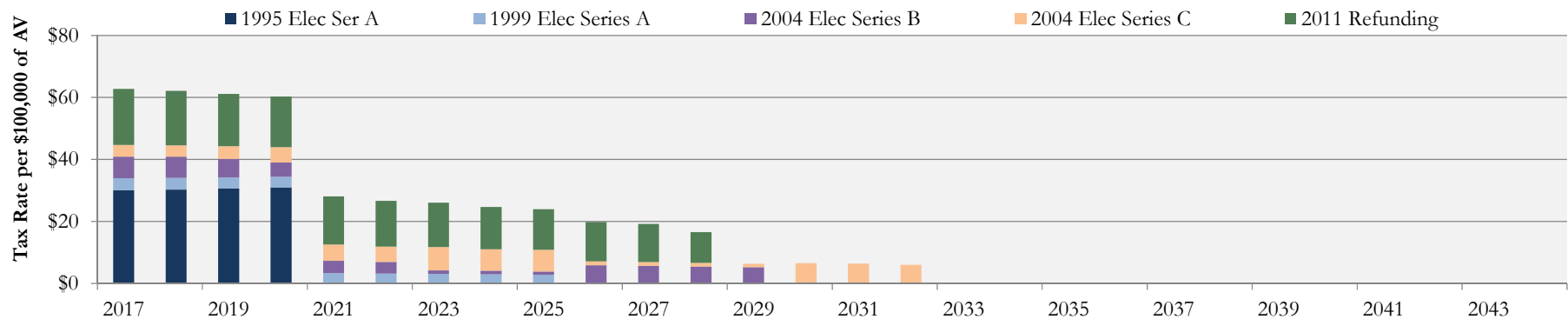


Tab 3

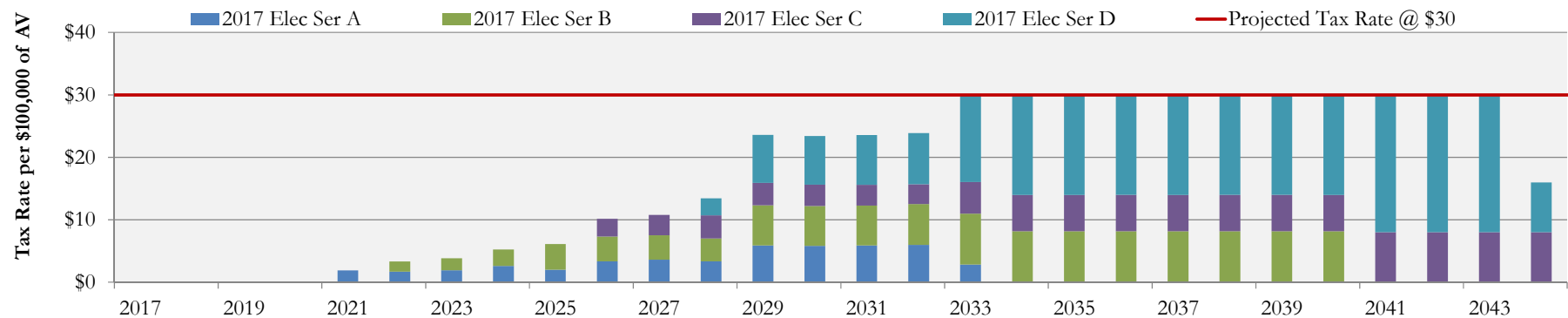
Potential 2017 General Obligation
Bond Scenarios

Potential 2017 Election Tax Rate Extension (\$30)

Projected Tax Rates of Outstanding Bonds⁽¹⁾



Projected Tax Rates Under 2017 Election - Without Outstanding Bonds⁽¹⁾⁽²⁾



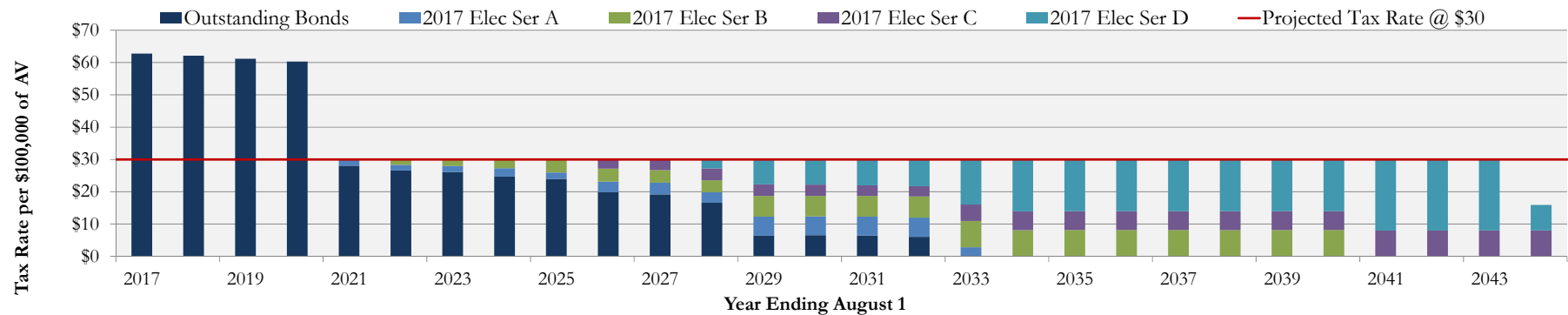
⁽¹⁾Assumes 4% growth for FY 17-18 and every year thereafter.

⁽²⁾Scale based on MMD 'AA' 10 year average per maturity.

Potential 2017 Election Tax Rate Extension (\$30)

- A successful General Obligation bond election held in 2017 would allow the School District to issue new money as soon as early 2018 and \$50 million in total
- Wraps around existing general obligation bond debt, maintains a not-to-exceed tax rate of \$30 across all of the School District's outstanding general obligation bonds

Projected Tax Rates Under 2017 Election - Tax Rate Extension⁽¹⁾⁽²⁾



	Series 2018	Series 2021	Series 2024	Series 2027	Total
Issue Date	2/1/2018	8/1/2021	8/1/2024	8/1/2027	-
Par Amount	\$3,595,000	\$10,000,000	\$10,000,000	\$26,500,000	\$50,095,000
Project Amount	3,016,650	8,543,037	8,514,650	23,162,949	43,237,285
Final Maturity Date	8/1/2033	8/1/2040	8/1/2044	8/1/2044	8/1/2052
Projected Repayment Ratio	1.39	1.47	1.52	1.35	1.41
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%

⁽¹⁾Assumes 4% growth for FY 17-18 and every year thereafter.

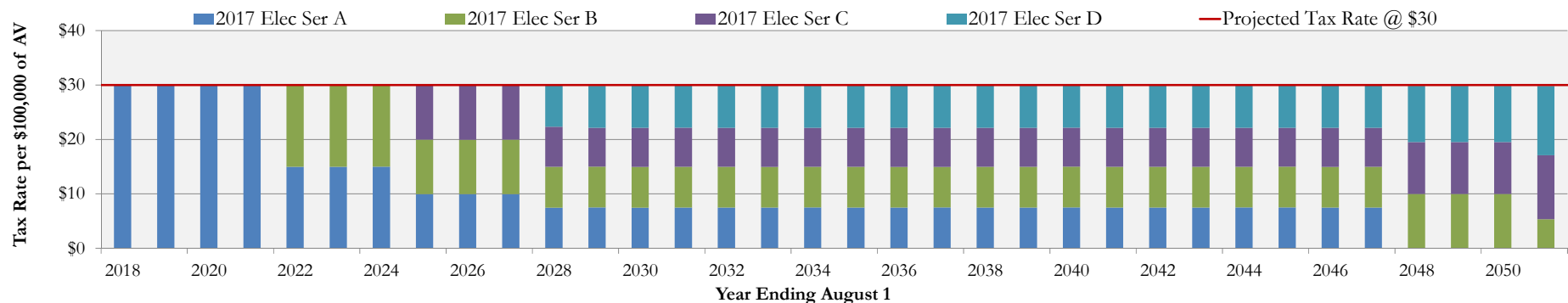
⁽²⁾Scale based on MMD 'AA' 10 year average per maturity.



Potential 2017 Election No Wrap (\$30 Tax Rate)

- A successful General Obligation bond election held in 2017 would allow the School District to issue new money as soon as early 2018
- Assumes a **new** \$30 tax rate with four series; the first series in 2018 and the final series in 2027

Projected Tax Rates Under 2017 Election ⁽¹⁾⁽²⁾



	Series 2018	Series 2021	Series 2024	Series 2027	Total
Issue Date	2/1/2018	8/1/2021	8/1/2024	8/1/2027	-
Par Amount	\$23,120,000	\$19,400,000	\$18,000,000	\$20,000,000	\$80,520,000
Project Amount	22,735,040	19,044,800	17,656,000	18,805,754	78,241,594
Final Maturity Date	8/1/2047	8/1/2051	8/1/2051	8/1/2051	8/1/2051
Projected Repayment Ratio	1.70	2.00	1.95	1.75	1.84
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%

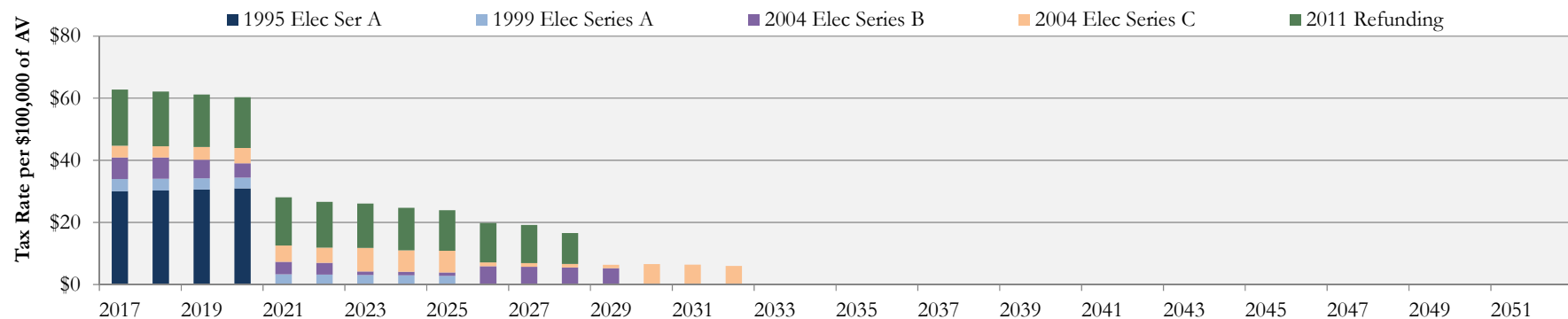
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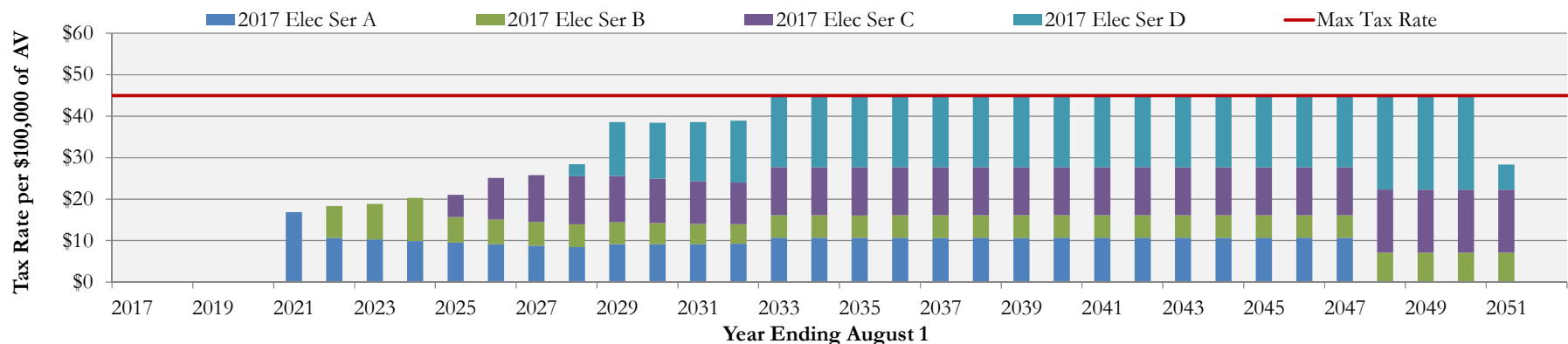


Potential 2017 Election Tax Rate Extension (\$45)

Projected Tax Rates of Outstanding Bonds⁽¹⁾



Projected Tax Rates Under 2017 Election - Without Outstanding Bonds⁽¹⁾⁽²⁾



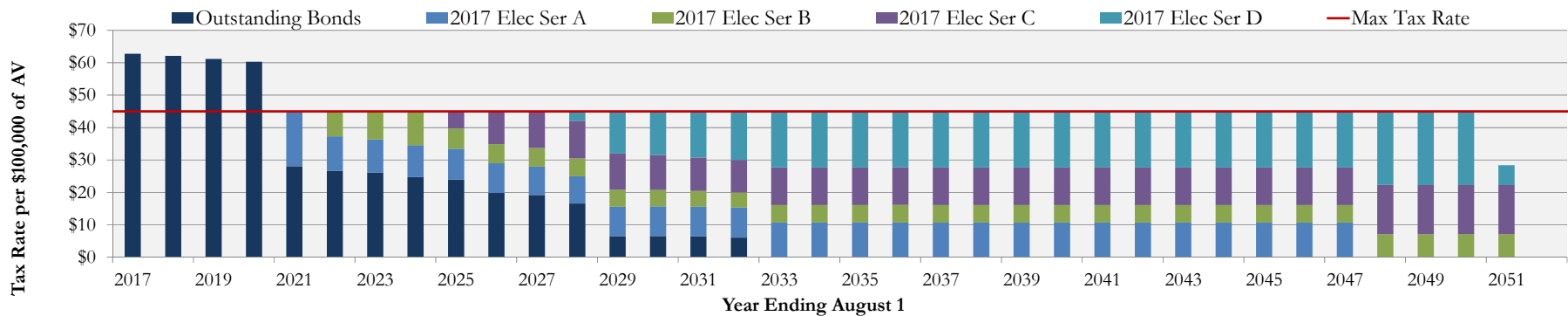
⁽¹⁾Assumes 4% growth for FY 17-18 and every year thereafter.

⁽²⁾Scale based on MMD 'AA' 10 year average per maturity.

Potential 2017 Election Tax Rate Extension (\$45)

- A successful General Obligation bond election held in 2017 would allow the School District to issue new money as soon as early 2018 and \$108 million in total
- Wraps around existing general obligation bond debt, maintains a not-to-exceed tax rate of \$45 across all of the School District's outstanding general obligation bonds

Projected Tax Rates Under 2017 Election - Tax Rate Extension⁽¹⁾⁽²⁾



	Series 2018	Series 2021	Series 2024	Series 2027	Total
Issue Date	2/1/2018	8/1/2021	8/1/2024	8/1/2027	-
Par Amount	\$20,000,000	\$15,000,000	\$30,000,000	\$43,000,000	\$108,000,000
Project Amount	17,397,135	12,849,375	25,789,287	37,241,102	93,276,899
Final Maturity Date	8/1/2047	8/1/2051	8/1/2051	8/1/2051	8/1/2051
Projected Repayment Ratio	1.96	1.85	1.77	1.60	1.75
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%

⁽¹⁾Assumes 4% growth for FY 17-18 and every year thereafter.

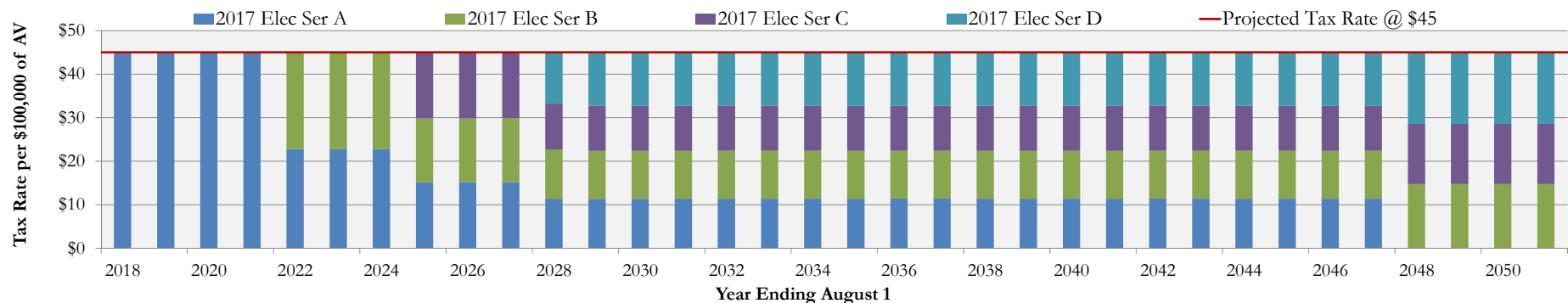
⁽²⁾Scale based on MMD 'AA' 10 year average per maturity.



Potential 2017 Election No Wrap (\$45 Tax Rate)

- A successful General Obligation bond election held in 2017 would allow the School District to issue new money as soon as early 2018
- Assumes a **new** \$45 tax rate with four series; the first series in 2018 and the final series in 2027

Projected Tax Rates Under 2017 Election ⁽¹⁾⁽²⁾



	Series 2018	Series 2021	Series 2024	Series 2027	Total
Issue Date	2/1/2018	8/1/2021	8/1/2024	8/1/2027	-
Par Amount	\$35,000,000	\$29,000,000	\$26,000,000	\$31,000,000	\$121,000,000
Project Amount	34,520,000	28,568,000	25,592,000	29,264,243	117,944,243
Final Maturity Date	8/1/2047	8/1/2051	8/1/2051	8/1/2051	8/1/2051
Projected Repayment Ratio	1.70	2.03	1.93	1.74	1.84
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%

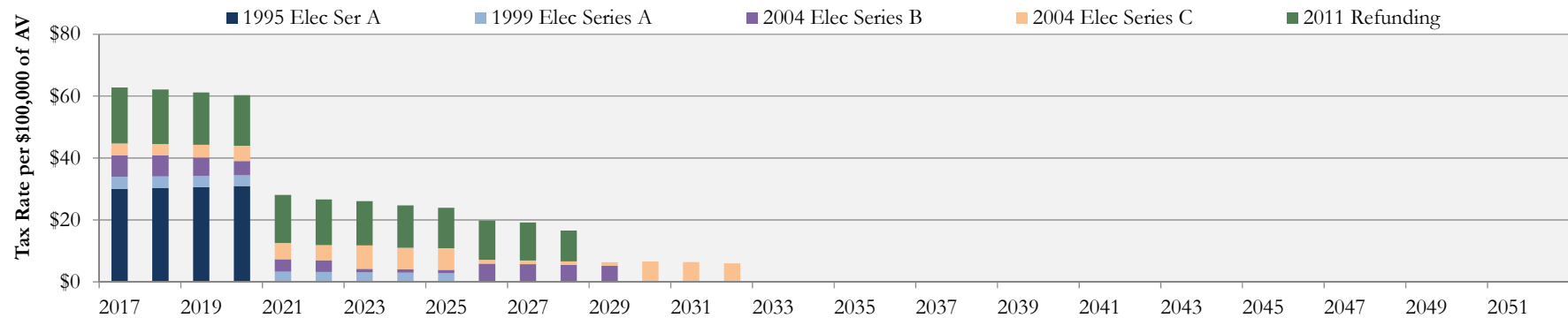
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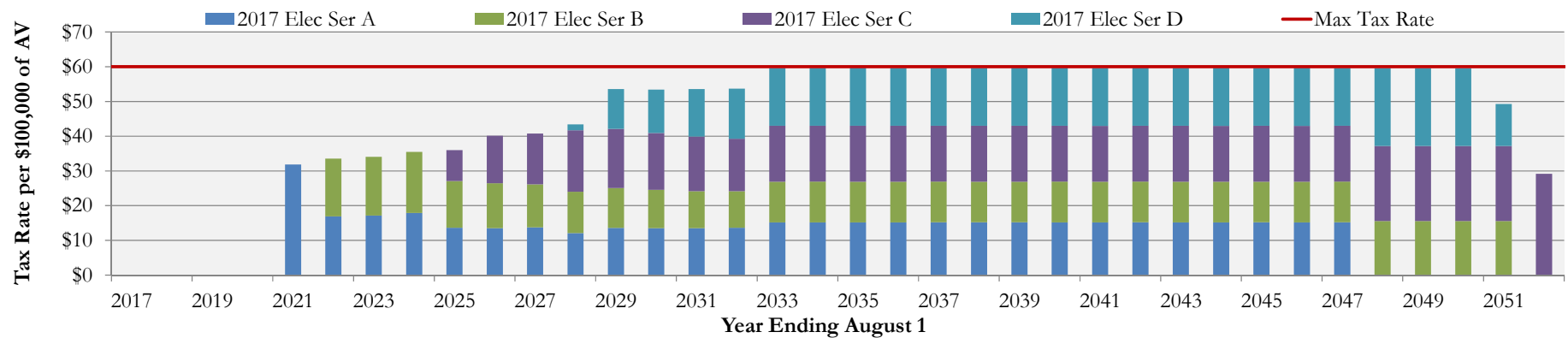


Potential 2017 Election Tax Rate Extension (\$60)

Projected Tax Rates of Outstanding Bonds⁽¹⁾



Projected Tax Rates Under 2017 Election - Without Outstanding Bonds⁽¹⁾⁽²⁾



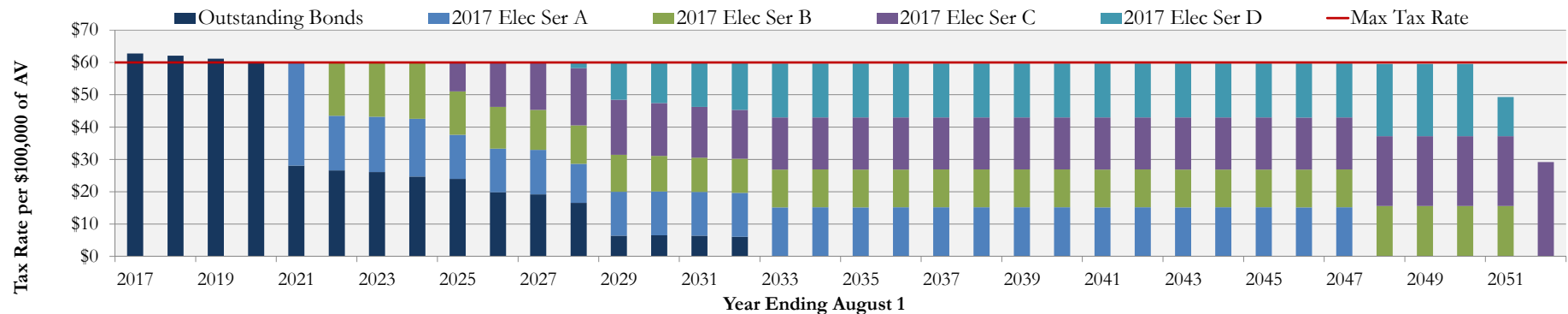
⁽¹⁾Assumes 4% growth for FY 17-18 and every year thereafter.

⁽²⁾Scale based on MMD 'AA' 10 year average per maturity.

Potential 2017 Election Tax Rate Extension (\$60)

- A successful General Obligation bond election held in 2017 would allow the School District to issue new money as soon as early 2018 and \$149 million in total
- Wraps around existing general obligation bond debt, maintains a not-to-exceed tax rate of \$60 across all of the School District's outstanding general obligation bonds

Projected Tax Rates Under 2017 Election - Tax Rate Extension⁽¹⁾⁽²⁾



	Series 2018	Series 2021	Series 2024	Series 2027	Total
Issue Date	2/1/2018	8/1/2021	8/1/2024	8/1/2027	-
Par Amount	\$30,000,000	\$32,000,000	\$45,000,000	\$42,000,000	\$149,000,000
Project Amount	26,253,743	27,601,548	38,698,965	36,313,397	128,867,652
Final Maturity Date	8/1/2047	8/1/2051	8/1/2052	8/1/2051	8/1/2052
Projected Repayment Ratio	1.91	1.86	1.85	1.62	1.80
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%

⁽¹⁾Assumes 4% growth for FY 17-18 and every year thereafter.

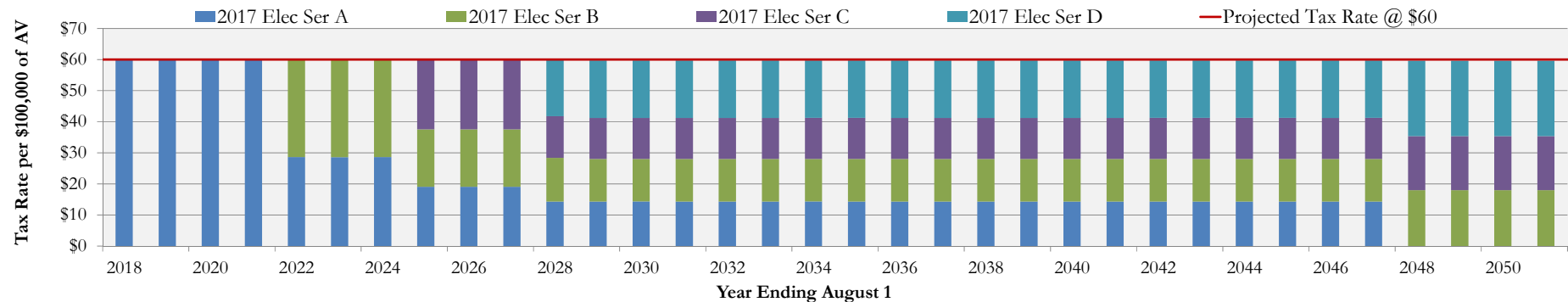
⁽²⁾Scale based on MMD 'AA' 10 year average per maturity.



Potential 2017 Election No Wrap (\$60 Tax Rate)

- A successful General Obligation bond election held in 2017 would allow the School District to issue new money as soon as early 2018
- Assumes a **new** \$60 tax rate with four series; the first series in 2018 and the final series in 2027

Projected Tax Rates Under 2017 Election ⁽¹⁾⁽²⁾



	Series 2018	Series 2021	Series 2024	Series 2027	Total
Issue Date	2/1/2018	8/1/2021	8/1/2024	8/1/2027	-
Par Amount	\$45,000,000	\$37,000,000	\$34,000,000	\$47,000,000	\$163,000,000
Project Amount	44,440,000	36,504,000	33,528,000	44,475,164	158,947,164
Final Maturity Date	8/1/2047	8/1/2051	8/1/2051	8/1/2051	8/1/2051
Projected Repayment Ratio	1.68	2.00	1.91	1.73	1.82
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%

⁽¹⁾Assumes 4% growth for FY 17-18 and every year thereafter.

⁽²⁾Scale based on MMD 'AA' 10 year average per maturity.

