

This Final Official Statement is dated June 21, 2018

In the opinion of Ice Miller LLP, Indianapolis, Indiana ("Bond Counsel") under existing laws, decisions, 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.

\$8,000,000
KANKAKEE VALLEY SCHOOL CORPORATION
Wheatfield, Indiana
GENERAL OBLIGATION BONDS OF 2018

Original Date: Date of Delivery (July 12, 2018)

Due: January 15 and July 15, as shown below

Kankakee Valley School Corporation (the "School Corporation") is issuing \$8,000,000 of General Obligation Bonds of 2018 (the "Bonds") for the purpose of paying the costs of the renovation of and improvements to Kankakee Valley High School, including the construction of athletic facilities and site improvements (the "Project"), and to pay capitalized interest and issuance costs.

The Bonds will be issued as provided in the Bond Resolution adopted by the Board of School Trustees on April 23, 2018, as supplemented on June 18, 2018 (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, 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 Huntington National Bank, 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 redemption or mandatory sinking fund redemption prior to maturity.



MATURITY SCHEDULE
(Base CUSIP* 484519)

<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, 2020	\$660,000	2.25%	1.85%	CJ0	July 15, 2025	\$280,000	3.00%	2.57%	CU5
January 15, 2021	665,000	2.25%	1.94%	CK7	January 15, 2026	285,000	3.00%	2.65%	CV3
July 15, 2021	365,000	2.25%	2.00%	CL5	July 15, 2026	280,000	3.00%	2.70%	CW1
January 15, 2022	370,000	2.50%	2.10%	CM3	January 15, 2027	285,000	3.00%	2.75%	CX9
July 15, 2022	375,000	2.50%	2.14%	CN1	July 15, 2027	335,000	3.00%	2.80%	CY7
January 15, 2023	380,000	2.50%	2.23%	CP6	January 15, 2028	335,000	3.00%	2.85%	CZ4
July 15, 2023	410,000	2.50%	2.27%	CQ4	July 15, 2028	390,000	3.00%	2.90%	DA8
January 15, 2024	415,000	2.75%	2.37%	CR2	January 15, 2029	395,000	3.00%	3.05%	DB6
July 15, 2024	245,000	2.75%	2.42%	CS0	July 15, 2029	635,000	3.00%	3.10%	DC4
January 15, 2025	250,000	3.00%	2.53%	CT8	January 15, 2030	645,000	3.00%	3.20%	DD2

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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 Hodges & Davis, P.C., as Attorney for the School Corporation. The Bonds are expected to be available for delivery to DTC, in New York, New York on July 12, 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 project and this bond issue are:

Board of School Trustees

Dr. Edward Habrowski, President
Jeff Groen, Vice President
Kristy Stowers, Secretary
Jill Dutlinger, Assistant Secretary
Jeff DeYoung
Tim Helton
Lana Olson

Superintendent

Dr. Aaron Case

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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

\$8,000,000

KANKAKEE VALLEY SCHOOL CORPORATION Wheatfield, Indiana GENERAL OBLIGATION BONDS OF 2018

INTRODUCTION TO THE OFFICIAL STATEMENT

The Kankakee Valley School Corporation (the “School Corporation”) is issuing \$8,000,000 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. However, *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 the renovation of and improvements to Kankakee Valley High School, including the construction of athletic facilities and site improvements (the “Project”), and to pay capitalized interest and issuance expenses. Funding for the Project will be provided from proceeds of the Bonds and interest earnings during construction.

REDEMPTION PROVISIONS

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

DENOMINATIONS

The Bonds are being issued in the denomination of \$5,000 or 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 Huntington National Bank (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 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, decisions, 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). *See* Appendix C.

The Bonds have been designated as qualified tax-exempt obligations to qualify for the \$10,000,000 exception from the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.

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 Dr. Aaron Case, Superintendent, Kankakee Valley School Corporation, 12021 North 550 West, P.O. Box 278, Wheatfield, Indiana 46392, phone (219) 987-4711.

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 PROJECT

PROJECT DESCRIPTION

The Bonds are being issued for the purpose of paying the costs of the renovation of and improvements to Kankakee Valley High School, including the construction of athletic facilities and site improvements (the “Project”), and to pay capitalized interest and issuance expenses. Funding for the Project will be provided from proceeds of the Bonds and interest earnings during construction.

CONSTRUCTION PROGRAM

Construction bids for the Project were received in June 2018. Construction of the Project will begin in August 2018 and is anticipated to be completed in December 2019.

ESTIMATED SOURCES AND USES OF FUNDS

Estimated Sources of Funds

General Obligation Bonds of 2018	\$8,000,000.00
Net Bond Premium (1)	<u>20,491.65</u>
Total Estimated Sources of Funds	<u><u>\$8,020,491.65</u></u>

Estimated Uses of Funds

Construction Costs	\$7,566,183.33
Deposit to Debt Service Fund (1)	20,491.65
Capitalized Interest Expense (Deposit to Debt Service Fund)	328,816.67
Cost of Issuance (2)	<u>105,000.00</u>
Total Estimated Uses of Funds	<u><u>\$8,020,491.65</u></u>

(1) Represents the original issue premium of \$70,021.65, less the Underwriter’s discount of \$49,530.00.

(2) Includes estimated fees for bond counsel, local counsel, municipal advisor, registrar and paying agent, rating, printing and other miscellaneous expenses.

SCHEDULE OF AMORTIZATION OF \$8,000,000 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	\$8,000			\$219,816.67 *	\$219,816.67	
01/15/2020	8,000			109,000.00 *	109,000.00	\$328,816.67
07/15/2020	8,000	\$660	2.25%	109,000.00	769,000.00	
01/15/2021	7,340	665	2.25%	101,575.00	766,575.00	1,535,575.00
07/15/2021	6,675	365	2.25%	94,093.75	459,093.75	
01/15/2022	6,310	370	2.50%	89,987.50	459,987.50	919,081.25
07/15/2022	5,940	375	2.50%	85,362.50	460,362.50	
01/15/2023	5,565	380	2.50%	80,675.00	460,675.00	921,037.50
07/15/2023	5,185	410	2.50%	75,925.00	485,925.00	
01/15/2024	4,775	415	2.75%	70,800.00	485,800.00	971,725.00
07/15/2024	4,360	245	2.75%	65,093.75	310,093.75	
01/15/2025	4,115	250	3.00%	61,725.00	311,725.00	621,818.75
07/15/2025	3,865	280	3.00%	57,975.00	337,975.00	
01/15/2026	3,585	285	3.00%	53,775.00	338,775.00	676,750.00
07/15/2026	3,300	280	3.00%	49,500.00	329,500.00	
01/15/2027	3,020	285	3.00%	45,300.00	330,300.00	659,800.00
07/15/2027	2,735	335	3.00%	41,025.00	376,025.00	
01/15/2028	2,400	335	3.00%	36,000.00	371,000.00	747,025.00
07/15/2028	2,065	390	3.00%	30,975.00	420,975.00	
01/15/2029	1,675	395	3.00%	25,125.00	420,125.00	841,100.00
07/15/2029	1,280	635	3.00%	19,200.00	654,200.00	
01/15/2030	645	645	3.00%	9,675.00	654,675.00	1,308,875.00
Total		<u>\$8,000</u>		<u>\$1,531,604.17</u>	<u>\$9,531,604.17</u>	<u>\$9,531,604.17</u>

* The \$219,816.67 interest-only payment due and payable July 15, 2019 and the \$109,000.00 interest-only payment due and payable January 15, 2020 will be capitalized and paid from \$328,816.67 of Bond proceeds deposited to the Debt Service Fund.

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 Kankakee Valley School Corporation on April 23, 2018, as supplemented on June 18, 2018.

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 after December 31, 2017, but before January 1, 2019, \$5 million;
 - (b) 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.

Controlled projects are subject to either a petition and remonstrance process or a referenda process. Controlled projects are subject to the petition and remonstrance process unless the project amounts trigger the voter approval referenda process as outlined below. Under the petition and remonstrance process, taxpayers and voters may sign a petition in favor of the project (petitioners) or against the project (remonstrators). At the end of the signature gathering period, if the petitioners have more signatures, the project may proceed. Controlled projects are subject to the referenda process rather than the petition and remonstrance process when the project will cost the lesser of:

- (1) Depending on the date of the adoption of the preliminary determination ordinance or resolution:
 - (a) If adopted prior to January 1, 2018, \$12 million (except for a school building for academic instruction, in which case the amount is \$10 million);
 - (b) If adopted after December 31, 2017, \$15 million;
- (2) For schools, an amount equal to 1% of the total gross assessed value of property within the political subdivision, if that total gross assessed value is more than \$1 billion; or \$10 million if the total gross assessed value is not more than \$1 billion; or
- (3) For any other controlled projects an amount equal to 1% of the total gross assessed value of property within the political subdivision, if that total gross assessed value is more than \$100 million; or \$1 million if the total gross assessed value is not more than \$100 million;

Once the referenda process is initiated, the public question regarding the controlled project will go on the ballot. If the majority of voters approve of the project, the project may proceed. Projects approved by the referenda process are outside the Circuit Breaker Tax Credit calculations.

The project funded by the Bonds is subject to the controlled project procedures; however, neither the petition and remonstrance process nor the referenda process was initiated by real property owners or registered voters. Therefore, the issuance of the Bonds was able to continue without additional approval procedures. Because the project funded by the Bonds was not approved through the referenda process, the ad valorem property tax to be levied on all taxable property within the School Corporation to repay the Bonds will be included in the Circuit Breaker Tax Credit calculation.

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. Capitalized interest will be available to pay interest due July 15, 2019 through and including January 15, 2020.

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 2018 and resulting debt service coverage levels are as follows:

Fiscal Year 2018 Basic Grant Distribution (all funds) (1)	<u>\$21,931,540</u>
Estimated Combined Maximum Annual Debt Service (2)	<u>\$6,615,640</u>
State Distributions Required to Provide Two-Times Coverage	<u>\$13,231,280</u>
State Distributions Above Two-Times Coverage Amount	<u>\$8,700,260</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 redemption 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/maturity, 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.ifionline.org/> (“Gateway”). The County Auditor may submit an amended certified statement at any time before December 31 of the year preceding the budget year (as defined in IC 6-1.1-17-16(k)(2)), 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 after 2017, 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 IC 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 lease payments by a school corporation to a building corporation if: (i) there are no bonds of the building corporation outstanding; and (ii) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental 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 lease rental 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 budget year 2019, 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 IC 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 IC 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 for 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 a 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 Credit allocable to the School Corporation for budget years 2016, 2017 and 2018 are \$3,006, \$11,125 and \$5,434, 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 December 21, 2017. In connection with the issuance of the Bonds, the School Corporation will enter into a First Supplement to the Original Undertaking dated the date of the Bonds (the "Supplement" and together with the Original Undertaking, the "Undertaking"). Pursuant to the terms of the Undertaking, the School Corporation will agree to provide the following information while any of the Bonds are Outstanding:

- Audited Financial Statements. 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 such auditors 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, 2019, and shall be made by June 30 of every other year 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
- Financial Information in this Official Statement. To the MSRB, no later than June 30 of each year, beginning June 30, 2019, unaudited annual financial information for the School Corporation for such calendar year including (i) unaudited financial statements of the School Corporation and (ii) operating data (excluding any demographic information or forecast) of the general type provided under the following headings in this Official Statement (collectively, the "Annual Information") (which updated information may be provided in such format as the School Corporation deems appropriate):

APPENDIX A

KANKAKEE VALLEY SCHOOL CORPORATION

- 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

- Reportable Events. Within ten business days, to the MSRB, notice of the following events, if material, with respect to the Bonds (which determination of materiality shall be made by the School Corporation):

1. non-payment related defaults;
2. modifications to rights of Bondholders;
3. bond calls;
4. release, substitution or sale of property securing repayment of the Bonds;
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.

Within ten business days, to the MSRB, notice of the following events, regardless of materiality:

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 other material events affecting the tax-exempt status of the Bonds; 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 securities;
8. tender offers; and
9. bankruptcy, insolvency, receivership or similar event of the obligated person.

- Failure to Disclose. In a timely manner, to the MSRB, notice of the School Corporation failing to provide the Annual Information and Audited Information as described above.

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) the Counterparty, the Registrar under the Bond Resolution or nationally recognized bond counsel or (B) an approving vote of the holders of the Bonds pursuant to the terms of the Bond Resolution 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 Bond Resolution or any other agreement.

In the previous five years, the School Corporation has failed to consistently comply with its previous undertakings. Such failures include, but may not be limited to the following: the annual operating data filing for the year ended 2012 was filed but omitted certain schedules required under the undertakings; the Audit for the period ending June 30, 2012 was not filed on a timely basis; and a notice of the change in Trustee, Registrar and Paying Agent for the School Corporation's bond issues was not filed on a timely basis. The School Corporation makes no representation as to any potential materiality of such prior instances, as materiality is dependent upon individual facts and circumstances. The School Corporation has contracted H.J. Umbaugh and Associates, Certified Public Accountants, LLP, as dissemination agent to assist with future compliance filing.

BOND RATING

S&P Global Ratings ("S&P Global") has assigned a programmatic bond rating of "AA+" to the Bonds. S&P Global has also assigned 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 \$8,020,491.65, which is the par amount of the Bonds of \$8,000,000.00 less the underwriter’s discount of \$49,530.00 plus the original issue premium of \$70,021.65. 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. Report for the Bonds. 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.

LEGISLATIVE PROPOSALS

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 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 6.6% for fiscal year 2018. Future payments may be similarly reduced. Under current law, such reductions in the subsidy 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 will be restored in whole or in part or what further action the United States 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 the lease rental. 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 Issuer 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.

IC 6-5.5 imposes a franchise tax on certain taxpayers (as defined in IC 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.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Bonds maturing on January 15, 2029 through and including January 15, 2030 (collectively, the "Discount Bonds") is less than the principal amount payable at maturity. As a result the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the Discount Bonds, as set forth on the cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the "Issue Price" for such maturity), and the amount payable at maturity of the Discount Bonds will be treated as "original issue discount." A taxpayer who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and who holds such Discount Bond to maturity may treat the full amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending on January 15 and July 15 (with straight line interpolation between compounding dates).

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

As described above in "TAX MATTERS," the original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the Issue Price for such maturity should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

AMORTIZABLE BOND PREMIUM

The initial offering price of the Bonds maturing on July 15, 2020 through and including July 15, 2028 (collectively, the “Premium Bonds”), is greater than the principal amount payable at maturity. 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.

KANKAKEE VALLEY SCHOOL
CORPORATION

By: Edward P. Holmquist
President, Board of School Trustees

Attest: Kristy Stone
Secretary, Board of School Trustees

APPENDIX A

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KANKAKEE VALLEY SCHOOL CORPORATION

SYSTEM OVERVIEW

Kankakee Valley School Corporation (the “School Corporation” or “Issuer”) is located in the northern portion of Jasper County. The School Corporation’s boundaries consist of the Towns of Wheatfield and DeMotte, as well as Kankakee, Keener, Walker, and Wheatfield Townships and a portion of Union Township.

FACILITIES

The School Corporation presently operates the following schools.

<u>School</u>	<u>Grades</u>	<u>Year Opened</u>	<u>Additions/ Renovations</u>
DeMotte Elementary School	K-3	1957	1985, 1997, 2015
Wheatfield Elementary School	K-3	1952	1983, 1992, 2015
Kankakee Valley Intermediate School	4-5	2000	2017
Kankakee Valley Middle School	6-8	2011	
Kankakee Valley High School	9-12	1970	1988, 1994, 2007, 2010, 2012

SERVICES

The School Corporation provides a complete academic curriculum that is aligned with Indiana Academic Standards as well as a variety of extra-curricular activities for grades kindergarten through twelve. Full time counselors and/or social workers are available to help with the emotional and academic planning needs of students. The School Corporation also has full time Speech Pathologists and an ELL Teacher. Title I services are coordinated by a full time teacher. The School Corporation partners with Cooperative School Services, which serves nine school corporations in the area, to provide a variety of services including speech, physical and orthopedic therapy, counseling, school psychologist services, and more.

High school students have the opportunity to choose a pathway based on the Indiana Career Pathways to ensure college and career readiness. Each pathway includes the requirements for the Academic Honors and Technical Honors diplomas, containing advanced placement and dual credit course options.

The School Corporation provides an on-line as well as teacher directed Alternative Education curriculum that parallels the core subjects found at the School Corporation for grades 6 through 12. Courses are self-paced and mastery-based to meet individual needs.

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>School Year</u>									
	<u>2008/ 2009</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>
DeMotte Elementary School	616	625	623	616	627	645	614	602	627	629
Wheatfield Elementary School	460	418	422	439	391	398	400	356	338	336
Kankakee Valley Intermediate School	837	835	855	540	527	521	525	553	528	532
Kankakee Valley Middle School	553	583	561	862	868	835	808	821	822	812
Kankakee Valley High School	<u>1,109</u>	<u>1,132</u>	<u>1,082</u>	<u>1,075</u>	<u>1,079</u>	<u>1,109</u>	<u>1,120</u>	<u>1,106</u>	<u>1,090</u>	<u>1,059</u>
Totals	<u>3,575</u>	<u>3,593</u>	<u>3,543</u>	<u>3,532</u>	<u>3,492</u>	<u>3,508</u>	<u>3,467</u>	<u>3,438</u>	<u>3,405</u>	<u>3,368</u>

Note: In August 2011, Grade 6 moved from Kankakee Valley Intermediate School to Kankakee Valley Middle School. Enrollment has been slightly decreasing due to a declining elementary age population.

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

<u>Year</u>	<u>Projected Enrollment</u>
2018/2019	3,368
2019/2020	3,368
2020/2021	3,368
2021/2022	3,368
2022/2023	3,368

BOARD OF SCHOOL TRUSTEES

<u>Name</u>	<u>Current Term Began</u>	<u>Current Term Ends</u>
Dr. Edward Habrowski, President	01/01/2017	12/31/2020
Jeff Groen, Vice President	01/01/2015	12/31/2018
Kristy Stowers, Secretary	01/01/2015	12/31/2018
Jill Duttlinger, Assistant Secretary	01/01/2017	12/31/2020
Jeff DeYoung, Member	01/01/2015	12/31/2018
Tim Helton, Member	01/01/2017	12/31/2020
Lana Olson, Member	01/01/2017	12/31/2020

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 218 and a non-certified staff of 297 with union representation as follows:

<u>Union Name</u>	<u>Union Representation</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Kankakee Valley Teachers' Association (ISTA)	Teachers	174	June 30, 2019

PENSION OBLIGATIONS

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, 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 year 2017 were \$1,049,044.

Defined Contribution Pension Plan

American United Life Savings Plan

Plan Description

The School Corporation has a defined contribution pension plan for noncertified employees administered by American United Life as authorized by Indiana Code 5-10-1.1 and qualifies under Section 401(a). The savings plan entered into July 1, 1986, is a defined contribution plan with amounts credited and allocated to an account for each participant. Under a defined contribution plan there are no unfunded liabilities to the School Corporation.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members are established by the written agreement between the School Corporation and the Plan Administrator. Plan members are required to contribute 3 percent of the annual covered salary. The School Corporation is required to contribute at an actuarially determined rate for prior service as of July 1986. Employer contributions for the year 2017 were \$127,710.

Other Postemployment Benefits

The School Corporation allows retirees the option to participate in health insurance plans including medical, dental and vision until the age of 65. The retiree is responsible for 100% of the premiums.

Upon retirement, the School Corporation pays out unused sick days. All retiring administrative and instructional personnel who have attained the age of fifty-five (55) by June 30 of the retirement year, have fifteen (15) years or more of credit experience in the School Corporation, and have acquired retirement status as recognized by the Teacher's Retirement Fund Board of the State of Indiana are eligible for additional compensation at the time of retirement on the following basis: a) announcement of retirement and a letter of resignation effective on the retirement date shall be presented to the Superintendent prior to May 1 of the current calendar year preceding the retirement date, b) such eligible personnel shall receive a severance pay equal to the sum of the following: thirty five dollars (\$35.00) times the number of accumulated sick leave days, up to seventy-five (75), remaining at the time of retirement.

For non-certified staff, the School Corporation provides a severance pay benefit at the time of retirement if the employee has been employed by the School Corporation for at least 15 years at the time of retirement and are at least age 55. The plan pays a lump sum of \$100.00 for each year of service at the School Corporation, \$20.00 for each accumulated sick day, plus employee's current hourly salary times eight for each accumulated vacation day. To be eligible for this benefit, a letter of retirement/resignation must be submitted to the Superintendent at least sixty days prior to the date of retirement and if employed upon death, the benefit becomes part of the employee's estate and is subject to the estate laws and documents.

For the year 2016/2017, the School Corporation paid a total of \$18,620 for retirees' unused sick and vacation days.

GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION

LOCATION

The School Corporation is located in Jasper County (the “County”) in northwest Indiana. The School Corporation is approximately 70 miles southeast of Chicago, Illinois, and approximately 110 miles northwest of Indianapolis.

GENERAL CHARACTERISTICS

The Towns of DeMotte and Wheatfield are primarily residential and agricultural communities. Residents of the Towns and the Townships in the School Corporation are served by the Jasper County Public Library which has branches in DeMotte and Wheatfield as well as Rensselaer. Located near Wheatfield is the 8,062 acre Jasper-Pulaski Fish and Wildlife Area. The preserve consists of wetland, upland, and woodland areas which offer hunting and fishing opportunities.

Additional cultural and entertainment activities can be found throughout the County and the surrounding area. Fair Oaks Farms, located in both Newton and Jasper Counties, has several attractions at their Dairy Adventure and Pig Adventure including education exhibits, a 4-D movie experience, and tours of the dairy and the hog farm. Also available at the Dairy Farm is a Birthing Barn where visitors can view a live birth, a cheese factory, and a restaurant and gift shop. In November 2017, Fair Oaks Farm broke ground on a \$15 million, 99-room hotel in partnership with Marriott/Fairfield Inn & Suites. The hotel is projected to open in early 2019. The County is also home to two golf courses for area residents to enjoy, Curtis Creek Country Club and Sandy Pines Golf Club. The Touch of Dutch Festival in the Town of DeMotte and the Sandhill Crane Festival & Car Show in Wheatfield provide live entertainment, craft and food vendors, kid’s entertainment, a parade car show and more.

PLANNING AND ZONING

The Town of DeMotte has a nine-member Plan Commission to provide orderly growth for residential, commercial and industrial areas within the Town and a two-mile jurisdiction surrounding its limits. DeMotte also has a five-member Board of Zoning Appeals. The Town of Wheatfield has a seven-member Plan Commission and a five-member Board of Zoning Appeals. The County has a nine-member Plan Commission and a five-member Board of Zoning Appeals.

HIGHER EDUCATION

Saint Joseph College (the “College”) is located in the County on a 180-acre campus in Rensselaer. The private, Catholic college announced February 14, 2017 that it would suspend all academic activities and terminate the employment of certain employees by the end of the spring semester due to financial issues. In June 2017, a team of volunteers known as “Saint Joseph’s Phoenix Project” was assembled to try to reopen the College. As of May 2018, the College is planning to reopen as a two-year, partnered institution with Marian University of Indianapolis.

GENERAL ECONOMIC AND FINANCIAL INFORMATION

COMMERCE AND INDUSTRY

The County has a variety of industries including manufacturing, distribution, institutional, and commercial which provide employment opportunities for area residents. The County is also home to a strong agricultural base primarily comprised of corn, soybeans, dairy, and pork. According to the Jasper County Economic Development Organization (the “JCEDO”), the County has the largest agricultural economy in the state.

Franciscan Health Rensselaer, previously Jasper County Hospital, was established in Rensselaer in 1925. On September 1, 2015 the facility joined Franciscan Alliance. The 86-bed facility employs 415 according to the JCEDO. Hospital services include intensive care, coronary care, pediatrics, obstetrics, a 24-hour emergency room, lab and radiology, oncology, home health care/hospice rehabilitation, and a sleep studies laboratory. In April 2016, Franciscan Alliance announced the installation of two digital radiology suites in the hospital.

According to the JCEDO, the County has seen several expansions, relocations, and additions to companies located in the County. Belstra Milling Company, a supplier of agricultural products and manufacturer of animal feed, completed a \$14 million new facility in the Town of DeMotte that supports the regional dairy and hog industries. In June 2016, Comfort Suites invested over \$5 million to open a new 75-room hotel off of I-65 and State Road 114 in Rensselaer. Fair Oak Farms, a dairy farm at the border of Newton and Jasper counties, announced in March 2016 plans to add a \$230 million cheese manufacturing facility at the farm and create up to 130 new jobs. National Gypsum, a manufacturer of drywall joint compound and tape, started construction in May 2016 on a \$12 million, 50,000 square foot expansion of their current 122,000 square foot facility in the Lintner Industrial Park in Rensselaer.

LARGE EMPLOYERS

Below is a list of the Jasper County's largest employers. The number of employees shown are as reported by Jasper County Economic Development Organization, 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>
Kankakee Valley School Corporation	-	Public education	515 (1)
Advanced Auto Parts	2012	Auto parts distributor	429
Franciscan Health Rensselaer	1925	Health care	415
NIPSCO Schahfer Station (2)	-	Electric utility	320
Rensselaer Central Schools	-	Public education	255
ConAgra Foods	1994	Mfg. popcorn/snack products	230
Donaldson Company	1994	Filtration system distribution center	200
Bos Dairy Group	2015	Milk production	188
Jasper County	-	County government	180
Smith Transport	-	Logistics	180

(1) Per the School Corporation, consists of 218 certified and 297 non certified staff.

(2) On November 1, 2016, NIPSCO submitted its Integrated Resource Plan (IRP) to the Indiana Regulatory Commission (IURC), outlining its 20 year energy delivery plan. Within the IRP, the retirement of four of the company's seven coal-fired electric generating units was identified, and two of these units at the R.M. Schahfer Generating Station (currently four units operating) are located in Jasper County. The retirement of the Jasper County units, which is subject to the review and approval of the Midcontinent Independent System Operator, is currently anticipated to occur by the end of 2023.

EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate</u>		<u>Jasper County Labor Force</u>
	<u>Jasper County</u>	<u>Indiana</u>	
2012	8.1%	8.3%	15,968
2013	7.7%	7.7%	15,949
2014	6.7%	6.0%	16,138
2015	5.8%	4.8%	16,377
2016	5.3%	4.4%	16,540
2017, Dec.	3.8%	3.1%	15,719
2018, March	4.2%	3.3%	16,335

Source: Indiana Business Research Center. Data collected as of April 25, 2018.

BUILDING PERMITS

Provided below is a summary of the number of building permits and estimated construction costs for the Town of Wheatfield.

<u>Year</u>	<u>Total Permits</u>	<u>Estimated Costs</u>
2013	1	\$240,000
2014	1	125,000
2015	1	125,000
2016	4	500,000
2017	8	1,000,000

Source: Town of Wheatfield

Provided below is a summary of the number of building permits for the Town of DeMotte.

<u>Year</u>	<u>Residential Total Permits</u>	<u>Commercial Total Permits</u>	<u>Other Total Permits</u>
2015	20	3	161
2016	21	4	163
2017	27	4	147
2018 (As of 4/23/18)	11	3	38

Source: Town of DeMotte

POPULATION

<u>Year</u>	<u>Kankakee Valley School Corporation</u>		<u>Jasper County</u>	
	<u>Population*</u>	<u>Percent of Change</u>	<u>Population</u>	<u>Percent of Change</u>
1970	8,414	23.19%	20,429	8.42%
1980	13,584	61.45%	26,138	27.95%
1990	13,247	-2.48%	24,960	-4.51%
2000	17,572	32.65%	30,043	20.36%
2010	20,742	18.04%	33,478	11.43%
2016, Est.	20,849	0.52%	33,433	-0.13%

*Consists of Kankakee, Kenner, Union, Walker and Wheatfield Townships; however, only a portion of Union Township is in the School Corporation.

Source: U.S. Census Bureau

AGE STATISTICS

	<u>Town of DeMotte</u>	<u>Town of Wheatfield</u>	<u>Jasper County</u>
Under 25 Years	1,204	317	11,686
25 to 44 Years	931	251	8,025
45 to 64 Years	891	187	9,065
65 Years and Over	788	98	4,702
Totals	<u>3,814</u>	<u>853</u>	<u>33,478</u>

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

EDUCATIONAL ATTAINMENT

<u>Years of School Completed</u>	<u>Persons 25 and Over</u>		
	<u>Town of DeMotte</u>	<u>Town of Wheatfield</u>	<u>Jasper County</u>
Less than 9th grade	3.8%	1.1%	3.0%
9th to 12th grade, no diploma	11.0%	6.2%	10.0%
High school graduate	44.9%	45.5%	41.3%
Some college, no degree	27.7%	28.3%	21.0%
Associate's degree	3.6%	7.6%	8.2%
Bachelor's degree	4.4%	6.2%	10.5%
Graduate or professional degree	4.7%	5.3%	6.0%

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

MISCELLANEOUS ECONOMIC INFORMATION

	<u>Town of DeMotte</u>	<u>Town of Wheatfield</u>	<u>Jasper County</u>	<u>Indiana</u>
Per capita income, past 12 months*	\$19,746	\$17,762	\$24,839	\$26,117
Median household income, past 12 months*	\$43,500	\$46,071	\$55,485	\$50,433
Average weekly earnings in manufacturing (3rd qtr. of 2017)	N/A	N/A	\$974	\$1,109
Land area in square miles - 2010	3.61	0.56	559.62	35,826.11
Population per land square mile - 2010	1,056.5	1,523.2	59.8	181.0
Retail sales in 2012:				
Total retail sales	\$188,315,000	N/A	\$572,093,000	\$85,857,962,000
Sales per capita**	\$49,375	N/A	\$17,089	\$13,242
Sales per establishment	\$4,593,049	N/A	\$4,651,163	\$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 April 9, 2018.

<u>Employment and Earnings - Jasper County 2016</u>	<u>Earnings (In 1,000s)</u>	<u>Percent of Earnings</u>	<u>Labor Force</u>	<u>Distribution of Labor Force</u>
Other*	\$145,398	18.59%	1,670	10.29%
Manufacturing	133,054	17.02%	1,563	9.63%
Services	125,423	16.04%	4,577	28.19%
Transportation and warehousing	89,493	11.44%	1,633	10.06%
Government	76,294	9.76%	1,615	9.95%
Construction	65,472	8.37%	1,187	7.31%
Farming	65,463	8.37%	858	5.28%
Retail trade	44,730	5.72%	1,884	11.61%
Finance, insurance and real estate	28,279	3.62%	1,089	6.71%
Information	8,337	1.07%	157	0.97%
Totals	\$781,943	100.00%	16,233	100.00%

*In order to avoid disclosure of confidential information, specific earning and employment figures are not available for the Forestry, fishing, related activities, Mining, Utilities, Wholesale trade, and certain Service Sectors. The data is incorporated here.

Source: Bureau of Economic Analysis and the Indiana Business Research Center. Data collected as of April 9, 2018.

<u>Adjusted Gross Income</u>	<u>Year</u>	<u>Jasper County Total</u>
	2011	\$705,280,673
	2012	739,648,632
	2013	833,614,684
	2014	755,529,067
	2015	762,065,949

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 April 9, 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 Debt			
General Obligation Bonds of 2018 Kankakee Valley Middle School Building Corporation	\$8,000,000	01/15/30	\$8,000,000
Ad Valorem Property Tax Crossover Refunding Bonds, Series 2017	29,535,000	07/15/29	29,535,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2014	6,000,000	01/15/29	5,950,000
Taxable Unlimited Ad Valorem Property Tax First Mortgage Bonds, Series 2010 (BABs)	10,000,000	07/15/20	4,375,000
Taxable Ad Valorem Property Tax First Mortgage Bonds, Series 2009 (BABs) (1)	47,500,000	01/15/20	<u>5,365,000</u>
Total Direct Debt			<u><u>\$53,225,000</u></u>

Note: Currently, the School Corporation anticipates the issuance of \$15,000,000 of First Mortgage Bonds, Series 2019 in early 2019 for the renovation of and improvements to Kankakee Valley High School, including the construction of Activities Building and safety and security improvements throughout the buildings in the School Corporation.

<u>Overlapping Debt</u>	<u>Total Debt</u>	<u>Percent Allocable to School Corporation</u>	<u>Amount Allocable to School Corporation</u>
Tax Supported Debt			
Jasper County	\$7,135,000	57.06%	\$4,071,231
Town of DeMotte	1,520,000	100.00%	1,520,000
Keener Township	21,744	100.00%	<u>21,744</u>
Tax Supported Debt			<u><u>5,612,975</u></u>
Self-Supporting Revenue Debt			
Town of De Motte	920,000	100.00%	<u>920,000</u>
Self-Supporting Revenue Debt			<u><u>920,000</u></u>
Total Overlapping Debt			<u><u>\$6,532,975</u></u>

(1) Excludes \$31,550,000 of Taxable Ad Valorem Property Tax First Mortgage Bonds, Series 2009 (BABs) due and payable July 15, 2020 through and including July 15, 2029 to be called January 15, 2020 and refunded, on a crossover basis, through the proceeds of the Crossover Refunding Bonds, Series 2017.

(2) 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 April 9, 2018, including issuance of the Bonds.

	Direct Tax Supported Debt \$53,225,000	Allocable Portion of All Other Overlapping Tax Supported Debt \$5,612,975	Total Direct and Overlapping Tax Supported Debt \$58,837,975
Per capita (1)	\$2,552.88	\$269.22	\$2,822.10
Percent of net assessed valuation (2)	3.79%	0.40%	4.19%
Percent of gross assessed valuation (3)	2.72%	0.29%	3.00%
Per pupil (4)	\$15,803.15	\$1,666.56	\$17,469.71

- (1) According to the U.S. Census Bureau, the estimated 2016 population of the School Corporation is 20,849.
- (2) The net assessed valuation of the School Corporation for taxes payable in 2018 is \$1,404,658,349 according to the Jasper County Auditor's office.
- (3) The gross assessed valuation of the School Corporation for taxes payable in 2018 is \$1,959,422,920 according to the Jasper County Auditor's office.
- (5) Enrollment of the School Corporation is 3,368 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 2018)	\$1,394,892,580
Times: 2% general obligation debt issue limit	2%
Sub-total	27,897,852
Divided by 3	3
General obligation debt issue limit	9,299,284
Less: Outstanding general obligation debt including the Bonds	(8,000,000)
Estimated amount remaining for general obligation debt issuance	\$1,299,284

SCHEDULE OF HISTORICAL NET ASSESSED VALUATION

(As Provided by the Jasper 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	\$904,169,877	\$398,330,290	\$55,212,120	\$1,357,712,287
2015	937,725,167	400,900,460	57,807,550	1,396,433,177
2016	951,408,940	368,272,770	56,454,924	1,376,136,634
2017	974,798,385	359,896,390	58,713,834	1,393,408,609
2018	1,057,199,702	288,600,170	58,858,477	1,404,658,349

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 Department of Local Government Finance ("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.

DETAIL OF NET ASSESSED VALUATION
 Assessed 2017 for Taxes Payable in 2018
 (As Provided by the Jasper County Auditor's Office)

	<u>Kankakee Township</u>	<u>Keener Township</u>	<u>Town of DeMotte</u>	<u>Union Twp North</u>
Gross Value of Land	\$46,433,300	\$121,516,500	\$50,326,000	\$32,695,400
Gross Value of Improvements	<u>176,642,680</u>	<u>346,180,400</u>	<u>216,768,700</u>	<u>57,351,100</u>
Total Gross Value of Real Estate	223,075,980	467,696,900	267,094,700	90,046,500
Less: Mortgage Exemptions, Veterans, Blind Age 65 & Other Exemptions	(20,750,571)	(178,393,539)	(93,650,187)	(20,185,068)
Tax Exempt Property	(3,260,600)	(2,620,000)	(13,150,400)	(303,600)
TIF			<u>(5,036,665)</u>	
Net Assessed Value of Real Estate	<u>199,064,809</u>	<u>286,683,361</u>	<u>155,257,448</u>	<u>69,557,832</u>
Business Personal Property	22,503,850	11,082,200	13,786,880	7,403,140
Less: Deductions	<u>(1,850,010)</u>	<u>(31,670)</u>	<u>(5,428,553)</u>	<u>(10,500)</u>
Net Assessed Value of Personal Property	<u>20,653,840</u>	<u>11,050,530</u>	<u>8,358,327</u>	<u>7,392,640</u>
Net Assessed Value of Utility Property	<u>263,597,820</u>	<u>8,276,490</u>	<u>3,225,130</u>	<u>2,472,460</u>
Total Net Assessed Value	<u><u>\$483,316,469</u></u>	<u><u>\$306,010,381</u></u>	<u><u>\$166,840,905</u></u>	<u><u>\$79,422,932</u></u>

(Continued on next page)

DETAIL OF NET ASSESSED VALUATION

Assessed 2017 for Taxes Payable in 2018
(As Provided by the County Auditor's Office)

(Cont'd)

	<u>Walker Township</u>	<u>Wheatfield Township</u>	<u>Town of Wheatfield</u>	<u>Total</u>
Gross Value of Land	\$84,858,000	\$68,345,300	\$7,494,300	\$411,668,800
Gross Value of Improvements	<u>197,384,600</u>	<u>167,080,700</u>	<u>31,030,300</u>	<u>1,192,438,480</u>
Total Gross Value of Real Estate	282,242,600	235,426,000	38,524,600	1,604,107,280
Less: Mortgage Exemptions, Veterans, Blind Age 65 & Other Exemptions	(105,424,289)	(82,114,380)	(13,861,179)	(514,379,213)
Tax Exempt Property	(201,500)	(6,356,500)	(1,599,100)	(27,491,700)
TIF				<u>(5,036,665)</u>
Net Assessed Value of Real Estate	<u>176,616,811</u>	<u>146,955,120</u>	<u>23,064,321</u>	<u>1,057,199,702</u>
Business Personal Property	2,733,630	7,654,690	1,551,080	66,715,470
Less: Deductions	<u>(6,000)</u>	<u>(58,940)</u>	<u>(471,320)</u>	<u>(7,856,993)</u>
Net Assessed Value of Personal Property	<u>2,727,630</u>	<u>7,595,750</u>	<u>1,079,760</u>	<u>58,858,477</u>
Net Assessed Value of Utility Property	<u>3,808,120</u>	<u>6,179,060</u>	<u>1,041,090</u>	<u>288,600,170</u>
Total Net Assessed Value	<u>\$183,152,561</u>	<u>\$160,729,930</u>	<u>\$25,185,171</u>	<u>\$1,404,658,349</u>

COMPARATIVE SCHEDULE OF CERTIFIED TAX RATES

Per \$100 of Net Assessed Valuation

	<u>Year Taxes Payable</u>				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Detail of Certified Tax Rate:					
Debt Service	\$0.0662	\$0.0490	\$0.0088	\$0.0137	\$0.0139
School Pension Debt	0.0510				
Referendum Debt	0.2254	0.3273	0.4103	0.3941	0.4078
Capital Projects	0.2807	0.2775	0.2761	0.3039	0.2905
Transportation	0.0790	0.0930	0.1020	0.0904	0.1062
Bus Replacement	<u>0.0215</u>	<u>0.0269</u>	<u>0.0264</u>	<u>0.0244</u>	<u>0.0279</u>
Totals	<u>\$0.7238</u>	<u>\$0.7737</u>	<u>\$0.8236</u>	<u>\$0.8265</u>	<u>\$0.8463</u>
Total District Certified Tax Rate (1)					
Kankakee Township	\$1.1149	\$1.1566	\$1.2077	\$1.2099	\$1.2434
Keener Township	\$1.1241	\$1.1825	\$1.2315	\$1.2309	\$1.2693
Town of DeMotte	\$1.7681	\$1.7899	\$1.7675	\$1.8065	\$1.8906
Union Township - North	\$1.0808	\$1.1223	\$1.1753	\$1.1775	\$1.2109
Walker Township	\$1.1301	\$1.1702	\$1.2213	\$1.2212	\$1.2557
Wheatfield Township	\$1.1310	\$1.1698	\$1.2217	\$1.2218	\$1.2565
Town of Wheatfield	\$1.5734	\$1.6205	\$1.6404	\$1.6738	\$1.7208

(1) Includes certified tax rates of overlapping taxing units.

Source: DLGF Certified Budget Orders for the School Corporation.

PROPERTY TAXES LEVIED AND COLLECTED

<u>Collection Year</u>	<u>Certified Taxes Levied</u>	<u>Circuit Breaker Tax Credit</u> (1)	<u>Certified Taxes Levied Net of Circuit Breaker Tax Credit</u>	<u>Taxes Collected</u>	<u>Collected as Percent of Gross Levy</u>	<u>Collected as Percent of Net Levy</u>
2013	\$9,586,411	(\$1,136)	\$9,585,275	\$9,876,058	103.02%	103.03%
2014	9,628,428	(1,452)	9,626,976	9,843,364	102.23%	102.25%
2015	10,618,527	(2,742)	10,615,785	10,854,825	102.23%	102.25%
2016	11,187,937	(3,006)	11,184,931	11,358,039	101.52%	101.55%
2017	11,591,240	(11,125)	11,580,115	11,603,647	100.11%	100.20%
2018	11,804,976	(5,434)	11,799,542	(.....In Process of Collections.....)		

Source: The Jasper 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.

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 political subdivision 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>
Northern Indiana Public Service Co. (NIPSCO) (2)	Electric utility	\$415,437,510	29.58%
Georgia Pacific Gypsum LLC	Mfg. gypsum building products	24,345,340	1.73%
T&M Limited Partnership/ Windy Ridge Dairy LLC/ Bos Dairy LLC/ Tony & Mary Beth Bos/ Herrema Dairy LLC/J&T Farming LLC	Dairy farm	24,161,660	1.72%
SP Real Estate LLC/ G&K Land LLC/ Hamstra Builders, Inc./ Gary A. & Karen Hamstra/ Wilbert A. & Peggy A. Hamstra/ Hamstra-Wiers Real Estate LLC/Hamstra Fertilizer Farms Inc.	Contractors and developers, farm supplies, car dealership, real estate	18,542,608	1.32%
Belstra Milling Co., Inc./BMC Farms LLC (3)	Farm, feed mill and farm store	15,080,790	1.07%
Love's Travel Stops & Country Stores, Inc.	Gas station/ convenience store	7,711,390	0.55%
Jeffrey D. & Debra K. Schultz/ Robert L. & Maureen J. Schultz/ Janet Harper/ RMS Development LLC/ Schultz Auto Sales	Car dealership and real estate	6,326,360	0.45%
TA Operating LLC	Truck stop	6,257,660	0.45%
Jasper County REMC	Electric utility	5,081,740	0.36%
Hollandale Builders, Inc./Mark & Thriesa A. Hubers/Sylvan & Bernice Hubers/ Hollandale Investments Inc./ John & Wilmina Vanschepen/H&H Homes, LLC/M&T Investments, LLC	Contractors, home builders, real estate	<u>4,862,951</u>	<u>0.35%</u>
Totals		<u><u>\$527,808,009</u></u>	<u><u>37.58%</u></u>

- (1) The total net assessed valuation of the School Corporation is \$1,404,658,349 for taxes payable in 2018, according to the Jasper County Auditor's office.
- (2) On November 1, 2016, NIPSCO submitted its Integrated Resource Plan (IRP) to the Indiana Regulatory Commission (IURC), outlining its 20 year energy delivery plan. Within the IRP, the retirement of four of the company's seven coal-fired electric generating units was identified, and two of these units at the R.M. Schahfer Generating Station (currently four units operating) are located in Jasper County. The retirement of the Jasper County units, which is subject to the review and approval of the Midcontinent Independent System Operator, is currently anticipated to occur by the end of 2023.
- (3) Located in a tax increment allocation area ("TIF"); 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-18 - A-19 are excerpts from the School Corporation July 1, 2014 to June 30, 2016 audit report of the Indiana State Board of Accounts. Consequently, these schedules do not include all disclosures required by generally accepted accounting principles. Complete audits will be furnished upon request. Current reports are available at <http://www.in.gov/sboa/resources/reports/audit/>.

KANKAKEE VALLEY SCHOOL CORPORATION

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	\$4,844,907	\$21,322,605	\$20,433,422	\$38,574	\$5,772,664	\$22,340,162	\$20,870,802	\$40,857	\$7,282,881
Debt Service	236,629	920,353	1,199,000	42,051	33	477,562	180,200	(91,650)	205,745
Retirement/Severance Bond Debt Service	98,430	363,019	425,338		36,111	315		(36,426)	0
Referendum Debt Exempt Capital	699,096	4,225,007	4,434,098		490,005	5,617,949	5,548,906	(87,772)	471,276
Capital Projects	8,797,177	4,527,219	6,145,092	(202,350)	6,976,954	4,498,375	4,319,482	(156,195)	6,999,652
School Transportation	469,192	1,437,117	1,454,331	113,604	565,582	1,610,125	1,480,374	(142,349)	552,984
School Bus Replacement	424,399	392,072	525,659	33,200	324,012	430,686	354,628	(7,296)	392,774
Rainy Day	2,862,868		24,196	141,500	2,980,172	199,521	43,995	316,520	3,452,218
Post-Retirement/Severance Future Benefits	12,264		12,264		0				0
Construction	43,007	7,273	225,263	3,100,000	2,925,017	3,930	2,928,947		0
School Lunch	466,374	1,329,646	1,318,480		477,540	1,362,887	1,351,923		488,504
Textbook Rental	421,261	336,612	159,288	18,799	617,384	335,090	214,698	16,766	754,542
Self-Insurance	1,761,245	3,263,263	3,240,481		1,784,027	3,487,916	3,093,375		2,178,568
Levy Excess	112,500	1,122		(112,004)	1,618			191,678	193,296
Educational License Plates	9,868	188	500		9,556	188			9,744
Alternative Education	0	11,973	11,973		0	9,800	9,800		0
Safe Haven Grant 2014-15	0				0	12,180	12,180		0
Early Intervention Grant	0				0	11,915			11,915
Technology Local Grant	0				0	5,224	2,220		3,004
Jasper Foundation Grant	0	7,500	7,500		0	5,157	4,551		606
Jasper County REMC Grant	6,082	7,995	14,077		0	7,010	7,010		0
Monsanto Grant	0	10,000	10,000		0	10,000	10,000		0
Midwest Tech Institute	0	10,000			10,000		10,000		0
Formative Assessment	0				0	42,377	42,377		0
High Ability Learner 2013-14	24,579		24,579		0				0
High Ability Learner 2014-15	0	41,600	29,861		11,739		11,739		0
High Ability Learner 2015-16	0				0	41,116	35,794		5,322
Medicaid Reimbursement	16,836	41,913		(26,913)	31,836	12,474		(35,445)	8,865
Secured School Safety Grant	(16,241)	24,361	49,361	(8,120)	(49,361)	98,722	43,948	(5,413)	0
NESP 14-15	0	11,236	9,471		1,765		1,765		0
NESP 15-16	0				0	22,686	20,876		1,810
School Technology	27,605	51,287	40,602		38,290	59,602	44,740		53,152
Partners for Drug-Free Jasper County 2012-13	2,805		2,805		0				0
Partners for Drug-Free Jasper County 2013-14	2,748		2,748		0				0
Partners for Drug-Free Jasper County 2014-15	2,745		2,745		0				0
Subtotals	\$21,326,376	\$38,343,361	\$39,803,134	\$3,138,341	\$23,004,944	\$40,702,969	\$40,644,330	\$3,275	\$23,066,858

(Continued on next page)

KANKAKEE VALLEY SCHOOL CORPORATION

(Cont'd)

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 <u>07-01-14</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing Sources <u>(Uses)</u>	Cash and Investments <u>06-30-15</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing Sources <u>(Uses)</u>	Cash and Investments <u>06-30-16</u>
Subtotals carried forward	\$21,326,376	\$38,343,361	\$39,803,134	\$3,138,341	\$23,004,944	\$40,702,969	\$40,644,330	\$3,275	\$23,066,858
Partners for Drug-Free Jasper County 2015-16	0	3,000	965		2,035		2,035		0
Partners for Drug-Free Jasper County 2016-17	0				0	2,950	2,316		634
KVHS Pre-Engineering Grant	4,390		997		3,393				3,393
KVHS Advance Placement Grant	0				0	250	250		0
Senator David Ford Technology	0	2,000	2,000		0				0
Excess PTRC Distributions	0				0		2,500		(2,500)
Title I Basic Grant 2013-14	(80,439)	154,955	74,516		0				0
Title I Basic Grant 2014-15	0	255,583	264,700		(9,117)	73,722	64,605		0
Title I Basic Grant 2015-16	0				0	265,002	280,742		(15,740)
Title I Delinquent Grant 2013-14	(16,913)	55,011	38,098		0				0
Title I Delinquent Grant 2014-15	0	12,823	12,823		0	46,286	46,286		0
Title I Delinquent Grant 2015-16	0				0		2,588		(2,588)
Medicaid Reimbursement - Federal	197,119	78,338	14,755		260,702	21,749	12,529		269,922
Title II - Improving Teacher Quality 2012-13	(290)	1,900	1,610		0				0
Title II - Improving Teacher Quality 2013-14	(9,443)	78,825	69,382		0	734	734		0
Title II - Improving Teacher Quality 2014-15	0	21,001	22,653		(1,652)	70,499	69,489		(642)
Title II - Improving Teacher Quality 2015-16	0				0	21,049	22,731		(1,682)
Title III - English Language Acquisition 2013-14	(4,137)	4,137			0				0
Title III - English Language Acquisition 2014-15	0	19,919	19,919		0	755	755		0
Title III - English Language Acquisition 2015-16	0				0		13,194		(13,194)
Payroll Clearing Fund	9,902	5,929,065	5,930,474		8,493	5,869,511	5,872,271		5,732
Prepaid Meals Fund	13,872	689,384	688,297		14,959	721,141	717,730		18,370
Totals	\$21,440,437	\$45,649,302	\$46,944,323	\$3,138,341	\$23,283,757	\$47,796,617	\$47,755,086	\$3,275	\$23,328,563

The following schedules on pages A-20 - A-27 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>.

KANKAKEE VALLEY SCHOOL CORPORATION
SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>GENERAL FUND</u>			
Receipts:			
Tuition	\$78,485	\$136,784	\$57,729
Earnings on Investments	28,388	35,907	78,265
School Corporation Activities	93,211	76,828	85,706
Other Revenue from Local Sources	286,614	289,926	190,688
Revenue from Intermediate Sources	1,124	1,124	1,124
Revenue from State Sources	21,360,160	21,971,425	21,783,284
Revenue from Federal Sources	4,255		
Sale of Property, Adjustments and Refunds		2,040	632
Interfund Transfers	35,445	69,917	76,785
Other	36,139	44,523	62,288
	<u>21,923,820</u>	<u>22,628,472</u>	<u>22,336,502</u>
Total Receipts			
Expenditures:			
Instruction	14,384,761	15,011,848	15,709,978
Support Services	6,052,880	5,901,484	5,995,036
Community Services	313,428	310,722	349,697
	<u>20,751,068</u>	<u>21,224,054</u>	<u>22,054,711</u>
Total Expenditures			
Net Increase	1,172,752	1,404,418	281,791
Beginning Balance - January 1st	<u>5,312,177</u>	<u>6,484,930</u>	<u>7,889,348</u>
Ending Balance	<u><u>\$6,484,930</u></u>	<u><u>\$7,889,348</u></u>	<u><u>\$8,171,139</u></u>

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)

KANKAKEE VALLEY SCHOOL CORPORATION

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>DEBT SERVICE FUND</u>			
Receipts:			
Local Property Tax	\$687,445	\$115,233	\$192,341
License Excise Tax	56,097	9,996	16,751
Commercial Vehicle Excise Tax	4,743	713	1,072
Financial Institutions Tax	474	86	120
Local Option Property Tax Replacement	46,419	9,323	
Other Revenue from Local Sources	29,957		5
Interfund Transfers	60,850		
	<u>885,986</u>	<u>135,352</u>	<u>210,289</u>
Total Receipts			
Expenditures:			
Lease Rental	741,200	188,000	187,000
Interfund Transfers	81,473	28,976	19,601
	<u>822,673</u>	<u>216,976</u>	<u>206,601</u>
Total Expenditures			
Net Increase (Decrease)	63,312	(81,624)	3,689
Beginning Balance - January 1st	197,444	260,756	179,132
	<u>\$260,756</u>	<u>\$179,132</u>	<u>\$182,821</u>
Ending Balance			

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)

KANKAKEE VALLEY SCHOOL CORPORATION
SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

(Cont'd)

	Calendar Year <u>2015</u>
<u>RETIREMENT/SEVERANCE BOND FUND</u>	
Receipts:	
Local Property Tax	
License Excise Tax	
Commercial Vehicle Excise Tax	
Financial Institutions Tax	
Other Revenue from Local Sources	\$313
	313
Total Receipts	313
Expenditures:	
Principal on Debt	
Interest on Debt	
Other Debt Service Obligations	
Interfund Transfers	36,426
	36,426
Total Expenditures	36,426
Net Increase (Decrease)	(36,113)
Beginning Balance - January 1st	36,113
Ending Balance	\$0

Note: The pension debt was fully repaid in 2014.

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)

KANKAKEE VALLEY SCHOOL CORPORATION

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	<u>Calendar Year</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>REFERENDUM DEBT</u>			
Receipts:			
Local Property Tax	\$4,591,854	\$5,658,334	\$5,532,967
License Excise Tax	374,705	466,081	481,859
Commercial Vehicle Excise Tax	31,683	33,237	30,845
Financial Institutions Tax	3,163	4,016	3,459
	<u>5,001,405</u>	<u>6,161,667</u>	<u>6,049,129</u>
Total Receipts			
Expenditures:			
Lease Rental	5,201,370	5,912,214	6,077,170
Interfund Transfers	6,212	81,560	
	<u>5,207,582</u>	<u>5,993,774</u>	<u>6,077,170</u>
Total Expenditures			
Net Increase (Decrease)	(206,176)	167,893	(28,040)
Beginning Balance - January 1st	<u>470,841</u>	<u>264,665</u>	<u>432,558</u>
Ending Balance	<u><u>\$264,665</u></u>	<u><u>\$432,558</u></u>	<u><u>\$404,518</u></u>

The Referendum Fund - Exempt Capital accounts for debt from funds borrowed for the purchase or lease of school buildings, equipment and/or capital construction, and is exempt from the Circuit Breaker Tax Credit.

(Continued on next page)

KANKAKEE VALLEY SCHOOL CORPORATION

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>CAPITAL PROJECTS FUND</u>			
Receipts:			
Local Property Tax	\$3,893,185	\$3,807,619	\$4,266,604
License Excise Tax	317,692	313,636	371,573
Commercial Vehicle Excise Tax	26,862	22,366	23,785
Financial Institutions Tax	2,682	2,702	2,667
Local Option Property Tax Replacement	262,882	292,517	
Other Revenue from Local Sources	2,790	200	200,737
Interfund Transfers	60,850		1,147,091
Other	7,147	23,178	59,786
	<u>4,574,091</u>	<u>4,462,218</u>	<u>6,072,243</u>
Expenditures:			
Support Services	2,133,729	2,206,688	2,098,850
Facilities Acquisition and Construction	3,960,319	1,542,211	3,193,103
Interfund Transfers	210,086	210,651	1,440,771
	<u>6,304,134</u>	<u>3,959,550</u>	<u>6,732,723</u>
Net Increase (Decrease)	(1,730,043)	502,668	(660,480)
Beginning Balance - January 1st	<u>8,247,441</u>	<u>6,517,398</u>	<u>7,020,066</u>
Ending Balance	<u>\$6,517,398</u>	<u>\$7,020,066</u>	<u>\$6,359,586</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)

KANKAKEE VALLEY SCHOOL CORPORATION

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>TRANSPORTATION FUND</u>			
Receipts:			
Local Property Tax	\$1,304,743	\$1,406,654	\$1,269,171
License Excise Tax	106,470	115,867	110,531
Commercial Vehicle Excise Tax	9,002	8,263	7,075
Financial Institutions Tax	899	998	793
Local Option Property Tax Replacement	88,101	108,065	
School Corporation Activities	26,940	16,416	16,957
Other Revenue from Local Sources	2,314	1,998	3,789
Sale of Property, Adjustments and Refunds	3,034	1,053	1,740
Interfund Transfers	112,004	21,069	192,799
Other	18,557	11,120	5,444
Total Receipts	<u>1,672,064</u>	<u>1,691,503</u>	<u>1,608,299</u>
Expenditures:			
Support Services	1,561,330	1,481,156	1,539,981
Interfund Transfers	2,177	163,175	300,000
Total Expenditures	<u>1,563,507</u>	<u>1,644,331</u>	<u>1,839,981</u>
Net Increase (Decrease)	108,557	47,173	(231,682)
Beginning Balance - January 1st	<u>480,771</u>	<u>589,328</u>	<u>636,501</u>
Ending Balance	<u><u>\$589,328</u></u>	<u><u>\$636,501</u></u>	<u><u>\$404,819</u></u>

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

(Continued on next page)

KANKAKEE VALLEY SCHOOL CORPORATION

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>TRANSPORTATION SCHOOL BUS REPLACEMENT FUND</u>			
Receipts:			
Local Property Tax	\$377,393	\$364,075	\$342,564
License Excise Tax	30,796	29,989	29,833
Commercial Vehicle Excise Tax	2,604	2,139	1,910
Financial Institutions Tax	260	258	214
Local Option Property Tax Replacement	25,483	27,970	
Other Financing Sources		40,510	
	<u>436,536</u>	<u>464,941</u>	<u>374,521</u>
Total Receipts			
Expenditures:			
Support Services	525,659	354,628	527,441
Interfund Transfers	593	6,703	
	<u>526,252</u>	<u>361,331</u>	<u>527,441</u>
Total Expenditures			
Net Increase (Decrease)	(89,715)	103,610	(152,920)
Beginning Balance - January 1st	<u>621,549</u>	<u>531,834</u>	<u>635,444</u>
Ending Balance	<u>\$531,834</u>	<u>\$635,444</u>	<u>\$482,524</u>

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

	Calendar Year		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>LOCAL RAINY DAY FUND</u>			
Receipts:			
Income Taxes		\$199,521	\$373,348
Interfund Transfers	\$176,520	281,500	593,680
	<u>176,520</u>	<u>481,021</u>	<u>967,028</u>
Total Receipts			
Expenditures:			
Support Services		103,736	72,715
	<u>0</u>	<u>103,736</u>	<u>72,715</u>
Total Expenditures			
Net Increase	176,520	377,285	894,313
Beginning Balance - January 1st	<u>2,838,673</u>	<u>3,015,193</u>	<u>3,392,479</u>
Ending Balance	<u>\$3,015,193</u>	<u>\$3,392,479</u>	<u>\$4,286,791</u>

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)

KANKAKEE VALLEY SCHOOL CORPORATION

(Cont'd)

SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND
(Unaudited)

	Calendar Year		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>OTHER FUNDS</u>			
Receipts:			
Revenues from Local Sources	\$4,345,520	\$4,493,737	\$4,269,430
Earnings on Investments	311		4,512
Revenues from State Sources	293,504	459,398	407,813
Revenues from Federal Sources	1,233,367	1,233,640	1,400,549
Revenues from Intermediate Sources	169	169	244
Interfund Transfers	38,747	209,565	19,601
Other	2,447	3,537	2,437
Total Receipts	<u>5,914,065</u>	<u>6,400,046</u>	<u>6,104,585</u>
Expenditures:			
Support Services	503,347	535,723	844,027
Community Services	1,351,440	1,255,157	1,325,861
Facilities Acquisition and Construction	2,982,013	173,921	
Instruction	517,717	611,775	573,221
Nonprogrammed Charges	3,451,277	2,851,466	3,007,707
Interfund Transfers	35,445	26,482	269,584
Total Expenditures	<u>8,841,240</u>	<u>5,454,524</u>	<u>6,020,400</u>
Net Increase (Decrease)	(2,927,175)	945,523	84,185
Beginning Balance - January 1st	<u>6,235,021</u>	<u>3,307,846</u>	<u>4,253,369</u>
Ending Balance	<u><u>\$3,307,846</u></u>	<u><u>\$4,253,369</u></u>	<u><u>\$4,337,554</u></u>
 <u>GRAND TOTALS</u>			
Total Receipts	<u>\$40,584,801</u>	<u>\$42,425,221</u>	<u>\$43,722,596</u>
Total Expenditures	<u>44,052,882</u>	<u>38,958,275</u>	<u>43,531,742</u>
Net Increase (Decrease)	(3,468,081)	3,466,946	190,854
Beginning Balance - January 1st	<u>24,440,031</u>	<u>20,971,950</u>	<u>24,438,897</u>
Ending Balance	<u><u>\$20,971,950</u></u>	<u><u>\$24,438,897</u></u>	<u><u>\$24,629,751</u></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.

KANKAKEE VALLEY SCHOOL
CORPORATION

By *Edward P. Harmons*
President, Board of School Trustees

Attest: *Kristy Stone*
Secretary, Board of School Trustees

APPENDIX B

FINAL BOND RESOLUTION

WHEREAS, Kankakee Valley School Corporation (the "Issuer" or "School Corporation") is a school corporation organized and existing under the provisions of I.C. 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 education 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 renovation of and improvements to Kankakee Valley High School, including the construction of athletic facilities and site improvements (the "Project"), and that the School Corporation should issue bonds in an amount not to exceed Eight Million Dollars (\$8,000,000) (the Bonds") for the purpose of providing funds to be applied on the cost of the Project, and that bonds in such amount should now be authorized; and

WHEREAS, the School Corporation has held preliminary determination hearings in accordance with I.C. 6-1.1-20-3.1; 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 2018 for state and county taxes collectible in the year 2019 is \$1,394,892,580 and there is \$0 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 Project, 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 Eight Million Dollars (\$8,000,000), bearing interest at a rate or rates not exceeding five percent (5.0%) 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 July 15, 2020 through not later than January 15, 2030.

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 Huntington National Bank, 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 shall be payable by check mailed one business day prior to the interest payment date to the person in whose name and at the address the Bonds are registered as they appear on the registration and transfer books by the Paying Agent (the "Registration Record") or successor paying agent, as of the fifteenth day immediately preceding such interest payment date or by wire transfer of immediately available funds on the interest payment date to the depositories shown as registered owners. Principal of the Bonds shall be payable upon presentation of the Bonds at the principal corporate trust office of the Paying Agent in lawful money of the United States of America or by wire transfer of immediately available funds to depositories who present the Bonds to the Paying Agent at least two business days prior to the payment date.

The Bonds are transferable by the registered owner at the principal corporate trust 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 principal corporate trust 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 on or before the fifth business day immediately preceding any payment date, 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 on the next payment date.

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 herein, 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 or before the fifth business day prior to the payment date.

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 of the Code, as existing on the date of issuance of the Bonds, nor will the Issuer act in any other manner which would adversely affect such exclusion.

The Issuer represents that it reasonably expects that tax-exempt bonds, warrants and other evidences of indebtedness issued by or on behalf of it or any subordinate entity, during the calendar year in which the bonds will be issued will be less than \$10,000,000 principal amount. This amount includes all obligations issued by, or on behalf of the Issuer and subordinate entities,

including building corporation bonds. At least 95% of the net proceeds of the Bonds shall be used for governmental activities of Issuer. The Issuer hereby designates the Bonds as qualified tax exempt obligations for purposes of Section 265(b)(3) of the Code, relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations acquired after August 7, 1986.

The Bonds shall be issued in substantially the following form, all blanks to be filled in properly prior to delivery:

Registered
No. R-_____

Registered
\$8,000,000

UNITED STATES OF AMERICA

State of Indiana

County of Jasper

KANKAKEE VALLEY SCHOOL CORPORATION
GENERAL OBLIGATION BOND OF 2018

Interest Rate	Maturity Date	Original Date	Authentication Date	CUSIP
See <u>Exhibit A</u>	See <u>Exhibit A</u>	_____, 2018	_____, 2018	See <u>Exhibit A</u>

Registered Owner:

Principal Sum: EIGHT MILLION DOLLARS

Kankakee Valley School Corporation (the "Issuer" or "School Corporation"), a school corporation organized and existing under the laws of the State of Indiana, in Jasper County, Indiana, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner (named above) or to registered assigns, the Principal Sum set forth above in installments as set forth on Exhibit A on the Maturity Dates set forth on Exhibit A and to pay interest thereon at the Interest Rate per annum as set forth on Exhibit A from the interest payment date to which interest has been paid next preceding the date of authentication hereof unless this Bond is authenticated on or before June 30, 2019 in which case interest shall be paid from the Original Date, or unless this 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, which interest is payable on July 15, 2019 and each January 15 and July 15 thereafter until the principal has been paid. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Interest shall be 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 as of the fifteenth day immediately preceding such interest

payment date. Principal of this Bond shall be payable upon presentation of this Bond at the principal corporate trust office of The Huntington National Bank, Indianapolis, Indiana (the "Registrar and Paying Agent") or by wire transfer of immediately available funds to depositories who present the Bonds to the Registrar and Paying Agent at least two business days prior to the payment date in lawful money of the United States of America. 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 Registrar and Paying Agent 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 Eight Million Dollars (\$8,000,000), 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 April 23, 2018 as supplemented on June 18, 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 renovation of and improvements to Kankakee Valley High School, including the construction of athletic facilities and site improvements (the "Project"). 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 principal corporate trust 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 principal corporate trust 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.

KANKAKEE VALLEY SCHOOL
CORPORATION

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 HUNTINGTON NATIONAL BANK,
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 Rensselaer Republican and the Kankakee Valley Post-News, 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, and in the Court & Commercial Record and that this Board ratifies the publication of such notice. 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 Eighty Thousand Dollars (\$80,000), 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 99.5% of par and the rate or rates of interest which the Bonds are to bear, not exceeding five percent (5.0%) 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.

The Superintendent of the School Corporation, the Chief Financial Officer of the School Corporation 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 First 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 18th day of June, 2018.

President, Board of School Trustees

ATTEST:

Secretary, Board of School Trustees

APPENDIX C

July 12, 2018

Fifth Third Securities, Inc.
Cincinnati, Ohio

Re: Kankakee Valley School Corporation
General Obligation Bonds of 2018
Total Issue: \$8,000,000
Original Date: July 12, 2018

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Kankakee Valley School Corporation, Wheatfield, Indiana (the "School Corporation" or "Issuer"), of \$8,000,000 of its General Obligation Bonds of 2018 dated July 12, 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 June 14, 2018 or the Final Official Statement dated June 21, 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.
July 12, 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 December 21, 2017 (the "Master Undertaking") is executed and delivered by Kankakee Valley School Corporation (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, as amended (the "SEC Rule");

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 such auditors and all notes thereto (collectively, the "Audited Information"), by June 30 immediately following each biennial period. However, the Audited Information for the biennial period ending June 30, 2016 shall be posted within 60 days of the Obligor's receipt thereof. Thereafter, such disclosure of Audited Information shall first begin by June 30, 2019, and shall be made by June 30 of every other year 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, 2018, 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

KANKAKEE VALLEY SCHOOL CORPORATION

- 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.

[Remainder of page intentionally left blank]

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

KANKAKEE VALLEY SCHOOL
CORPORATION, as Obligor

By:

Dr. Edward Habrowski, President
Board of School Trustees

Kristy Stowers, Secretary
Board of School Trustees

[Signature Page to Master Continuing Disclosure Undertaking]

EXHIBIT A
OBLIGATIONS

<u>Full Name of Bond Issue</u>	<u>Base CUSIP</u>	<u>Final Maturity</u>
Kankakee Valley Middle School Building Corporation Ad Valorem Property Tax Crossover Refunding Bonds, Series 2017	48451R	July 15, 2029

EXHIBIT B

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

The undersigned, on behalf of the KANKAKEE VALLEY SCHOOL CORPORATION, as the Obligor under the Master Continuing Disclosure Undertaking, dated as of December 21, 2017 (the "Master Undertaking"), hereby certifies that the information enclosed herewith constitutes the [Annual Information][Audited Information] (as defined in the Master Agreement) which is required to be provided pursuant to Section 4(a) of the Master Agreement.

Dated: _____

KANKAKEE VALLEY SCHOOL
CORPORATION

DO NOT EXECUTE - FOR FUTURE USE ONLY

EXHIBIT C

CERTIFICATE RE: REPORTABLE EVENT DISCLOSURE

The undersigned, on behalf of the KANKAKEE VALLEY SCHOOL CORPORATION, as Obligor under the Master Continuing Disclosure Undertaking, dated as of December 21, 2017 (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: _____

KANKAKEE VALLEY SCHOOL
CORPORATION

DO NOT EXECUTE - FOR FUTURE USE ONLY

EXHIBIT D

NOTICE TO MSRB OF FAILURE TO FILE INFORMATION

Notice is hereby given that the KANKAKEE VALLEY SCHOOL CORPORATION (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 December 21, 2017.

Dated: _____

KANKAKEE VALLEY SCHOOL
CORPORATION

DO NOT EXECUTE - FOR FUTURE USE ONLY

**FIRST SUPPLEMENT TO
MASTER CONTINUING DISCLOSURE UNDERTAKING**

This First Supplement, dated as of June 21, 2018 (the "First Supplement"), to the Master Continuing Disclosure Undertaking dated as of December 21, 2017 (as supplemented the "Master Undertaking"), of Kankakee Valley School Corporation (the "Obligor"), is entered into for the benefit of Fifth Third Securities, Inc., as underwriter of the \$8,000,000 Kankakee Valley School Corporation General Obligation Bonds of 2018 (the "2018 Bonds").

Section 1. The terms of the Master Undertaking, as supplemented by this First Supplement, are hereby made applicable in all respects to the 2018 Bonds. As of the date of this First 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 Master Undertaking to be executed as of the day and year first hereinabove written.

KANKAKEE VALLEY SCHOOL
CORPORATION, as Obligor

By: _____
Dr. Edward Habrowski, President
Board of School Trustees

Kristy Stowers, Secretary
Board of School Trustees

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

EXHIBIT A
OBLIGATIONS

Full Name of Bond Issue	Base CUSIP	Final Maturity
<u>General Obligation Bonds</u>		
Kankakee Valley School Corporation General Obligation Bonds of 2018	484519	January 15, 2030
 <u>Lease Obligations</u>		
Kankakee Valley Middle School Building Corporation Ad Valorem Property Tax Crossover Refunding Bonds, Series 2017	48451R	July 15, 2029