

BONDED INDEBTEDNESS REPORTING GUIDELINES (Form ADOR 10964)

A statewide Report of Bonded Indebtedness, statutorily required per Arizona Revised Statutes (A.R.S.) §35-501, is compiled using the information provided on this form. The information submitted should reflect all indebtedness as of **June 30, 2014** and include any bonds paid in full during the fiscal year. The amounts retired or refunded should represent the total *through the life of the bond* and not just the amounts retired or refunded during the fiscal year.

Note: "Any county, city, town, school district, irrigation district or other political subdivision of the state that fails to comply fully with the provisions of this article shall not issue any additional bonds or other securities" per A.R.S. §35-501. Furthermore, any person or member of any governing body knowingly omitting or refusing to comply with this request is guilty of a class 2 misdemeanor per A.R.S. §35-502.

Complete each field applicable for each bond issue. Submit information on all debt, including Revenue, Impact Aid Revenue, General Obligation, Special Assessment and Special District Bonds, Certificates of Participation and Municipal Property Corporation debt. **DO NOT USE THIS FORM TO REPORT LEASE PURCHASES OR THIRD-PARTY FINANCING CONTRACTS** (use form ADOR 10968). The following specific instructions for numbered columns should help you fill out the form correctly and completely. Submit completed reports to the department by *Friday, September 19, 2014*.

- 1) **NAME OF COUNTY OR DISTRICT BONDED:** Enter the bonding county, city, town or district name.
- 2) **BOND TYPE:** List the type of bond debt for each issue. *If you need to report lease purchases or third-party financing contracts in excess of one year, there is a separate form (ADOR 10968) for these types of securities.*
 - RV **Revenue Bonds** secured primarily by the non-tax revenues generated from the rents or fees paid by the users of the funded project.
 - IAR **Impact Aid Revenue Bonds** with voter approval may be issued by those school districts that receive federal Impact Aid revenues.
 - GO **General Obligation Bonds** secured by the issuer's taxing authority, subject to constitutional debt limits (which you list under column 12), and may require voter approval. If the bond is subject to more than one debt limit level because it is a mixed purpose bond, *provide the Amount of Outstanding Principal for each debt limit level on a separate line*. For school districts, please identify the type of general obligation bond as Class A or Class B.
 - SA **Special Assessment and Special District Bonds** resulting project to benefit an isolated group, secured by assessments that are levied against property located within the district.
 - COP **Certificates of Participation Bonds** issued to show a proportionate interest in the ownership of debt.
 - MPC **Municipal Property Corporations Bonds** issued by cities/towns as a financing tool to build or buy city projects that are then leased back to the city.
- 3) **PURPOSE OF ISSUE:** Complete the Purpose of Issue field by listing the use of the revenue. For example, sewer improvements, highway, lighting, parks, etc.
- 4) **DATE OF ISSUE:** Enter the original issue date of the bond.
- 5) **DATE OF MATURITY:** Enter the final maturity date of the issue.
- 6) **ORIGINAL PRINCIPAL AMOUNT:** The original principal amount of the bonds issued. *There should be no premium or discount included in this amount. See A.R.S. §35-503(A).*
- 7) **PRINCIPAL AMOUNT RETIRED:** The total amount of principal paid off *through the life of the bond, including the July 1, 2014 payment* due if the payment amount has been deposited into a dedicated fund for the payment of the principal. *There should be no premium or discount included in this amount.*

- 8) **AMOUNT REFUNDED:** If all or part of a bond has been refunded, enter the principal amount refunded in the Amount Refunded column. If only a portion of the bond has been refunded leaving some outstanding principal, continue to list the issue until the outstanding principal has been paid in full. *There should be no premium or discount included in this amount.*
- 9) **OUTSTANDING PRINCIPAL:** Enter the amount still owed on the original principal. However, the outstanding balance **should be reduced by any July 1, 2014 payment** if the payment amount has been deposited into a dedicated fund for the payment of the principal. *There should be no premium or discount included in this amount.* To reconcile with prior year reports and to account for the total amount paid during the fiscal year, include any bond paid in full during the last reporting period.

Note: The sum of the *Principal Amount Retired* (column 7) **plus the Amount Refunded** (column 8) **plus the Outstanding Principal** (column 9) **must equal the Original Principal Amount** (column 6). Check your math to make certain that *columns 7 + 8 + 9 = 6*. Remember the amount retired or refunded should be the principal amount through the life of the bond and not just the amount retired or refunded during the fiscal year.

- 10) **7/1/2014 PAYMENT:** Enter the principal amount, excluding interest, of the 7/1/2014 payment if the payment amount has been deposited into a dedicated fund for the payment of principal (or the FY 2014 payment for issues with due dates other than July).
- 11) **7/1/2013 PAYMENT:** Enter the principal amount, excluding interest, of the 7/1/2013 payment if the payment amount has been deposited into a dedicated fund for the payment of principal (or the FY 2013 payment for issues with due dates other than July).
- 12) **GO DEBT LIMIT:** For each general obligation bond, the appropriate debt limit percentages must be recorded. In a mixed-use general obligation bond, the total principal amount outstanding should be apportioned to show amounts outstanding for each debt limit level (example: 6% or 20%). It is particularly important to do this for general obligation bonds because only then can the appropriate portion be applied to the calculation of the remaining debt limits. Percentages that can apply to cities and towns are 6% or 20%, depending on usage of the bond revenues. Counties can have a debt limit percentage of 15%, as can community colleges. School district debt limitation percentages vary as well, depending on the authorization date of the bond and whether or not the district is unified.

Note: For all fields above requiring dollar amounts (columns 6 through 11), **list ONLY the principal amounts.** Do not include interest or amounts held in sinking funds. Write the dollar amount completely.

*****INTEREST REPORTING REQUIREMENTS***** State government and all local governments are required to report interest paid in the latest fiscal year and interest paid to date pursuant to A.R.S. §§41-4601 and 41-4604. State government consists of any department, commission, board, institution or other agency of the State receiving, expending or disbursing state funds or incurring obligations against the State. Local governments consist of a county, city or town with a population of more than 2,500 persons; any community college district and school district with a student count of more than 600 pupils; and a state university.

- 13) **INTEREST PAID IN FY 14:** Enter the amount of interest paid during the fiscal year, **including the interest associated with the July 1, 2014 payment** due if the payment amount has been deposited into a dedicated fund for the payment of the principal.
- 14) **INTEREST PAID TO DATE:** Enter the total amount of interest paid throughout the life of the bond, **including the interest associated with the July 1, 2014 payment** due if the payment amount has been deposited into a dedicated fund for the payment of the principal.

Attach any remarks concerning any of the issues on a separate page. Include the name, phone number and email address of the individual to contact if we should have any questions. An annual written confirmation is required even if your jurisdiction had no outstanding bonds. If you had no outstanding debt to report, simply indicate “none” on the form, sign and complete the contact section. An Excel spreadsheet or other reproductions of the

form are acceptable. Completed forms can be sent by email to the contact person for your jurisdiction shown below or faxed to (602) 716-7991. There is no need to mail an original form that has been sent by email or fax.

Report of Bonded Indebtedness Contact Information:

If you have any questions, please contact us:

Cities or Towns / Special Districts

Darlene Teller – (602) 716-6436 – DTeller@azdor.gov

Community College Districts

Debbie MacNeil – (602) 716-6105 – DMacNeil@azdor.gov

Counties (Both Forms)

School Districts (Bonded Indebtedness Form 10964 only)

Elaine Smith – (602) 716-6924 – ESmith@azdor.gov

School Districts (Lease Purchase Form 10968 only)

Caitlin Wooten – (602) 716-6072 – CWooten@azdor.gov

State Agencies and Universities

Duong Nguyen – (602) 716-6048 – DNguyen@azdor.gov

Email completed forms to the staff assigned to your jurisdiction noted above OR fax to (602) 716-7991.

Alternatively, mail your completed forms to:

Arizona Department of Revenue
Office of Economic Research & Analysis
P.O. Box 29099
Phoenix, AZ 85038

Completed forms should be submitted to the department by *Friday, September 19, 2014*.

ADDITIONAL PERTINENT STATUTORY REQUIREMENTS

Report of Bond and Security Issuance: Pursuant to A.R.S. §35-501(B), these forms need only be filed if your jurisdiction issues new bonds or securities. Although the Governing Board of the jurisdiction is ultimately responsible for compliance with these requirements, a similar letter has been sent to all known Municipal Bond Attorneys and Municipal Underwriters in Arizona. If you are using the services of Arizona Attorneys or Underwriters, please be certain that you know which of you will be filling out and submitting these forms. If you are not using their services, you must fill out and submit the forms. Forms are available at www.azdor.gov under the “Reports & Research” link under Bonded Indebtedness” or call the Office of Economic Research & Analysis at (602) 716-6090.

Notification of retirement of bond or upon payment of interest: A.R.S. §35-502 requires that the department receive notification immediately upon retirement of a bond or upon payment of interest. In order to promote efficient compliance with this provision, we have asked that a Debt Service Schedule is sent upon issue, and notification of any variation from that schedule is sent to us immediately.

Industrial Development Corporation Exemption: A.R.S. §35-505 exempts industrial development corporations formed pursuant to Chapters 5 and 6 of Title 35 from this annual reporting requirement.

Publicity Pamphlets: A.R.S. §35-454 dealing with Bond Election Informational pamphlets requires that the governing board of a political subdivision shall “*submit a copy of the informational pamphlet to the Department of Revenue within thirty days after the bond election.*” Please indicate if the election was successful.