

Why are CUSD Bond Rates increasing?

On November 7, 1995 voters in the district authorized the Calipatria Unified School District to issue bonds in the maximum amount not to exceed \$23,700,000. In accordance with this authorization, the Calipatria School District issued \$12,000,000 in Bonds in 1996, another \$2,713,488.65 in 2000, and \$8,985,686.40 in 2002. A copy of the combined debt payment schedule to repay the bonds is posted on the district's website.

The County Auditor-Controllers Office calculates the bond rate that is assessed to the taxpayers each year. The rate is calculated by dividing the amount needed to make the bond payment by the total Secured Property Values in the district. Secured Property Values are recalculated annually by the County Assessors Office based upon the current assessment of home prices and property values. As you can see from this calculation, Bond rates are heavily dependent upon Secured property values; whenever the total Secured property values decrease, the Bond rate increases.

Over the last few years, property values have fallen drastically. As a result, the County Assessors Office has reassessed multiple homes and properties in the valley to better reflect the drop in value of these properties. As a result of these reassessments, the overall Secured Property Values in the district have decreased significantly. And as stated before, when the total Secured Property Values decrease, the bond rate increases.

Here is a sample of this calculation using hypothetical figures to illustrate this point:

\$1.5 million Bond Payment, Secured Property Values @ \$1.3 Billion

Bond Payment	\$1,500,000
Secured Values	\$ 1,304,347,826
Bond Rate	0.115%

\$1.5 Million Bond Payment, Secured Property Values decrease to \$1.0 Billion

Bond Payment	\$1,500,000
Secured Values	\$1,004,347,826
Bond Rate	0.149%

As you can see from the above example, Secured Property Values decreased by \$300 million, causing the Bond Rate to increase from .115% to .149%.

Further Questions regarding Bond rates should be directed to Lori Wigg, Business Manager at (760) 348-2152.