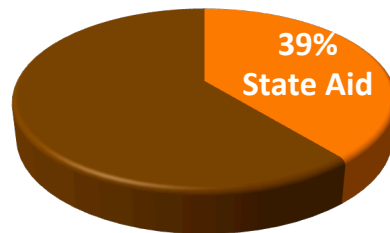




Abilene USD 435

Bond Issue Finance Information

- Total bond issue amount of not-to-exceed \$24.2 million to finance project costs, bonding costs of issuance, and interest during construction.
- Today’s interest rates, estimated at 4.75% for the 25-year bonds, are near historically low levels.
- Under current law, USD 435 is eligible for additional state aid at **39%** to help retire the proposed bonds. The total state aid benefit (both principal and interest) is an estimated \$17,252,000 that would come from Topeka to help retire the bonds.



Principal	\$24,200,000
Interest	<u>\$20,036,767</u>
	\$44,236,767
	x .39
39% State Aid	\$17,252,339



- A new Senate Bill 305 has been introduced in the current legislative session that proposes to cease state aid for bonds voted after June 30th of this year. Now may be a last chance to take advantage of this beneficial program for school improvements. Without the 39% state aid assistance, the same bond issue would require an additional 7.42 mills in taxes for the bond payments.
- Abilene USD 435 has a growing tax base. Since 2002, the District’s assessed valuation has grown by more than \$25 million to \$77,219,075 in 2013—average annual growth of 3.99%. To be conservative in our Plan of Finance, we have assumed future growth at only ½ of 1% per year.
- A mill is \$1 of tax on each \$1,000 of assessed value of property in USD 435. Abilene USD 435’s total mill rate of 45.695 mills in the current budget ranks 3rd lowest of 20 other school districts in our area. With bond approval, the estimated resultant mill levy will rank 10th on that list. (See chart on back)
- Abilene USD 435 has existing bonds outstanding that require a levy of 2.21 mills currently.
- The Plan of Finance is to “wrap” the proposed new bonds around the existing bonds to create a financing where one consistent levy estimated at 12.49 mills will retire all bonds. As we are currently levying 2.21 mills, the net increase would be an additional 10.28 mills.
- A net increase of 10.28 mills represents added taxes on a \$100,000 home of an estimated \$9.85 per month—about the cost of a large pizza. (See chart on back for additional valued properties)

With today’s historically low interest rates and additional state aid at 39% to help retire the bonds, the cost of improving facilities and education in Abilene USD 435 may never be more affordable!

Abilene U.S.D. No. 435

\$24,200,000 Bond Issue Tax Effect

<u>Type of Property</u>	<u>Estimated Assessed Valuation</u>	<u>Proposed Bond Net Tax Increase at 10.28 Mills</u>	
		<u>Yearly</u>	<u>Monthly</u>
\$50,000 Home*	\$ 5,750	\$ 59.11	\$ 4.93
\$75,000 Home*	\$ 8,625	\$ 88.67	\$ 7.39
\$100,000 Home*	\$ 11,500	\$118.22	\$ 9.85
160 Acres Dryland Farm**	\$ 12,240	\$ 125.83	Yearly Cost/Acre \$ 0.79
160 Acres Irrigated Farm**	\$ 12,864	\$ 132.24	Yearly Cost/Acre \$ 0.83
160 Acres Pasture**	\$ 2,544	\$ 26.15	Yearly Cost/Acre \$ 0.16
\$50,000 Commercial Prop.***	\$ 12,500	\$128.50	\$ 10.71
\$100,000 Commercial Prop.***	\$ 25,000	\$257.00	\$ 21.42

* For taxing purposes, residences are assessed at 11.5% of their fair market value.

** For taxing purposes, agricultural property is assessed at 30% of use or productivity value and not as a percentage of fair market value.

*** For taxing purposes, commercial property is assessed at 25% of fair market value.

*Amounts in chart rounded to the nearest penny

YOU ARE ENCOURAGED TO DETERMINE THE ESTIMATED TAX IMPACT ON YOUR PROPERTY BY FINDING THE ASSESSED VALUATION ON YOUR TAX STATEMENT AND MULTIPLYING THE ASSESSED VALUATION TIMES .01028 (10.28 MILLS).

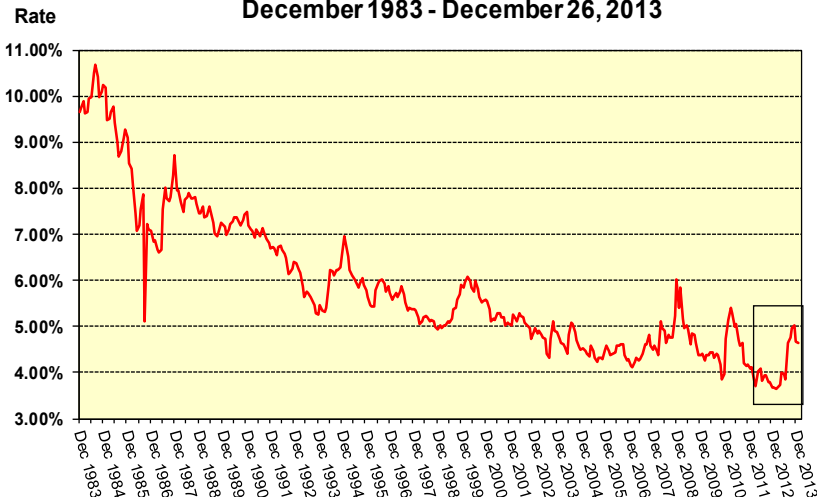
Abilene Area School District Mill Rates

2013-2014

	<u>Total Mills</u>	<u>Bond & Interest</u>
Peabody-Burns USD 398	69.043	15.502
Herington USD 487	67.648	19.957
Durham-Hillsboro USD 410	62.631	10.597
Twin Valley USD 240	59.942	9.848
Goessel USD 411	59.892	13.446
Blue Valley USD 384	58.946	8.052
Salina USD 305	58.116	11.517
Ell-Saline USD 307	56.784	9.517
Rural Vista USD 481	56.654	8.554
where USD 435 would rank with a 10.28 mill increase		
Riley County USD 378	54.588	4.651
North Ottawa County USD 239	54.152	7.112
Marion-Florence USD 408	52.541	10.88
Manhattan USD 383	52.453	9.697
Chapman USD 473	49.473	6.563
Solomon USD 393	47.112	4.696
Centre USD 397	46.394	3.240
Geary County USD 475	45.961	3.109
Abilene USD 435	45.695	2.211
Clay Center USD 379	44.844	3.828
Southeast of Saline USD 306	39.973	0 ***
Averages	54.142	8.149

Tax-Exempt Interest Rate Market Trends

**30-Year Historical
Bond Buyer 20-Bond Index
December 1983 - December 26, 2013**



Of the 20 Area School Districts:

Abilene USD 435 ranks 18th as to total mill levy

and has the lowest bond & interest levy of the Districts that have bonds outstanding