Financial Information for the Bond Election

Ballot Question

Shall Unified School District No. 393, Dickinson County, Kansas (Solomon), issue general obligation bonds in an amount not to exceed $10,980,000, to pay the costs to: (a) construct, furnish and equip additions to the existing campus for new classrooms, kitchen, cafeteria and storage areas, and demolish the existing elementary school building; (b) renovate, furnish and equip existing areas for new classrooms, shop class, STEM lab, band room and office space; (c) construct, furnish, and equip improvements to existing District facilities for enhanced safety and security, increased educational and operational efficiencies, infrastructure, parking, building, technology, playground, track, and HVAC improvements, and ADA and other code compliance; (d) construct, furnish and equip a new bus storage facility and demolish the existing structure; (e) make all other necessary improvements appurtenant thereto; and (f) pay the costs of issuance and interest on said general obligation bonds during construction of the project; all pursuant to the provisions of K.S.A. 10-101 et seq., K.S.A. 25-2018(f), K.S.A. 72-6761, and K.S.A. 75-2315 et seq.?

Project Financing

If approved by voters, the project will be financed through the sale of general obligation bonds. It is anticipated that the bonds will be structured with a 25-year repayment schedule at an average interest rate of approximately 3.51%.

Projected Mill Levy Impact

The current Bond & Interest Fund Mill Levy of the District is 0.00 mills. With voter approval of the proposed school bond election, the mill levy for bond and interest is projected to increase 22.50 mills.

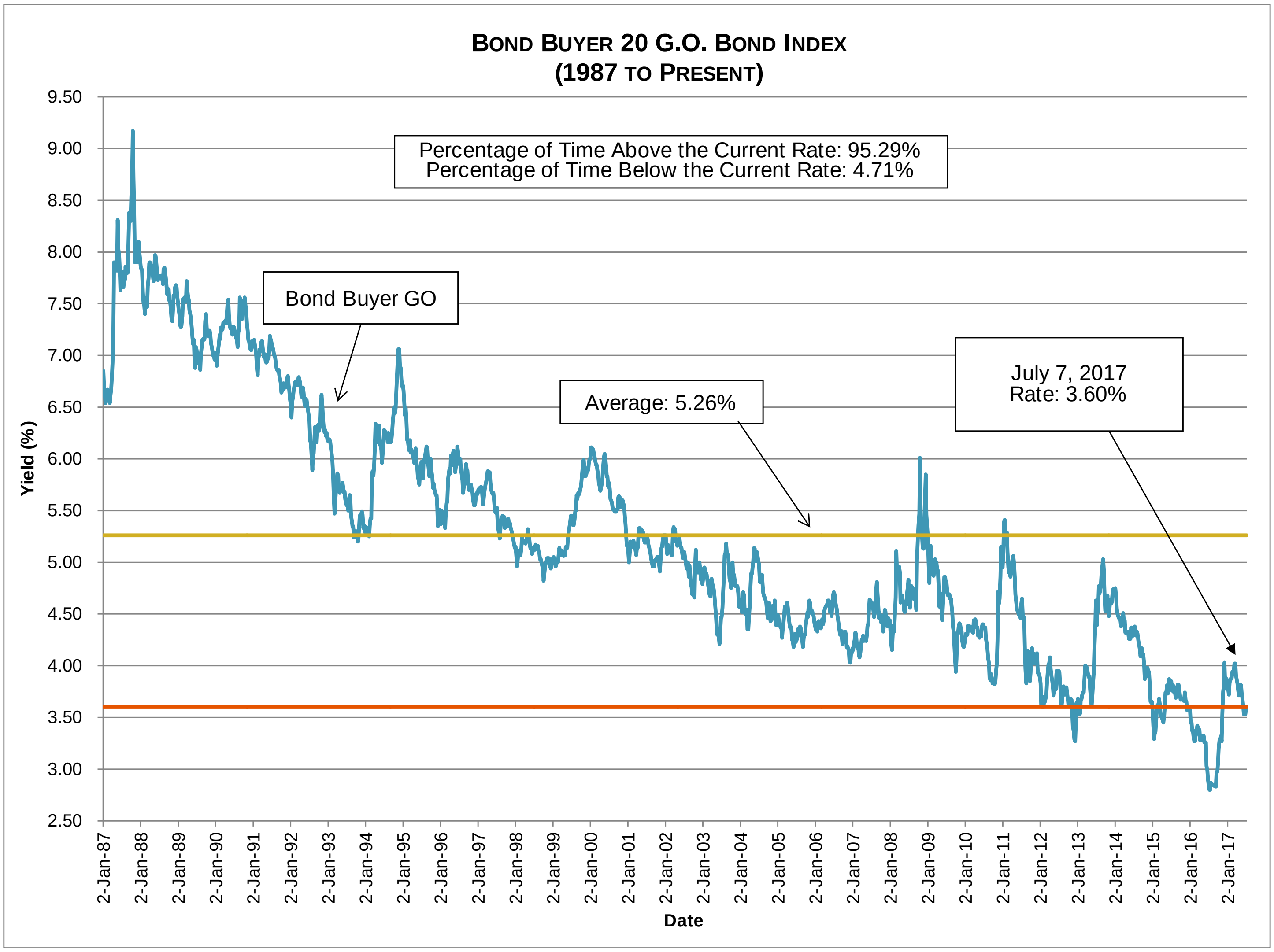
Mill Levy History

The following table illustrates the mill levy history of the District for the past 10 years.

Year	General	Local Option Budget	Capital Outlay	Bond & Interest	Other	District Levy
2007/08	20.000	13.310	0.000	6.990	0.000	40.300
2008/09	20.000	15.580	0.000	6.700	0.000	42.280
2009/10	20.000	16.250	0.000	6.000	0.000	42.250
2010/11	20.000	15.320	0.000	6.650	0.000	41.970
2011/12	20.000	19.460	0.000	5.430	0.000	44.890
2012/13	20.000	20.942	0.000	7.149	0.000	48.091
2013/14	20.000	22.416	0.000	4.696	0.000	47.112
2014/15	20.000	21.160	5.975	0.000	0.000	47.135
2015/16	20.000	19.838	7.845	0.000	0.000	47.683
2016/17	20.000	20.658	7.972	0.000	0.000	48.630

Current Interest Rates

Interest rates for municipal bonds are currently well below the average for the past 30 years. Interest rates on municipal bonds recently set a new record low rate for the past 50 years and remain very near the record low. In fact, according to the *Bond Buyer 20 General Obligation Bond Index*, interest rates on municipal bonds have been higher 95.29% of the time since 1987.



Additional Cost of the Bond Issue

The additional cost to a homeowner, business owner and agricultural land owner in the District from this bond issue assuming a net mill levy increase of 22.50 mills is set forth in the following tables:

Homeowner Property Tax Increase

	$50,000 Home	$75,000 Home	$100,000 Home
Annual Cost of Mill Levy Increase	$129.38	$194.06	$258.75
Monthly Cost of Mill Levy Increase	10.78	16.17	21.56
Daily Cost of Mill Levy Increase	0.35	0.53	0.71

***2010 Census: Median Home value in Dickinson County is $107,100.

COMMERCIAL PROPERTY

	$50,000 Business	$75,000 Business	$100,000 Business
Annual Cost of Mill Levy Increase	$281.25	$421.88	$562.50
Monthly Cost of Mill Levy Increase	23.44	35.16	46.88
Daily Cost of Mill Levy Increase	0.77	1.16	1.54

AGRICULTURAL PROPERTY

- Estimated Median Use Value of 160 Acres Dry Crop Land is $56,000

	Annual Property Tax (160 Acres)	Annual Cost per Acre	Monthly Property Tax (160 Acres)
Dry Crop Land	$378.00	$2.36	$31.50
Irrigated Land	402.84	2.52	33.57
Grass Land	61.56	0.38	5.13

- Estimated Median Use Value of 160 Acres Irrigated Land is $59,680
- Estimated Median Use Value of 160 Acres Grass Land is $9,120