

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 Elwood Community School Corporation (the "School Corporation") did, on March 2, 2023, make a preliminary determination to issue bonds and enter into a lease agreement (the "Lease") for the 2024 School Improvement Project including the renovation and construction of school facilities throughout the school corporation, including possible construction of career center space, and administration, athletic, maintenance and bus barn improvements, site work, and the purchase of equipment, buses, and technology (the "Projects"). The Lease will be for a maximum term of 22 years with a maximum annual Lease rental of \$2,200,000. The maximum annual Lease rental has been estimated based upon an estimated principal amount of bonds of \$18,000,000, estimated interest rates ranging from 1.00% to 6.00%, and total estimated interest costs of \$13,779,350.

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 0.94%; 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 15.67%.

The School Corporation's current debt service levy is \$2,273,651 and the current rate is \$0.8009. After the School Corporation enters into the proposed Lease and the bonds are issued, the debt service levy will increase by a maximum of \$2,200,000 and the debt service rate will increase by a maximum of \$0.7750. However, as existing obligations mature, the anticipated

increase to the Debt Service Fund tax rate is expected to be \$0.0477. There is no anticipated increase to the Debt Service Fund when compared to the 2022 Debt Service Fund tax rate.

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	2,273,651	0.8009
2024	2,530,921	0.8486
2025	2,661,436	0.8486
2026	2,422,969	0.8486
2027	2,425,842	0.8486
2028	2,423,397	0.8486
2029	2,421,751	0.8486
2030	2,421,201	0.8486
2031	2,419,096	0.8486
2032	2,249,875	0.8486
2033	2,172,979	0.8486

The Projects involve the opening of new school facility space; however, the new school facility space will be more efficient than the school facility space which will be replaced. Therefore, the School Corporation expects to not annually incur an increase in cost to operate such new facility space. The purpose of the Lease is to provide for the Projects.

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 March 9, 2023.

/s/ Board of School Trustees
Elwood Community School Corporation

(Note: In addition to publishing, mail to the Madison County Clerk and any organization which has requested a notice of preliminary determination.)