

## NOTICE OF ADOPTION OF PRELIMINARY DETERMINATION

Notice is hereby given pursuant to Indiana Code § 6-1.1-20-3.5 that the Board of School Trustees (the "Board") of South Central Community School Corporation (the "School Corporation") did, on February 13, 2024, make a preliminary determination to issue bonds and enter into a Lease Agreement (the "Lease") for the renovation of and improvements to facilities throughout the School Corporation, including the construction of additions, site and athletic improvements, the construction of an activities center and the purchase of buses, equipment and technology (the "Project"). The Lease will be for a maximum term of 22 years with a maximum annual Lease rental of \$2,000,000. The maximum annual Lease rental has been estimated based upon an estimated principal amount of bonds of \$12,150,000, estimated interest rates ranging from 2.00% to 6.00%, and total estimated interest costs of \$8,957,250.

As required by Indiana Code § 6-1.1-20-3.5(b)(1), the following information was available to the public at the public hearings on the preliminary determination: (i) the School Corporation's current and projected annual debt service payments divided by the net assessed value of taxable property within the School Corporation, which is 0.6240%; and (ii) the sum of the School Corporation's outstanding long term debt plus the outstanding long term debt of other taxing units that include any other territory of the School Corporation divided by the net assessed value of taxable property within the School Corporation, which is 7.76%.

The School Corporation's current debt service levy is \$1,458,944 and the current debt service fund tax rate is \$0.4897. After the School Corporation enters into the proposed Lease and the bonds are issued, the debt service levy will increase by a maximum of \$2,000,000 and the debt service fund tax rate will increase by a maximum of \$0.6713. However, as existing obligations mature, the anticipated increase to the Debt Service Fund tax rate is expected to be \$0.0000 above the 2023 debt service fund tax rate. The School Corporation may issue general obligation bonds

to fund the Project and if such bonds are issued, they will fit into the parameters listed above. If the School Corporation issues general obligation bonds, the principal amount of the bonds associated with the Lease, as described above, would be reduced by the principal amount of the general obligation bonds issued, such that the total principal amount of bond issued to finance the Project would not exceed the aggregate estimated principal amount of \$12,150,000.

The estimated amount of the School Corporation's debt service levy and rate that will result during the following 10 years if the School Corporation enters into the lease and issues the bonds, after considering any changes that will occur to the debt service levy and rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period:

<u>Year</u>	<u>Estimated Total Debt Service Levy</u>	<u>Estimated Total Debt Service Rate</u>
2023	\$1,533,377	\$0.5276
2024	1,458,944	0.4897
2025	1,587,618	0.5276
2026	1,603,422	0.5276
2027	1,619,532	0.5276
2028	1,635,742	0.5276
2029	1,635,782	0.5276
2030	1,483,458	0.4785
2031	1,387,813	0.4476
2032	1,387,962	0.4477
2033	1,390,645	0.4486
2034	1,381,665	0.4457

The Project involves the opening of new school facility space; however, the new school facility space will be more efficient than the school facility space which shall be replaced. Therefore, the School Corporation expects to annually incur an estimated increase of \$100,000 to operate such new facility space. The purpose of the Lease is to provide for the Project.

If a valid petition pursuant to Indiana Code § 6-1.1-20-3.5 is received within 30 days from the first publication of this notice, the proposed debt service or Lease payments must be approved in an election on a local public question held under Indiana Code § 6-1.1-20-3.6

Dated February 15, 2024.

*/s/ Board of School Trustees*  
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South Central Community School Corporation