

# Financial Information for the Bond Election

## **Ballot Question**

*Shall Unified School District No. 487, Dickinson County, Kansas (Herington), issue general obligation bonds in an amount not to exceed \$14,900,000, to pay the costs to (a) construct, equip and furnish a new elementary school on the site of the existing high school/middle school and make improvements to that site, including a new track and field; (b) renovate the high school cafeteria, kitchen and home economics classroom; (c) demolish the current elementary school and dispose of asbestos; and (d) make all other necessary improvements related thereto; 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 the voters, the project will be financed through the sale of general obligation bonds. It is anticipated that the bonds will be structured with a 30-year repayment schedule at an average interest rate of approximately 5.0%. Under the current school finance formula, the State of Kansas will pay 48% of all principal and interest payments on the bonds.

## **State Aid for Bond Issues**

Under the current school finance formula, the State of Kansas will pay 48% of all principal and interest payments due on the District's bond issues. This equates to approximately \$15,726,104 of the principal and interest payments due on the District's proposed bond issue that will be paid by the State of Kansas.

The projected mill levy takes into account the anticipated annual state aid funding of 48% for principal and interest payments. In addition, the level of state funding is determined every year based on the District's assessed value per pupil compared to the state with the median.

 **Total Mill Levy of the District**

The 2009-10 estimated total mill levy of the District for all funds, including the Debt Service Fund is 42.92. The District’s total mill levy is below the State median of 45.99 mills.

<b>Calendar Year</b>	<b>Historical Total Mill Levy</b>	<b>Calendar Year</b>	<b>Historical Total Mill Levy</b>
1991-1992	75.47	2000-2001	38.29
1992-1993	36.24	2001-2002	37.70
1993-1994	37.00	2002-2003	41.31
1994-1995	39.00	2003-2004	41.21
1995-1996	54.77	2004-2005	41.17
1996-1997	53.61	2005-2006	41.06
1997-1998	47.21	2006-2007	40.36
1998-1999	38.38	2007-2008	40.09
1999-2000	42.29	2008-2009	42.08
		2009-2010	42.92

 **Projected Mill Levy Increase**

The last bond issue approved by the voters was in 1995 and the bonds related to that election were paid off in 2007.

The Bond and Interest mill levy for the District is 0.00. As a result of a successful bond election, the mill levy increase will be 15.75 mills.

 **History of District Bond Elections and Facility Improvements**

<b>Year</b>	<b>Building</b>	<b>Project</b>	<b>Amount</b>
1995	Middle School	Middle School with Gym	\$1,700,000
1965	High School	North High School Complex	\$715,000
1954	Elementary School	South Elementary Complex	\$330,000
1928	Old High School	Gym & Auditorium Addition	\$70,000

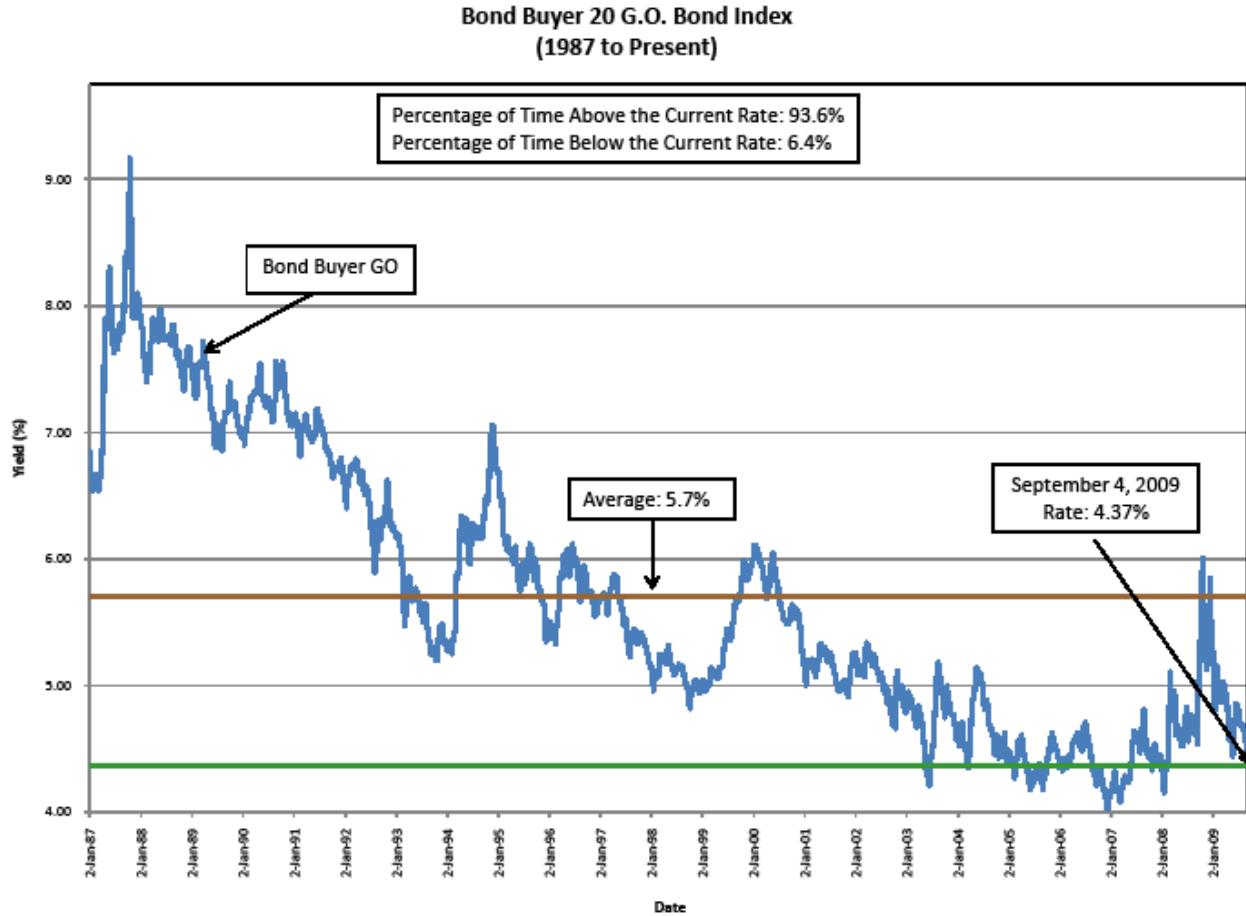


# Information for the Bond Election

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## ❖ Current Interest Rates

Interest rates for municipal bonds in recent months have been near record lows. In fact, according to the *Bond Buyer 20 General Obligation Bond Index*, interest rates on municipal bonds have been higher 93.6% of the time since 1987.



 **Cost of the Bond Issue**

The anticipated cost to a taxpayer with a home or business in the District from this bond issue assuming a mill levy increase of 15.75 mills is set forth in the following tables:

**RESIDENTIAL PROPERTY**

\*Assessment rate is 11.5%

	<b>\$50,000 Home</b>	<b>\$75,000 Home</b>	<b>\$100,000 Home</b>	<b>\$150,000 Home</b>	<b>\$200,000 Home</b>
Annual Cost of Mill Levy Increase	\$90.56	\$135.84	\$181.13	\$271.69	\$362.25
Monthly Cost of Mill Levy Increase	\$7.55	\$11.32	\$15.09	\$22.64	\$30.19
Daily Cost of Mill Levy Increase	\$0.25	\$0.37	\$0.50	\$0.74	\$0.99

**COMMERCIAL PROPERTY**

\*Assessment rate is 25%

	<b>\$50,000 Business</b>	<b>\$75,000 Business</b>	<b>\$100,000 Business</b>	<b>\$150,000 Business</b>	<b>\$200,000 Business</b>
Annual Cost of Mill Levy Increase	\$196.88	\$295.31	\$393.75	\$590.63	\$787.50
Monthly Cost of Mill Levy Increase	\$16.41	\$24.61	\$32.81	\$49.22	\$65.63
Daily Cost of Mill Levy Increase	\$0.54	\$0.81	\$1.08	\$1.62	\$2.16

**AGRICULTURAL PROPERTY**

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The tax increase for an agricultural land owner or farmer is a little more difficult to calculate due to the fact that the assessed valuation of a farm is based upon “use value”. In other words, one farm with 500 acres may have a dramatically different valuation from another with 500 acres due to its “use value”. The formula for determining the taxes on agricultural property is 30% of its “use value” divided by \$1,000 times the number of mills.

\*Assessment rate is 30%

	<b>160 Acres Crop Land</b>	<b>160 Acres Irrigated Land</b>	<b>160 Acres Grass Land</b>
Annual Cost of Mill Levy Increase	\$116.05	\$145.82	\$45.51
Monthly Cost of Mill Levy Increase	\$9.67	\$12.15	\$3.79

Median Use Value of 160 Acres Dry Crop Land is \$153.51/acre

Median Use Value of 160 Acres Irrigated Land is \$192.89/acre

Median Use Value of 160 Acres Grass Land is \$60.20/acre

