

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 Mt. Vernon Community School Corporation (the "School Corporation") did, on June 21, 2021, make a preliminary determination to issue bonds and enter into a Lease Agreement (the "Lease") for the Mt. Vernon Community School Corporation Future Growth Plan Project, which includes the acquisition of real estate and the construction of a new elementary school, renovation and construction of an addition to Fortville Elementary School, construction of a new transportation center, renovations and improvements to Mt. Comfort Elementary School and site improvements for campus traffic flow (the "Project"). The Lease will be for a maximum term of twenty-two (22) years with a maximum annual Lease rental of \$10,250,000. The maximum annual lease rental has been estimated based upon an estimated principal amount of bonds of \$84,250,000, estimated interest rates ranging from 1% to 5%, and estimated total interest costs of \$41,369,125.

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 0.8267%; 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 13.72%.

The School Corporation's current debt service levy is \$14,400,557 and the current debt service rate is \$1.1790. After the School Corporation enters into the proposed Lease and the bonds are issued, the debt service levy will increase by a maximum of \$10,250,000 and the gross debt service rate will increase by a maximum of \$0.8392. However, as existing obligations mature, the

anticipated net increase to the Debt Service Fund tax rate is expected to be \$0.00 above the current rate.

The estimated amount of the School Corporation's debt service levy and rate that will result during the following ten 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, is as follows:

<u>Year</u>	<u>Estimated Total Debt Service Levy</u>	<u>Estimated Total Debt Service Rate</u>
2021	\$14,400,557	1.1790
2022	14,983,318	1.1790
2023	15,584,507	1.1790
2024	16,198,629	1.1790
2025	16,830,981	1.1779
2026	14,909,644	1.0033
2027	15,696,225	1.0245
2028	16,252,208	1.0289
2029	16,678,108	1.0241
2030	16,912,233	1.0072
2031	17,147,463	1.0213

The Project involves the opening of new school facility space, and the School Corporation expects to annually incur an increase of \$1,436,170 to operate such new facility space, to be funded by a combination of the Education Fund, Operations Fund and food service funds. 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 June 22, 2021.

/s/ Board of School Trustees

Mt. Vernon Community School Corporation