PRELIMINARY OFFICIAL STATEMENT DATED APRIL 13, 2015

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, the interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing State of Kansas statutes, interest on the Bonds is exempt from Kansas income tax. The District has designated the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code, of 1986, as amended. For a more complete description of such opinions of Bond Counsel, see LEGAL MATTERS herein.

New Issue
Book-Entry Only
Bank Qualified

Rating – "Applied For"

$3,700,000
(subject to change)
UNIFIED SCHOOL DISTRICT NO. 289
FRANKLIN COUNTY, KANSAS
(WELLSVILLE)
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2015A

Dated: June 15, 2015

Due: As Shown Below

The General Obligation Refunding Bonds, Series 2015-A (the "Bonds") will be issued by Unified School District No. 289, Franklin County, Kansas (Wellsville) (the "District") only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denominations of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bond owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (herein defined) of the Bonds. Principal of and interest on the Bonds will be paid from moneys available therefor under the Resolution (herein defined) by the Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and bond registrar, referred to hereinafter as the "Paying Agent". So long as DTC or its nominee, Cede & Co. is the Bond owner, such payments will be made directly to such Bond owner. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners. Principal of the Bonds will be payable on each September 1 in the years shown herein. Interest on the Bonds will be payable on each March 1 and September 1, beginning on March 1, 2016.

MATURITY SCHEDULE
(see inside front cover)

The Bonds are issued pursuant to the Constitution and statutes of the State of Kansas and constitute valid and legally binding general obligations of the District, and as such are payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable tangible property within the territorial limits of the District.

The Bonds are offered when, as and if issued by the District subject to the receipt of the approving opinion of Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC, New York, New York on or about June 15, 2015.

BIDS FOR THE PURCHASE OF THE BONDS WILL BE RECEIVED
PURSUANT TO THE NOTICE OF BOND SALE:
On or before 11:00 a.m., Central Daylight Saving Time
On Monday, May 11, 2015

THIS COVER PAGE CONTAINS INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

MATURITY SCHEDULE

$3,700,000
(subject to change)
UNIFIED SCHOOL DISTRICT NO. 289
FRANKLIN COUNTY, KANSAS
(WELLSVILLE)
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2015-A

Maturity	Amount	Rate	Yield	Base CUSIP[(1)] 352790
09-01-16	$580,000			
09-01-17	600,000			
09-01-18	610,000			
09-01-19	625,000			
09-01-20	635,000			
09-01-21	650,000			

[(1)]CUSIP numbers have been assigned to this issue by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc., and are included solely for the convenience of the Owners of the Bonds. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

UNIFIED SCHOOL DISTRICT NO. 289
FRANKLIN COUNTY, KANSAS
(WELLSVILLE)
602 Walnut Street
Wellsville, Kansas 66092

BOARD OF EDUCATION

Susan Rader, President
Beth Watson, Vice President
Kevin Jones, Boardmember
Juanita Peckham, Boardmember
Clyde Coons, Boardmember
Dawn Whalen, Boardmember
Ron Bloss, Boardmember

ADMINISTRATION

Jerry Henn, Superintendent of Schools
Robert Bezek, Board Attorney
Susan McCarty, Clerk of the Board

BOND COUNSEL

Kutak Rock, LLP
Kansas City, Missouri

FINANCIAL ADVISOR

George K. Baum & Company
Kansas City, Missouri

No person has been authorized to give any information or to make any representations with respect to the Bonds not contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained herein has been furnished by the District and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. All quotations from and summaries and explanation of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the respective dates as of which information is given herein.

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OFFICIAL STATEMENT

$3,700,000
(subject to change)
UNIFIED SCHOOL DISTRICT NO. 289
FRANKLIN COUNTY, KANSAS (WELLSVILLE)
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2015A

INTRODUCTION

General

This Official Statement is provided for the purpose of presenting certain information relating to Unified School District No. 289, Franklin County, Kansas (the "District"), in connection with the issuance of its $3,700,000 (subject to change) General Obligation Refunding Bonds, Series 2015A as described on the cover page hereof (the "Bonds"). The Bonds are being issued to refund certain outstanding general obligation bonds of the District. See THE REFUNDING PLAN herein.

The Bonds are general obligations of the District for which its full faith and credit are pledged. The security for the Bonds is more fully described under the caption THE BONDS - "Security".

APPENDIX A, containing selected financial data relating to the District, is an integral part of this Official Statement and should be read in its entirety.

All financial and other information presented herein has been compiled by George K. Baum & Company, Kansas City, Missouri (the "Financial Advisor"). Except for information expressly attributed to other sources, all information has been provided by the District. The presentation of information herein, except for the section titled THE DISTRICT – "Projected Enrollment", including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Kutak Rock, LLP, Kansas City, Missouri, Bond Counsel, has not assisted in the preparation of nor reviewed this Official Statement, except to the extent described under the section captioned LEGAL MATTERS, and accordingly express no opinion as to the accuracy or sufficiency of any other information contained herein.

Additional Information

Additional information regarding the District or the Bonds may be obtained from George K. Baum & Company, 4801 Main Street, Kansas City, Missouri, 64112 at 816-474-1100.

The District has covenanted to provide such continuing disclosure information as is required by applicable securities laws and regulations with respect to the Bonds as more particularly set forth in APPENDIX B – FORM OF CONTINUING DISCLOSURE LETTER OF INSTRUCTIONS.

THE BONDS

Description

The Bonds will be issued in the principal amount shown on the cover, will be dated June 15, 2015, and will consist of fully registered bonds without coupons. When issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds will be made in book-entry only form as described below (without certificates), in the denomination of $5,000 or any integral multiple thereof. The Bonds will mature on September 1 in the years and in the principal amounts set forth on the cover page of this Official Statement. Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2016. Interest will be paid on the basis of a 360-day year consisting of twelve 30-day months. Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the office of the Paying Agent. Interest shall be paid to the registered owners of such Bonds as shown on the registration books maintained by the Paying Agent as of the fifteenth day of the month next preceding the date on which the interest is payable (the "Record Date"), (a) by check or draft mailed by the Paying Agent to the address of such registered owner shown on the registration books, (b) at such other address as is furnished to the Paying Agent in writing by such registered owner, or (C) in the case of an interest payment to any registered owner that is a securities depository, by electronic transfer to such registered owner upon written notice given to the Paying Agent by such registered owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), address, ABA routing number, and account number to which such registered owner wishes to have such wire directed.

Redemption Provisions

Optional Redemption. The Bonds are not subject to optional redemption.

Registration and Transfer

As long as any Bond remains outstanding, the Paying Agent will maintain a bond register in which all transfers and exchanges of the Bonds will be registered. All Bonds presented for transfer or exchange must be accompanied by a written instrument of transfer or authorization for exchange in a form and with guarantee of a signature satisfactory to the Paying Agent. Bonds may be transferred or may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Paying Agent, and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, exchange, or transfer. The foregoing provisions for the registration, transfer and exchange of the Bonds will not be applicable to purchasers of the Bonds so long as the Bonds are subject to the DTC or other book-entry only system.

Authority

The Bonds are being issued pursuant to Kansas Statutes Annotated including K.S.A. 10-427 *et seq*., as amended, and a resolution authorizing the Bonds adopted by the Board of Education on _________ (the "Resolution").

Security

The Bonds constitute general obligations of the District and are payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable tangible property, real and personal, within the territorial limits of the District.

THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each scheduled maturity of the Bonds and will be deposited with DTC.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 131 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual

procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE REFUNDING PLAN

Proceeds from the sale of the Bonds, will be used to currently refund a portion of the District's General Obligation Refunding Bonds, Series 2005A (the "Series 2005A Bonds") maturing on and after September 1, 2016 (the "Refunded Bonds") and to pay the cost of issuing the Bonds. The Refunded Bonds represent the entire remaining callable balance of the Series 2005A Bonds.

All Refunded Bonds will be called for redemption in accordance with the resolution authorizing their issuance and will be called at a price equal to 100% of the par value thereof, without premium. The refunding plan is being undertaken in order to achieve interest cost savings and to provide a more orderly plan of financing for the District. The following details the Refunded Bonds.

Series	**Principal Amount Outstanding**	**Principal Amount Refunded**	**Maturity Dates Refunded**	**Call Date**
2005A	$4,235,000	$3,695,000	09-01-16 thru 09-01-21	09-01-15

The principal of and interest on the Series 2005A Bonds maturing September 1, 2015 in the principal amount of $540,000 will be paid as scheduled from budgeted funds of the District. The interest on the Refunded Bonds payable September 1, 2015, will also be paid from funds of the District originally budgeted for such purposes.

SOURCES AND USES OF FUNDS

The following is a report of the sources and approximate uses of funds associated with the Refunding Plan, excluding accrued interest.

Sources:	
Bond Proceeds	
Total Funds Available	
Uses:	
Refunding Deposit with Paying Agent	
Costs of Issuance (underwriter's discount and rounding amount)	
Total Application of Funds	

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE BONDS DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE BONDS WHICH MUST BE RECOGNIZED. THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE DISTRICT OR THE FINANCIAL ADVISOR.

Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District or the taxing authority of the District.

Limitations on Remedies Available to Owners of Bonds

The enforceability of the rights and remedies of the owners of Bonds, and the obligations incurred by the District in issuing the Bonds, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

State Aid

As described in KANSAS SCHOOL FINANCE LAW, herein, the State provides a substantial portion of the money for the operation of school districts in the State. As with other states, declining State revenues have resulted in reductions in the amount of State aid to school districts for operating purposes. However, the District is obligated to levy unlimited ad valorem taxes to provide for debt service payments on the Bonds regardless of the amount of State aid received.

Taxation of Interest on the Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Bonds is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Bonds includable in gross income for federal income tax purposes.

The District has covenanted in the Resolution and in other documents and certificates to be delivered in connection with the issuance of the Bonds to comply with the provisions of the Code, including those which require the District to take or omit to take certain actions after the issuance of the Bonds. Because the existence and continuation of the excludability of the interest on the Bonds depends upon events occurring after the date of issuance of the Bonds, the opinion of Bond Counsel described under LEGAL MATTERS assumes the compliance by the District with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Bonds in the event of noncompliance with such provisions. The failure of the District to comply with the provisions described above may cause the interest on the Bonds to become includable in gross income as of the date of issuance.

No Additional Interest or Mandatory Redemption upon Event of Taxability

The Resolution does not provide for the payment of additional interest or penalty on the Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, the Resolution does not provide for the payment of any additional interest or penalty on the Bonds if the interest thereon becomes includable in gross income for Kansas income tax purposes.

Suitability of Investment

The tax exempt feature of the Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment.

Market for the Bonds

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the Bonds. Prices of bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the Bonds as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the District, or a material adverse change in the financial condition of the District, whether or not the Bonds are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

Recent Legislative Proposals

Congress and the President are working on various proposals to increase income taxes and to reduce tax deductions and expenditures. These discussions have made it clear that the tax exemption of municipal bonds is considered a tax expenditure and as such there is no guaranty that the tax exempt status on municipal bonds will remain unchanged as a result of these discussions. If a legislative change is enacted which results in all, or a portion, of the interest on the Bonds being subjected to Federal income taxes, such legislation or proposals could affect the value or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisers regarding the impact of any change in law on the Bonds.

LEGAL MATTERS

Statement Regarding Bond Counsel Participation

The factual and financial information appearing herein has been supplied or reviewed by certain officials of the District and its certified public accountants, as referred to herein. Bond Counsel has not participated in the preparation of the Official Statement and expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned "LEGAL MATTERS" and APPENDIX B – FORM OF CONTINUING DISCLOSURE LETTER OF INSTRUCTIONS.

General Matters

In the opinion of Kutak Rock, LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such covenants could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

Notwithstanding Bond Counsel's opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax, such interest will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of alternative minimum taxable income 75% of the excess of such corporations' adjusted current earnings over their alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses).

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under existing State of Kansas statutes, interest on the Bonds is exempt from Kansas income tax.

Original Issue Discount

The Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Tax-Exempt Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Tax-Exempt Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Tax-Exempt Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Tax-Exempt Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Tax-Exempt Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Tax-Exempt Bond, on days that are determined by reference to the maturity date of such Discount Tax-Exempt Bond. The amount treated as original issue discount on such Discount Tax-Exempt Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Tax-Exempt Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Tax-Exempt Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such Discount Tax-Exempt Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Tax-Exempt Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Tax-Exempt Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Tax-Exempt Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Tax-Exempt Bond. Subsequent purchasers of Discount Tax-Exempt Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium

The Bonds that have an original yield below their respective interest rates, as shown on the inside cover of its Official Statement (collectively, the “Premium Tax-Exempt Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Tax-Exempt Bond over its stated redemption price at maturity constitutes premium on such Premium Tax-Exempt Bond. A purchaser of a Premium Tax-Exempt Bond must amortize any premium over such Premium Tax-Exempt Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Tax-Exempt Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Tax-Exempt Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Tax-Exempt Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Tax-Exempt Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owing a Premium Tax-Exempt Bond.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Bonds that fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Bank Qualified

The District has represented that it does not reasonably anticipate issuing greater than $10,000,000 of tax-exempt obligations in calendar year 2015 (excluding certain private activity and refunding bonds) and that it has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Accordingly, assuming the accuracy of such representations, Bond Counsel is of the opinion that in the case of certain banks, thrift institutions or other financial institutions owning the Bonds, a deduction is allowed for 80% of that portion of such institutions' interest expense allocable to interest on such bonds. Bond Counsel has expressed no opinion with respect to any deduction for federal tax law purposes of interest on indebtedness incurred or continued by an owner of the Bonds or a related person to purchase or carry such bonds.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading LEGAL MATTERS or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION FO THE BONDS.

BOND RATING

The District has applied for a rating from Standard & Poor's. There is no assurance that the rating will remain for any given period of time or that they may not be lowered or withdrawn entirely by the rating service it, in their judgment, circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds were purchased at public sale on May 11, 2015, by ___________ (the "Underwriter"), at a purchase price equal to _______________, plus accrued interest, if any, to the date of delivery.

The Bonds will be offered to the public initially at the prices determined to produce the yield to maturity set forth on the cover page of this Official Statement. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at prices other than the price stated on the cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

CERTIFICATE OF NON-LITIGATION

The Transcript of Proceedings will contain a certificate of non-litigation dated as of the date of closing on the Bonds executed by the District to the effect that there is no controversy, suit or proceeding of any kind pending or, to the knowledge of the District, threatened wherein or whereby any question is raised, or may be raised, questioning, disputing or affecting in any way the legal organization of the District or its boundaries, or the legality of any official act shown to have been down regarding the issuance of the Bonds or the constitutionally or validity of the obligation represented by the Bonds, or to the means provided for the payment of the Bonds.

CONTINUING DISCLOSURE

The Securities and Exchange Commission (the “SEC”) has promulgated amendments to Rule 15c2-12 (the “Rule”), requiring continuous secondary market disclosure for issues sold on or after July 3, 1995. In the Continuing Disclosure Instructions, the District has covenanted to provide annually certain financial information and operating data and other information necessary to comply with the Rule, and to transmit the same or cause the same to be transmitted to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) website. This covenant is for the benefit of and is enforceable by the owners of the Securities. See APPENDIX B for further details concerning continuing disclosure requirements.

The District has previously entered into continuing disclosure undertakings in conjunction with prior bond issues. These undertakings required that audited financial statements and operating data be provided by the District upon request. To the best of its knowledge during the last five years, the District has complied with its obligation to provide such information as requested.

In addition to the requirements described above, the District was also required pursuant to its prior undertakings, to report occurrences of certain material events as defined by the Rule. During the past five years, the District failed to file a material event notices related to the early redemption of its Series 2001-A Bonds. The redemption of all the bonds has occurred. The District also failed to file on a timely basis notice of rating changes on outstanding bonds that were a result of the downgrade of bond insurer Financial Security Assurance Inc. The Issuer believes this information was disseminated or available through other sources. Such notice of rating changes are anticipated to be filed prior to the closing of the Bonds.

AUTHORIZING OF OFFICIAL STATEMENT

The preparation and distribution of this Official Statement has been authorized by the District. This Official Statement is hereby duly approved by the governing body of the District as of the date on the cover page hereof.

UNIFIED SCHOOL DISTRICT NO. 289
FRANKLIN COUNTY, KANSAS (WELLSVILLE)

By /s/________________________________
President, Board of Education

ATTEST:

/s/________________________________
District Clerk

APPENDIX A

FINANCIAL OVERVIEW OF THE DISTRICT

2014 Actual Valuation (1)	$	346,039,176
2014 Assessed Valuation	$	54,275,569
Outstanding General Obligation Debt (2)	$	4,600,000
Population (2013 District Estimate)		5,074
General Obligation Debt Per Capita	$	906.58
Ratio of General Obligation Debt to Actual Valuation		1.33%
Ratio of General Obligation Debt to Assessed Valuation		8.48%
Outstanding Lease Purchase Obligations	$	242,221
Outstanding Temporary Bonds	$	0
Outstanding Revenue Bonds	$	0
Overlapping General Obligation Debt (3)	$	1,992,205
Direct and Overlapping General Obligation Debt	$	6,592,205
Direct and Overlapping General Obligation Debt Per Capita	$	1,299
Ratio of Direct and Overlapping Debt to Actual Valuation		1.91%
Ratio of Direct and Overlapping Debt to Assessed Valuation		12.15%

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(1) For a further description of how Estimated Actual Valuation is calculated and additional historical figures, see the section titled FINANCIAL INFORMATION CONCERNING THE DISTRICT - “Estimated Actual Valuation”.

(2) Includes the Bonds. Does not include bonds to be refunded with proceeds from the sale of the Bonds. Subject to change.

(3) For a more detailed explanation of the overlapping debt of other jurisdictions see DEBT STRUCTURE OF THE DISTRICT - “Overlapping and Underlying Indebtedness”.

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GENERAL INFORMATION CONCERNING THE DISTRICT

Location and Size

The District is largely located in the northeastern portion of Franklin County (2013 U. S. Census Bureau estimate 25,740), with additional boundaries extending into Douglas, Miami, and Johnson Counties. The District estimates its 2013 population to be approximately 5,074 and its boundaries cover approximately 130 square miles. The District primarily serves the city of Wellsville, 2013 U.S. Census Bureau estimated population of 1,944, in addition to certain other unincorporated areas.

Organization and Government

The District was formed in 1965 as part of the Kansas School Unification Program. The District is governed by a seven-member Board of Education with members being elected to four-year terms. Elections are held biennially to alternately elect three board members and four board members. Each July 1, at the beginning of the District's fiscal year, the Board elects a president and vice president and appoints a treasurer and clerk. The President and Vice President must be members of the Board, but the Treasurer and Clerk need not be members. Board members must serve without compensation. The present members of the Board of Education and the expirations of their respective terms of office are as follows:

Board Members	Term Expires
Susan Rader, President	June 30, 2015
Beth Watson, Vice President	June 30, 2015
Kevin Jones	June 30, 2015
Dawn Whalen	June 30, 2015
Clyde Coons	June 30, 2017
Juanita Peckham	June 30, 2017
Ron Bloss	June 30, 2017

The Board of Education appoints the Superintendent of Schools, who is responsible for carrying out the policies set by the Board. Mr. Jerald Henn is the Superintendent of the District.

Employees

The following is a breakdown of the District's average employment based on full-time equivalency and by classification for the 2014/15 school year:

Certified Personnel:	
Teachers	54
District Administrators	1
School Administrators	4
Classified Personnel:	
Full-Time	14
Part-Time	19
Total Employment	92

Additionally the East Central Kansas Cooperative in Education provides comprehensive special education services to all eligible students in the Wellsville School District.

Employee Relations

Approximately 41% of the teachers in the District belong to the National Education Association, and the local chapter is recognized by the Board of Education.

Pension and Employee Retirement Plans

The Issuer participates in the Kansas Public Employees Retirement System (KPERS) established in 1962, as an instrumentality of the State, pursuant to K.S.A. 74-4901 *et seq.*, to provide retirement and related benefits to public employees in Kansas. KPERS is governed by a board of trustees consisting of nine members, including four members appointed by the Governor subject to confirmation by the State Senate, one appointed by the President of the Senate, one appointed by the Speaker of the House of Representatives, two elected by members and retirants of the retirement system, which must be members of such system, and the State Treasurer. Members of the board of trustees serve four-year terms and elect a chairperson annually. The board of trustees appoints an Executive Director to serve as the managing officer of KPERS and employs a staff of approximately 95 people.

As of June 30, 2013, KPERS serves over 286,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERS administers the following three statewide, defined benefit retirement plans for public employees:

(a) Kansas Public Employees Retirement System;
(b) Kansas Police and Firemen's Retirement System; and
(c) Kansas Retirement System for Judges.

These three plans are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Kansas Public Employees Retirement System is the largest of the three plans, accounting for more than 95% of the members. The Kansas Public Employees Retirement System is further divided into two separate groups, as follows:

(a) *State/School Group* - includes members employed by the State, school districts, community colleges, vocational-technical schools and educational cooperatives. The State of Kansas makes all employer contributions for this group, 85% of which comes from the State General Fund. State legislation enacted in 2003 made certain pre-1962 Board employees (which are part of a small group of pre-1962 Board and University of Kansas Hospital Authority employees known as the "TIAA Group"), special members of the State/School Group.

(b) *Local Group* - all participating cities, counties, library boards, water districts and political subdivisions are included in this group. Local employers contribute at a different rate than the State/School Group rate. State legislation enacted in 2003 made certain pre-1962 employees of the University of Kansas Hospital Authority (which are a part of a small group of pre-1962 Board and University of Kansas Hospital Authority employees known as the "TIAA Group"), special members of the Local Group.

KPERS is currently a qualified, governmental, § 401(a) defined benefit pension plan, and has received IRS determination letters attesting to the plan's qualified status dated October 14, 1999 and March 5, 2001. KPERS is also a "contributory" defined benefit plan, meaning that employees make contributions to the plan. This contrasts it from noncontributory pension plans, which are funded solely by employer contributions. The Issuer's employees currently annually contribute: (a) 4% of their gross salary to the plan if such employees are KPERS Tier 1 members (covered employment prior to July 1, 2009), or (b) 6% of their gross salary to the plan if such employees are KPERS Tier 2 members (covered employment on or after July 1, 2009).

In 2012, the Legislature created a new KPERS Tier 3 category (covered employment on or after January 1, 2015) based on a cash balance plan. Each Tier 3 participant shall have a retirement annuity account to which such participant shall contribute 6% of their gross salary to the plan. The employer or State contribution varies based on longevity of participant service: (a) 3% for less than 5 years; (b) 4% for at least 5 years but less than 12 years; (c) 5% for at least 12 years but less than 24 years; and (d) 6% for 24 or more years. Such account shall receive an interest credit of 5.25% per annum, and under certain circumstances, shall receive additional interest credits. Subject to certain exceptions, a Tier 3 participant, upon retirement, shall receive a single life annuity benefit.

Also in 2012, the Legislature adopted a number of other changes to KPERS including: (a) increasing the statutory maximum employer contribution annual increase from 0.6% per year (status quo) to 0.9% per year in 2014, 1.0% in 2015, 1.1% in 2016 and 1.2% per year in 2017 and thereafter, (b) providing additional contribution flexibility for Tier 1 participants with corresponding benefit adjustments (effective January 1, 2014, subject to approval by the IRS), (c) eliminating COLA adjustments for Tier 2 participants with corresponding benefit adjustments (effective January 1, 2014), and (d) providing additional flexibility for alternative investments for the plan.

The State's contribution for school employees varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. Currently, the State's contribution is 11.27% of the employee's gross salary, for the period beginning July 1, 2014, through June 30, 2015. Effective July 1, 2015, the rate increases to 12.37%. In addition, the State contributes 0.85% of the employee's gross salary for Death and Disability Insurance for covered employees.

According to the Valuation Report as of December 31, 2013 (the "Valuation Report") the KPERS School Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability ("UAAL") of $6.222 billion at the end of 2013. KPERS' actuaries identified that an employer contribution rate of 16.00% of covered payroll would be necessary, in addition to statutory contributions by covered employees, to eliminate the UAAL by 2033, the end of the actuarial period. Because the annual growth in employer contribution rates is limited by State law, the actual contribution rate permitted at the time of calculation was only 13.57%. As a result, members of the School Group are underfunding their projected actuarial liabilities and the UAAL can be expected to grow over time. KPERS' actuaries project the required employer contribution rate to increase by the maximum statutorily allowed rate, which is currently 0.9% in fiscal year 2014, then 1.0% in fiscal year 2015, 1.1% in fiscal year 2016 and 1.2% in fiscal year 2017, until such time as the permitted rate equals the actuarial rate. The authors of the Valuation Report expect this to occur in approximately 2019 based upon the actuarial assumptions made by the authors.

Educational Facilities

The District currently operates one senior high school, one middle school, and one elementary school. The following table contains information on each of the educational facilities currently open.

Name of School	**Grade Levels Served**	**2014/15**	**2013/14**	**2012/13**	**2011/12**	**2010/11**	**2009/10**
Wellsville High School	9-12	235	215	218	226	234	250
Wellsville Middle School	6-8	197	204	200	193	199	181
Wellsville Elementary	K-5	368	387	400	406	426	446
Totals		800	806	818	825	859	877

Projected Enrollment

School Year	**Number of Students**
2015/16	804
2016/17	800
2017/18	790
2018/19	795
2019/20	790

Higher Education

Neosho County Community College-Ottawa Campus and Johnson County Community College are located approximately 14 and 25 miles, respectively, from the City of Wellsville. Residents of the District also have easy access to several four-year colleges and universities specifically, Baker University, Ottawa University, and University of Kansas, each within 25 miles of the City.

Transportation

The District can be accessed by K-68, K-33, US 56, I-35 and I-435. The Union Pacific Railroad and Burlington Northern/Santa Fe provide rail service. Commercial air service is available at Kansas City International Airport located approximately 53 miles from the District.

Utilities

The City of Wellsville operates its own water and sewer service. Kansas Gas Service supplies natural gas service to the majority of residents within the District. Kansas City Power & Light provides electricity within the District and Century Link provides the District's telephone and fiber optic service.

Health and Retirement Facilities

Acute healthcare facilities include Ransom Memorial Hospital and Olathe Medical Center and are located approximately 13 and 18 miles away, respectively. One retirement facility is located in the city, Wellsville Retirement Community, which has 60 skilled nursing beds and 20 assisted living beds. Residents of the District also have easy access to a wide range of full-service medical facilities located in nearby Kansas City.

Recreation

Recreational opportunities include parks, a library, tennis and swimming. Additional nearby opportunities include golfing, fishing, boating, and water skiing.

Financial Institutions

Two banks are located in the City of Wellsville and have a total deposit of approximately $45 million as of December 31, 2014. The other institution is a branch of a bank headquartered in another city.

ECONOMIC INFORMATION CONCERNING THE DISTRICT

Economy

The District benefits from its location near several major interstate highways and its close proximity to Kansas City. The economy of the District is based on commercial, industrial and agricultural related products. No single employer dominates the District's work force. Wellsville actively pursues and encourages industrial development through their own efforts and the efforts of organizations such as the Franklin County Development Council and Chamber of Commerce.

Major Employers

In addition to employment opportunities in the City of Wellsville, several large employers are located within 30 miles of the City in Lawrence, Baldwin City, and Ottawa, Kansas. Some of these employers include:

Employer	Product or Service	Number of Employees
University of Kansas	Education	9,396
Unified School District No. 497	Education	1,928
Pearson Government Solutions	Information Services	1,800

City of Lawrence	Government	1,250
Lawrence Memorial Hospital	Healthcare	1,200
Walmart	Distribution Center	994
Hallmark Cards	Manufacturer	760
American Eagle Outfitters	Distribution Center	640
The World Company	Multi-Media Provider	600
Berry Plastics	Manufacturing	406

Population

Detailed historical population figures for the District are not readily available. The following table shows the U. S. Census Bureau's estimated population for the City of Wellsville from 2009 to 2013.

Year	**City of Wellsville**
2013	1,944
2012	1,841
2011	1,847
2010	1,856
2009	1,857

Source: 2013 Kansas Abstract

Unemployment Rate

According to the Department of Labor, the following table shows the annual unemployment rate trend for Franklin County and the State of Kansas for the years indicated.

Year	**Franklin County**	**State of Kansas**
2014 (Dec)	4.6%	4.0%
2013	6.9	5.4
2012	7.7	5.8
2011	8.4	6.5
2010	9.0	7.1

DEBT STRUCTURE OF THE DISTRICT

Current Indebtedness

As of the dated date of the Bonds, the outstanding indebtedness of the District will be as follows:

General Obligation Bonds:

Purpose	Series	Dated Date	Original Principal Amount	Amount Outstanding	Final Maturity Date
Refunding	2005A	06-15-05	6,075,000	$ 540,000	09-01-15
Refunding	2011A	06-15-11	505,000	360,000	09-01-21
Refunding	2015A	06-15-15	3,700,000	3,700,000	09-01-21
				$4,600,000	

Note: Does not include bonds that will be refunded in conjunction with the sale of the Bonds or previously refunded bond issues of the District.

Lease Purchase Obligations:

Purpose	Year	Original Principal Amount	Amount Outstanding	Final Maturity Date
Energy Efficiency	10-20-2006	$441,408	$242,221	2021

Temporary Notes:

The District currently has no outstanding temporary notes.

Overlapping and Underlying Indebtedness

The following table shows the estimated general obligation debt for the jurisdictions whose boundaries overlap and underlie those of the District and that percentage of overlapping and underlying debt which is applicable to taxpayers of the District. The percentage of overlapping debt applicable to taxpayers of the District is calculated by dividing the assessed valuation of that portion of the District which overlaps another jurisdiction by the total assessed valuation of such jurisdiction. All debt is as of June 30, 2014.

	Net Debt to Indicated Date	Percentage Applicable	Estimated Share
Franklin County	$ 10,890,000	15.45%	$ 1,682,505
City of Wellsville	11,173,946	100.00	90,000
Douglas County	29,335,000	.44	129,074
Miami County	4,010,000	2.26	90,626
Total			$1,992,205

Source: Franklin, Douglas, Miami and Johnson County Clerks' Offices

Annual Debt Service

The following table lists the annual debt service obligations on the District's outstanding general obligation bonds.

	Existing Bonds		Series 2015A Bonds		
Year	Principal	Interest	Principal	Interest	Total
2015	$590,000	$14,239	-		
2016	50,000	8,038	$ 580,000		
2017	50,000	7,037	600,000		

2018	50,000	6,038	610,000
2019	55,000	4,712	625,000
2020	50,000	3,255	635,000
2021	55,000	1,705	650,000
	$900,000	$45,024	$3,700,000

Future Borrowing Plans

The District does not have any current plans to issue additional general obligation bonds. As appropriate, the District may from time to time sell general obligation refunding bonds to refinance portions of its existing indebtedness.

Debt Capacity

School districts within the State of Kansas are permitted to issue general obligation bonds, with voter authorization, in an aggregate amount not to exceed 14% of the total assessed valuation of all taxable tangible property within the territorial limits of such district. If a district wishes to exceed this limit it must receive approval of the State Board of Education prior to submitting the bond issue to voters for approval.

Debt Payment Record

The District has no record of ever having defaulted in the payment of interest on or principal of its general obligation indebtedness.

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Assessed Valuation

The following table shows the assessed valuation of the District for the years indicated.

Tax Year	Real Property	Personal Property (1)	State Assessed Utilities	Motor Vehicles	Total Assessed
2014	$36,007,649	$2,815,784	$9,439,977	$6,012,159	$54,275,569
2013	34,920,660	2,622,026	9,155,845	5,808,525	52,507,056
2012	34,854,438	2,343,992	8,938,979	5,803,482	51,940,891
2011	34,542,574	2,144,973	8,362,034	5,700,239	50,749,820
2010	34,476,190	2,253,633	8,107,464	5,541,551	50,378,838
2009	34,800,041	1,949,829	7,521,788	5,761,645	50,033,303
2008	34,782,099	2,490,702	7,881,344	6,048,314	51,202,459
2007	33,542,058	2,269,105	7,674,113	6,254,927	49,740,203

(1) Beginning in 2007, certain types of personal property were removed from the tax rolls. See FINANCIAL INFORMATION – "Property Assessment Rates".

Source: Franklin, Douglas, Miami and Johnson County Clerks' Offices

Estimated Actual Valuation

Based on assessment percentages provided by Kansas Statutes and appraised values provided by the Douglas, Miami and Johnson County Appraisers' Offices and the Kansas Department of Revenue for Franklin County, the following table provides estimated actual valuations for the District in the years indicated. This table has been included in an effort to show the changes in property values in the District absent the periodic revisions in the tax assessment and appraisal process that has affected assessed valuation figures.

Year	Estimated Actual Value
2014	$346,039,176
2013	336,400,539
2012	336,706,070
2011	333,127,049
2010	331,186,977

Major Employers

The following table sets forth ten of the largest taxpayers within the District according to the Franklin County 2014 tax roll.

Taxpayer	Type of Business	Assessed Valuation	% of District's Total Assessed Valuation
Kansas City Power & Light	Utility	$2,485,500	4.579%
BNSF Railway Company	Railroad	1,295,120	2.386%
Union Pacific	Utility	971,755	1.790%
Southern Star	Utility	915,897	1.687%
Quidam Holdings	Nursing Home	431,064	0.794%
Central Fiber	Paper Company	217,105	0.400%
United Telephone	Utility	170,624	0.314%
Kansas Gas Service	Utility	166,293	0.306%
Spisak, Andrew W.		136,652	0.252%
Landmark National	Bank	126,152	0.232%
		$6,916,162	12.743%

Property Tax Collections

Tax statements are mailed November 1 each year and may be paid in full or one-half on or before December 20 with the remaining one-half due on or before May 10 of the following year. Taxes that are unpaid on the due dates are penalized at a statutorily prescribed rate until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale in July of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

Personal property taxes are due and may be paid in the same manner as real estate taxes, with the same interest applying to delinquencies. If personal property taxes are not paid in full by August 15, warrants are issued and placed in the hands of the Sheriff for collection. On October 1, legal judgment is entered and the delinquent tax becomes a lien on the property. Unless renewed, a non-enforced lien expires five years after it is entered into.

Motor vehicle taxes are collected periodically throughout the year concurrently with the renewal of motor vehicle tags and are based upon the value of such vehicles. Such tax receipts are disbursed to all taxing subdivisions, including the State of Kansas, in proportion to the number of mills levied within each taxpayer's tax levy unit.

According to the Franklin, Douglas, Miami and Johnson County Treasurers' Offices, the following table sets forth real and personal property tax collection information for that portion of the District during the years indicated.

Levy Year	Amount Levied	Current Collections	Delinquent Collections	Percent of Current and Delinquent Collections to Taxes Levied
2014	$2,677,269	$1,502,086	$9,150	56.45%
2013	2,769,528	2,717,558	54,824	100.10%
2012	2,805,536	2,738,057	62,312	99.82%
2011	2,786,494	2,715,935	83,817	100.48%
2010	2,740,665	2,635,559	75,319	98.91%

Property Tax Levies

The following table gives the District's mill levy expressed as dollars per $1,000 assessed valuation by fund for the last five years. Tax levies and bills are released on November 1 of each year.

Fund	2014	2013	2012	2011	2010
General	20.000	20.000	20.000	20.000	20.000
Supplemental General	15.669	21.440	21.752	22.751	22.378
Bond & Interest II	12.796	10.424	10.132	10.331	10.281
Capital Outlay	7.963	7.995	7.997	8.000	7.500
Recreation & General Benefits	2.187	2.167	2.166	2.193	2.157
Total	58.615	62.026	62.047	63.275	62.316

In addition to taxes levied for school purposes, property owners of the District are also subject to property taxes levied by numerous overlapping governmental jurisdictions. The following table provides the total mill levy for property owners in that portion of the District located *within the City of Wellsville.*

Jurisdiction	2014	2013	2012	2011	2010
State of Kansas	1.500	1.500	1.500	1.500	1.500
Franklin County	60.158	60.025	59.473	59.207	56.241
City of Wellsville	44.23	43.785	47.431	42.535	39.075
Unified School District No. 289	58.615	62.026	62.047	63.275	62.316
Total	164.503	167.336	170.451	166.517	159.132

Source: Franklin County Clerk's Office

Budgeting Procedures

Applicable Kansas statutes require that budgets be legally adopted for all funds (including debt service and enterprise funds) unless exempted by a specific statute. All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting. For example, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

The statutes provide that the budget for the succeeding calendar year must be prepared on or before August 1 and published on or before August 5 of each year. A public hearing is required to be held on or before August 15, with the final budget being adopted on or before August 25 of each year. Original appropriations may be modified by supplemental appropriations and transfers among budget categories. The County Commission must approve all significant changes.

Kansas law prohibits cities and other governmental units from creating indebtedness unless there is money on hand in the proper fund and unencumbered by previous commitments with which to pay the indebtedness. The execution of a contract, or the issuing of a purchase order, automatically encumbers the money in the fund for the payment of the amount represented by the commitment. It makes no difference that the amount may not have to be paid until more moneys are in the fund or until the following year. An exception to this cash basis law is the issuance of debt, in the form of bonds, Bonds, or warrants, pursuant to statutory authority, referendum or by the State Court of Tax Appeals. In the event debt is issued, funds need not be on hand for future payments.

Appraisal and Assessment Procedures

The determination of appraised and assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The Franklin County appraiser annually determines the appraised valuation of property located in the District. An appraiser's determination is based on a number of criteria established by Kansas statute. All property, with the exception of agricultural land, is appraised based on estimated fair market value. Agricultural property is appraised based on productivity value. Kansas statutes require that each parcel of real property be reviewed and inspected by the county appraiser once every four years for taxation purposes. Once appraised valuations have been determined, they are multiplied by the applicable statutory assessment rates to arrive at the assessed valuations. The total assessed valuation is then used to establish property tax rates.

Property Assessment Rates

In order to determine the assessed valuation of a parcel of property for taxation purposes, the county appraiser multiplies the appraised value of the parcel by the applicable assessment rate. Current property assessment rates were established in 1986, effective in 1989, and slightly modified in 1992. The most significant 1992 modifications involved lowering the assessment rate on commercial and industrial real property from 30% to 25% and on residential property from 12% to 11.5%. The following table shows the current assessment rates for the different classes of taxable tangible property within the State of Kansas.

Real Property:	
Residential	11.5%
Commercial and Industrial- Real Property	25.0
Agricultural Land (1)	30.0
Agricultural Improvements	25.0
Vacant Lots	12.0
Not-for-Profit (2)	12.0
All Other	30.0
Personal Property: (3)	
Mobile Homes	11.5%
Mineral Leaseholds (large)	30.0
Mineral Leaseholds (small)	25.0
Commercial & Industrial Machinery & Equipment	25.0
All Other	30.0
Utilities:	
Railroads	federally mandated rate
All Other Public Utilities	33.0%
Motor Vehicles:	20.0%
Property Exempt:	

Property used for the following purposes, or portions thereof, are exempt from taxation provided certain statutory requirements are met: religious, educational, literary, scientific, benevolent, alumni associations, veterans' organizations, or charitable purposes, including parsonages and community service organizations providing humanitarian services.

(1) Agricultural land is valued based on the productivity value of the property and not estimated market valuation.

(2) A bill passed by the Kansas Legislature in 1994 clarified this class of property to include all property owned and operated by not-for-profit organizations not subject to federal income taxation pursuant to paragraphs (2), (3),

(4), (7), (8), or (10) of Subsection C of Section 501 of the federal internal revenue code. This bill specifically established that private, not-for-profit country clubs would be assessed at 12% for all land, which does not accommodate buildings or improvements.

(3) The 2006 Kansas Legislature exempted from all property or ad valorem property taxes levied under the laws of the State, all commercial, industrial, telecommunications, and railroad machinery and equipment acquired by qualified purchase or lease after June 30, 2006 or transported into the State after June 30, 2006 for the purpose of expanding an existing business or creation of a new business.

Equalization Ratios

Annually, the Property Valuation Division of the Kansas Department of Revenue conducts a study to compare the assessed valuation of real property to estimated market value based on actual property sale prices. The study derives an equalization ratio which, when divided into assessed valuation, provides a means to approximate actual market value. According to the 2013 Preliminary Kansas Appraisal/Sales Ratio Study, the equalization ratio for residential real property in Franklin County was 11.50% and the equalization ratio for commercial and industrial property was 25.18%.

KANSAS SCHOOL FINANCE LAW

Overview. In 1992 the Legislature made significant changes to the method of funding primary and secondary public education in the state. These changes were made in response to a lawsuit brought forth by several school districts. The Governor of the State of Kansas signed this legislation (the "Plan") into law in early 1992. The primary effects of the Plan were to shift the majority of responsibility for funding primary and secondary public education to the state, equalize statewide property tax rates for education, and equalize the per-pupil spending of school districts. The Plan provided for state aid to assist districts with principal and interest payments on voted general obligation bond issues; however, it did not impact a school district's obligation to provide for the payment of the principal of and interest on its existing and future general obligation bonded indebtedness. Litigation was instituted in 1999 against the State, which resulted in various court decisions and subsequent legislative changes to the Plan. Additional litigation was instituted in 2010 against the State based on funding levels to implement the Plan (see the subsection hereof entitled "***Pending Litigation***").

The Plan, as currently amended, is summarized below.

Funding for the Plan. Funding for the Plan involved implementing a number of changes to the property, sales and income tax structures in the state. The following is a brief summary of these changes.

School Financing Sources. A district's funding sources generally include proceeds from the State Public School Financing Levy (hereinafter defined), motor vehicle tax collections, grants, certain federal impact aid and remaining fund balances (the "School Financing Sources").

State Public School Financing Levy. In an effort to provide a uniform property tax rate for education across the state, a fixed general fund mill levy was implemented. Each district was required to levy taxes for its general fund at the following rates (the "State Public School Financing Levy"):

School Year(s)	Mill Levy
1992/1993	32
1993/1994	33
1994/1997	35
1997/1998	27
1998-2015	20

The Plan was also modified to exclude the first $20,000 of appraised valuation of each parcel of residential property from the general fund mill levy. All other taxable tangible property within a district is subject to this uniform tax rate. *The District's Bond and Interest Fund, from which principal and interest payments are financed, is exempt from this tax limitation.*

The effect of the Plan's property tax equalization effort was to cause the majority of districts to experience significant declines in their property tax rates, while a small number of districts with higher assessed valuations experienced increases. To make up the revenue lost by lowering property taxes in the majority of Kansas school districts, several revenue enhancements were adopted or increased to provide a source of funds for state financial aid to school districts, including changes to State sales and income taxes.

Sales and Use Tax. The statewide sales and use tax was increased from 4.25% to 4.90% effective July 1, 1992, which was subsequently increased to 6.3%. Effective July 1, 2013, the statewide sales and use tax was reduced to 6.15%.

Income Taxes. Several changes were made to individual and corporate income tax rates and levels of income at which the taxes became effective. The net effect of these changes was to slightly decrease individual income taxes in the lower income levels while increasing rates for higher levels of income. Additionally, certain deductions to taxable income that had previously been allowed, such as federal income taxes, were removed.

General Fund Operations. Revenue to support general fund operations is provided to districts through state financial aid ("SFA"). Total SFA is calculated each year by multiplying base state aid per pupil ("BSAPP") by the adjusted enrollment of a district. Adjusted enrollment means the district's full-time enrollment adjusted by certain weighting factors. Generally, weighting factors are available for special education students, the opening of certain new facilities (for bonds authorized at an election prior to July 1, 2014), students considered "at-risk," students transported over certain distances, students in districts with very low, very high, or declining enrollments, and students in special programs such as bilingual and vocational education, virtual education and preschool.

The original 1992 BSAPP was $3,600 which was incrementally increased to $4,492 for school year 2009-2010 and each year thereafter. Subsequent Legislative appropriation reductions and executive orders effectively reduced BSAPP; the amount of funded BSAPP for school year 2013-2014 is $3,838. 2014 Legislative amendments provide that BSAPP means the amount appropriated by the Legislature for a particular fiscal year, provided the BSAPP for school year 2014-2015, and each school year thereafter, shall be at least $3,838. Legislative appropriations for school year 2014-2015 establish funding of BSAPP at $3,852. BSAPP is also subject to reduction in the amount of legislative appropriations from the state general fund for general state aid and Governor executive orders based on revenue collections for such purposes.

The amount of SFA that a district actually receives each year from the State is determined each school year by the State Board of Education (the "State Board"). If the amount of the district's School Financing Sources is greater than the amount of SFA determined for the district for such school year, the district shall not be entitled to general state aid. If the amount of the district's School Financing Sources is less than the amount of SFA determined for the district for such school year, the State Board shall deduct the amount the district's School Financing Sources from the amount of State Financial Aid, and the district shall be entitled to receive the balance.

The District's general state aid entitlement is paid monthly from the state school district finance fund during July through May according to the amount needed to meet operating expenses with the balance paid in June. Any amount not so paid in June shall be paid on July 1 or as soon thereafter as funds are available for such payment, which shall be recorded and accounted by the district as received on June 30.

Funds and Accounts. Several different fund categories are created and authorized by the Plan, including: (a) the general fund from which operating expenses are paid, (b) the supplemental general fund, (c) the contingency reserve fund, (d) program-weighted funds for expenditures for program-weighted items such as vocational education and bilingual education, (e) categorical funds such as special education, food service, driver training, virtual school, etc., (f) a special liability expense fund, (g) a special reserve fund, (h) a textbook and student materials revolving fund, and (i) tuition reimbursement fund. Transfers made from the general fund to any other fund are considered an operating expense. The district may transfer money from the general fund to any categorical fund of the district and may transfer money in the general fund to a program weighted fund, subject to certain conditions.

***Supplemental General Fund*.** In order to provide additional funding for operations, the Plan also allows a district to create a supplemental general fund. The supplemental general fund can be used for the same purposes as the general fund. The supplemental general fund is financed through a local option budget ("LOB"). Each LOB must be approved by the District's governing body and may, under circumstances, be subject to notice and protest and/or referendum. An LOB may equal up to 33% of the district's State Financial Aid, calculated as if BSAPP was $4,433 ($4,490 for school years 2014-2015 and 2015-2016), less virtual school state aid. For school year 2014-2015, any district that has a LOB in excess of 30% of the district's State Financial Aid may increase the existing percentage by 2% (not to exceed 33% in the aggregate). Such increase shall expire at the end of fiscal year 2015 unless the electors of the district approve the continuation by a mail ballot process. The LOB represents an ad valorem tax on all taxable tangible property in the District. If a district adopts a LOB in excess of 25%, and the resolution authorizing the LOB so provides, monies attributable to the LOB in excess of 25% may be transferred to the district's capital improvement fund and capital outlay fund. In each school year, a district that has adopted a LOB is eligible for entitlement to an amount of supplemental general state aid determined by a formula that takes into account the district's assessed value per pupil ("AVPP") and other factors. Amounts in the supplemental general fund may not be expended nor transferred to the general fund for the purpose of making payments under lease-purchase agreement involving the acquisition of land or buildings. Additional restrictions and funding alternatives are applicable to certain districts.

The District has a LOB in an amount of 30% of its SFA which generates approximately $1,800,000 of revenues for fiscal year 2015.

Capital Outlay Funds. The Plan authorizes any district to initiate a capital outlay levy in an amount not to exceed 8 mills (exception for existing levies in greater amounts) for a period determined by the board of education of the district upon all taxable tangible property within the district. Prior to instituting such capital outlay levy, the board of education of the district shall adopt a resolution declaring an intent to institute the levy, which resolution shall be published and is subject to protest petition. An existing capital outlay levy may be reauthorized in the same manner. Funds generated by such levy, and funds transferred from the general fund of the district, are deposited into a capital outlay fund. Moneys in the capital outlay fund may be expended for the purpose of acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing, maintaining and equipping school district property and equipment necessary for school district purposes, including acquisition of computer software, acquisition of performance uniforms, housing and boarding pupils in area vocational schools, architectural expenses, acquisition of building sites, asbestos control projects and acquisition of school buses and other fixed assets. A district may issue general obligation capital outlay bonds in an amount determined by formula that will be repaid from funds derived from the capital outlay levy. [The District has a current capital outlay levy of 8 mills that was authorized in May 19, 2014 and will run indefinitely, which generates approximately $360,000 of revenues in the current fiscal year.

In addition, there is established in the State treasury the school district capital outlay state aid fund. Any district that levies a capital outlay levy is eligible to receive moneys from the school district capital outlay state aid fund based on a state aid percentage factor determined on a formula inversely related to the AVPP as compared to the median AVPP of all districts in the State. Each year, the State Board determines the AVPP of each district, rounded to the nearest $1,000. The median AVPP for all districts is calculated and a percentage factor (the "state aid computation percentage") is assigned to the AVPP. For each $1,000 AVPP above or below the state median AVPP, the factor changes by 1.0 percentage point inversely to AVPP. The state computation percentage is 25%. The district's state aid computation percentage is multiplied by the district's capital outlay mill levy, not to exceed 8 mills.

***Lease Purchase Agreements*.** K.S.A. 72-8225 authorizes school districts to enter into lease purchase agreements for a term not to exceed 10 years, subject to annual appropriation requirements of the cash-basis law. Any lease purchase agreement entered into by a school district which involves the acquisition of land or buildings, is for a term exceeding the current fiscal year and provides for annual payments which in the aggregate exceed $100,000, requires that the district publish a resolution declaring its intent to enter such agreement once each week for two consecutive weeks in a newspaper of general circulation within the district. An election shall be required if 5% of the qualified voters in the district file a petition with the county election officer within 30 days of the last publication of the resolution.

Capital Improvement Fund. There is established in the State Treasury the school district Capital Improvement Fund ("CIF"). The CIF is intended to assist districts on making principal and interest payments on voted general obligation bond issues. Each school district that is obligated to make payments from its bond and interest fund is entitled to receive state aid from the CIF in an amount inversely related to its AVPP. Each year the State Board determines the AVPP of each district, rounded to the nearest $1,000. The median AVPP for all districts is calculated and a percentage factor (the "state aid computation percentage") is assigned to the AVPP. For each $1,000 AVPP above or below the state median AVPP, the factor changes by 1.0 percentage point inversely to AVPP. The percentage assigned to a district is its "state aid percentage factor." The factor may not exceed 100%. The state aid computation factor is 5% for contractual bond obligations incurred by school districts prior to July 1, 1992 and 25% for contractual bond obligations incurred after July 1, 1992.

Any school district that receives payments from the CIF and has experienced at least a five percent per year or 50 pupil decline in enrollment (whichever is greater) for the previous three years must seek a recommendation from the Joint Committee on State Building Construction prior to issuing bonds for the construction of a new building. If the Joint Committee recommends against the issuance of bonds and the district proceeds to issue bonds, the district is not entitled to receive payments from the CIF for those bonds.

The District's entitlement of state aid from the CIF each year is determined by applying the state aid percentage factors to the bond and interest fund payment obligation for that year. The District currently receives state aid equal to 30% of its annual general obligation Bond Payment. No assurance can be given that state assistance will continue in future years. However, the District is obligated to levy unlimited ad valorem taxes to provide for debt service payments on the Bonds, regardless of any State aid.

Pending Litigation and Legislative Proposals. In November 2010 a lawsuit was filed in the District Court for Shawnee County, Kansas (the "Shawnee District Court") against the State by certain individuals on behalf of students and four unified school districts on behalf of themselves and as representatives of a defined class, alleging that: (a) the Plan, as amended, violates the State constitution because it does not properly fund an adequate education for Kansas pupils; (b) current funding levels are not sufficient to fund the Plan; and (c) Plan funding is not distributed fairly among school districts. In January 2013, a panel of three Shawnee District Court judges ruled in favor of the plaintiffs. An appeal was filed by the State of Kansas. On March 7, 2014, the Kansas Supreme Court (the "Supreme Court Decision") affirmed in part and reversed in part the Shawnee District Court ruling and remanded the balance of the case to the Shawnee District Court for further consideration consistent with criteria established in the Supreme Court Decision. The Supreme Court Decision provided the Legislature until July 1, 2014, to remedy certain constitutional deficiencies in capital outlay and LOB equalization. In response, the Legislature adopted legislation in the 2014 session further amending the Plan. On December 30, 2014, the Shawnee District Court entered a declaratory judgment finding that the Plan, as modified by the 2014 legislation, is constitutionally deficient. A direct appeal to the Kansas Supreme Court of this declaratory judgment is provided by law; on January 28, 2015, the State filed a Notice of Appeal to the Kansas Supreme Court. On March 13, 2015, the three-judge panel of the Shawnee District Court issued an order stating that it may elect to, or upon motion of the plaintiffs or the State agree to, impose temporary orders to protect the status quo and to assure the availability of relief, if any, that might be accorded should the Shawnee District Court deem relief is warranted so long as litigation regarding the Plan continues, and scheduling a hearing for May 7, 2015.

A separate lawsuit was filed against the State in December 2010 in the United States District Court in Kansas City, Kansas, by certain individuals on behalf of students alleging that the Plan violates the equal protection clause of the United States Constitution because the Plan places spending caps that prevent the raising of property taxes by local school districts that exceed the cap on the local option budget. In March 2011, a United States District judge dismissed this action and plaintiffs filed an appeal with the United States 10th Circuit Court of Appeals (the "10th Circuit Court"). In October 2012, the 10th Circuit Court reversed the dismissal and remanded the case for a hearing on the merits. The case is currently pending in the United States District Court; a date for trial has not yet been set.

Several bills were proposed in the Kansas Legislature in early 2015 to modify and/or repeal the Plan. On March 16, 2015, the Kansas Legislature passed legislation replacing the Plan with "block grant" system. This legislation was approved and signed by the Governor on March 27, 2015, and is effective on publication in the official State newspaper.

The financial impact of the above-referenced lawsuits and the 2015 legislation on the District is not able to be determined at this time, but may reduce the amount of State funding received by the District.

***Tax Collections*:**

Tax statements are mailed November 1 each year and may be paid in full or one-half on or before December 20 with the remaining one-half due on or before May 10 of the following year. Taxes that are unpaid on the due dates are considered delinquent and accrue interest at a per annum rate established by State law until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale on or before August 1 of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

Personal property taxes are due and may be paid in the same manner as real estate taxes, with the same interest applying to delinquencies. If personal property taxes are not paid when due, and after written notice, warrants are issued and placed in the hands of the Sheriff for collection. If not paid on or before October 1, legal judgment is entered and the delinquent tax becomes a lien on the property. Unless renewed, a non-enforced lien expires five years after it is entered.

Motor vehicle taxes are collected periodically throughout the year concurrently with the renewal of motor vehicle tags based upon the value of such vehicles. Such tax receipts are distributed to all taxing subdivisions, including the State of Kansas, in proportion to the number of mills levied within each taxpayer's tax levy unit.

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APPENDIX B

Continuing Disclosure Instructions

APPENDIX C

Financial Statements

The following is a portion of the general purpose financial statement for Unified School District No. 289 for the fiscal year ended June 30, 2014, prepared by Gregg A. Neis CPA, Certified Public Accountant, Wellsville, Kansas.