

This Final Official Statement is dated October 30, 2018

In the opinion of Ice Miller LLP, Indianapolis, Indiana (“Bond Counsel”) under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax, although Bond Counsel observes that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income for taxable years that begin prior to January 1, 2018. Such exclusion is conditioned on continuing compliance with the Tax Covenants (as hereinafter defined). In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana. The Bonds have been designated qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code. See “TAX MATTERS” herein.

\$7,075,000
WA-NEE COMMUNITY SCHOOLS
Nappanee, Indiana
GENERAL OBLIGATION BONDS OF 2018

Original Date: Date of Delivery (November 20, 2018)

Due: January 15 and July 15, as shown below

Wa-Nee Community Schools, Elkhart and Kosciusko Counties, Indiana (the “School Corporation”), is issuing \$7,075,000 of General Obligation Bonds of 2018 (the “Bonds”) for the purpose of paying the costs of (i) improvements to school facility sites, including paving (the “Paving Project”); and (ii) renovation of and improvements to school facilities relating to energy efficiency and savings (the “Energy Efficiency Project”, and collectively with the Paving Project, the “Projects”), and to pay issuance costs.

The Bonds will be issued as provided in the Bond Resolution adopted by the Board of School Trustees on September 24, 2018, as supplemented on October 22, 2018 (as supplemented, the “Bond Resolution” or “Resolution”). The Bonds are payable from ad valorem property taxes levied on all taxable property within the School Corporation as more fully described in this Official Statement. See “CIRCUIT BREAKER TAX CREDIT” herein and “PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY, AND COLLECTION” herein. The total indebtedness of the School Corporation subject to the constitutional debt limit, including the Bonds, amounts to less than two percent of one third of the net assessed valuation of the School Corporation, as required by the constitution of the State of Indiana. The Bonds will be issued only as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). Purchases of beneficial interests in the Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interests in the Bonds. Interest on the Bonds will be payable semiannually on January 15 and July 15 of each year, beginning July 15, 2019. Principal and interest will be disbursed on behalf of the School Corporation by The Bank of New York Mellon Trust Company N.A., in Indianapolis, Indiana (the “Registrar” and “Paying Agent”). Interest on the Bonds will be paid by check, mailed one business day prior to the interest payment date or by wire transfer to depositories on the interest payment date. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent or by wire transfer to depositories who present the bonds at least two business days prior to the payment date. Interest on, together with the principal of, the Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the Bonds. The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See “BOOK-ENTRY-ONLY SYSTEM”. The Bonds are not subject to optional or mandatory sinking fund redemption prior to maturity.



MATURITY SCHEDULE
(Base CUSIP* 92938P)

<u>Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
July 15, 2019	\$415,000	3.00%	1.99%	AN8	January 15, 2022	\$560,000	3.00%	2.28%	AT5
January 15, 2020	460,000	3.00%	2.09%	AP3	July 15, 2022	570,000	3.00%	2.33%	AU2
July 15, 2020	1,365,000	3.00%	2.15%	AQ1	January 15, 2023	580,000	3.00%	2.38%	AV0
January 15, 2021	1,390,000	3.00%	2.18%	AR9	July 15, 2023	585,000	3.00%	2.43%	AW8
July 15, 2021	550,000	3.00%	2.24%	AS7	January 15, 2024	600,000	3.00%	2.48%	AX6

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This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Ice Miller LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on by Randall G. Hesser, Warrick & Boyn, LLP, as Attorney for the School Corporation. The Bonds are expected to be available for delivery to DTC, in New York, New York on November 20, 2018.

IN CONNECTION WITH THIS OFFERING THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesman or other person has been authorized by the School Corporation to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the School Corporation. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the School Corporation and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the securities described herein shall, under any circumstances, create any implication that there has been no change in the affairs of the School Corporation since the date of delivery of the securities described herein to the initial purchaser thereof. However, upon delivery of the securities, the School Corporation will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement, since its delivery.

REFERENCES TO WEB SITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEB SITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR THE PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SEC RULE 15C2-12.

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PROJECT PERSONNEL

Names and positions of officials and others who have taken part in the planning of the Projects and this bond issue are:

Board of School Trustees

Don Lehman, President
Lou Bonacorsi, Vice-President
Shawn Johnson, Secretary
Eric Brown
Christina Eshelman
Curt Flickinger
Terry Graber

Superintendent

Dr. Scot Croner

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This introduction to the Official Statement contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

FINAL OFFICIAL STATEMENT

\$7,075,000

WA-NEE COMMUNITY SCHOOLS Nappanee, Indiana GENERAL OBLIGATION BONDS OF 2018

INTRODUCTION TO THE OFFICIAL STATEMENT

The Wa-Nee Community Schools, Elkhart and Kosciusko Counties, Indiana (the “School Corporation”), is issuing \$7,075,000 of General Obligation Bonds of 2018 (the “Bonds”).

SECURITY AND SOURCES OF PAYMENT

The Bonds are the general obligation of the School Corporation payable from ad valorem property taxes to be levied on all taxable property within the School Corporation (See “Circuit Breaker Tax Credit” herein).

CIRCUIT BREAKER TAX CREDIT

Indiana Code Title 6, Article 1.1, Chapter 20.6 provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit (“Circuit Breaker Tax Credit”). If applicable, the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. The legislation requires local governments to fund their debt service obligations regardless of any property tax revenue shortfalls due to the Circuit Breaker Tax Credit. The State may intercept funds to pay debt service. (See “Intercept Program” and “Circuit Breaker Tax Credit” herein).

PURPOSE

The Bonds are being issued for the purpose of paying the costs of (i) improvements to school facility sites, including paving (the “Paving Project”); and (ii) renovation of and improvements to school facilities relating to energy efficiency and savings (the “Energy Efficiency Project”, and collectively with the Paving Project, the “Projects”), and to pay issuance costs. Funding for the Project will be provided from proceeds of the Bonds.

REDEMPTION PROVISIONS

The Bonds are not subject to optional or mandatory sinking fund redemption prior to maturity.

DENOMINATIONS

The Bonds are being issued in the denomination of \$5,000 or any integral multiple thereof.

REGISTRATION AND EXCHANGE FEATURES

Each registered Bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the Registrar and Paying Agent, The Bank of New York Mellon Trust Company N.A. (the “Registrar” and the “Paying Agent”), at the written request of the registered owner thereof or his attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his/her duly authorized attorney. A further description of the registration and exchange features of the Bonds can be found in the Bond Resolution.

BOOK-ENTRY-ONLY SYSTEM

The Bonds shall initially be issued and held in book-entry form on the books of the central depository system. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The

Bonds will be issued as fully-registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. The School Corporation and the Registrar and Paying Agent may deem and treat the Clearing Agency (Cede & Co.) as the absolute owner and holder of such Bond for all purposes including, without limitation, the receiving of payment of the principal of, premium, if any, and interest on such Bonds, the receiving of notice and the giving of consent. Interest payable July 15, 2019, and semiannually thereafter, will be paid by check mailed one business day prior to the interest payment date to the registered owner or by wire transfer on the interest payment date to the depository shown as the registered owner (Refer to "Book-Entry-Only System" herein).

PROVISIONS FOR PAYMENT

The principal on the Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners as the names appear as of the fifteenth day immediately preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the Bonds shall be made in lawful money of the United States of America, which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Bonds, principal and interest on the Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants, as defined and more fully described herein.)

TAX MATTERS

In the opinion of Ice Miller LLP, Indianapolis, Indiana ("Bond Counsel") under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax, although Bond Counsel observes that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income for taxable years that begin prior to January 1, 2018. Such exclusion is conditioned on continuing compliance with the Tax Covenants (as hereinafter defined). In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana. The Bonds have been designated qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code. See "TAX MATTERS" herein.

MISCELLANEOUS

The information contained in this Official Statement has been compiled from School Corporation officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the owners thereof. Additional information may be requested from the Superintendent, Wa-Nee Community Schools, 1300 North Main Street, Nappanee, Indiana 46550, phone (574) 773-3131.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

THE PROJECTS

PROJECTS DESCRIPTION

The Bonds are being issued for the purpose of paying the costs of (i) improvements to school facility sites, including paving (the “Paving Project”); and (ii) renovation of and improvements to school facilities relating to energy efficiency and savings (the “Energy Efficiency Project”, and collectively with the Paving Project, the “Projects”), and to pay issuance costs.

ESTIMATED PROJECTS COSTS AND FUNDING

Estimated Projects Costs

Proceeds Available for Energy Efficiency Project	\$4,449,116.61
Proceeds Available for Paving Project	2,545,883.39
Costs of Issuance (1)	80,000.00
Underwriter’s Discount	23,275.00
Deposit to Debt Service Fund (2)	106,533.90
	<hr/>
Total Estimated Projects Costs	<u>\$7,204,808.90</u>

Estimated Projects Funding

General Obligation Bonds of 2018	\$7,075,000.00
Bond Premium	129,808.90
	<hr/>
Total Estimated Projects Funding	<u>\$7,204,808.90</u>

- (1) Includes fee allowances for local counsel, bond counsel, municipal advisor, registrar/paying agent, ratings, printing and other miscellaneous costs.
 (2) To be used to pay a portion of the debt service payment due on July 15, 2019.

SCHEDULE OF AMORTIZATION OF \$7,075,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF 2018

<u>Payment Date</u>	<u>Principal Outstanding</u> (-----In Thousands-----)	<u>Principal</u>	<u>Interest Rates</u> (%)	<u>Interest</u>	<u>Total</u>	<u>Budget Year Total</u>
07/15/2019	\$7,075	\$415	3.00	\$138,552.08	\$553,552.08	
01/15/2020	6,660	460	3.00	99,900.00	559,900.00	\$1,113,452.08
07/15/2020	6,200	1,365	3.00	93,000.00	1,458,000.00	
01/15/2021	4,835	1,390	3.00	72,525.00	1,462,525.00	2,920,525.00
07/15/2021	3,445	550	3.00	51,675.00	601,675.00	
01/15/2022	2,895	560	3.00	43,425.00	603,425.00	1,205,100.00
07/15/2022	2,335	570	3.00	35,025.00	605,025.00	
01/15/2023	1,765	580	3.00	26,475.00	606,475.00	1,211,500.00
07/15/2023	1,185	585	3.00	17,775.00	602,775.00	
01/15/2024	600	600	3.00	9,000.00	609,000.00	1,211,775.00
		<hr/>		<hr/>	<hr/>	
Totals		<u>\$7,075</u>		<u>\$587,352.08</u>	<u>\$7,662,352.08</u>	<u>\$7,662,352.08</u>

SECURITIES BEING OFFERED

AUTHORIZATION AND APPROVAL PROCESS

The Bonds are to be issued under the authority of Indiana law, including, without limitation, Indiana Code Title 20, Article 48, Chapter 1, as in effect on the date of delivery of the Bonds and pursuant to the Bond Resolution (Appendix B) adopted by the Board of School Trustees on September 24, 2018, as supplemented on October 22, 2018 (as supplemented, the “Bond Resolution” or “Resolution”).

Pursuant to Indiana Code 6-1.1-20, with certain exceptions listed below, when property taxes are pledged to the repayment of bonds or leases to finance a project, a determination must be made as to whether the project is a “controlled project”. Projects classified as controlled projects are subject to certain public approval procedures. A controlled project is one that is financed by a bond or lease, is payable by property taxes and costs more than the lesser of:

- (1) Depending on the date of adoption of the preliminary determination ordinance or resolution:
 - (a) If adopted prior to January 1, 2018, \$2 million;
 - (b) If adopted after December 31, 2017, but before January 1, 2019, \$5 million;
 - (c) If adopted after December 31, 2018, an amount equal to the assessed value growth quotient (as determined by the DLGF) multiplied by the amount determined under this clause for the preceding calendar year;
- (2) An amount equal to:
 - (a) At least 1% of gross assessed value, if that total gross assessed value is more than \$100 million; or
 - (b) \$1 million if the gross assessed value is not more than \$100 million.

The main exceptions for a project being classified as a controlled project when there are property taxes being pledged to the repayment of the bonds or leases, and the project meets the criteria set forth in (1)-(2) above are when (a) property taxes are used only as a back-up to enhance credit, (b) a project is being refinanced to generate taxpayer savings, (c) the project is mandated by federal law, or (d) the project is in response to a natural disaster, emergency or accident which is approved by the School Corporation making it unavailable for its intended use.

The Paving Project and the Energy Efficiency Project are separate and each individually is considered a non-controlled project; thus, the issuance of the Bonds was able to continue without additional approval procedures.

SECURITY AND SOURCES OF PAYMENT

The Bonds are the general obligation of the School Corporation payable from ad valorem property taxes to be levied on all taxable property within the School Corporation. See “CIRCUIT BREAKER TAX CREDIT” herein.

The total bonded indebtedness of the School Corporation subject to the constitutional debt limit, including the Bonds, amounts to less than two percent of one third of the net assessed valuation of the School Corporation as required by the constitution of the State of Indiana.

INTERCEPT PROGRAM

Indiana Code Title 20, Article 48, Chapter 1, Section 11, as amended by Public Law 167-2017 (the “Act”), requires the Department of Local Government Finance (the “DLGF”) to review levies and appropriations of school corporations for debt service or lease rental payments (the “Debt Service Obligation”) that are payable in the succeeding calendar year. In the event a school corporation fails to levy and appropriate sufficient funds for such purpose for the next succeeding calendar year, the DLGF must establish levies and appropriations which are sufficient to pay such obligations.

The Act further provides upon failure to pay any Debt Service Obligation when due and upon notice and claim being filed with the Treasurer of the State of Indiana (the “State Treasurer”), the State Treasurer will pay the unpaid Debt Service Obligation of the school corporation within five (5) days, excluding Saturdays, Sundays and legal holidays of receiving such notice to the extent that the amounts described below as the Available Funds are available to the State Treasurer in accordance with the following procedures: (a) upon notice and claim being filed with the State Treasurer, the State Treasurer must immediately contact the school corporation and the person or entity filing the claim to confirm whether the school corporation is unable to make the required payment on the due date, (b) if confirmed, the State Treasurer must notify the Budget Director of the State of Indiana (the “State Budget Director”),

the Auditor of the State of Indiana (the “State Auditor”) and any department or agency of the State of Indiana responsible for distributing funds appropriated by the Indiana General Assembly (the “General Assembly”) to provide the State Treasurer with available funds in order for the State Treasurer to fulfill his/her obligations under the Act, (c) within three (3) days, excluding Saturdays, Sundays and legal holidays, of receiving the notice from the State Treasurer, the State Budget Director, the State Auditor and any department or agency of the State of Indiana responsible for distributing funds appropriated by the General Assembly must provide the State Treasurer with available funds in order for the State Treasurer to fulfill his/her obligations under the Act, and (d) the State Treasurer must make such payment to the claimant from such funds within five (5) days, excluding Saturdays, Sundays and legal holidays of the claim being filed with the State Treasurer (clauses (a) through and including (d), collectively, the “State Intercept Program”). The funds to make such payment will be from the following sources, in the following amount and in the following order of priority: (i) first, from amounts appropriated by the General Assembly for distribution to the school corporation from State funds in the current fiscal year of the State of Indiana (the “Current Year School Distribution”), which begins on July 1 and ends on the immediately following June 30 (the “State Fiscal Year”), (ii) second, to the extent the amounts described in clause (i) are insufficient, from any remaining amounts appropriated by the General Assembly for distribution for tuition support in the current State Fiscal Year which are in excess of the aggregate amount of tuition support needed for distribution to all school corporations during the current State Fiscal Year, and (iii) third, to the extent the amounts described in clauses (i) and (ii) are insufficient and the General Assembly has adopted a biennial budget appropriating amounts in the immediately succeeding State fiscal year for distribution to the school corporation from State funds, then from such fund or account, as determined by the State Budget Director in an amount equal to the lesser of the unpaid Debt Service Obligation or the amount to be distributed to the school corporation in the immediately succeeding State Fiscal Year (clauses (i) through and including (iii), collectively, the “Available Funds”). If any such payment is made by the State Treasurer pursuant to the State Intercept Program, then the State will recover such amounts by deducting such amount from the future State distributions to be made to the school corporation, first from all funds of the school corporation except tuition support. The estimated State distributions for State fiscal year 2019 and resulting debt service coverage levels are as follows:

Fiscal Year 2019 Basic Grant Distribution (all funds) (1)	<u>\$18,877,477</u>
Estimated Combined Maximum Annual Debt Service (2)	<u>\$5,810,277</u>
State Distributions Required to Provide Two-Times Coverage	<u>\$11,620,554</u>
State Distributions Above/(Below) Two-Times Coverage Amount	<u>\$7,256,923</u>

- (1) Per the Indiana Department of Education, net of adjustments.
- (2) Based on combined outstanding debt for the year 2019 including debt service on the Bonds.

While the above description is based upon enacted legislation, the General Assembly may make amendments to such statutes and therefore there is no assurance of future events.

INVESTMENT OF FUNDS

The proceeds of this issue are to be invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly Indiana Code 5-13, and the acts amendatory thereof and supplemental thereto. The School Corporation shall direct the investment of Bond proceeds.

THE BONDS

INTEREST CALCULATION

Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

REDEMPTION PROVISIONS

The Bonds are not subject to optional or mandatory sinking fund redemption prior to maturity.

BOOK-ENTRY-ONLY SYSTEM

The Bonds will be available only in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. DTC will act as the initial securities depository for the Bonds. The ownership of one fully registered Bond for each maturity of the Bonds will be registered in the name of Cede & Co., as nominee for DTC.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS (OR THE OWNERS) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P's Global Rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the

Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption amounts, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School Corporation or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent, or the School Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School Corporation or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the School Corporation or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The School Corporation may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School Corporation believes to be reliable, but neither the School Corporation nor the Underwriter takes any responsibility for the accuracy thereof.

In the event that the book-entry-only system is discontinued, the Paying Agent will provide for the registration of the Bonds in the name of the Beneficial Owners thereof. The School Corporation, the Registrar, the Paying Agent and any other Fiduciary would treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and none of these parties would be bound by any notice or knowledge to the contrary.

Revision of Book-Entry-Only System:

In the event that either (1) the School Corporation receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the Bonds or (2) the School Corporation elects to discontinue its use of DTC as a clearing agency for the Bonds, then the School Corporation and the Paying Agent will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other clearing agency, as the holder of such Bonds may direct in accordance with the Bond Resolution. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Bonds will be paid by the School Corporation.

PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

The debt service payments are payable from ad valorem property taxes required by law to be levied by or on behalf of the School Corporation. Article 10, Section 1 of the Constitution of the State of Indiana ("Constitutional

Provision”) provides that, for property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer’s property tax liability to a specified percentage of the gross assessed value of the taxpayer’s real and personal property. The Indiana General Assembly enacted legislation (Indiana Code Title 6, Article 1.1, Chapter 20.6), which implements the Constitutional Provision and provides taxpayers with a tax credit for all property taxes in an amount that exceeds a certain percentage of the gross assessed value of eligible property. See “CIRCUIT BREAKER TAX CREDIT” herein for further details on the levy and collection of property taxes.

Real and personal property in the State is assessed each year as of January 1. On or before August 1 of each year, the County Auditor must submit a certified statement of the assessed value of each taxing unit for the ensuing year to the Department of Local Government Finance (“DLGF”). The DLGF shall make the certified statement available on its gateway website located at <https://gateway.ifonline.org/> (“Gateway”). The County Auditor may submit an amended certified statement at any time before December 31 of the year preceding the budget year, the date by which the DLGF must certify the taxing units’ budgets.

The certified statement of assessed value is used when the governing body of a local taxing unit meets to establish its budget for the next fiscal year (January 1 through December 31) and to set tax rates and levies. In preparing the taxing unit’s estimated budget, the governing body must consider the net property tax revenue that will be collected by the taxing unit during the ensuing year, after taking into account the DLGF’s estimate of the amount by which the taxing unit’s distribution of property taxes will be reduced by the application of the Circuit Breaker Tax Credit (as defined in the summary of “CIRCUIT BREAKER TAX CREDIT” herein), and after taking into account the DLGF’s estimate of the maximum amount of net property tax revenue and miscellaneous revenue that the taxing unit will receive in the ensuing year. Before May 1 of each year, the fiscal officer of each political subdivision shall provide the DLGF with an estimate of the total amount of its debt service obligations (as defined in Indiana Code § 6-1.1-20.6-9.8) that will be due in the last six months of the current year and in the ensuing year. Beginning in 2018, the DLGF shall provide to each political subdivision: (1) an estimate of the maximum property tax rate that may be imposed by the political subdivision for the ensuing year for each cumulative fund or other fund for which a maximum property tax rate is established by law; and (2) an estimate of property taxes payable for the ensuing year for debt service. Before August 1 of each year, the DLGF shall provide to each taxing unit (1) an estimate of the maximum amount of net property tax revenue and miscellaneous revenue that the unit will receive in the ensuing year if the unit’s tax rates are imposed at the maximum allowable rate and levy under law and (2) an estimate of the amount by which the taxing unit’s distribution of property taxes will be reduced due to the Circuit Breaker Tax Credit. Beginning in 2018, the State Budget Agency must provide to the DLGF and the County Auditor, an estimate of the certified local income tax distribution before June 1, and the DLGF must provide by July 1, the estimated amounts to be distributed at the taxing level to the County Auditor.

The taxing unit must submit the following information to the DLGF via Gateway: (i) its estimated budget; (ii) the estimated maximum permissible tax levy, as determined by the DLGF; (iii) the current and proposed tax levies of each fund; (iv) the estimated amount, determined by the DLGF, by which the taxing unit’s property taxes may be reduced by the Circuit Breaker Tax Credit; (v) the amount of excess levy appeals to be requested, if any; and (vi) the time and place at which the taxing unit will conduct a public hearing related to the information submitted to Gateway. The public hearing must be conducted at least ten days prior to the date the governing body establishes the budget, tax rate and levy, which by statute must each be established no later than November 1.

The budget, tax levy and tax rate of each taxing unit are subject to review by the DLGF, and the DLGF shall certify the tax rates and tax levies for all funds of taxing units subject to the DLGF’s review. The DLGF may not increase a taxing district’s budget by fund, tax rate or tax levy to an amount which exceeds the amount originally fixed by the taxing unit unless the taxing unit meets all of the following: (i) the increase is requested in writing by the taxing unit; (ii) the requested increase is published on the DLGF’s advertising internet website; and (iii) notice is given to the county fiscal body of the DLGF’s correction.

The DLGF may not approve a levy for debt service payments by a school corporation if: (i) there are no bonds of the school corporation outstanding; and (ii) the school corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular debt service levy requested. However, the DLGF may increase the school corporation’s tax rate and levy if the tax rate and levy proposed by the school corporation are not sufficient to make its debt service payments.

Taxing units have until December 31 of the calendar year immediately preceding the ensuing calendar year to file a levy shortfall appeal. Beginning with the 2019 budget year, the DLGF must complete its review and certification of budgets, tax rates and levies, not later than December 31 of the year preceding the budget year, unless a taxing unit

in the county issues debt after December 1 or intends to file a shortfall appeal under Indiana Code § 6-1.1-18.5-16 in which case the DLGF must certify the budgets for the taxing units in the county by January 15 of the budget year. On or before March 15, the County Auditor prepares the tax duplicate, which is a roll of property taxes payable in that year. The County Auditor publishes a notice of the tax rate in accordance with Indiana statutes. The County Treasurer mails tax statements at least 15 days prior to the date that the first installment is due (due dates may be delayed due to a general reassessment or other factors). Property taxes are due and payable to the County Treasurer in two installments on May 10 and November 10, unless the mailing of tax bills is delayed or a later due date is established by order of the DLGF. If an installment of property taxes is not completely paid on or before the due date, a penalty of 10% of the amount delinquent is added to the amount due; unless the installment is completely paid within thirty (30) days of the due date and the taxpayer is not liable for delinquent property taxes first due and payable in a previous year for the same parcel, the amount of the penalty is five percent (5%) of the amount of the delinquent taxes. On May 11 and November 11 of each year after one year of delinquency, an additional penalty equal to 10% of any taxes remaining unpaid is added. The penalties are imposed only on the principal amount of the delinquency. Property becomes subject to tax sale procedures after 15 months of delinquency. The County Auditor distributes property tax collections to the various taxing units on or about June 30 after the May 10 payment date and on or about December 31 after the November 10 payment date.

Pursuant to State law, personal property is assessed at its actual historical cost less depreciation, in accordance with 50 IAC 4.2, the DLGF's Rules for the Assessment of Tangible Personal Property. Effective January 1, 2016, state law annually exempts from property taxation new tangible business personal property with an acquisition cost of less than \$20,000. Pursuant to State law, real property is valued for assessment purposes at its "true tax value" as defined in the Real Property Assessment Rule, 50 IAC 2.4, the 2011 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4 and the 2011 Real Property Assessment Guidelines, Version A ("Guidelines"), as adopted by the DLGF. P.L. 204-2016, SEC. 3, enacted in 2016, retroactive to January 1, 2016, amends State law to provide that "true tax value" for real property does not mean the value of the property to the user and that true tax value shall be determined under the rules of the DLGF. As a result of P.L. 204-2016, the DLGF has begun the process of amending the Manual. In the case of agricultural land, true tax value shall be the value determined in accordance with the Guidelines and Indiana Code § 6-1.1-4, as amended by P.L. 180-2016. Except for agricultural land, as discussed below, the Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal method, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they produce "accurate and uniform values throughout the jurisdiction and across all classes of property." The Manual specifies the standards for accuracy and validation that the DLGF uses to determine the acceptability of any alternative appraisal method. "Net Assessed Value" or "Taxable Value" represents the "Gross Assessed Value" less certain deductions for mortgages, veterans, the aged, the blind, economic revitalization areas, resource recovery systems, rehabilitated residential property, solar energy systems, wind power devices, hydroelectric systems, geothermal devices and tax-exempt property. The "Net Assessed Value" or "Taxable Value" is the assessed value used to determine tax rates.

Changes in assessed values of real property occur periodically as a result of the county's reassessment plan, as well as when changes occur in the property value due to new construction or demolition of improvements. Before July 1, 2013, and before May 1 of every fourth year thereafter, each county assessor will prepare and submit to the DLGF a reassessment plan for the county. The DLGF must complete its review and approval of the reassessment plan before January 1 of the year following the year in which the reassessment plan is submitted by the county. The reassessment plan must divide all parcels of real property in the county into four (4) different groups of parcels. Each group of parcels must contain approximately twenty-five percent (25%) of the parcels within each class of real property in the county. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each four (4) year cycle. The reassessment of a group of parcels in a particular class of real property shall begin on May 1 of a year, and must be completed on or before January 1 of the year after the year in which the reassessment of the group of parcels begins. For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be completed. The county may submit a reassessment plan that provides for reassessing more than twenty-five percent (25%) of all parcels of real property in the county in a particular year. A plan may provide that all parcels are to be reassessed in one (1) year. However, a plan must cover a four (4) year period. All real property in each group of parcels shall be reassessed under the county's current reassessment plan once during each reassessment cycle. The reassessment of the first group of parcels under a county's reassessment plan begins on May 1, 2018, and is to be completed on or before January 1, 2019. Since 2007, all real property assessments are revalued annually to reflect market value based on comparable sales data ("Trending"). When a change in assessed value occurs, a

written notification is sent to the affected property owner. If the owner wishes to appeal this action, the owner may file a petition requesting a review of the action. This petition must be filed with the county assessor in which the property is located within 45 days after the written notification is given to the taxpayer or May 10 of that year, whichever is later. While the appeal is pending, the taxpayer may pay taxes based on the current year's tax rate and the previous or current year's assessed value.

Beginning in 2018, the County Auditor shall submit to the DLGF, parcel level data of certified net assessed values as required by and according to a schedule provided by the DLGF.

CIRCUIT BREAKER TAX CREDIT

Description of Circuit Breaker:

Article 10, Section 1 of the Constitution of the State of Indiana (the "Constitutional Provision") provides that, for property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer's property tax liability to a specified percentage of the gross assessed value of the taxpayer's real and personal property. Indiana Code § 6-1.1-20.6 (the "Statute") authorizes such limits in the form of a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit (the "Circuit Breaker Tax Credit"). For property assessed as a homestead (as defined in Indiana Code § 6-1.1-12-37), the Circuit Breaker Tax Credit is equal to the amount by which the property taxes attributable to the homestead exceed 1% of the gross assessed value of the homestead. Property taxes attributable to the gross assessed value of other residential property, agricultural property, and long-term care facilities are limited to 2% of the gross assessed value, property taxes attributable to other non-residential real property and personal property are limited to 3% of the gross assessed value. The Statute provides additional property tax limits for property taxes paid by certain senior citizens.

If applicable, the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. School corporations are authorized to impose a referendum tax levy, if approved by voters, to replace property tax revenue that the school corporation will not receive due to the application of the Circuit Breaker Tax Credit. Otherwise school corporations and other political subdivisions may not increase their property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

The Constitutional Provision excludes from the application of the Circuit Breaker Tax Credit property taxes first due and payable in 2012, and thereafter, that are imposed after being approved by the voters in a referendum. The Statute codifies this exception, providing that, with respect to property taxes first due and payable in 2012 and thereafter, property taxes imposed after being approved by the voters in a referendum will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute. In accordance with the Constitutional Provision, the General Assembly has, in the Statute, designated Lake County and St. Joseph County as "eligible counties" and has provided that property taxes imposed in these eligible counties to pay debt service and make lease rental payments for bonds or leases issued or entered into before July 1, 2008 or on bonds issued or leases entered into after June 30, 2008, to refund those bonds or leases, will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute, through and including December 31, 2019.

The Statute requires political subdivisions to fully fund the payment of outstanding debt service or lease rental obligations payable from property taxes ("Debt Service Obligations"), regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. For school corporations, any shortfall could also be funded through the State Intercept Program (herein defined); however, application of the State Intercept Program will result in a shortfall in distributions to the school corporation's general fund and school corporations are encouraged by the DLGF to fund any shortfall directly from the school corporation's general fund to avoid the application of the State Intercept Program. Upon: (i) the failure of a political subdivision to pay any of its Debt Service Obligations; and (ii) notification of that event to the treasurer of the State by a claimant; the treasurer of State is required to pay the unpaid Debt Service Obligations from money in the possession of the State that would otherwise be available to the political subdivision under any other law. A deduction must be made: (i) first, from local income tax distributions that would otherwise be distributed to the county; and (ii) second, from any other undistributed funds of the political subdivision in possession of the State.

Pursuant to IC 6-1.1-20.6-9.9, a school corporation that is expected to experience sufficient Circuit Breaker Tax Credit loss may, prior to May 1 of a year, request the DLGF, to certify the amount of Circuit Breaker Tax Credit loss, making the school corporation an eligible school corporation under IC 6-1.1-20.6-9.9 (an “Eligible School Corporation”). An Eligible School Corporation may allocate its Circuit Breaker Tax Credit loss, for 2016, 2017, 2018 and 2019 proportionately across all school corporation property tax funds, including the debt service fund, and is exempt from the protected taxes requirement described below. The School Corporation did not qualify for this exemption in 2018.

For 2018 or 2019, if a school corporation: (i) issues new bonds or enters into a new lease rental agreement for which the school corporation is imposing or will impose a debt service levy other than: (A) to refinance or renew prior bond or lease rental obligations existing before January 1, 2017; or (B) for indebtedness that is approved in a local public question or referendum under IC 6-1.1-20 or any other law; and (ii) the school corporation’s total debt service levy and total debt service tax rate in 2018 or 2019 is greater than the school corporation’s total debt service levy and total debt service tax rate in 2016, the school corporation will not be eligible to allocate its Circuit Breaker Tax Credit loss proportionately.

Except for an Eligible School Corporation, the Statute categorizes property taxes levied to pay Debt Service Obligations as “protected taxes,” regardless of whether the property taxes were approved at a referendum, and all other property taxes as “unprotected taxes.” The total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined without applying the Circuit Breaker Tax Credit. The application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund. The School Corporation may allocate the reduction by using a combination of unprotected taxes of the School Corporation in those taxing districts in which the Circuit Breaker Tax Credit caused a reduction in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

If the allocation of property tax reductions to funds receiving only unprotected taxes is insufficient to offset the amount of the Circuit Breaker Tax Credit, the revenue for a fund receiving protected taxes will also be reduced. If a fund receiving protected taxes is reduced, the Statute provides that a political subdivision may transfer money from any other available source in order to meet its Debt Service Obligations. The amount of this transfer is limited to the amount by which the protected taxes are insufficient to meet Debt Service Obligations.

The School Corporation cannot predict the timing, likelihood or impact on property tax collections of any future actions taken, amendments to the Constitution of the State of Indiana or legislation enacted, regulations or rulings promulgated or issued to implement any such regulations, statutes or the Constitutional Provision described above or of future property tax reform in general. There has been no judicial interpretation of this legislation. In addition, there can be no assurance as to future events or legislation that may affect the Circuit Breaker Tax Credit or the collection of property taxes by the School Corporation.

For example, in March, 2016, the Indiana General Assembly passed legislation which revises the factors used to calculate the assessed value of agricultural land. This legislation is retroactive to the January 1, 2016, assessment date and applies to each assessment date thereafter. The revised factors enacted in the legislation may reduce the total assessed value of agricultural land, which could shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land may result in a reduction of the total assessed value of a school corporation. A lower assessed value of a school corporation may result in higher tax rates in order for such school corporation to receive its approved property tax levy. See “PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION” herein.

Estimated Circuit Breaker Tax Credit for the School Corporation:

According to the DLGF, the Circuit Breaker Tax Credits allocable to the School Corporation for budget years 2016, 2017 and 2018 are \$504,826, \$618,539 and \$471,301, respectively. These estimates do not include the estimated debt service on the Bonds.

The Circuit Breaker Tax Credit amounts above do not reflect the potential effect of any further changes in the property tax system or methods of funding local government that may be enacted by the Indiana General Assembly in the future. The effects of these changes could affect the Circuit Breaker Tax Credit and the impact could be material. Other future events, such as the loss of a major taxpayer, reductions in assessed value, increases in property tax rates of overlapping taxing units or the reduction in local option income taxes applied to property tax

relief could increase effective property tax rates and the amount of the lost revenue due to the Circuit Breaker Tax Credit, and the resulting increase could be material.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission (“SEC”) in SEC Rule 15c2-12, as amended to the date hereof (the “SEC Rule”), the School Corporation has entered into a Master Continuing Disclosure Undertaking (the “Original Undertaking”), dated October 1, 2016. In connection with the issuance of the Bonds the School Corporation will enter into a Second Supplement to the Original Undertaking (the “Supplement” and together with the Original Undertaking, the “Undertaking”). Pursuant to the terms of the Undertaking, the School Corporation agrees to provide the information detailed in the Undertaking, the form of which is attached hereto as Appendix D.

The School Corporation may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the School Corporation, or type of business conducted; (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the SEC Rule on the date of execution of the Undertaking, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the Bonds, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the Bonds pursuant to the terms of the Resolution or Trust Indenture at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the SEC Rule, then in effect.

The School Corporation may, at its sole discretion, utilize an agent in connection with the dissemination of any annual financial information required to be provided by the School Corporation pursuant to the terms of the Undertaking.

The purpose of the Undertaking is to enable the Underwriter to purchase the Bonds by providing for an undertaking by the School Corporation in satisfaction of the SEC Rule. The Undertaking is solely for the benefit of the owners of the Bonds and creates no new contractual or other rights for the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other obligated persons or any other third party. The sole remedy against the School Corporation for any failure to carry out any provision of the Undertaking shall be for specific performance of the School Corporation’s disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or any other remedy. The School Corporation’s failure to honor its covenants under the Undertaking shall not constitute a breach or default of the Bonds, the Resolution or any other agreement.

In order to assist the Underwriter in complying with the Underwriter’s obligations pursuant to the SEC Rule, the School Corporation represents that it has conducted or caused to be conducted what it believes to be a reasonable review of the School Corporation’s compliance with its continuing disclosure obligations. Based upon such review, the School Corporation is not aware of any instances in the previous five years in which the School Corporation has failed to comply in any material respects with previous undertaking agreements. The School Corporation has contracted with H.J. Umbaugh and Associates, Certified Public Accountants, LLP, as dissemination agent to assist with future compliance filings.

BOND RATINGS

S&P Global Ratings (“S&P Global”) has assigned a programmatic bond rating of “AA+” and an underlying rating of “A” to the Bonds. Such ratings reflect only the view of S&P Global and any explanation of the significance of such ratings may only be obtained from S&P Global.

The ratings are not a recommendation to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by S&P Global. Any downward revision or withdrawal of the ratings may have an adverse effect upon the market price of the Bonds.

The School Corporation did not apply to any other rating service for a rating on the Bonds.

UNDERWRITING

The Bonds are being purchased by Fifth Third Securities, Inc. (the “Underwriter”) at a purchase price of \$7,181,533.90, which is the par amount of the Bonds of \$7,075,000.00 less the Underwriter’s discount of \$23,275.00 plus the original issue premium of \$129,808.90.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

MUNICIPAL ADVISOR

H.J. Umbaugh & Associates, Certified Public Accountants, LLP (the “Municipal Advisor”) (“Umbaugh”) has been retained by the School Corporation to provide certain financial advisory services including, among other things, preparation of the deemed “nearly final” Preliminary Official Statement and the Final Official Statement (the “Official Statements”). The information contained in the Official Statements has been compiled from records and other materials provided by School Corporation officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements.

The Municipal Advisor’s duties, responsibilities and fees arise solely as Municipal Advisor to the School Corporation and they have no secondary obligations or other responsibility. The Municipal Advisor’s fees are expected to be paid from proceeds of the Bonds.

Municipal Advisor Registration:

Umbaugh is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, Umbaugh is providing certain specific municipal advisory services to the School Corporation, but is neither a placement agent to the School Corporation nor a broker/dealer and cannot participate in the underwriting of the Bonds.

The offer and sale of the Bonds shall be made by the School Corporation, in the sole discretion of the School Corporation, and under its control and supervision. The School Corporation agrees that Umbaugh does not undertake to sell or attempt to sell the Bonds, and will take no part in the sale thereof.

Other Financial Industry Activities and Affiliations:

Umbaugh Cash Advisory Services, LLC (“UCAS”) is a wholly-owned subsidiary of Umbaugh. UCAS is registered as an investment adviser with the Securities and Exchange Commission under the federal Investment Advisers Act. UCAS provides non-discretionary investment advice with the purpose of helping clients create and maintain a disciplined approach to investing their funds prudently and effectively. UCAS may provide advisory services to the clients of Umbaugh.

UCAS has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

PROPOSED LEGISLATION

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. As an example, the School Corporation previously issued or had issued on its behalf a series of Direct Payment Qualified School Construction Bonds (“Outstanding Direct Pay Bonds”) as taxable bonds in reliance on the provisions of the Internal Revenue Code of 1986, as amended (the “Code”) that provided for a subsidy to the School Corporation from the United States Treasury of all or a portion of the interest due on the Outstanding Direct Pay Bonds. As a result of the continuing federal budget discussions, moneys owed by the

United States to the School Corporation with respect to the Outstanding Direct Pay Bonds will be reduced by 6.2% for fiscal year 2019. Future payments may be similarly reduced. Under current law, such reductions in subsidies are scheduled to continue through and including fiscal year 2024. At this time, the School Corporation is unable to project if and when the subsidy payments on the Outstanding Direct Pay Bonds from the United States Treasury will be restored in whole or in part, or what further action the United States Treasury may take with respect to future subsidy payments. To the extent the School Corporation receives less in subsidy payments than expected, it will need to pay more from property taxes to pay debt service. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch, including some proposed changes under consideration at the time of issuance of the Bonds. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the Bonds. It is possible that legislation enacted after the date of issuance of the Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the Bonds.

Legislation affecting municipal bonds is considered from time to time by the Indiana legislature and Executive Branch. It is possible that legislation enacted after the date of the Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Bonds.

The School Corporation cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

TAX MATTERS

In the opinion of Ice Miller LLP, Indianapolis, Indiana ("Bond Counsel") under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax, although Bond Counsel observes that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income for taxable years that begin prior to January 1, 2018. This opinion is conditioned on continuing compliance by the School Corporation with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana (the "State"). This opinion relates only to the exemption of interest on the Bonds for State income tax purposes. See Appendix C for the form of opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the Bonds as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The School Corporation will covenant not to take any action, within its power and control, nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code (collectively, the "Tax Covenants"). The Resolution and certain certificates and agreements to be delivered on the date of delivery of the Bonds establish procedures under which compliance with the requirements of the Code can be met. It is not an event of default under the Resolution if interest on the Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the issue date of the Bonds.

Indiana Code § 6-5.5 imposes a franchise tax on certain taxpayers (as defined in Indiana Code § 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in Indiana. The franchise tax will be measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code. Taxpayers should consult their own tax advisors regarding the impact of this legislation on their ownership of the Bonds.

Although Bond Counsel will render an opinion in the form attached as Appendix C hereto, the accrual or receipt of interest on the Bonds may otherwise affect a bondholder's federal income tax or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's

other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, individuals, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Bonds.

Under existing laws, judicial decisions, regulations and rulings, the Bonds have been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the exception from the 100% disallowance of the deduction for interest expense allocable to interest on tax-exempt obligations acquired by financial institutions. The designation is conditioned on continuing compliance with the Tax Covenants.

AMORTIZABLE BOND PREMIUM

The initial offering price of the Bonds (collectively, the “Premium Bonds”), is greater than the principal amount payable at maturity or call date. As a result, the Bonds will be considered to be issued with amortizable bond premium (the “Bond Premium”). An owner who acquires a Premium Bond in the initial offering will be required to adjust the owner’s basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds, including sale, redemption or payment at maturity. The amount of amortizable Bond Premium will be computed on the basis of the owner’s yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of Premium Bonds and with respect to the state and local tax consequences of owning and disposing of the Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities are found at Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning treatment of Bond Premium.

LITIGATION

To the knowledge of the officers and counsel for the School Corporation, there is no litigation pending or threatened, against the School Corporation, which in any way questions or affects the validity of the Bonds, or any proceedings or transactions relating to the issuance, sale or delivery thereof.

The officers and counsel for the School Corporation will certify at the time of delivery of the Bonds that there is no litigation pending or in any way threatened questioning the validity of the Bonds, or any of the proceedings had relating to the authorization, issuance and sale of the Bonds, the Bond Resolution or the Project would result in a material adverse impact on the financial condition of the School Corporation.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, whose approving opinion will be available at the time of delivery of the Bonds. Ice Miller LLP has not been asked nor has it undertaken to review the accuracy or sufficiency of this Official Statement, and will express no opinion thereon. The form of opinion of Bond Counsel is included as Appendix C of this Official Statement.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment,

of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available to the bondholders upon a default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Resolution may not be readily available or may be limited. Under federal and State environmental laws certain liens may be imposed on property of the School Corporation from time to time, but the School Corporation has no reason to believe, under existing law, that any such lien would have priority over the lien on the property taxes pledged to owners of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

These exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the School Corporation), in a manner consistent with the public health and welfare. Enforceability of the Resolution in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

The School Corporation certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the School Corporation and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

This Official Statement and its execution are duly authorized.

WA-NEE COMMUNITY SCHOOLS

By: 
President, Board of School Trustees

Attest: 
Secretary, Board of School Trustees

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APPENDIX A

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WA-NEE COMMUNITY SCHOOLS

SYSTEM OVERVIEW

Wa-Nee Community Schools, Elkhart and Kosciusko Counties, Indiana, (the “School Corporation”) was formed in July 1962, when the Nappanee Community School Corporation, comprised of the Town of Nappanee and Scott Township in Kosciusko County, reorganized to include Harrison Township, Locke Township, Olive Township, Union Township and Wakarusa Corporation in Elkhart County and Jefferson Township (West) in Kosciusko County.

The School Corporation, which is located in Elkhart and Kosciusko Counties, Indiana, encompasses approximately 144 square miles (108 square miles in Elkhart County and 36 square miles in Kosciusko County) and now includes the townships of Harrison, Locke, Olive and Union in Elkhart County; and Jefferson (West) and Scott in Kosciusko County. The School Corporation also includes the Town of Wakarusa, the City of Nappanee and a small portion of the City of Goshen.

FACILITIES

The School Corporation presently operates the following schools:

<u>School</u>	<u>Grades</u>	<u>Year Opened</u>	<u>Additions/ Renovations</u>
Woodview Elementary School	K-5	1992	2014, 2016, 2017
Wakarusa Elementary School	K-5	1992	2014, 2016, 2017
Nappanee Elementary School	K-5	1957	1963, 1994, 2014, 2016, 2017
NorthWood Middle School	6-8	1956	1992, 2003, 2014, 2016, 2017
NorthWood High School	9-12	1970	1981, 1991, 1994, 2014, 2016, 2017, 2018

SERVICES

The School Corporation provides a complete academic curriculum for grades K-12. Students of the School Corporation are provided many educational opportunities and extracurricular clubs and teams. NorthWood High School has received numerous recognitions through academic competitions (fourteen state championships), FFA tractor restoration, yearbook publications and the areas of the fine arts, band, choir and drama. The School Corporation also offers programs for the Title 1 and special education students through an agreement with Elkhart Community Schools, a countywide Special Education Cooperative and has an agreement with Bashor Home to educate certain Special Education students in an on-campus program. The School Corporation also offers non-traditional education options for students who have struggled in traditional settings through the NorthWood Achievement Academy.

ENROLLMENT

Presented below are enrollment figures as provided by the School Corporation. The statistics represent the number of students enrolled at the beginning of the school years.

<u>School</u>	<u>2009/ 2010</u>	<u>2010/ 2011</u>	<u>2011/ 2012</u>	<u>2012/ 2013</u>	<u>2013/ 2014</u>	<u>2014/ 2015</u>	<u>2015/ 2016</u>	<u>2016/ 2017</u>	<u>2017/ 2018</u>	<u>2018/ 2019*</u>
Woodview Elementary School	490	485	483	474	503	518	492	468	469	471
Wakarusa Elementary School	567	560	549	559	562	557	512	521	513	522
Nappanee Elementary School	462	446	553	442	403	399	390	399	402	394
NorthWood Middle School	719	750	742	748	752	732	717	704	755	767
NorthWood High School (1)	<u>882</u>	<u>890</u>	<u>874</u>	<u>859</u>	<u>873</u>	<u>897</u>	<u>925</u>	<u>947</u>	<u>917</u>	<u>899.8</u>
Totals	<u>3,120</u>	<u>3,131</u>	<u>3,201</u>	<u>3,082</u>	<u>3,093</u>	<u>3,103</u>	<u>3,036</u>	<u>3,039</u>	<u>3,056</u>	<u>3,062.8</u>

*The total 2018/2019 ADM includes nine special education students living in bordering districts who attend various school buildings at the School Corporation. The School Corporation receives full funding for these students.

(1) NorthWood High School's total enrollment for the 2017/2018 school year, is inclusive of 11 students that were educated within the Crossroads Alternative School. In the past, the School Corporation has compensated Crossroads Alternative School with a flat rate based on a twenty-student total. Under the terms of a new negotiation, the school is now required to compensate only on a per student basis.

Presented below are total projected enrollment figures as provided by the office of the Superintendent of the School Corporation.

<u>Year</u>	<u>Projected Enrollment</u>
2019/2020	3,024
2020/2021	2,995
2021/2022	2,987
2022/2023	2,969
2023/2024	2,893

BOARD OF SCHOOL TRUSTEES

<u>Name</u>	<u>Current Term Began</u>	<u>Current Term Ends</u>
Don Lehman, President	January 1, 2017	December 31, 2020
Lou Bonacorsi, Vice-President	January 1, 2015	December 31, 2018
Shawn Johnson, Secretary	January 1, 2017	December 31, 2020
Eric Brown	January 1, 2017	December 31, 2020
Christina Eshelman	January 1, 2017	December 31, 2020
Curt Flickinger	January 1, 2015	December 31, 2018
Terry Graber	January 1, 2015	December 31, 2018

ADMINISTRATION AND STAFF

The School Corporation is under the direction of a seven-member elected Board of School Trustees who serve four-year terms. The Superintendent, appointed by the Board of School Trustees, directs a certified staff of 194 and a non-certified staff of 259 with union representation as follows:

<u>Union Name</u>	<u>Union Representation</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Wa-Nee Education Association	Teachers	122	06/30/2019

PENSION OBLIGATIONS

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol Ave., Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

Employer contributions for the years 2015, 2016 and 2017 were \$385,043, \$200,561 and \$382,303 respectively.

Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol Ave., Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

Employer contributions for the years 2015, 2016 and 2017 were \$853,587, \$859,081 and \$836,039, respectively.

Other Post-Employment Benefits (OPEB)

The School Corporation provides other post-employment benefits for eligible current and retired certified teachers. Teachers hired and working prior to July 1, 2002 are eligible for deposit to a 457 Plan that covers pension benefits for early retirement bridge, severance benefit, and accumulated sick days. The School Corporation's most recent actuarial study was updated as of July 1, 2015, which projected payouts for 72 eligible teachers and 33 retirees. Benefits for eligible current teachers and retirees are projected to be paid out through the year 2043.

The study estimated the total liability for the 457 Plan benefits at \$4,568,422. The School Corporation has currently reserved \$2,684,356 in the Rainy Day Fund and a current deposit balance of \$939,821.02 from sale of pension bonds for payment of the 457 Plan benefits.

The School Corporation also contributes one percent (1%) of an eligible teacher's salary for those teachers that were hired on July 1, 2002 or after, to an individual account in a VEBA. Contributions for the VEBA are only made during time of employment. The School Corporation contributed \$65,478 in 2017.

School Corporation employees that retire are eligible to stay on the School Corporation's health insurance plan until they become eligible for Medicare. The health insurance is the same plan that is offered to current employees. Retirees are required to pay the full premium and all expenses related to the health insurance plan.

A teacher leaving the School Corporation with ten (10) or more successive years of service in the Wa-Nee Community School Corporation shall be eligible for additional compensation for services rendered. The additional compensation shall be computed on the basis of the teacher's daily rate for each year of approved service rendered to the School Corporation. The minimum compensation shall be \$50.00 for each year.

A teacher leaving the School Corporation with fifteen (15) or more years of service in the Wa-Nee Community School Corporation shall be eligible for an additional severance benefit of thirty-five dollars (\$35.00) for each day of accumulated sick leave, plus accumulated "good health" days. "Good health" days are defined to be a category of accumulated unused sick leave days over 180 accumulated beginning with the 1989-90 school year except as restricted in the master contract.

The School Corporation paid out \$44,923 for this benefit in 2017.

Administrators retiring from the School Corporation with seven (7) or more years of service in the Wa-Nee Community School Corporation shall be eligible for an additional severance benefit of fifty dollars (\$50.00) for each day of accumulated sick leave and accumulated "good health" days. "Good health" days are defined as accumulated unused sick leave days over 180 days.

The School Corporation paid out \$27,913 for this benefit in 2017.

All eligible, non-certified employees leaving the school corporation with twenty (20) or more years of service in the Wa-Nee Community School Corporation shall be eligible for an additional severance benefit of \$25.00 for each day of accumulated sick leave with a maximum of \$2,125 so long as the following criteria are met:

Severance benefits require notification to the central office thirty (30) days prior to the retirement unless waived by the superintendent or his designee.

The School Corporation paid out \$1,113 for this benefit in 2017.

GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION

LOCATION

The School Corporation is located in Elkhart and Kosciusko Counties in northern Indiana. The School Corporation is approximately 20 miles southeast of South Bend, 117 miles north of Indianapolis and 95 miles southeast of Chicago, Illinois.

GENERAL CHARACTERISTICS

The School Corporation is located in portions of Elkhart and Kosciusko counties, including the Town of Wakarusa, City of Nappanee and a small portion of the City of Goshen. Wakarusa is located in Elkhart County and is known for its small-town environment. The City of Nappanee is located in Elkhart and Kosciusko Counties with a rich heritage in the woodworking industry, the railroad and Amish culture. It has been voted by TIME Magazine as one of the top ten small towns in America. Nappanee is home to historic Amish Acres, a popular tourist attraction that is also the setting for one of the world's largest arts and crafts festivals. The area also has a strong agricultural influence with industrial and commercial industry. The School Corporation's proximity to the cities of South Bend and Indianapolis provide additional educational and employment opportunities, as well as professional sports, recreational, and cultural attractions.

HIGHER EDUCATION

Higher education opportunities within easy commuting distance include Goshen College, Harrison College, the University of Notre Dame, Saint Mary's College, Bethel College, Ivy Tech Northcentral, Indiana University-South Bend and Elkhart, and Purdue University College of Technology.

GENERAL ECONOMIC AND FINANCIAL INFORMATION

COMMERCE AND INDUSTRY

Industry in the School Corporation has a diverse base, with products manufactured in the areas of transportation equipment, lumber and wood products, and fabricated metals. There are many manufacturers and suppliers of manufactured housing and recreational vehicle industries also located in the area. These include manufactures of cabinetry, plumbing supplies, windows and doors, frames, moldings, upholstery products and furniture.

Due to the location of the School Corporation in Elkhart and Kosciusko counties, many employment opportunities are available to residents. The employers are quite diverse and many have been established in the area for several decades. The top five industrial/commercial employers for each county is listed on the following page.

Newmar Corporation, located in Nappanee since 1968, manufactures motor homes, travel trailers and campers. In the fall of 2004, Newmar opened a 144,000 square foot chassis, weld and assembly factory. The building also contains employee offices, training and conference rooms. The company reports employment at 980 and is expected to remain steady.

Cavco Industries, Inc., formerly Fairmont Homes has been located in Nappanee since 1967 and manufactures modular homes. In April 2017, Cavco Industries Inc., a producer of manufactured and modular housing, announced

its acquisition of Lexington Homes, another provider of manufactured housing. The company reports employment at 415 employees.

Gulf Stream Coach, Inc. has been producing recreational vehicles since 1967 in Nappanee and employment is currently 700 according to company personnel.

Kountry Wood Products LLC, located in Nappanee since 1998, has a versatile product line consisting of various cabinet styles and storage alternatives. Due to an increased demand in production, the company opened a second facility in 2012. Employment doubled from May 2015 to August 2016 from 200 to 400 employees. Kountry Wood expanded the western portion of their facility bringing current employment to 420.

According to the Indiana Department of Workforce Development, another large employer of the School Corporation includes Amerimax Fabricated Products, Inc., a manufacturer of fabricated metals, which employs approximately 135 workers and has several locations across the United States. The company is a leading supplier of sidewalls for manufactured homes and recreational vehicles.

ATC Trailers manufactures custom cargo trailers and has been located in Nappanee since 1999. In May 2015 the company had 180 employees and grew to 210 workers in August 2016. According to company personnel, the facility still employs 210 workers.

Williamsburg Furniture, Inc. is a manufacturer of recreational vehicles furniture. The company is located in Nappanee and operates a 130,000 sq.ft. Facility. Williamsburg currently employs 132 workers and expects that number to remain steady.

Forest River, Inc. manufactures recreational vehicles, buses, cargo trailers, modular offices, commercial truck bodies and boats. The company operates approximately 57 product divisions in the County with facilities located in several communities. According to company officials, Forest River was acquired by Berkshire Hathaway, Inc. in the fall of 2005. The EDC reports employment at approximately 6,400 workers. In January 2017, the company announced a new division for luxury shuttle buses that will be manufactured in the City of Elkhart, according to the Indiana Economic Digest.

Keystone RV Company, a subsidiary of Thor Industries, manufactures travel trailers and fifth wheels. The company was established in the City of Goshen in 1996 and was acquired by Thor Industries in 2001. In 2013, Dutchman Manufacturing, also a subsidiary of Thor Industries, consolidated and now operates under Keystone management. Keystone announced a \$6 million investment in 2014 which added a new 140,000 square-foot travel trailer plant at the Goshen campus. In 2016 the company broke ground on two new manufacturing plants in Goshen. Together the two plants represent an \$8.6 million investment and have a combined 200,000 square feet. The facilities are expected to create 250 to 300 new jobs, according to the Indiana Economic Digest. According to the EDC, employment is at 4,495.

Patrick Industries, Inc., a manufacturer of component products and distributor of building products and materials for the recreational vehicle industry, was founded in 1959 and has its corporate headquarters located in Elkhart. In 2016, the company acquired The Progressive Group, an electronics distributor, and Cana Holdings, a custom cabinetry manufacturer, as well as Parkland Plastics, Inc., Mishawaka Sheet Metal, LLC and Vacuplast, LLC d/b/a L.S. Manufacturing, Inc. In July 2017, the company announced the \$11 million acquisition of Wire Design, a wire harness manufacturer. According to the EDC, the company employs 2,400 employees.

In July 2017, Thor Motor Coach, a subsidiary of Thor Industries, Inc., announced plans to expand operations in the City of Elkhart, the Town of Wakarusa, and the Town of Bristol. The company's expansion plans call for a number of new facilities or expansions of existing facilities. The company is expanding in the Town of Wakarusa with the purchase of an existing building for a new lamination operation with six lamination lines to support motorhome production at multiple facilities. The company is currently completing an addition to its Bristol facility that will support its Quantum motorhome line. Also, the company is making a major addition to its Elkhart plant that will enable the addition of a future second production line for high volume motorhome models. In total, the company's expansions and additions will add more than 500,000 square feet of workspace. The company plans to hire 400 additional employees. The company currently employs 2,870 employees, according to the EDC.

In addition to expansions in the larger RV industry, several other companies have recently experienced new investment and job creation in the County, according to the EDC. Bearcat is an aluminum fabricator that received incentives to invest \$14.5 million to expand and modernize its existing metal fabrication facility in Goshen. ASA Electronics designs and manufactures mobile electronic products and received incentives to invest \$10.5 million to expand and modernize the company's employee training program. Kem Krest, which manages and markets customer branded parts and chemicals, invested \$8.7 million to construct and equip a new product distribution facility. Clear Vision Tempered Glass LLC is a full service custom glass fabricator that invested \$4 million to improve technology on their tempering glass production line.

In March 2017, Genesis Products, a wood and laminate product manufacturer, broke ground on a new \$10 million building project in Goshen. The new building will serve as a production plant and the corporate office for the company. The company plans to hire an additional 100 workers at the new facility.

In May 2018, Hardwood Specialty Products Inc. invested around \$4 million into a new distribution operation in Elkhart. The 135,000 square-foot facility will help better serve customer demand and includes office space, multiple loading docks, bays, dry overnight storage space, and an expanded racking system. The company says it could add a small number of workers over the next two years.

A proposed \$175 million economic development is currently being discussed to develop a medical campus in Elkhart. The project calls for construction of several medical buildings on 117 acres. The development could bring several unique medical service providers and add hundreds of new medical-related jobs.

According to the U.S. Bureau of Labor Statistics, the Elkhart-Goshen area led the nation in the largest job percentage gain in 2017. Non-farm jobs in Elkhart and Goshen increased by 5.3% from November 2016 to November 2017. In 2018, Bloomberg reported that the Elkhart-Goshen area increased employment by more than 41,300 jobs since 2009, the highest in the country.

LARGE EMPLOYERS

Below is a list of the School Corporation largest employers. The number of employees shown are as reported by company personnel unless otherwise noted. Because of reporting time lags and other factors inherent in collecting and reporting such information, the statistics may not reflect recent employment levels.

<u>Name</u>	<u>Year Established</u>	<u>Type of Business</u>	<u>Reported Employment</u>
Newmar Corporation	1968	Mfg. recreational vehicles	980
Gulf Stream Coach, Inc.	1971	Mfg. recreational vehicles	700 (1)
Wa-Nee Community School Corporation	1962	Public education	453 (2)
Kountry Wood Products, LLC	1998	Mfg. furniture and cabinets	420
Cavco Industries	1967	Mfg. mobile homes & recreational vehicles	415
ATC Trailers	1999	Mfg. custom cargo trailers	210
Wakarusa Nursing Home & Rehabilitation Center / Miller's Merry Manor	1983	Nursing home	183
Amerimax Fabricated Products, Inc.	-	Mfg. fabricated metals	135
Williamsburg Furniture, Inc.	1992	Mfg. recreational vehicles furniture	132
Quality Hardwood Sales	2001	Mfg. decorative wood & woodworking	120

Elkhart County

Forest River Industries, Inc.	1996	Mfg. RVs, busses, modular offices & boats	6,400 (3)
Drew Industries, Inc. (Lippert Components and Kinro)	1980	Mfg. RVs, busses, & ambulances	5,500
Keystone RV Company	1995	Mfg. recreational vehicles	4,495 (3)
Jayco, Inc.	1968	Mfg. recreations vehicles	2,870 (3)
Elkhart Community Schools	-	Public education	1,731 (4)

Kosciusko County

Zimmer Biomet	-	Mfg. orthopedic products	5,000 (5)
Warsaw Community Schools	-	Public education	1,311 (6)
DePuy, Inc. (a Johnson & Johnson Company)	1895	Mfg. orthopedic products	1,100
R.R. Donnelley & Sons	1957	Printer of catalogs, tabloids, etc.	920
Kosciusko Community Hospital	1976	Medical hospital & office complex	900 (5)

(1) Not affiliated with Cavco Industries.

(2) Includes 194 certified and 259 non-certified employees.

(3) Per the Economic Development Corporation of Elkhart County.

(4) Includes 919 certified and 812 non-certified employees.

(5) Per MyWarsaw.net.

(6) Includes 523 certified and 788 non-certified employees.

EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate</u>			<u>Labor Force</u>	
	<u>Elkhart County</u>	<u>Kosciusko</u>	<u>Indiana</u>	<u>Elkhart</u>	<u>Kosciusko</u>
	<u>County</u>	<u>County</u>		<u>County</u>	<u>County</u>
2013	7.2%	6.6%	7.7%	98,970	39,729
2014	5.1%	4.9%	6.0%	102,097	40,293
2015	3.9%	4.1%	4.8%	104,716	40,662
2016	3.5%	3.7%	4.4%	108,409	41,475
2017	2.5%	2.7%	3.5%	111,740	41,408
2018, July	2.6%	2.8%	3.5%	120,710	43,141

Source: Indiana Business Research Center. Data collected as of August 20, 2018.

POPULATION

<u>Wa-Nee Community Schools</u>								
<u>Year</u>	<u>Harrison</u>	<u>Locke</u>	<u>Olive</u>	<u>Union</u>	<u>Jefferson</u>	<u>Scott</u>	<u>Total</u>	<u>Percent of</u>
	<u>Township (1) (3)</u>	<u>Township (2)</u>	<u>Township (1)</u>	<u>Township (2)</u>	<u>Township (2)</u>	<u>Township</u>		<u>Change</u>
1970	2,175	2,834	2,081	4,283	1,001	957	13,331	7.36%
1980	2,421	3,137	2,398	4,872	1,089	1,190	15,107	13.32%
1990	2,693	3,881	2,895	5,487	1,201	1,272	17,429	15.37%
2000	2,885	4,200	2,847	5,827	1,648	1,618	19,025	9.16%
2010	4,435	3,913	3,068	6,134	2,040	1,696	21,286	11.88%
2017, Est.	3,609	4,059	3,207	6,337	2,033	1,714	20,959	2.41%

<u>Year</u>	<u>Elkhart County</u>		<u>Kosciusko County</u>	
	<u>Population</u>	<u>Percent of</u>	<u>Population</u>	<u>Percent of</u>
		<u>Change</u>		<u>Change</u>
1970	126,529	18.48%	48,127	19.21%
1980	137,330	8.54%	59,555	23.75%
1990	156,198	13.74%	65,294	9.64%
2000	182,791	17.03%	74,057	13.42%
2010	197,559	8.08%	77,358	4.46%
2017, Est.	205,032	3.78%	79,206	2.39%

(1) Includes a portion of the Town of Wakarusa.

(2) Includes a portion of the City of Nappanee.

(3) Includes a portion of the City of Goshen.

Source: U.S. Census Bureau.

AGE STATISTICS

	<u>Elkhart County</u>	<u>Kosciusko County</u>
Under 25 Years	73,778	26,721
25 to 44 Years	51,250	19,222
45 to 64 Years	48,569	20,942
65 Years and Over	23,962	10,473
	<hr/>	<hr/>
Totals	<u>197,559</u>	<u>77,358</u>

Source: U.S. Census Bureau's 2010 Census

EDUCATIONAL ATTAINMENT

<u>Years of School Completed</u>	<u>Persons 25 and Over</u>	
	<u>Elkhart County</u>	<u>Kosciusko County</u>
Less than 9th grade	8.5%	5.5%
9th to 12th grade, no diploma	11.0%	9.8%
High school graduate	36.7%	37.0%
Some college, no degree	19.3%	19.5%
Associate's degree	6.2%	7.1%
Bachelor's degree	12.2%	13.6%
Graduate or professional degree	6.1%	7.6%

Source: U.S. Census Bureau's 2012-2016 American Community Survey 5-Year Estimates

MISCELLANEOUS ECONOMIC INFORMATION

	<u>Elkhart County</u>	<u>Kosciusko County</u>	<u>Indiana</u>
Per capita income, past 12 months*	\$22,387	\$26,854	\$26,117
Median household income, past 12 months*	\$49,692	\$54,482	\$50,433
Average weekly earnings in manufacturing (1st qtr. of 2018)	\$1,083	\$1,461	\$1,348
Land area in square miles - 2010	463.17	531.38	35,826.11
Population per land square mile - 2010	426.5	145.6	181.0
Retail sales in 2012:			
Total retail sales	\$2,440,413,000	\$921,480,000	\$85,857,962,000
Sales per capita**	\$12,353	\$11,912	\$13,242
Sales per establishment	\$3,599,429	\$3,092,215	\$3,974,722

*In 2016 inflation-adjusted dollars – 5-year estimates

**Based on 2010 Population.

Source: Bureau of Census Reports and the Indiana Business Research Center. Data collected as of August 20, 2018.

MISCELLANEOUS ECONOMIC INFORMATION (Cont'd)

<u>Employment and Earnings -</u> <u>Elkhart County 2016</u>	<u>Earnings</u> (In 1,000s)	Percent of <u>Earnings</u>	<u>Labor Force</u>	Distribution of <u>Labor Force</u>
Manufacturing	\$4,462,106	50.83%	64,235	41.20%
Services	1,956,978	22.30%	43,094	27.64%
Wholesale and retail trade	935,403	10.66%	19,528	12.53%
Government	493,958	5.63%	9,335	5.99%
Transportation and warehousing	289,819	3.30%	4,942	3.17%
Construction	275,584	3.14%	4,672	3.00%
Finance, insurance and real estate	247,233	2.82%	7,053	4.52%
Farming	40,957	0.47%	1,744	1.12%
Information	29,165	0.33%	616	0.40%
Other*	24,417	0.28%	512	0.33%
Utilities	21,123	0.24%	158	0.10%
Totals	<u>\$8,776,743</u>	<u>100.00%</u>	<u>155,889</u>	<u>100.00%</u>

<u>Employment and Earnings -</u> <u>Kosciusko County 2016</u>	<u>Earnings</u> (In 1,000s)	Percent of <u>Earnings</u>	<u>Labor Force</u>	Distribution of <u>Labor Force</u>
Manufacturing	\$1,288,403	48.67%	14,803	30.33%
Services	548,607	20.72%	15,990	32.77%
Wholesale and retail trade	352,962	13.33%	6,899	14.14%
Government	165,113	6.24%	3,403	6.97%
Construction	91,156	3.44%	1,886	3.86%
Finance, insurance and real estate	86,128	3.25%	2,820	5.78%
Farming	51,885	1.96%	1,410	2.89%
Transportation and warehousing	30,554	1.15%	886	1.82%
Information	21,951	0.83%	445	0.91%
Utilities	8,967	0.34%	69	0.14%
Other*	1,773	0.07%	189	0.39%
Totals	<u>\$2,647,499</u>	<u>100.00%</u>	<u>48,800</u>	<u>100.00%</u>

* In order to avoid disclosure of confidential information, specific earnings and employment figures are not available for the Forestry, fishing, related activities and mining sectors. The data is incorporated here.

Source: Bureau of Economic Analysis and the Indiana Business Research Center. Data collected as of August 20, 2018.

<u>Adjusted Gross Income</u>	<u>Year</u>	Elkhart County <u>Total</u>	Kosciusko County <u>Total</u>
	2011	\$3,628,220,730	\$1,690,849,475
	2012	4,030,436,140	1,802,330,686
	2013	4,153,983,228	1,848,376,720
	2014	4,657,739,200	1,975,174,824
	2015	4,877,684,903	2,296,850,033

Source: Indiana Department of Revenue

SCHEDULE OF INDEBTEDNESS

The following schedule shows the outstanding indebtedness of the School Corporation and the taxing units within and overlapping its jurisdiction as of August 20, 2018, including issuance of the Bonds, as reported by the respective taxing units.

<u>Direct Debt</u>	<u>Original Par Amount</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Tax Supported			
Wa-Nee Community Schools Corporation General Obligation Bonds of 2018	\$7,075,000	01/15/24	\$7,075,000
Taxable General Obligation Bonds of 2010 (Qualified School Construction Bonds - Direct Payment)	1,300,000	01/01/21	325,000
Wa-Nee Community School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2017	7,500,000	01/15/31	7,500,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2016	22,000,000	01/15/31	20,855,000
First Mortgage Bonds, Series 2006	7,270,000	01/15/20	1,085,000
Wa-Nee Middle School Building Corporation First Mortgage Refunding Bonds, Series 2006	12,905,000	01/15/20	<u>2,595,000</u>
Total Direct Debt			<u><u>\$39,435,000</u></u>

Note: The School Corporation is always investigating potential refunding opportunities and monitoring future project needs.

<u>Overlapping Debt</u>	<u>Total Debt</u>	<u>Percent Allocable to School Corporation (1)</u>	<u>Amount Allocable to School Corporation</u>
Tax Supported			
Elkhart County	\$59,555,449	10.30%	\$6,134,211
Kosciusko County	4,980,899	2.92%	145,442
City of Goshen	10,893,879	0.02%	2,179
City of Nappanee	995,000	100.00%	<u>995,000</u>
Tax Supported Debt			<u>7,276,832</u>
Self-Supporting Revenue Debt			
City of Goshen	37,854,850	0.02%	7,571
City of Nappanee	16,792,306	100.00%	16,792,306
Town of Wakarusa	75,000	100.00%	<u>75,000</u>
Self-Supporting Revenue Debt			<u>16,874,877</u>
Total Overlapping Debt			<u><u>\$24,151,709</u></u>

(1) Based upon the 2017 payable 2018 net assessed valuation of the respective taxing units.

The schedule presented above is based on information furnished by the obligors or other sources and is deemed reliable. The School Corporation makes no representation or warranty as to its accuracy or completeness.

DEBT RATIOS

The following presents the ratios relative to the tax supported indebtedness of the taxing units within and overlapping the School Corporation as of August 20, 2018, including issuance of the Bonds.

	Direct Tax Supported Debt \$39,435,000	Allocable Portion of All Other Overlapping Tax Supported Debt \$7,276,832	Total Direct and Overlapping Tax Supported Debt \$46,711,832
Per capita (1)	\$1,881.53	\$347.19	\$2,228.72
Percent of net assessed valuation (2)	3.80%	0.70%	4.51%
Percent of gross assessed valuation (3)	2.55%	0.47%	3.02%
Per pupil (4)	\$12,875.47	\$2,375.88	\$15,251.35

- (1) According to the U.S. Census Bureau, the estimated 2017 population of the School Corporation is 20,959.
- (2) The net assessed valuation of the School Corporation for taxes payable in 2018 is \$1,036,432,379 according to the Elkhart County Auditor's office.
- (3) The gross assessed valuation of the School Corporation for taxes payable in 2018 is \$1,546,467,270 according to the Elkhart County Auditor's office.
- (4) Enrollment of the School Corporation is 3,062.8 as reported by school personnel.

DEBT LIMIT

The amount of general obligation debt a political subdivision of the State of Indiana can incur is controlled by the constitutional debt limit, which is an amount equal to 2% of the value of taxable property within the political subdivision. Pursuant to Indiana Code 36-1-15, the value of taxable property within the political subdivision is divided by three for the purposes of this calculation. The School Corporation debt limit, based upon the adjusted value of taxable property, is shown below.

Certified net assessed valuation (Taxes payable in 2019)	\$1,110,072,458
Times: 2% general obligation debt issue limit	<u>2%</u>
Sub-total	22,201,449
Divided by 3	<u>3</u>
General obligation debt issue limit	7,400,483
Less: Outstanding general obligation debt including the Bonds	<u>(7,400,000)</u>
Estimated amount remaining for general obligation debt issuance	<u><u>\$483</u></u>

SCHEDULE OF HISTORICAL NET ASSESSED VALUATION

As Provided by the Elkhart and Kosciusko County Auditor's Office.

<u>Year</u> <u>Payable</u>	<u>Real Estate</u>	<u>Utilities</u>	<u>Personal</u> <u>Property</u>	<u>Total</u> <u>Taxable Value</u>
2014	\$795,148,573	\$21,659,010	\$76,273,150	\$893,080,733
2015	811,822,688	21,542,730	73,608,653	906,974,071
2016	851,635,342	22,675,340	81,319,010	955,629,692
2017	895,504,486	25,637,670	90,167,710	1,011,309,866
2018	915,580,859	23,848,280	97,003,240	1,036,432,379
2019 (1)	N/A	N/A	N/A	1,110,072,458

(1) Represents the 2019 Certified Net Assessed Value per the Department of Local Government Finance (the "DLGF").

NOTE: Net assessed valuations represent the assessed value less certain deductions for mortgages, veterans, the aged and the blind, as well as tax-exempt property.

Real property is valued for assessment purposes at its true tax value as defined in the Real Property Assessment Rule, 50 IAC 2.4, the 2011 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4, and the 2011 Real Property Assessment Guidelines ("Guidelines"), as adopted by the DLGF. In the case of agricultural land, true tax value is the value determined in accordance with the Guidelines adopted by the DLGF and IC 6-1.1-4-13. In the case of all other real property, true tax value is defined as "the market value-in-use of a property for its current use, as reflected by the utility received by the owner or by a similar user, from the property."

P.L. 180-2016 revises the factors used to calculate the assessed value of agricultural land. This legislation is retroactive to the January 1, 2016 assessment date and applies to each assessment date thereafter. The revised factors enacted in the legislation may reduce the total assessed value of agricultural land, which could shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land may result in a reduction of the total assessed value of a School Corporation. Lower assessed values of a School Corporation may result in higher tax rates in order for a School Corporation to receive its approved property tax levy.

Real property assessments are annually adjusted to market value based on sales data. The process of adjusting real property assessments to reflect market values has been termed "trending" by the DLGF.

The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal method, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they produce accurate and uniform values throughout the jurisdiction and across all classes of property. The Manual specifies the standards for accuracy and validation that the DLGF uses to determine the acceptability of any alternative appraisal method.

WA-NEE COMMUNITY SCHOOLS

DETAIL OF NET ASSESSED VALUATION

As of 2017 for Taxes Payable in 2018

(As Provided by the Elkhart and Kosciusko County Auditors' Offices)

	<u>Elkhart County</u>						
	<u>Harrison Township</u>	<u>Wakarusa Town - Harrison Township</u>	<u>Locke Township</u>	<u>Nappanee City - Locke Township</u>	<u>Olive Township</u>	<u>Wakarusa Town - Olive Township</u>	<u>Sub-total</u>
Gross Value of Land	\$76,053,900	\$5,183,400	\$32,370,100	\$22,369,500	\$32,982,300	\$23,511,000	\$192,470,200
Gross Value of Improvements	<u>183,850,800</u>	<u>13,363,300</u>	<u>82,106,100</u>	<u>104,799,100</u>	<u>75,301,300</u>	<u>113,578,600</u>	<u>572,999,200</u>
Total Gross Value of Real Estate	259,904,700	18,546,700	114,476,200	127,168,600	108,283,600	137,089,600	765,469,400
Less: Mortgage Exemptions, Veterans, Blind							
Age 65 & Other Exemptions	(78,893,706)	(395,558)	(29,730,276)	(37,839,418)	(35,547,571)	(39,807,680)	(222,214,209)
Tax Exempt Property	<u>(12,560,000)</u>		<u>(8,793,700)</u>	<u>(3,090,000)</u>	<u>(2,317,200)</u>	<u>(4,609,600)</u>	<u>(31,370,500)</u>
TIF		<u>(4,905,538)</u>		<u>(16,984,613)</u>		<u>(3,314,293)</u>	<u>(25,204,444)</u>
Net Assessed Value of Real Estate	<u>168,450,994</u>	<u>13,245,604</u>	<u>75,952,224</u>	<u>69,254,569</u>	<u>70,418,829</u>	<u>89,358,027</u>	<u>486,680,247</u>
Business Personal Property	19,584,220	4,009,320	4,478,360	16,673,800	2,186,330	12,634,490	59,566,520
Less: Deductions	<u>(307,680)</u>		<u>(1,172,420)</u>	<u>(595,620)</u>	<u>(22,650)</u>	<u>(185,120)</u>	<u>(2,283,490)</u>
Net Assessed Value of Personal Property	<u>19,276,540</u>	<u>4,009,320</u>	<u>3,305,940</u>	<u>16,078,180</u>	<u>2,163,680</u>	<u>12,449,370</u>	<u>57,283,030</u>
Net Assessed Value of Utility Property	<u>4,678,370</u>	<u>164,020</u>	<u>3,339,820</u>	<u>1,898,210</u>	<u>1,860,290</u>	<u>1,621,240</u>	<u>13,561,950</u>
Total Net Assessed Value	<u><u>\$192,405,904</u></u>	<u><u>\$17,418,944</u></u>	<u><u>\$82,597,984</u></u>	<u><u>\$87,230,959</u></u>	<u><u>\$74,442,799</u></u>	<u><u>\$103,428,637</u></u>	<u><u>\$557,525,227</u></u>

(Continued on next page)

WA-NEE COMMUNITY SCHOOLS

DETAIL OF NET ASSESSED VALUATION

As of 2017 for Taxes Payable in 2018

(As Provided by the Elkhart and Kosciusko County Auditors' Offices)

(Cont'd)

		Elkhart County (cont'd)			Kosciusko County			
	Sub-total Carried <u>Forward</u>	Union <u>Township</u>	Nappanee City - Union <u>Township</u>	Goshen City - Harrison <u>Township</u>	Jefferson Township <u>West</u>	Scott <u>Township</u>	Nappanee City - Jefferson <u>Township</u>	<u>Total</u>
Gross Value of Land	\$192,470,200	\$65,345,500	\$47,643,100	\$51,800	\$22,138,200	\$36,902,600	\$3,250,200	\$367,801,600
Gross Value of Improvements	<u>572,999,200</u>	<u>138,052,400</u>	<u>196,370,800</u>	<u>295,200</u>	<u>52,207,100</u>	<u>86,196,000</u>	<u>8,692,000</u>	<u>1,054,812,700</u>
Total Gross Value of Real Estate	765,469,400	203,397,900	244,013,900	347,000	74,345,300	123,098,600	11,942,200	1,422,614,300
Less: Mortgage Exemptions, Veterans, Blind Age 65 & Other Exemptions	(222,214,209)	(57,114,278)	(85,045,668)	(142,130)	(22,804,215)	(33,901,088)	(2,338,107)	(423,559,695)
Tax Exempt Property	(31,370,500)	(5,691,100)	(7,296,580)		(432,543)	(1,608,600)	(616,577)	(47,015,900)
TIF	<u>(25,204,444)</u>		<u>(11,253,402)</u>					<u>(36,457,846)</u>
Net Assessed Value of Real Estate	<u>486,680,247</u>	<u>140,592,522</u>	<u>140,418,250</u>	<u>204,870</u>	<u>51,108,542</u>	<u>87,588,912</u>	<u>8,987,516</u>	<u>915,580,859</u>
Business Personal Property	59,566,520	12,721,150	15,280,890	51,980	3,769,390	7,990,020	624,740	100,004,690
Less: Deductions	<u>(2,283,490)</u>	<u>(74,520)</u>	<u>(583,250)</u>		<u>(15,680)</u>	<u>(31,920)</u>	<u>(12,590)</u>	<u>(3,001,450)</u>
Net Assessed Value of Personal Property	<u>57,283,030</u>	<u>12,646,630</u>	<u>14,697,640</u>	<u>51,980</u>	<u>3,753,710</u>	<u>7,958,100</u>	<u>612,150</u>	<u>97,003,240</u>
Net Assessed Value of Utility Property	<u>13,561,950</u>	<u>4,395,550</u>	<u>2,483,130</u>		<u>1,144,860</u>	<u>2,173,380</u>	<u>89,410</u>	<u>23,848,280</u>
Total Net Assessed Value	<u><u>\$557,525,227</u></u>	<u><u>\$157,634,702</u></u>	<u><u>\$157,599,020</u></u>	<u><u>\$256,850</u></u>	<u><u>\$56,007,112</u></u>	<u><u>\$97,720,392</u></u>	<u><u>\$9,689,076</u></u>	<u><u>\$1,036,432,379</u></u>

COMPARATIVE SCHEDULE OF CERTIFIED TAX RATES

Per \$100 of Net Assessed Valuation

(As Provided by the Elkhart and Kosciusko County Auditors' Offices)

Detail of Tax Rate:	Year Payable				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Elkhart County					
Debt Service	\$0.5464	\$0.4881	\$0.4756	\$0.4386	\$0.4520
Debt Service - Severance (1)	0.0252	0.0410	0.0251	0.0172	
Transportation	0.2108	0.2153	0.2014	0.1948	0.2078
Bus Replacement	0.0363	0.0400	0.0363	0.0361	0.0442
Capital Projects	<u>0.3025</u>	<u>0.2739</u>	<u>0.2671</u>	<u>0.2891</u>	<u>0.2204</u>
Totals	<u>\$1.1212</u>	<u>\$1.0583</u>	<u>\$1.0055</u>	<u>\$0.9758</u>	<u>\$0.9244</u>
Kosciusko County					
Debt Service	\$0.5650	\$0.5052	\$0.4921	\$0.4386	\$0.4520
Debt Service - Severance (1)	0.0252	0.0410	0.0251	0.0172	
Transportation	0.2180	0.2229	0.2084	0.1948	0.2078
Bus Replacement	0.0375	0.0414	0.0376	0.0361	0.0442
Capital Projects	<u>0.3128</u>	<u>0.2835</u>	<u>0.2765</u>	<u>0.2891</u>	<u>0.2204</u>
Totals	<u>\$1.1585</u>	<u>\$1.0940</u>	<u>\$1.0397</u>	<u>\$0.9758</u>	<u>\$0.9244</u>
Total Tax Rate (2)					
Elkhart County:					
Harrison Township	\$1.7933	\$1.7546	\$1.7022	\$1.6540	\$1.6111
Wakarusa Town - Harrison Township	\$2.6727	\$2.8819	\$2.7629	\$2.7131	\$2.7460
Locke Township	\$1.6386	\$1.5894	\$1.5466	\$1.5118	\$1.4638
Nappanee City - Locke Township	\$3.5309	\$3.5085	\$3.4314	\$3.3943	\$3.3803
Olive Township	\$1.7801	\$1.7445	\$1.6945	\$1.6580	\$1.6111
Wakarusa Town - Olive Township	\$2.6682	\$2.8741	\$2.7562	\$2.7128	\$2.7463
Union Township	\$1.9560	\$1.8963	\$1.8084	\$1.7549	\$1.7115
Nappanee City - Union Township	\$3.4987	\$3.4760	\$3.3985	\$3.3624	\$3.3486
Goshen City - Harrison Township	\$3.1970	\$3.1685	\$3.1368	\$3.0991	\$3.0765
Kosciusko County:					
Jefferson Township, West	\$1.7548	\$1.6834	\$1.5939	\$1.4921	\$1.4358
Scott Township	\$1.4011	\$1.3506	\$1.2992	\$1.2344	\$1.1854
Nappanee City - Jefferson Township	\$3.4176	\$3.3985	\$3.3166	\$3.1376	\$3.1224

(1) The Amended Taxable General Obligation Pension Bonds of 2002 matured on January 5, 2018.

(2) Includes tax rates of overlapping taxing units.

Source: DLGF Certified Budget Orders for the School Corporation.

PROPERTY TAXES LEVIED AND COLLECTED

Collection Year	Certified Taxes Levied	Circuit Breaker Tax Credit (1)	Certified Taxes Levied Net of Circuit Breaker Tax Credit	Taxes Collected	Collected as Percent of Gross Levy	Collected as Percent of Net Levy
2013	\$9,417,210	(\$618,868)	\$8,798,342	\$8,798,102	93.43%	100.00%
2014	10,096,607	(701,450)	9,395,157	9,265,916	91.77%	98.62%
2015	9,577,922	(581,508)	8,996,414	9,167,821	95.72%	101.91%
2016	9,654,622	(504,826)	9,149,796	9,011,624	93.34%	98.49%
2017	9,910,151	(618,539)	9,291,612	9,147,903	92.31%	98.45%
2018	9,612,606	(471,301)	9,141,305	(.....In Process of Collections.....)		

Source: The Elkhart County County Auditor's Office and the DLGF Certified Budget Orders for the School Corporation.

(1) Circuit Breaker Tax Credits allocable to the School Corporation per the DLGF.

Indiana Code 6-1.1-20.6 (the "Statute") provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit ("Circuit Breaker Tax Credit").

Property taxes for residential homesteads are limited to 1.0% of the gross assessed value of the homestead; property taxes for agricultural, other residential property and long term care facilities are limited to 2.0% of their gross assessed value; and property taxes for all other real and personal property are limited to 3.0% of gross assessed value. Additional property tax limits have been made available to certain senior citizens. School corporations are authorized to impose a referendum tax levy to replace property tax revenue that the school corporation will not receive due to the Circuit Breaker Tax Credit. Other political subdivisions may not increase their property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

If a school corporation has sufficient Circuit Breaker Tax Credit losses (at least ten percent of its transportation fund levy for 2017 and 2018, or operations fund levy after 2018), and such losses are timely certified by the DLGF, it becomes an eligible school corporation under IC 6-1.1-20.6-9.9 and may allocate its Circuit Breaker Tax Credit loss proportionately for 2016, 2017, 2018 and 2019 across all school corporation property tax supported funds, including the debt service fund, thereby being exempted from the protected taxes requirement as described below (an "Eligible School Corporation"). However, in 2017, 2018 or 2019, if a school corporation: (i) issues new bonds or enters into a new lease rental agreement for which the school corporation is imposing or will impose a debt service levy other than: (A) to refinance or renew prior bond or lease rental obligations existing before January 1, 2017; or (B) for indebtedness that is approved in a local public question or referendum under I.C. 6-1.1-20 or any other law; and (ii) the school corporation's debt service levy in 2018 or 2019 is greater than the school corporation's debt service tax rate in 2016, the school corporation will not be an Eligible School Corporation even if it would otherwise qualify. This School Corporation is not expected to have sufficient losses to qualify as an Eligible School Corporation in 2018.

Except for an Eligible School Corporation, the Statute categorizes property taxes levied to pay Debt Service Obligations as "protected taxes," regardless of whether the property taxes were approved at a referendum, and all other property taxes as "unprotected taxes." The total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined without applying the Circuit Breaker Tax Credit. The application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund. The School Corporation may allocate the reduction by using a combination of unprotected taxes of the political subdivision in those taxing districts in which the Circuit Breaker Tax Credit caused a reduction in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

LARGE TAXPAYERS

The following is a list of the ten largest taxpayers located within the School Corporation.

<u>Name</u>	<u>Type of Business</u>	<u>2017/2018 Net Assessed Valuation</u>	<u>Percent of Total Net Assessed Valuation (1)</u>
Thor Wakarusa LLC (2)	Mfr. recreational vehicles	\$24,699,990	2.38%
Newmar Corporation/Dutch Real Estate (2)	Mfr. recreational vehicles	15,911,410	1.54%
Northern Indiana Public Service Co. (2)	Gas and electric utility	13,645,560	1.32%
Kountry Wood Products LLC/ Dutch Country Holdings LLC/ Nappanee Investment Properties LLC (2)	Mfr. Cabinets / Developer	11,996,440	1.16%
Air Investments LLC/Beer & Slabaugh Inc/ Northern Lakes Investment Inc (2)	Developer	11,014,520	1.06%
Fairmont Homes, Inc.	Mfr. mobile homes	8,705,360	0.84%
Culhane Investments Indiana LLC (2)	Developer	7,539,200	0.73%
Forest River, Inc. (2)	Mfr. recreational vehicles	7,145,100	0.69%
WC Wakarusa LLC/ Millers Merry Manor/ MHS Heritage House LLC (2)	Nursing Home/Assisted Living	6,926,710	0.67%
CMH Manufacturing West Inc. (2)	Mfr. gravity die casting machines	<u>5,709,460</u>	<u>0.55%</u>
Totals		<u><u>\$113,293,750</u></u>	<u><u>10.93%</u></u>

(1) The total net assessed valuation of the School Corporation is \$1,036,432,379 for taxes payable in 2018, according to the Elkhart County Auditor's office.

(2) Located in a tax increment allocation area; therefore, all or a portion of the taxes are captured as TIF and not distributed to individual taxing units.

Source: County Auditor's office and the DLGF. Individual parcel data is submitted by the County Auditor to the DLGF once a year for preparation of the county abstract.

Note: The following financial statements on pages A-20 - A-21 are excerpts from the School Corporation's audit report for the years ended June 30, 2015 and 2016, of the Indiana State Board of Accounts. Consequently, these schedules do not include all disclosures required by generally accepted accounting principles. A complete audit will be furnished upon request. <http://www.in.gov/sboa/resources/reports/audit/>.

WA-NEE COMMUNITY SCHOOLS

STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES

REGULATORY BASIS

For the Years Ended June 30, 2015 and 2016.

	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$4,002,432	\$19,120,798	\$19,083,904		\$4,039,326	\$18,961,926	\$19,630,589		\$3,370,663
Debt Service	1,315,609	4,829,470	4,728,552	6,604	1,423,131	4,615,888	4,715,393	75,102	1,398,728
Retirement/Severance Bond Debt Service	45,567	309,988	276,392		79,163	298,727	276,375		101,515
Capital Projects	3,915,877	2,711,473	2,482,426	27,068	4,171,992	2,747,376	2,628,302	3	4,291,069
School Transportation	1,199,811	2,060,049	1,741,345	4,077	1,522,592	2,166,969	1,741,236	(192,239)	1,756,086
School Bus Replacement	374,239	360,863	374,535	1,000	361,567	380,643	819,340	4,000	(73,130)
Rainy Day	2,450,139				2,450,139	85,810		200,000	2,735,949
Retirement/Severance Bond	15,494	27	7,898		7,623	8	6,587		1,044
Construction	83,972				83,972			(83,972)	0
Construction Project #1	4,849		4,849						0
Construction Project #2	230,783		230,783						0
Construction Project #3	0		956,175	2,000,000	1,043,825		1,043,825		0
Construction Project #4	0						497,304	1,992,800	1,495,496
School Lunch	464,866	1,325,401	1,326,868		463,399	1,231,880	1,501,120		194,159
Textbook Rental	64,914	255,731	468,036	9,734	(137,657)	269,442	279,969	8,870	(139,314)
Self-Insurance	2,446,504	2,662,375	2,847,004		2,261,875	3,024,089	2,797,248		2,488,716
Levy Excess	77	1,760		(77)	1,760			(1,760)	0
Educational License Plates	580	281			861	281			1,142
Alternative Education	35,535	10,050	17,630		27,955	9,912	21,307		16,560
Early Intervention Grant	(25,624)	55,071	29,447			31,499	25,907		5,592
Miscellaneous Programs	10,588	21			10,609	20			10,629
Gifted & Talented	15,209	38,028	43,607		9,630	38,298	44,319		3,609
Medicaid Reimbursement	2,443	4,289	5,005		1,727	6,839	1,849		6,717
Secured Schools Safety Grant	(5,011)	14,205	13,191		(3,997)	51,466	52,169		(4,700)
Non-English Speaking Programs	6,635	17,406	24,041			32,007	28,051		3,956
School Technology	56,037	27,148	7,730		75,455	21,112	14,970		81,597
Innovative School Improvement Grant	(401)	401							0
Senator David Ford Technology	0	134,982	148,018		(13,036)	28,248	15,213		(1)
13-14 Title I Grant	(18,137)	206,461	188,325		(1)				(1)
14-15 Title I Grant	0	444,941	478,563		(33,622)	283,233	249,613		(2)
15-16 Title I Grant	0					423,846	451,635		(27,789)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(4,413)	4,413	1,373		(1,373)	1,373			0
13-14 PL 101-476 IDEA Grant	49,503	21,400	70,903						0
14-15 PL 101-476 IDEA Grant	0	338,359	561,737		(223,378)	289,449	66,070		1
15-16 PL 101-476 IDEA Grant	0					260,675	571,570		(310,895)
Medicaid Reimbursement - Federal	23,004	7,828	2,835		27,997	12,481	5,629		34,849
Improving Teacher Quality, No Child Left, Title II, Part A	(10,014)	154,236	150,925		(6,703)	99,261	107,526		(14,968)
Title III - English Proficiency Migrant	(3,311)	31,566	42,457		(14,202)	32,933	22,722		(3,991)
Prepaid Accounts	0					34,451			34,451
Payroll	24,870	4,565,196	4,565,844		24,222	4,630,626	4,624,071		30,777
Totals	\$16,772,626	\$39,714,217	\$40,880,398	\$2,048,406	\$17,654,851	\$40,070,768	\$42,239,909	\$2,002,804	\$17,488,514

(Continued on next page)

The following schedules on pages 21 - 28 contain limited and unaudited financial information which is presented solely for the purpose of conveying a statement of cash and investment balances for the School Corporation. Consequently, these schedules do not include all disclosures required by generally accepted accounting principles. Current reports are available at <http://www.doe.in.gov/finance/school-financial-reports>

WA-NEE COMMUNITY SCHOOLS

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>GENERAL FUND</u>				
Receipts:				
Tuition	\$220,486	\$216,522	\$191,214	\$48,405
Earnings on Investments	40,289	72,557	164,467	165,039
School Corporation Activities	103,093	93,722	66,872	19,727
Other Revenue from Local Sources	29,947	26,151	33,752	10,183
Revenue from Intermediate Sources	631	441	251	220
Revenue from State Sources	18,610,195	18,845,586	18,906,470	9,465,713
Other Items	11,421	39,206	70,569	27,164
Total Receipts	<u>19,016,061</u>	<u>19,294,185</u>	<u>19,433,595</u>	<u>9,736,452</u>
Expenditures:				
Instruction	13,733,056	14,197,571	12,884,956	6,629,122
Support Services	4,917,412	5,257,262	5,261,982	2,594,612
Community Services	378,605	400,090	399,054	212,607
Total Expenditures	<u>19,029,073</u>	<u>19,854,923</u>	<u>18,545,992</u>	<u>9,436,341</u>
Net Increase (Decrease) in Cash & Investments	(13,012)	(560,738)	887,602	300,111
Beginning Balance - January 1st	<u>3,194,417</u>	<u>3,181,405</u>	<u>2,620,667</u>	<u>3,508,269</u>
Ending Balance	<u><u>\$3,181,405</u></u>	<u><u>\$2,620,667</u></u>	<u><u>\$3,508,269</u></u>	<u><u>\$3,808,380</u></u>

Note: The anticipated December 31, 2018 ending balance for the General Fund is estimated to be approximately \$3,800,000.

The General Fund is the primary operating fund and is used to budget and account for all receipts and disbursements relative to the basic operation and basic programs of the School Corporation.

(Continued on next page)

WA-NEE COMMUNITY SCHOOLS

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>DEBT SERVICE FUND</u>				
Receipts:				
Local Property Tax	\$4,221,750	\$4,253,439	\$4,111,775	\$2,654,124
License Excise Tax	259,551	253,276	270,621	150,388
Commercial Vehicle Excise Tax	26,392	24,110	22,211	18,034
Financial Institutions Tax	29,205	32,290	27,609	12,839
Local Option Property Tax Replacement	129,203	133,066	72,384	50,533
Other Items	83,972			
Total Receipts	<u>4,750,073</u>	<u>4,696,181</u>	<u>4,504,601</u>	<u>2,885,919</u>
Expenditures:				
Principal on Debt	2,136,403	2,252,488	438,507	65,859
Lease Rental	2,577,000	2,577,000	4,118,000	2,061,500
Interfund Transfers	8,870	11,855	18,546	
Total Expenditures	<u>4,722,273</u>	<u>4,841,343</u>	<u>4,575,053</u>	<u>2,127,359</u>
Net Increase (Decrease) in Cash & Investments	27,800	(145,162)	(70,452)	758,561
Beginning Balance - January 1st	<u>1,388,551</u>	<u>1,416,351</u>	<u>1,271,189</u>	<u>1,200,738</u>
Ending Balance	<u>\$1,416,351</u>	<u>\$1,271,189</u>	<u>\$1,200,738</u>	<u>\$1,959,298</u>

The Debt Service Fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

(Continued on next page)

WA-NEE COMMUNITY SCHOOLS

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
			(1)	
<u>RETIREMENT/SEVERANCE BOND FUND</u>				
Receipts:				
Local Property Tax	\$353,167	\$223,217	\$161,246	
License Excise Tax	21,709	13,307	10,613	
Commercial Vehicle Excise Tax	2,206	1,266	871	
Financial Institutions Tax	2,453	1,704	1,083	
Local Option Property Tax Replacement				\$28,426
Total Receipts	<u>379,535</u>	<u>239,493</u>	<u>173,812</u>	<u>28,426</u>
Expenditures:				
Principal on Debt	275,000	136,189	414,013	
Interest on Debt	<u>4,091</u>			
Total Expenditures	<u>279,091</u>	<u>136,189</u>	<u>414,013</u>	
Net Increase (Decrease) in Cash & Investments	100,444	103,304	(240,201)	28,426
Beginning Balance - January 1st	<u>8,028</u>	<u>108,471</u>	<u>211,776</u>	<u>(28,426)</u>
Ending Balance	<u>\$108,471</u>	<u>\$211,776</u>	<u>(\$28,426)</u>	<u>\$0</u>

(1) The Amended Taxable General Obligation Pension Bonds of 2002 matured on January 5, 2018.

The Retirement/Severance Bond Fund accounts for debt service payments anticipated to be made on debt issued for unfunded payments for termination of employment or to pay postretirement or severance benefits.

(Continued on next page)

WA-NEE COMMUNITY SCHOOLS

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>CAPITAL PROJECTS FUND</u>				
Receipts:				
Local Property Tax	\$2,373,259	\$2,399,587	\$2,710,247	\$1,173,369
License Excise Tax	145,649	142,251	178,378	73,331
Commercial Vehicle Excise Tax	14,810	13,542	14,641	8,794
Financial Institutions Tax	16,389	18,134	18,198	8,464
Local Option Property Tax Replacement	72,503	74,715	72,383	46,215
Earnings on Investments	11,679	19,429	52,835	26,864
Other Revenue from Local Sources	3,562		12,923	2,442
Other Financing Sources		2,855	14,311	
Other Items		41,101	53,635	45
Total Receipts	<u>2,637,851</u>	<u>2,711,613</u>	<u>3,127,551</u>	<u>1,339,523</u>
Expenditures:				
Support Services	1,460,328	1,565,065	1,580,485	803,044
Facilities Acquisition and Construction	<u>1,477,345</u>	<u>506,302</u>	<u>945,912</u>	<u>296,181</u>
Total Expenditures	<u>2,937,673</u>	<u>2,071,367</u>	<u>2,526,398</u>	<u>1,099,226</u>
Net Increase (Decrease) in Cash & Investments	(299,822)	640,246	601,153	240,298
Beginning Balance - January 1st	<u>4,043,018</u>	<u>3,743,196</u>	<u>4,383,442</u>	<u>4,984,596</u>
Ending Balance	<u><u>\$3,743,196</u></u>	<u><u>\$4,383,442</u></u>	<u><u>\$4,984,596</u></u>	<u><u>\$5,224,894</u></u>

The Capital Projects Fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

(Continued on next page)

WA-NEE COMMUNITY SCHOOLS

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>TRANSPORTATION FUND</u>				
Receipts:				
Local Property Tax	\$1,865,586	\$1,809,236	\$1,826,206	\$1,106,256
License Excise Tax	114,491	107,254	120,194	69,139
Commercial Vehicle Excise Tax	11,643	10,210	9,866	8,291
Financial Institutions Tax	12,883	13,673	12,263	5,704
Local Option Property Tax Replacement	56,991	56,337	72,383	42,185
Transportation Fees	45,665	39,473	25,135	9,868
School Corporation Activities	3,766	8,005	13,878	6,882
Other Revenue from Local Sources	4,121	3,593	2,341	8,765
Interfund Transfers	77	1,760		
Disposal of Real/Personal Property	10,001			
Other Items	5,039	6,070	12,393	473
Total Receipts	<u>2,130,263</u>	<u>2,055,611</u>	<u>2,094,658</u>	<u>1,257,563</u>
Expenditures:				
Support Services	1,712,032	1,762,283	1,719,400	958,190
Facilities Acquisition and Construction	925			
Interfund Transfers		200,000		
Total Expenditures	<u>1,712,957</u>	<u>1,962,283</u>	<u>1,719,400</u>	<u>958,190</u>
Net Increase (Decrease) in Cash & Investments	417,306	93,328	375,258	299,373
Beginning Balance - January 1st	<u>1,231,463</u>	<u>1,648,769</u>	<u>1,742,097</u>	<u>2,117,355</u>
Ending Balance	<u>\$1,648,769</u>	<u>\$1,742,097</u>	<u>\$2,117,355</u>	<u>\$2,416,729</u>

The Transportation Fund accounts for financial resources for the transportation of school children to and from school.

(Continued on next page)

WA-NEE COMMUNITY SCHOOLS

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>TRANSPORTATION SCHOOL BUS REPLACEMENT FUND</u>				
Receipts:				
Local Property Tax	\$346,585	\$326,145	\$338,429	\$235,245
License Excise Tax	21,270	19,334	22,274	14,706
Commercial Vehicle Excise Tax	2,164	1,840	1,828	1,763
Financial Institutions Tax	2,393	2,464	2,272	1,063
Local Option Property Tax Replacement	10,588	10,154	72,383	46,215
Other Financing Sources	<u>4,000</u>			
Total Receipts	<u>387,000</u>	<u>359,937</u>	<u>437,187</u>	<u>298,993</u>
Expenditures:				
Support Services	<u>467,064</u>	<u>507,792</u>	<u>355,026</u>	
Total Expenditures	<u>467,064</u>	<u>507,792</u>	<u>355,026</u>	<u>0</u>
Net Increase (Decrease) in Cash & Investments	(80,064)	(147,855)	82,161	298,993
Beginning Balance - January 1st	<u>252,206</u>	<u>172,142</u>	<u>24,287</u>	<u>106,447</u>
Ending Balance	<u>\$172,142</u>	<u>\$24,287</u>	<u>\$106,447</u>	<u>\$405,440</u>

The Transportation School Bus Replacement Fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

(Continued on next page)

WA-NEE COMMUNITY SCHOOLS

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>RAINY DAY FUND</u>				
Receipts:				
Revenue from State Sources		\$85,810		
Interfund Transfer		200,000		
Total Receipts	<u>\$0</u>	<u>285,810</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:				
Support Services		5,543	22,140	23,910
Total Expenditures	<u>0</u>	<u>5,543</u>	<u>22,140</u>	<u>23,910</u>
Net Increase (Decrease) in Cash & Investments	0	280,267	(22,140)	(23,910)
Beginning Balance - January 1st	<u>2,450,139</u>	<u>2,450,139</u>	<u>2,730,406</u>	<u>2,708,266</u>
Ending Balance	<u>\$2,450,139</u>	<u>\$2,730,406</u>	<u>\$2,708,266</u>	<u>\$2,684,356</u>

Note: The anticipated December 31, 2018 ending balance for the Rainy Day Fund is estimated to be approximately \$2,690,000.

The School Corporation has created a Rainy Day Fund as allowed under IC 36-1-8-5.1 by adopting a resolution. The resolution of the School Corporation designates the purposes of the Rainy Day Fund and restrictions, if any, on the use of funds and allowable sources of funding.

(Continued on next page)

WA-NEE COMMUNITY SCHOOLS

(Cont'd)

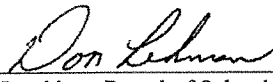
SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

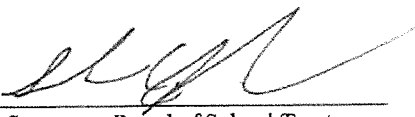
	Calendar Year			Six Months Ended
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>6/30/2018</u>
<u>OTHER FUNDS</u>				
Receipts:				
Revenues from Local Sources	\$3,856,702	\$4,078,580	\$3,718,246	\$1,823,950
Earnings on Investments	1,485	5,716	19,113	13,627
Revenues from State Sources	240,857	356,793	312,902	228,022
Revenues from Federal Sources	2,246,818	1,657,555	1,682,587	967,588
Revenues from Intermediate Sources	150	375	375	113
Other Financing Sources	1,993,251	7,000,585	9,520	
Interfund Transfers	8,870	25,595	20,160	
Other Items			2,061	19,447
Total Receipts	<u>8,348,134</u>	<u>13,125,199</u>	<u>5,764,964</u>	<u>\$3,052,746</u>
Expenditures:				
Support Services	790,415	773,684	767,324	249,372
Community Services	1,325,329	1,423,788	1,252,079	635,753
Facilities Acquisition and Construction	1,873,261	2,036,785	496,209	7,945
Instruction	1,193,541	1,176,810	1,011,886	501,202
Nonprogrammed Charges	3,060,585	2,281,407	2,327,318	1,304,280
Interfund Transfers	84,049	15,500	1,614	
Total Expenditures	<u>8,327,181</u>	<u>7,707,974</u>	<u>5,856,429</u>	<u>2,698,552</u>
Net Increase (Decrease) in Cash & Investments	20,953	5,417,225	(91,465)	\$354,194
Beginning Balance - January 1st	<u>4,450,191</u>	<u>4,471,145</u>	<u>9,888,369</u>	<u>9,796,904</u>
Ending Balance	<u>\$4,471,145</u>	<u>\$9,888,369</u>	<u>\$9,796,904</u>	<u>\$10,151,099</u>
 <u>GRAND TOTALS</u>				
Total Receipts	<u>\$37,648,917</u>	<u>\$42,768,029</u>	<u>\$35,536,368</u>	<u>\$18,599,622</u>
Total Expenditures	<u>37,475,312</u>	<u>37,087,413</u>	<u>34,014,451</u>	<u>16,343,577</u>
Net Increase (Decrease) in Cash & Investments	173,605	5,680,616	1,521,917	2,256,045
Beginning Balance - January 1st	<u>17,018,014</u>	<u>17,191,618</u>	<u>22,872,234</u>	<u>24,394,151</u>
Ending Balance	<u>\$17,191,618</u>	<u>\$22,872,234</u>	<u>\$24,394,151</u>	<u>\$26,650,196</u>

The School Corporation certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the School Corporation and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

This Official Statement and its execution are duly authorized.

WA-NEE COMMUNITY SCHOOLS

By: 
President, Board of School Trustees

Attest: 
Secretary, Board of School Trustees

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APPENDIX B

FINAL BOND RESOLUTION

WHEREAS, Wa-Nee Community Schools (the "Issuer" or "School Corporation") is a school corporation organized and existing under the provisions of Indiana Code § 20-23; and

WHEREAS, the Board of School Trustees (the "Board") finds that the present facilities of the School Corporation are not adequate to provide the proper educational environment of the students now attending or who will attend its schools; and

WHEREAS, the Board finds that there are not sufficient funds available or provided for in existing tax levies with which to pay the total cost of the (i) improvements to school facility sites, including paving (the "Paving Project"); and (ii) renovation of and improvements to school facilities relating to energy efficiency and savings (the "Energy Efficiency Project", and collectively with the Paving Project, the "Projects"), and that the School Corporation should issue bonds in an amount not to exceed Seven Million Seventy-Five Thousand Dollars (\$7,075,000) (the Bonds") for the purpose of providing funds to be applied on the cost of the Projects, and that bonds in such amount should now be authorized; and

WHEREAS, the School Corporation has determined that the total cost of each of the Paving Project and Energy Efficiency Project authorized herein will not exceed the lesser of: (i) \$5,000,000; or (ii) the greater of (a) one percent (1%) of the total gross assessed value of property within the School Corporation on the last assessment date, or (b) \$1,000,000 and, therefore, the bonds will not be issued to fund a controlled project, as defined in IC 6-1.1-20-1.1; and

WHEREAS, the Board finds that each of the aforementioned Projects will not total more than \$5,000,000 of total costs per facility; and

WHEREAS, the net assessed valuation of taxable property in the School Corporation, as shown in the last final and complete assessment which was made in the year 2019 for state and county taxes collectible in the year 2020 is \$1,110,072,458 and there is \$325,000 of outstanding indebtedness of the School Corporation for constitutional debt purposes (excluding the Bonds authorized herein); such assessment and outstanding indebtedness amounts shall be verified at the time of the payment for and delivery of the Bonds; now, therefore,

BE IT RESOLVED by the Board of the Issuer that, for the purpose of obtaining funds to be applied on the cost of the Projects, there shall be issued and sold the Bonds of the School Corporation to be designated as "General Obligation Bonds of 2018" (or such other name or series designation as determined by the School Corporation's municipal advisor). The Bonds shall be in a principal amount not to exceed Seven Million Seventy-Five Thousand Dollars (\$7,075,000), bearing interest at a rate or rates not exceeding five percent (5.00%) per annum (the exact rate or rates to be determined by bidding), which interest shall be payable on July 15, 2019, and semi-annually thereafter on January 15 and July 15 in each year. Interest on the Bonds shall be calculated according to a 360-day year containing twelve 30-day months. The Bonds shall be numbered consecutively from R-1 upward, fully registered in the denomination of Five Thousand Dollars (\$5,000) or integral multiples thereof (or other denominations as requested by the winning bidder), and shall mature or be subject to mandatory redemption on

January 15 and July 15 beginning no earlier than July 15, 2019 through no later than January 15, 2025.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the successful bidder. Such term bonds shall have a stated maturity or maturities as determined by the successful bidder or by negotiation with the purchaser, but in no event later than the last serial date of the Bonds as determined in accordance with the above paragraph. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on dates and in the amounts hereinafter determined in accordance with the above paragraph.

The original date shall be the date of delivery of the Bonds. The authentication certificate shall be dated when executed by The Bank of New York Mellon Trust Company, N.A., as registrar and paying agent (the "Paying Agent" or "Registrar").

Interest shall be paid from the interest payment date to which interest has been paid next preceding the date of authentication unless the bond is authenticated on or before the fifteenth day immediately preceding the first interest payment date, in which case interest shall be paid from the original date, or unless the Bond is authenticated after the fifteenth day immediately preceding an interest payment date and on or before such interest payment date, in which case interest shall be paid from such interest payment date.

Interest and principal shall be payable as described in the Bonds.

The Bonds are transferable by the registered owner at the corporate trust operations office of the Paying Agent upon surrender and cancellation of a Bond and on presentation of a duly executed written instrument of transfer, and thereupon a new Bond or Bonds of the same aggregate principal amount and maturity and in authorized denominations will be issued to the transferee or transferees in exchange therefor. The Bonds may be exchanged upon surrender at the corporate trust operations office of the Registrar and Paying Agent, duly endorsed by the registered owner for the same aggregate principal amount of bonds of the same maturity in authorized denominations as the owner may request. The cost of such transfer or exchange shall be paid by the Issuer.

In the event any Bond is mutilated, lost, stolen, or destroyed, the School Corporation may execute and the Paying Agent may authenticate a new Bond of like date, maturity, and denomination as that mutilated, lost, stolen, or destroyed, which new Bond shall be marked in a manner to distinguish it from the Bond for which it was issued, provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Paying Agent, and in the case of any lost, stolen, or destroyed Bond there shall be first furnished to the Paying Agent evidence of such loss, theft, or destruction satisfactory to the School Corporation and the Paying Agent, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the School Corporation and the Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The School Corporation and the Paying Agent may charge the owner of such Bond with their reasonable fees and expenses in connection with delivering the new Bond. Any Bond issued pursuant to this paragraph shall be deemed an original, substitute contractual obligation of the

School Corporation, whether or not the lost, stolen, or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this resolution, equally and proportionately with any and all other Bonds issued hereunder.

The Issuer agrees that it will deposit with the Paying Agent funds in an amount equal to the principal of, premium, if any, and interest on the Bonds which shall become due in accordance with the terms of the Paying Agent Agreement (as hereinafter defined).

The form of the Registrar and Paying Agent Agreement (the "Paying Agent Agreement") presented to the Board is hereby approved and any officers of the Board of the School Corporation are authorized and directed to execute the Paying Agent Agreement after the sale of the Bonds.

Notwithstanding any other provision of this Resolution, the Issuer will enter into the Paying Agent Agreement with the Paying Agent in which the Paying Agent agrees that upon any default or insufficiency in the payment of principal and interest as provided in the Paying Agent Agreement, the Paying Agent will immediately, without any direction, security or indemnity file a claim with the Treasurer of the State of Indiana for an amount equal to such principal and interest in default and consents to the filing of any such claim by a Bondholder in the name of the Paying Agent for deposit with the Paying Agent. Filing of the claim with the Treasurer of the State of Indiana, as described above, shall occur on the dates set forth in the Paying Agent Agreement.

If required by the successful bidder, the Issuer has hereby authorized the Bonds may be held by a central depository system pursuant to an agreement between the Issuer and The Depository Trust Company, and have transfers of the Bonds effected by book-entry on the books of the central depository system (unless otherwise requested by the winning bidder). Upon initial issuance, the ownership of such Bonds is expected to be registered in the register kept by the Registrar in the name of CEDE & CO., as nominee (the "Nominee") of The Depository Trust Company ("DTC"). However, upon the successful bidder's request, the Bonds may be delivered and held by physical delivery as an alternative to DTC.

With respect to the Bonds registered in the register kept by the Paying Agent in the name of the Nominee, the Issuer and the Paying Agent shall have no responsibility or obligation to any other holders or owners (including any beneficial owner ("Beneficial Owner") of the Bonds with respect to (i) the accuracy of the records of DTC, the Nominee., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any Bondholder (including any Beneficial Owner) or any other person, other than DTC, of any notice with respect to the Bonds including any notice of redemption, or (iii) the payment to any Bondholder (including any Beneficial Owner) or any other person, other than DTC, of any amount with respect to the principal of, or premium, if any, or interest on the Bonds except as otherwise provided herein.

No person other than DTC shall receive an authenticated Bond evidencing an obligation of the Issuer to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to this Resolution. The Issuer and the Paying Agent may treat as and deem DTC or the Nominee to be the absolute Bondholder of each of the Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such Bonds; (ii) giving notices of

redemption and other notices permitted to be given to Bondholders with respect to such Bonds; (iii) registering transfers with respect to such Bonds; (iv) obtaining any consent or other action required or permitted to be taken of or by Bondholders; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective fully to satisfy and discharge the Issuer's and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new Nominee in place of the Nominee, and subject to the provisions herein with respect to consents, the words "CEDE & CO." in this resolution shall refer to such new Nominee of DTC. Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to DTC as provided in a representation letter from the Issuer to DTC.

Upon receipt by the Issuer of written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Bonds shall no longer be restricted to being registered in the register of the Issuer kept by the Paying Agent in the name of the Nominee, but may be registered in whatever name or names the Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this resolution.

If the Issuer determines that it is in the best interest of the Bondholders that they be able to obtain certificates for the fully registered Bonds, the Issuer may notify DTC and the Paying Agent, whereupon DTC will notify the Beneficial Owners of the availability through DTC of certificates for the Bonds. In such event, the Paying Agent shall prepare, authenticate, transfer and exchange certificates for the Bonds as requested by DTC and any Beneficial Owners in appropriate amounts, and whenever DTC requests the Issuer and the Paying Agent to do so, the Paying Agent and the Issuer will cooperate with DTC by taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the fully registered Bonds of any Beneficial Owner's DTC account or (ii) to arrange for another securities depository to maintain custody of certificates for and evidencing the Bonds.

If the Bonds shall no longer be restricted to being registered in the name of a depository trust company, the Paying Agent shall cause the Bonds to be printed in blank in such number as the Paying Agent shall determine to be necessary or customary; provided, however, that the Paying Agent shall not be required to have such Bonds printed until it shall have received from the Issuer indemnification for all costs and expenses associated with such printing.

In connection with any notice or other communication to be provided to Bondholders by the Issuer or the Paying Agent with respect to any consent or other action to be taken by Bondholders, the Issuer or the Paying Agent, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

So long as the Bonds are registered in the name of DTC or the Nominee, or any substitute nominee, the Issuer and the Paying Agent shall be entitled to request and to rely upon a certificate or other written representation from the Beneficial Owners of the Bonds or from DTC on behalf of such Beneficial Owners stating the amount of their respective beneficial ownership interests in the Bonds and setting forth the consent, advice, direction, demand or vote of the Beneficial Owners as of a record date selected by the Paying Agent and DTC, to the same extent as if such consent, advice, direction, demand or vote were made by the Bondholders for purposes of this resolution and the Issuer and the Paying Agent shall for such purposes treat the Beneficial Owners as the Bondholders. Along with any such certificate or representation, the Paying Agent may request DTC to deliver, or cause to be delivered, to the Paying Agent a list of all Beneficial Owners of the Bonds, together with the dollar amount of each Beneficial Owner's interest in the Bonds and the current addresses of such Beneficial Owners.

The Paying Agent may at any time resign as Paying Agent by giving thirty (30) days written notice to the Issuer and to each registered owner of the Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Paying Agent by the School Corporation. Such notice to the Issuer may be served personally or be sent by first-class or registered mail. The Paying Agent may be removed at any time as Paying Agent by the Issuer, in which event the Issuer may appoint a successor Paying Agent. The Paying Agent shall notify each registered owner of the Bonds then outstanding of the removal of the Paying Agent. Notices to registered owners of the Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the Registration Record. Any predecessor Paying Agent shall deliver all the Bonds, cash and investments related thereto in its possession and the Registration Record to the successor Paying Agent. At all times, the same entity shall serve as registrar and paying agent.

In order to provide for the payment of the principal of and interest on the Bonds, there shall be levied in each year upon all taxable property in the School Corporation, real and personal, and collected a tax in an amount and in such manner sufficient to meet and pay the principal of and interest on the Bonds as they become due, and the proceeds of this tax are hereby pledged solely to the payment of the Bonds. Such tax shall be deposited into the School Corporation's Debt Service Fund and used to pay the principal of and interest on the Bonds, when due, together with any fiscal agency charges. If the funds deposited into the Debt Service Fund are then insufficient to meet and pay the principal of and interest on the Bonds as they become due, then the School Corporation covenants to transfer other available funds of the School Corporation to meet and pay the principal and interest then due on the Bonds.

The School Corporation represents and covenants that the Bonds herein authorized, when combined with other outstanding indebtedness of the School Corporation at the time of issuance of the Bonds, will not exceed any applicable constitutional or statutory limitation on the School Corporation's indebtedness.

The Bonds are not subject to optional redemption prior to maturity.

If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for any term bonds, and corresponding mandatory redemption obligation, in the order determined by the School Corporation, any term bonds maturing on the

same date which have previously been redeemed (other than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each term bond so delivered or canceled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date as stated above.

Each Five Thousand Dollars (\$5,000) (or other denominations as requested by the successful bidder, as permitted by law) principal amount shall be considered a separate Bond for purposes of redemption. If less than an entire maturity is called for redemption, the Bonds to be called shall be selected by lot by the Registrar.

Notice of redemption shall be mailed to the address of the registered owner as shown on the Registration Records of the Paying Agent, as of the date which is forty-five (45) days prior to the date fixed for redemption, not less than thirty (30) days prior to such redemption date, unless notice is waived by the owner of the Bond or Bonds redeemed. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the School Corporation. Interest on the Bonds so called for redemption shall cease and the Bonds will no longer be deemed outstanding under this resolution on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price, including accrued interest and redemption premium, if any, to the redemption date, on the date so named. Failure to give such notice by mailing, or any defect in such notice, with respect to any Bond shall not affect the validity of any proceedings for redemption of other Bonds.

If the Bonds are not presented for payment or redemption on the date fixed therefor, the School Corporation may deposit in trust with the Paying Agent, an amount sufficient to pay such Bond or the redemption price, as the case may be, including accrued interest to the date of such payment or redemption, and thereafter the registered owner shall look only to the funds so deposited in trust with the Paying Agent for payment, and the School Corporation shall have no further obligation or liability in respect thereto.

If, when the Bonds or any portion thereof shall have become due and payable in accordance with their terms, and the whole amount of the principal and the interest so due and payable upon such Bonds or any portion thereof then outstanding shall be paid, or (i) cash, or (ii) direct non-callable obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, the principal of and the interest on which when due without reinvestment will provide sufficient money, or (iii) any combination of the foregoing, shall be held irrevocably in trust for such purpose, and provision shall also be made for paying all fees and expenses for the payment, then and in that case the Bonds or such designated portion thereof shall no longer be deemed outstanding or secured by this resolution.

The Bonds shall be executed in the name of Issuer by the manual or facsimile signature of any member of the Board of the School Corporation, and attested by the manual or facsimile signature of any member of the Board. In case any official whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the issuance, authentication or delivery of such Bonds, such signature or such facsimile shall, nevertheless, be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

No Bond shall be valid or obligatory for any purpose, unless and until authenticated by the Paying Agent. Such authentication may be executed by an authorized representative of the Paying Agent, but it shall not be necessary that the same person authenticate all of the Bonds issued. The Issuer and the Paying Agent may deem and treat the person in whose name a bond is registered on the Bond Registration as the absolute owner thereof for all purposes, notwithstanding any notice to the contrary.

In order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, the Issuer represents, covenants and agrees that:

(a) No person or entity, other than the Issuer or another governmental unit, will use proceeds of the Bonds or property financed by the bond proceeds other than as a member of the general public. No person or entity, other than the Issuer or another governmental unit, will own property financed by bond proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

(b) No Bond proceeds will be loaned to any entity or person. No bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the bond proceeds.

(c) The Issuer will, to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, rebate all required arbitrage profits on Bond proceeds or other moneys treated as Bond proceeds to the federal government as provided in Section 148 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code") and will set aside such moneys in a Rebate Account to be held by the Treasurer in trust for such purpose.

(d) The Issuer will file an information report form 8038-G with the Internal Revenue Service as required by Section 149 of the Code.

(e) The Issuer will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103

paid. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Interest on this bond is payable by check mailed one business day prior to the interest payment date to registered owners or by wire transfer of immediately available funds on the interest payment date to depositories shown as registered owners. Payment shall be made to the person or depository in whose name this bond is registered on the fifteenth day preceding such interest payment date. Principal of this bond is payable by check upon presentation at the corporate trust operations office of The Bank of New York Mellon Trust Company, N.A., in the City of East Syracuse, New York, or by wire transfer of immediately available funds to depositories. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Trustee shall wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).

This Bond is one of an issue of bonds aggregating Seven Million Seventy-Five Thousand Dollars (\$7,075,000), of like tenor and effect, except as to numbering, authentication date, denomination, interest rate, and date of maturity, issued by Issuer pursuant to a resolution adopted by the Board of School Trustees of the Issuer on September 24, 2018, as supplemented on October 22, 2018 (as supplemented, the "Resolution"), and in strict accordance with the governing statutes of the State of Indiana, particularly Indiana Code § 20-48-1 (the "Act"), for the purpose of providing funds to be applied on the cost of the (i) improvements to school facility sites, including paving; and (ii) renovation of and improvements to school facilities relating to energy efficiency and savings. The owner of this Bond, by the acceptance thereof, agrees to all the terms and provisions contained in the Resolution and the Act.

This Bond is not subject to optional redemption prior to maturity.

[The Bonds are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus accrued interest to the date of redemption on January 15 and July 15 in accordance with the following schedules:

<u>Bonds Maturing</u>		<u>Bonds Maturing</u>	
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
	*		*

***Denotes Final Maturity**

Notice of redemption identifying the Bonds to be redeemed will be mailed to the registered owners of bonds to be redeemed.]

If this Bond is called for redemption, and payment is made to the Registrar and Paying Agent in accordance with the terms of the Resolution, this Bond shall cease to bear interest from and after the date fixed for the redemption in the call.

This Bond shall be initially issued in a Book Entry System (as defined in the Resolution). The provisions of this Bond and of the Resolution are subject in all respects to the provisions of the Letter of Representations between the Issuer and The Depository Trust Company, or any substitute agreement, effecting such Book Entry System.

This Bond is transferable in accordance with the Book Entry System or, if no such system is in effect, by the Registered Owner hereof at the corporate trust operations office of the Registrar and Paying Agent, upon surrender and cancellation of this Bond and on presentation of a duly executed written instrument of transfer and thereupon a new Bond or Bonds of the same aggregate principal amount and maturity and in authorized denominations will be issued to the transferee or transferees in exchange therefor. This Bond may be exchanged upon surrender hereof at the corporate trust operations office of the Registrar and Paying Agent, duly endorsed by the Registered Owner for the same aggregate principal amount of Bonds of the same maturity in authorized denominations as the owner may request.

The Issuer and the Registrar and Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof.

PURSUANT TO THE PROVISIONS OF THE ACT AND THE RESOLUTION, THE PRINCIPAL OF THIS BOND AND ALL OTHER BONDS OF THE BOND ISSUE AND THE INTEREST DUE THEREON ARE PAYABLE AS A LIMITED GENERAL OBLIGATION OF THE SCHOOL CORPORATION, FROM AD VALOREM PROPERTY TAXES TO BE LEVIED ON ALL TAXABLE PROPERTY WITHIN THE SCHOOL CORPORATION; HOWEVER, THE ISSUER'S COLLECTION OF THE LEVY MAY BE LIMITED BY OPERATION OF INDIANA CODE 6-1.1-20.6 WHICH PROVIDES TAXPAYERS WITH TAX CREDITS FOR PROPERTY TAXES ATTRIBUTABLE TO DIFFERENT CLASSES OF PROPERTY IN AN AMOUNT THAT EXCEEDS CERTAIN PERCENTAGES OF THE GROSS ASSESSED VALUE OF THAT PROPERTY. UPON THE FAILURE OF THE ISSUER TO MAKE DEBT SERVICE WHEN DUE AND UPON NOTICE AND CLAIM, THE INTERCEPT PROVISIONS OF INDIANA CODE 20-48-1-11 WILL APPLY.

This bond shall not be valid or become obligatory for any purpose until authenticated by the Registrar and Paying Agent.

The Issuer has designated this Bond a qualified tax exempt obligation for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended to the Original Date of the Bonds.

IN WITNESS WHEREOF, Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of the President of its Board of School Trustees attested by the manual or facsimile signature of the Secretary of the Board.

WA-NEE COMMUNITY SCHOOLS

By: _____
President, Board of School Trustees

Attest:

Secretary, Board of School Trustees

CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds referred to in the within mentioned Resolution.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Registrar and
Paying Agent

By: _____
Authorized Representative

[END OF BOND FORM]

BE IT FURTHER RESOLVED that prior to the sale of the Bonds at public sale, notice of such sale shall be published once each week for two (2) weeks in the Wakarusa Tribune, Advance News, and in the Court & Commercial Record. The first of said publications to be at least fifteen (15) days prior to the date fixed for the sale of the Bonds and the last at least three (3) days prior. At the time fixed for the opening of bids, the Board or its designated committee shall meet, all bids shall be opened in the presence of the Board or such committee, and the award shall be made by the Board or such committee.

The bond sale notice, when published, shall provide that each bid shall be in a sealed envelope marked "Bid for General Obligation Bonds of 2018," and the successful bidder shall provide a certified or cashier's check in the amount of Seventy Thousand Seven Hundred Fifty Dollars (\$7,075,000), payable to Issuer, to insure the good faith of the bidder. In the event the successful bidder shall fail or refuse to accept delivery of the Bonds when ready for delivery, said check and the proceeds thereof shall be retained by the School Corporation as its liquidated damages. Said notice shall also provide that bidders for the Bonds shall name the purchase price for the Bonds, not less than 99.50% of par and the rate or rates of interest which the Bonds are to bear, not exceeding five percent (5.00%) per annum; that said interest rate or rates shall be in multiples of 1/8th or 1/100th of one percent (1%); that the interest rate named for any maturity

shall be equal to or greater than the immediately preceding maturity; and that the highest bidder shall be the one who offers the lowest net interest cost to the Issuer, to be determined by computing the total interest on all of the Bonds to their maturities and deducting therefrom the premium bid, if any, or adding the discount bid, if any. The bond sale notice shall state that the opinion of Ice Miller LLP, bond counsel, approving the legality of the Bonds, will be furnished to the purchaser at the expense of the School Corporation, so that the School Corporation will receive due credit therefor in the bidding. The notice may contain such other terms and conditions as the attorney for the Issuer shall deem advisable.

Scot Croner, Randi Libby and a representative of H.J. Umbaugh & Associates, Certified Public Accountants, LLP are appointed as a bid committee and are authorized to award the Bonds to the buyer consistent with this resolution.

Subject to the terms and provisions contained in this paragraph and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption by the School Corporation of such resolution or resolutions supplemental hereto as shall be deemed necessary or desirable by the School Corporation for the purpose of amending in any particular any of the terms or provisions contained in this Resolution, or in any supplemental resolution; provided, however, that nothing herein contained shall permit or be construed as permitting without the consent of all affected owners of the Bonds:

- (a) An extension of the maturity of the principal of or interest on any Bond without the consent of the holder of each Bond so affected; or
- (b) A reduction in the principal amount of any Bond or the rate of interest thereon or a change in the monetary medium in which such amounts are payable, without the consent of the holder of each Bond so affected; or
- (c) A preference or priority of any Bond over any other Bond, without the consent of the holders of all Bonds then outstanding; or
- (d) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution, without the consent of the holders of all Bonds then outstanding.

If the School Corporation shall desire to obtain any such consent, it shall cause the Registrar to mail a notice, postage prepaid, to the addresses appearing on the Registration Record. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that a copy thereof is on file at the office of the Registrar for inspection by all owners of the Bonds. The Registrar shall not, however, be subject to any liability to any owners of the Bonds by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental resolution when consented to and approved as herein provided.

Whenever at any time within one year after the date of the mailing of such notice, the School Corporation shall receive any instrument or instruments purporting to be executed by the owners of the Bonds of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate

principal amount of the Bonds then outstanding, which instrument or instruments shall refer to the proposed supplemental resolution described in such notice, and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice as on file with the Registrar, thereupon, but not otherwise, the School Corporation may adopt such supplemental resolution in substantially such form, without liability or responsibility to any owners of the Bonds, whether or not such owners shall have consented thereto.

No owner of any Bond shall have any right to object to the adoption of such supplemental resolution or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the School Corporation or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental resolution pursuant to the provisions of this section, this Resolution shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the School Corporation and all owners of Bonds then outstanding shall thereafter be determined, exercised and enforced in accordance with this Resolution, subject in all respects to such modifications and amendments.

Notwithstanding anything contained in the foregoing provisions of this Resolution, the rights, duties and obligations of the School Corporation and of the owners of the Bonds, and the terms and provisions of the Bonds and this Resolution, or any supplemental resolution, may be modified or amended in any respect with the consent of the School Corporation and the consent of the owners of all the Bonds then outstanding.

Without notice to or consent of the owners of the Bonds, the School Corporation may, from time to time and at any time, adopt such resolutions supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental resolutions shall thereafter form a part hereof),

- (a) to cure any ambiguity or formal defect or omission in this Resolution or in any supplemental resolution; or
- (b) to grant to or confer upon the owners of the Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds; or
- (c) to procure a rating on the Bonds from a nationally recognized securities rating agency designated in such supplemental resolution, if such supplemental resolution will not adversely affect the owners of the Bonds; or
- (d) to provide for the refunding or advance refunding of the Bonds; or
- (e) to make any other change which, in the determination of the Board in its sole discretion, is not to the prejudice of the owners of the Bonds.

If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

All resolutions, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed or amended.

This resolution shall be in full force and effect immediately upon its passage and signing by any officers of the Board.

BE IT FURTHER RESOLVED, that the form of the Second Supplement to the Master Continuing Disclosure Undertaking (the "Undertaking") is hereby approved and the officers are authorized and directed to execute such Undertaking and any and all documents necessary to issue and deliver the Bonds including but not limited to a bond purchase agreement or bond placement agreement.

BE IT FURTHER RESOLVED, that the officers of the Board have full authority to execute any and all documents necessary to issue the Bonds.

Passed and Adopted this 22nd day of October, 2018.

President, Board of School Trustees

ATTEST:

Secretary, Board of School Trustees

APPENDIX C

November 20, 2018

Fifth Third Securities, Inc.
Cincinnati, Ohio

Re: Wa-Nee Community Schools
General Obligation Bonds of 2018
Total Issue: \$7,075,000
Original Date: November 20, 2018

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Wa-Nee Community Schools, Evansville, Indiana (the "School Corporation" or "Issuer"), of \$7,075,000 of its General Obligation Bonds of 2018 dated November 20, 2018 (the "Bonds"). We have examined the law and the certified transcript of proceedings of the Issuer relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and certificates of public officials, including the Issuer's tax covenants and representations ("Tax Representations"), and we have not undertaken to verify any facts by independent investigation.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Preliminary Official Statement dated October 23, 2018 or the Final Official Statement dated October 30, 2018 (collectively, the "Official Statement") or any other offering material relating to the Bonds, and we express no opinion relating thereto.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are valid and binding general obligations of the School Corporation.
2. All taxable property in the School Corporation is subject to ad valorem taxation to pay the debt service; however, the School Corporation's collection of the levy may be limited by operation of Indiana Code § 6-1.1-20.6, which provides taxpayers with tax credits for property taxes attributable to different classes of property in an amount that exceeds certain percentages of the gross assessed value of that property. The School Corporation is required by law to fully fund the payment of debt service on the Bonds in an amount sufficient to pay the debt service, regardless of any reduction in property tax collections due to the application of such tax credits.

Fifth Third Securities, Inc.
November 20, 2018

3. Under statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is exempt from income taxation in the State of Indiana (the "State"). This opinion relates only to the exemption of interest on the Bonds from State income taxation.

4. Under federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income of the owners for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code") and is not a specific preference item for purposes of the federal alternative minimum tax, although it is included in adjusted current earnings in calculating corporate alternative minimum taxable income for the taxable years that began prior to January 1, 2018. This opinion is conditioned upon compliance by the School Corporation subsequent to the date hereof with its Tax Representations. Failure to comply with the Tax Representations could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to their date of issue.

It is to be understood that the rights of the registered owners of the Bonds and the enforceability thereof may be subject to (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of law and equity; and (ii) the valid exercise of the constitutional powers of the State and the United States of America.

Very truly yours,

APPENDIX D

MASTER CONTINUING DISCLOSURE UNDERTAKING

This MASTER CONTINUING DISCLOSURE UNDERTAKING dated as of October 1, 2016 (the "Master Undertaking") is executed and delivered by WA-NEE COMMUNITY SCHOOLS (the "Obligor") for the purpose of permitting various Underwriters (as hereinafter defined) of the Obligations (as hereinafter defined) issued by or on behalf of the Obligor from time to time to purchase such Obligations in compliance with the Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "SEC Rule") as amended;

WITNESSETH THAT:

Section 1. Definitions. The words and terms defined in this Master Undertaking shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar do not otherwise require capitalization, shall have the meanings assigned to them in the SEC Rule.

- (1) "Holder" or any similar term, when used with reference to any Obligation or Obligations, means any person who shall be the registered owner of any outstanding Obligation, or the owner of a beneficial interest in such Obligation.
- (2) "EMMA" is Electronic Municipal Market Access System established by the MSRB.
- (3) "Final Official Statement" means, with respect to any Obligations, the final Official Statement relating to such Obligations, including any document or set of documents included by specific reference to such document or documents available to the public on EMMA.
- (4) "MSRB" means the Municipal Securities Rulemaking Board.
- (5) "Obligated Person" means any person, including the Obligor, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or a part of the obligations on the Obligations (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). All Obligated Persons with respect to Obligations currently are identified in Section 3 below.
- (6) "Obligations" means the various obligations issued by or on behalf of the Obligor, as listed on Exhibit A, as the same shall be amended or supplemented from time to time.
- (7) "Underwriter" or "Underwriters" means, with respect to any Obligations, the underwriter or underwriters of such Obligations pursuant to the applicable purchase agreement for such Obligations.

Section 2. Obligations; Term. (a) This Master Undertaking applies to the Obligations.

(b) The term of this Master Undertaking extends from the date of delivery of the Master Undertaking by the Obligor to the earlier of (i) the date of the last payment of principal or redemption price, if any, of, and interest to accrue on, all Obligations or (ii) the date all Obligations are defeased under the respective trust indentures or respective resolutions.

Section 3. Obligated Persons. The Obligor hereby represents and warrants as of the date hereof that the only Obligated Person with respect to the Obligations is the Obligor. If any such person is no longer committed by contract or other arrangement to support payment of the Obligations, such person shall no longer be considered an Obligated Person within the meaning of the SEC Rule and the continuing obligation under this Master Undertaking to provide annual financial information and notices of events shall terminate with respect to such person.

Section 4. Provision of Financial Information. (a) The Obligor hereby undertakes to provide, with respect to the Obligations, the following financial information, in each case (i) in an electronic format as prescribed by the MSRB and (ii) accompanied by identifying information as prescribed by the MSRB:

- (1) To the MSRB, the audited financial statements of the Obligor as prepared and examined by the Indiana State Board of Accounts on a biennial basis for each period of two fiscal years, together with the opinion of the reviewers thereof and all notes thereto (collectively, the "Audited Information"), by the June 30 immediately following each biennial period. Such disclosure of Audited Information shall first occur by June 30, 2017, and shall be made by June 30 every two years thereafter, if the Audited Information is delivered to the Obligor by June 30 of each biennial period. If, however, the Obligor has not received the Audited Information by such June 30 biennial date, the Obligor agrees to (i) post a voluntary notice to the MSRB by June 30 of such biennial period that the Audited Information has not been received, and (ii) post the Audited Information within 60 days of the Obligor's receipt thereof; and
- (2) To the MSRB, no later than June 30 of each year beginning June 30, 2017, the most recent unaudited annual financial information for the Obligor including (i) unaudited financial statements of the Obligor, and (ii) operating data (excluding any demographic information or forecast) of the general type provided under the general categories of headings as described below (collectively, the "Annual Information"), which Annual Information may be provided in such format and under such headings as the School Corporation deems appropriate:

APPENDIX A

WA-NEE COMMUNITY SCHOOLS

- Enrollment

GENERAL ECONOMIC AND FINANCIAL INFORMATION

- Schedule of Historical Net Assessed Valuation
- Detail of Net Assessed Valuation
- Comparative Schedule of Tax Rates
- Property Taxes Levied and Collected
- Large Taxpayers
- Summary of Revenues and Expenditures by Fund

(b) If any Annual Information or Audited Information relating to the Obligor referred to in paragraph (a) of this Section 4 no longer can be provided because the operations to which they relate have been materially changed or discontinued, a statement to that effect, provided by the Obligor to the MSRB, along with any other Annual Information or Audited Information required to be provided under this Master Undertaking, shall satisfy the undertaking to provide such Annual Information or Audited Information. To the extent available, the Obligor shall cause to be filed along with the other Annual Information or Audited Information operating data similar to that which can no longer be provided.

(c) The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit B attached hereto.

(d) The Obligor agrees to make a good faith effort to obtain Annual Information and Audited Information. However, failure to provide any component of Annual Information and Audited Information, because it is not available to the Obligor on the date by which Annual Information is required to be provided hereunder, shall not be deemed to be a breach of this Master Undertaking. The Obligor further agrees to supplement the Annual Information or Audited Information filing when such data is available.

(e) Annual Information or Audited Information required to be provided pursuant to this Section 4 may be provided by a specific reference to such Annual Information or Audited Information already prepared and previously provided to the MSRB. Any information included by reference shall also be (i) available to the public on EMMA at www.emma.msrb.org, or (ii) filed with the SEC.

(f) All continuing disclosure filings under this Master Undertaking shall be made in accordance with the terms and requirements of the MSRB at the time of such filing. As of the date of this Master Undertaking, the SEC has approved the submission of continuing disclosure filings on EMMA, and the MSRB has requested that such filings be made by transmitting such filings electronically to EMMA currently found at www.emma.msrb.org.

Section 5. Accounting Principles. The Annual Information will be prepared on a cash basis as prescribed by the State Board of Accounts, as in effect from time to time, as described in the auditors' report and notes accompanying the audited financial statements of the

Obligor or those mandated by state law from time to time. The Audited Information of the Obligor, as described in Section 4(a)(1) hereof, will be prepared in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Section 6. Reportable Events. The Obligor undertakes to disclose the following events within 10 business days of the occurrence of any of the following events, if material (which determination of materiality shall be made by the Obligor in accordance with the standards established by federal securities laws), to the MSRB, in each case (i) in an electronic format as prescribed by the MSRB and (ii) accompanied by identifying information as prescribed by the MSRB:

- (1) non-payment related defaults;
- (2) modifications to rights of Holders;
- (3) bond calls;
- (4) release, substitution or sale of property securing repayment of the Obligations;
- (5) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing; and
- (6) appointment of a successor or additional trustee or the change of name of a trustee.

The Obligor undertakes to disclose the following events, within 10 business days of the occurrence of any of the following events, regardless of materiality, to the MSRB, in each case (i) in an electronic format as prescribed by the MSRB and (ii) accompanied by identifying information as prescribed by the MSRB:

- (1) principal and interest payment delinquencies;
- (2) unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) substitution of credit or liquidity providers, or their failure to perform;
- (5) defeasances;
- (6) rating changes;
- (7) adverse tax opinions or events affecting the status of the Obligations, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed

Issue (IRS Form 5701-TEB) or other material events, notices or determinations with respect to the tax status of the Obligations;

- (8) tender offers; and
- (9) bankruptcy, insolvency, receivership or similar event of the obligated person.

The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit C attached hereto.

Section 7. Use of Agent. The Obligor may, at its sole discretion, utilize an agent (the "Dissemination Agent") in connection with the dissemination of any information required to be provided by the Obligor pursuant to the SEC Rule and the terms of this Master Undertaking. If a Dissemination Agent is selected for these purposes, the Obligor shall provide prior written notice thereof (as well as notice of replacement or dismissal of such agent) to EMMA, and the MSRB.

Further, the Obligor may, at its sole discretion, retain counsel or others with expertise in securities matters for the purpose of assisting the Obligor in making judgments with respect to the scope of its obligations hereunder and compliance therewith, all in order to further the purposes of this Master Undertaking.

Section 8. Failure to Disclose. If, for any reason, the Obligor fails to provide the Audited Information or Annual Information as required by this Master Undertaking, the Obligor shall provide notice of such failure in a timely manner to EMMA or to the MSRB, in the form of the notice attached as Exhibit D.

Section 9. Remedies. (a) The purpose of this Master Undertaking is to enable the Underwriters to purchase the Obligations by providing for an undertaking by the Obligor in satisfaction of the SEC Rule. This Master Undertaking is solely for the benefit of (i) the Underwriters, and (ii) the Holders, and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other Obligated Persons or any other third party. The sole remedy against the Obligor for any failure to carry out any provision of this Master Undertaking shall be for specific performance of the Obligor's disclosure obligations hereunder and not for money damages of any kind or in any amount or for any other remedy. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Obligations or any other agreement to which the Obligor is a party and shall not give rise to any other rights or remedies.

(b) Subject to paragraph (e) of this Section 9, in the event the Obligor fails to provide any information required of it by the terms of this Master Undertaking, any holder of Obligations may pursue the remedy set forth in the preceding paragraph in any court of competent jurisdiction in the State of Indiana. An affidavit to the effect that such person is a holder of Obligations supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue this remedy.

(c) Subject to paragraph (e) of this Section 9, any challenge to the adequacy of the information provided by the Obligor by the terms of this Master Undertaking may be pursued

only by holders of not less than 25% in principal amount of Obligations then outstanding in any court of competent jurisdiction in the State of Indiana. An affidavit to the effect that such persons are holders of Obligations supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue the remedy set forth in the preceding paragraph.

(d) If specific performance is granted by any such court, the party seeking such remedy shall be entitled to payment of costs by the Obligor and to reimbursement by the Obligor of reasonable fees and expenses of attorneys incurred in the pursuit of such claim. If specific performance is not granted by any such court, the Obligor shall be entitled to payment of costs by the party seeking such remedy and to reimbursement by such party of reasonable fees and expenses of attorneys incurred in the pursuit of such claim.

(e) Prior to pursuing any remedy for any breach of any obligation under this Master Undertaking, a holder of Obligations shall give notice to the Obligor and the respective issuer of each obligation, by registered or certified mail, of such breach and its intent to pursue such remedy. Thirty (30) days after the receipt of such notice, upon earlier response from the Obligor to this notice indicating continued noncompliance, such remedy may be pursued under this Master Undertaking if and to the extent the Obligor has failed to cure such breach.

Section 10. Additional Information. Nothing in this Master Undertaking shall be deemed to prevent the Obligor from disseminating any other information, using the means of dissemination set forth in this Master Undertaking or any other means of communication, or including any other information in any Annual Information or notice of occurrence of a reportable event, in addition to that which is required by this Master Undertaking.

Section 11. Modification of Master Undertaking. The Obligor may, from time to time, amend or modify this Master Undertaking without the consent of or notice to the holders of the Obligations if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law (including but not limited to a change in law which requires a change in the Obligor's policies or accounting practices) or change in the identity, nature or status of the Obligor, or type of business conducted, (ii) this Master Undertaking, as so amended or modified, would have complied with the requirements of the SEC Rule on the date hereof, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances, and (iii) such amendment or modification does not materially impair the interests of the holders of the Obligations, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the Obligations pursuant to the terms of any Trust Indenture at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds this Master Undertaking) is otherwise permitted by the SEC Rule, as then in effect.

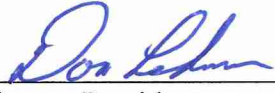
Section 12. Interpretation Under Indiana Law. It is the intention of the parties hereto that this Master Undertaking and the rights and obligations of the parties hereunder shall be governed by, and construed and enforced in accordance with, the law of the State of Indiana.

Section 13. Severability Clause. In case any provision in this Master Undertaking shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 14. Successors and Assigns. All covenants and agreements in this Master Undertaking made by the Obligor shall bind its successors, whether so expressed or not.

IN WITNESS WHEREOF, the Obligor has caused this Master Undertaking to be executed as of the day and year first hereinabove written.

WA-NEE COMMUNITY SCHOOLS, as Obligor

By: 
Don Lehman, President
Board of School Trustees



Eric Brown, Secretary
Board of School Trustees

EXHIBIT A

OBLIGATIONS

<u>Name of Issue</u>	<u>Base CUSIP</u>	<u>Final Maturity</u>
Wa-Nee Community School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2016	92938T	January 15, 2031

**CERTIFICATE RE: [ANNUAL INFORMATION][AUDITED INFORMATION]
DISCLOSURE**

Dated: _____.

DOI: 10.1002/anie.201500000

I\10442332.1

EXHIBIT C

CERTIFICATE RE: REPORTABLE EVENT DISCLOSURE

The undersigned, on behalf of the WA-NEE COMMUNITY SCHOOLS, as Obligor under the Master Continuing Disclosure Undertaking, dated as of October 1, 2016 (the "Master Agreement"), hereby certifies that the information enclosed herewith constitutes notice of the occurrence of a reportable event which is required to be provided pursuant to Section 6 of the Master Agreement.

Dated: _____.

WA-NEE COMMUNITY SCHOOLS

[illegible]

DO NOT EXECUTE – FOR FUTURE USE ONLY

EXHIBIT D

NOTICE TO MSRB OF FAILURE TO FILE INFORMATION

Notice is hereby given that the WA-NEE COMMUNITY SCHOOLS (the "Obligor") did not timely file its [Annual Information][Audited Information] as required by Section 4(a) of the Master Continuing Disclosure Undertaking, dated as of October 1, 2016.

Dated: _____

WA-NEE COMMUNITY SCHOOLS

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1

DO NOT EXECUTE – FOR FUTURE USE ONLY

**SECOND SUPPLEMENT TO
MASTER CONTINUING DISCLOSURE UNDERTAKING**

This Second Supplement, dated as of October 30, 2018 (the "Second Supplement"), to the Master Continuing Disclosure Undertaking dated as of October 1, 2016, as previously supplemented to the date hereof (as supplemented, the "Master Undertaking"), of Wa-Nee Community Schools (the "Obligor"), is entered into for the benefit of Fifth Third Securities, Inc., as underwriter of the \$7,075,000 Wa-Nee Community Schools General Obligation Bonds of 2018 (the "2018 Bonds").

Section 1. The terms of the Master Undertaking, as supplemented by this Second Supplement, are hereby made applicable in all respects to the 2018 Bonds. As of the date of this Second Supplement, for clarification purposes only:

(i) the Audited Information referred to in Section 4(i) of the Master Undertaking shall first occur on the 2018 Bonds by June 30, 2019;

(ii) the Annual Information referred to in Section 4(ii) of the Master Undertaking shall first occur on the 2018 Bonds beginning June 30, 2019.

Section 2. There are no other obligated persons other than the Obligor with respect to the 2018 Bonds.

Section 3. Exhibit A of the Master Undertaking is supplemented to include the 2018 Bonds, as attached hereto.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Obligor has caused this Second Supplement to Master Undertaking to be executed as of the day and year first hereinabove written.

WA-NEE COMMUNITY SCHOOLS, as Obligor

By: _____
Don Lehman, President
Board of School Trustees

Shawn Johnson, Secretary
Board of School Trustees

[Signature Page to Second Supplement to Master Continuing Disclosure Undertaking]

EXHIBIT A
OBLIGATIONS

Proforma after Issuance of 2018 Bonds

Full Name of Bond Issue	Base CUSIP	Final Maturity
General Obligation Bonds		
Wa-Nee Community Schools General Obligation Bonds of 2018	92938P	January 15, 2024
Lease Obligations		
Wa-Nee Community School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2016	92938T	January 15, 2031
Wa-Nee Community School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2017	92938T	January 15, 2031

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