

This Offering Circular is dated November 19, 2018

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

NEW ISSUE
OFFERING CIRCULAR

COMPETITIVE SALE
BANK QUALIFIED

\$995,000
AVON COMMUNITY SCHOOL CORPORATION
Avon, Indiana
GENERAL OBLIGATION BONDS OF 2018

Original Date: Date of Delivery (Anticipated to be December 18, 2018)

Due: January 15 and July 15, as shown below

The Avon Community School Corporation (the “School Corporation”) is issuing \$995,000 of General Obligation Bonds of 2018 (the “Bonds”) for the purpose of paying the costs of the renovation of and improvements to facilities within the School Corporation, including safety and security improvements, maintenance improvements, site improvements and the purchase of equipment (the “Project”), and to pay issuance costs.

The Bonds will be issued as provided in the Bond Resolution adopted by the Board of School Trustees on October 8, 2018, as supplemented on October 29, 2018 (as supplemented, the “Bond Resolution” or “Resolution”). The Bonds are payable from ad valorem taxes to be levied on all taxable property within the School Corporation as more fully described in this Offering Circular. 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. However, *see* “PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION” and “CIRCUIT BREAKER TAX CREDIT” herein.

The Bonds will be issued only as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). Purchases of beneficial interests in the Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interests in the Bonds. Interest on the Bonds will be payable semiannually on January 15 and July 15 of each year, beginning July 15, 2019. Principal and interest will be disbursed on behalf of the School Corporation by The Bank of New York Mellon Trust Company, N.A., in East Syracuse, New York (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. 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. 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 prior to maturity. The Bonds may be issued as “Term Bonds” at the Underwriter’s discretion and in that case, would be subject to mandatory sinking fund redemption as more fully described herein.

MATURITY SCHEDULE

<u>Maturity</u>	<u>Principal</u>	<u>Maturity</u>	<u>Principal</u>
July 15, 2019	\$495,000	January 15, 2020	\$500,000

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

PROJECT PERSONNEL

Names and positions of officials and professionals who have taken part in the planning of the Project and Bond issue are:

Board of School Trustees

John K. McDavid, President
Pamela J. Deweese, Vice President
Anne L. Engelhardt, Secretary
Cynthia L. Simmons
Kimberly L. Woodward

Superintendent

Dr. Margaret Hoernemann

Director of Finance and Operations

Dr. Scott Wyndham

School Corporation Attorney

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Noblesville, Indiana 46060

Bond Counsel

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Municipal Advisor

Curt W. Pletcher
H.J. Umbaugh & Associates
Certified Public Accountants, LLP
112 IronWorks Avenue, Suite C
Mishawaka, Indiana 46544

PROCEDURES FOR BIDDING

Date and Time of Sale: Upon 24 hours' notice. Anticipated to take place on November 28, 2018, at 11:00 a.m. (EST)

Place of Sale: Umbaugh, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240

Maximum Interest Rate: 5.0%

Minimum Purchase Price*: 99.25% (\$987,537.50)

Multiples: 1/8 or 1/100 of 1%

Anticipated Closing Date: December 18, 2018

Good Faith Deposit: \$9,950 certified or cashier's check or wire transfer submitted by the winning bidder no later than 3:30 p.m. (EDT) on the business day following the award

Method of Bidding: Electronic bidding by PARITY® or traditional bidding

Basis of Award: Net Interest Cost (NIC)

Issue Price Determination: As set forth in the Offering Circular, the bidder agrees by submission of their bid to assist the School Corporation in establishing the issue price of the Bonds under the terms outlined in Appendix D and shall execute and deliver to the School Corporation at closing an "issue price" certificate, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the School Corporation and bond counsel. Provided the winning bidder is purchasing the Bonds as an Underwriter (as defined in Appendix D) and is not purchasing the Bonds with the intent to hold the Bonds for its own account, then the School Corporation and the Purchaser shall agree to the process by which issue price will be established on the date of sale of the Bonds in the event that the Competitive Sale Requirements (as defined in Appendix D) are not met. The winning bidder must agree to execute the applicable schedules depending on the sale results.

For a complete description of terms and conditions for bidding, please refer to the next section of this Offering Circular (Appendix i) for the Notice of Intent to Sell Bonds.

*Minimum Purchase Price shall mean the \$995,000 of the Bonds less total discount submitted with bid, including any underwriter discount, purchaser discount, original issue discount or any expenses submitted by the bidder which will reduce the amount of bond proceeds to be received by the Avon Community School Corporation, and adding any amortizable bond premium.

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.

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.

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 Registrar and Paying Agent, The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana, 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.

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. See "BOOK-ENTRY-ONLY SYSTEM" herein. 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 financial 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.)

PROJECT DESCRIPTION

The Bonds are being issued for the purpose of paying the costs of the renovation of and improvements to facilities within the School Corporation, including safety and security improvements, maintenance improvements, site improvements and the purchase of equipment and to pay issuance costs.

ESTIMATED SOURCES AND USES OF FUNDS

Estimated Sources of Funds

General Obligation Bonds of 2018	<u>\$995,000.00</u>
Total Estimated Sources of Funds	<u>\$995,000.00</u>

Estimated Uses of Funds

Estimated Project Costs and Contingencies	\$917,537.50
Allowance for Underwriter's Discount (0.75%)	7,462.50
Allowance for Cost of Issuance and Contingencies (1)	<u>70,000.00</u>
Total Estimated Uses of Funds	<u>\$995,000.00</u>

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

INTERCEPT PROGRAM

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

The Act further provides upon failure to pay any Debt Service Obligation when due and upon notice and claim being filed with the Treasurer of the State of Indiana (the "State Treasurer"), the State Treasurer will pay the unpaid Debt Service Obligation of the school corporation within five (5) days, excluding Saturdays, Sundays and legal holidays of receiving such notice to the extent that the amounts described below as the Available Funds are available to the State Treasurer in accordance with the following procedures: (a) upon notice and claim being filed with the State Treasurer, the State Treasurer must immediately contact the school corporation and the person or entity filing the

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

Fiscal Year 2019 Basic Grant Distribution (all funds) (1)	<u>\$59,737,084</u>
Estimated Combined Maximum Annual Debt Service (2)	<u>\$25,844,443</u>
State Distributions Required to Provide Two-Times Coverage	<u>\$51,688,886</u>
State Distributions Above Two-Times Coverage Amount	<u>\$8,048,198</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.

INTEREST CALCULATION

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

REDEMPTION PROVISIONS

Optional Redemption:

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

Mandatory Sinking Fund Redemption:

If any Bonds are issued as Term Bonds, the Paying Agent shall credit against the mandatory sinking fund requirement for the Term Bonds, and corresponding mandatory redemption obligation, in the order determined by

the School Corporation, any Term Bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Paying Agent 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 redemption date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of that Term Bond to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall only credit such Term Bond to the extent received on or before 45 days preceding the applicable mandatory redemption date.

If fewer than all the Bonds are called for redemption at one time, the Bonds shall be redeemed in order of maturity determined by the School Corporation and by lot within maturity. Each \$5,000 principal amount shall be considered a separate bond for purposes of mandatory redemption.

Notice of Redemption:

Notice of redemption shall be mailed to the registered owners of all Bonds to be redeemed at least 30 days but not more than 45 days prior to the date fixed for such redemption. If any of the Bonds are so called for redemption, and payment therefore is made to the Paying Agent in accordance with the terms of the Bond Resolution, then such Bonds shall cease to bear interest from and after the date fixed for redemption in the call.

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 OFFERING CIRCULAR TO THE REGISTERED OWNERS (OR THE OWNERS) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

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

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

The certified statement of assessed value is used when the governing body of a local taxing unit meets to establish its budget for the next fiscal year (January 1 through December 31) and to set tax rates and levies. In preparing the taxing unit's estimated budget, the governing body must consider the net property tax revenue that will be collected by the taxing unit during the ensuing year, after taking into account the DLGF's estimate of the amount by which the taxing unit's distribution of property taxes will be reduced by the application of the Circuit Breaker Tax Credit (as defined in the summary of "CIRCUIT BREAKER TAX CREDIT" herein), and after taking into account the DLGF's estimate of the maximum amount of net property tax revenue and miscellaneous revenue that the taxing unit will receive in the ensuing year. Before May 1 of each year, the fiscal officer of each political subdivision shall provide the DLGF with an estimate of the total amount of its debt service obligations (as defined in 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 debt service by a school corporation if: (i) there are no bonds of the school corporation outstanding; and (ii) the school corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular debt service levy requested. However, the DLGF may increase the school corporation's tax rate and levy if the tax rate and levy proposed by the school corporation are not sufficient to make its debt service payments.

Taxing units have until December 31 of the calendar year immediately preceding the ensuing calendar year to file a levy shortfall appeal. Beginning with the 2019 budget year, the DLGF must complete its review and certification of budgets, tax rates and levies, not later than December 31 of the year preceding the budget year, unless a taxing unit in the county issues debt after December 1 or intends to file a shortfall appeal under 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 qualify for this exemption for 2018, and plans to use the exemption in 2018.

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

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

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

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

For example, in March, 2016, the Indiana General Assembly passed legislation which revises the factors used to calculate the assessed value of agricultural land. This legislation is retroactive to the January 1, 2016, assessment date and applies to each assessment date thereafter. The revised factors enacted in the legislation may reduce the total assessed value of agricultural land, which could shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land may result in a reduction of the total assessed value of a school corporation. A lower assessed value of a school corporation may result in higher tax rates in order for 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 were \$5,535,889, \$6,934,896 and \$5,975,873, 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.

EXEMPTION FROM CONTINUING DISCLOSURE REQUIREMENTS

The continuing disclosure requirements promulgated by the Securities and Exchange Commission (the “SEC”) in SEC Rule 15c2-12, as amended to the date hereof (the “SEC Rule”), do not apply to a primary offering of municipal securities with an aggregate principal amount of less than \$1,000,000. Therefore, the School Corporation will not enter into a Continuing Disclosure Undertaking in connection with this offering.

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 Offering Circular. 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 Offering Circular.

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

Municipal Advisor Registration:

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

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

Other Financial Industry Activities and Affiliations:

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

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

PROPOSED LEGISLATION

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. 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.

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

Although Bond Counsel will render an opinion in the form attached as Appendix C hereto, the accrual or receipt of interest on the Bonds may otherwise affect a bondholder’s federal income tax or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder’s particular tax status and a bondholder’s other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, individuals, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Bonds.

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

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 Offering Circular, and will express no opinion thereon. The form of opinion of Bond Counsel is included as Appendix C of this Offering Circular.

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.

MISCELLANEOUS

The information contained in this Offering Circular 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. Additional information may be requested from the Director of Finance and Operations, Dr. Scott Wyndham, Avon Community School Corporation, 7203 East U.S. Highway 36, Avon, Indiana 46123, phone (317) 544-6000.

The School Corporation certifies to the best of its knowledge and belief that this Offering Circular, 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 Offering Circular and its execution are duly authorized.

Avon Community School Corporation

By: Pamela J. Deweese
Vice President, Board of School Trustees

Attest: Carrie Sughera
Secretary, Board of School Trustees

APPENDICES

i Notice of Intent to Sell Bonds

A General Information

B Bond Resolution

C Legal Opinion

D Issue Price Determination

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APPENDIX i

NOTICE OF INTENT TO SELL BONDS

\$995,000 GENERAL OBLIGATION BONDS OF 2018 AVON COMMUNITY SCHOOL CORPORATION

Upon not less than twenty-four (24) hours' notice given by the undersigned Secretary prior to the ninetieth day after this notice is first published, Avon Community School Corporation (the "School Corporation") will receive and consider bids for the purchase of the following described Bonds. Any person interested in submitting a bid for the Bonds may furnish in writing to the School Corporation c/o H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-2687; (317) 465-1500 or by e-mail to bids@umbaugh.com, on or before 11:00 a.m. (Indianapolis Time) November 26, 2018, the person's name, address, and telephone number. Interested persons may also furnish an e-mail address. The undersigned Secretary will notify (or cause to be notified) each person so registered of the date and time bids will be received not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by such person or by e-mail, if an e-mail address has been received.

Notice is hereby given that electronic proposals will be received via PARITY[®], in the manner described below, until the time and date specified in the Notice provided at least 24 hours prior to the sale, which is expected to be 11:00 a.m. (Indianapolis Time), on November 28, 2018. Bids may be submitted electronically via PARITY[®] pursuant to this Notice until the time specified in this Notice, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY[®] conflict with this Notice, the terms of this Notice shall control. For further information about PARITY[®], potential

bidders may contact the School Corporation's municipal advisor, H.J. Umbaugh & Associates, Certified Public Accountants, LLP at (317) 465-1500 or PARITY® at (212) 849-5021.

At the time designated for the sale, the School Corporation will receive at the offices of H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana, and consider bids for the purchase of the following described Bonds:

Avon Community School Corporation General Obligation Bonds of 2018 (the "Bonds"), an Indiana political subdivision, in the principal amount of \$995,000; Fully registered form; Denomination \$5,000 and integral multiples thereof (or in such other denomination as requested by the winning bidder); Originally dated the date of delivery of the Bonds; Bearing interest at a rate or rates to be determined by bidding, payable on July 15, 2019, and semiannually thereafter; These Bonds will be initially issued in a Book Entry System (as defined in the Bond Resolution (as hereinafter defined)) unless otherwise requested by the winning bidder. Interest payable by check mailed one business day prior to the interest payment date or by wire transfer to depositories on the interest payment date to the person or depository in whose name each Bond is registered with The Bank of New York Mellon Trust Company, N.A. on the fifteenth day immediately preceding such interest payment date; Maturing or subject to mandatory redemption on January 15 and July 15 beginning on July 15, 2019 through not later than January 15, 2021 as provided by the School Corporation prior to the sale.

The Bonds have been designated as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

As an alternative to PARITY®, bidders may submit a sealed bid or e-mail the bid electronically to the School Corporation's municipal advisor at the address described above until the time and on the date identified in the notice given by, or on behalf of the School Corporation, twenty-four hours prior to the sale of the Bonds. Upon completion of the bidding procedures described herein, the results of the sealed, non-electronic bids received shall be compared to the electronic bids received by the School Corporation.

If a potential bidder has questions related to the School Corporation, the financing or submission of bids, questions should be submitted by email to bids@umbaugh.com no later than

11:00 a.m. (Indianapolis Time) on November 26, 2018. To the best of the School Corporation's ability, all questions will be addressed by or on behalf of the School Corporation and sent to potential bidders, including any bidders requesting 24 hours' notice of sale, no later than 10:00 a.m. (Indianapolis Time) on November 27, 2018. Additionally, upon request, the written responses will be emailed to any other interested bidder. Bidders should review this notice as well as the Offering Circular (defined herein) and submit any questions in advance of this deadline to submit questions.

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

A bid may designate that a given maturity or maturities shall constitute a term bond, and the semi-annual amounts set forth in the schedule provided prior to the sale shall constitute the mandatory sinking fund redemption requirements for such term bond or bonds. For purposes of computing net interest cost, the mandatory redemption amounts shall be treated as maturing on the dates set forth in the schedule provided prior to the sale.

In the case of any redemption, 30 days' notice will be given by mail to the registered owners of the Bonds to be redeemed, and accrued interest will be paid to the date fixed for redemption. Interest on the Bonds so called for redemption will cease on the redemption date fixed in said notice if funds are available at the place of redemption to redeem the Bonds so called on the date fixed in said notice, or thereafter when presented for payment.

Each bid must be for all of the Bonds and must state the rate of interest which each maturity of the Bonds is to bear, stated in multiples of $1/8^{\text{th}}$ or $1/100^{\text{th}}$ of 1%. The maximum interest rate of the Bonds shall not exceed 5.00% per annum. All Bonds maturing on the same date shall bear the same rate. Bids shall set out the total amount of interest payable over the term of the Bonds and the net interest cost on the Bonds covered by the bid. No bid for less than

99.25% of the face value of the Bonds will be considered. The Bonds will be awarded to the lowest responsible and responsive bidder who has submitted a bid in accordance herewith (the "Purchaser"). The Purchaser will be the one who offers the lowest net interest cost to the School Corporation, to be determined by computing the total interest on all of the Bonds to their maturities based upon the schedule provided by the School Corporation prior to the sale and deducting therefrom the premium bid, if any, and adding thereto the discount bid, if any. No conditional bids will be considered. The right is reserved to reject any and all bids. If an acceptable bid is not received for the Bonds on the date of sale hereinbefore fixed, the sale may be continued from day to day thereafter, during which time no bids for less than the highest bid received at the time of the advertised sale will be considered.

A good faith deposit ("Deposit") in the form of cash, wire transfer, or certified or cashier's check in the amount of \$9,950 payable to the order of the School Corporation is required to be submitted by the Purchaser not later than 3:30 p.m. (EST) on the next business day following the award. If such Deposit is not received by that time, the School Corporation may reject the bid. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its accepted bid, the Deposit will be retained by the School Corporation as liquidated damages.

The Purchaser shall make payment for such Bonds and accept delivery thereof within five days after being notified that the Bonds are ready for delivery, at such place in the City of Indianapolis, Indiana, as the Purchaser may designate, or at such other location mutually agreed to by the School Corporation and the Purchaser. The Bonds will be ready for delivery within 45 days after the date of sale. If the School Corporation fails to have the Bonds ready for delivery prior to the close of banking hours on the forty-fifth day after the date of sale, the Purchaser may

secure the release of the bid upon request in writing, filed with the School Corporation. The Purchaser is expected to apply to a securities depository registered with the Securities and Exchange Commission ("SEC") to make such Bonds depository-eligible. If the Bonds are reoffered, at the time of delivery of the Bonds to the Purchaser, the Purchaser will be required to certify to the School Corporation the initial reoffering price to the public of a substantial amount of each maturity of the Bonds.

All provisions of the bid form and Offering Circular (as hereinafter defined) are incorporated herein. As set forth in the Offering Circular, the Purchaser agrees by submission of their bid to assist the School Corporation in establishing the issue price of the Bonds under the terms outlined therein and shall execute and deliver to the School Corporation at closing an "issue price" certificate, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the School Corporation and Ice Miller LLP ("Bond Counsel").

Bidders must comply with the rules of PARITY[®] (the "Rules") in addition to requirements of this Notice. To the extent there is a conflict between the Rules and this Notice, this Notice shall control. Bidders may change and submit bids as many times as they wish during the sale, but they may not withdraw a submitted bid. The last bid submitted by a bidder prior to the deadline for the receipt of bids will be compared to all other final bids to determine the winning bid. During the sale, no bidder will see any other bidder's bid, nor will they see the status of their bid relative to other bids (e.g., whether their bid is a leading bid).

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder therefor to accept delivery of and

pay for the Bonds in accordance with the terms of its proposal. No CUSIP identification number shall be deemed to be a part of any Bond or a part of the contract evidenced thereby and no liability shall hereafter attach to the School Corporation or any of its officers or agents because of or on account of such numbers. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the School Corporation; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the Purchaser. The Purchaser will also be responsible for any other fees or expenses it incurs in connection with the resale of the Bonds.

The approving opinion of Bond Counsel, together with a transcript of the proceedings relating to the issuance of the Bonds and closing papers in the usual form showing no litigation questioning the validity of the Bonds, will be furnished to the successful bidder at the expense of the School Corporation.

The Bonds are being issued for the purpose of the renovation of and improvements to facilities within the School Corporation, including safety and security improvements, maintenance improvements, site improvements, and the purchase of equipment, and will be direct obligations of the School Corporation payable out of ad valorem taxes to be collected on the taxable property within the School Corporation; however, the School Corporation's collection of the levy may be limited by operation of I.C. 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. The School Corporation may not be able to levy or collect additional

property taxes to make up this shortfall. The School Corporation is a school corporation organized pursuant to the provisions of I.C. 20-23; the Bonds will not be "private activity bonds" as defined in Section 141 of the Code.

The Bonds constitute an indebtedness only of the School Corporation. In the opinion of Bond Counsel, under the existing federal statutes, decisions, regulations and rulings, the interest on the Bonds is exempt from all income taxation in Indiana. In the opinion of Bond Counsel, under the existing federal statutes, decisions, regulations and rulings, the interest on the Bonds is excludable from gross income for purposes of federal income taxation.

The School Corporation has prepared an Offering Circular (the "Offering Circular") relating to the Bonds, a copy of which be obtained from the School Corporation's municipal advisor, H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-2687.

Further information relative to said issue and a copy of the Offering Circular may be obtained upon application to H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-2687, municipal advisor to the School Corporation; or Dr. Scott Wyndham, Director of Finance and Operations of the School Corporation, 7203 East U.S. Highway 26, Avon, Indiana 46123. If bids are submitted by mail, they should be addressed to the School Corporation, attention of H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240-2687.

Dated this 7th day of November, 2018.

/s/

Secretary, Board of School Trustees
Avon Community School Corporation

APPENDIX A

TABLE OF CONTENTS

	<u>Page(s)</u>
Avon Community School Corporation	
System Overview	A-1
Facilities	A-1
Enrollment	A-2
Board of School Trustees	A-2
Administration and Staff	A-3
Pension Obligations	A-3 – A-5
General Physical and Demographic Information	
Location	A-5
General Characteristics	A-5 – A-6
Planning and Zoning	A-6
General Economic and Financial Information	
Commerce and Industry	A-6 – A-7
Large Employers	A-8
Employment	A-9
Building Permits.....	A-9
Population	A-10
Age Statistics.....	A-10
Educational Attainment.....	A-10
Miscellaneous Economic Information.....	A-11
Schedule of Indebtedness	A-12
Debt Ratios.....	A-13
Debt Limit	A-13
Schedule of Historical Net Assessed Valuation	A-14
Detail of Net Assessed Valuation.....	A-15
Comparative Schedule of Certified Tax Rates	A-16
Property Taxes Levied and Collected.....	A-17
Large Taxpayers.....	A-18
Financial Statements	A-19
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and	
Cash and Investment Balances - Regulatory Basis	A-20 – A-22
Summary of Receipts and Expenditures by Fund	A-23 – A-29

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AVON COMMUNITY SCHOOL CORPORATION

SYSTEM OVERVIEW

The Avon Community School Corporation (the “School Corporation”) was reorganized in 1962. The School Corporation is comprised of the Town of Avon and Washington Township and portions of the towns of Brownsburg, Danville, and Plainfield. Located in Hendricks County, Indiana, the total area of the School Corporation is approximately 34 square miles.

The School Corporation is comprised of 12 school buildings, including seven elementary schools serving grades pre-kindergarten to grade 4, two intermediate schools serving grades 5-6, two middle schools serving grades 7-8, and a high school for grades 9-12.

The School Corporation offers a variety of educational opportunities, clubs, and academic teams for students. The Harris Academy serves Avon and Brownsburg High Schools and offers students typically in grades 11 and 12 educational opportunities in a small environment to improve students’ social and emotional adjustment while completing their diplomas. Additionally, students are offered 41 programs of technical and vocational classes through the Area 31 Career Center located at Ben Davis High School. Avon High School offers 25 Advanced Placement courses and several other dual-credit courses in partnership with Vincennes University’s Project Excel Program and Ivy Tech. In 2010, Avon High School opened the Avon Advanced Learning Center (AALC) to expose seniors to a technologically rich learning environment promoting self-advocacy while providing experiences for the transition to college.

FACILITIES

The School Corporation presently operates the following schools.

<u>School</u>	<u>Grades</u>	<u>Year Opened</u>	<u>Additions/ Renovations</u>
Cedar Elementary School	K-4	2007	
Hickory Elementary School	K-4	2002	
Maple Elementary School	K-4	1971	2009
Pine Tree Elementary School	K-4	1989	2016
River Birch Elementary School	K-4	2010	
Sycamore Elementary School	K-4	1994	2001
White Oak Elementary School	PreK-4	1961	2009
Avon Intermediate School East	5-6	1977	2009, 2010, 2018
Avon Intermediate School West	5-6	2005	
Avon Middle School North	7-8	2009	
Avon Middle School South	7-8	1987	2001, 2004, 2009
Avon High School	9-12	1999	2005, 2009, 2010

ENROLLMENT

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

<u>School</u>	<u>2009/ 2010</u>	<u>2010/ 2011</u>	<u>2011/ 2012</u>	<u>2012/ 2013</u>	<u>2013/ 2014</u>	<u>2014/ 2015</u>	<u>2015/ 2016</u>	<u>2016/ 2017</u>	<u>2017/ 2018</u>	<u>2018/ 2019</u>
Cedar Elementary School	617.5	657.5	614.5	577.0	588.5	613.5	712.0	712.5	694.0	675.0
Hickory Elementary School	518.5	434.5	436.0	449.5	475.5	471.5	542.0	520.0	526.5	500.0
Maple Elementary School	466.0	262.5	253.0	258.5	255.0	233.5	259.0	256.0	280.0	319.0
Pine Tree Elementary School	494.0	355.0	328.5	364.0	334.0	341.0	363.0	350.5	341.5	335.0
River Birch Elementary School		664.5	640.5	665.5	693.0	683.5	758.5	786.0	770.0	814.0
Sycamore Elementary School	484.5	345.5	337.0	367.0	375.0	381.0	455.0	496.0	480.5	498.0
White Oak Elementary School	401.0	265.5	245.5	258.0	266.0	257.5	269.0	290.0	312.0	351.0
Avon Intermediate School East	662.0	682.0	728.0	682.0	667.0	756.0	746.0	736.0	740.0	747.0
Avon Intermediate School West	672.0	660.0	675.0	745.0	695.0	706.0	722.0	716.0	712.0	757.0
Avon Middle School North	724.0	714.0	658.0	673.0	705.0	710.0	701.0	791.0	824.0	798.0
Avon Middle School South	653.0	659.0	708.0	724.0	776.0	766.0	761.0	748.0	753.0	753.0
Avon High School	<u>2,492.0</u>	<u>2,523.0</u>	<u>2,626.0</u>	<u>2,683.0</u>	<u>2,716.0</u>	<u>2,829.0</u>	<u>2,947.0</u>	<u>2,990.0</u>	<u>3,094.0</u>	<u>3,202.0</u>
Totals	<u>8,184.5</u>	<u>8,223.0</u>	<u>8,250.0</u>	<u>8,446.5</u>	<u>8,546.0</u>	<u>8,748.5</u>	<u>9,235.5</u>	<u>9,392.0</u>	<u>9,527.5</u>	<u>9,749.0</u>

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

<u>Year</u>	<u>Projected Enrollment</u>
2019/2020	9,847
2020/2021	9,945
2021/2022	10,044
2022/2023	10,145
2023/2024	10,246

BOARD OF SCHOOL TRUSTEES

<u>Name</u>	<u>Current Term Began</u>	<u>Current Term Ends</u>
John K. McDavid, President	01/01/2017	12/31/2018
Pamela J. DeWeese, Vice President	01/01/2015	12/31/2018
Anne L. Engelhardt, Secretary	01/01/2017	12/31/2020
Cynthia L. Simmons, Member	01/01/2018	12/31/2021
Kimberly L. Woodward, Member	01/01/2015	12/31/2020

ADMINISTRATION AND STAFF

The School Corporation is under the direction of a five-member elected School Board of Trustees who serve four-year terms. The Superintendent, appointed by the Board of School Trustees, directs a certified staff of 571 and a non-certified staff of 694 with union representation as follows:

<u>Union Name</u>	<u>Union Representation</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
American Federation of Teachers	Teachers	366	06/30/19

PENSION OBLIGATIONS

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Employer contributions for the year 2017 were \$1,519,107.

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 Avenue, 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 \$2,975,485.

TRF is comprised of two accounts: (i) the Pre-1996 Account consisting of members hired prior to July 1, 1995, and (ii) the 1996 Account consisting of members hired on or after July 1, 1995 or certain employees hired before July 1, 1995 that were either hired by another covered employer or re-hired by a covered prior employer before June 30, 2005.

Pension Report - 2017

The tables below have been obtained from the Indiana Gateway for Government Units located at <https://gateway.ifionline.org/>.

Pension Report - 2017-2018 Avon Community School Corporation, Hendricks County, Indiana

Name of the Pension Plan	Teachers 401a Plan #801274
Type or class of employees covered by the Plan	Teachers
Type of Pension Plan	Defined Contribution
Plan Administrator	
Company Name	Principal Life Insurance Company
Street Address	67014 Westown Parkway, Suite 200
City	Des Mones
State	IA
Zip (e.g. 99999)	40266
Contact Person	Jason Stucky
Phone (e.g. 999-999-9999)	317-839-8377
e-mail (e.g. example@example.com)	jason@ngsfinancialpartners.com
Employer Sponsoring the Plan	Avon Community School Corporation
Current Number of Participants	
Active Employees that are Vested (e.g. 9999)	340
Active Employees that are Not Vested (e.g. 9999)	201
Separated Employees But are Vested (e.g. 9999)	55
Current Number of Retirees (e.g. 9999)	55
Name of the Pension Plan	Administrators 401a Plan #802580

Type or class of employees covered by the Plan	Administrators
Type of Pension Plan	Defined Contribution
Plan Administrator	
Company Name	Principal Life Insurance Company
Street Address	6701 Westown Parkway, Suite 200
City	Des Moines
State	IA
Zip (e.g. 99999)	50266
Contact Person	Jason Stucky
Phone (e.g. 999-999-9999)	317-839-8377
e-mail (e.g. example@example.com)	jason@ngsfinancialpartners.com
Employer Sponsoring the Plan	Avon Community School Corporation
Current Number of Participants	
Active Employees that are Vested (e.g. 9999)	33
Active Employees that are Not Vested (e.g. 9999)	11
Separated Employees But are Vested (e.g. 9999)	5
Current Number of Retirees (e.g. 9999)	5

Employer contributions for the year 2017 for Teachers 401A Plan and Administrator 401A Plan were \$1,113,322 and \$219,992, respectively.

Other Postemployment Benefits

The School Corporation currently provides one retired administrator with medical insurance. The cost for medical insurance is \$802.04 per month for each retired employee. The School Corporation's contributions for the year 2017 were \$33,483. The retired administrator will no longer be receiving this benefit after April 29, 2019. No new employees are eligible for the benefits.

The School Corporation will pay for accrued sick days for support staff only. In order to become eligible for this benefit, support staff must be employed by the School Corporation for at least 10 years. Unused, accrued, sick days are paid out at \$30 per day. The total amount paid for sick pay out in 2017 was \$14,835. The School Corporation will pay for unused vacation days after 60 days of employment. The total amount paid for unused vacation days in 2017 was \$2,814.

GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION

LOCATION

The School Corporation is located in the east central section of Hendricks County (the "County") in central Indiana and borders the City of Indianapolis. The School Corporation is approximately 15 miles west of downtown Indianapolis.

GENERAL CHARACTERISTICS

Throughout most of its history, the County had been primarily agricultural. However, due to its proximity to Indianapolis and the Indianapolis International Airport, and because it is crossed by two major interstates (I-74 and I-70), the County has experienced dramatic growth in residential, commercial and light industrial sectors.

The County has become one of the nation's fastest growing counties. In order to accommodate the industrial and commercial growth that has taken place in the past ten years, the Town of Avon (the "Town") continues to develop commercial and residential infrastructure. The Town, incorporated in 1995, is the newest town in the County and is also the fastest growing as of 2014. The Town is one of the County's commercial centers with extensive retail opportunities.

Avon has over 90 acres of park land and open space area for various recreational activities. Avon Town Hall Park, the largest park which covers 82.5 acres, offers amenities including walking trails, a nine acre lake, two ponds, fishing, shelters, 3 play grounds, natural walking paths, 18 hole disc golf course, and outdoor table tennis tables. Additionally, the 120 acre Washington Township Park provides playgrounds, splash pad, shelters, bike trails, fishing pond, basketball court, open playing area, band concert shell and meeting pavilion. It is also home of the Avon Community Heritage Festival and Hendricks County Rib Fest.

The Avon-Washington Township Library (the "Library") serves the Town of Avon and is one of the largest public libraries in the County. The Library offers a wide collection of books and magazines, DVDs, and downloadable e-books and audio books.

Adjacent to Avon, the City of Indianapolis offers numerous recreational and cultural facilities to residents in the areas of music, art, sporting events, and other recreational activities including the Indianapolis Symphony Orchestra, Clowes Memorial Hall, the Ballet Theater of Indianapolis, the Indianapolis Opera, the Indianapolis Children's Choir, the Indianapolis Museum of Art, the Indiana State Museum, the Eiteljorg Museum of American Indian and Western Art, the Indiana Repertory Theatre, the Booth Tarkington Civic Theatre, and the Children's Museum.

Indianapolis, famous for "Indy 500" racing, and home of the "Indiana Pacers", the "Indianapolis Colts," and the "Indianapolis Indians," is also known as an amateur sports center, and boasts the location of the headquarters of the National Collegiate Athletic Association. Numerous facilities provide spectator sporting events, as well as facilities open to the public for swimming, tennis, and bicycling. Many public and private golf courses are located throughout the metropolitan area. The downtown White River State Park includes a 78-acre Indianapolis Zoo and the White River Gardens. Located northeast of Avon, Eagle Creek Park is the largest municipally owned and operated park and recreation area in the United States, and has 5,300 acres of land and water. Sailing, windsurfing, canoeing, swimming, hiking, and horseback riding are all enjoyed at Eagle Creek Park.

PLANNING AND ZONING

The Town has a seven-member Advisory Plan Commission that oversees the growth and development of the Town including transportation, environmental, and long-range planning, zoning compliance, and development permits. The Town also has a five-member Board of Zoning Appeals.

GENERAL ECONOMIC AND FINANCIAL INFORMATION

COMMERCE AND INDUSTRY

Avon is positioned to provide access to a variety of transportation services. The Ronald Reagan Parkway is a north-south corridor that connects I-70 to I-74 through the eastern part of the Town and has access to the Indianapolis International Airport. The Town lies approximately fifteen miles west of the downtown Indianapolis and is a part of the Indianapolis Metropolitan Statistical Area which provides a wide range of employment opportunities for residents.

The Town is primarily retail and commercial based. A majority of the Town's retail businesses are located along the U.S. 36 corridor. According to the Town's Building Department, recent development along U.S. 36 includes car dealerships and industrial cell-towers.

IU Health West Hospital (formerly Clarian West Medical Center) opened in 2004 and is one of the largest employers in the Town. In October 2017, IU Health West Hospital announced an \$83 million expansion that will include 48 new inpatient beds, a new operating room and support service space. The project is expected to be completed in 2020.

Harlan Bakeries, one of the Town's largest employers, produces and distributes bakery products. In 2014, the company invested \$13 million to expand its production plant in its hometown of Avon. In 2017, the Indiana State Department added Harlan Bakeries to Indiana Grown, a local food and agriculture initiative. This allows Harlan Bakeries to take advantage of the initiative's marketing support and expand their reach to Indiana consumers, educate consumers on the importance of buying Indiana Grown products, increase sales opportunities and expand support for processors in Indiana.

In October 2017, Prime Car Wash broke ground on its fourth location in Indiana. The car wash chain invested \$5 million on a new facility in Avon, which is expected to create 50 jobs. The new location includes 16 bays for interior cleaning and a self-service vacuum area.

Avon is located directly in between the towns of Brownsburg and Plainfield which have experienced commercial and industrial growth and provide additional employment opportunities to Avon residents. The Town of Plainfield has grown to become a premier logistics and distribution center in the Midwest with the developments of industrial and business parks that include a mix of light manufacturing and warehousing.

The Town of Brownsburg continues to develop services and infrastructure and has encountered a large amount of business expansion and new development. The Eagle Pointe Industrial Park, located in the Town of Brownsburg, is currently comprised of several distribution facilities. The largest tenants in the Eagle Pointe Industrial Park are HomeGoods Division, a distribution center of home décor merchandise companies, occupying 805,000 sq. ft. and employing 1,112, and Guitar Center, a distributor of musical instruments, which currently occupies approximately 800,000 sq. ft. and employs approximately 155 employees. O'Reilly Auto Parts, one of the largest specialty auto parts retailers in the U.S., employs 400 employees. Several businesses that are involved in the racing industry are also located in Eagle Pointe Industrial Park.

The Town of Brownsburg annexed 2,146 acres to extend its boundaries over to the interchange at I-74 (the second Brownsburg exit) and Ronald Reagan Parkway. The Ronald Reagan Parkway is a north-south corridor that connects I-70 to I-74, and extends north to I-65 located just west of the City of Indianapolis and is intersected by two major rail lines. Brownsburg's Comprehensive Plan notes that the completion and development of the Ronald Reagan Parkway as a new regional artery may have "the most significant impact on long-term commercial development within both the community and the larger area." The annexed area is ideally suited for large-scale, regional development, office and industrial development, and single and multi-family residential development. The Comprehensive Plan for this area is anticipated to develop over the next ten to fifteen years and anticipates that the future development would likely include a regional campus of offices, hotels, restaurants, and shopping facilities centered on the corridor.

In October 2016, Envoy, Inc., Hageman Group, and Yeager Properties announced the development of the Brownsburg Office Suites, an approximately \$5 million office and co-working space development in the downtown area. The Brownsburg Office Suites is expected to be completed by September 2017. In February 2016, Scannell Properties announced their plans for the \$60 million Brownsburg Town Center development consisting of 220 apartments, retail space and a parking garage. The Brownsburg Town Center is expected to be completed within the next two years and is also located in the downtown area.

LARGE EMPLOYERS

Below is a list of the Town of Avon's largest employers. The number of employees shown are as reported by the Hendricks County Economic Development Partnership per the Indiana Department of Workforce Development 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>
Avon Community School Corporation	1962	Public education	1,265 (1)
IU Health West Hospital	2004	Hospital	722
Hendricks County	1824	County government	543 (2)
Harlan Bakeries	1990	Mfg. bakery products	400
Meijer	-	Retail	300
Kroger	-	Grocery	212 (3)
ManorCare Health Services	-	Nursing home	200
YMCA	2011	Health and wellness center	200 (3)
Target	-	Retail	200 (3)
Lowe's Home Improvement	-	Home improvement retail	180

(1) Per the School Corporation, includes 571 certified and 694 non-certified employees.

(2) Per Hendricks County, includes 64 part-time, 459 full time and 20 election workers.

(3) Per Company personnel.

EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate</u>		<u>Hendricks County Labor Force</u>
	<u>Hendricks County</u>	<u>Indiana</u>	
2013	5.8%	7.7%	78,649
2014	4.6%	6.0%	80,633
2015	3.8%	4.8%	82,861
2016	3.5%	4.4%	85,739
2017	2.9%	3.5%	86,205
2018, August	3.2%	3.7%	89,556

Source: Indiana Business Research Center. Data collected as of October 7, 2018.

BUILDING PERMITS

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

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>		<u>Industrial</u>	
	<u>Total Permits</u>	<u>Estimated Costs</u>	<u>Total Permits</u>	<u>Estimated Costs</u>	<u>Total Permits</u>	<u>Estimated Costs</u>
2013	393	59,303,933	66	19,094,600	8	558,100
2014	320	39,543,365	52	12,796,200	8	839,000
2015	308	37,287,433	48	4,865,700	4	43,000
2016	348	36,809,790	81	44,684,050 (1)	6	151,500
2017	350	91,333,400 (2)	52	34,971,700	2	275,000

(1) The Town of Avon encountered commercial and industrial growth along the U.S. 36 corridor.

(2) Increase partially due to increase in permits for apartment and two-family housing building projects.

Source: Town of Avon Building Department

POPULATION

<u>Year</u>	<u>Avon Community School Corporation</u>		<u>Hendricks County</u>	
	<u>Population</u>	<u>Percent of Change</u>	<u>Population</u>	<u>Percent of Change</u>
1970	7,773	55.40%	53,974	31.98%
1980	12,506	60.89%	69,804	29.33%
1990	14,706	17.59%	75,717	8.47%
2000	26,319	78.97%	104,093	37.48%
2010	44,764	70.08%	145,448	39.73%
2017, Est.	51,068	14.08%	163,685	12.54%

*The School Corporation is coterminous with Washington Township.

Source: U.S. Census Bureau

AGE STATISTICS

	<u>Avon Community School Corporation</u>	<u>Hendricks County</u>
Under 25 Years	16,021	50,187
25 to 44 Years	13,419	41,242
45 to 64 Years	11,340	38,450
65 Years and Over	3,984	15,569
Totals	<u>44,764</u>	<u>145,448</u>

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

EDUCATIONAL ATTAINMENT

<u>Years of School Completed</u>	<u>Persons 25 and Over</u>	
	<u>Avon Community School Corporation</u>	<u>Hendricks County</u>
Less than 9th grade	1.8%	1.8%
9th to 12th grade, no diploma	4.1%	4.7%
High school graduate	25.0%	28.5%
Some college, no degree	20.5%	21.3%
Associate's degree	9.7%	9.0%
Bachelor's degree	26.1%	23.5%
Graduate or professional degree	12.9%	11.2%

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

MISCELLANEOUS ECONOMIC INFORMATION

	<u>Avon Community School Corporation</u>	<u>Hendricks County</u>	<u>Indiana</u>
Per capita income, past 12 months*	\$32,489	\$31,335	\$26,117
Median household income, past 12 months*	\$80,626	\$73,042	\$50,433
Average weekly earnings in manufacturing (1st qtr. of 2018)	N/A	\$1,095	\$1,348
Land area in square miles - 2010	14.24	406.91	35,826.11
Population per land square mile - 2010	3,143.5	357.4	181.0
Retail sales in 2012:			
Total retail sales	N/A	\$2,561,373,000	\$85,857,962,000
Sales per capita**	N/A	\$17,610	\$13,242
Sales per establishment	N/A	\$5,808,102	\$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 October 7, 2018.

<u>Employment and Earnings - Hendricks County 2016</u>	<u>Earnings (In 1,000s)</u>	<u>Percent of Earnings</u>	<u>Labor Force</u>	<u>Distribution of Labor Force</u>
Services	\$1,133,361	30.44%	34,838	39.88%
Wholesale and retail trade	725,313	19.48%	18,216	20.86%
Government	527,612	14.17%	8,783	10.06%
Transportation and warehousing	479,497	12.87%	9,886	11.32%
Manufacturing	268,269	7.20%	4,210	4.82%
Construction	245,004	6.58%	4,063	4.65%
Finance, insurance and real estate	117,119	3.14%	5,178	5.93%
Utilities	100,918	2.71%	805	0.92%
Other*	85,027	2.28%	205	0.23%
Farming	33,915	0.91%	721	0.83%
Information	8,278	0.22%	436	0.50%
Totals	<u>\$3,724,313</u>	<u>100.00%</u>	<u>87,341</u>	<u>100.00%</u>

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

Source: Bureau of Economic Analysis and the Indiana Business Research Center. Data collected as of October 7, 2018.

<u>Adjusted Gross Income</u>	<u>Year</u>	<u>Hendricks County Total</u>
	2011	3,811,715,435
	2012	4,008,050,900
	2013	4,139,851,042
	2014	4,346,245,088
	2015	4,534,655,933

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 October 7, 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			
Avon Community School Corporation (1)			
General Obligation Bonds of 2018	\$995,000	01/15/20	\$995,000
Taxable General Obligation Pension Refunding Bonds, Series 2015	2,805,000	01/05/24	1,740,000
2012 A & B Refunding Severance Bonds	4,385,443	07/05/22	1,965,443
Taxable General Obligation Recovery Zone Economic Development Bonds, Series 2010	2,000,000	01/15/26	2,000,000
Ad Valorem Property Tax First Mortgage Refunding and Improvement Bonds, Series 2017	130,120,000	01/15/33	114,745,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2016	9,485,000	01/15/27	9,845,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2015B	3,125,000	01/15/23	2,350,000
Ad Valorem Property Tax First Mortgage Refunding and Improvement Bonds, Series 2015	23,895,000	01/10/22	11,770,000
Ad Valorem Property Tax First Mortgage Refunding and Improvement Bonds, Series 2013A	40,545,000	01/15/28	28,510,000
Ad Valorem Property Tax First Mortgage Refunding and Improvement Bonds, Series 2013B	10,000,000	01/15/28	7,040,000
Propane Bus Lease/ Purchase 2017	2,045,920	06/30/21	1,236,257
Total			<u>\$182,196,700</u>
<u>Overlapping Debt</u>	<u>Total Debt</u>	<u>Percent Allocable to School Corporation (2)</u>	<u>Amount Allocable to School Corporation</u>
Tax Supported Debt			
Hendricks County	\$44,959,128	28.12%	\$12,642,507
Washington Township	4,265,000	100.00%	4,265,000
Town of Avon	16,155,903	100.00%	16,155,903
Town of Brownsburg (3)	69,039,000	0.86%	593,735
Town of Danville	2,699,000	2.93%	79,081
Town of Plainfield (4)	106,850,000	10.83%	11,571,855
Brownsburg Fire Territory	1,831,000	0.86%	15,747
Avon Washington Township Public Library	4,565,000	100.00%	4,565,000
Tax Supported Debt			<u>49,888,827</u>
Self-Supporting Revenue Debt			
Hendricks County Hospital Association	82,320,000	28.12%	23,148,384
Town of Brownsburg	28,158,000	0.86%	242,159
Town of Danville	5,830,200	2.93%	170,825
Town of Plainfield	48,414,000	10.83%	5,243,236
Hendricks County Solid Waste District	1,500	28.12%	422
Self-Supporting Revenue Debt			<u>28,805,027</u>
Total Overlapping Debt			<u>\$78,693,853</u>

(1) The School Corporation anticipates issuing Tax Anticipation Warrants in 2019 for their operating referendum fund, which passed in May 2018, and will be included in the 2019 School budget. In addition, the School Corporation has a copier lease currently outstanding with a payment of \$209,424.37 each year. The School Corporation also has three computer leases outstanding in the total annual amount of \$938,602.

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

(3) The Town of Brownsburg anticipates issuing approximately \$3,000,000 of General Obligation Bonds in November 2018.

(4) The Town of Plainfield anticipates issuing approximately \$8,500,000 of General Obligation Bonds in November 2018.

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 October 7, 2018, including issuance of the Bonds.

	Direct Tax Supported Debt \$182,196,700	Allocable Portion of All Other Overlapping Tax Supported Debt \$49,888,827	Total Direct and Overlapping Tax Supported Debt \$232,085,527
Per capita (1)	\$3,567.73	\$976.91	\$4,544.64
Percent of net assessed valuation (2)	7.56%	2.07%	9.63%
Percent of gross assessed valuation (3)	4.08%	1.12%	5.20%
Per pupil (5)	\$18,688.76	\$5,117.33	\$23,806.09

- (1) According to the U.S. Census Bureau, the estimated 2017 population of the School Corporation is 51,068.
- (2) The net assessed valuation of the School Corporation for taxes payable in 2018 is \$2,409,068,089 according to the Hendricks County Auditor's office.
- (3) The gross assessed valuation of the School Corporation for taxes payable in 2018 is \$4,461,121,350 according to the Hendricks County Auditor's office.
- (4) Enrollment of the School Corporation is 9,749 as reported by school personnel.

DEBT LIMIT

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

Certified net assessed valuation (Taxes payable in 2019)	\$2,685,735,916
Times: 2% general obligation debt issue limit	<u>2%</u>
Sub-total	53,714,718
Divided by 3	<u>3</u>
General obligation debt issue limit	<u>17,904,906</u>
Less: Outstanding general obligation debt including the Bonds	<u>(6,700,443)</u>
Estimated amount remaining for general obligation debt issuance	<u><u>\$11,204,463</u></u>

SCHEDULE OF HISTORICAL NET ASSESSED VALUATION

(As Provided by the Hendricks 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	\$1,888,066,707	\$40,392,340	\$91,008,340	\$2,019,467,387
2015	1,964,227,500	42,257,870	104,687,694	2,111,173,064
2016	2,073,305,871	44,333,560	99,642,230	2,217,281,661
2017	2,124,605,746	47,298,670	109,699,520	2,281,603,936
2018	2,232,896,453	48,739,650	127,431,986	2,409,068,089
2019	N/A	N/A	N/A	2,685,735,916

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 Hendricks County Auditor's Office)

	<u>Washington Township</u>	<u>Plainfield- Washington Twp.</u>	<u>Avon Town</u>	<u>Danville- Washington Twp.</u>	<u>Brownsburg- Washington Twp.</u>	<u>Total</u>
Gross Value of Land	\$388,269,600	\$122,866,800	\$445,059,850	\$3,739,900	\$3,653,600	\$963,589,750
Gross Value of Improvements	<u>1,560,744,600</u>	<u>426,741,100</u>	<u>1,246,328,160</u>	<u>17,572,900</u>	<u>15,801,000</u>	<u>3,267,187,760</u>
Total Gross Value of Real Estate	1,949,014,200	549,607,900	1,691,388,010	21,312,800	19,454,600	4,230,777,510
Less: Mortgage Exemptions, Veterans, Blind						
Age 65 & Other Exemptions	(838,561,758)	(224,122,099)	(528,974,131)	(9,447,865)	(8,111,890)	(1,609,217,743)
Tax Exempt Property	(27,054,058)	(14,768,900)	(113,392,806)			(155,215,764)
TIF		(124,723,570)	(108,723,980)			(233,447,550)
	<u>1,083,398,384</u>	<u>185,993,331</u>	<u>940,297,093</u>	<u>11,864,935</u>	<u>11,342,710</u>	<u>2,232,896,453</u>
Net Assessed Value of Real Estate						
Business Personal Property	14,493,210	67,064,640	100,024,710	21,290	340	181,604,190
Less: Deductions	<u>(611,070)</u>	<u>(26,747,030)</u>	<u>(26,814,104)</u>			<u>(54,172,204)</u>
Net Assessed Value of Personal Property	<u>13,882,140</u>	<u>40,317,610</u>	<u>73,210,606</u>	<u>21,290</u>	<u>340</u>	<u>127,431,986</u>
Net Assessed Value of Utility Property	<u>32,921,600</u>	<u>1,452,600</u>	<u>14,281,360</u>	<u>30,700</u>	<u>53,390</u>	<u>48,739,650</u>
Total Net Assessed Value	<u><u>\$1,130,202,124</u></u>	<u><u>\$227,763,541</u></u>	<u><u>\$1,027,789,059</u></u>	<u><u>\$11,916,925</u></u>	<u><u>\$11,396,440</u></u>	<u><u>\$2,409,068,089</u></u>

COMPARATIVE SCHEDULE OF CERTIFIED TAX RATES

Per \$100 of Net Assessed Valuation

	Year Taxes Payable				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Detail of Certified Tax Rate:					
Debt Service	\$1.2802	\$1.2454	\$1.1569	\$1.2296	1.1209
School Pension Debt	0.0479	0.0462	0.0426	0.0422	0.0397
Capital Projects	0.2383	0.2229	0.2164	0.2248	0.2187
Transportation	0.3061	0.2972	0.2796	0.3176	0.3110
Bus Replacement	<u>0.0505</u>	<u>0.0450</u>	<u>0.0454</u>	<u>0.0140</u>	<u>0.0154</u>
Totals	<u>\$1.9230</u>	<u>\$1.8567</u>	<u>\$1.7409</u>	<u>\$1.8282</u>	<u>\$1.7057</u>
Total District Certified Tax Rate (1)					
Washington Township	\$2.8553	\$2.7259	\$2.5798	\$2.6388	\$2.5108
Plainfield-Washington Twp.	\$3.2455	\$3.0663	\$2.9556	\$3.0519	\$2.9255
Avon Town	\$3.2445	\$3.1034	\$2.9810	\$3.0545	\$2.9301
Danville-Washington Twp.	\$3.0838	\$3.0853	\$2.8477	\$2.9108	\$2.8255
Brownsburg-Washington Twp.	\$3.3706	\$3.2521	\$3.1302	\$3.1929	\$3.0654

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

Source: DLGF Certified Budget Orders for the School Corporation.

PROPERTY TAXES LEVIED AND COLLECTED

Collection <u>Year</u>	Certified Taxes <u>Levied</u>	Circuit Breaker <u>Tax Credit</u> (1)	Certified Taxes Levied Net of Circuit Breaker <u>Tax Credit</u>	Taxes <u>Collected</u>	Collected as Percent of <u>Gross Levy</u>	Collected as Percent of <u>Net Levy</u>
2013	38,132,484	(6,640,057)	31,492,427	30,897,621	81.03%	98.11%
2014	38,792,110	(7,533,246)	31,258,864	30,567,341	78.80%	97.79%
2015	39,452,769	(6,497,223)	32,955,546	32,505,937	82.39%	98.64%
2016	38,859,419	(5,535,889)	33,323,530	32,011,306	82.38%	96.06%
2017	42,051,372	(6,934,896)	35,116,476	34,393,530	81.79%	97.94%
2018	41,661,487	(5,975,873)	35,685,614	(.....In Process of Collections.....)		

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

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

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

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

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

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

LARGE TAXPAYERS

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

<u>Name</u>	<u>Type of Business</u>	<u>2017/2018 Net Assessed Valuation</u>	<u>Percent of Total Net Assessed Valuation (1)</u>
DH Plainfield LLC/ Duke AllPoints Indy LLC/ Browning Duke LLC (2)	Industrial development	\$62,602,487	2.60%
Double Creek Flats LLC	Apartments	41,069,940	1.70%
Walmart Real Estate	Real Estate	34,734,150	1.44%
Harlan Bakeries, Inc. (2)	Mfg. bakery products	32,117,083	1.33%
American Homes 4 Rent	Real estate	28,301,230	1.17%
Samaritan II LLC	Apartments	24,006,140	1.00%
Aviana Company (2)	Computer consulting	22,423,100	0.93%
Linden Square Apartments	Apartments	18,709,930	0.78%
ADESA Indianapolis, Inc. (2)	Vehicle auction operator	18,709,930	0.78%
Granite Reit America, Inc.	Real estate	<u>17,845,601</u>	<u>0.74%</u>
Totals		<u><u>\$300,519,591</u></u>	<u><u>12.47%</u></u>

- (1) The total net assessed valuation of the School Corporation is \$2,409,068,089 for taxes payable in 2018, according to the Hendricks County Auditor's office.
- (2) Located in a tax increment allocation area; therefore, all or a portion of the taxes are captured as TIF and not distributed to individual taxing units.

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

FINANCIAL STATEMENTS

The Indiana General Assembly enacted P.L. 244-2017 that impacts school corporation funds effective January 1, 2019. Beginning in 2019, the General Fund for school corporations will be eliminated and replaced by an Education Fund for expenditures related to student instruction and learning. Additionally, an Operations Fund will be created to replace the Capital Projects Fund, the Transportation Fund, the Art Association Fund, the Historical Society Fund, the Playground Fund and the Bus Replacement Fund, which are repealed effective January 1, 2019. A property tax levy to support the Operations Fund will replace all other school property tax levies, except for debt service levies or a levy approved by a referendum. Additionally, school corporations may maintain separate Rainy Day Funds.

In May 2018, the School Corporation received voter approval for an operating referendum annual tax levy of approximately \$9.9 million over an eight-year period beginning in 2019.

Note: The following financial statements on pages A-20 - A-22 are excerpts from the School Corporation's 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. A complete audit will be furnished upon request. Current reports are available at <http://www.in.gov/sboa/resources/reports/audit/>.

AVON COMMUNITY 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	\$3,242,871	\$54,074,147	\$52,820,575		\$4,496,443	\$57,824,115	\$56,107,502	(\$734,773)	\$5,478,283
Debt Service	4,465,781	23,864,316	25,026,278		3,303,819	24,806,662	24,484,734		3,625,747
Retirement/Severance Bond Debt Service	147,131	847,871	876,285		118,717	900,983	889,369		130,331
Capital Projects	3,028,979	4,606,734	4,999,961	\$2,649	2,638,401	5,346,456	5,251,186	186	2,733,857
School Transportation	2,451,951	5,862,340	5,853,719		2,460,572	6,077,602	5,991,697	-212,244	2,334,233
School Bus Replacement	2,308,705	893,845			3,202,550	937,135	1,835,040	47,000	2,351,645
Rainy Day	734,773		734,773			567,530		947,017	1,514,547
Retirement/Severance Bond	721,135	1,255			722,390	1,032			723,422
Construction 2002 Revenue	7,936				7,936				7,936
Bond 2012 - Construction						228,489			228,489
Construction Fund	28,202				28,202				28,202
Construction AIS Pool Renovation	633		633		0				
Construction 2007 Middle School	563,698				563,698				563,698
School Lunch	714,735	3,995,881	3,704,648	3,677	1,009,645	4,067,889	4,410,762	25	666,797
Textbook Rental	(217,178)	1,137,902	706,252		214,472	1,109,908	1,112,197		212,183
Levy Excess		7,595			7,595				7,595
Blind, Low Vision Co-Op Program		75,125	163,333		(88,208)	62,536	179,686		(205,358)
Safe Haven Grant 2014-15		990	10,000		(9,010)	9,010			
Safe Haven Grant 2015-16						2,880	9,308		(6,428)
AEF School Grants	789	7,317	6,436		1,670		1,500		170
AEF Grant Remediation Program	237	3,400	22		3,615	4,000	6,956		659
Lilly Science Education Grants	41				41				41
IN Youth Institute - PD Grant/SE		750			750	308	1,058		
Sustaining/Improving Literacy	2,642	2,185	2,976		1,851		1,190		661
Power of Physics HS (HCCF)	75		1,378		(1,303)		(1,333)		30
IFOF AG Resource Grant	1,126		861		265				265
Bright House Bright Futures GT		600	596		4				4
Gordman's Donation	(241)	952	(240)		951	379	1,260		70
ACSC Literacy Program	1,500	1,000	1,095		1,405				1,405
Duke Energy - Science Grant	91				91				91
Avon Educational Foundation	(1,397)	34,199	35,180		(2,378)	33,597	33,539	1,268	(1,052)
ACS-HACH HS Chemistry Grant		1,500	1,476		24				24
Invent Now Cedar Science Grant	7				7				7
Meggers Project Award AIP	2,397		27		2,370		1,502		868
Walmart Grant Freshman Mentoring Program	2,000	2,500	2,807		1,693				1,693
Walmart/Duke Energy Grant Math-HS	1,050	350	1,212		188	350	130		408
Subtotals	\$18,209,669	\$95,422,754	\$94,950,283	\$6,326	\$18,688,466	\$101,980,861	\$100,317,283	\$48,479	\$20,400,523

(Continued on next page)

AVON COMMUNITY 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>	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments <u>06-30-15</u>	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments <u>06-30-16</u>
Subtotals carried forward	\$18,209,669	\$95,422,754	\$94,950,283	\$6,326	\$18,688,466	\$101,980,861	\$100,317,283	\$48,479	\$20,400,523
Forum Credit Union Foundation Grant		1,349	1,349						
United Way - PT Greenhouse Grant SY15		989	665		324				324
Duke Energy Remedial Reading Program		25,000	525		24,475		20,305		4,170
Duke Energy Remedial Reading 16						25,000	3,662		21,338
AHS Instructional Support						220			220
Making Activities Count Grant						500	487		13
MSP Tech Purdue Science Grant	1		1,000		(999)	32,000	54,167		(23,166)
AEF School Grant RB						2,870	876		1,994
AEF School Grant IE						1,835	326		1,509
AEF School Grant IW						2,947	2,061		886
AEF School Grant MN						4,394	1,123		3,271
AEF School Grant ME						1,422	888		534
AEF School Grant WO						2,111	1,502		609
AEF School Grant SE						1,516	1,200		316
AEF School Grant MS						2,565	1,286		1,279
AEF School Grant HS						3,429	3,345		84
AEF School Grant CE						1,211	223		988
AEF School Grant PT						2,724	1,488		1,236
AEF School Grant HE						1,480	1,480		
ECA Field Trip	(18,510)	51,568	42,832		(9,774)	58,984	56,343		(7,133)
Smiley Face Club	137				137				137
AEF Extra Curricular						6,129	6,129		
Jeri Inman Scholarship SCHWAB	6,062	1	1,000		5,063		1,000		4,063
Gibraltar Citizenship Award	713		78		635				635
McCalment Scholarship Fund	2,018	1,019	2,000		1,037	1,019	1,000		1,056
R L T Mini-Grant PLTW Enhancement	120				120				120
Hendricks County Substance Abuse	1,964	3,000	1,776		3,188		1,328		1,860
Innovate ED PT		3,000	3,000						
YMCA Latchkey Grant		20,000	51,627		(31,627)	40,000	62,932		(54,559)
Outdoor Learning Center	15,571	26,391	22,531		19,431	15,551	12,795		22,187
Hendricks County Solid Waste Grant-OLC	18				18	1,000			1,018
Technology Scholarship						2,000			2,000
Joseph Sugg Foundation	540				540				540
American Dairy Food Service Grant						2,356	2,368		(12)
Pinnacle Food Service Grant						1,000			1,000
Formative Assessment						81,387	70,363		11,024
Subtotals	\$18,218,303	\$95,555,071	\$95,078,666	\$6,326	\$18,701,034	\$102,276,511	\$100,625,960	\$48,479	\$20,400,064

(Continued on next page)

AVON COMMUNITY 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>	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments <u>06-30-15</u>	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments <u>06-30-16</u>
Subtotals carried forward	\$18,218,303	\$95,555,071	\$95,078,666	\$6,326	\$18,701,034	\$102,276,511	\$100,625,960	\$48,479	\$20,400,064
High Ability Building Blocks 2013	(14,368)	14,368							
High Ability Grant Fund 2013-14	17,733		17,733						
Making a Difference/Building Blocks 2014		13,003	19,600		(6,597)	6,597			
High Ability 2014-15 Grant		70,457	55,731		14,726		14,612		114
High Ability 2015-16 Grant						78,820	58,460		20,360
Medicaid Reimbursement	2,722	29,679	28,157		4,244	53,436	40,418		17,262
Secured Schools Safety Grant		50,000	50,000				50,000		(50,000)
NESP 2013-2014	8,996		8,996						
NESP 2014-2015		35,270	32,938		2,332		2,332		
NESP 2015-2016						72,664	67,081		5,583
State Connectivity Grant School Technology	59,467	30,624	13,661		76,430	117,417	9,478		184,369
Project Lead the Way	6,557		6,557						
Title I 2013-2014	(82,484)	129,901	47,372		45				45
Title I 2014-2015		66,295	324,172		(257,877)	334,136	76,259		
Title I 2015-2016						160,493	400,886		(240,393)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants		318,185	1,293,142		(974,957)	1,265,481	290,524		
West Central Part B 2010-11		8,552	33,806		(25,254)	30,606	5,352		
Part B Grant 2011-12						1124518	1239783		(115,265)
Part B Preschool 2011-12						32220	35202		(2,982)
Part B 611 Reg Grant 2012-13		8850	8850						
Part B 611 Reg Grant 2013-14	-275953	508663	232738		(28)	26334	26334		(28)
Part B 619 Preschool Grant 2013-14	-3842	3841	10		(11)				(11)
Part B Technical Assistance Grant	-5807	6407	3584		(2,984)	16992	14160		(152)
Medicaid Reimbursement - Federal	21300	55445	14719		62,026	96527	33356		125,197
IndianaMac Reimbursement PGM Federal	32593	47871	44133		36,331	52548	57621		31,258
Other Federal Programs						33141	33414		(273)
Title II Part A '2012-14	-4109	104255	100146						
Title II Part A '2013-15			943		(943)	91447	90504		
Title II Part A '2014-16						93144	94052		(908)
Title III 2012-13	-3659	3659							
Title III 2013-14	-24587	36415	12128		(300)	574	274		
Title III Wida 2014 Support		849	849						
Title III 2014-15		12256	24832		(12,576)	49451	36875		
84.378A Cash For College Grant	1000		1000						
Payroll Clearing	5,330,573	8,258,327	8,943,763		4,645,137	2,476,759	1,248,026		5,873,870
Totals	\$23,284,435	\$105,368,243	\$106,398,226	\$6,326	\$22,260,778	\$108,489,816	\$104,550,963	\$48,479	\$26,248,110

The following schedules on pages A-23 - A-29 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>.

AVON COMMUNITY SCHOOL CORPORATION

SCHOOL CORPORATION RECEIPTS AND DISBURSEMENTS (CASH BALANCES BY FUND)

(Unaudited)

	<u>2015</u>	<u>Calendar Year</u> <u>2016</u>	<u>2017</u>	<u>Six Months</u> <u>Ended</u> <u>6/30/2018</u>
<u>GENERAL FUND</u>				
Receipts:				
Tuition		\$1,199	\$1,478	
Earnings on Investments	\$14,003	34,225	213,477	\$233,895
School Corporation Activities	795,643	857,704	868,383	258,080
Other Revenue from Local Sources	937,725	790,149	621,125	254,201
Revenue from Intermediate Sources	12,588	23,122	39,543	10,732
Revenue from State Sources	54,067,416	57,566,694	58,542,359	29,568,629
Revenue from Federal Sources	21,339			
Other Items	(327)	845	9,124	4,955
Interfund Transfer			1,880	
Total Receipts	<u>55,848,386</u>	<u>59,273,939</u>	<u>60,297,368</u>	<u>30,330,492</u>
Expenditures:				
Instruction	34,117,706	36,564,920	38,201,975	19,204,248
Support Services	19,825,144	20,014,359	20,821,167	10,434,765
Community Services	884,346	868,716	880,874	448,149
Facilities Acquisition and Construction	20,100	20,100	20,100	8,375
Interfund Transfers		734,773	29,139	
Total Expenditures	<u>54,847,296</u>	<u>58,202,869</u>	<u>59,953,255</u>	<u>30,095,538</u>
Net Increase	1,001,090	1,071,070	344,113	234,954
Beginning Balance - January 1st	<u>5,226,033</u>	<u>6,227,123</u>	<u>7,298,193</u>	<u>7,642,307</u>
Ending Balance	<u><u>\$6,227,123</u></u>	<u><u>\$7,298,193</u></u>	<u><u>\$7,642,307</u></u>	<u><u>\$7,877,261</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.

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AVON COMMUNITY SCHOOL CORPORATION

(Cont'd)

SCHOOL CORPORATION RECEIPTS AND DISBURSEMENTS (CASH BALANCES BY FUND)
(Unaudited)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	Six Months Ended <u>6/30/2018</u>
<u>DEBT SERVICE FUND</u>				
Receipts:				
Local Property Tax	\$21,803,681	\$21,272,836	\$23,132,198	\$12,653,172
License Excise Tax	1,806,937	1,826,543	2,064,022	999,870
Commercial Vehicle Excise Tax	69,692	61,508	60,357	28,601
Local Option Property Tax Replacement	1,141,611	1,041,141		
Revenue from Federal Sources	<u>53,213</u>	<u>55,819</u>	<u>58,022</u>	<u>24,020</u>
Total Receipts	<u>24,875,134</u>	<u>24,257,847</u>	<u>25,314,600</u>	<u>13,705,663</u>
Expenditures:				
Support Services	27	12,422	660	660
Interest on Debt	200,861	157,338	251,649	63,781
Lease Rental	<u>24,685,543</u>	<u>23,843,661</u>	<u>24,468,938</u>	<u>12,176,769</u>
Total Expenditures	<u>24,886,431</u>	<u>24,013,420</u>	<u>24,721,247</u>	<u>12,241,210</u>
Net Increase (Decrease)	(11,297)	244,427	593,353	1,464,453
Beginning Balance - January 1st	<u>2,259,412</u>	<u>2,248,116</u>	<u>2,492,543</u>	<u>3,085,896</u>
Ending Balance	<u><u>\$2,248,116</u></u>	<u><u>\$2,492,543</u></u>	<u><u>\$3,085,896</u></u>	<u><u>\$4,550,349</u></u>

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

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AVON COMMUNITY SCHOOL CORPORATION

(Cont'd)

SCHOOL CORPORATION RECEIPTS AND DISBURSEMENTS (CASH BALANCES BY FUND)
(Unaudited)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Six Months Ended 6/30/2018</u>
<u>RETIREMENT/SEVERANCE BOND FUND</u>				
Receipts:				
Local Property Tax	\$808,841	\$783,320	\$793,899	\$448,649
License Excise Tax	67,031	67,258	70,837	35,413
Commercial Vehicle Excise Tax	2,585	2,265	2,071	1,013
Revenue from Federal Sources	25,770			
Revenue from Local Sources			5,950	
Total Receipts	<u>904,227</u>	<u>852,843</u>	<u>872,759</u>	<u>485,075</u>
Expenditures:				
Support Services		425		
Principal on Debt	710,000	685,000	715,000	365,000
Interest on Debt	167,299	166,790	140,614	59,603
Other Debt Services Obligations	<u>20,375</u>	<u>6,047</u>	<u>5,950</u>	
Total Expenditures	<u>897,674</u>	<u>858,262</u>	<u>861,564</u>	<u>424,603</u>
Net Increase (Decrease)	6,553	(5,419)	11,195	60,472
Beginning Balance - January 1st	<u>77,548</u>	<u>84,101</u>	<u>78,681</u>	<u>89,876</u>
Ending Balance	<u><u>\$84,101</u></u>	<u><u>\$78,681</u></u>	<u><u>\$89,876</u></u>	<u><u>\$150,349</u></u>

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.

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AVON COMMUNITY SCHOOL CORPORATION

(Cont'd)

SCHOOL CORPORATION RECEIPTS AND DISBURSEMENTS (CASH BALANCES BY FUND)
(Unaudited)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	Six Months Ended <u>6/30/2018</u>
<u>CAPITAL PROJECTS FUND</u>				
Receipts:				
Local Property Tax	\$3,902,393	\$3,979,118	\$4,229,114	\$2,471,524
License Excise Tax	323,403	341,658	377,352	195,086
Commercial Vehicle Excise Tax	12,474	11,505	11,035	5,580
Local Option Property Tax Replacement	204,286	194,163	544,095	807,641
School Corporation Activities	1,500			
Other Revenue from Local Sources	585,733	399,305	21,469	4,777
Sale of Property, Adjustments and Refunds	2,060	12,700	9,431	848
Other Items	31,077	38,673	45,994	38,909
Total Receipts	<u>5,062,926</u>	<u>4,977,122</u>	<u>5,238,490</u>	<u>3,524,366</u>
Expenditures:				
Support Services	4,188,150	4,123,270	3,892,170	1,222,631
Facilities Acquisition and Construction	1,275,748	1,356,160	806,934	320,859
Total Expenditures	<u>5,463,898</u>	<u>5,479,430</u>	<u>4,699,104</u>	<u>1,543,490</u>
Net Increase (Decrease)	(400,972)	(502,308)	539,386	1,980,876
Beginning Balance - January 1st	<u>1,684,751</u>	<u>1,283,779</u>	<u>781,471</u>	<u>1,320,857</u>
Ending Balance	<u><u>\$1,283,779</u></u>	<u><u>\$781,471</u></u>	<u><u>1,320,857</u></u>	<u><u>3,301,733</u></u>

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

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AVON COMMUNITY SCHOOL CORPORATION

(Cont'd)

SCHOOL CORPORATION RECEIPTS AND DISBURSEMENTS (CASH BALANCES BY FUND)
(Unaudited)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	Six Months Ended <u>6/30/2018</u>
<u>TRANSPORTATION FUND</u>				
Receipts:				
Local Property Tax	\$5,203,191	\$5,141,226	\$5,974,940	\$3,514,604
License Excise Tax	431,204	441,440	533,127	277,420
Commercial Vehicle Excise Tax	16,631	14,865	15,590	7,936
Local Option Property Tax Replacement	272,381	252,259	576,773	
Other Revenue from Local Sources		15,747	25,103	46,624
Other Items	125,632	126,081	137,737	113,630
	<u>6,049,040</u>	<u>5,991,618</u>	<u>7,263,271</u>	<u>3,960,213</u>
Total Receipts				
Expenditures:				
Support Services	5,836,796	5,881,052	6,151,288	3,145,486
Interfund Transfers		212,244		
	<u>5,836,796</u>	<u>6,093,295</u>	<u>6,151,288</u>	<u>3,145,486</u>
Total Expenditures				
Net Increase (Decrease)	212,244	(101,678)	1,111,983	814,727
Beginning Balance - January 1st	1,849,404	2,061,648	1,959,970	3,071,953
Ending Balance	<u><u>\$2,061,648</u></u>	<u><u>\$1,959,970</u></u>	<u><u>\$3,071,953</u></u>	<u><u>\$3,886,680</u></u>

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

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AVON COMMUNITY SCHOOL CORPORATION

(Cont'd)

SCHOOL CORPORATION RECEIPTS AND DISBURSEMENTS (CASH BALANCES BY FUND)
(Unaudited)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	Six Months Ended <u>6/30/2018</u>
<u>TRANSPORTATION SCHOOL BUS REPLACEMENT FUND</u>				
Receipts:				
Local Property Tax	\$787,832	\$834,806	\$263,379	\$174,035
License Excise Tax	65,290	71,679	23,501	13,737
Commercial Vehicle Excise Tax	2,518	2,414	687	393
Local Option Property Tax Replacement	41,289	41,279	473,161	
Sale of Property, Adjustments and Refunds	<u>47,000</u>			
Total Receipts	<u>943,929</u>	<u>950,177</u>	<u>760,728</u>	<u>188,165</u>
Expenditures:				
Support Services	875,416	960,084	806,203	555,435
Interfund Transfer				<u>1,800,000</u>
Total Expenditures	<u>875,416</u>	<u>960,084</u>	<u>806,203</u>	<u>2,355,435</u>
Net Increase (Decrease)	68,513	(9,907)	(45,476)	(2,167,270)
Beginning Balance - January 1st	<u>2,718,311</u>	<u>2,786,824</u>	<u>2,776,917</u>	<u>2,731,441</u>
Ending Balance	<u><u>\$2,786,824</u></u>	<u><u>\$2,776,917</u></u>	<u><u>\$2,731,441</u></u>	<u><u>\$564,171</u></u>

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

LOCAL RAINY DAY FUND

Receipts:				
Interfund Transfers		\$947,017		\$1,800,000
Other Items		<u>567,530</u>		
Total Receipts	<u>\$0</u>	<u>1,514,547</u>	<u>\$0</u>	<u>1,800,000</u>
Expenditures:				
Support Services				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Increase (Decrease)	0	1,514,547	0	1,800,000
Beginning Balance - January 1st	<u>0</u>	<u>0</u>	<u>1,514,547</u>	<u>1,514,547</u>
Ending Balance	<u><u>\$0</u></u>	<u><u>\$1,514,547</u></u>	<u><u>\$1,514,547</u></u>	<u><u>\$3,314,547</u></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.

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AVON COMMUNITY SCHOOL CORPORATION

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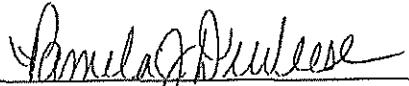
SCHOOL CORPORATION RECEIPTS AND DISBURSEMENTS (CASH BALANCES BY FUND)
(Unaudited)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	Six Months Ended <u>6/30/2018</u>
<u>OTHER FUNDS</u>				
Receipts:				
Revenues from Local Sources	\$3,673,567	\$4,146,618	\$4,832,845	\$1,617,457
Revenues from State Sources	667,728	780,551	1,113,730	470,284
Revenues from Federal Sources	4,408,367	4,101,224	4,065,921	2,511,424
Revenues from Intermediate Sources	1,950	56,506	23,346	13,029
Sale of Property, Adjustments and Refunds	3,702	1,418	3,755	5,070
Other Financing Sources		45		
Earnings on Investments			1,087	539
Interfund Transfers			27,259	
Other Items	6,226	5,646	5,774	3,629
Total Receipts	<u>8,761,540</u>	<u>9,092,009</u>	<u>10,073,716</u>	<u>\$4,621,432</u>
Expenditures:				
Support Services	1,517,449	2,203,237	2,311,027	624,761
Community Services	3,580,941	3,790,309	3,838,527	1,858,915
Facilities Acquisition and Construction	633	88,440	112,736	46,079
Instruction	2,290,978	2,361,942	2,574,109	1,353,837
Nonprogrammed Charges	576,562	410,393	160,584	219,994
Total Expenditures	<u>7,966,562</u>	<u>8,854,320</u>	<u>8,996,982</u>	<u>4,103,585</u>
Net Increase	794,978	237,689	1,076,734	\$517,847
Beginning Balance - January 1st	<u>1,335,260</u>	<u>2,130,238</u>	<u>2,367,927</u>	<u>3,444,661</u>
Ending Balance	<u><u>\$2,130,238</u></u>	<u><u>\$2,367,927</u></u>	<u><u>\$3,444,661</u></u>	<u><u>\$3,962,508</u></u>
 <u>GRAND TOTALS</u>				
Total Receipts	<u>\$102,445,183</u>	<u>\$106,910,101</u>	<u>\$109,820,931</u>	<u>\$58,615,407</u>
Total Expenditures	<u>100,774,073</u>	<u>104,461,680</u>	<u>106,189,643</u>	<u>53,909,348</u>
Net Increase	1,671,109	2,448,420	3,631,288	4,706,059
Beginning Balance - January 1st	<u>15,150,720</u>	<u>16,821,829</u>	<u>19,270,249</u>	<u>22,901,537</u>
Ending Balance	<u><u>\$16,821,829</u></u>	<u><u>\$19,270,249</u></u>	<u><u>\$22,901,537</u></u>	<u><u>\$27,607,596</u></u>

The School Corporation certifies to the best of its knowledge and belief that this Offering Circular, 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 Offering Circular and its execution are duly authorized.

AVON COMMUNITY SCHOOL CORPORATION

By: 
Vice President, Board of School Trustees

Attest: 
Secretary, Board of School Trustees

APPENDIX B

FINAL BOND RESOLUTION

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

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

WHEREAS, the Board finds that there are not sufficient funds available or provided for in existing tax levies with which to pay the total cost of the renovation of and improvements to facilities within the School Corporation, including safety and security improvements, maintenance improvements, site improvements, and the purchase of equipment (the "Project"), and that the School Corporation should issue bonds in an amount not to exceed Nine Hundred Ninety-Five Thousand Dollars (\$995,000) (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 determined that the total cost of the Project authorized herein will not exceed the lesser of: (i) \$5,000,000; or (ii) the greater of (a) one percent (1%) of the total gross assessed value of property within the School Corporation on the last assessment date, or (b) \$1,000,000 and, therefore, the bonds will not be issued to fund a controlled project, as defined in IC 6-1.1-20-1.1; and

WHEREAS, the 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 2017 for state and county taxes collectible in the year 2018 is \$2,442,486,217 and there is \$5,725,443 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 Nine Hundred Ninety-Five Thousand Dollars (\$995,000), bearing interest at a rate or rates not exceeding five percent (5.00%) per annum (the exact rate or rates to be determined by bidding), which interest shall be payable on July 15, 2019, and semi-annually thereafter on January 15 and July 15 in each year. Interest on the Bonds shall be calculated according to a 360-day year containing twelve 30-day months. The Bonds shall be numbered consecutively from R-1 upward, fully registered in the denomination of Five Thousand Dollars (\$5,000) or integral multiples thereof (or other denominations as requested by the winning bidder), and shall mature or be subject to mandatory redemption on January 15 and July 15 beginning no earlier than July 15, 2019 through not later than January 15, 2021.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the successful bidder. Such term bonds shall have a stated maturity or maturities as determined

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

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

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

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

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

In the event any Bond is mutilated, lost, stolen, or destroyed, the School Corporation may execute and the Paying Agent may authenticate a new Bond of like date, maturity, and denomination as that mutilated, lost, stolen, or destroyed, which new Bond shall be marked in a manner to distinguish it from the Bond for which it was issued, provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Paying Agent, and in the case of any lost, stolen, or destroyed Bond there shall be first furnished to the Paying Agent evidence of such loss, theft, or destruction satisfactory to the School Corporation and the Paying Agent, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the School Corporation and the Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The School Corporation and the Paying Agent may charge the owner of such Bond with their reasonable fees and expenses in connection with delivering the new Bond. Any Bond issued pursuant to this paragraph shall be deemed an original, substitute contractual obligation of the School Corporation, whether or not the lost, stolen, or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this resolution, equally and proportionately with any and all other Bonds issued hereunder.

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

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

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

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

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

No person other than DTC shall receive an authenticated Bond evidencing an obligation of the Issuer to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to this Resolution. The Issuer and the Paying Agent may treat as and deem DTC or the Nominee to be the absolute Bondholder of each of the Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such Bonds; (ii) giving notices of redemption and other notices permitted to be given to Bondholders with respect to such Bonds; (iii) registering transfers with respect to such Bonds; (iv) obtaining any consent or other action required or permitted to be taken of or by Bondholders; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the

Bonds only to or upon the order of DTC, and all such payments shall be valid and effective fully to satisfy and discharge the Issuer's and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new Nominee in place of the Nominee, and subject to the provisions herein with respect to consents, the words "CEDE & CO." in this resolution shall refer to such new Nominee of DTC. Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to the principal of and premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to DTC as provided in a representation letter from the Issuer to DTC.

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

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

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

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

So long as the Bonds are registered in the name of DTC or the Nominee, or any substitute nominee, the Issuer and the Paying Agent shall be entitled to request and to rely upon a certificate or other written representation from the Beneficial Owners of the Bonds or from DTC on behalf of such Beneficial Owners stating the amount of their respective beneficial ownership

interests in the Bonds and setting forth the consent, advice, direction, demand or vote of the Beneficial Owners as of a record date selected by the Paying Agent and DTC, to the same extent as if such consent, advice, direction, demand or vote were made by the Bondholders for purposes of this resolution and the Issuer and the Paying Agent shall for such purposes treat the Beneficial Owners as the Bondholders. Along with any such certificate or representation, the Paying Agent may request DTC to deliver, or cause to be delivered, to the Paying Agent a list of all Beneficial Owners of the Bonds, together with the dollar amount of each Beneficial Owner's interest in the Bonds and the current addresses of such Beneficial Owners.

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

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

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

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

If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for any term bonds, and corresponding mandatory redemption obligation, in the order determined by the School Corporation, any term bonds maturing on the same date which have previously been redeemed (other than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each term bond so delivered or canceled shall be credited by the Paying Agent at

100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date as stated above.

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

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

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

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

The Bonds shall be executed in the name of Issuer by the manual or facsimile signature of any member of the Board of the School Corporation, and attested by the manual or facsimile signature of any member of the Board. In case any official whose signature or facsimile of

whose signature shall appear on the Bonds shall cease to be such officer before the issuance, authentication or delivery of such Bonds, such signature or such facsimile shall, nevertheless, be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

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

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

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

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

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

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

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

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

This Bond is one of an issue of bonds aggregating Nine Hundred Ninety-Five Thousand Dollars (\$995,000), 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 October 8, 2018, as supplemented on October 29, 2018 (as supplemented, the "Resolution"), and in strict accordance with the governing statutes of the State of Indiana, particularly Indiana Code § 20-48-1 (the "Act"), for the purpose of providing funds to be applied on the cost of the renovation of and improvements to facilities within the School Corporation, including safety and security improvements, maintenance improvements, site improvements, and the purchase of equipment. The owner of this Bond, by the acceptance thereof, agrees to all the terms and provisions contained in the Resolution and the Act.

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

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

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

***Denotes Final Maturity**

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

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

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

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

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

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

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

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

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

School Trustees attested by the manual or facsimile signature of the Secretary of the Board.

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

By: _____
Authorized Representative

[END OF BOND FORM]

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

The bond sale notice, when published, shall provide that each bid shall be in a sealed envelope marked "Bid for General Obligation Bonds of 2018," and the successful bidder shall provide a certified or cashier's check in the amount of Nine Thousand Nine Hundred Fifty Dollars (\$9,950), 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 99.25% of par and the rate or rates of interest which the Bonds are to bear, not exceeding five percent (5.00%) per annum; that said interest rate or rates shall be in multiples of 1/8th or 1/100th of one percent (1%); 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, Director of Finance and Operations 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 officers of the Board have full authority to execute any and all documents necessary to issue the Bonds.

Passed and Adopted this 29th day of October, 2018.

President, Board of School Trustees

ATTEST:

Secretary, Board of School Trustees

APPENDIX C

December _____, 2018

_____, _____

Re: Avon Community School Corporation
General Obligation Bonds of 2018
Total Issue: \$995,000
Original Date: December ____, 2018

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Avon Community School Corporation, Avon, Indiana (the "School Corporation" or "Issuer"), of \$995,000 of its General Obligation Bonds of 2018 dated December _____, 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 Offering Circular dated _____, 2018 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.
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.

December _____, 2018

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

APPENDIX D

This Appendix D assumes that (a) the winning bidder (the “Purchaser”) is purchasing the Bonds as an Underwriter (as hereinafter defined) and is not purchasing the Bonds with the intent to hold the Bonds for its own account, and (b) Avon Community School Corporation (the “Issuer”) and the Purchaser shall agree to the process by which issue price will be established on the date of sale of the Bonds in the event that the Competitive Sale Requirements (as hereinafter defined) are not met. The Purchaser must agree to execute the applicable schedules depending on the sale results.

(a) By submitting a bid, the Purchaser agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at the Closing (as hereinafter defined) for the Bonds written evidence identifying the “Issue Price” as defined in the provisions of Treasury Regulation Section 1.148-1 (“Issue Price Rules”) for the Bonds or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the Issuer and Bond Counsel. All actions to be taken by the Issuer to establish the Issue Price of the Bonds may be taken on behalf of the Issuer by the Issuer’s municipal advisor identified in the Official Statement (H.J. Umbaugh & Associates, Certified Public Accountants, LLP) and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor.

(b) For purposes of this Appendix D, the Competitive Sale Requirements will be satisfied in accordance with the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (the “Competitive Sale Requirements”) for purposes of establishing the Issue Price of the Bonds and will apply to the initial sale of the Bonds if the Issuer receive bids for the Bonds from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds because:

- (1) the Issuer shall disseminate the [Intent to Sell Bonds] [Notice of Sale](the "Notice") to potential Underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid; and
- (3) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost) as set forth in the Notice (the requirements set forth in this paragraph (b), collectively, the “Competitive Sale Requirements”).

Any bid submitted pursuant to the Notice shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. If all of the Competitive Sale Requirements are satisfied, the Purchaser shall execute Schedule I if the Purchaser is purchasing the Bonds as an Underwriter.

(c) In the event that the Competitive Sale Requirements are not satisfied, the Issuer shall so advise the Purchaser and the Issuer and the Purchaser (the “Parties”) agree to execute an agreement which will establish which method to determine Issue Price will be employed, a form of which is attached as Schedule II. The methods are as follows:

(1) General Rule

Issue Price will be established by the first price at which 10% of a maturity of the Bonds is sold to the Public (as hereinafter defined) (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity)(the “10% test”).

Until the 10% test has been satisfied as to each maturity of the Bonds, the Purchaser agrees to promptly report to the Issuer the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date (as hereinafter defined) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold;

- OR -

(2) Hold the Price

Issue Price shall be established by applying the Hold the Price Rule (as defined below), which will allow the Issuer to treat the Initial Offering Price (as defined below) to the Public of each such maturity as of the Sale Date as the Issue Price of that maturity, provided the Purchaser agrees that it will neither offer nor sell these maturities to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date on which the Purchaser has sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

(the “Hold the Price Rule”). The Purchaser shall promptly advise the Issuer when it has sold 10% of a maturity to the Public at a price that is no higher than the Initial Offering Price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

(d) **The Purchaser will be required to execute a certificate in the form of Schedule III if the Competitive Sale Requirements are not satisfied indicating that all of the requirements set forth in such certificate have been satisfied such as a certification to that the Purchaser has offered or will offer the Bonds to the Public on or before the date of the award at the Initial Offering Price set forth in the bid submitted by the Purchaser. The Purchaser will also be required to provide a copy of the pricing wire or equivalent communication.**

(e) By submitting a bid, each bidder acting as an Underwriter confirms that: (i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (1) to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Purchaser that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Purchaser, and (2) to promptly notify the Purchaser of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the Public, and (3) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the Purchaser shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public, (ii) any agreement among Underwriters or other selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Purchaser or such Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Purchaser or such Underwriter.

(f) Sales of any Bonds to any person that is a related party to an Underwriter participating in the initial sale of the Bonds to the Public shall not constitute sales to the Public for purposes of this Appendix D. Further, for purposes of this Appendix:

- (1) “Public” means any person other than an Underwriter or a related party,
- (2) “Underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public),
- (3) a purchaser of any of the Bonds is a “related party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships

(including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other),

- (4) “Sale Date” means the date that the Bonds are awarded by the Issuer to the winning bidder,
- (5) “Closing” and “Closing Date” mean the day the Bonds are delivered to the Purchaser and payment is made thereon to the Issuer, and
- (6) “Initial Offering Prices” means the respective initial offering prices of the Bonds offered by the Purchaser to the Public on or before the Sale Date as set forth in the pricing wire or equivalent communication for the Bonds provided to the Issuer by the Purchaser.

Schedule I
\$995,000
General Obligation Bonds of 2018
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligation (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

- (a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.
- (b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.
- (c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

- (a) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (b) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).
- (c) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is November 28, 2018.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Section 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ice Miller LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER], as [Underwriter]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

Schedule II
AGREEMENT TO ESTABLISH ISSUE PRICE

The Avon Community School Corporation (the “Issuer”) offered its General Obligation Bonds of 2018 (the Bonds”) through a competitive offering in compliance with state law. For federal tax law purposes, Issue Price as defined in Treasury Regulations Section 1.148-1(f) (the “Issue Price Regulations”) must be established by one of the methods set forth in Issue Price Regulations. One of the methods to establish Issue Price is to offer the Bonds to achieve a Competitive Sale as defined by the Issue Price Regulations by meeting specific requirements under the Issue Price Regulation. Although the Issuer achieved a competitive sale to comply with state law, one or more of the requirements for a Competitive Sale, for federal tax law purposes, was not achieved. The Issue Price Regulations provide if more than one rule for determining the Issue Price of the Bonds is available, the Issuer may select the rule it will use to determine the Issue Price of the Bonds.

On the date hereof, the Purchaser represents that the first price at which at least 10% of each maturity of the Bonds listed on Exhibit I was sold to the Public (as defined in Schedule A) is the respective price listed on Exhibit I. For the remaining maturities of the Bonds (the “Unsold Maturities”) the Issuer has determined and the Purchaser agrees that Issue Price will be established as set forth in Schedule A as attached.

[PURCHASER]

By: _____
Authorized Representative

Avon Community School Corporation

By: _____

SCHEDULE A

This Schedule A sets forth as of the date hereof, the agreement between Avon Community School Corporation (the “Issuer”) and _____ (the “Purchaser”) on the method by which Issue Price, as defined in Treasury Regulations Section 1.148-1(f) (the “Issue Price Regulations”) for the Unsold Bonds (as defined in Schedule II) must be established (the “Agreement”).

Based on the Agreement, the Issuer and the Purchaser have determined that Issue Price for the Unsold Bonds will be established by:

Check one, as applicable:

- _____ (1) General Rule (the “10% test”) set forth below in (1); or
_____ (2) “Hold the Price Rule” set forth below in (2).

SELECTION OF METHOD OF ISSUE PRICE ESTABLISHMENT

The methods are as follows:

(1) General Rule

Issue Price will be established by the first price at which 10% of a maturity of the Bonds is sold to the Public (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

Until the 10% test has been satisfied as to each maturity of the Bonds, the Purchaser agrees to promptly report to the Issuer the prices at which the unsold Bonds of that maturity have been sold to the Public provided that, the winning bidder’s reporting obligation after the Closing Date may be at reasonable, periodic intervals or otherwise upon request of the Issuer of bond counsel. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

- OR -

(2) Hold the Price

Issue Price shall be established by applying the Hold the Price Rule (as defined below), which will allow the Issuer to treat the Initial Offering Price to the Public of each such maturity of the Bonds as of the Sale Date as the issue price of that maturity, provided the Purchaser agrees that it will neither offer nor sell these maturities to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date on which the Purchaser has sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

(the “Hold the Price Rule”). The Purchaser will advise the Issuer promptly after the close of the fifth (5th) business day after the Sale Date whether it has sold 10% of a maturity to the Public at a price that is no higher than the Initial Offering Price to the Public.

DEFINITIONS OF GENERAL APPLICABILITY

“Public” shall mean any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (as defined below) or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the Public).

A purchaser of any of the Bonds is a “related party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is November 28, 2018.

“Closing” and “Closing Date” mean the day the Bonds are delivered to the Purchaser and payment is made thereon to the Issuer.

**[FORM TO USE WHEN GENERAL RULE OR SPECIAL RULE OF COMBINATION OF BOTH
RULES APPLIES]**

Schedule III

\$995,000

General Obligation Bonds of 2018

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”][the “Representative”])[, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

Select appropriate provisions below:

1. [Alternative 1¹ – All Maturities Use General Rule: **Sale of the Bonds**. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][Alternative 2² – Select Maturities Use General Rule: **Sale of the General Rule Maturities**. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][Alternative 3³-Issue Price not required on Closing Date and Select Maturities Use General Rule]. As of the date of this certificate, the General Rule Maturities and their respective issue prices (the first price at which 10% of such Maturity was sold to the Public) are listed in Schedule A. [SHORT NAME OF UNDERWRITER] certifies that it agreed in its [bid form][bond purchase agreement] to report to the Issuer the prices at which the Unsold Bonds have been sold to the Public within 5 business days of such sale until [SHORT NAME OF UNDERWRITER] can establish the first price at which at least 10% test of each Maturity of the Unsold Bonds has been sold to the Public.]

2. ***Initial Offering Price of the [Bonds]/[Hold-the-Offering-Price Maturities].***

(a) [Alternative 1⁴ – All Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.][Alternative 2⁵ – Select Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF

¹ If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

² If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

³ If Alternative 3 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

⁴ If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

⁵ Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

(b) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the [Notice of Intent to Sell Bonds][bond sale notice], [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Bonds, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the [Bond Purchase Agreement][Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(c) [To be used when the Bonds were subject to a failed competitive bidding process and the Issuer elected to apply the hold the price rule and the bidder confirmed its bid and agreed to comply with hold the price]. The Bonds were originally subject to a competitive bidding process. Attached as Schedule C hereto is the notification received by [SHORT NAME OF UNDERWRITER] that the Issuer elected to invoke the hold-the-offering-price rule and the [SHORT NAME OF UNDERWRITER]’s confirmation of its bid and its agreement to comply with the hold the offering price rule.

3. ***Defined Terms.***

[(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (November 28, 2018), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means the Avon Community School Corporation.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is November 28, 2018.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDEWRITING FIRM][the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer[and the Borrower] with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ice Miller LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice it may give to the Issuer [and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: _____
Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

SCHEDULE C
CERTIFICATE OF INVOCATION OF HOLD THE PRICE RULE AND CONFIRMATION OF
BID

[Defined terms should correspond to those in the Bid Form]

The Issuer hereby notifies _____, as the winning bidder (the "Purchaser") for the [Insert Caption of Bonds] (the "Bonds") that the Issuer has determined to apply the hold the price rule (as described in the Bid Form dated _____, 20__) to the Bonds maturing _____, _____ and _____. (the "Hold the Price Maturities"). The Purchaser's bid will be cancelled and deemed withdrawn unless the Purchaser affirmatively confirms its bid and agrees to comply with the hold the price rule by executing and **[faxing/e-mailing]** the confirmation below by ____:00 **[a.m./p.m.]**.

Avon Community School Corporation

By: _____

The Purchaser hereby acknowledges the Issuer's intention to apply the hold the price rule to the "Hold the Price Maturities". The Purchaser confirms its bid with respect to the Bonds and agrees to comply with the hold the price rule with respect to the Hold the Price Maturities.

[PURCHASER]

By: _____