



## **General Information Related to Potential Cochise County Jail District Bond Issuance**

*June 20, 2025*

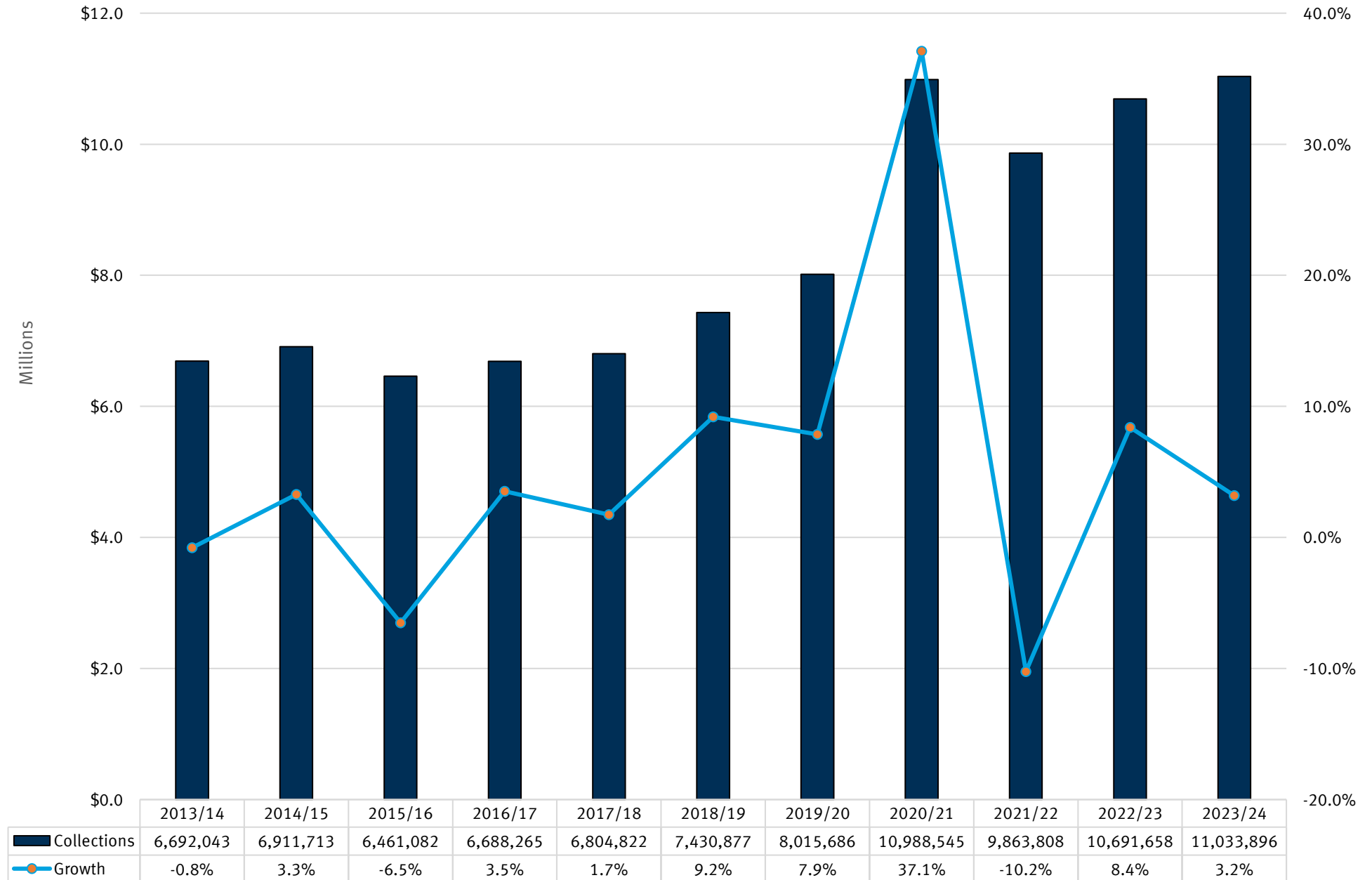
# Public Policy Objectives

1. Design, plan and construct jail facilities to meet long-term objectives of the County – in process.
2. Estimated construction budget in process – final to be determined in coming months – estimated for now at \$120 million (subject to change).
3. Utilization of \$20 million grant from the State for construction, contingent upon County voters approving election to fund Jail District.
4. Identify appropriate amortization of a revenue bond issuance – see samples herein.
5. Repay debt from the voter approved half-cent TPT – revenue only to be used for debt service and capital.
6. Interest earnings of bond invested funds can be used for debt repayment and / or construction cost overruns.
7. Paydown debt as excess revenue permits – with extraordinary bond call/payoff provisions.
8. County intends to dissolve Jail District after repayment in full of the bonds.

## Jail District Overview (A.R.S. – 48-4001 – 48-4026)

1. County Board of Supervisors serves as District Board of Directors.
2. Jail districts are tax-levying public improvement districts with the powers, privileges and immunities granted generally to municipal corporations.
3. Election required to form and levy either a sales tax (limited to 10% of the state excise tax rate on applicable taxable activities) or a secondary property tax.
4. Permitted to acquire property by lease-purchase agreement with final payment required to be made within 25 years (in addition to other mechanisms).
5. May pledge required maintenance-of-effort payments and jail district excise tax collections to make payments under a lease-purchase agreement.
6. County is subject to maintenance-of-effort payment requirements based on the correctional facilities expenditure amount in the fiscal year immediately preceding establishment of county jail district tax. This base expenditure amount is adjusted each year based on the lesser of the change in the county primary property tax levy limit or the GDP price deflator.
7. Generally, no statutory limitation (sunset) on the sales tax termination date, but County provides for a termination date in the ballot language.

# Historical Cochise County Excise Tax Collections



# Financing Assumptions

Issuer:	Cochise County Jail District of Cochise County, Arizona
Timing of Election:	November 2025
Type of Bonds:	Pledged Revenue Obligations
Estimated Jail District 1/2 Cent Excise Tax Revenues:	\$10,000,000
Estimated Maintenance of Effort (MOE) Requirement:	\$6,300,000
Amortization:	Up to 25 Years
Credit Rating:	To Be Determined
Estimated Tax-Exempt Bond Interest Rate:	4.50%
Estimated Timing of Bond Sale:	January 1, 2027

# Expected Jail District Pledged Revenue Summary

<u>Year</u>	<u>Estimated Jail District Excise Tax Revenues</u>	<u>Maintenance of Effort (MOE) Requirement</u>	<u>Total Estimated Jail District Pledged Revenues</u>
2025/26	\$10,000,000	\$6,300,000	\$16,300,000

# Scenario 1: Estimated Sources and Uses of Funds - \$120m

Sources of Funds	
Principal Amount	\$ 100,000,000.00
State Contribution	<u>20,000,000.00</u>
	<u>Total: \$ 120,000,000.00</u>

Uses of Funds	
Project Fund	<u>\$ 120,000,000.00</u>
	<u>Total: \$ 120,000,000.00</u>

# Scenario 1a: Estimated Debt Service and Projected Coverage

**\$120M SCENARIO: 20-Year Amortization**  
**Pledged Revenue Obligations, Series 2027**  
**Estimated Debt Service and Projected Coverage**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Fiscal Year	Estimated Jail District Excise Tax Revenues	Estimated Maintenance of Effort Requirement	Estimated Pledged Revenues (a)	\$100 Million Proceeds			Projected Estimated Jail District Excise Tax Coverage	Projected Excess Revenues	Projected Estimated Pledged Revenues Coverage (c)
				Principal	Interest	Estimated Annual Debt Service (b)			
2024/25									
2025/26	\$10,000,000	\$6,300,000	\$16,300,000						
2026/27				\$5,270,000	\$2,250,000	\$7,520,000	1.33x	\$2,480,000	2.17x
2027/28				3,260,000	4,262,850	7,522,850	1.33x	2,477,150	2.17x
2028/29				3,405,000	4,116,150	7,521,150	1.33x	2,478,850	2.17x
2029/30				3,560,000	3,962,925	7,522,925	1.33x	2,477,075	2.17x
2030/31				3,720,000	3,802,725	7,522,725	1.33x	2,477,275	2.17x
2031/32				3,885,000	3,635,325	7,520,325	1.33x	2,479,675	2.17x
2032/33				4,060,000	3,460,500	7,520,500	1.33x	2,479,500	2.17x
2033/34				4,245,000	3,277,800	7,522,800	1.33x	2,477,200	2.17x
2034/35				4,435,000	3,086,775	7,521,775	1.33x	2,478,225	2.17x
2035/36				4,635,000	2,887,200	7,522,200	1.33x	2,477,800	2.17x
2036/37				4,845,000	2,678,625	7,523,625	1.33x	2,476,375	2.17x
2037/38				5,060,000	2,460,600	7,520,600	1.33x	2,479,400	2.17x
2038/39				5,290,000	2,232,900	7,522,900	1.33x	2,477,100	2.17x
2039/40				5,530,000	1,994,850	7,524,850	1.33x	2,475,150	2.17x
2040/41				5,775,000	1,746,000	7,521,000	1.33x	2,479,000	2.17x
2041/42				6,035,000	1,486,125	7,521,125	1.33x	2,478,875	2.17x
2042/43				6,310,000	1,214,550	7,524,550	1.33x	2,475,450	2.17x
2043/44				6,590,000	930,600	7,520,600	1.33x	2,479,400	2.17x
2044/45				6,890,000	634,050	7,524,050	1.33x	2,475,950	2.17x
2045/46				7,200,000	324,000	7,524,000	1.33x	2,476,000	2.17x
				<u>\$100,000,000</u>	<u>\$50,444,550</u>	<u>\$150,444,550</u>		<u>\$49,555,450</u>	

✓ Projected Excess Revenues (Estimated Jail District Excise Tax Revenues exceeding the Estimated Annual Debt Service) would provide for early payoff of debt

**Assumptions:**

- Preliminary and subject to change. Assumes the County would secure a 'AA' underlying credit rating. Interest rates are estimated based on current market conditions and similar credits.

**Footnotes:**

- (a) Pledged revenues are estimated for discussion purposes.
- (b) Estimated annual debt service amounts are based upon level principal and interest payments with an estimated interest rate of 4.50%.
- (c) Debt service coverage is based on estimated collections of Jail District Excise Tax Revenues and an estimated Maintenance of Effort (MOE) Requirement for expected fiscal year 2025/26 compared to the highest combined interest and principal requirements in each fiscal year of the County.

# Scenario 1b: Estimated Debt Service and Projected Coverage

**\$120M SCENARIO: 16-Year Amortization (Assuming 1.10x Cash Flow Coverage of \$10M Excise Tax Revenue)**

**Pledged Revenue Obligations, Series 2027  
Estimated Debt Service and Projected Coverage**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Fiscal Year	Estimated Jail District Excise Tax Revenues	Estimated Maintenance of Effort Requirement	Estimated Pledged Revenues (a)	\$100 Million Proceeds			Projected Estimated Jail District Excise Tax Coverage	Projected Excess Revenues	Projected Estimated Pledged Revenues Coverage (c)
				Principal	Interest	Estimated Annual Debt Service (b)			
2024/25									
2025/26	\$10,000,000	\$6,300,000	\$16,300,000						
2026/27				\$6,840,000	\$2,250,000	\$9,090,000	1.10x	\$910,000	1.79x
2027/28				4,895,000	4,192,200	9,087,200	1.10x	912,800	1.79x
2028/29				5,115,000	3,971,925	9,086,925	1.10x	913,075	1.79x
2029/30				5,345,000	3,741,750	9,086,750	1.10x	913,250	1.79x
2030/31				5,585,000	3,501,225	9,086,225	1.10x	913,775	1.79x
2031/32				5,840,000	3,249,900	9,089,900	1.10x	910,100	1.79x
2032/33				6,100,000	2,987,100	9,087,100	1.10x	912,900	1.79x
2033/34				6,375,000	2,712,600	9,087,600	1.10x	912,400	1.79x
2034/35				6,665,000	2,425,725	9,090,725	1.10x	909,275	1.79x
2035/36				6,965,000	2,125,800	9,090,800	1.10x	909,200	1.79x
2036/37				7,275,000	1,812,375	9,087,375	1.10x	912,625	1.79x
2037/38				7,605,000	1,485,000	9,090,000	1.10x	910,000	1.79x
2038/39				7,945,000	1,142,775	9,087,775	1.10x	912,225	1.79x
2039/40				8,305,000	785,250	9,090,250	1.10x	909,750	1.79x
2040/41				8,675,000	411,525	9,086,525	1.10x	913,475	1.79x
2041/42				470,000	21,150	491,150	20.36x	9,508,850	33.19x
				<u>\$100,000,000</u>	<u>\$36,816,300</u>	<u>\$136,816,300</u>		<u>\$63,183,700</u>	

✓ Projected Excess Revenues (Estimated Jail District Excise Tax Revenues exceeding the Estimated Annual Debt Service) would provide for early payoff of debt

**Assumptions:**

- Preliminary and subject to change. Assumes the County would secure a 'AA' underlying credit rating. Interest rates are estimated based on current market conditions and similar credits.

**Footnotes:**

- (a) Pledged revenues are estimated for discussion purposes.
- (b) Estimated annual debt service amounts are based upon level principal and interest payments with an estimated interest rate of 4.50%.
- (c) Debt service coverage is based on estimated collections of Jail District Excise Tax Revenues and an estimated Maintenance of Effort (MOE) Requirement for expected fiscal year 2025/26 compared to the highest combined interest and principal requirements in each fiscal year of the County.

## Scenario 2: Estimated Sources and Uses of Funds - \$130m

Sources of Funds	
Principal Amount	\$ 110,000,000.00
State Contribution	<u>20,000,000.00</u>
	<u>Total: \$ 130,000,000.00</u>

Uses of Funds	
Project Fund	<u>\$ 130,000,000.00</u>
	<u>Total: \$ 130,000,000.00</u>

# Scenario 2a: Estimated Debt Service and Projected Coverage

**\$130M SCENARIO: 20-Year Amortization  
Pledged Revenue Obligations, Series 2027  
Estimated Debt Service and Projected Coverage**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Fiscal Year	Estimated Jail District Excise Tax Revenues	Estimated Maintenance of Effort Requirement	Estimated Pledged Revenues (a)	Projected \$110 Million Proceeds			Projected Estimated Jail District Excise Tax Coverage	Projected Excess Revenues	Projected Estimated Pledged Revenues Coverage (c)
				Principal	Interest	Estimated Annual Debt Service (b)			
2024/25									
2025/26	\$10,000,000	\$6,300,000	\$16,300,000						
2026/27				\$5,800,000	\$2,475,000	\$8,275,000	1.21x	\$1,725,000	1.97x
2027/28				3,585,000	4,689,000	8,274,000	1.21x	1,726,000	1.97x
2028/29				3,745,000	4,527,675	8,272,675	1.21x	1,727,325	1.97x
2029/30				3,915,000	4,359,150	8,274,150	1.21x	1,725,850	1.97x
2030/31				4,090,000	4,182,975	8,272,975	1.21x	1,727,025	1.97x
2031/32				4,275,000	3,998,925	8,273,925	1.21x	1,726,075	1.97x
2032/33				4,465,000	3,806,550	8,271,550	1.21x	1,728,450	1.97x
2033/34				4,670,000	3,605,625	8,275,625	1.21x	1,724,375	1.97x
2034/35				4,880,000	3,395,475	8,275,475	1.21x	1,724,525	1.97x
2035/36				5,100,000	3,175,875	8,275,875	1.21x	1,724,125	1.97x
2036/37				5,330,000	2,946,375	8,276,375	1.21x	1,723,625	1.97x
2037/38				5,565,000	2,706,525	8,271,525	1.21x	1,728,475	1.97x
2038/39				5,820,000	2,456,100	8,276,100	1.21x	1,723,900	1.97x
2039/40				6,080,000	2,194,200	8,274,200	1.21x	1,725,800	1.97x
2040/41				6,355,000	1,920,600	8,275,600	1.21x	1,724,400	1.97x
2041/42				6,640,000	1,634,625	8,274,625	1.21x	1,725,375	1.97x
2042/43				6,940,000	1,335,825	8,275,825	1.21x	1,724,175	1.97x
2043/44				7,250,000	1,023,525	8,273,525	1.21x	1,726,475	1.97x
2044/45				7,575,000	697,275	8,272,275	1.21x	1,727,725	1.97x
2045/46				7,920,000	356,400	8,276,400	1.21x	1,723,600	1.97x
				<u>\$110,000,000</u>	<u>\$55,487,700</u>	<u>\$165,487,700</u>		<u>\$34,512,300</u>	

✓ Projected Excess Revenues (Estimated Jail District Excise Tax Revenues exceeding the Estimated Annual Debt Service) would provide for early payoff of debt

**Assumptions:**

- Preliminary and subject to change. Assumes the County would secure a 'AA' underlying credit rating. Interest rates are estimated based on current market conditions and similar credits.

**Footnotes:**

- (a) Pledged revenues are estimated for discussion purposes.
- (b) Estimated annual debt service amounts are based upon level principal and interest payments with an estimated interest rate of 4.50%.
- (c) Debt service coverage is based on estimated collections of Jail District Excise Tax Revenues and an estimated Maintenance of Effort (MOE) Requirement for expected fiscal year 2025/26 compared to the highest combined interest and principal requirements in each fiscal year of the County.

# Scenario 2b: Estimated Debt Service and Projected Coverage

**\$130M SCENARIO: 18-Year Amortization (Assuming 1.10x Cash Flow Coverage of \$10M Excise Tax Revenue)**

**Pledged Revenue Obligations, Series 2027**

**Estimated Debt Service and Projected Coverage**

(1)	(2)	(3)	(4)	(5) (6) (7) <b>\$110 Million Proceeds</b>			(8)	(9)	(10)
Fiscal Year	Estimated Jail District Excise Tax Revenues	Estimated Maintenance of Effort Requirement	Estimated Pledged Revenues (a)	Principal	Interest	Estimated Annual Debt Service (b)	Projected Estimated Jail District Excise Tax Coverage	Projected Excess Revenues	Projected Estimated Pledged Revenues Coverage (c)
2024/25									
2025/26	\$10,000,000	\$6,300,000	\$16,300,000						
2026/27				\$6,615,000	\$2,475,000	\$9,090,000	1.10x	\$910,000	1.79x
2027/28				4,435,000	4,652,325	9,087,325	1.10x	912,675	1.79x
2028/29				4,635,000	4,452,750	9,087,750	1.10x	912,250	1.79x
2029/30				4,845,000	4,244,175	9,089,175	1.10x	910,825	1.79x
2030/31				5,060,000	4,026,150	9,086,150	1.10x	913,850	1.79x
2031/32				5,290,000	3,798,450	9,088,450	1.10x	911,550	1.79x
2032/33				5,530,000	3,560,400	9,090,400	1.10x	909,600	1.79x
2033/34				5,775,000	3,311,550	9,086,550	1.10x	913,450	1.79x
2034/35				6,035,000	3,051,675	9,086,675	1.10x	913,325	1.79x
2035/36				6,310,000	2,780,100	9,090,100	1.10x	909,900	1.79x
2036/37				6,590,000	2,496,150	9,086,150	1.10x	913,850	1.79x
2037/38				6,890,000	2,199,600	9,089,600	1.10x	910,400	1.79x
2038/39				7,200,000	1,889,550	9,089,550	1.10x	910,450	1.79x
2039/40				7,525,000	1,565,550	9,090,550	1.10x	909,450	1.79x
2040/41				7,860,000	1,226,925	9,086,925	1.10x	913,075	1.79x
2041/42				8,215,000	873,225	9,088,225	1.10x	911,775	1.79x
2042/43				8,585,000	503,550	9,088,550	1.10x	911,450	1.79x
2043/44				2,605,000	117,225	2,722,225	3.67x	7,277,775	5.99x
				<u>\$110,000,000</u>	<u>\$47,224,350</u>	<u>\$157,224,350</u>		<u>\$42,775,650</u>	

✓ Projected Excess Revenues (Estimated Jail District Excise Tax Revenues exceeding the Estimated Annual Debt Service) would provide for early payoff of debt

**Assumptions:**

- Preliminary and subject to change. Assumes the County would secure a 'AA' underlying credit rating. Interest rates are estimated based on current market conditions and similar credits.

**Footnotes:**

- (a) Pledged revenues are estimated for discussion purposes.
- (b) Estimated annual debt service amounts are based upon level principal and interest payments with an estimated interest rate of 4.50%.
- (c) Debt service coverage is based on estimated collections of Jail District Excise Tax Revenues and an estimated Maintenance of Effort (MOE) Requirement for expected fiscal year 2025/26 compared to the highest combined interest and principal requirements in each fiscal year of the County.

# Recent Arizona County Jail District Bond Financings

OFFICIAL STATEMENT DATED MAY 8, 2025

NEW ISSUE – BOOK-ENTRY-ONLY

RATINGS: See “RATINGS” herein.

*In the opinion of Greenberg Traurig, LLP, Special Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, the portion of each lease payment made by the District pursuant to the Lease Agreement and denominated as and comprising interest pursuant to the Lease Agreement and received by the Owners of the 2025 Obligations (the “Interest Portion”) will be excludable from gross income for federal income tax purposes. Further, the Interest Portion will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), on applicable corporations (as defined in Section 59(k) of the Code), the Interest Portion will not be excluded from determination of adjusted financial statement income. See “TAX EXEMPTION” herein for a description of certain other federal tax consequences of ownership of the related 2025 Obligations. Special Counsel is further of the opinion that the Interest Portion will be exempt from income taxation under the laws of the State of Arizona so long as the Interest Portion is excludable from gross income for federal income tax purposes.*



**\$9,965,000**  
**COCONINO COUNTY JAIL DISTRICT**  
**OF COCONINO COUNTY, ARIZONA**  
**PLEDGED REVENUE OBLIGATIONS, SERIES 2025**

**Dated:** Date of Delivery

**Due:** July 1, as shown on the inside front cover page

The Coconino County Jail District of Coconino County, Arizona (the “District”) Pledged Revenue Obligations, Series 2025 (the “2025 Obligations”) will be executed and delivered to (i) acquire and construct the Project (as defined herein) and (ii) pay costs relating to the execution and delivery of the 2025 Obligations. The 2025 Obligations will represent undivided, proportionate interests in lease payments (the “Lease Payments”) to be made by the District pursuant to a Lease-Purchase Agreement, to be dated as of May 1, 2025 (the “Lease Agreement”), between the District, as lessee, and UMB Bank, n.a., as trustee and lessor (the “Trustee”). The 2025 Obligations will be executed and delivered by the Trustee pursuant to a Trust Agreement, to be dated as of May 1, 2025 (the “Trust Agreement”) by and between the District and the Trustee.

Interest on the 2025 Obligations will be payable semiannually on each January 1 and July 1, commencing January 1, 2026. The 2025 Obligations will be dated the date of delivery and will be issuable as fully registered obligations without coupons and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), which will act as securities depository for the 2025 Obligations. Beneficial interests in the 2025 Obligations will be available to purchasers in amounts of \$5,000 of principal due on a specific maturity date and any integral multiple thereof only under the book-entry only system maintained by DTC through brokers and dealers who are, or act through, DTC Participants (as defined herein). Purchasers will not receive physical certificates. So long as any purchaser is the beneficial owner of a 2025 Obligation, such purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal and interest on such 2025 Obligation. See APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM” herein.

The 2025 Obligations will be subject to redemption prior to their maturity dates as described herein. See “THE 2025 OBLIGATIONS – Redemption Provisions” herein.

SEE MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE

The Lease Payments to be made by the District under the Lease Agreement will be payable solely from, and secured by a pledge of, the revenues from Maintenance of Effort Payments (as defined herein), as received by the District, and from the District Excise Tax (as defined herein) originally approved by the voters of Coconino County, Arizona (the “County”) at an election held on November 5, 1996, and extended by the voters at elections held on November 7, 2006 and November 8, 2022 (collectively, the “District Pledged Revenues”), as described herein. The obligation of the District to make the Lease Payments will be absolute and unconditional and will not be subject to annual appropriation by the District. The Lease Agreement provides that the District may not further encumber the District Pledged Revenues (a) on a basis prior to the pledge under the Lease Agreement, and (b) on a basis equal to the pledge under the Lease Agreement as Parity Obligations (as defined herein) unless certain requirements of the Lease Agreement and the Trust Agreement are satisfied. See “SECURITY AND SOURCES OF PAYMENT” herein.

THE 2025 OBLIGATIONS WILL BE SPECIAL, LIMITED, REVENUE OBLIGATIONS OF THE DISTRICT AND WILL BE PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN. THE 2025 OBLIGATIONS WILL NOT BE GENERAL OBLIGATIONS OF THE DISTRICT, THE COUNTY, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF. THE FULL FAITH AND CREDIT OF THE DISTRICT, THE COUNTY, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF WILL NOT BE PLEDGED FOR THE PAYMENT OF THE 2025 OBLIGATIONS.

The 2025 Obligations will be offered when, as and if executed and delivered, subject to the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Special Counsel, as to validity and tax exemption. Certain matters will be passed upon for the underwriter identified below by its counsel, Squire Patton Boggs (US) LLP, Phoenix, Arizona. It is anticipated that the 2025 Obligations in definitive form will be available for delivery through DTC on or about May 28, 2025.

This cover page contains only a brief description of the 2025 Obligations and the security therefor. It is not a summary of material information with respect to the 2025 Obligations. Investors are advised to read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the 2025 Obligations.

STIFEL

OFFICIAL STATEMENT DATED MAY 13, 2020

NEW ISSUE – BOOK-ENTRY ONLY

INSURANCE: See “OBLIGATION INSURANCE” and “RISK FACTORS RELATED TO OBLIGATION INSURANCE” herein.

RATINGS: See “RATINGS” herein.

*In the opinion of Squire Patton Boggs (US) LLP, Special Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, the portion of the Lease Payments (defined below) paid and denominated as interest under the Lease-Purchase Agreement and received by the owners of the 2020 Obligations (the “Interest Portion”) is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax and (ii) the Interest Portion received by the owners of the related 2020 Obligations is not included in the taxable income of the individuals or corporations for Arizona income tax purposes so long as that Interest Portion is excluded from gross income for federal income tax purposes. The Interest Portion may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see “TAX MATTERS” herein.*

**\$57,050,000**  
**YAVAPAI COUNTY JAIL DISTRICT**  
**OF YAVAPAI COUNTY, ARIZONA**  
**PLEDGED REVENUE OBLIGATIONS,**  
**SERIES 2020**

**Dated:** Date of Delivery

**Due:** July 1, as shown on the inside front cover page

The Pledged Revenue Obligations, Series 2020 (the “2020 Obligations”) will be executed and delivered to (i) acquire and construct the Project (as defined herein), comprising new correctional facilities, and (ii) pay costs relating to the execution and delivery of the 2020 Obligations. The 2020 Obligations will represent undivided, proportionate interests in lease payments (the “Lease Payments”) to be made by the Yavapai County Jail District of Yavapai County, Arizona (the “District”) pursuant to a Lease-Purchase Agreement, to be dated as of June 1, 2020 (the “Lease Agreement”), between the District, as lessee, and The Bank of New York Mellon Trust Company, N.A., as trustee and lessor (the “Trustee”). The 2020 Obligations will be executed and delivered by the Trustee pursuant to a Trust Agreement, to be dated as of June 1, 2020 (the “Trust Agreement”) by and between the District and the Trustee.

Interest on the 2020 Obligations will be payable semiannually on each January 1 and July 1, commencing January 1, 2021. The 2020 Obligations will be dated the date of delivery and will be issuable as fully registered obligations without coupons and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the 2020 Obligations. Beneficial interests in the 2020 Obligations will be available to purchasers in amounts of \$5,000 of principal due on a specific maturity date and any integral multiple thereof only under the book-entry only system maintained by DTC through brokers and dealers who are, or act through, DTC Participants (as defined herein). Purchasers will not receive physical certificates. So long as any purchaser is the beneficial owner of a 2020 Obligation, such purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal and interest on such 2020 Obligation. See APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM” herein.

The 2020 Obligations will be subject to redemption prior to their maturity dates as described herein. See “THE 2020 OBLIGATIONS – Redemption Provisions” herein.

The scheduled payment of principal of and interest on the 2020 Obligations when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the 2020 Obligations by BUILD AMERICA MUTUAL ASSURANCE COMPANY.



SEE MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE

The Lease Payments to be made by the District under the Lease Agreement will be payable solely from, and secured by a pledge of, the revenues from Maintenance of Effort Payments (as defined herein), as received by the District, and from the District Excise Tax (as defined herein) originally approved by the voters of the County on November 2, 1999 and extended by the voters on May 15, 2018 (collectively, the “District Pledged Revenues”), as described herein. The obligation of the District to make the Lease Payments will be absolute and unconditional and will not be subject to annual appropriation by the District. The Lease Agreement provides that the District may not further encumber the District Pledged Revenues (a) on a basis prior to the pledge under the Lease Agreement, and (b) on a basis equal to the pledge under the Lease Agreement as Parity Obligations (as defined herein) unless certain requirements of the Lease Agreement and the Trust Agreement are satisfied. See “SECURITY AND SOURCES OF PAYMENT” herein.

THE 2020 OBLIGATIONS WILL BE SPECIAL, LIMITED, REVENUE OBLIGATIONS OF THE DISTRICT AND WILL BE PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN. THE 2020 OBLIGATIONS WILL NOT BE GENERAL OBLIGATIONS OF THE DISTRICT, YAVAPAI COUNTY, ARIZONA, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF AND THE FULL FAITH AND CREDIT OF THE DISTRICT, YAVAPAI COUNTY, ARIZONA, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF WILL NOT BE PLEDGED FOR THE PAYMENT OF THE 2020 OBLIGATIONS.

The 2020 Obligations are offered when, as and if executed and delivered, subject to the approving opinion of Squire Patton Boggs (US) LLP, Phoenix, Arizona, Special Counsel, as to validity and tax exemption. Certain matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona. It is anticipated that the 2020 Obligations in definitive form will be available for delivery through DTC on or about June 4, 2020.

This cover page contains only a brief description of the 2020 Obligations and the security therefor. It is not a summary of material information with respect to the 2020 Obligations. Investors are advised to read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the 2020 Obligations.

STIFEL

# Detention Facility Medical Unit Project / Coconino County

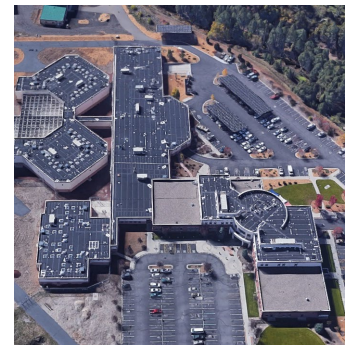
\$9,965,000 Coconino County Jail District of Coconino County, Arizona Pledged Revenue Obligations, Series 2025 were issued to acquire and construct the Project.

## Overview

- The District's Pledged Revenue Obligations served as a secondary source of funding for construction of the detention facility improvements. The construction budget at the time of issuance of the Obligations was \$18,565,000 with an overall budget of \$20,000,000, with financing expected to come from \$10,000,000 Obligation proceeds and the balance to come from District funds on hand.

## New Medical Unit and Upgraded Transfer/Release Area

- The Project will consist of a new medical unit to be constructed behind the District's detention facility located in the City of Flagstaff, Arizona, and the remodel and redesign of the intake and medical areas within such detention facility. Construction of the Project is intended to aid the District with acute medical and mental health needs and improve the intake, transfer and release process at the detention facility. The Project will be constructed pursuant to a Construction Management Contract between the District and the construction services company. The payment of the Obligations will not be secured by the Project, and the Owners of the Obligations will have no claim or lien on the Project.



# Adult and Juvenile Detention Expansion Projects / Pinal County

\$71,615,000 Certificates of Participation, Series 2004 were issued by Pinal County, Arizona to fund Adult and Juvenile Detention Expansion Projects.

## Overview

- The certificates served as the primary source of funding for construction of the building improvements. The improvements consisted of expansion of the current adult detention facility and construction of a new juvenile detention facility. The value of the real property prior to the construction of the improvements was approximately \$375,000.

## Adult and Juvenile Detention Facilities

- The expanded adult detention facility consists of 1,034 beds. The existing adult detention center was designed to accommodate an inmate population of approximately 472 inmates. With the expansion, a total of 1,506 beds will be available. The juvenile detention facility was operating beyond its current capacity. The new juvenile facility will accommodate 100 juvenile inmates. Pinal County, like all Arizona counties, is required by state law to provide and maintain county adult and juvenile detention facilities.



# Municipal Market Outlook: Week of June 16, 2025

UPCOMING ISSUANCE	
\$835MM San Diego Cnty , CA Airport Auth Rev (163TE/672AMT), Aa3/NR/AA-	
\$492MM Great Lakes Water Auth, MI Water Rev, Aa3/AA-/A+ (A1/A+/A)	
\$393MM Great Lakes Water Auth, MI Sewage Rev, Aa3/AA-/A+ (A1/A+/A)	
\$340MM New York Dorm Auth Rev - NY State Univ, Aa3/NR/A+, 2026-55	
\$265MM El Paso Cnty Hospital Dist, TX GO, NR/AA AGC, 2026-55	
\$250MM Pennsylvania Econ Dev Fin Auth - Noble Environmental	
\$248MM New York City Housing Corp, NY Rev (85TE/163T), Aa2	
\$200MM Iowa Fin Auth State Fund Rev (165TE/35T), Aaa-/AAA	
\$237MM New Mexico State Severance Rev, Aa3/AA-, 2026-35	
\$220MM Phoenix Civic Impv Corp, AZ Rev, Aa1/AAA/AA+, 2026-41	
<b>30-Day Visible Supply:</b> \$14.4 Billion	<b>7-Day Visible Supply:</b> \$7.69 Billion

MAJOR ECONOMIC DATA				
RELEASE	DAY	ESTIMATE	ACTUAL	
Empire Manufacturing - June	16-Jun	-6		
Retail Sales - May	17-Jun	0.30%		
Industrial Production - May	17-Jun	0.0		
Housing Starts - May	18-Jun	1359k		
FOMC Rate Decision	18-Jun	4.25-4.5		
Leading Index - May	20-Jun	-0.10%		

TAXABLE MUNICIPAL GO/MAKE WHOLE TREASURY SPREAD				
	5/5	10/10	20/30	30/30
AAA	20	45	70	80
AA	35	50	85	95
A	50	80	115	125
BBB	115	150	190	200

## COMMENTARY

Rates moved lower on milder than expected inflation data last week. Municipal supply is expected to drop for the FOMC meeting (Wednesday) and holiday-shortened (Thursday) week to an estimated \$7.7 billion, down from \$18.4 billion last week. Reinvestment money has supported the front end of the curve. Lipper reported a seventh straight week of inflows for Municipal Mutual Funds at +\$523 million for the week ending 6/11. The four-week moving average is +\$425 million. High Yield Muni Funds had inflows of +\$138 million. Ratios of AAA Muni GO to UST finished the week at 67% in the 2-year maturity, 68% in the 5-year, 75% in the 10-year and 92% in the 30-year. The CME Group Fed Funds forecast currently shows a 97% probability that the FOMC will leave rates unchanged this week.

RATE DATA				
	TODAY	WEEK PRIOR	MONTH PRIOR	YEAR PRIOR
<b>AAA GO</b>				
2 YEAR	2.66	2.70	2.84	3.05
5 YEAR	2.75	2.79	2.90	2.85
10 YEAR	3.32	3.34	3.27	2.79
15 YEAR	3.85	3.87	3.77	3.05
20 YEAR	4.30	4.32	4.19	3.41
30 YEAR	4.54	4.56	4.43	3.69
<b>US TREASURY</b>				
2 YEAR	3.95	4.03	4.02	4.72
5 YEAR	4.01	4.12	4.14	4.26
10 YEAR	4.41	4.50	4.55	4.25
30 YEAR	4.91	4.97	5.03	4.39
<b>FED FUNDS</b>	4.25-4.50	4.25-4.50	4.25-4.50	5.25-5.50
<b>PRIME RATE</b>	7.50	7.50	7.50	8.50
<b>MIG 1 - 1YR</b>	2.99	2.99	3.15	3.49
<b>MUB ETF</b>		103.200	104.510	107.110
<b>SIFMA 7DAY</b>	3.28	1.68	3.34	3.18
<b>SOFR</b>	4.28	4.29	4.30	5.31
<b>MSRB 7DAY TRD</b>	\$84,776MM	\$91,582MM	\$83,314MM	\$65,746MM
<b>BOND BUYER INDEXES</b>				
<b>20 Bond GO<sup>1</sup></b>	5.27	5.27	5.20	3.94
<b>11 Bond GO<sup>2</sup></b>	5.17	5.17	5.10	3.84
<b>25 Bond REV<sup>3</sup></b>	5.56	5.56	5.49	4.23

<sup>1</sup> GO bonds maturing in 20 years, avg. rating equivalent to Moody's Aa2 & S&P's AA

<sup>2</sup> GO bonds maturing in 20 years, avg. rating equivalent to Moody's Aa1 & S&P's AA+

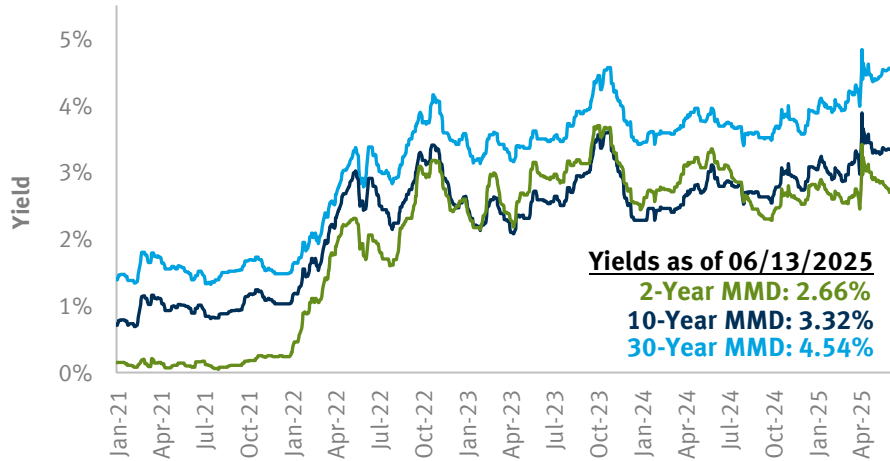
<sup>3</sup> Revenue bonds maturing in 30 years, avg. rating equivalent to Moody's A1 & S&P A+

# Tax-Exempt Interest Rate Movement

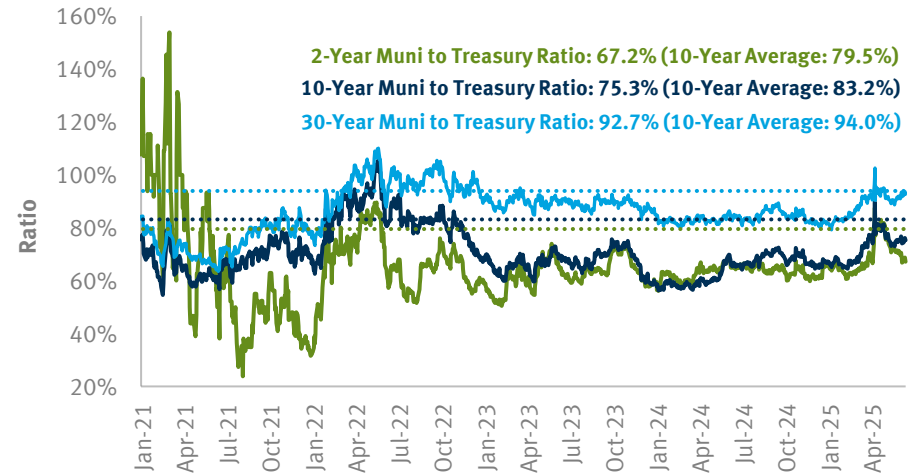
AAA MMD yields decrease across the curve.

## AAA MMD Yields Since 2021

Comparing 2-, 10- and 30-Year AAA MMD

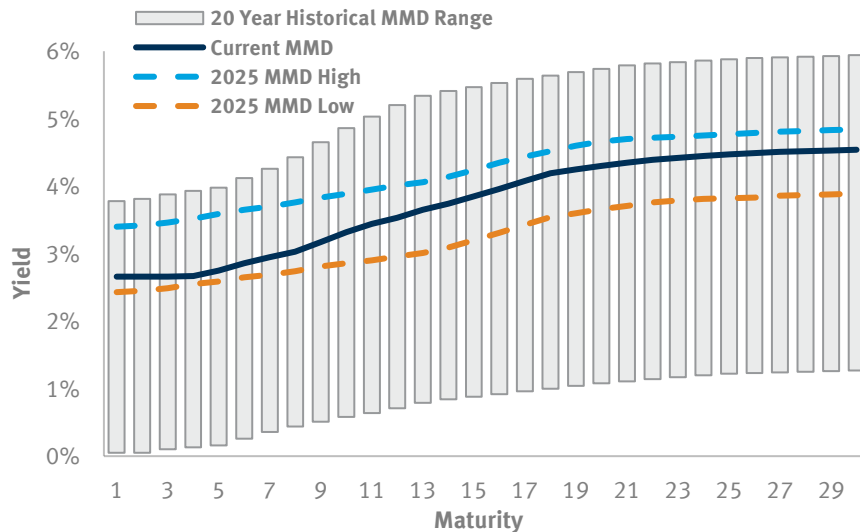


## 2-, 10- and 30-Year Muni to Treasury Ratios Since 2021



## Current AAA MMD Yields and Historic Context

20-Year Historical AAA MMD Range vs. Current AAA MMD



Sources: TM3, US Treasury. As of June 13, 2025.

## AAA MMD Summary Statistics

	2-Year	10-Year	30-Year
Current	2.66%	3.32%	4.54%
Weekly Change	-4 bps	-2 bps	-2 bps

### 2025 Year-to-Date

YTD Change	-12 bps	+26 bps	+65 bps
High	3.42%	3.89%	4.84%
Low	2.45%	2.86%	3.89%
Average	2.76%	3.19%	4.23%
Beginning of 2025	2.78%	3.06%	3.89%

## AAA BVAL Summary Statistics

	2-Year	10-Year	30-Year
Current	2.69%	3.27%	4.50%
Weekly Change	-4 bps	-3 bps	-2 bps

### 2025 Year-to-Date

YTD Change	-9 bps	+18 bps	+70 bps
------------	--------	---------	---------

# Interest Rate Forecast

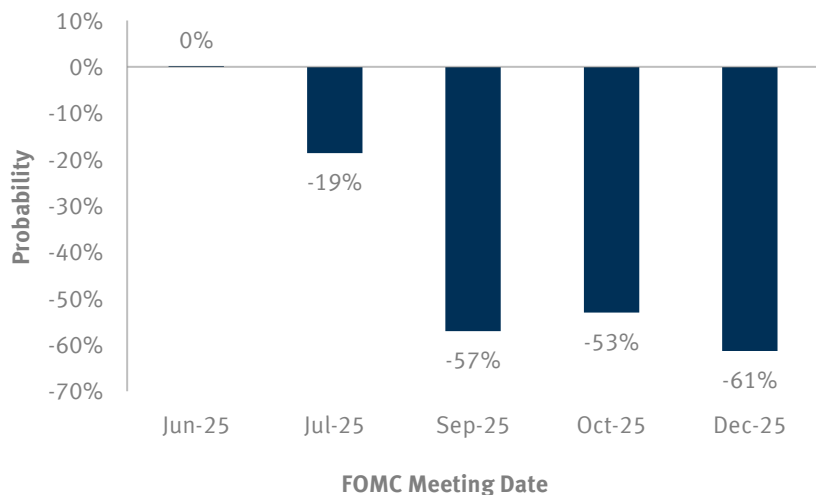
- PPI rose 0.1% in May, a tenth of a percentage point less than expected and following a 0.2% decline the month prior (revised up from the 0.5% drop initially reported).
- Excluding food and energy costs, the core CPI rose 0.1% in May, two-tenths of a percentage point less than expected and following a 0.2% increase in April.
- The downside surprise on the May consumer and producer price report continues to offer relief for a Fed increasingly concerned about a potential acceleration in cost pressures. Additionally at this point, last week’s reports indicate the impact of tariffs thus far remains somewhat muted, along with a hesitancy by at least some companies to pass on price increases to consumers.

## Bloomberg Consensus Yield Curve Projections (%)

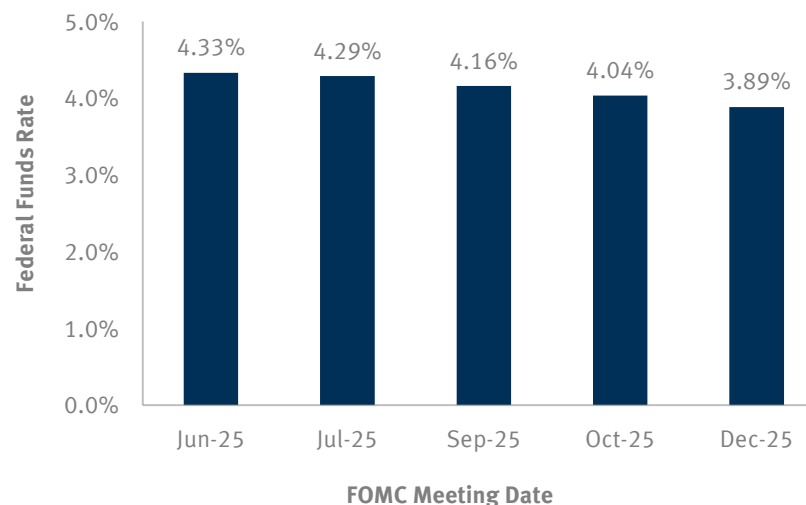
Market Consensus Yield Curve Projections (%)					
	Current	Q2 25	Q3 25	Q4 25	Q1 26
Fed Funds	4.50	4.50	4.30	4.05	3.85
2-Yr UST	3.96	3.90	3.78	3.64	3.58
10-Yr UST	4.41	4.41	4.32	4.25	4.20
30-Yr UST	4.90	4.89	4.76	4.66	4.63

## Market Consensus Probability of a Rate Hike at Upcoming Fed Meetings

Calculated Using Fed Funds Futures. (Values > 100% indicate a greater than 25 bp hike)



## Market Consensus Implied Overnight Effective Rate After Each Fed Meeting



Sources: Stifel Fixed Income Strategy Department, US Treasury, Bloomberg, Thomson Reuters. As of June 13, 2025.

# Appendix

---

# Scenario 1c: Estimated Debt Service and Projected Coverage

**\$120M SCENARIO: 14-Year Amortization (Assuming 1.10x Cash Flow Coverage of \$11M Excise Tax Revenue)  
Pledged Revenue Obligations, Series 2027  
Estimated Debt Service and Projected Coverage**

(1)	(2)	(3)	(4)	(5) (6) (7) <b>\$100 Million Proceeds</b>			(8)	(9)	(10)
Fiscal Year	Estimated Jail District Excise Tax Revenues	Estimated Maintenance of Effort Requirement	Estimated Pledged Revenues (a)	Principal	Interest	Estimated Annual Debt Service (b)	Projected Estimated Jail District Excise Tax Coverage	Projected Excess Revenues	Projected Estimated Pledged Revenues Coverage (c)
2024/25									
2025/26	\$11,000,000	\$6,300,000	\$17,300,000						
2026/27				\$7,750,000	\$2,250,000	\$10,000,000	1.10x	\$1,000,000	1.73x
2027/28				5,845,000	4,151,250	9,996,250	1.10x	1,003,750	1.73x
2028/29				6,110,000	3,888,225	9,998,225	1.10x	1,001,775	1.73x
2029/30				6,385,000	3,613,275	9,998,275	1.10x	1,001,725	1.73x
2030/31				6,670,000	3,325,950	9,995,950	1.10x	1,004,050	1.73x
2031/32				6,970,000	3,025,800	9,995,800	1.10x	1,004,200	1.73x
2032/33				7,285,000	2,712,150	9,997,150	1.10x	1,002,850	1.73x
2033/34				7,615,000	2,384,325	9,999,325	1.10x	1,000,675	1.73x
2034/35				7,955,000	2,041,650	9,996,650	1.10x	1,003,350	1.73x
2035/36				8,315,000	1,683,675	9,998,675	1.10x	1,001,325	1.73x
2036/37				8,690,000	1,309,500	9,999,500	1.10x	1,000,500	1.73x
2037/38				9,080,000	918,450	9,998,450	1.10x	1,001,550	1.73x
2038/39				9,490,000	509,850	9,999,850	1.10x	1,000,150	1.73x
2039/40				1,840,000	82,800	1,922,800	5.72x	9,077,200	9.00x
				<u>\$100,000,000</u>	<u>\$31,896,900</u>	<u>\$131,896,900</u>		<u>\$88,103,100</u>	

✓ Projected Excess Revenues (Estimated Jail District Excise Tax Revenues exceeding the Estimated Annual Debt Service) would provide for early payoff of debt

**Assumptions:**

- Preliminary and subject to change. Assumes the County would secure a 'AA' underlying credit rating. Interest rates are estimated based on current market conditions and similar credits.

**Footnotes:**

- (a) Pledged revenues are estimated for discussion purposes.
- (b) Estimated annual debt service amounts are based upon level principal and interest payments with an estimated interest rate of 4.50%.
- (c) Debt service coverage is based on estimated collections of Jail District Excise Tax Revenues and an estimated Maintenance of Effort (MOE) Requirement for expected fiscal year 2025/26 compared to the highest combined interest and principal requirements in each fiscal year of the County.

# Scenario 2c: Estimated Debt Service and Projected Coverage

\$130M SCENARIO: 16-Year Amortization (Assuming 1.10x Cash Flow Coverage of \$11M Excise Tax Revenue)

Pledged Revenue Obligations, Series 2027  
Estimated Debt Service and Projected Coverage

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Fiscal Year	Estimated Jail District Excise Tax Revenues	Estimated Maintenance of Effort Requirement	Estimated Pledged Revenues (a)	<div style="background-color: #0070C0; color: white; padding: 2px;">\$110 Million Proceeds</div>			Projected Estimated Jail District Excise Tax Coverage	Projected Excess Revenues	Projected Estimated Pledged Revenues Coverage (c)
				Principal	Interest	Estimated Annual Debt Service (b)			
2024/25									
2025/26	\$11,000,000	\$6,300,000	\$17,300,000						
2026/27				\$7,525,000	\$2,475,000	\$10,000,000	1.10x	\$1,000,000	1.73x
2027/28				5,385,000	4,611,375	9,996,375	1.10x	1,003,625	1.73x
2028/29				5,630,000	4,369,050	9,999,050	1.10x	1,000,950	1.73x
2029/30				5,880,000	4,115,700	9,995,700	1.10x	1,004,300	1.73x
2030/31				6,145,000	3,851,100	9,996,100	1.10x	1,003,900	1.73x
2031/32				6,425,000	3,574,575	9,999,575	1.10x	1,000,425	1.73x
2032/33				6,710,000	3,285,450	9,995,450	1.10x	1,004,550	1.73x
2033/34				7,015,000	2,983,500	9,998,500	1.10x	1,001,500	1.73x
2034/35				7,330,000	2,667,825	9,997,825	1.10x	1,002,175	1.73x
2035/36				7,660,000	2,337,975	9,997,975	1.10x	1,002,025	1.73x
2036/37				8,005,000	1,993,275	9,998,275	1.10x	1,001,725	1.73x
2037/38				8,365,000	1,633,050	9,998,050	1.10x	1,001,950	1.73x
2038/39				8,740,000	1,256,625	9,996,625	1.10x	1,003,375	1.73x
2039/40				9,135,000	863,325	9,998,325	1.10x	1,001,675	1.73x
2040/41				9,545,000	452,250	9,997,250	1.10x	1,002,750	1.73x
2041/42				505,000	22,725	527,725	20.84x	10,472,275	32.78x
				<u>\$110,000,000</u>	<u>\$40,492,800</u>	<u>\$150,492,800</u>		<u>\$69,507,200</u>	

✓ Projected Excess Revenues (Estimated Jail District Excise Tax Revenues exceeding the Estimated Annual Debt Service) would provide for early payoff of debt

**Assumptions:**

- Preliminary and subject to change. Assumes the County would secure a 'AA' underlying credit rating. Interest rates are estimated based on current market conditions and similar credits.

**Footnotes:**

- (a) Pledged revenues are estimated for discussion purposes.
- (b) Estimated annual debt service amounts are based upon level principal and interest payments with an estimated interest rate of 4.50%.
- (c) Debt service coverage is based on estimated collections of Jail District Excise Tax Revenues and an estimated Maintenance of Effort (MOE) Requirement for expected fiscal year 2025/26 compared to the highest combined interest and principal requirements in each fiscal year of the County.

# Disclosure

Stifel, Nicolaus & Company, Incorporated (“Stifel”) has prepared the attached materials. Such material consists of factual or general information (as defined in the SEC’s Municipal Advisor Rule). Stifel is not hereby providing a municipal entity or obligated person with any advice or making any recommendation as to action concerning the structure, timing or terms of any issuance of municipal securities or municipal financial products. To the extent that Stifel provides any alternatives, options, calculations or examples in the attached information, such information is not intended to express any view that the municipal entity or obligated person could achieve particular results in any municipal securities transaction, and those alternatives, options, calculations or examples do not constitute a recommendation that any municipal issuer or obligated person should effect any municipal securities transaction. Stifel is acting in its own interests, is not acting as your municipal advisor and does not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to the municipal entity or obligated party with respect to the information and materials contained in this communication.

Stifel is providing information and is declaring to the proposed municipal issuer and any obligated person that it has done so within the regulatory framework of MSRB Rule G-23 as an underwriter (by definition also including the role of placement agent) and not as a financial advisor, as defined therein, with respect to the referenced proposed issuance of municipal securities. The primary role of Stifel, as an underwriter, is to purchase securities for resale to investors in an arm’s-length commercial transaction. Serving in the role of underwriter, Stifel has financial and other interests that differ from those of the issuer. The issuer should consult with its’ own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

These materials have been prepared by Stifel for the client or potential client to whom such materials are directly addressed and delivered for discussion purposes only. All terms and conditions are subject to further discussion and negotiation. Stifel does not express any view as to whether financing options presented in these materials are achievable or will be available at the time of any contemplated transaction. These materials do not constitute an offer or solicitation to sell or purchase any securities and are not a commitment by Stifel to provide or arrange any financing for any transaction or to purchase any security in connection therewith and may not be relied upon as an indication that such an offer will be provided in the future. Where indicated, this presentation may contain information derived from sources other than Stifel. While we believe such information to be accurate and complete, Stifel does not guarantee the accuracy of this information. This material is based on information currently available to Stifel or its sources and is subject to change without notice. Stifel does not provide accounting, tax or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and /or counsel as you deem appropriate.