

NOTICE OF ADOPTION OF PRELIMINARY DETERMINATION

Notice is hereby given pursuant to Indiana Code § 6-1.1-20-3.1 that the Board of School Trustees (the "Board") of South Montgomery Community School Corporation (the "School Corporation") did, on February 10, 2025, make a preliminary determination to issue bonds for the renovation of and improvements to facilities throughout the School Corporation, including the construction of a transportation building, site and athletic improvements and the purchase of equipment, buses and technology (the "Project"). Each series of bonds will have a maximum maturity of 22 years. The Bonds will be issued in a maximum, aggregate principal amount not to exceed \$15,000,000 and estimated interest rates ranging from 1.00% to 7.00% resulting in total estimated interest costs of \$12,941,425.

As required by Indiana Code § 6-1.1-20-3.1(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 1.97%; 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 2.76%.

The School Corporation's current Debt Service Fund levy is \$4,783,226 and the current Debt Service Fund Tax rate is \$0.4284. After the bonds are issued, the Debt Service Fund levy will increase by a maximum of \$4,500,000 and the Debt Service Fund tax rate will increase by a maximum of \$0.4030. However, as existing obligations mature, the anticipated net increase to the Debt Service Fund tax rate is expected to be \$0.0257 above the current Debt Service Fund Tax rate. The Bonds issued to fund the Project are not expected to increase the Total Tax Rate above the 2025 Total Tax Rate.

The estimated amount of the School Corporation's Debt Service Fund levy and tax rate that will result during the following 10 years if the School Corporation 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> |
|-------------|--|--|
| 2024 | \$4,881,906 | \$0.4426 |
| 2025 | 4,783,226 | 0.4284 |
| 2026 | 5,678,140 | 0.4541 |
| 2027 | 5,233,930 | 0.4144 |
| 2028 | 3,918,998 | 0.3072 |
| 2029 | 3,949,872 | 0.3096 |
| 2030 | 3,956,539 | 0.3102 |
| 2031 | 3,958,939 | 0.3103 |
| 2032 | 3,536,689 | 0.2772 |
| 2033 | 1,241,056 | 0.0973 |
| 2034 | 1,298,060 | 0.1018 |

The Project does not involve the opening of new school facility space. The purpose of the bonds is to provide for the Project.

Any owners of real property within the School Corporation or registered voters residing within the School Corporation who want to initiate a petition and remonstrance process against the proposed issuance of the bonds must file a petition that complies with Indiana Code § 6-1.1-20-3.1 subdivisions (4) and (5) not later than 30 days after the first publication of this notice.

Dated November 5, 2025.

David Reeves
South Montgomery Community School Corporation