

Financial Information for the Bond Election

Ballot Question

Shall Unified School District No. 205, Butler County, Kansas (Bluestem), issue general obligation bonds in an amount not to exceed \$12,500,000, to pay the costs to: (a) construct, furnish and equip improvements, updates, and an addition to Bluestem Elementary School; (b) construct, furnish and equip improvements, updates, renovations and an addition to Bluestem Junior/Senior High School; (c) construct, furnish and equip renovations to District facilities which includes remodeling the old middle school building for an early childhood center; and (e) make all other necessary improvements appurtenant thereto; all pursuant to the provisions of K.S.A. 10-101 et seq., K.S.A. 25-2018(f), K.S.A. 72-5457, and K.S.A. 72-5458 et seq.?

Project Financing

If approved by voters, the project will be financed through the sale of general obligation bonds. It is anticipated that the bonds will be structured with a 20-year repayment schedule at an average interest rate of approximately 4.14%.

State Aid on Bond Issues

Under the current school finance formula, the State of Kansas will pay 0% of all principal and interest payments due on the District's proposed bond issue.

Projected Mill Levy Impact

The current Bond & Interest Fund Mill Levy of the District is 0.00 mills. With voter approval of the proposed school bond election, the mill levy for bond and interest is projected to increase to 20.00 mills. However, the District plans to reduce the capital outlay mill levy by 2.50 mills, which results in a net total mill levy increase of 17.50 mills.

Mill Levy History for the District

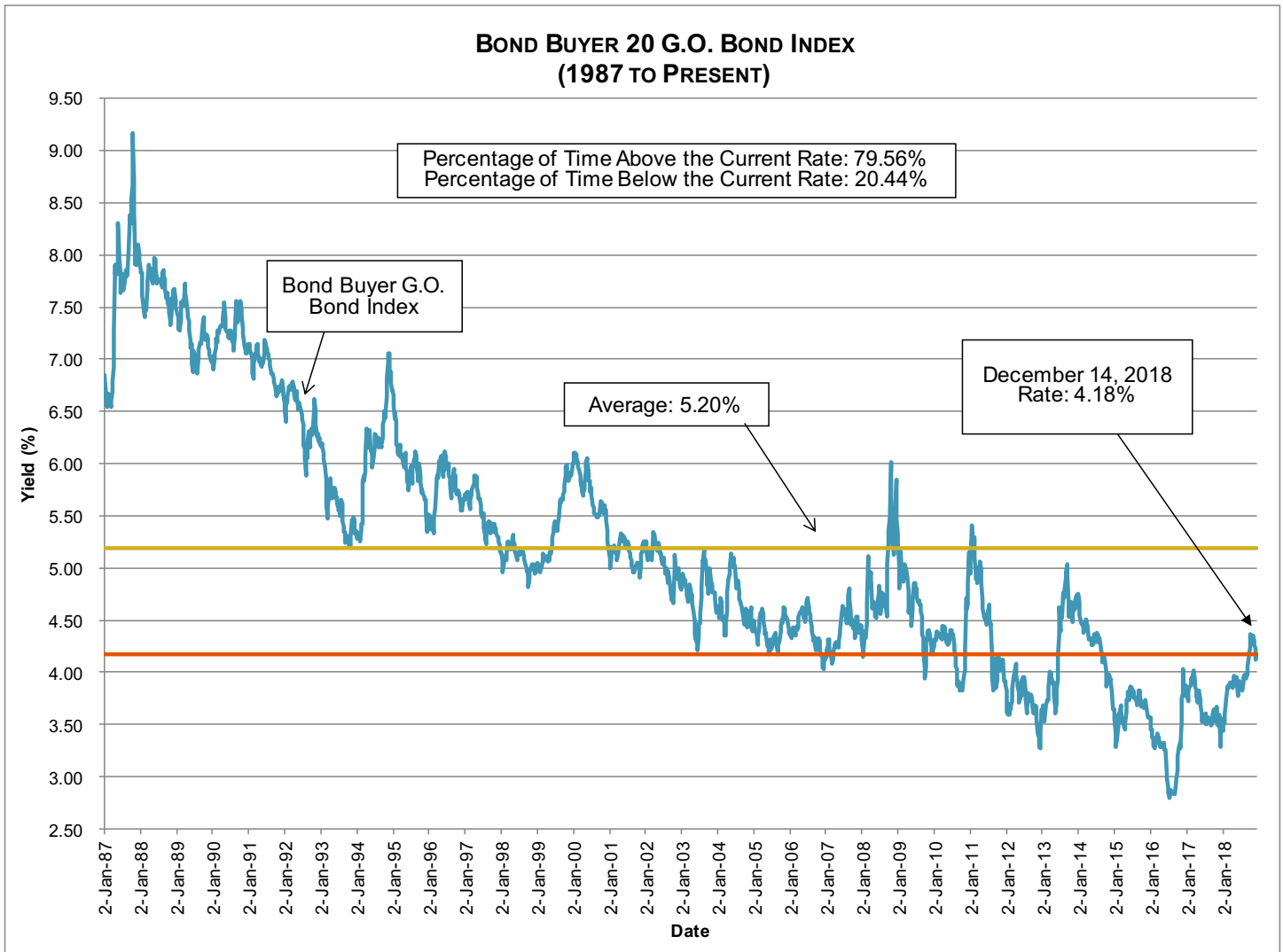
The mill levy for the District is among the lowest in the State of Kansas and well below the mill levy for many comparable or neighboring school districts. Even after passage of the proposed bond election, it is expected that the District's mill levy will be consistent with, or slightly below, the statewide average mill levy for all school districts. The following table illustrates the mill levy history of the District since 2004. In addition, the estimated total mill levy is illustrated after a successful bond project.

Year	General	Local Option Budget	Capital Outlay	Bond & Interest	Other	District Levy
2004/05	20.000	12.970	4.000	13.840	0.000	50.810
2005/06	20.000	15.520	3.970	11.460	0.000	50.950
2006/07	20.000	15.470	4.000	9.690	0.000	49.160
2007/08	20.000	17.190	4.000	9.570	0.000	50.760
2008/09	20.000	17.080	3.990	10.100	0.000	51.170
2009/10	20.000	22.160	3.980	12.800	0.000	58.940
2010/11	20.000	26.840	2.000	12.760	0.000	61.600
2011/12	20.000	23.761	2.000	14.566	0.000	60.327
2012/13	20.000	25.147	5.987	13.257	0.000	64.391
2013/14	20.000	26.279	6.000	4.299	0.000	56.578
2014/15	20.000	19.075	7.996	0.000	0.000	47.071
2015/16	20.000	27.453	7.991	0.000	0.000	55.444
2016/17	20.000	20.043	7.993	0.000	0.000	48.036
2017/18	20.000	21.250	7.998	0.000	0.000	49.518
2018/19	20.000	15.506	8.000	0.000	0.000	43.506
*2019/20	20.000	15.506	5.500	20.000	0.000	61.006

**Estimated Total Mill Levy after a successful bond project.*

Current Interest Rates

Interest rates for municipal bonds are currently well below the average for the past 20 years. Interest rates on municipal bonds recently set a new record low rate for the past 50 years and remain very near the record low. In fact, according to the *Bond Buyer 20 General Obligation Bond Index*, interest rates on municipal bonds have been higher 79.56% of the time since 1987.



Additional Cost of the Bond Issue

The additional cost to a homeowner, business owner and agricultural landowner in the District from this bond issue assuming a net mill levy increase of 17.25 mills is set forth in the following tables:

HOMEOWNER PROPERTY TAX IMPACT

	\$50,000 Home	\$75,000 Home	\$100,000 Home
Annual Cost of Mill Levy Increase	\$100.63	\$150.94	\$201.25
Monthly Cost of Mill Levy Increase	8.39	12.58	16.77

- Median Home Value (Butler County, Kansas) \$137,800

COMMERCIAL PROPERTY TAX IMPACT

	\$50,000 Business	\$75,000 Business	\$100,000 Business
Annual Cost of Mill Levy Increase	\$218.75	\$328.13	\$437.50
Monthly Cost of Mill Levy Increase	18.23	27.34	36.46

AGRICULTURAL PROPERTY TAX IMPACT

	Annual Property Tax (160 Acres)	Monthly Property Tax (160 Acres)
Dry Crop Land	\$259.56	\$21.63
Irrigated Land	382.20	31.85
Grass Land	51.24	4.27

- Estimated Median Use Value of 160 Acres Dry Crop Land is \$38,080
- Estimated Median Use Value of 160 Acres Irrigated Land is \$55,840
- Estimated Median Use Value of 160 Acres Grass Land is \$10,080