

LITTLE ROCK SCHOOL DISTRICT OF PULASKI COUNTY, AR

FINANCIAL ANALYSIS DECEMBER 13, 2018

Little Rock 800-643-9691
Fayetteville 800-205-8613

LITTLE ROCK, AR • ATLANTA, GA • AUSTIN, TX
CHARLOTTE, NC • COLUMBIA, SC • DALLAS, TX
FAYETTEVILLE, AR • JACKSON, MS • NASHVILLE, TN

Stephens
Public Finance

MILLAGE STRUCTURE

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

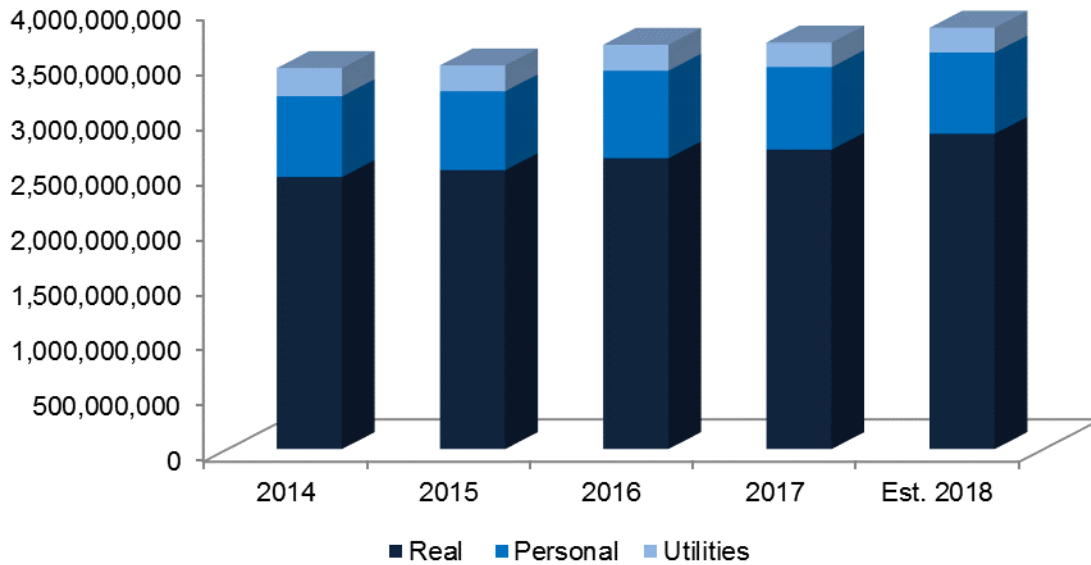
5-YEAR ASSESSMENT HISTORY

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Est. 2018</u>
Real	2,466,064,746	2,528,645,818	2,635,547,922	2,714,014,579	2,858,485,786
Personal	732,354,150	714,571,050	793,896,935	747,891,370	736,646,310
Utilities	<u>255,219,445</u>	<u>234,459,040</u>	<u>235,458,205</u>	<u>223,121,905</u>	<u>224,424,355</u>
Total	3,453,638,341	3,477,675,908	3,664,903,062	3,685,027,854	3,819,556,451

The five-year average growth rate in assessment is 2.67%

The estimated growth rate in assessment from 2017 to 2018 is 3.65%

Latest Reappraisal: 2017



PRINCIPAL OUTSTANDING DEBT AS OF DECEMBER 31, 2018

BONDED DEBTS

		<u>Balance</u>
Commercial issue dated:	July 28, 2005	
Original amount:	\$2,212,252	
Interest rate:	0% (QZAB)	
Matures:	July 28, 2021	
Mills pledged:	None	
Trustee:	First Security Bank, Searcy	
Call Date:	Non-callable	\$ 2,212,252.00
Commercial issue dated:	December 15, 2011	
Original amount:	\$3,940,000	
Interest rates:	1.70-1.90%	
Matures:	February 1, 2020	
Mills pledged:	None	
Trustee:	Merchants & Planters Bank, Newport	
Call Date:	Callable	1,000,000.00
Commercial issue dated:	January 15, 2012	
Original amount:	\$43,685,000	
Interest rates:	2.00-3.75%	
Matures:	February 1, 2033	
Mills pledged:	12.4	
Trustee:	U.S. Bank National Association, St. Paul, MN	
Call date:	Callable	35,700,000.00
Commercial issue dated:	December 1, 2015	
Original amount:	\$126,740,000	
Interest rates:	3.00-3.50%	
Matures:	February 1, 2033	
Mills pledged:	12.4	
Trustee:	U.S. Bank National Association, Olive Branch, MS	
Call Date:	February 1, 2021	112,815,000.00
Commercial issue dated:	December 15, 2015	
Original amount:	\$17,995,000	
Interest rates:	2.00-3.25%	
Matures:	February 1, 2033	
Mills pledged:	None	
Trustee:	Bank OZK, Little Rock	
Call date:	February 1, 2021	16,940,000.00

		<u>Balance</u>
Commercial issue dated:	September 21, 2017	
Original amount:	\$92,055,000	
Interest rates:	3.00%	
Matures:	February 1, 2033	
Mills pledged:	None	
Trustee:	U.S. Bank National Association, Olive Branch, MS	
Call date:	August 1, 2022	\$ 86,300,000.00

NON-BONDED DEBTS

Lease Purchase Agreement dated:	July 19, 2013	
Original amount:	\$586,300	
Interest rate:	1.86%	
Matures:	August 1, 2019	86,901.19
Installment Contract dated:	October 30, 2015	
Original amount:	\$518,000	
Interest rate:	1.742%	
Matures:	December 1, 2021	226,133.86
Installment Contract dated:	August 8, 2016	
Original amount:	\$415,340.18	
Interest rate:	1.514%	
Matures:	October 1, 2020	167,744.47
Installment Contract dated:	October 21, 2016	
Original amount:	\$536,460	
Interest rate:	1.65%	
Matures:	December 1, 2022	309,558.67
Installment Contract dated:	April 7, 2017	
Original amount:	\$12,861,672	
Interest rate:	2.50%	
Matures:	January 15, 2033	<u>12,249,987.26</u>

Total Principal Debt:	\$268,007,577.45
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DEBT RATIO SUMMARY:

Commercial Bonds:	\$254,967,252.00
Revolving Loans:	0.00
Warrants & Contracts:	<u>13,040,325.45</u>
Total Indebtedness:	\$268,007,577.45
Total Debt/Assessment:	7.01%

CURRENT BONDED DEBT SERVICE REQUIREMENTS

DATE	Series 2005 QZAB	Series 12/15/11	Series 01/15/12	Series 12/01/15	Series 12/15/15	Series 09/21/17	TOTAL
06/30/2019	102,285.55	518,000.00	2,983,056.26	9,215,943.76	1,411,550.00	7,419,000.00	21,649,835.57
06/30/2020	102,285.55	509,500.00	3,000,756.26	9,210,693.76	1,407,450.00	7,374,100.00	21,604,785.57
06/30/2021	102,285.55	-	3,017,356.26	9,605,493.76	1,408,050.00	7,421,200.00	21,554,385.57
06/30/2022	102,285.55	-	3,022,981.26	9,618,193.76	1,408,250.00	7,352,450.00	21,504,160.57
06/30/2023	-	-	3,032,231.26	9,639,743.76	1,403,050.00	7,381,150.00	21,456,175.02
06/30/2024	-	-	3,044,531.26	9,654,693.76	1,401,525.00	7,309,300.00	21,410,050.02
06/30/2025	-	-	3,054,581.26	9,673,043.76	1,403,012.50	7,239,750.00	21,370,387.52
06/30/2026	-	-	3,072,381.26	9,699,493.76	1,406,262.50	7,167,350.00	21,345,487.52
06/30/2027	-	-	3,087,631.26	9,718,593.76	1,408,262.50	7,112,100.00	21,326,587.52
06/30/2028	-	-	3,099,306.26	9,640,343.76	1,414,212.50	7,158,400.00	21,312,262.52
06/30/2029	-	-	3,119,931.26	9,662,443.76	1,413,962.50	7,108,100.00	21,304,437.52
06/30/2030	-	-	3,133,756.26	9,686,506.26	1,417,662.50	7,068,900.00	21,306,825.02
06/30/2031	-	-	3,153,906.26	9,696,231.26	1,420,162.50	7,040,350.00	21,310,650.02
06/30/2032	-	-	3,181,500.00	9,705,750.00	1,423,237.50	7,012,000.00	21,322,487.50
06/30/2033	-	-	3,200,687.50	9,718,650.00	1,424,850.00	6,993,700.00	21,337,887.50
Total	\$409,142.20	\$1,027,500.00	\$46,204,593.88	\$144,145,818.88	\$21,171,500.00	\$108,157,850.00	\$321,116,404.96

COVERAGE ANALYSIS/COVERAGE REVENUE

Tax Assessment 2017: **3,685,027,854**
Debt Service Mills: **12.40**
Collections: **95%**

Fiscal Year	Bonded Debt Service	Revenues*	Coverage	Coverage Revenue
2019	21,649,836	43,409,628	2.01	21,759,793
2020	21,604,786	43,409,628	2.01	21,804,843
2021	21,554,386	43,409,628	2.01	21,855,243
2022	21,504,161	43,409,628	2.02	21,905,468
2023	21,456,175	43,409,628	2.02	21,953,453
2024	21,410,050	43,409,628	2.03	21,999,578
2025	21,370,388	43,409,628	2.03	22,039,241
2026	21,345,488	43,409,628	2.03	22,064,141
2027	21,326,588	43,409,628	2.04	22,083,041
2028	21,312,263	43,409,628	2.04	22,097,366
2029	21,304,438	43,409,628	2.04	22,105,191
2030	21,306,825	43,409,628	2.04	22,102,803
2031	21,310,650	43,409,628	2.04	22,098,978
2032	21,322,488	43,409,628	2.04	22,087,141
2033	21,337,888	43,409,628	2.03	22,071,741

*Assumes a 0% growth rate in assessment and a 95% collection rate.

Note: Debt Service Revenues of \$43,409,628 calculated as follows:

2017 Assessment of \$3,685,027,854 X .0124 (debt service mills) X 95% collection rate.

5-YEAR SUMMARY OF TAX COLLECTIONS

<u>School Year</u>	<u>School Tax Levied</u>	<u>School Tax Collected</u>	<u>Rate of Collections (net of collection fees)</u>
2013-2014	150,884,561	150,785,987	99.93%
2014-2015	155,396,658	153,304,386	98.65%
2015-2016	160,248,819	158,428,176	98.86%
2016-2017	161,364,162	162,152,732	100.49%
2017-2018	170,051,502	164,498,369	96.73%
5-Year Average Rate of Collection			98.90%

LEA FINANCIAL REPORT

Year Ended June 30:

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Beginning Balance	\$ 38,536,928	\$ 44,096,485	\$ 44,498,737
<u>Source of Revenues</u>			
Local Revenues	153,868,843	156,880,032	160,288,306
Total County and Other LEA's	31,638	32,084	16,313
State Revenues	138,314,285	131,650,834	130,578,657
Unrestricted Federal Revenues	466,277	540,471	313,457
Non-revenue Receipts, Net Transfers and Adult Education Revenue	15,137,011	15,119,800	611,548
Total Magnet & Restricted Federal Revenues	24,147,191	28,926,528	30,128,824
Total Dedicated Maintenance & Operations Revenue	<u>8,192,110</u>	<u>7,894,431</u>	<u>8,305,217</u>
<i>Total Available Funds</i>	<u>\$378,694,283</u>	<u>385,140,665</u>	<u>\$374,741,059</u>
<u>Use of Revenues</u>			
Expenditures from Salary Fund	\$123,660,432	100,412,018	116,055,822
Expenditures from Operating Fund	164,655,108	188,684,553	165,741,058
Expenditures for Debt Service	14,335,524	14,347,851	20,893,205
Total Magnet and Restricted Federal Fund Expenditures	24,211,119	28,863,466	30,354,774
Total Dedicated Maintenance & Operations Expenditures	<u>7,735,615</u>	<u>8,334,040</u>	<u>7,802,423</u>
<i>Total Expenditures</i>	<u>\$334,597,798</u>	<u>340,641,928</u>	<u>340,847,282</u>
Ending Balance	<u><u>\$ 44,096,485</u></u>	<u><u>\$ 44,498,737</u></u>	<u><u>\$ 33,893,777</u></u>

FINANCING OPTIONS

Option 1 – Second Lien

By issuing second lien bonds, construction funds may be generated as shown below:

Bond Issuance Date	Net Construction Fund	Estimated Maximum New Debt Service Payment	Estimated True Interest Cost	Final Maturity	Vote Required
June 2019	\$50,000,000	\$4,782,800	4.32%	February 1, 2033	No

A second lien bond issue is repaid with surplus debt service millage revenue. The repayment term cannot exceed the final payment date of the District's existing bonds. Please be aware that the District would need to determine that an additional debt payment is affordable given that this type of borrowing would be repaid from current revenues.

Projected Coverage Analysis / Coverage Debt Service Revenue

Tax Assessment 2017:	3,685,027,854
Est. Tax Assessment 2018:	3,819,556,451
Debt Service Mills:	12.40
Collections:	95%

Fiscal Year	Bonded Debt Service	Series 2019	Total Debt Service	Assessment	Revenues	Coverage	Coverage Revenue
2019	21,649,836	-	21,649,835.57	3,685,027,854	43,409,628	2.01	21,759,793
2020	21,604,786	4,779,133	26,383,918.90	3,819,556,451	44,994,375	1.71	18,610,456
2021	21,554,386	4,779,600	26,333,985.57	3,819,556,451	44,994,375	1.71	18,660,389
2022	21,504,161	4,779,800	26,283,960.57	3,819,556,451	44,994,375	1.71	18,710,414
2023	21,456,175	4,780,400	26,236,575.02	3,819,556,451	44,994,375	1.71	18,757,800
2024	21,410,050	4,781,200	26,191,250.02	3,819,556,451	44,994,375	1.72	18,803,125
2025	21,370,388	4,782,000	26,152,387.52	3,819,556,451	44,994,375	1.72	18,841,987
2026	21,345,488	4,782,600	26,128,087.52	3,819,556,451	44,994,375	1.72	18,866,287
2027	21,326,588	4,782,800	26,109,387.52	3,819,556,451	44,994,375	1.72	18,884,987
2028	21,312,263	4,782,400	26,094,662.52	3,819,556,451	44,994,375	1.72	18,899,712
2029	21,304,438	4,781,200	26,085,637.52	3,819,556,451	44,994,375	1.72	18,908,737
2030	21,306,825	4,779,000	26,085,825.02	3,819,556,451	44,994,375	1.72	18,908,550
2031	21,310,650	4,780,600	26,091,250.02	3,819,556,451	44,994,375	1.72	18,903,125
2032	21,322,488	4,780,600	26,103,087.50	3,819,556,451	44,994,375	1.72	18,891,287
2033	21,337,888	4,778,800	26,116,687.50	3,819,556,451	44,994,375	1.72	18,877,687

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.

Option 2 – Voted Extension & Restructure 01/15/12

By refunding the January 15, 2012 bond issue and extending the 12.40 debt service mills, construction funds may be generated as shown below:

Bond Issuance Date	Net Construction Fund	Estimated True Interest Cost	Final Maturity	Vote Required
November 2019	\$50,000,000	4.67%	February 1, 2050	Yes

Projected Coverage Analysis / Coverage Debt Service Revenue

Tax Assessment 2017:	3,685,027,854
Est. Tax Assessment 2018:	3,819,556,451
Debt Service Mills:	12.40
Collections:	95%

Fiscal Year	Bonded Debt Service	Series 2019	Total Debt Service	Assessment	Revenues	Coverage	Coverage Revenue
2019	21,649,836	-	21,649,835.57	3,685,027,854	43,409,628	2.01	21,759,793
2020	18,604,029	-	18,604,029.31	3,819,556,451	44,994,375	2.42	26,390,346
2021	18,537,029	5,345,938	23,882,966.81	3,819,556,451	44,994,375	1.88	21,111,408
2022	18,481,179	5,344,250	23,825,429.31	3,819,556,451	44,994,375	1.89	21,168,946
2023	18,423,944	5,347,200	23,771,143.76	3,819,556,451	44,994,375	1.89	21,223,231
2024	18,365,519	5,347,000	23,712,518.76	3,819,556,451	44,994,375	1.90	21,281,856
2025	18,315,806	5,343,650	23,659,456.26	3,819,556,451	44,994,375	1.90	21,334,919
2026	18,273,106	5,347,150	23,620,256.26	3,819,556,451	44,994,375	1.90	21,374,119
2027	18,238,956	5,347,050	23,586,006.26	3,819,556,451	44,994,375	1.91	21,408,369
2028	18,212,956	5,348,350	23,561,306.26	3,819,556,451	44,994,375	1.91	21,433,069
2029	18,184,506	5,345,825	23,530,331.26	3,819,556,451	44,994,375	1.91	21,464,044
2030	18,173,069	5,344,475	23,517,543.76	3,819,556,451	44,994,375	1.91	21,476,831
2031	18,156,744	5,344,075	23,500,818.76	3,819,556,451	44,994,375	1.91	21,493,556
2032	18,140,988	5,344,400	23,485,387.50	3,819,556,451	44,994,375	1.92	21,508,987
2033	18,137,200	5,345,225	23,482,425.00	3,819,556,451	44,994,375	1.92	21,511,950
2034	-	5,346,325	5,346,325.00	3,819,556,451	44,994,375	8.42	39,648,050
2035	-	5,347,475	5,347,475.00	3,819,556,451	44,994,375	8.41	39,646,900
2036	-	5,343,450	5,343,450.00	3,819,556,451	44,994,375	8.42	39,650,925
2037	-	5,344,250	5,344,250.00	3,819,556,451	44,994,375	8.42	39,650,125
2038	-	5,344,425	5,344,425.00	3,819,556,451	44,994,375	8.42	39,649,950
2039	-	5,343,750	5,343,750.00	3,819,556,451	44,994,375	8.42	39,650,625
2040	-	5,347,000	5,347,000.00	3,819,556,451	44,994,375	8.41	39,647,375
2041	-	5,348,725	5,348,725.00	3,819,556,451	44,994,375	8.41	39,645,650
2042	-	5,343,700	5,343,700.00	3,819,556,451	44,994,375	8.42	39,650,675
2043	-	5,346,925	5,346,925.00	3,819,556,451	44,994,375	8.42	39,647,450
2044	-	5,347,725	5,347,725.00	3,819,556,451	44,994,375	8.41	39,646,650
2045	-	5,345,875	5,345,875.00	3,819,556,451	44,994,375	8.42	39,648,500
2046	-	5,346,150	5,346,150.00	3,819,556,451	44,994,375	8.42	39,648,225
2047	-	5,348,100	5,348,100.00	3,819,556,451	44,994,375	8.41	39,646,275
2048	-	5,346,275	5,346,275.00	3,819,556,451	44,994,375	8.42	39,648,100
2049	-	5,345,450	5,345,450.00	3,819,556,451	44,994,375	8.42	39,648,925
2050	-	5,345,175	5,345,175.00	3,819,556,451	44,994,375	8.42	39,649,200

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.

Option 3 - \$200 Million & 3.00 New Debt Service Mills

By asking voters for new debt service mills, construction funds can be generated as shown below:

Bond Issuance Date	Estimated New Construction Funds	New Debt Service Mills	Estimated True Interest Cost	Estimated Maximum Annual New Debt Service Payment	Estimated Maximum Annual Payment on Total Debt Outstanding	Vote Required
November 2019	\$200,000,000	3.00	4.67%	\$12,695,400	\$34,245,042	Yes

**The revenue generated from debt service mills is based on a 95% collection rate.*

Projected Coverage Analysis / Coverage Debt Service Revenue

Tax Assessment 2017:	3,685,027,854
Est. Tax Assessment 2018:	3,819,556,451
Debt Service Mills:	12.40
New Debt Service Mills:	3.00
Collections:	95%

Fiscal Year	Bonded Debt Service	Series 2019	Total Debt Service	Assessment	Revenues	Coverage	Coverage Revenue
2019	21,649,836	-	21,649,835.57	3,685,027,854	43,409,628	2.01	21,759,793
2020	21,604,786	-	21,604,785.57	3,819,556,451	44,994,375	2.08	23,389,589
2021	21,554,386	12,690,656	34,245,041.82	3,819,556,451	55,880,111	1.63	21,635,069
2022	21,504,161	12,691,200	34,195,360.57	3,819,556,451	55,880,111	1.63	21,684,750
2023	21,456,175	12,691,900	34,148,075.02	3,819,556,451	55,880,111	1.64	21,732,036
2024	21,410,050	12,695,400	34,105,450.02	3,819,556,451	55,880,111	1.64	21,774,661
2025	21,370,388	12,691,250	34,061,637.52	3,819,556,451	55,880,111	1.64	21,818,473
2026	21,345,488	12,694,450	34,039,937.52	3,819,556,451	55,880,111	1.64	21,840,173
2027	21,326,588	12,694,325	34,020,912.52	3,819,556,451	55,880,111	1.64	21,859,198
2028	21,312,263	12,690,650	34,002,912.52	3,819,556,451	55,880,111	1.64	21,877,198
2029	21,304,438	12,693,200	33,997,637.52	3,819,556,451	55,880,111	1.64	21,882,473
2030	21,306,825	12,691,300	33,998,125.02	3,819,556,451	55,880,111	1.64	21,881,986
2031	21,310,650	12,694,725	34,005,375.02	3,819,556,451	55,880,111	1.64	21,874,736
2032	21,322,488	12,692,800	34,015,287.50	3,819,556,451	55,880,111	1.64	21,864,823
2033	21,337,888	12,690,300	34,028,187.50	3,819,556,451	55,880,111	1.64	21,851,923
2034	-	12,691,775	12,691,775.00	3,819,556,451	55,880,111	4.40	43,188,336
2035	-	12,691,550	12,691,550.00	3,819,556,451	55,880,111	4.40	43,188,561
2036	-	12,694,175	12,694,175.00	3,819,556,451	55,880,111	4.40	43,185,936
2037	-	12,693,975	12,693,975.00	3,819,556,451	55,880,111	4.40	43,186,136
2038	-	12,690,500	12,690,500.00	3,819,556,451	55,880,111	4.40	43,189,611
2039	-	12,693,300	12,693,300.00	3,819,556,451	55,880,111	4.40	43,186,811
2040	-	12,691,475	12,691,475.00	3,819,556,451	55,880,111	4.40	43,188,636
2041	-	12,694,575	12,694,575.00	3,819,556,451	55,880,111	4.40	43,185,536
2042	-	12,691,700	12,691,700.00	3,819,556,451	55,880,111	4.40	43,188,411
2043	-	12,692,400	12,692,400.00	3,819,556,451	55,880,111	4.40	43,187,711
2044	-	12,690,775	12,690,775.00	3,819,556,451	55,880,111	4.40	43,189,336
2045	-	12,691,150	12,691,150.00	3,819,556,451	55,880,111	4.40	43,188,961
2046	-	12,692,625	12,692,625.00	3,819,556,451	55,880,111	4.40	43,187,486
2047	-	12,694,300	12,694,300.00	3,819,556,451	55,880,111	4.40	43,185,811
2048	-	12,695,275	12,695,275.00	3,819,556,451	55,880,111	4.40	43,184,836
2049	-	12,694,650	12,694,650.00	3,819,556,451	55,880,111	4.40	43,185,461
2050	-	12,691,525	12,691,525.00	3,819,556,451	55,880,111	4.40	43,188,586

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.