



LITTLE ROCK SCHOOL DISTRICT MILLAGE STRUCTURE AND FINANCING OPTIONS

School districts receive local revenues based on the assessed value of property within the District. In Arkansas, property is assessed at 20 percent of its market value. The tax rate is expressed in mills, and the District's patrons determine the number of mills levied in each District.

The total tax assessment for the District is comprised of three categories: Real Property + Personal Property + Utility = Total Assessed Valuation.

A mill equals 0.1 percent of the assessed value, which equals a tax of \$1 per \$1,000 dollars of assessed value. Expressed as a decimal, one mill is equal to .001.

If your real property is valued at	Your property should be assessed at 20%	One mill would cost you annually
\$100,000	\$20,000	\$20.00 (\$20,000 X .001 = \$20.00)

Under Arkansas law, school districts can levy one of the following three millage types with voter consent:

1. **Maintenance and Operation (M&O) Mills**
 - a. Revenue is used to maintain and operate schools.

2. **Debt Service Mills**
 - a. Revenue is used to pay debt service payments on bonded indebtedness.
 - b. A continuing tax levy until the bonds to which the mills are pledged are retired.

3. **Dedicated Maintenance and Operation Mills (capital outlays)**
 - a. Revenues from this millage can only be used for maintenance and operation purposes that voters specifically approved.
 - b. Once approved by voters, the millage must be authorized again each year.
 - c. Maximum of 3 mills may be levied.

LITTLE ROCK SCHOOL DISTRICT MILLAGE STRUCTURE

Maintenance & Operation:	32.00
Dedicated M&O	2.00
Debt Service:	<u>12.40</u>
Total:	46.40

5-YEAR ASSESSMENT HISTORY

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Real	2,635,547,922	2,714,014,579	2,854,506,881	2,943,226,850	3,035,196,357
Personal	793,896,935	747,891,370	742,025,090	770,478,515	764,053,130
Utilities	<u>235,458,205</u>	<u>223,121,905</u>	<u>224,424,355</u>	<u>231,844,985</u>	<u>244,893,275</u>
Total	3,664,903,062	3,685,027,854	3,820,956,326	3,945,550,350	4,044,142,762

For Little Rock School District, 46.40 mills equals \$46.40 per \$1,000 dollars of assessed value.

DEBT SERVICE COVERAGE REVENUE

2019 Assessment	Debt Service Mills	Revenue Generated from Debt Service Mills*	Maximum Annual Bond Payment on Existing Debt	Debt Service Coverage Revenue
\$3,945,550,350	12.40	\$46,478,583	\$21,551,179	\$24,927,404

2020 Assessment	Debt Service Mills	Revenue Generated from Debt Service Mills*	Maximum Annual Bond Payment on Existing Debt	Debt Service Coverage Revenue
\$4,044,142,762	12.40	\$47,640,002	\$21,499,429	\$26,140,572

PROPOSED FINANCING OPTIONS

By asking voters to restructure the December 1, 2015 and December 15, 2015 bond issues and extend the existing 12.40 debt service mills 19 years, funds can be generated as shown below:

Est. Construction Fund	Revenue Generated from Debt Service Mills*	Est. Maximum Annual Bond Payment on Total Debt	Debt Service Coverage Revenue	Est. True Interest Cost
\$222,080,000	\$47,640,002	\$22,685,680	\$24,954,322	3.30%
\$240,837,000	\$47,640,002	\$23,686,720	\$23,953,282	3.30%
\$259,522,000	\$47,640,002	\$24,684,910	\$22,955,092	3.30%
\$300,000,000	\$47,640,002	\$26,846,840	\$20,793,162	3.30%

*Based on a 95% collection rate

Please be advised that there can be no assurance as to the future direction of interest rates. As such, the information provided is preliminary and subject to change.