



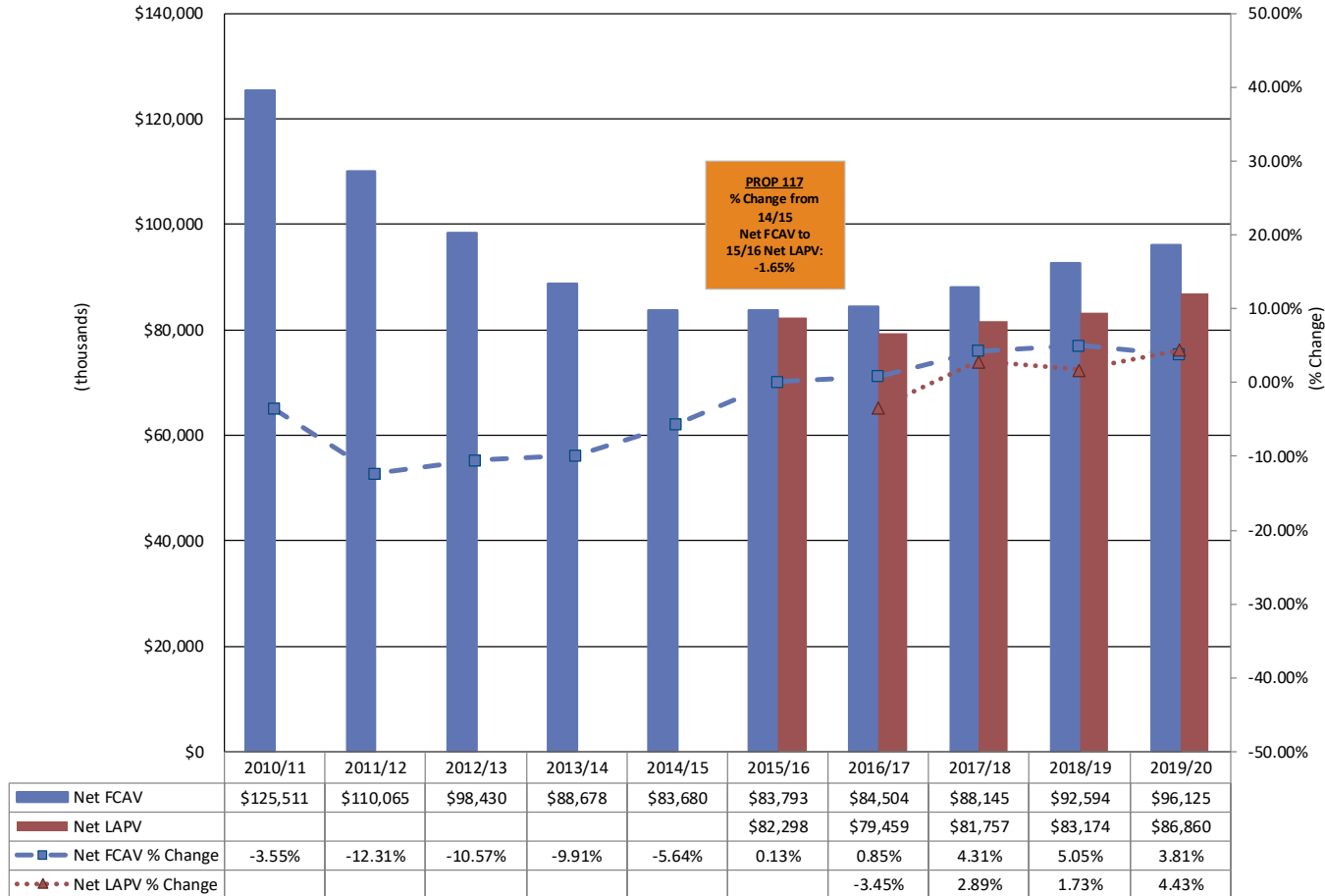
Tubac Fire District

General Information and General Obligation Bond Update

September 19, 2019

Assessed Valuation (\$000s)

Net FCAV	Net LAPV	Net AV for Taxes
2.83%	1.40%	0.79%
-2.78%	1.40%	-3.80%

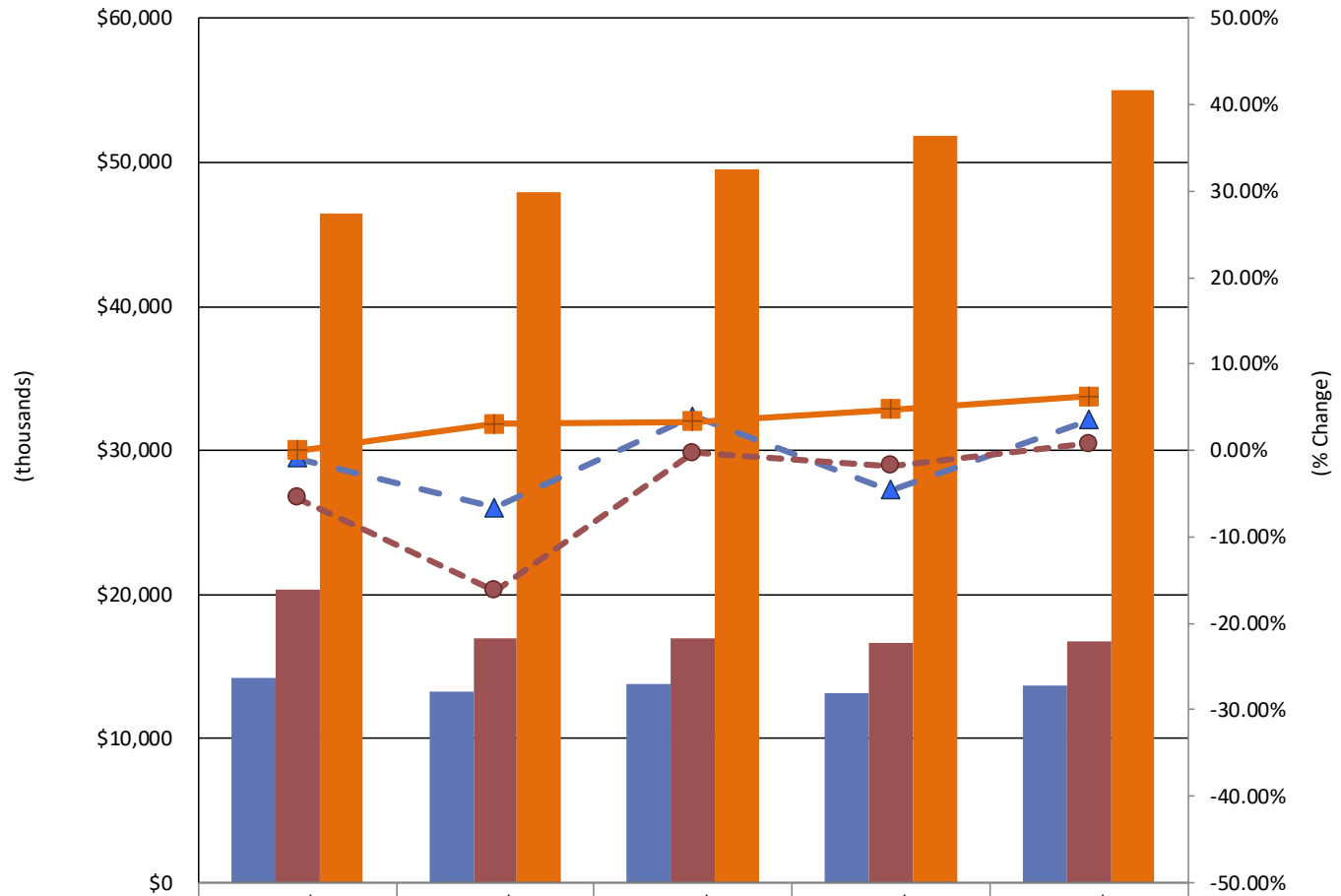


Net FCAV = Net Full Cash Assessed Value (To Calculate Capacity)

Net LAPV = Net Limited Assessed Property Value (To Calculate Taxes)

Net AV = Net Assessed Property Value for Secondary Tax Purposes

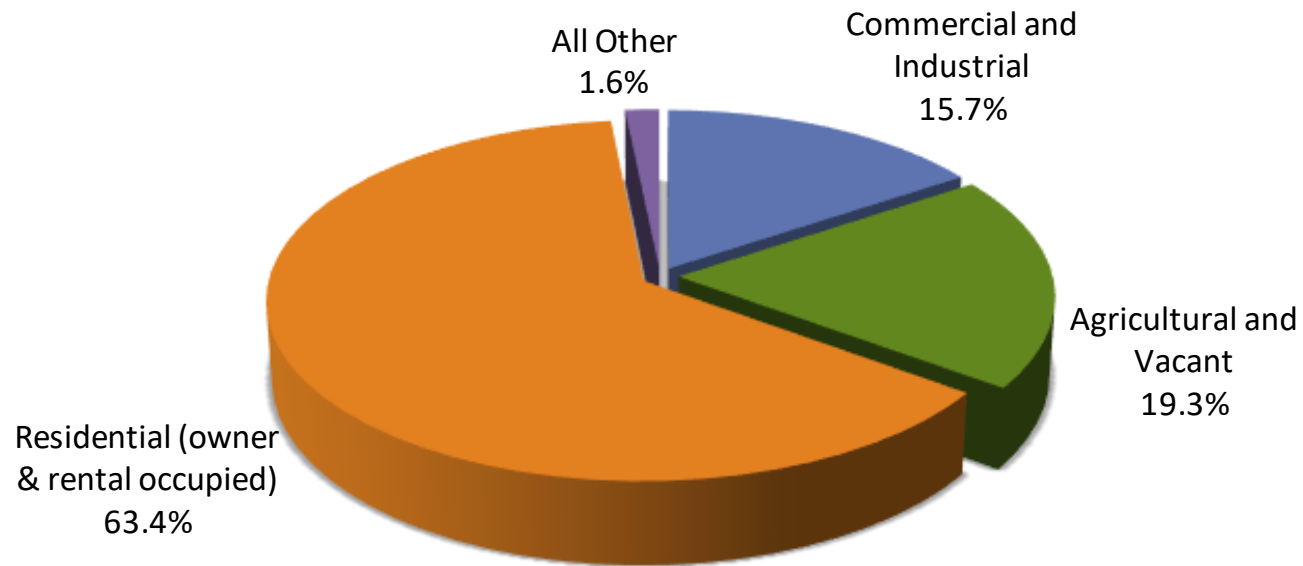
Assessed Valuation by Property Classification (\$000s)



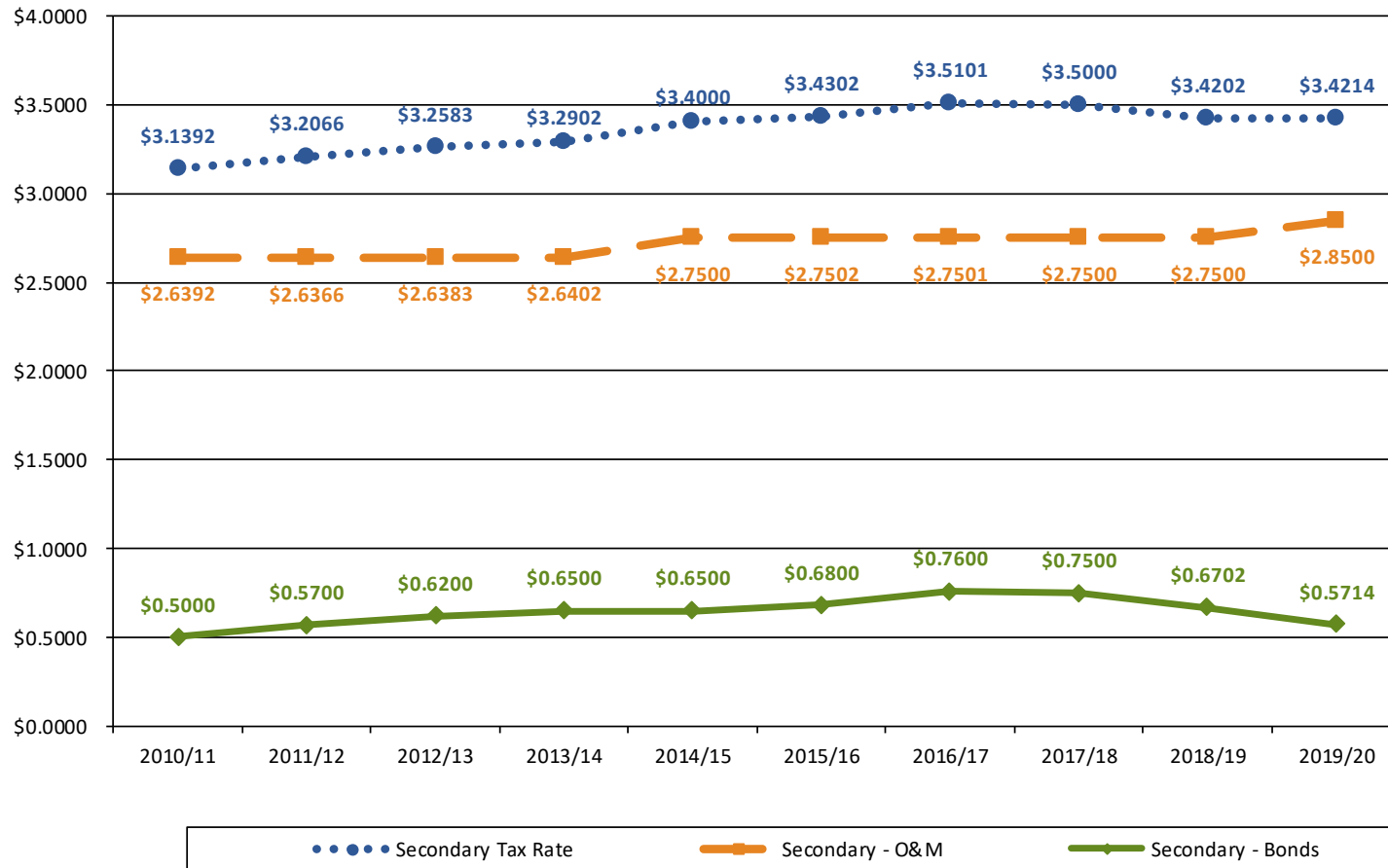
	2015/16	2016/17	2017/18	2018/19	2019/20
Commercial and Industrial	\$14,236	\$13,295	\$13,814	\$13,177	\$13,632
Agricultural and Vacant	20,295	16,991	16,946	16,649	16,775
Residential (owner & rental occupied)	46,498	47,905	49,504	51,831	55,045
% Comm & Ind	-0.93%	-6.61%	3.90%	-4.61%	3.46%
% Ag & Vacant	-5.50%	-16.28%	-0.27%	-1.75%	0.76%
% Residential	-0.01%	3.03%	3.34%	4.70%	6.20%

2019/20 Net Limited Assessed Property Value by Property Classification

\$86,860,331



Source: Assessor and Treasurer of the County.



Five Year Average Tax Rate	
Secondary Tax Rate	\$3.4564
Secondary - M&O	\$2.7701
Secondary - Bonds	\$0.6863

Principal Amount of Bonds Outstanding (\$000s)

Fiscal Year Ending (July 1)	<div style="border: 1px solid black; padding: 5px; text-align: center;"> \$3,861.800 General Obligation Refunding Bonds Series 2019 Dated: 6/13/19 </div>		
	Principal	Coupon	Total
2020	\$386.15436	2.360%	\$386.15436
2021	399.82453	2.360%	399.82453
2022	409.26039	2.360%	409.26039
2023	418.91894	2.360%	418.91894
2024	428.80542	2.360%	428.80542
2025	438.92523	2.360%	438.92523
2026	449.28387	2.360%	449.28387
2027	459.88696	2.360%	459.88696
2028	470.74030	2.360%	470.74030
	<u>\$3,861.80000</u>		<u>\$3,861.80000</u>

Call Features: 7/1/20 and After
Callable Any Date
@ par

Insurer: None

Purpose: Current Refunding

Rating(s) at Issuance: None

\$3,862 = Callable bonds

General Obligation Bond Limit

- Capacity can grow as Net Limited Assessed Property Value increases and as General Obligation Bond principal is retired

Statutory Bonding Capacity Calculation			
	2019/20	7/1/20 (Est)	9/1/20 (Est)
Estimated NLAPV Growth Rate:	4.43%	4.43%	3.50%
District NLAPV:	\$86,860,331	\$86,860,331	\$89,900,443
Multiply by:	6%	6%	6%
Calculation Base:	\$5,211,619	\$5,211,619	\$5,394,026
Less: Outstanding GO Bonds:	(\$3,861,800)	(\$3,475,646)	(\$3,475,646)
Less: Unamortized Original Issue Premium:	\$0	\$0	\$0
Total:	\$1,349,819	\$1,735,973	\$1,918,380

District Bonding Capacity – Alternative Growth Scenarios

(1)	(2)	(3)	(4)
Fiscal Year	Projected Net Limited Assessed Property Valuation (a)	Growth in Net Limited Assessed Property Valuation	Net 6.00% Statutory Capacity
9/1/2019	\$86,860,331	4.43%	\$1,349,819
9/1/2020	89,900,443	3.50%	1,918,380
9/1/2021	93,046,958	3.50%	2,506,996
9/1/2022	96,303,602	3.50%	3,111,655
9/1/2023	98,229,674	2.00%	3,646,138
9/1/2024	100,194,267	2.00%	4,192,820
9/1/2025	102,198,152	2.00%	4,751,978
9/1/2026	104,242,116	2.00%	5,323,899
9/1/2027	106,326,958	2.00%	5,908,877
9/1/2028	107,390,227	1.00%	6,443,413

(a) Fiscal year 2019/20 is actual. Subsequent fiscal years estimated as provided in column (3) on the following page, per the District.

Estimated Debt Service Requirements and Projected Impact on Secondary Bond Tax Rate*



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Fiscal Year	Combined Valuation (a)	Estimated Net LAPV Growth	General Obligation Bonds Currently Outstanding Debt Service	Secondary Bond Tax Rate (b)	Estimated Principal	Estimated Interest @ 3.50%	Estimated Principal	Estimated Interest @ 3.75%	Estimated Debt Service	Secondary Bond Tax Rate (b)	Estimated Debt Service	Secondary Bond Tax Rate (b)	Net GO Bonding Capacity (d)
2019/20	\$86,860,331	4.43%	\$481,850	\$0.55					\$0	\$0.00	\$481,850	\$0.55	\$1,349,819
2020/21	89,900,443	3.50%	481,850	0.54					0	0.00	481,850	0.54	1,918,380
2021/22	93,046,958	3.50%	481,850	0.52					0	0.00	481,850	0.52	2,506,996
2022/23	96,303,602	3.50%	481,850	0.50		\$102,025			102,025	0.11	583,875	0.61	196,655
2023/24	98,229,674	2.00%	481,850	0.49		102,025			102,025	0.10	583,875	0.59	731,138
2024/25	100,194,267	2.00%	481,850	0.48		102,025		\$40,688	142,713	0.14	624,562	0.62	192,820
2025/26	102,198,152	2.00%	481,850	0.47		102,025		40,688	142,713	0.14	624,562	0.61	751,978
2026/27	104,242,116	2.00%	481,850	0.46		102,025		40,688	142,713	0.14	624,562	0.60	1,323,899
2027/28	106,326,958	2.00%	481,850	0.45		102,025		40,688	142,713	0.13	624,562	0.59	1,908,877
2028/29	107,390,227	1.00%	0	0.00	\$165,000	102,025	\$60,000	40,688	367,713	0.34	367,713	0.34	2,443,413
2029/30	108,464,130	1.00%	0	0.00	170,000	96,250	65,000	38,438	369,688	0.34	369,688	0.34	2,732,847
2030/31	109,548,771	1.00%	0	0.00	175,000	90,300	65,000	36,000	366,300	0.33	366,300	0.33	3,032,926
2031/32	110,644,259	1.00%	0	0.00	185,000	84,175	65,000	33,563	367,738	0.33	367,738	0.33	3,338,655
2032/33	111,750,701	1.00%	0	0.00	190,000	77,700	70,000	31,125	368,825	0.33	368,825	0.33	3,655,042
2033/34	112,868,208	1.00%	0	0.00	195,000	71,050	75,000	28,500	369,550	0.33	369,550	0.33	3,982,092
2034/35	113,996,890	1.00%	0	0.00	205,000	64,225	75,000	25,688	369,913	0.32	369,913	0.32	4,319,813
2035/36	115,136,859	1.00%	0	0.00	210,000	57,050	80,000	22,875	369,925	0.32	369,925	0.32	4,668,211
2036/37	116,288,228	1.00%	0	0.00	215,000	49,700	80,000	19,875	364,575	0.31	364,575	0.31	5,027,293
2037/38	117,451,110	1.00%	0	0.00	225,000	42,175	85,000	16,875	369,050	0.31	369,050	0.31	5,392,066
2038/39	118,625,621	1.00%	0	0.00	230,000	34,300	85,000	13,688	362,988	0.31	362,988	0.31	5,772,537
2039/40	119,811,877	1.00%	0	0.00	240,000	26,250	90,000	10,500	366,750	0.31	366,750	0.31	6,158,712
2040/41	121,009,996	1.00%	0	0.00	250,000	17,850	95,000	7,125	369,975	0.31	369,975	0.31	6,560,599
2041/42	122,220,096	1.00%	0	0.00	260,000	9,100	95,000	3,563	367,663	0.30	367,663	0.30	6,978,205
			<u>\$4,336,648</u>		<u>\$2,915,000</u>		<u>\$1,085,000</u>		<u>\$5,925,550</u>				

Based on Estimated Net FCAV

November 4, 2008 Authorization	\$15,000,000
Already Issued	\$6,795,000
Series B (2022)*	2,915,000
Series C (2024)*	1,085,000
Remaining GO Authorization	<u>\$4,205,000</u>
No Expiration of Election Authorization	
<i>* Estimated future issue(s), subject to change.</i>	

* Estimated, subject to change. See assumptions herein.

Estimated Debt Service Requirements and Projected Impact on Secondary Bond Tax Rate*

* Estimated, subject to change. See assumptions herein.

- (a) Fiscal year 2019/20 is actual. Subsequent fiscal years estimated as provided in column (3), per the District.
- (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) Capacity is calculated using the following assumptions: Fiscal year 2019/20 is actual. Subsequent fiscal years estimated as provided in column (3), per the District.

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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APPENDIX

Arizona Fire District Bond Elections (2004 – 2018)

 <p>\$7,000,000 Fry Fire District November 2018 – 72.4% Yes Votes</p>	 <p>\$861,000 Black Canyon Fire District May 2007 – 80.9% Yes Votes</p>
 <p>\$14,200,000 Buckeye Valley Rural Fire District November 2017 – 60.5% Yes Votes</p>	 <p>\$10,000,000 Chino Valley Fire District November 2006 – 68.4% Yes Votes</p>
 <p>\$16,700,000 Bullhead City Fire District November 2017 – 51.0% Yes Votes</p>	 <p>\$9,500,000 Apache Junction Fire District September 2006 – 58.7% Yes Votes</p>
 <p>\$8,000,000 Drexel Heights Fire District November 2017 – 68.2% Yes Votes</p>	 <p>\$2,000,000 Mayer Fire District November 2006 – 76.9% Yes Votes</p>
 <p>\$17,900,000 Sedona Fire District November 2017 – 43.9% Yes Votes</p>	 <p>\$37,525,000 Northwest Fire District November 2004 – 73.6% Yes Votes</p>
 <p>\$16,230,000 Daisy Mountain Fire District November 2015 – 65.5% Yes Votes</p>	 <p>\$17,220,000 Central Yavapai Fire District November 2004 – 76.69% Yes Votes</p>
 <p>\$4,135,000 Avra Valley Fire District November 2012 – 65.7%/67.6% Yes Votes</p>	 <p>\$13,800,000 Golder Ranch Fire District September 2004 – 80.8%/85.0% Yes Votes</p>
 <p>\$15,000,000 Tubac Fire District November 2008 – 57.9% Yes Votes</p>	 <p>\$10,000,000 Maricopa Fire District November 2004 – 81.0% Yes Votes</p>
 <p>\$17,000,000 Rincon Valley Fire District November 2007 – 73.3% Yes Votes</p>	 <p>\$6,500,000 Three Points Fire District September 2004 – 63.7% Yes Votes</p>
 <p>\$8,000,000 Rio Rico Fire District November 2007 – 55.6% Yes Votes</p>	 <p>\$1,325,000 Arizona City Fire District November 2004 – 73.0% Yes Votes</p>
 <p>\$5,000,000 Picture Rocks Fire District November 2007 – 77.1% Yes Votes</p>	

OVERRIDE ELECTIONS (2017)
2 of 5 Questions Approved (40%)

OVERRIDE ELECTIONS (2016)
4 of 7 Questions Approved (57%)

BOND ELECTIONS (2004 - 2018)			
Election Year	Number of Questions	Passage Rate	Amount Approved
2004	6	100%	\$86,370,000
2005	-	-	-
2006	3	100%	\$21,500,000
2007	4	100%	\$30,861,000
2008	1	100%	\$15,000,000
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	1	100%	\$4,135,000
2013	-	-	-
2014	-	-	-
2015	1	100%	\$16,230,000
2016	3	100%	\$36,910,000
2017	4	75%	\$38,900,000
2018	1	100%	\$7,000,000

Source: County Elections departments.

OVERRIDE ELECTIONS (2010 - 2018)		
Election Year	Number of Questions	Passage Rate
2010	2	-
2011	-	-
2012	1	100%
2013	-	-
2014	-	-
2015	-	-
2016	7	57%
2017	5	40%
2018	-	-

Source: County Elections departments.

What are General Obligation (GO) Bonds?

Debt obligations of the district sold to investors to raise funds for projects. Principal and fixed semi-annual interest are secured by and paid to investors by generating a bond levy funded through property taxes. The tax rate for GO Bonds is calculated annually to ensure enough funds are generated to satisfy bond payment requirements. The bond portion of the tax rate is not included within (or subject to) the statutory levy limit for a fire district.



Do Bonds Require Voter Approval?

Yes. Bonds require a simple majority at an election that can be held only on the November election date.

How much in GO Bonds can a Fire District Sell?

The amount a district can ask from voters is not limited, but statutes limit the sale amount to 6% of current net limited assessed value (less any principal outstanding from previous sales). Hence, GO bonding capacity depends upon changes in property values and the pace of principal repayment.

How Long does a District Have to Sell the Bonds?

Bonds may be sold in one or more phases over many years, but statutes do not require that any or all of the bonds be sold. Voter authority also does not sunset by statute, but legal counsel may prevent a sale if they feel the voter authority has grown stale (typically beyond 10 years).



What Items can Bond Proceeds be Used for?

Generally, any capital expense that the district lists in the ballot question, typically including land, buildings, grounds, vehicles, equipment, refinancing debt, bond issuance costs, election costs and related staff expenses. Reimbursement is eligible if within 60 days of the expenditure or if the intent to reimburse is declared prior to the expenditure.

How much Should a District Expect to Pay in Bond Issuance Costs?

Typically, an issuer will pay less than \$50,000 in administrative costs for each bond sale, including legal, credit rating, printing, advertising, disclosure and paying agent costs, plus an estimated 1.5% - 2.0% of the issuance amount in advisory and underwriting costs, depending upon the size and credit quality of the bonds. All bond issuance costs can be paid from bond premium (i.e., leaves full face amount for capital).

What Federal Restrictions does a Bond Issuer Have?

To keep interest on the bonds from being subject to federal and Arizona income taxes (providing lower interest cost to the issuer), the issuer must expect to spend the bond proceeds on capital items within three (3) years of issuance, and not for private activities. The average life of the bonds must also be less than the average life of the bond projects. For issues above \$10 million and when payment funds accumulate, issuers may need to pay interest earnings above the bond yield to the IRS (arbitrage). Issuers can avoid federal restrictions by waiving the income tax exemption and realizing the associated higher interest cost.



Who Determines the Payments?

The governing board determines the principal amounts and maturity dates (up to 30 years) and an underwriter sets the interest rates. Market conditions determine the prices investors will pay. An underwriter will typically set interest rates enough above the market to attract a price from investors that is enough greater than the face or par value of the bonds to allow the issuer to pay expenses and retain the full par amount for projects.

Who Typically Buys Bonds?

U.S. investors including money managers, investment funds, corporations, banks and high net worth individuals that benefit from interest that is typically exempt from federal and Arizona income taxes.

What are the Common Terms for Bonds?

Principal is sold in \$5,000 denominations maturing in any year up to 30 years from the issue date on an annual date set by the district governing board before the sale. Interest is set at a fixed annual rate but repaid semiannually until maturity. Early optional redemption without penalty is typically 10 years from the issuance date.