

NOTICE OF ADOPTION OF PRELIMINARY DETERMINATION

Notice is hereby given pursuant to Indiana Code § 6-1.1-20-3.5 that the Board of School Trustees (the "Board") of Washington Community Schools, Inc. (the "School Corporation") did, on December 19, 2024, make a preliminary determination to issue bonds and enter into a lease agreement (the "Lease") for the proposed construction, renovation and improvements to school facilities, including safety and security renovations at Washington Primary School, Washington Upper Elementary School, Washington Intermediate School, and Washington Junior/Senior High School, construction of additional classroom, administrative, and service space at Washington Primary School, renovations and improvements to the Washington Junior High School gymnasium, and other renovation and improvements at school facilities owned and operated by the School Corporation, including deferred maintenance improvements, site improvements, and the purchase of equipment and technology (collectively, the "Projects"). The Lease will be for a maximum term of 25 years with a maximum annual Lease rental of \$2,657,000. The maximum annual Lease rental has been estimated based upon an estimated principal amount of bonds of \$26,430,000, estimated interest rates of 5.00%, and total estimated interest costs of \$18,097,555.

As required by Indiana Code § 6-1.1-20-3.5(b)(1), the following information was available to the public at the public hearings on the preliminary determination: (i) the School Corporation's current and projected annual debt service payments divided by the net assessed value of taxable property within the School Corporation, which is 0.36%; and (ii) the sum of the School Corporation's outstanding long term debt plus the outstanding long term debt of other taxing units that include any other territory of the School Corporation divided by the net assessed value of taxable property within the School Corporation, which is 6.29%.

The School Corporation's current debt service fund levy is \$2,355,702 and the current debt service fund tax rate is \$0.2957. After the School Corporation enters into the proposed Lease and

the bonds are issued, the debt service fund levy will increase by a maximum of \$2,657,000 and the gross debt service fund tax rate will increase by a maximum of \$0.2785. However, as existing obligations mature, the anticipated net increase to the 2026 Debt Service Fund tax rate is expected to be \$0.00 above the current rate.

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

<u>Year</u>	<u>Estimated Total Debt Service Levy</u>	<u>Estimated Total Debt Service Rate</u> (1)
2024	\$2,355,702 (2)	\$0.2957 (2)
2025	2,476,213	0.2931
2026	2,906,468	0.3440
2027	2,444,474	0.2893
2028	2,741,919	0.3246
2029	2,589,700	0.3065
2030	2,590,650	0.3066
2031	2,522,250	0.2986
2032	2,519,400	0.2982
2033	2,518,450	0.2981
2034	2,523,200	0.2987

(1) Based upon 2025 certified net assessed values and assumes no growth in 2026 and thereafter. The debt service tax rate can be managed by utilizing cash balance in the debt service fund and capturing potential future net assessed value growth. It is projected that the debt service tax rate will not increase above the estimated 2025 debt service tax rate.

(2) Per the School Corporation's 2024 Budget Order.

Note: Represents estimated debt service tax rate based upon outstanding and proposed annual payments. Actual tax rates will vary based on other factors such as available and authorized operating balance, actual miscellaneous revenue received and net assessed valuation.

The Projects involve the opening of new school facility spaces; however, the new school facility spaces will be more efficient than the school facility spaces which shall be replaced. The School Corporation expects to annually incur an aggregate increase of \$30,000 to operate such new facility spaces. The purpose of the Lease is to provide for the Projects.

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

Dated December 21, 2024.


/s/ Secretary, Board of School Trustees
Washington Community Schools, Inc.

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