

**NEW ISSUE**  
**Book-Entry-Only**

**Programmatic Rating: S&P Global Ratings “AA+”**  
**Underlying Rating: S&P Global Ratings “A”**

*This Preliminary Official Statement is deemed “nearly final”  
and is dated August 21, 2018*

In the opinion of Taft Stettinius & Hollister LLP, Chicago, Illinois (“Bond Counsel”), under federal statutes, decisions, regulations and rulings, interest on the Series 2018 Bonds (hereinafter defined) is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof, for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax. Such exclusion is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2018 Bonds is exempt from income taxation in the State of Indiana. The Series 2018 Bonds have been designated as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986. See “TAX MATTERS” herein.

**\$5,000,000\***  
**BLACKFORD COUNTY SCHOOL BUILDING CORPORATION**  
**Blackford County, Indiana**  
**AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2018**

Original Date: Date of Delivery (Anticipated to be September 12, 2018)

Due: January and July 15, as shown on inside cover page

The Blackford County School Building Corporation (the “Building Corporation”) is issuing \$5,000,000\* of Ad Valorem Property Tax First Mortgage Bonds, Series 2018 (the “Series 2018 Bonds”) for the purpose of paying the costs of (i) the construction of a multi-purpose auxiliary middle school athletic facility (the “Athletic Facility Project”) and (ii) capital improvements related to career and technical education renovations and improvements including equipment and technology (the “Career and Technical Project”, and together with the Athletic Facility Project, the “Projects”), and to pay issuance expenses. The Series 2018 Bonds will rank on parity with the Building Corporation’s Ad Valorem Property Tax First Mortgage Bonds, Series 2016, dated December 9, 2016 (the “Series 2016 Bonds”), now outstanding in the amount of \$8,195,000.

The Series 2018 Bonds are secured by and payable from fixed, semiannual lease rental payments (the “Lease Rentals”) to be paid by the Blackford County Schools (the “School Corporation”) directly to The Bank of New York Mellon Trust Company, N.A., in Indianapolis, Indiana (the “Trustee”) under a Trust Indenture between the Building Corporation and the Trustee dated as of April 1, 2015 (the “Original Indenture”), as supplemented by a First Supplemental Trust Indenture dated as of November 1, 2016 (the “First Supplemental Indenture”), as further supplemented by a Second Supplemental Trust Indenture dated as of August 1, 2018 (the “Second Supplemental Indenture,” and together with the Original Indenture and the First Supplemental Indenture, the “Trust Indenture”) and a Lease (hereinafter defined) between the School Corporation and the Building Corporation, and in accordance with Indiana Code Title 20, Article 47, Chapter 3. Such Lease Rentals are payable from ad valorem property taxes levied on all taxable property within the School Corporation in an amount sufficient to pay the Lease Rentals as they become due. The levy of taxes by the School Corporation to pay the Lease Rentals is mandatory under Indiana law. However, see “PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION” and “CIRCUIT BREAKER TAX CREDIT” herein. The Series 2018 Bonds are additionally secured by a first mortgage lien on the Leased Property (hereinafter defined). The Series 2018 Bonds shall not constitute an indebtedness of the School Corporation within the meaning of the provisions and limitations of the constitution of the State of Indiana.

The Series 2018 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 Series 2018 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 Series 2018 Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interests in the Series 2018 Bonds. Interest on the Series 2018 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 Building Corporation by The Bank of New York Mellon Trust Company, N.A., in Indianapolis, Indiana (the “Registrar” and “Paying Agent”). Interest on the Series 2018 Bonds will be paid by check, mailed one business day prior to the interest payment date or by wire transfer to depositories on the interest payment date, to the person or depository in whose name each Bond is registered with the trustee on the thirtieth day of the month of such interest payment date. The principal of and premium, if any, on the Series 2018 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 Series 2018 Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the Series 2018 Bonds. The final disbursement of such payments to the Beneficial Owners of the Series 2018 Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See “BOOK-ENTRY-ONLY SYSTEM”. The Series 2018 Bonds are not subject to optional redemption prior to maturity. The Series 2018 Bonds may be issued as “Term Bonds” at the Underwriter’s (hereinafter defined) discretion and subject to mandatory sinking fund redemption as more fully described herein.

\*Preliminary, subject to change.

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

MATURITY SCHEDULE  
(Base CUSIP\* \_\_\_\_\_)

<u>Maturity</u>	<u>Principal**</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturity</u>	<u>Principal**</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
July 15, 2019	\$75,000				January 15, 2024	\$365,000			
January 15, 2020	145,000				July 15, 2024	370,000			
July 15, 2020	145,000				January 15, 2025	380,000			
January 15, 2021	150,000				July 15, 2025	385,000			
July 15, 2021	150,000				January 15, 2026	390,000			
January 15, 2022	150,000				July 15, 2026	395,000			
July 15, 2022	155,000				January 15, 2027	405,000			
January 15, 2023	155,000				July 15, 2027	410,000			
July 15, 2023	360,000				January 15, 2028	415,000			

\*Copyright 2018 CUSIP Global Services. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the America Bankers Association by S&P Global Marketing Intelligence.

\*\*Preliminary, subject to change. The Building Corporation reserves the right to adjust the maturity schedule following the sale in order to accomplish the Building Corporation's financial objectives by reallocating debt service based upon the rates bid by the successful bidder.

## INFORMATION FOR BIDDING

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

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

**Maximum Interest Rate:** 5.0%

**Minimum Purchase Price\*\*:** 99.50% (\$4,975,000\*)

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

**Anticipated Closing Date:** September 12, 2018

**Good Faith Deposit:** \$50,000\* (1%) 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:** True Interest Cost (TIC)

**Issue Price Determination:** As set forth in the Preliminary Official Statement, the winning bidder agrees by submission of its bid to assist the School Corporation in establishing the issue price of the Series 2018 Bonds 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 winning bidder, the School Corporation and Bond Counsel. All interested bidders should read Appendix G regarding the School Corporation's requirement for the winning bidder to establish the issue price of the Series 2018 Bonds within the meaning of the Code.

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

The Series 2018 Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Taft Stettinius & Hollister LLP, Chicago, Illinois, Bond Counsel. Certain legal matters will be passed on by Steven D. Murphy, DeFur Voran LLP as Attorney for the School Corporation and Building Corporation. The Series 2018 Bonds are expected to be available for delivery to DTC in New York, New York, on or about September 12, 2018.

IN CONNECTION WITH THIS OFFERING THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2018 BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

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

\*Preliminary, subject to change.

\*\* Minimum Purchase Price shall mean the \$5,000,000\* of the Series 2018 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 Building Corporation, and adding any amortizable bond premium.

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\*Preliminary, subject to change.

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## PROJECT PERSONNEL

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

### Building Corporation Directors

Renda Heyerly, President  
Mark Townsend, Vice President  
Kristie Jennerjahn, Secretary  
David Bowman, Assistant Treasurer  
John Price, Assistant Secretary

### Board of School Trustees

Phil Jones, President  
Troy Kaufman, Vice President  
Chris Smith, Secretary  
Scott Malott  
(Vacant)

### Superintendent

Chad Yencer

### Assistant Superintendent/

### Business Manager

Greg Elkins

### Building Corporation and School Corporation Attorney

Steven D. Murphy  
DeFur Voran LLP  
400 South Walnut Street, Suite 200  
Muncie, Indiana 47305

### Bond Counsel

James D. Shanahan  
Taft Stettinius & Hollister LLP  
111 East Wacker Drive  
Suite 2800  
Chicago, Illinois 60601

### Municipal Advisor

Belvia B. Gray  
H.J. Umbaugh & Associates  
Certified Public Accountants, LLP  
8365 Keystone Crossing, Suite 300  
Indianapolis, Indiana 46240

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

## **PRELIMINARY OFFICIAL STATEMENT**

**\$5,000,000\***

### **BLACKFORD COUNTY SCHOOL BUILDING CORPORATION Blackford County, Indiana AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2018**

#### **INTRODUCTION TO THE OFFICIAL STATEMENT**

The Blackford County School Building Corporation (the “Building Corporation”) is issuing \$5,000,000\* of Ad Valorem Property Tax First Mortgage Bonds, Series 2018 (the “Series 2018 Bonds”). The Building Corporation was organized to issue bonds pursuant to Indiana Code Title 20, Article 47, Chapter 3 to finance the improvements to school buildings and lease them to the Blackford County Schools (the “School Corporation”).

#### **SECURITY AND SOURCES OF PAYMENT**

Pursuant to a Lease executed on October 2, 1997 (the “Original Lease”), as amended by an Amendment to Lease dated as of May 1, 2005 (the “First Amendment to Lease”), as amended by a Second Amendment to Lease dated as of April 21, 2015 (the “Second Amendment to Lease”), as amended by a Third Amendment to Lease dated as of November 15, 2016 (the “Third Amendment to Lease”), as further amended by a Fourth Amendment to Lease dated as of June 19, 2018 (the “Fourth Amendment to Lease”, and together with the Original Lease, First Amendment to Lease, Second Amendment to Lease, and Third Amendment to Lease, the “Lease”) between the Building Corporation and the School Corporation, the Series 2018 Bonds are payable from semiannual lease rental payments (the “Lease Rentals”) to be paid by the School Corporation directly to The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana (the “Trustee”). Such Lease Rentals are payable from ad valorem property taxes to be levied against all taxable property within the School Corporation. (However, *see* “PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION” and “CIRCUIT BREAKER TAX CREDIT” herein.) Pursuant to the Lease, the School Corporation will have full use of the Leased Property (herein defined) during construction and will make full lease payments beginning on June 30, 2019. The Series 2018 Bonds will rank on parity with the Building Corporation’s Ad Valorem Property Tax First Mortgage Bonds, Series 2016, dated December 9, 2016 (the “Series 2016 Bonds”), now outstanding in the amount of \$8,195,000.

The Series 2018 Bonds are additionally secured by a first mortgage lien on the Leased Property (hereinafter defined). *See* page 6 for a description of Lease Rental Payments by the State of Indiana.

#### **CIRCUIT BREAKER TAX CREDIT**

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

#### **PURPOSE**

The Series 2018 Bonds are being issued for the purpose of paying the costs of (i) the construction of a multi-purpose auxiliary middle school athletic facility (the “Athletic Facility Project”) and (ii) capital improvements related to career and technical education renovations and improvements including equipment and technology (the “Career and Technical Project”, and together with the Athletic Facility Project, the “Projects”), and to pay issuance expenses.

\*Preliminary, subject to change.

Funding for the Project will be provided from the proceeds of the Series 2018 Bonds and interest earnings during construction.

#### REDEMPTION PROVISIONS

The Series 2018 Bonds are not subject to optional redemption prior to maturity. The Series 2018 Bonds may be issued as Term Bonds at the discretion of the Underwriter (as hereinafter defined) and in that case, would be subject to mandatory sinking fund redemption as more fully described herein.

#### DENOMINATIONS

The Series 2018 Bonds are being issued in the denomination of \$5,000 or integral multiples thereof.

#### REGISTRATION AND EXCHANGE FEATURES

The Trustee shall keep at its designated corporate trust office, a record for the registration of the Series 2018 Bonds. Each registered Bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the Trustee 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 Trustee duly executed by the registered owner or his duly authorized attorney.

#### BOOK-ENTRY-ONLY SYSTEM

The Series 2018 Bonds shall initially be issued and held in book-entry form on the books of the central depository system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully-registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Series 2018 Bond certificate will be issued for the Series 2018 Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. The Building Corporation and the Registrar and Paying Agent may deem and treat the Clearing Agency (Cede & Co.) as the absolute owner and holder of such Series 2018 Bond for all purposes including, without limitation, the receiving of payment of the principal of, premium, if any, and interest on such Series 2018 Bonds, the receiving of notice and the giving of consent. Interest payable July 15, 2019, and semiannually thereafter, will be paid by check mailed one business day prior to the interest payment date to the registered owner or by wire transfer on the interest payment date to the depository shown as the registered owner (Refer to "Book-Entry-Only System" herein).

#### PROVISIONS FOR PAYMENT

The principal on the Series 2018 Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the Series 2018 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 thirtieth day of the month immediately preceding such 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 Series 2018 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 Series 2018 Bonds, principal and interest on the Series 2018 Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the Series 2018 Bonds will be the responsibility of the DTC Participants and Indirect Participants, as defined and more fully described herein.)

## NOTICES

If the office location at which principal is payable changes, the Trustee will give notice of such change by first-class mail to registered owners at least 15 days prior to the first principal payment date following the date of such change in location.

If the Trustee resigns, notice shall be given to the registered owners by mail at least 30 days prior to the date when such resignation shall take effect.

Notice of redemption shall be mailed to the registered owners of all Series 2018 Bonds, not less 30 days prior to the date fixed for redemption.

## TAX MATTERS

In the opinion of Taft Stettinius & Hollister LLP, Chicago, Illinois (“Bond Counsel”), interest on the Series 2018 Bonds is excludable from gross income for federal income tax purposes, and is not an item of tax preference of purposes for federal alternative minimum tax imposed on individuals. Such exclusion is conditioned on continuing compliance with the Tax Covenants, hereinafter defined. In the opinion of Bond Counsel, interest on the Series 2018 Bonds is exempt from income taxation in the State of Indiana. *See* Appendix E.

The Series 2018 Bonds have been designated as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

## MISCELLANEOUS

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

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2018 Bonds, the security for the payment of the Series 2018 Bonds and the rights and obligations of the owners thereof. A complete text of the Trust Indenture will be provided upon request. Additional information may be requested from the Superintendent, Blackford County Schools, 0668 West 200 South, Hartford City, Indiana 47348, phone (765) 348-7550.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2018 Bonds.

## THE PROJECTS

### PROJECT DESCRIPTIONS

The Series 2018 Bonds are being issued for the purpose of paying the costs of (i) the construction of a multi-purpose auxiliary middle school athletic facility (the “Athletic Facility Project”) and (ii) capital improvements related to career and technical education renovations and improvements including equipment and technology (the “Career and Technical Project”, and together with the Athletic Facility Project, the “Projects”), and to pay issuance expenses.

### CONSTRUCTION PROGRAM

Construction bids for the Projects were received in May 2018. Construction of the Projects is anticipated to begin in fall 2018 and is anticipated to be completed August 2019. All facilities will be in use throughout construction, allowing lease rental payments to be made during construction.

## ESTIMATED SOURCES AND USES OF FUNDS

### Estimated Sources of Funds\*

Ad Valorem Property Tax First Mortgage Bonds, Series 2018	<u>\$5,000,000.00</u>
Total Estimated Sources of Funds	<u>\$5,000,000.00</u>

### Estimated Uses of Funds\*

Estimated Construction Costs	\$4,810,000.00
Allowance for Underwriter's Discount (0.50%)	25,000.00
Costs of Issuance (1)	<u>165,000.00</u>
Total Estimated Uses of Funds	<u>\$5,000,000.00</u>

(1) Includes fee allowances for Local Counsel, Bond Counsel, Municipal Advisor, Trustee, rating, printing and other miscellaneous costs.

### SCHEDULE OF AMORTIZATION OF \$5,000,000\* PRINCIPAL AMOUNT OF AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2018

<u>Payment Date</u>	<u>Principal Outstanding*</u> (-----In Thousands-----)	<u>Principal*</u>	<u>Interest Rates</u> (%)	<u>Interest</u>	<u>Total</u>	<u>Budget Year Total</u>
07/15/2019	\$5,000	\$75				
01/15/2020	4,925	145				
07/15/2020	4,780	145				
01/15/2021	4,635	150				
07/15/2021	4,485	150				
01/15/2022	4,335	150				
07/15/2022	4,185	155				
01/15/2023	4,030	155				
07/15/2023	3,875	360				
01/15/2024	3,515	365				
07/15/2024	3,150	370				
01/15/2025	2,780	380				
07/15/2025	2,400	385				
01/15/2026	2,015	390				
07/15/2026	1,625	395				
01/15/2027	1,230	405				
07/15/2027	825	410				
01/15/2028	415	<u>415</u>				
Totals		<u>\$5,000</u>				

\*Preliminary, subject to change.

## SECURITIES BEING OFFERED

### AUTHORIZATION AND APPROVAL PROCESS

The Series 2018 Bonds are to be issued under the authority of Indiana law, including, without limitation, Indiana Code Title 20, Article 47, Chapter 3, as in effect on the date of delivery of the Series 2018 Bonds and pursuant to the Trust Indenture (Appendix D) between the Building Corporation and the Trustee.

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

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

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

The Projects are considered non-controlled and the issuance of the Series 2018 Bonds was able to continue without additional approval procedures.

### THE BUILDING CORPORATION

The Building Corporation was organized as a not-for-profit corporation pursuant to the Indiana Code Title 23, Article 17, for the sole purpose of acquiring land and constructing, renovating and improving school facilities to be leased to the School Corporation.

During its existence, the Building Corporation will operate entirely without profit to the Building Corporation, its officers or directors.

### LEASED PROPERTY

The leased property consists of the land and building comprising the Blackford Junior High School (including portions formerly identified as Hartford City Middle School and Parkside Elementary School) and a portion of Blackford County High School and the real estate on which the improvements are to be constructed with proceeds of the Series 2018 Bonds (the “Leased Property”).

### SECURITY AND SOURCES OF PAYMENT

The Series 2018 Bonds shall constitute an indebtedness of the Building Corporation payable in accordance with the terms of the Trust Indenture and secured by the pledge and assignment to the Trustee of the funds and accounts defined and described therein, including the Lease Rental and other funds as defined in the Trust Indenture. The Trust Indenture creates a continuing pledge by the Building Corporation to the bondholders to pay principal and interest on the Series 2018 Bonds, until the principal sum shall be fully paid. Funds for the Lease Rentals will be paid by or on behalf of the School Corporation directly to the Trustee (for the account of the Building Corporation) pursuant to the terms of the Lease. The Series 2018 Bonds are additionally secured by a lien on the Leased Property as described in the Trust Indenture.

All facilities will be in use throughout construction, allowing lease rental payments to be made during construction, beginning June 30, 2019. See the Summary of the Lease (Appendix C).

If, for any reason, the Leased Property is partially or totally destroyed or unfit for occupancy, the fixed annual rental shall be proportionately abated. The Building Corporation is required by the Lease to maintain rental value insurance, in an amount equal to the full rental value for a period of up to two years. In addition, the proceeds of any property or casualty insurance would be used either to repair and reconstruct the Leased Property or retire obligations issued to finance the Leased Property. To the extent the damaged or destroyed Leased Property is not restored or repaired or is unfit for occupancy and use beyond the period covered by rental value insurance, the Building Corporation could have insufficient funds to pay debt service on the Series 2018 Bonds.

The Lease Rentals to be paid by the School Corporation during the term of the Lease are required to be in amounts sufficient to pay the principal of and interest on the Series 2018 Bonds. The Lease Rental is secured by a pledge of ad valorem property taxes levied on all taxable property in the School Corporation. The Series 2018 Bonds will rank on parity with the Building Corporation's Series 2016 Bonds, now outstanding in the amount of \$8,195,000.

The Building Corporation will acquire ownership of the real estate as described within the Lease. The ownership shall be for a term no less than the term of the Lease (22 years). (See the Summary of the Lease.)

#### LEASE RENTAL PAYMENTS BY THE STATE OF INDIANA

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

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

made by the State Treasurer pursuant to the State Intercept Program, then the State will recover such amounts by deducting such amount from the future State distributions to be made to the school corporation, first from all funds of the school corporation except tuition support. The estimated State distributions for State fiscal year 2018 and resulting debt service coverage levels are as follows:

Fiscal Year 2018 Basic Grant Distribution (all funds) (1)	<u>\$11,484,873</u>
Estimated Combined Maximum Annual Debt Service (2)	<u>\$2,368,000</u>
State Distributions Required to Provide Two-Times Coverage	<u>\$4,736,000</u>
State Distributions Above/(Below) Two-Times Coverage Amount	<u>\$6,748,873</u>

- (1) Per the Indiana Department of Education, net of adjustments.
- (2) Based on combined outstanding debt for the year 2021 including debt service on the Series 2018 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.

#### RELATIONSHIP OF ANNUAL LEASE RENTAL PAYMENTS TO ANNUAL DEBT SERVICE REQUIREMENTS

The Lease Rentals to be paid by the School Corporation each June 30 and December 31 for the use and occupancy of the Leased Property will be equal to an amount which, when added to funds in the Sinking Fund, will be sufficient to pay unpaid principal of and interest on the Series 2018 Bonds which is due on or before the July 15 and January 15 following such June 30 and December 31, plus an amount sufficient to provide for the fees of the Trustee and incidental expenses of the Building Corporation.

All Lease Rentals shall be paid by or on behalf of the School Corporation to the Trustee under the Trust Indenture or to such other bank or trust company as may from time to time succeed the Trustee as provided thereunder. All payments so made by or on behalf of the School Corporation shall be considered as payment to the Building Corporation of the Lease Rentals payable under the Lease.

#### ADDITIONAL BONDS

Additional bonds may be issued on parity with the Series 2018 Bonds and the Series 2016 Bonds subject to the terms and limitations of the Trust Indenture. Except as permitted by the Trust Indenture, the Building Corporation covenants that it will not incur any indebtedness other than the Series 2018 Bonds unless such additional indebtedness is payable solely from income of the Building Corporation other than the rental payments provided for in the Lease.

#### INVESTMENT OF FUNDS

The proceeds of this issue are to be invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds as set forth in the Trust Indenture. The School Corporation shall direct the investment of Series 2018 Bond proceeds.

### THE SERIES 2018 BONDS

#### INTEREST CALCULATION

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

#### REDEMPTION PROVISIONS

The Series 2018 Bonds are not subject to optional redemption prior to maturity.

#### Mandatory Sinking Fund Redemption:

If any Series 2018 Bonds are issued as Term Bonds, the Trustee shall credit against the mandatory sinking fund requirement for the Term Bonds, and corresponding mandatory redemption obligation, in the order determined by the Building Corporation, any Term Bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Term Bond so delivered or canceled shall be credited by the Trustee 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 Trustee 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 Series 2018 Bonds are called for redemption at one time, the Series 2018 Bonds shall be redeemed in order of maturity determined by the Building 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 Series 2018 Bonds to be redeemed at least 30 days prior to the date fixed for such redemption. If any of the Series 2018 Bonds are so called for redemption, and payment therefore is made to the Trustee in accordance with the terms of the Trust Indenture, then such Series 2018 Bonds shall cease to bear interest from and after the date fixed for redemption in the call.

#### BOOK-ENTRY-ONLY SYSTEM

The Series 2018 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 Series 2018 Bonds. The ownership of one fully registered Series 2018 Bond 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 SERIES 2018 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS (OR THE OWNERS) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2018 Bonds. The Series 2018 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 Series 2018 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](http://www.dtcc.com).

Purchases of Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 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 Series 2018 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 Series 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 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 Series 2018 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 Series 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018 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 Series 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2018 Bonds may wish to ascertain that the nominee holding the Series 2018 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 Series 2018 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 Series 2018 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 Building 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 Series 2018 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 Series 2018 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 Building 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 Building 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 Building 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 Series 2018 Bonds at any time by giving reasonable notice to the Building 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 Building 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 Building Corporation believes to be reliable, but neither the Building 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 Series 2018 Bonds in the name of the Beneficial Owners thereof. The Building Corporation, the Registrar, the Paying Agent and any other Fiduciary would treat the person in whose name any Series 2018 Bond is registered as the absolute owner of such Series 2018 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 Building Corporation receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the Series 2018 Bonds or (2) the Building Corporation elects to discontinue its use of DTC as a clearing agency for the Series 2018 Bonds, then the Building 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 Series 2018 Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the Series 2018 Bonds and to transfer the ownership of each of the Series 2018 Bonds to such person or persons, including any other clearing agency, as the holder of such Series 2018 Bonds may direct in accordance with the Trust Indenture. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Series 2018 Bonds will be paid by the Building Corporation.

### PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

The debt service payments are payable from ad valorem property taxes required by law to be levied by or on behalf of the School Corporation. Article 10, Section 1 of the Constitution of the State of Indiana ("Constitutional Provision") provides that, for property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer's property tax liability to a specified percentage of the gross assessed value of the taxpayer's real and personal property. The Indiana General Assembly enacted legislation (Indiana Code Title 6, Article 1.1, Chapter 20.6), which implements the Constitutional Provision and provides taxpayers with a tax credit for all property taxes in an amount that exceeds a certain percentage of the gross assessed value of eligible property. See "CIRCUIT BREAKER TAX CREDIT" herein for further details on the levy and collection of property taxes.

Real and personal property in the State is assessed each year as of January 1. On or before August 1 of each year, the County Auditor must submit a certified statement of the assessed value of each taxing unit for the ensuing year to the Department of Local Government Finance ("DLGF"). The DLGF shall make the certified statement available on its gateway website located at <https://gateway.ifionline.org/> ("Gateway"). The County Auditor may submit an amended certified statement at any time before December 31 of the year preceding the budget year (as defined in IC 61-1-17-16(k)(2)), the date by which the DLGF must certify the taxing units' budgets.

The certified statement of assessed value is used when the governing body of a local taxing unit meets to establish its budget for the next fiscal year (January 1 through December 31) and to set tax rates and levies. In preparing the taxing unit's estimated budget, the governing body must consider the net property tax revenue that will be collected by the taxing unit during the ensuing year, after taking into account the DLGF's estimate of the amount by which the taxing unit's distribution of property taxes will be reduced by the application of the Circuit Breaker Tax Credit (as defined in the summary of "CIRCUIT BREAKER TAX CREDIT" herein), and after taking into account the DLGF's estimate of the maximum amount of net property tax revenue and miscellaneous revenue that the taxing unit will receive in the ensuing year. Before May 1 of each year after 2017, the fiscal officer of each political subdivision shall provide the DLGF with an estimate of the total amount of its debt service obligations (as defined in IC 6-1.1-20.6-9.8) that will be due in the last six months of the current year and in the ensuing year. Beginning in

2018, the DLGF shall provide to each political subdivision: (1) an estimate of the maximum property tax rate that may be imposed by the political subdivision for the ensuing year for each cumulative fund or other fund for which a maximum property tax rate is established by law; and (2) an estimate of property taxes payable for the ensuing year for debt service. Before August 1 of each year, the DLGF shall provide to each taxing unit (1) an estimate of the maximum amount of net property tax revenue and miscellaneous revenue that the unit will receive in the ensuing year if the unit's tax rates are imposed at the maximum allowable rate and levy under law and (2) an estimate of the amount by which the taxing unit's distribution of property taxes will be reduced due to the Circuit Breaker Tax Credit. Beginning in 2018, the State Budget Agency must provide to the DLGF and the County Auditor an estimate of the certified local income tax distribution before June 1, and the DLGF must provide by July 1, the estimated amounts to be distributed at the taxing level to the County Auditor.

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

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

Taxing units have until December 31 of the calendar year immediately preceding the ensuing calendar year to file a levy shortfall appeal. Beginning with budget year 2019, the DLGF must complete its review and certification of budgets, tax rates and levies, not later than December 31 of the year preceding the budget year, unless a taxing unit in the county issues debt after December 1 or intends to file a shortfall appeal under IC 6-1.1-18.5-16 in which case the DLGF must certify the budgets for the taxing units in the county by January 15 of the budget year.

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

Pursuant to State law, personal property is assessed at its actual historical cost less depreciation, in accordance with 50 IAC 4.2, the DLGF's Rules for the Assessment of Tangible Personal Property. Effective January 1, 2016, state law annually exempts from property taxation new tangible business personal property with an acquisition cost of less than \$20,000. Pursuant to State law, real property is valued for assessment purposes at its "true tax value" as defined in the Real Property Assessment Rule, 50 IAC 2.4, the 2011 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4 and the 2011 Real Property Assessment Guidelines, Version A ("Guidelines"), as adopted by the DLGF. P.L. 204-2016, SEC. 3, enacted in 2016, retroactive to January 1, 2016, amends State law to provide that "true tax value" for real property does not mean the value of the property to the user and that true tax value shall be determined under the rules of the DLGF. As a result of P.L. 204-2016, the DLGF has begun the process of amending the Manual. In the case of agricultural land, true tax value shall be the value determined in accordance with the Guidelines and IC 6-1.1-4, as amended by P.L. 180-2016. Except for agricultural land, as

discussed below, the Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal method, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they produce “accurate and uniform values throughout the jurisdiction and across all classes of property”. The Manual specifies the standards for accuracy and validation that the DLGF uses to determine the acceptability of any alternative appraisal method. “Net Assessed Value” or “Taxable Value” represents the “Gross Assessed Value” less certain deductions for mortgages, veterans, the aged, the blind, economic revitalization areas, resource recovery systems, rehabilitated residential property, solar energy systems, wind power devices, hydroelectric systems, geothermal devices and tax-exempt property. The “Net Assessed Value” or “Taxable Value” is the assessed value used to determine tax rates.

Changes in assessed values of real property occur periodically as a result of the county’s reassessment plan, as well as when changes occur in the property value due to new construction or demolition of improvements. Before July 1, 2013, and before May 1 of every fourth year thereafter, each county assessor will prepare and submit to the DLGF a reassessment plan for the county. The DLGF must complete its review and approval of the reassessment plan before January 1 of the year following the year in which the reassessment plan is submitted by the county. The reassessment plan must divide all parcels of real property in the county into four (4) different groups of parcels. Each group of parcels must contain approximately twenty-five percent (25%) of the parcels within each class of real property in the county. All real property in each group of parcels shall be reassessed under the county’s reassessment plan once during each four (4) year cycle. The reassessment of a group of parcels in a particular class of real property shall begin on May 1 of a year, and must be completed on or before January 1 of the year after the year in which the reassessment of the group of parcels begins. For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be completed. The county may submit a reassessment plan that provides for reassessing more than twenty-five percent (25%) of all parcels of real property in the county in a particular year. A plan may provide that all parcels are to be reassessed in one (1) year. However, a plan must cover a four (4) year period. All real property in each group of parcels shall be reassessed under the county’s current reassessment plan once during each reassessment cycle. The reassessment of the first group of parcels under a county’s reassessment plan begins on May 1, 2018, and is to be completed on or before January 1, 2019. Since 2007, all real property assessments are revalued annually to reflect market value based on comparable sales data (“Trending”). When a change in assessed value occurs, a written notification is sent to the affected property owner. If the owner wishes to appeal this action, the owner may file a petition requesting a review of the action. This petition must be filed with the county assessor in which the property is located within 45 days after the written notification is given to the taxpayer or May 10 of that year, whichever is later. While the appeal is pending, the taxpayer may pay taxes based on the current year’s tax rate and the previous or current year’s assessed value.

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

### CIRCUIT BREAKER TAX CREDIT

#### *Description of Circuit Breaker:*

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

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

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

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

Pursuant to IC 6-1.1-20.6-9.9, a school corporation that is expected to experience sufficient Circuit Breaker Tax Credit loss may, prior to May 1 of a year, request the DLGF, to certify the amount of Circuit Breaker Tax Credit loss, making the school corporation an eligible school corporation under IC 6-1.1-20.6-9.9 (an “Eligible School Corporation”). An Eligible School Corporation may allocate its Circuit Breaker Tax Credit loss, for 2016, 2017, 2018 and 2019 proportionately across all school corporation property tax funds, including the debt service fund, and is exempt from the protected taxes requirement described below. The School Corporation did 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 \$621,360, \$411,293 and \$402,677, respectively. These estimates do not include the estimated debt service on the Series 2018 Bonds and the lease rentals on the Lease securing the Series 2018 Bonds.

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

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the “Rule”), the School Corporation will enter into a Continuing Disclosure Undertaking (the “Undertaking”), to be dated the date of the closing of the Series 2018 Bonds. Pursuant to the terms of the Undertaking, the School Corporation will agree to provide the following information while any of the Series 2018 Bonds are outstanding:

- Audited Financial Statements. To the MSRB through EMMA, when and if available, the audited financial statements of the School Corporation as prepared and examined by the State Board of Accounts for each biennial period ending June 30, beginning with the period ending June 30, 2018, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the State Board of Accounts; and
- Financial Information in this Official Statement. Financial Information in this Official Statement. To the MSRB through EMMA, within 180 days of each December 31, beginning with December 31, 2018, unaudited annual financial information for the School Corporation for such calendar year including (i) unaudited financial statements of the School Corporation, and (ii) operating data of the type included under the following headings in Appendix A to the Final Official Statement (collectively, the “Annual Information”):

BLACKFORD COUNTY SCHOOLS

- Enrollment

GENERAL ECONOMIC AND FINANCIAL INFORMATION

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

● Reportable Events. Within ten business days, to the MSRB, notice of the following events, if material, with respect to the Series 2018 Bonds (which determination of materiality shall be made by the School Corporation):

1. non-payment related defaults;
2. modifications to rights of Bondholders;
3. bond calls;
4. release, substitution or sale of property securing repayment of the Series 2018 Bonds;
5. the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing; and
6. appointment of a successor or additional trustee or the change of name of a trustee.

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

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. defeasances;
6. rating changes;
7. adverse tax opinions or other material events affecting the tax-exempt status of the Series 2018 Bonds; the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events, notices or determinations with respect to the tax status of the securities;
8. tender offers; and
9. bankruptcy, insolvency, receivership or similar event of the obligated person.

● Failure to Disclose. In a timely manner, to the MSRB, notice of the School Corporation failing to provide the annual financial information as described above.

The School Corporation may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the Series 2018 Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the School Corporation, or type of business conducted; (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the Rule on the date of execution of the Undertaking, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the Series 2018 Bonds, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the Series 2018 Bonds at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the SEC Rule, then in effect.

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

The purpose of the Undertaking is to enable the Underwriter to purchase the Series 2018 Bonds by providing for an undertaking by the School Corporation in satisfaction of the Rule. The Undertaking is solely for the benefit of the owners of the Series 2018 Bonds and creates no new contractual or other rights for the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other obligated persons or any other third party. The sole remedy against the School Corporation for any failure to carry out any provision of the Undertaking shall be for specific performance of the School Corporation's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or any other remedy. The School Corporation's failure to honor its covenants under the Undertaking shall not constitute a breach or default of the Series 2018 Bonds, the Trust Indenture, the Lease or any other agreement.

As required by the SEC Rule, in the previous five years, the School Corporation has not failed to comply, in all material respects, with any previous undertakings. The School Corporation has contracted with H.J. Umbaugh and Associates, Certified Public Accountants LLP, as dissemination agent to assist with future compliance filings.

#### BOND RATING

S&P Global Ratings ("S&P Global") has assigned a programmatic bond rating of "AA+" based upon the Indiana State Intercept Program (*see* page 6 for a description of Lease Rental Payments by the State of Indiana) and an underlying rating of "A" to the Series 2018 Bonds. Such ratings reflect only the view of S&P Global and any explanation of the significance of such ratings may only be obtained from S&P Global.

The ratings are not a recommendation to buy, sell or hold the Series 2018 Bonds, and such ratings may be subject to revision or withdrawal at any time by S&P Global. Any downward revision or withdrawal of the ratings may have an adverse effect upon the market price of the Series 2018 Bonds.

The School Corporation did not apply to any other rating service for a rating on the Series 2018 Bonds.

#### UNDERWRITING

The Series 2018 Bonds are being purchased by \_\_\_\_\_ (the "Underwriter") at a purchase price of \$\_\_\_\_\_, which is the par amount of the Series 2018 Bonds of \$\_\_\_\_\_ less the Underwriter's discount of \$\_\_\_\_\_ plus the original issue premium of \$\_\_\_\_\_. The Notice of Intent to Sell Bonds provides that all of the Series 2018 Bonds will be purchased by the Underwriter if any of such Series 2018 Bonds are purchased.

The Underwriter intends to offer the Series 2018 Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Series 2018 Bonds into investment trusts), who may realow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

#### MUNICIPAL ADVISOR

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

The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the School Corporation and they have no secondary obligations or other responsibility. However, Umbaugh is preparing the Lease Sufficiency Report for the Series 2018 Bonds. The Municipal Advisor's fees are expected to be paid from proceeds of the Series 2018 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 Series 2018 Bonds.

The offer and sale of the Series 2018 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 Series 2018 Bonds, and will take no part in the sale thereof.

#### *Other Financial Industry Activities and Affiliations:*

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

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

### LEGISLATIVE PROPOSALS

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2018 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 Series 2018 Bonds. Prospective purchasers of the Series 2018 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 Series 2018 Bonds. Bond Counsel’s opinion is based upon the law in existence on the date of issuance of the Series 2018 Bonds. It is possible that legislation enacted after the date of issuance of the Series 2018 Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Series 2018 Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the Series 2018 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 Series 2018 Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Series 2018 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 Series 2018 Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

### TAX MATTERS

In the opinion of Taft Stettinius & Hollister LLP, Chicago, Illinois, Bond Counsel, under federal statutes, decisions, regulations and rulings, the interest on the Series 2018 Bonds is excludable for federal tax income purposes from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (“Code”). Interest on the Series 2018 Bonds is not treated as a specific preference item for purposes of the federal alternative minimum tax. Such exclusion is conditioned on continuing compliance by School Corporation with the Tax Covenants (as hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Series 2018 Bonds to lose the

exclusion from gross income for federal income taxation retroactive to the date of issue. In the opinion of Taft Stettinius & Hollister LLP, Chicago, Illinois, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2018 Bonds is exempt from income taxation in the State of Indiana (“State”). See Appendix E for the form of Bond Counsel opinion.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2018 Bonds as a condition to the exclusion from gross income of interest on the Series 2018 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 Series 2018 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2018 Bonds pursuant to Section 103 of the Code (collectively, “Tax Covenants”). The Trust Indenture and certain certificates and agreements to be delivered on the date of delivery of the Series 2018 Bonds establish procedures to permit compliance with the requirements of the Code. It is not an event of default under the Trust Indenture if interest on the Series 2018 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 Series 2018 Bonds.

IC 6-5.5 imposes a franchise tax on certain taxpayers (as defined in IC 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in Indiana. The franchise tax is 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.

Although Bond Counsel will render an opinion that interest on the Series 2018 Bonds is excluded from federal gross income and exempt from State income tax, the accrual or receipt of interest on the Series 2018 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 Series 2018 Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2018 Bonds should consult their own tax advisors with regard to the federal and State consequences of owning the Series 2018 Bonds other than those consequences set forth in the form of opinion of Bond Counsel.

Under existing laws, judicial decisions, regulations and rulings, the Series 2018 Bonds have been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the exception from the 100% disallowance of the deduction for interest expense allocable to interest on tax-exempt obligations acquired by financial institutions. The designation is conditioned on continuing compliance with the Tax Covenants.

#### ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Series 2018 Bonds maturing on \_\_\_\_\_ through and including \_\_\_\_\_ (collectively, the “Discount Bonds”) is less than the principal amount payable at maturity. As a result the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the Discount Bonds, as set forth on the inside cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the “Issue Price” for such maturity), and the amount payable at maturity of the Discount Bonds will be treated as “original issue discount.” A taxpayer who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and who holds such Discount Bond to maturity may treat the full amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

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

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner’s tax basis for the Discount

Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

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

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

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

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

#### AMORTIZABLE BOND PREMIUM

The initial offering price of the Series 2018 Bonds maturing on \_\_\_\_\_ through and including \_\_\_\_\_ (collectively, the “Premium Bonds”), is greater than the principal amount payable at maturity. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the “Bond Premium”). An owner who acquires a Premium Bond in the initial offering will be required to adjust the owner’s basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity or call). The amount of amortizable Bond Premium will be computed on the basis of the owner’s yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of Premium Bonds and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

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

#### LITIGATION

To the knowledge of the officers and counsel for the Building Corporation, there is no litigation pending, or threatened, against the Building Corporation or the School Corporation, which in any way questions or affects the validity of the Series 2018 Bonds, or any proceedings or transactions relating to the issuance, sale or delivery thereof.

The officers and counsel for the Building Corporation will certify at the time of delivery of the Series 2018 Bonds that there is no litigation pending or in any way threatened questioning the validity of the Series 2018 Bonds, or any

of the proceedings had relating to the authorization, issuance and sale of the Series 2018 Bonds, the Trust Indenture or the Projects that would result in a material adverse impact on the financial condition of the School Corporation.

#### CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2018 Bonds are subject to the unqualified approving opinion of Taft Stettinius & Hollister LLP, Chicago, Illinois, Bond Counsel, whose approving opinion will be available at the time of delivery of the Series 2018 Bonds. Taft Stettinius & Hollister LLP has not been asked nor has it undertaken to review the accuracy or sufficiency of this Official Statement, and will express no opinion thereon. The form of opinion of Bond Counsel is included as Appendix E of this Official Statement.

#### LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Series 2018 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 Trust Indenture, or to the Building Corporation under the Lease, 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 Trust Indenture and the Lease may not be readily available or may be limited. Under federal and State environmental laws certain liens may be imposed on property of the Building Corporation from time to time, but the Building 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 Series 2018 Bonds.

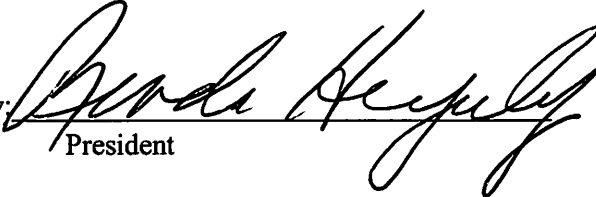
The various legal opinions to be delivered concurrently with the delivery of the Series 2018 Bonds will be qualified as to the enforceability of the various legal instruments by the limitations imposed by the valid exercise of the constitutional powers of the State of Indiana and the United States of America and bankruptcy, reorganization, insolvency 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).

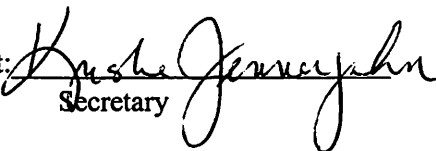
These exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the School Corporation), in a manner consistent with the public health and welfare. Enforceability of the Trust Indenture and the Lease in a situation where such enforcement may adversely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

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

The Official Statement and its execution are duly authorized.

BLACKFORD COUNTY SCHOOL BUILDING  
CORPORATION

By:   
President

Attest:   
Secretary

BLACKFORD COUNTY SCHOOLS

By:   
Superintendent

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## APPENDIX i





**NOTICE OF INTENT TO SELL BONDS**

**\$5,000,000\***

**BLACKFORD COUNTY SCHOOL BUILDING CORPORATION  
(BLACKFORD COUNTY, INDIANA)**

**AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2018**

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, the Blackford County School Building Corporation (the "Corporation") will receive and consider bids for the purchase of the following described bonds. Any person interested in submitting a bid for the bonds must furnish in writing to the Blackford County School Building Corporation c/o H.J. Umbaugh & Associates Certified Public Accountants, LLP at 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240, (317) 465-1500, or by email to [bids@umbaugh.com](mailto:bids@umbaugh.com), on or before 2:00 p.m. (EDT) August 24, 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 the sale. The notification shall be made by telephone at the number furnished by such person and also by e-mail, if an e-mail address has been received. It is anticipated that the sale will occur on or around 11:00 a.m. (EDT) August 28, 2018.

At the time designated for sale, the Corporation will receive bids (i) at the office of its municipal advisor, H.J. Umbaugh & Associates Certified Public Accountants, LLP, at 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240, via mail, email; or (ii) electronically via PARITY in accordance with this notice, and consider the same for the purchase of the following described Bonds:

Ad Valorem Property Tax First Mortgage Bonds, Series 2018 (the "Bonds") of the Corporation, an Indiana corporation, in the estimated principal amount of \$5,000,000; Fully registered form; Denomination \$5,000 and integral multiples thereof; 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; 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 trustee on the first day of the month of such interest payment date; Maturing or subject to mandatory redemption on January 15 and July 15 on the dates and in the amounts as follows:

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\* Preliminary, subject to change

PAYMENT DATE	PRINCIPAL *	PAYMENT DATE	PRINCIPAL *
7/15/2019	\$ 75,000	1/15/2024	\$365,000
1/15/2020	145,000	7/15/2024	370,000
7/15/2020	145,000	1/15/2025	380,000
1/15/2021	150,000	7/15/2025	385,000
7/15/2021	150,000	1/15/2026	390,000
1/15/2022	150,000	7/15/2026	395,000
7/15/2022	155,000	1/15/2027	405,000
1/15/2023	155,000	7/15/2027	410,000
7/15/2023	360,000	1/15/2028	415,000

\* Preliminary, subject to change

The Corporation reserves the right to adjust the maturity schedule following the sale in order to accomplish the Corporation's financial objectives by reallocating debt service based upon the rates bid by the successful bidder, and also to adjust the issuance to provide that the Corporation receives no more than \$5,000,000 in proceeds.

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 above shall constitute the mandatory sinking fund redemption requirements for such term bond or bonds. For purposes of computing true interest cost, the mandatory redemption amounts shall be treated as maturing on the dates set forth in the schedule set forth above.

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 1/8th or 1/100th of 1%. The maximum interest rate on the Bonds shall not exceed five percent (5.00%) per annum. 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 99.5% of the face value of the Bonds will be considered. The Bonds will be awarded to the highest qualified bidder who has submitted a bid in accordance herewith. The highest bidder will be the one who offers the lowest true interest cost to the Corporation. The true interest cost rate is that rate which, when used to compute the total present value as of the date of delivery of the Bonds of all debt service payments on the Bonds on the basis of semiannual compounding, produces an amount equal to the sum of the par value of the Bonds minus any premium bid plus any discount. 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.

Each bid may be submitted by email to [bids@umbaugh.com](mailto:bids@umbaugh.com). If bids are submitted by mail, they should be addressed to the School Corporation, c/o H.J. Umbaugh & Associates Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240, in a sealed envelope addressed to the Corporation and marked on the outside "Bid for Ad Valorem Property Tax First Mortgage Bonds, Series 2018". Bids may also be submitted electronically via PARITY in accordance with this notice. 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.

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](mailto:bids@umbaugh.com) no later than August 27, 2018, by 11:00 a.m. (Indianapolis Time). To the best of the School Corporation's ability, all questions will be addressed by the School Corporation and sent to potential bidders including any bidders requesting twenty-four (24) hours' notice of sale, no later than August 27, 2018, by 5:00 p.m. (Indianapolis Time). Additionally, upon request, the written responses will be emailed to any other interested bidder. Bidders should review this notice as well as the preliminary official statement and submit any questions in advance of the deadline.

A good faith deposit ("Deposit") in the form of cash or certified or cashier's check in the amount of one percent (1%) of the par amount of the Bonds payable to the order of the Corporation is required to be submitted by the successful purchaser (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 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 Corporation as liquidated damages.

The successful bidder shall make payment to The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana, as Trustee (the "Trustee") for the Bonds and accept delivery thereof from the Trustee within five days after being notified that the Bonds are ready for delivery, at such place in the City of Indianapolis, Indiana, as the successful bidder may designate. The Bonds will be ready for delivery within 45 days after the date of sale. If the 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 bidder may secure the release of his bid upon request in writing, filed with the Corporation. The successful bidder is expected to apply to a securities depository registered with the SEC to make such Bonds depository-eligible. At the time of

delivery of the Bonds to the successful bidder, the bidder will be required to certify to the Corporation the initial reoffering price to the public of a substantial amount of each maturity of the Bonds.

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 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 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 Taft Stettinius & Hollister LLP, bond counsel of Chicago, Illinois, 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 Corporation.

The Corporation was organized for the purpose of constructing school buildings and capital improvements at facilities owned or leased by the School Corporation and leasing such buildings to the School Corporation. All action has been taken and the Bonds are issued in compliance with the provisions of Indiana Code 20-47-3. The Bonds will be secured by a trust indenture to the Trustee and will be subject to the terms and provisions of said indenture. The Corporation will certify as to facts to support the conclusion that the Bonds do not constitute private activity bonds as defined in Section 141 of the Internal Revenue Code.

The property to be covered by the indenture has been leased for a period of 22 years to the School Corporation through a lease agreement, as amended. The lease provides for sufficient payments to provide for debt service on the bonds, plus the payment of all taxes and assessments, which annual rental is payable semiannually on June 30 and December 31 in each year. The rental payments on the lease by the School Corporation are 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 INDIANA CODE 6-1.1-20.6. The Bonds are being issued on a parity basis with the Corporation's Ad Valorem Property Tax First Mortgage Bonds, Series 2016.

After the sale of all Bonds issued by the Corporation to pay for the cost of said buildings, including the acquisition of the sites thereof and other expenses incidental thereto, the annual rental shall be reduced to an amount equal to the multiple of \$1,000 next highest to the highest

sum of principal and interest due on such Bonds in each twelve month period ending on January 15 plus an amount sufficient to cover certain fees and expenses of the Corporation, payable in equal semiannual installments. All bidders shall be deemed to be advised as to the provisions of the above-mentioned trust indenture and the leases and the provisions of Indiana Code 20-47-3.

The Bonds constitute an indebtedness only of the Corporation, payable in accordance with the terms of the above-mentioned indenture. 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 Corporation has prepared a preliminary official statement relating to the Bonds which it has deemed to be a nearly final official statement. Within seven (7) business days of the sale, the Corporation will provide the successful bidder with 15 copies of the final official statement at the Corporation's expense. Additional copies, at the purchaser's expense, must be requested within five (5) business days of the sale. Inquiries concerning matters contained in the nearly final official statement must be made and pricing and other information necessary to complete the final Official Statement must be submitted by the successful bidder within two (2) business days following the sale to be included in the final official statement.

The School Corporation has agreed to enter into a Continuing Disclosure Undertaking in order to permit the successful purchaser to comply with the SEC Rule 15(c)2-12. A copy of such Agreement is available from the School Corporation or municipal advisor at the addresses below.

#### ISSUE PRICE:

(a) The winning bidder shall assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at closing an "issue price" 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, substantially in the form attached as an appendix to the Preliminary Official Statement, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, 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 herein and any notice or report to be provided to the Issuer may be provided to the Issuer's municipal advisor.

(b) The Issuer intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the Issuer shall disseminate this Notice of Intent to Sell Bonds (“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;
- (3) the Issuer may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) 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 this Notice.

Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the Issuer shall so advise the winning bidder. The Issuer may determine to treat (i) the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Issuer if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Issuer shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the Issuer determines to apply the hold-the-offering-price rule to any maturity of the Bonds. **Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.**

(d) By submitting a bid, the winning bidder shall confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder. The winning bidder further shall agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply 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 underwriters have 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.

(e) The winning bidder shall promptly advise the Issuer when the underwriters have sold 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, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(f) The Issuer acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail 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 retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters 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 that is a party to a retail 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 retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(h) Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice. Further, for purposes of this Notice:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “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 retail distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) 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) at least 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
- (iv) “sale date” means the date that the Bonds are awarded by the Issuer to the winning bidder; and
- (v) “Closing” and “Closing Date” mean the day the Bonds are delivered to the successful bidder and payment is made thereon by the Issuer.

Further information relative to said issue and a copy of the nearly final official statement may be obtained upon application to H.J. Umbaugh & Associates Certified Public



Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240, municipal advisor to the Blackford County School Corporation; Steven D. Murphy, Defur Voran LLP, attorney for the School Corporation; or Chad Yencer, Superintendent, Blackford County School Corporation, 0668W-200S, Hartford City, Indiana 47348. If bids are submitted by mail, they should be addressed to the Corporation, attention of H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240.

Dated this July 2, 2018.

/S/ SECRETARY, BOARD OF DIRECTORS  
BLACKFORD COUNTY SCHOOL BUILDING  
CORPORATION

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## APPENDIX A



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## **BLACKFORD COUNTY SCHOOLS**

### **SYSTEM OVERVIEW**

Blackford County Schools (the “School Corporation”) is located in Blackford County (the “County”) in east central Indiana. The School Corporation serves Harrison, Jackson, Licking and Washington Townships including the City of Hartford City, the City of Montpelier and the Town of Shamrock Lakes and excluding the portion of the City of Dunkirk located in Jackson Township.

### **FACILITIES**

The School Corporation presently operates the following schools.

<u>School</u>	<u>Grades</u>	<u>Year Opened</u>	<u>Additions/ Renovations</u>	<u>2017/2018 Enrollment</u>
Southside Elementary School	K-3	1957	2000	376
Northside Elementary School	4-6	1965	2000	280
Montpelier School	K-6	1922	2000	204
Blackford Junior High School	7-8	1962	2000	232
Blackford High School	9-12	1969	1999, 2017	518

### **SERVICES**

The School Corporation offers a complete academic curriculum in grades kindergarten through twelve as well as a variety of extracurricular activities. The School Corporation also offers high ability programming, advanced placement courses, 18 dual/college credit courses, Junior Reserve Officers’ Training Corps., special education and career and technical education. The School Corporation has state-of-the-art technology to help enhance the learning process with computer labs, interactive SMART boards, and software geared to support student achievement.

The School Corporation’s Blended Learning Initiative places a focus on learning through the leveraging of technology. The initiative offers teachers the opportunity to create innovative teaching strategies that engage students and support the knowledge and skills required of a 21<sup>st</sup> century education. Students are presented material in a Blended Learning environment and utilize online instruction and simulations. Students are supported by certified instructors and apply the material through real-world applications. The School Corporation offers two models to achieve blended learning. The Flex Learning Model is delivered online and teachers support the student as needed while the student is able to learn and practice concepts at their individualized level. The Station-Rotation Model involves the rotation of students between different stations on a fixed schedule, including online instruction, teacher instruction, and collaborative activities and stations.

## **ENROLLMENT**

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

<u>School</u>	<u>School Year</u>									
	<u>2008/ 2009</u>	<u>2009/ 2010</u>	<u>2010/ 2011</u>	<u>2011/ 2012</u>	<u>2012/ 2013</u>	<u>2013/ 2014</u>	<u>2014/ 2015</u>	<u>2015/ 2016</u>	<u>2016/ 2017</u>	<u>2017/ 2018</u>
Southside Elementary School	333	340	433	411	418	422	463	402	387	376
Northside Elementary School	341	307	312	346	326	341	289	286	282	280
Montpelier School	397	376	263	247	232	227	215	230	233	204
Blackford Junior High School	360	362	299	294	271	278	299	283	245	232
Blackford High School	<u>710</u>	<u>662</u>	<u>614</u>	<u>593</u>	<u>571</u>	<u>542</u>	<u>531</u>	<u>529</u>	<u>553</u>	<u>518</u>
Totals	<u>2,141</u>	<u>2,047</u>	<u>1,921</u>	<u>1,891</u>	<u>1,818</u>	<u>1,810</u>	<u>1,797</u>	<u>1,730</u>	<u>1,700</u>	<u>1,610</u>

Note: Construction is scheduled to begin in the fall of 2018 at Blackford High School to facilitate a junior-senior high school to serve grades 7-12, and students will move into the junior-senior high building at the start of the 2019-2020 school year. Additionally, the Blackford Junior High School has been approved to become an upper elementary building, serving students from grades 3-6, and the Northside Elementary School will become a primary elementary building, serving students from grades K-2 in the Hartford City attendance area. The School Corporation plans to vacate Southside Elementary School.

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

<u>Year</u>	<u>Projected Enrollment</u>
2018/2019	1,600
2019/2020	1,580
2020/2021	1,560
2021/2022	1,540
2022/2023	1,520

## **BOARD OF SCHOOL TRUSTEES**

<u>Name</u>	<u>Current Term Began</u>	<u>Current Term Ends</u>
Phil Jones, President	01/01/2015	12/31/2018
Troy Kaufman, Vice President	01/01/2017	12/31/2020
Chris Smith, Secretary	01/01/2017	12/31/2020
Scott Malott (Vacant)	01/01/2015	12/31/2018

## **ADMINISTRATION AND STAFF**

The School Corporation is under the direction of a five-member elected Board of School Trustees who serve four-year terms. The Superintendent, appointed by the Board of School Trustees, directs a certified staff of 106 and a non-certified staff of 160 with union representation as follows:

<u>Union Name</u>	<u>Union Representation</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Blackford Federation of Teachers	Teachers	77	06/30/2018



## **PENSION OBLIGATIONS**

### **Public Employees' Retirement Fund**

#### **Plan Description**

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent 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, 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 \$233,345.

### **Teacher's Retirement Fund**

#### **Plan Description**

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

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

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

### Funding Policy and Annual Pension Cost

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

Employer contributions for the year 2017 were \$410,319.

### Additional Benefits

#### Retirement Savings Plan

During the 2003-2004 school year, the School Corporation established the Blackford County Schools' Retirement Savings Plan. This is a 401(a) qualified plan for eligible teachers and teachers designated as "grandfathered teachers", hired between January 1, 2004 and July 1, 2011. The School Corporation will contribute to every teacher eligible for the Retirement Savings Plan and employed under regular contract an amount equal to 2% of the teacher's regular salary (on the regular individual teacher contract) to the teacher's account in the Retirement Savings Plan. Teachers will have the option of continuing to invest their dollars in 403(b) plans already in existence. A teacher becomes fully vested with five years of service with the School Corporation.

The School Corporation contributed \$42,562 to the Retirement Savings Plan in 2017.

#### Service Years Pay

Teachers who have completed more than 12 years of teaching with the School Corporation receive a payment of \$100 for each year of service at the School Corporation. Each July thereafter, the teacher will continue to receive \$100 for each year of service they accrue. The payments will be made to the teacher's 401(a) account.

The School Corporation contributed \$13,320 for this benefit in 2017.

#### Other Post-Employment Benefits

##### Severance Pay

Teachers who voluntarily leave the School Corporation's employment may be eligible for severance pay. A teacher must have at least 18 years of teaching experience at the School Corporation or have spent the last 10 years of their teaching experience at the School Corporation and have evidence they are planning permanent retirement from teaching. Upon meeting the requirements, the Teacher is eligible to receive payment for accumulated sick leave and unused personal leave days at a rate of \$60 per day with the total not exceeding \$13,500.

##### Social Security/Medicare Bridge Benefits

Teachers who do not qualify for the Retirement Savings Plan, described above, may be eligible to receive a Social Security/Medicare Bridge. This benefit was restructured for teachers retiring after the 2010/2011 school year.

Teachers who retired prior to the 2010/2011 school year were eligible for the benefit for ten years or until the teacher qualifies for Medicare, whichever is earlier, if they met the requirement of the severance pay benefit, had at least 20 years of teaching experience at the School Corporation and were at least 55 years old. The Bridge benefit is a payment of an amount equivalent to the current total family premium cost of the middle health insurance plan at the time of the teacher's retirement plus an amount equal to the percentage of future premium increases for the middle plan as the School Corporation contribution of the total premium for the middle health insurance plan. The Bridge benefit is paid to the retired teacher through the Section 125 plan. The maximum amount a teacher is able to receive is \$11,988.

Teachers who retired at the end of the 2010/2011 school year who were eligible for the Social Security/Medicare Bridge benefit received the benefit as described above except the annual benefit was limited to a maximum of \$10,000 per year.

Teachers who were employed for both the 2010/2011 and 2011/2012 school years may be eligible to participate in the 2011 Restructuring of the Social Security/Medicare Bridge. With the restructured benefit teachers had the option to receive a one-time buy-out that would have been made prior to December 1, 2011 or receive a Social Security/Medicare Bridge upon their 59<sup>th</sup> birthday for six years or until they qualify for Medicare, whichever is earlier. To qualify a teacher must have at least 20 years of experience with the School Corporation, retire at an age of at least 55, and not qualify for the Retirement Savings Plan. The benefit is a payment of an amount equivalent to \$5,000 and is paid to the retired teacher through the Section 125 Plan in order to allow a retired teacher to allocate a portion of the total amount to health insurance premiums.

Under both the original Social Security/Medicare Bridge and the restructured benefit, if the teacher dies before receiving full entitlement, the School Corporation will maintain coverage for the surviving spouse, if spousal coverage was requested at time of retirement. The spouse will receive the School Corporation's medical and hospitalization insurance with all costs paid for those years for which the teacher would have eligibility for payments, if the teacher had survived.

In addition, as part of this benefit, for teachers employed under regular contract, the School Corporation contributed an amount equal to one-half percent of the teacher's regular salary to the teacher's 401(a) account on or before July 1 following each school year.

Current employees are not eligible to receive the Social Security/Medicare Bridge Benefits. There are currently seven retirees receiving these benefits and the School Corporation contributed \$56,476 in 2017.

## **GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION**

### **LOCATION**

The School Corporation is located in Blackford County (the "County") in east central Indiana and covers approximately 165 miles. The School Corporation is approximately 70 miles northeast of the City of Indianapolis and approximately 50 miles south of the City of Fort Wayne.

### **GENERAL CHARACTERISTICS**

The City of Hartford City is the county seat and serves as the industrial, economic and retail center for School Corporation residents. Hartford City maintains multiple parks, some of which can be rented out for personal use, including the Wilderness Park which features a fitness trail through its 24 acre wooded area. The Wildwood Outdoor Escape is a campground in Hartford City and in addition to camping sites, it offers rental units, many recreational activities, and a space for gatherings and events. The Blackford County Arts Center, also located in Hartford City, is a visual and performing arts venue that has gallery space as well as educational programming. Several annual festivals are hosted during the year in the County including the Montpelier Jamboree held on Labor Day weekend in the Town of Montpelier, Civil War Days held annually over several days in May in Hartford City, Summerfest held in July in Hartford City, and the Heritage Festival held in May in Hartford City. The Town of Montpelier is home to two public parks, the Montpelier Civic Center, which hosts plays, musical events, and youth sporting events, and the Montpelier Motor Speedway.

The Blackford County Historical Society maintains a historical museum as well as the Cecil Beeson Genealogy Library which includes research material, church files, directories, family genealogies, newspaper collections, and high school yearbooks.

Additional entertainment and cultural activities can be found in nearby Muncie and Anderson. Muncie is home to several venues that offer live performances including the Emens Auditorium at Ball State University, the Muncie Civic Theatre, and the Cornerstone Center for the Arts. Museums in Muncie include the Minnestrista and the Muncie Children's Museum.

The Hartford City Public Library and the Montpelier Harrison Township Public Library serve the residents of the School Corporation. Both libraries offer traditional lending services as well as a variety of educational materials and programs.

## **PLANNING AND ZONING**

The County has a 10-member Plan Commission to provide orderly growth for residential, commercial and industrial areas within the County. The County also has a 5-member Board of Zoning Appeals.

## **HIGHER EDUCATION**

There are several institutions of higher learning within commuting distance of the School Corporation. Ball State University was founded in 1918 and is located 26 miles away in nearby Muncie. Ball State has around 21,000 undergraduate and graduate students each year and offers 7 associate, 178 bachelor's, 99 master's, 2 specialist, and 16 doctoral degrees in seven academic colleges. Taylor University, Ivy Tech Community College, Indiana Wesleyan University, Huntington University, and Anderson University all have campuses located within 45 miles of the School Corporation.

## **GENERAL ECONOMIC AND FINANCIAL INFORMATION**

### **COMMERCE AND INDUSTRY**

The County has a history of agriculture, manufacturing and industrial activity and today is home to a variety of manufacturing companies, some of which make up the County's largest employers. There is currently an emphasis in the County on career and technical education. Students at Blackford High School are learning manufacturing processes, engineering, computer design, construction, transportation, and industrial repair and maintenance through the School Corporation's industrial training programs. Students are also able to learn about and engage with local manufacturers at an annual national Manufacturing Day event. The Jay-Blackford Manufacturing Council was awarded almost \$1 million through the Indiana Department of Workforce Development's Skill Up grant in 2016. This funding is targeted to create a lab for employer-driven training in the area of industrial repair and maintenance. The goal of this education and training is to create a pipeline of skilled employees in demand by the manufacturers located in the County, per the Blackford County Economic Development Corporation (the "EDC").

There are several transportation advantages in the County. State highways 3, 18, and 26 run through the County and provide easy access to interstates and larger cities such as Muncie. In addition, there are three interchanges with Interstate 69 located less than 10 miles from the County placing major cities and 80% of the U.S. population within a one day drive, according to the EDC. Two railroads serve the County, Norfolk Southern, which runs north south, and a short line operated by the Central Railroad Company of Indianapolis/Genesee and Wyoming, which runs from the industrial park in Hartford City to the Norfolk Southern line. The Fort Wayne International Airport is located 48 miles from the County and the Indianapolis Airport is located within a two hour drive.

In recent years the County has seen several of its manufacturers make investments as well as create and retain jobs. In 2017 there were 17 jobs created, 366 jobs retained, and new investments made totaled approximately \$17 million. As of May 2018, there have been 332 jobs retained and approximately \$15.5 million in new investments in 2018, per the EDC.

Mayco International is an automotive supplier. The company made a \$4.3 million investment in personal property at its Hartford City facility in January 2017 and added an additional 17 jobs, per the EDC.

In 2016, Petoskey Plastics, plastics recycler and manufacturer, announced plans to expand at its Hartford City plant due to growth in its recycling services and product lines. The company invested \$5.4 million in building improvements and additional equipment. This was the third major expansion at the company's Hartford City facility since beginning operations there in 2008. The company made additional investments in its Hartford City location in 2017 and 2018. In 2017 the company invested \$9.8 million in personal property and in 2018 the company invested an additional \$11.4 million in real and personal property as well as retained its 143 employees, according to the EDC.

Naturally Recycled Proteins, a pet food supplier, invested \$10 million to expand operations in the County in 2016. The company added 24,000 square-feet to its existing facility in the City of Montpelier.

The 3M Company has a 235,000 square-foot facility in Hartford City that manufactures different types of specialty and industrial tapes and adhesives. Per the EDC, in March 2017, the company invested \$2.9 million in personal property and invested an additional \$4 million in personal property in March 2018 as well as retained its 189 employees.

There is a new apartment complex underway in downtown Hartford City that is expected to have between 12 to 16 units, according to the EDC. In June 2018, the developer working on the project is planning to begin demolition on current structures to make way for the new complex.

## **LARGE EMPLOYERS**

Below is a list of Blackford County's largest employers. The number of employees shown are as reported by the Blackford County Economic Development Corporation 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>
Blackford County Schools		Public education	266 (1)
BRC Rubber & Plastics, Inc.		Mfg. automotive rubber goods	250
IU Health Blackford Hospital	1923	Healthcare	200 (2)
3M Company		Mfg. tape	189
Petoskey Plastics		Mfg. plastic bags & sheets	143
New-Indy Containerboard	1998	Wrapping & packaging papers	115
STANLEY Engineered Fastening		Mfg. fasteners	105
Blackford County	1838	County government	90
Naturally Recycled Proteins	2012	Mfg. protein additives for pet food	65
Miller's Merry Manor		Nursing & rehabilitation	65

(1) Per the School Corporation. Includes 106 certified and 160 non-certified staff.

(2) Per company personnel.

Note: Per the Blackford County Economic Development Corporation, Q.E.P./Harris Wood Floors is expected to close operations beginning fall of 2018. The facility currently employs 65 employees.

## **EMPLOYMENT**

<u>Year</u>	<u>Unemployment Rate</u>		<u>Blackford County Labor Force</u>
	<u>Blackford County</u>	<u>Indiana</u>	
2013	9.9%	7.7%	5,440
2014	7.4%	6.0%	5,260
2015	6.0%	4.8%	5,242
2016	5.3%	4.4%	5,333
2017	4.0%	3.5%	5,372
2018, April	3.4%	2.9%	5,452

Source: Indiana Business Research Center. Data collected as of May 31, 2018.

## **BUILDING PERMITS**

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

<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	4	\$781,000	2	\$38,000		
2014	6	656,000	1	33,000	2	\$3,500,000
2015	6	1,344,500	3	456,000		
2016	8	756,700	5	1,239,000	2	9,000,750
2017	7	1,016,000	2	800,000	1	550,000

Source: Blackford County Area Planning and Zoning.

## POPULATION

<u>Year</u>	<u>Blackford County*</u>	
	<u>Population</u>	<u>Percent of Change</u>
1970	15,888	7.41%
1980	15,570	-2.00%
1990	14,067	-9.65%
2000	14,048	-0.14%
2010	12,766	-9.13%
2017, Est.	11,976	-6.19%

\*The School Corporation does not include the portion of the City of Dunkirk located in Blackford County. The majority of the City of Dunkirk is located in adjacent Jay County. For purposes of this report, the entire County population has been used to represent the School Corporation's population.

Source: U.S. Census Bureau

## AGE STATISTICS

	<u>Blackford County</u>
Under 25 Years	3,901
25 to 44 Years	2,890
45 to 64 Years	3,707
65 Years and Over	2,268
Totals	<u>12,766</u>

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

## EDUCATIONAL ATTAINMENT

<u>Years of School Completed</u>	<u>Persons 25 and Over Blackford County</u>
Less than 9th grade	3.8%
9th to 12th grade, no diploma	9.2%
High school graduate	48.2%
Some college, no degree	19.1%
Associate's degree	8.7%
Bachelor's degree	6.3%
Graduate or professional degree	4.7%

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



### MISCELLANEOUS ECONOMIC INFORMATION

	<u>Blackford County</u>	<u>Indiana</u>
Per capita income, past 12 months*	\$21,980	\$26,117
Median household income, past 12 months*	\$38,791	\$50,433
Average weekly earnings in manufacturing (3rd qtr. of 2017)	\$888	\$1,109
Land area in square miles - 2010	165.08	35,826.11
Population per land square mile - 2010	77.3	181.0
Retail sales in 2012:		
Total retail sales	\$96,672,000	\$85,857,962,000
Sales per capita**	\$7,573	\$13,242
Sales per establishment	\$2,544,000	\$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 May 31, 2018.

<u>Employment and Earnings - Blackford County 2016</u>	<u>Earnings</u> (In 1,000s)	<u>Percent of Earnings</u>	<u>Labor Force</u>	<u>Distribution of Labor Force</u>
Manufacturing	\$62,317	35.14%	1,073	23.16%
Services (1)	32,472	18.31%	917	19.79%
Government	24,670	13.91%	591	12.76%
Other (2)	18,109	10.21%	656	14.16%
Transportation and warehousing	10,315	5.82%	225	4.86%
Retail trade	9,452	5.33%	452	9.76%
Farming	7,781	4.38%	262	5.66%
Finance, insurance and real estate	7,104	4.01%	276	5.95%
Construction	5,131	2.89%	181	3.90%
Totals	<u>\$177,351</u>	<u>100.00%</u>	<u>4,633</u>	<u>100.00%</u>

(1) Information for educational services is included in the Labor Force of this category; however, in order to avoid disclosure of confidential information, specific earnings figures are not available.

(2) In order to avoid disclosure of confidential information, specific earnings and employment figures are not available for the Forestry, fishing, related activities, Mining, Utilities, Wholesale trade, Information, and certain areas of the Services Sectors. The data is incorporated here.

Source: Bureau of Economic Analysis and the Indiana Business Research Center. Data collected as of May 31, 2018.

<u>Adjusted Gross Income</u>	<u>Year</u>	<u>Blackford County Total</u>
	2011	\$210,338,605
	2012	225,261,926
	2013	225,184,529
	2014	221,660,864
	2015	222,461,320

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 May 23, 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			
Blackford County School Building Corporation			
Ad Valorem Property Tax First Mortgage Bonds, Series 2018	\$5,000,000 *	01/01/28	\$5,000,000 *
Ad Valorem Property Tax First Mortgage Bonds, Series 2016	9,920,000	01/15/23	9,060,000
Amended Taxable Retirement Severance Liability Funding Bonds of 2003	1,955,000	01/05/19	<u>338,787</u>
Total Direct Debt			<u><u>\$14,398,787</u></u>
<u>Overlapping Debt</u>	<u>Total Debt</u>	<u>Percent Allocable to School Corporation (1)</u>	<u>Amount Allocable to School Corporation</u>
Tax Supported Debt			
City of Hartford City	\$2,585,000	100.00%	\$2,585,000
City of Montpelier	2,533,877	100.00%	2,533,877
Washington Township	6,000	100.00%	6,000
Montpelier Harrison Township Public Library	62,400	100.00%	<u>62,400</u>
Tax Supported Debt			<u>5,187,277</u>
Self-Supporting Revenue Debt			
City of Hartford City	10,039,000	100.00%	10,039,000
City of Montpelier	2,723,000	100.00%	2,723,000
Town of Shamrock Lakes	32,000	100.00%	<u>32,000</u>
Self-Supporting Revenue Debt			<u>12,794,000</u>
Total Overlapping Debt			<u><u>\$17,981,277</u></u>

\*Preliminary, subject to change.

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

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

### **DEBT RATIOS**

The following presents the ratios relative to the tax supported indebtedness of the taxing units within and overlapping the School Corporation as of May 23, 2018, including issuance of the Bonds.

	Direct Tax Supported Debt*	Allocable Portion of All Other Overlapping Tax Supported Debt	Total Direct and Overlapping Tax Supported Debt*
	<u>\$14,398,787</u>	<u>\$5,187,277</u>	<u>\$19,586,064</u>
Per capita (1)	\$1,202.30	\$433.14	\$1,635.44
Percent of net assessed valuation (2)	3.23%	1.16%	4.39%
Percent of gross assessed valuation (3)	2.00%	0.72%	2.72%
Per pupil (4)	\$8,943.35	\$3,221.91	\$12,165.26

\*Preliminary, subject to change.

- (1) According to the U.S. Census Bureau, the estimated 2017 population of Blackford County is 11,976.
- (2) The net assessed valuation of the School Corporation for taxes payable in 2018 is \$445,828,921 according to the Blackford County Auditor's office.
- (3) The gross assessed valuation of the School Corporation for taxes payable in 2018 is \$720,493,010 according to the Blackford County Auditor's office.
- (4) Enrollment of the School Corporation is 1,610 as reported by school personnel.

## **SCHEDULE OF HISTORICAL NET ASSESSED VALUATION**

(As Provided by the Blackford 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	\$335,182,523	\$16,738,180	\$48,331,162	\$400,251,865
2015	360,128,250	17,828,390	53,446,603	431,403,243
2016	357,406,596	17,363,040	59,626,516	434,396,152
2017	358,576,812	19,771,950	67,915,635	446,264,397
2018	353,700,915	22,997,970	69,130,036	445,828,921

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 Blackford County Auditor's Office)

Gross Value of Land	\$197,842,500
Gross Value of Improvements	<u>404,955,000</u>
Total Gross Value of Real Estate	602,797,500
Less: Mortgage Exemptions, Veterans, Blind	
Age 65 & Other Exemptions	(219,740,584)
Tax Exempt Property	(19,410,430)
TIF	<u>(9,945,571)</u>
Net Assessed Value of Real Estate	<u>353,700,915</u>
Business Personal Property	94,697,540
Less: Deductions	<u>(25,567,504)</u>
Net Assessed Value of Personal Property	<u>69,130,036</u>
Net Assessed Value of Utility Property	<u>22,997,970</u>
Total Net Assessed Value	<u><u>\$445,828,921</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	\$0.5682	\$0.5745	\$0.5827	\$0.5188	\$0.4251
Transportation	0.1381	0.1750	0.1798	0.1759	0.1844
Capital Projects	0.2389	0.2329	0.2669	0.2677	0.2997
Bus Replacement	0.0458	0.0518	0.0533	0.0521	0.0546
School Pension Debt (1)	<u>0.1038</u>	<u>0.0952</u>	<u>0.0878</u>	<u>0.0713</u>	<u>0.0401</u>
Totals	<u><u>\$1.0948</u></u>	<u><u>\$1.1294</u></u>	<u><u>\$1.1705</u></u>	<u><u>\$1.0858</u></u>	<u><u>\$1.0039</u></u>

Total District Certified Tax Rate (2)

Harrison Township	\$2.1335	\$2.2175	\$2.1702	\$2.0523	\$2.0252
Jackson Township	\$2.1573	\$2.1235	\$2.1336	\$2.0171	\$1.9931
Licking Township	\$2.1111	\$2.1361	\$2.1020	\$1.9795	\$1.9413
Washington Township	\$2.0422	\$2.0646	\$2.0245	\$1.9124	\$1.8648
Hartford City	\$4.0420	\$4.1563	\$4.1248	\$3.7983	\$3.7737
Montpelier City	\$3.1730	\$3.4579	\$3.5195	\$3.1677	\$3.3380
Shamrock Lakes Town	\$2.7770	\$2.7900	\$2.8355	\$2.7139	\$2.6926

(1) The final payment on the Amended Taxable Retirement Severance Liability Funding Bonds of 2003 is due January 5, 2019 and is budgeted to be paid by December 31, 2018. Beginning in 2019, the School Pension Debt Service tax rate is anticipated to fall off and the School Corporation will no longer need to neutralize the School Pension Debt Service tax rate.

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

Source: DLGF Certified Budget Orders for the School Corporation.

**PROPERTY TAXES LEVIED AND COLLECTED**

Collection Year	Certified Taxes Levied	Circuit Breaker Tax Credit (1)	Certified Taxes Levied Net of Circuit Breaker Tax Credit	Taxes Collected	Collected as Percent of Gross Levy	Collected as Percent of Net Levy
2013	\$4,263,688	(\$445,924)	\$3,817,764	\$3,897,002	91.40%	102.08%
2014	4,438,872	(492,760)	3,946,112	3,755,575	84.61%	95.17% (2)
2015	4,840,964	(597,674)	4,243,290	4,410,879	91.12%	103.95%
2016	5,008,511	(621,360)	4,387,151	4,486,534	89.58%	102.27%
2017	4,937,820	(411,293)	4,526,527	4,348,713	88.07%	96.07% (3)

Source: The Blackford 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.

(2) Per the Blackford County Auditor's office, low collections were due to delinquent taxes and corrections.

(3) Low collections are partially due to reductions in net assessed value between certification and preparation of tax bills.

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

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

If a school corporation has sufficient Circuit Breaker Tax Credit losses (at least ten percent of its transportation fund levy for 2017 and 2018, or operations fund levy after 2018), and such losses are timely certified by the DLGF, it becomes an eligible school corporation under IC 6-1.1-20.6-9.9 and may allocate its Circuit Breaker Tax Credit loss proportionately for 2016, 2017, 2018 and 2019 across all school corporation property tax supported funds, including the debt service fund, thereby being exempted from the protected taxes requirement as described below (an "Eligible School Corporation"). However, in 2017, 2018 or 2019, if a school corporation: (i) issues new bonds or enters into a new lease rental agreement for which the school corporation is imposing or will impose a debt service levy other than: (A) to refinance or renew prior bond or lease rental obligations existing before January 1, 2017; or (B) for indebtedness that is approved in a local public question or referendum under I.C. 6-1.1-20 or any other law; and (ii) the school corporation's debt service levy in 2018 or 2019 is greater than the school corporation's debt service tax rate in 2016, the school corporation will not be an Eligible School Corporation even if it would otherwise qualify. This School Corporation had sufficient losses to qualify as an Eligible School Corporation for 2014-2018, but does not yet know if it will qualify 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>
Hartford City Paper, LLC	Paper recycling	\$14,044,520	3.15%
Central States Enterprises, Inc.	Grain elevator	13,456,540	3.02%
3M Company	Mfg. tape	12,581,610	2.82%
Emhart Teknologies, Inc.	Mfg. internally threaded fasteners	7,900,700	1.77%
Indiana Michigan Power Company	Electric utility	7,285,640	1.63%
BRC Rubber Group/ Chaffee Properties (2)	Mfg. automotive rubber goods	7,160,090	1.61%
Norfolk Southern Corp.	Railroad	4,476,300	1.00%
Townsend Farms Inc./Townsend Land LLC	Agriculture	4,080,810	0.92%
Marathon Petroleum Corporation	Oil refiner	3,784,950	0.85%
Petosky Plastics, Inc. (2)	Mfg. plastic bags & sheets	<u>3,328,390</u>	<u>0.75%</u>
Totals		<u><u>\$78,099,550</u></u>	<u><u>17.52%</u></u>

(1) The total net assessed valuation of the School Corporation is \$445,828,921 for taxes payable in 2018, according to the Blackford County Auditor's office.

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

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



Note: The following financial statements on pages A-19 - A-21 are excerpts from the School Corporation July 1, 2014 to June 30, 2016 audit report of the Indiana State Board of Accounts. Consequently, these schedules do not include all disclosures required by generally accepted accounting principles. A complete audit will be furnished upon request. Current reports are available at <http://www.in.gov/sboa/resources/reports/audit/>.

## BLACKFORD COUNTY SCHOOLS

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

#### REGULATORY BASIS

For the Years Ended June 30, 2015 and 2016

	Cash and Investments <u>07-01-2014</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing Sources (Uses)	Cash and Investments <u>06-30-2015</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing Sources (Uses)	Cash and Investments <u>06-30-2016</u>
General	\$2,437,765	\$11,564,186	\$11,274,775	(\$3,820)	\$2,723,356	\$11,608,501	\$10,800,257		\$3,531,600
Debt Service	808,068	2,400,719	2,384,195		824,592	2,825,234	2,371,000		1,278,826
Retirement/Severance Bond Debt Service	367,071	124,520	386,608		104,983	428,400	194,571		338,812
Capital Projects	47,278	1,389,337	1,067,877		368,738	914,177	938,400	\$350	344,865
School Transportation	118,579	777,539	622,028		274,090	646,437	645,513		275,014
School Bus Replacement	79,998	236,075	215,289		100,784	189,793	109,573		181,004
Rainy Day	10,000				10,000	25,031			35,031
School Lunch	820,162	875,090	916,753		778,499	930,562	1,015,506		693,555
Textbook Rental	420,641	289,351	411,417		298,575	196,352	189,215		305,712
Levy Excess	0	1,440			1,440				1,440
Educational License Plates	3,271	76	534		2,813	94	486		2,421
Alternative Education	0	2,178			2,178	6,284			8,462
BDDF - Early Kindergarten Grant 2015	0				0	25,000	25,359		(359)
Kindergarten Countdown 2015	0	5,000	281		4,719		4,719		0
Kindergarten Countdown 2014	4,500		4,500		0				0
Kindergarten Countdown 2013	3,175		3,175		0				0
BCCF/K-3 Techno	0				0	30,000			30,000
Kindergarten Countdown	109		109		0				0
BCCF - Comp Lit	0				0	2,500			2,500
JennerJahn Awards	0				0	1,650	1,650		0
Wellness Program	0	6,000	1,203		4,797	5,800	7,512		3,085
Ball Brothers Comprehensive Literacy Model	4,324	4,435	8,619		140		140		0
3M Camp Inv. 14/15	0	2,500	2,500		0				0
BCCF - MS Meet Teacher	2,284				2,284				2,284
Science 4U - 2013-14	1,395		1,395		0				0
BCCF - Red Ribbon	1,500		1,500		0				0
2014 High Rdg Camp	0	6,239	6,239		0				0
BCCF Camp Invention 2015	0	2,000	2,000		0				0
<b>Subtotals</b>	<b>\$5,130,120</b>	<b>\$17,686,685</b>	<b>\$17,310,997</b>	<b>(\$3,820)</b>	<b>\$5,501,988</b>	<b>\$17,835,815</b>	<b>\$16,303,901</b>	<b>\$350</b>	<b>\$7,034,252</b>

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**BLACKFORD COUNTY SCHOOLS**

(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>07-01-2014</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing Sources (Uses)	Cash and Investments <u>06-30-2015</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing Sources (Uses)	Cash and Investments <u>06-30-2016</u>
Subtotals carried forward	\$5,130,120	\$17,686,685	\$17,310,997	(\$3,820)	\$5,501,988	\$17,835,815	\$16,303,901	\$350	\$7,034,252
Econ. Development Donation	0				0	17,000	17,099		(99)
Camp Invention	0				0	5,000			5,000
Mentoring Moms	1,866				1,866				1,866
Miscellaneous Programs	0				0	20,000	4,292		15,708
CAPE Carryover	1,098				1,098				1,098
Formative Assessment	0				0	5,075	5,075		0
Gifted and Talented	16,615		16,615		0				0
Gifted and Talented 14-15	0	30,972	10,025		20,947		19,607		1,340
Teacher Quality Improvement Program	0				0	31,972	9,571		22,401
Secured Schools Safety Grant	0	35,124	59,840		(24,716)	25,111	51,680		(51,285)
Non-English Speaking Programs	3,217				3,217				3,217
School Technology	0	60,342	29,099		31,243	13,912	43,073		2,082
Excess PTRC Distributions	245,877		245,877		0				0
Title I	(24,631)	60,565	35,934		0				0
14 - 15 Title I	0	346,022	355,271		(9,249)	45,322	36,073		0
Title I 2015 - 2016	0				0	316,796	383,785		(66,989)
CO-OP	(35,290)	110,960	74,529	(1,141)	0				0
CO-OP TA01 Prof Dev	0		2,803		(2,803)	2,803			0
CO-OP 2014 - 2015	0	345,053	441,049	1,141	(94,855)	148,855	54,000		0
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	0				0	183,121	430,194		(247,073)
Area 18 Perkins 2014-15	0	11,229	11,229		0				0
15-16 Perkins	0				0	10,000	10,431		(431)
15/16 Perkins Basic Grant	0				0	17,109	17,109		0
Medicaid Reimbursement - Federal	96,863	39,338	64,242	3,820	75,779	55,958	117,452		14,285
Improving Teacher Quality, No Child Left, Title II, Part A	0				0				0
Title II 2012-14	494		494		0				0
Title II 2013-15	0	54,634	58,417		(3,783)	27,326	23,543		0
Title II 2014-16	0	31,820	46,917		(15,097)	38,705	25,179		(1,571)
Subtotals	<u>\$5,436,229</u>	<u>\$18,812,744</u>	<u>\$18,763,338</u>	<u>\$0</u>	<u>\$5,485,635</u>	<u>\$18,799,880</u>	<u>\$17,552,064</u>	<u>\$350</u>	<u>\$6,733,801</u>

(Continued on next page)

**BLACKFORD COUNTY SCHOOLS**

(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>07-01-2014</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing Sources <u>(Uses)</u>	Cash and Investments <u>06-30-2015</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing Sources <u>(Uses)</u>	Cash and Investments <u>06-30-2016</u>
Subtotals carried forward	\$5,436,229	\$18,812,744	\$18,763,338	\$0	\$5,485,635	\$18,799,880	\$17,552,064	\$350	\$6,733,801
Title II 2015-17	0				0	13,142	17,695		(4,553)
Rural Schools and Low Income Program -									
Pass Through State	0	7,613	7,613		0				0
Title VI Rural Low-Income	(8,000)	34,508	27,606		(1,098)	1,098			0
Title IV 14-15 RLIS	0	15,718	21,129		(5,411)	28,740	26,452		(3,123)
RLIS 15-17	0				0	4,643	11,421		(6,778)
Title III - English Proficiency Migrant	892				892				892
Clearing Accounts	244,542	10,249,429	10,294,318		199,653	9,841,034	9,853,226		187,461
Totals	<u>\$5,673,663</u>	<u>\$29,120,012</u>	<u>\$29,114,004</u>	<u>\$0</u>	<u>\$5,679,671</u>	<u>\$28,688,537</u>	<u>\$27,460,858</u>	<u>\$350</u>	<u>\$6,907,700</u>

The following schedules on pages A-22 - A-28 contain limited and unaudited financial information which is presented solely for the purpose of conveying a statement of cash and investment balances for the School Corporation. Consequently, these schedules do not include all disclosures required by generally accepted accounting principles. Current reports are available at <http://www.doe.in.gov/finance/school-financial-reports>

## BLACKFORD COUNTY SCHOOLS

### **SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND** (Unaudited)

	Calendar Year		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>GENERAL FUND</u></b>			
Receipts:			
Local Property Taxes			\$4,387
Earnings on Investments	\$1,481	\$1,822	2,137
School Corporation Activities	26,761	9,550	13,198
Other Revenue from Local Sources	34,049	41,421	34,340
Revenue from State Sources	11,390,305	11,547,740	11,579,299
Revenue from Federal Sources	65,112	66,312	70,026
Other Items	15,939	7,044	19,294
	<hr/>	<hr/>	<hr/>
Total Receipts	11,533,647	11,673,888	11,722,682
	<hr/>	<hr/>	<hr/>
Expenditures:			
Instruction	6,082,417	6,360,346	6,515,055
Support Services	4,430,472	4,289,162	4,248,471
Community Services	163,893	209,860	177,362
Interfund Transfers		14,258	
	<hr/>	<hr/>	<hr/>
Total Expenditures	10,676,783	10,873,627	10,940,888
	<hr/>	<hr/>	<hr/>
Net Increase (Decrease)	856,864	800,262	781,794
Beginning Balance - January 1st	2,242,073	3,098,936	3,899,198
	<hr/>	<hr/>	<hr/>
Ending Balance - December 31st	<u>\$3,098,936</u>	<u>\$3,899,198</u>	<u>\$4,680,992</u>

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

(Continued on next page)

**BLACKFORD COUNTY SCHOOLS**

(Cont'd)

**SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND**  
**(Unaudited)**

	<u>Calendar Year</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>DEBT SERVICE FUND</u></b>			
Receipts:			
Local Property Tax	\$2,461,848	\$2,233,493	\$2,351,731
Income Taxes - Local Option Tax			103,959
License Excise Tax	80,299	168,218	79,776
Commercial Vehicle Excise Tax	19,629	17,113	15,925
Financial Institutions Tax	17,083	18,024	15,566
Local Option - Property Tax Replacement	99,436	88,380	
Interfund Transfers		2,061,591	234,000
Interest on Investments		557	572
	<hr/>	<hr/>	<hr/>
Total Receipts	<u>2,678,296</u>	<u>4,587,377</u>	<u>2,801,528</u>
Expenditures:			
Principal of Debt	12,695	4,360	40
Lease Rental	2,371,000	2,371,000	3,217,000
Interfund Transfers		2,061,591	336,970
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>2,383,695</u>	<u>4,436,951</u>	<u>3,554,010</u>
Net Increase (Decrease)	294,601	150,425	(752,482)
Beginning Balance - January 1st	<u>557,387</u>	<u>851,987</u>	<u>1,002,413</u>
Ending Balance - December 31st	<u><u>\$851,987</u></u>	<u><u>\$1,002,413</u></u>	<u><u>\$249,930</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.

(Continued on next page)

**BLACKFORD COUNTY SCHOOLS**

(Cont'd)

**SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND**  
**(Unaudited)**

	<u>Calendar Year</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>RETIREMENT/SEVERANCE BOND FUND</u></b>			
Receipts:			
Local Property Tax	\$407,915	\$336,539	\$323,290
License Excise Tax	13,306	25,347	10,964
Commercial Vehicle Excise Tax	3,253	2,579	2,189
Financial Institutions Tax	2,831	2,716	2,139
Interfund Transfers		271,960	
	<hr/>	<hr/>	<hr/>
Total Receipts	427,304	639,139	338,581
	<hr/>	<hr/>	<hr/>
Expenditures:			
Principal of Debt	315,000	338,072	334,006
Interest on Debt	73,342		
Interfund Transfers		271,960	14,203
	<hr/>	<hr/>	<hr/>
Total Expenditures	388,342	610,032	348,208
	<hr/>	<hr/>	<hr/>
Net Increase (Decrease)	38,962	29,107	(9,627)
Beginning Balance - January 1st	64,163	103,126	132,233
	<hr/>	<hr/>	<hr/>
Ending Balance - December 31st	<u>\$103,126</u>	<u>\$132,233</u>	<u>\$122,606</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.

(Continued on next page)

**BLACKFORD COUNTY SCHOOLS**

(Cont'd)

**SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND**  
**(Unaudited)**

	<u>Calendar Year</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>CAPITAL PROJECTS FUND</u></b>			
Receipts:			
Local Property Tax	\$862,719	\$1,023,030	\$1,004,660
Income Tax - Local Option Tax			60,063
License Excise Tax	32,553	77,051	41,164
Commercial Vehicle Excise Tax	7,958	7,839	8,217
Financial Institutions Tax	6,926	8,256	8,032
Local Option - Property Tax Replacement	40,311	40,482	3,680
Earnings on Investments	66	44	113
Other Items	4,791	5,575	2,198
Interfund Transfers			63,335
	<hr/>	<hr/>	<hr/>
Total Receipts	955,323	1,162,275	1,191,462
	<hr/>	<hr/>	<hr/>
Expenditures:			
Support Services	790,970	966,790	958,769
Facilities Acquisition and Construction	395,032	100,431	51,529
Interfund Transfers			130,000
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,186,002	1,067,221	1,140,298
	<hr/>	<hr/>	<hr/>
Net Increase (Decrease)	(230,679)	95,054	51,164
Beginning Balance - January 1st	524,165	293,486	388,540
	<hr/>	<hr/>	<hr/>
Ending Balance - December 31st	<u>\$293,486</u>	<u>\$388,540</u>	<u>\$439,704</u>

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

(Continued on next page)

**BLACKFORD COUNTY SCHOOLS**

(Cont'd)

**SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND**  
**(Unaudited)**

	<u>Calendar Year</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>TRANSPORTATION FUND</u></b>			
Receipts:			
Local Property Tax	\$642,913	\$689,174	\$660,249
Income Tax - Local Option Tax			31,166
License Excise Tax	24,460	51,906	27,048
Commercial Vehicle Excise Tax	5,979	5,280	5,399
Financial Institutions Tax	5,204	5,561	5,278
Local Option Property Tax Replacement	30,289	27,271	2,479
School Corporation Activities	10,920	18,232	4,333
Other Revenue from Local Sources			277
Revenue from Federal Sources		60	
Other Items	4,277		
Interfund Transfers			41,556
	<u>724,042</u>	<u>797,485</u>	<u>777,785</u>
Total Receipts			
Expenditures:			
Support Services	657,943	637,525	643,775
Interfund Transfers			80,000
	<u>657,943</u>	<u>637,525</u>	<u>723,775</u>
Total Expenditures			
Net Increase (Decrease)	66,099	159,960	54,009
Beginning Balance - January 1st	<u>159,330</u>	<u>225,429</u>	<u>385,388</u>
Ending Balance - December 31st	<u><u>\$225,429</u></u>	<u><u>\$385,388</u></u>	<u><u>\$439,398</u></u>

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

(Continued on next page)



**BLACKFORD COUNTY SCHOOLS**

(Cont'd)

**SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND**  
**(Unaudited)**

	<u>Calendar Year</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>TRANSPORTATION SCHOOL BUS REPLACEMENT FUND</u></b>			
Receipts:			
Local Property Tax	\$191,925	\$204,299	\$195,608
Income Tax - Local Option Tax			9,232
License Excise Tax	7,240	15,387	8,011
Commercial Vehicle Excise Tax	1,770	1,565	1,599
Financial Institutions Tax	1,540	1,649	1,563
Local Option Property Tax Replacement	8,966	8,084	735
Interfund Transfers			12,282
	<hr/>	<hr/>	<hr/>
Total Receipts	211,441	230,984	229,031
	<hr/>	<hr/>	<hr/>
Expenditures:			
Support Services	81,962	246,682	319,971
Interfund Transfers			24,000
	<hr/>	<hr/>	<hr/>
Total Expenditures	81,962	246,682	343,971
	<hr/>	<hr/>	<hr/>
Net Increase (Decrease)	129,479	(15,698)	(114,940)
Beginning Balance - January 1st	50,618	180,097	164,399
	<hr/>	<hr/>	<hr/>
Ending Balance - December 31st	<u>\$180,097</u>	<u>\$164,399</u>	<u>\$49,459</u>

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

	<u>Calendar Year</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>LOCAL RAINY DAY FUND</u></b>			
Receipts:			
Local Option Property Tax Replacement		\$25,031	
Interfund Transfers			\$234,000
	<hr/>	<hr/>	<hr/>
Total Receipts	\$0	25,031	234,000
	<hr/>	<hr/>	<hr/>
Expenditures:			
Lease Rental			234,000
	<hr/>	<hr/>	<hr/>
Total Expenditures	0	0	234,000
	<hr/>	<hr/>	<hr/>
Net Increase (Decrease)	0	25,031	0
Beginning Balance - January 1st	10,000	10,000	35,031
	<hr/>	<hr/>	<hr/>
Ending Balance - December 31st	<u>\$10,000</u>	<u>\$35,031</u>	<u>\$35,031</u>

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

(Continued on next page)

**BLACKFORD COUNTY SCHOOLS**

(Cont'd)

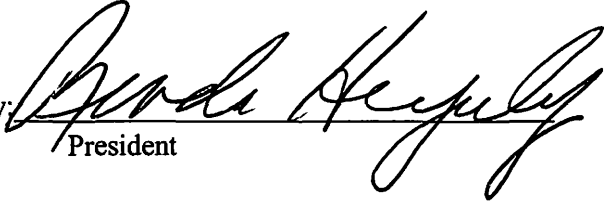
**SUMMARY OF RECEIPTS AND EXPENDITURES BY FUND**  
**(Unaudited)**

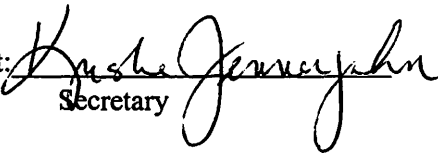
	<u>Calendar Year</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>OTHER FUNDS</u></b>			
Receipts:			
Revenues from Local Sources	\$861,868	\$399,062	\$535,137
Earnings on Investments		100	
Revenues from State Sources	217,748	151,612	165,392
Revenues from Federal Sources	1,723,081	1,561,507	1,705,305
Revenues from Intermediate Sources	131	94	75
Interfund Transfers		683,018	
Other Items	26,435	224	224
	<u>2,829,263</u>	<u>2,795,617</u>	<u>2,406,133</u>
Total Receipts			
Expenditures:			
Support Services	1,273,652	793,558	1,032,284
Community Services	954,280	970,264	848,305
Instruction	812,306	795,756	884,669
Interfund Transfers	10,235	650,079	
	<u>3,050,473</u>	<u>3,209,657</u>	<u>2,765,259</u>
Total Expenditures			
Net Increase (Decrease)	(221,210)	(414,040)	(359,126)
Beginning Balance - January 1st	<u>1,134,029</u>	<u>912,819</u>	<u>498,779</u>
Ending Balance - December 31st	<u><u>\$912,819</u></u>	<u><u>\$498,779</u></u>	<u><u>\$139,653</u></u>
 <b><u>GRAND TOTALS</u></b>			
Total Receipts	<u>\$19,359,316</u>	<u>\$21,911,796</u>	<u>\$19,701,201</u>
Total Expenditures	<u>18,425,200</u>	<u>21,081,695</u>	<u>20,050,410</u>
Net Increase (Decrease)	934,116	830,102	(349,209)
Beginning Balance - January 1st	<u>4,741,764</u>	<u>5,675,880</u>	<u>6,505,982</u>
Ending Balance - December 31st	<u><u>\$5,675,880</u></u>	<u><u>\$6,505,982</u></u>	<u><u>\$6,156,773</u></u>

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

The Official Statement and its execution are duly authorized.

BLACKFORD COUNTY SCHOOL BUILDING  
CORPORATION

By:   
President

Attest:   
Secretary

BLACKFORD COUNTY SCHOOLS

By:   
Superintendent

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## APPENDIX B



# UMBAUGH

H. J. Umbaugh & Associates  
Certified Public Accountants, LLP  
8365 Keystone Crossing  
Suite 300  
Indianapolis, IN 46240-2687  
Phone: 317-465-1500  
Fax: 317-465-1550  
www.umbaugh.com

August 21, 2018

Board of School Trustees  
Blackford County Schools  
668 West 200 South  
Hartford City, Indiana 47348

Building Corporation Directors  
Blackford County School Building Corporation  
668 West 200 South  
Hartford City, Indiana 47348


In connection with the issuance of \$5,000,000\* principal amount of Ad Valorem Property Tax First Mortgage Bonds, Series 2018, we have, at your request, prepared this special purpose report and the following schedules for inclusion in the Preliminary Official Statement dated August 21, 2018.

Page(s)

B-2 - B-3	General Comments
B-4	Estimated Sources and Uses of Funds
B-5	Preliminary Schedule of Amortization of \$5,000,000* Principal Amount of Ad Valorem Property Tax First Mortgage Bonds, Series 2018
B-6	Summary of Estimated Debt Service Tax Rates
B-7	Schedule of Existing Debt Service/Lease Rental Payments

In the preparation of these schedules, assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected, and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion thereon, nor do we have a responsibility to prepare subsequent reports.

\*Preliminary, subject to change.



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**BLACKFORD COUNTY SCHOOL BUILDING CORPORATION  
BLACKFORD COUNTY SCHOOLS  
Hartford City, Indiana**

**GENERAL COMMENTS**

The Blackford County School Building Corporation (the “Building Corporation”) is issuing \$5,000,000\* of Ad Valorem Property Tax First Mortgage Bonds, Series 2018 (the “Series 2018 Bonds”) for the purpose of paying the costs of (i) the construction of a multi-purpose auxiliary middle school athletic facility (the “Athletic Facility Project”) and (ii) capital improvements related to career and technical education renovations and improvements including equipment and technology (the “Career and Technical Project”, and together with the Athletic Facility Project, the “Projects”), and to pay issuance expenses.

Payments on the Series 2018 Bonds will be made pursuant to a lease executed on October 2, 1997 (the “Original Lease”), as amended by an Amendment to Lease dated as of May 1, 2005 (the “First Amendment to Lease”), as amended by a Second Amendment to Lease dated as of April 21, 2015 (the “Second Amendment to Lease”), as amended by a Third Amendment to Lease dated as of November 15, 2016 (the “Third Amendment to Lease”), as further amended by a Fourth Amendment to Lease dated as of June 19, 2018 (the “Fourth Amendment to Lease”, and together with the Original Lease, First Amendment to Lease, Second Amendment to Lease, and Third Amendment to Lease, the “Lease”). The Series 2018 Bonds are payable from semiannual lease rental payments (the “Lease Rentals”) to be paid by the School Corporation directly to The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana (the “Trustee”). The Lease Rental will be payable in advance in semiannual installments on June 30 and December 31 of each year. The Lease Rentals are based upon the principal and interest payments in each twelve-month period ending January 15, rounded up to the next \$1,000, plus \$5,000. Such Lease Rentals are payable from ad valorem property taxes to be levied against all taxable property within the School Corporation. The term of the Lease has been extended and the Series 2018 Bonds will mature on January 15, 2028. Upon payment of sufficient Lease Rental to retire the principal and to meet the obligations of the Building Corporation for interest payments, trustee fees, and other expenses, no further payments will be made on the Lease, and title to the Leased Property will be transferred to the School Corporation.

**Estimated Sources and Uses of Funds – Page B-4**

The costs of the Projects are presented in this schedule, including construction related expenses, allowance for underwriter’s discount and estimated costs of issuance.

The proceeds of the Series 2018 Bonds will provide the source of funding.

**Preliminary Schedule of Amortization of \$5,000,000\* Principal Amount of Ad Valorem Property Tax First Mortgage Bonds, Series 2018 – Page B-5**

The proposed amortization of \$5,000,000\* principal amount of Ad Valorem Property Tax First Mortgage Bonds, Series 2018 is presented in this schedule. The Series 2018 Bonds are assumed to be dated September 12, 2018, and mature over a period of approximately nine years and four months with the final maturity on January 15, 2028. The Series 2018 Bonds will be amortized based on interest rates that will be determined through a competitive sale.

\*Preliminary, subject to change.

**BLACKFORD COUNTY SCHOOL BUILDING CORPORATION  
BLACKFORD COUNTY SCHOOLS  
Hartford City, Indiana**

**GENERAL COMMENTS (CONT'D)**

**Summary of Estimated Debt Service Tax Rates – Page B-6**

Calculations are made in this schedule for the annual Lease Rentals and resulting estimated debt service tax rates based upon the amortization schedule found on page B-5. No growth in assessed value from the 2019 certified net assessed value is assumed in the calculation of the estimated debt service tax rates.

**Schedule of Existing Debt Service/Lease Rental Payments – Page B-7**

This schedule shows the outstanding (unaudited) debt service and lease rental payments of the School Corporation.

**BLACKFORD COUNTY SCHOOL BUILDING CORPORATION  
BLACKFORD COUNTY SCHOOLS**

**ESTIMATED SOURCES AND USES OF FUNDS**

Estimated Sources of Funds\*

Ad Valorem Property Tax First Mortgage Bonds, Series 2018	<u>\$5,000,000.00</u>
Total Estimated Sources of Funds	<u><u>\$5,000,000.00</u></u>

Estimated Uses of Funds\*

Estimated Construction Costs	\$4,810,000.00
Allowance for Underwriter's Discount (0.50%)	25,000.00
Costs of Issuance (1)	<u>165,000.00</u>
Total Estimated Uses of Funds	<u><u>\$5,000,000.00</u></u>

- (1) Includes fee allowances for Local Counsel, Bond Counsel, Municipal Advisor, Trustee, rating, printing and other miscellaneous costs.

\*Preliminary, subject to change.

(Subject to the accompanying report  
dated August 21, 2018, of Umbaugh)

**BLACKFORD COUNTY SCHOOL BUILDING CORPORATION  
BLACKFORD COUNTY SCHOOLS**

**PRELIMINARY SCHEDULE OF AMORTIZATION OF \$5,000,000\* PRINCIPAL AMOUNT OF  
AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2018**

**Assumes Bonds dated September 12, 2018**

Payment Date	Principal Balance*	Principal*	Assumed Interest Rate (1)	Interest	Total Debt Service	Budget Year Total	Annual Lease Rentals
	(-----In \$1,000's-----)		(%)				(2)
7/15/2019	\$5,000	\$75	2.20	\$131,689.27	\$206,689.27		
1/15/2020	4,925	145	2.50	77,406.25	222,406.25	\$429,095.52	\$435,000
7/15/2020	4,780	145	2.50	75,593.75	220,593.75		
1/15/2021	4,635	150	2.75	73,781.25	223,781.25	444,375.00	450,000
7/15/2021	4,485	150	2.75	71,718.75	221,718.75		
1/15/2022	4,335	150	2.75	69,656.25	219,656.25	441,375.00	447,000
7/15/2022	4,185	155	2.75	67,593.75	222,593.75		
1/15/2023	4,030	155	3.00	65,462.50	220,462.50	443,056.25	449,000
7/15/2023	3,875	360	3.00	63,137.50	423,137.50		
1/15/2024	3,515	365	3.00	57,737.50	422,737.50	845,875.00	851,000
7/15/2024	3,150	370	3.00	52,262.50	422,262.50		
1/15/2025	2,780	380	3.25	46,712.50	426,712.50	848,975.00	854,000
7/15/2025	2,400	385	3.25	40,537.50	425,537.50		
1/15/2026	2,015	390	3.25	34,281.25	424,281.25	849,818.75	855,000
7/15/2026	1,625	395	3.25	27,943.75	422,943.75		
1/15/2027	1,230	405	3.50	21,525.00	426,525.00	849,468.75	855,000
7/15/2027	825	410	3.50	14,437.50	424,437.50		
1/15/2028	415	415	3.50	7,262.50	422,262.50	846,700.00	852,000
Totals		<u>\$5,000</u>		<u>\$998,739.27</u>	<u>\$5,998,739.27</u>	<u>\$5,998,739.27</u>	<u>\$6,048,000</u>

(1) Assumes interest rates based on current market indicators. The actual interest rates will depend on the underlying credit securing the bonds and the market conditions at the time of the bond sale. The actual interest rates may vary materially from the rates assumed in this analysis.

(2) Debt service rounded up to the next \$1,000, plus \$5,000.

\*Preliminary, subject to change.

(Subject to the accompanying report  
dated August 21, 2018, of Umbaugh)

**BLACKFORD COUNTY SCHOOL BUILDING CORPORATION  
BLACKFORD COUNTY SCHOOLS**

**SUMMARY OF ESTIMATED DEBT SERVICE TAX RATES**

Budget Year	Total Outstanding Debt Service / Lease Rental	Proposed Ad Valorem Property Tax First Mortgage Bonds, Series 2018	Total Debt Service	Estimated Net Assessed Value	Estimated Existing Debt Service Tax Rate	Estimated Series 2018 Bonds Debt Service Tax Rate	Estimated Combined Debt Service Tax Rate
	(1)	(2)		(3)	(3) (4)	(3) (4)	(3) (4) (5)
2017	\$3,451,000		\$3,451,000	\$454,763,235 (6)	\$0.5188 (7)		\$0.5188 (7)
2018	1,918,000		1,918,000	451,296,932 (8)	0.4251 (9)		0.4251 (9)
2019	1,918,000	\$435,000	2,353,000	452,220,204	0.4029	\$0.0914	0.4943
2020	1,917,000	450,000	2,367,000	452,220,204	0.4027	0.0945	0.4972
2021	1,921,000	447,000	2,368,000	452,220,204	0.4036	0.0939	0.4975
2022	1,919,000	449,000	2,368,000	452,220,204	0.4031	0.0943	0.4974
2023		851,000	851,000	452,220,204		0.1788	0.1788
2024		854,000	854,000	452,220,204		0.1794	0.1794
2025		855,000	855,000	452,220,204		0.1796	0.1796
2026		855,000	855,000	452,220,204		0.1796	0.1796
2027		852,000	852,000	452,220,204		0.1790	0.1790

(1) See page B-7.

(2) See page B-5.

(3) Based on the 2019 certified net assessed value of \$452,220,204 for Blackford County Schools with no growth assumed thereafter.

(4) Assumes license excise/financial institutions factor of 5%. Per \$100 of net assessed value.

(5) Represents estimated debt service tax rate for combined debt.

(6) Represents 2017 certified net assessed valuation for the School Corporation.

(7) Represents 2017 certified debt service tax rate for the School Corporation.

(8) Represents 2018 certified net assessed valuation for the School Corporation.

(9) Represents 2018 certified debt service tax rate for the School Corporation.

(Subject to the accompanying report  
dated August 21, 2018, of Umbaugh)

**BLACKFORD COUNTY SCHOOL BUILDING CORPORATION  
BLACKFORD COUNTY SCHOOLS**

**SCHEDULE OF EXISTING DEBT SERVICE/LEASE RENTAL PAYMENTS**

**(Unaudited)**

<u>Payment Year</u>	<u>Ad Valorem Property Tax First Mortgage Refunding and Improvement Bonds, Series 2015</u>	<u>Ad Valorem Property Tax First Mortgage Bonds, Series 2016</u>	<u>Totals</u>
2017	\$2,371,000	\$1,080,000	\$3,451,000
2018		1,918,000	1,918,000
2019		1,918,000	1,918,000
2020		1,917,000	1,917,000
2021		1,921,000	1,921,000
2022		1,919,000	1,919,000
Totals	<u>\$2,371,000</u>	<u>\$10,673,000</u>	<u>\$13,044,000</u>

Note: Does not include budget for Interest on Temporary Loans or Unreimbursed Textbooks.

(Subject to the accompanying report  
dated August 21, 2018, of Umbaugh)

## APPENDIX C





## **SUMMARY OF THE LEASE**

The following is a summary of certain provisions of the Lease and does not purport to comprehensively describe that document in its entirety.

### **Acquisition and Construction of the Lease Premises**

The Building Corporation has caused the Leased Premises to be completed in accordance with the contract documents and the plans and specifications prepared by or at the direction of the Building Corporation and approved by the School Corporation and applicable agencies. The plans and specifications may have been changed at any time prior to the completion of the Leased Premises by mutual agreement of the Building Corporation and the School Corporation, except that such changes did not alter the character of the building or reduce the value thereof.

### **Lease Term and Rental**

The Lease extends to June 30, 2039. By each rent payment date, the School Corporation is to pay the installment of rent due under the Lease. Each installment of rent is payable in advance for the following six-month period on June 30 and December 31. The annual rent to be paid in equal semiannual installments is calculated to be sufficient to pay debt service on the 2016 Bonds and the 2018 Bonds. The Leased Premises are available and are currently being used by the School Corporation.

### **Maintenance and Modification**

During the term of the Lease, the School Corporation is required to keep the Leased Premises in good repair and in good operating condition, ordinary wear and tear excepted. The School Corporation may, at its own expense and as part of the Leased Premises, make modifications of, additions and improvements to and substitutions for the Leased Premises, all of which become the property of the Building Corporation and are included as part of the Leased Premises under the terms of the Lease.

The School Corporation may, at its own expense, replace worn out or obsolete property and may install on the property on which the Leased Premises are situated personal property which is not an addition or improvement to, modification of or substitution for the Leased Premises, which will be the sole property of the School Corporation and in which the Building Corporation shall have no interest. The School Corporation may discard worn out or obsolete property and need not replace it. Equipment or other personal property which becomes worn out or obsolete may be discarded or sold by Lessee. The proceeds of the sale of any personal property shall be paid to the Trustee. Lessee may trade in any obsolete or worn out personal property or replacement property which replacement property will belong to Lessee upon payment to the Trustee of an amount equal to the trade-in value of such property. Lessee need not replace worn out or obsolete personal property, but may replace such property at its own expense, and the replacement property shall belong to Lessee.

### **Property and Liability Insurance**

The School Corporation is required to carry at its own expense, property insurance on the Leased Premises against physical loss or damage to the Leased Premises, however caused, with such exceptions only as are ordinarily required by insurers of buildings or facilities of a similar type, in an amount equal to 100% of the full replacement cost of the Leased Premises. Any property insurance policy shall be so written or endorsed as to make any losses payable to the Building Corporation or to such other person or persons as the Building Corporation under the Lease may designate.

During the full term of the Lease, the School Corporation is required to maintain rent or rental value insurance in an amount equal to the full rental value of the Leased Premises for a period of two years. The insurance will protect against physical losses or damages similar to those covered under the property insurance policy held by the School Corporation.

### **Damage or Destruction**

If the Leased Premises are damaged or destroyed (in whole or in part) by fire, windstorm or other casualty at any time during the term of the Lease, the Building Corporation is to promptly repair, rebuild or restore the portion of the Leased Premises damaged or destroyed with such changes, alterations and modifications (including substitutions and additions) as may be designated by the School Corporation for administration and operation of the Leased Premises and as shall not impair the character and significance of the Leased Premises as furthering the purposes of the Code.

If the Leased Premises are totally or substantially destroyed and the amount of insurance money received is sufficient to redeem all of the outstanding 2018 Bonds and all such 2018 Bonds are then subject to redemption, the Building Corporation, with the written approval of the School Corporation, may direct the Trustee to use net proceeds of insurance to call for redemption all of the 2018 Bonds then outstanding at the then current redemption price.

### **Rent Abatement and Rental Value Insurance**

If the Leased Premises or a portion thereof are damaged or destroyed or is taken under the exercise of the power of eminent domain, the rent payable by the School Corporation shall be abated or reduced, provided there is rental value insurance in force as required by the Lease. The rent shall be totally abated during that portion of the Lease terms that the Leased Premises is totally unfit for use or occupancy. It shall be partially abated for the period and to the extent that the Leased Premises are partially unfit for use or occupancy in the same proportion that the floor area of the Leased Premises so unfit for use or occupancy bears to the total floor area of the Leased Premises.

### **Taxes and Utility Charges**

The School Corporation is to pay, as further rent, taxes and assessments lawfully assessed or levied against or with respect to the Leased Premises or any personal property or fixtures installed or brought in or on the Leased Premises, and all utility and other charges for or incurred in connection with the Leased Premises. The School Corporation may, at its own expense, in

good faith contest any such taxes and assessments. The School Corporation shall also pay as additional rent, any amount required by the Building Corporation to rebate to the United States Government to prevent the Building Corporation's bonds from becoming arbitrage bonds.

### **Events of Default**

The Lease provides that either of the following constitutes an “event of default” under the Lease:

- (a) Failure to pay any rentals or other sums payable to the Building Corporation under the Lease, or failure to pay any other sum therein required to be paid to the Building Corporation; or
- (a) Failure to observe any other covenant, agreement or condition under the Lease, and such default shall continue for sixty (60) days after written notice to correct the same.

### **Remedies**

On the occurrence of an event of default under the Lease, the Trustee may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance or any covenant or agreement contained therein, or for the enforcement of any other appropriate legal or equitable remedy; file a claim with the Treasurer of the State of Indiana for an amount equal to an amount in default, and may authorize or delegate the authority to file such claim; or the Building Corporation, at its option, without further notice, may terminate the estate and interest of the School Corporation thereunder, and it shall be lawful for the Building Corporation forthwith to resume possession of the Leased Premises and the School Corporation covenants to surrender the same forthwith upon demand. The exercise by the Building Corporation of the right to terminate the Lease shall not release the School Corporation from the performance of any obligation thereof maturing prior to the Building Corporation's actual entry into possession. No waiver by the Building Corporation of any right to terminate this Lease upon any default shall operate to waive such right upon the same or other default subsequently occurring.

The School Corporation may not assign the Lease or sublet the Leased Premises without the written consent of the Building Corporation. In the Lease, the School Corporation has covenanted to use and maintain the Leased Premises in accordance with the laws and ordinances of the United States of America, the State of Indiana, and all other proper governmental authorities. The School Corporation has also covenanted that it will not enter into any lease, management contract or other contractual arrangement which would allow the use of the Leased Premises by a nongovernmental person which would have the effect of making the Building Corporation's bonds private activity bonds under Section 141 of the Code.

### **Option to Purchase**

The School Corporation has the option to purchase the Leased Premises on any rental payment date at a price which is sufficient to allow the Building Corporation to liquidate by

paying or providing for the payment in full of the then outstanding bonds pursuant to the redemption provisions.

### **Option to Renew**

The School Corporation has an option to renew the Lease for a further like or lesser term upon the same terms and conditions provided in the Lease.

## APPENDIX D



## **SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE**

The following is a brief summary of certain provisions of the Trust Indenture and does not purport to comprehensively describe that document in its entirety.

### **Application of Bond Proceeds**

Proceeds in an amount equal to costs of issuance shall be deposited in the Bond Issuance Expense Account of the Construction Fund. The remaining proceeds of the 2018 Bonds shall be deposited in the Construction Account of the Construction Fund and used to pay costs of capital improvement at facilities owned or leased by the School Corporation.

### **Construction Fund, Sinking Fund, Operation and Reserve Fund and Rebate Fund**

There are created under the Trust Indenture the following funds: (1) the Blackford County School Building Corporation Construction Fund (the "Construction Fund"), (2) the Blackford County School Building Corporation Sinking Fund (the "Sinking Fund"), (3) the Blackford County School Building Corporation Operation and Reserve Fund (the "Operation and Reserve Fund"), and (4) the Blackford County School Building Corporation Rebate Fund (the "Rebate Fund").

The Construction Fund will be used to finance the costs of capital improvement at facilities owned or leased by the School Corporation and to pay costs of issuance of the 2018 Bonds.

The Trustee shall deposit in the Sinking Fund created pursuant to the Trust Indenture, from each rental payment received, the lesser of (1) all of such payment or (2) an amount which, when added to the amount already on deposit, equals the unpaid interest on the 2016 Bonds and the 2018 Bonds due within twenty (20) days after the due date of such rental payment and the unpaid principal and mandatory sinking fund redemption payment of the 2016 Bonds and the 2018 Bonds due within twenty (20) days after the due date of such rental payment. Any portion of a rental payment remaining after such deposit shall be deposited by the Trustee in the Operation and Reserve Fund. The Trustee shall from time to time pay from the Sinking Fund the principal of the 2016 Bonds and the 2018 Bonds at maturity or upon mandatory sinking fund redemption and the interest as it falls due.

The Operation and Reserve Fund shall be used only (a) to pay necessary incidental expenses of the Building Corporation, including Trustee's fees, (b) if the amount in the Sinking Fund at any time is less than the required amount, to transfer funds to the Sinking Fund in an amount sufficient to raise the amount in the Sinking Fund to the required amount, (c) if the 2018 Bonds are called for redemption, to pay the principal, interest, and redemption premium, if any, on the 2018 Bonds, (d) to purchase 2018 Bonds in the open market, and (e) if the amount in the Rebate Fund is less than the rebate amount, to transfer funds to the Rebate Fund. The incidental expenses may be paid by the Trustee upon the presentation of an affidavit executed by two executive officers of the Building Corporation or the Lessor Representative together with the creditor's statement as to the amount owing.

The Rebate Fund shall be used to make any rebate to the United States of America required to prevent the 2016 Bonds and the 2018 Bonds from becoming “arbitrage bonds” under the Code. The Building Corporation shall be required to calculate annually or cause to be calculated the amount of such rebate (the “Rebate Amount”). In the alternative, the Building Corporation may elect to pay the penalty required by Section 148(f)(4)(C)(vii) of the Code, as amended. In that event, the Building Corporation shall compute or cause to be computed each six months, the amount of such penalty and provide the Trustee a copy of such calculation. In either event, the Trustee is to deposit the amount so calculated to the credit of the Rebate Fund from any available funds (other than moneys in the Sinking Fund). The Trustee is further required to pay the Rebate Amount or penalties in lieu of rebate together with all investment earnings thereon to the United States of America, in the amount and at such times as shall be advised by the Building Corporation or nationally recognized bond counsel as required by the Code or applicable regulations.

Whenever the amounts contained in the Sinking Fund and the Operation and Reserve Fund are sufficient together with all other funds deposited with the Trustee by the Building Corporation (other than deposits to the Rebate Fund), to redeem, upon the next redemption date, all the 2016 Bonds and the 2018 Bonds secured by the Trust Indenture then outstanding, the Trustee shall apply the amounts in such Funds to the redemption of such 2018 Bonds pursuant to the Trust Indenture.

### **Investment of Funds**

The Trustee shall invest the moneys in funds created in the Trust Indenture in (i) Direct obligations of, and obligations fully and unconditionally guaranteed as to timely payment by, the United States government and any agency, instrumentality, or establishment of the United States government (“Government Securities”); (ii) Commercial paper having, at the time of investment or contractual commitment to invest therein, a rating from S&P and Moody's, of A1 and P1, respectively; (iii) Repurchase and reverse repurchase agreements collateralized with Government Securities, including those of the Trustee or any of its affiliates; (iv) Investment in money market mutual funds having a rating at time of investment in the highest investment category granted thereby from S&P or Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (b) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (c) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee; and (v) Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers acceptances of depository institutions, including the Trustee or any of its affiliates, rated in the AA long-term ratings category or higher by S&P or Moody's or which are fully FDIC-insured. Moneys in the Construction Fund, Sinking Fund and Rebate Fund shall be invested without restriction as to yield during an applicable temporary period pending their use. Moneys in the Operation and Reserve Fund after 30 days of the date of deposit shall be invested at a yield not exceeding the yield on the 2018 Bonds.



## **Covenants**

The Building Corporation covenants, among other things that:

- (a) it has entered into a valid and binding lease of the mortgaged property to the School Corporation, and that a full, true and correct copy of the Lease is on file with the Trustee; that construction has been completed with all expedition practicable in accordance with the plans and specifications referred to in the Lease;
- (b) it will faithfully perform all provisions contained in each 2018 Bond and the Trust Indenture and will punctually pay the principal of, premium, if any, and interest on the 2018 Bonds;
- (c) it is duly authorized under the laws of the State of Indiana to create and issue the 2018 Bonds, to execute and deliver the Trust Indenture, and to mortgage and pledge the real estate and rentals and other income of the mortgaged property as provided in the Trust Indenture;
- (d) it will promptly make, execute, and deliver all indentures supplemental to the Trust Indenture and to take all action deemed advisable and necessary by the Trustee for the better securing of the 2018 Bonds;
- (e) it now has and will preserve good title to the property;
- (f) it will maintain the priority of the lien created under the Trust Indenture, that it will not permit any waste of said property, and that it will at all times maintain the property in good working condition;
- (g) it will maintain proper books and records and: (i) furnish statements showing earnings, expenses and financial condition of the Building Corporation and such information as the Trustee may reasonably request, (ii) within 90 days of each calendar year, file with the Trustee, a certificate signed by officers of the Building Corporation stating that all insurance premiums required under the Trust Indenture have been paid by the Building Corporation and that all taxes then due have been paid, subject to permissible contests, (iii) upon the request of any bondholder, will request from the Lessee the current financial statements of the Lessee for review by the bondholder;
- (h) it will not incur any indebtedness payable from the Lease other than the 2016 Bonds and the 2018 Bonds permitted by the Trust Indenture and Additional Bonds, as long as the 2018 Bonds are outstanding;
- (i) it will, upon any default in payment of lease rentals, file a claim with the Treasurer of the State of Indiana, bring suits to mandate the appropriate officers of the School Corporation to levy the necessary tax to pay rents under the Lease or to take such other appropriate action necessary to enforce and collect the rentals due;

- (j) the proceeds of the 2018 Bonds, any moneys received from lease rentals payable according to the Lease, amounts received from the investment of the proceeds of the 2018 Bonds or other amounts received shall not be invested in such manner which would cause the 2018 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code; and
- (k) in order to preserve the exclusion of interest on the 2018 Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the 2018 Bonds, no proceeds thereof will be loaned to any entity or person, nor will they be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of such proceeds. Furthermore, the Building Corporation will, to the extent necessary to preserve the exclusion of interest on the 2018 Bonds from gross income for federal income tax purposes, rebate all required arbitrage profits on such proceeds or other moneys treated as such proceeds to the United States Government and will set aside such moneys in the Rebate Fund to be held by the Trustee in trust for such purposes. Additionally, the Building Corporation covenants that it will not take any action nor fail to take any action with respect to the 2018 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 2018 Bonds pursuant to Section 103 of the Code.

### **Insurance**

The Building Corporation covenants to carry or cause the School Corporation to carry the following kinds of insurance after completion of construction: (a) physical loss or damage insurance on the mortgaged property in the amount of 100% of the full replacement cost of the property, and (b) rental value insurance against physical loss or damage for a period of two years.

The proceeds of any insurance shall be applied by the Building Corporation to the repair, replacement or reconstruction of any damaged or destroyed property, if the cost of such repair, replacement or reconstruction does not exceed the proceeds of insurance. In addition, the Trustee may repair, replace, or reconstruct the mortgaged property if the Building Corporation fails to do so. If, at any time, the mortgaged property is totally or substantially destroyed, and the amount of insurance moneys received on account thereof by the Trustee is sufficient to redeem all of the outstanding 2016 Bonds and 2018 Bonds, the Building Corporation with the written approval of the School Corporation may direct the Trustee to use said money for the purpose of calling for redemption all of the 2016 Bonds and the 2018 Bonds issued and then outstanding under the Trust Indenture at the then current redemption price.

### **Events of Default and Remedies**

Events of default under the Trust Indenture include: failure to pay the principal of, or the redemption premiums, if any, on any of the 2018 Bonds; failure to pay interest on the 2018 Bonds as it becomes due and payable; occurrence of certain events of bankruptcy or insolvency of the Building Corporation; default in the performance or observance of any other of the

covenants, agreements or conditions by the Building Corporation under the Trust Indenture and the continuance of such default for sixty (60) days after written notice; failure of the Building Corporation to bring suit to mandate the appropriate officials of the School Corporation to levy a tax to pay the rentals provided under the Lease; and nonpayment of the lease rental within 90 days of when due as provided under the Lease.

Upon the happening and continuance of any event of default, the Trustee may, and upon written request of the holders of twenty-five percent (25%) in principal amount of the 2018 Bonds then outstanding and upon being indemnified to its reasonable satisfaction shall, declare the principal amount of and interest accrued on all outstanding 2018 Bonds immediately due and payable; subject, however, to the rights of the holders of the majority in principal amount of all the outstanding 2018 Bonds to annul such declaration if all such events have been cured, all arrears of interest have been paid and all other indebtedness secured by the Trust Indenture except the principal and interest not then due has also been paid.

Upon the occurrence of one or more events of default, the Building Corporation, upon demand of the Trustee, shall forthwith surrender the possession of the property and the Trustee may take possession of all the mortgaged property and hold, operate and manage the same for the purpose of insuring payments on the 2018 Bonds until the event of default has been cured.

Upon the occurrence of one or more events of default, the Trustee may, and shall upon written request of the holders of at least twenty-five percent (25%) in principal amount of the 2018 Bonds then outstanding and upon being indemnified to its reasonable satisfaction, pursue any available remedy by suit at law or in equity, whether for specific performance of any covenant or agreement contained in the Trust Indenture or in aid of any power granted therein, or for any foreclosure of the Trust Indenture including, to the extent permitted by law, the appointment of a receiver.

Any sale made either under the Trust Indenture, to the extent permitted by law, or by judgment or decree in any judicial proceeding for foreclosure shall be conducted as required by the Trust Indenture. The proceeds of any such sale shall be applied to pay the costs and expenses of the sale or judicial proceedings pursuant to the sale, the expenses of the Trustee and the holders of the 2018 Bonds, with interest at the highest rate of interest on any of the 2018 Bonds when sold, and the payment of the installments of interest which are due and unpaid in the order of their maturity, next, if the principal of the 2018 Bonds is due, to the payment of the principal thereof and the accrued interest thereon pro rata. No holder of all of the 2018 Bonds shall have the right to institute any proceeding in law or in equity for the foreclosure of the Trust Indenture, the appointment of a receiver, or for any other remedy under the Trust Indenture without complying with the provisions of the Trust Indenture.

### **Supplemental Indentures**

The Building Corporation and the Trustee may, without obtaining the approval of the holders of the 2018 Bonds, enter into supplemental indentures to cure any ambiguity or formal defect or omission in the Trust Indenture; or to grant to the Trustee for the benefit of such holders any additional rights, remedies, powers, authority or security that may be lawfully granted; or to provide for the issuance of additional parity bonds to finance (i) the payment of

claims of contractors, subcontractors, materialmen or laborers or fees; (ii) the completion of construction; (iii) the payment of costs of improvements to the mortgaged property; and (iv) a partial refunding of the 2018 Bonds.

The holders of not less than 66-2/3% in aggregate principal amount of the 2018 Bonds then outstanding shall have the right, from time to time except when contrary to the Trust Indenture, to approve the execution by the Building Corporation and the Trustee of such supplemental indentures, except no supplemental indenture shall permit:

- (a) An extension of the maturity of the principal of or interest on any 2018 Bond;
- (b) A reduction in the principal amount of any 2018 Bond or the redemption premium or the rate of interest;
- (c) The creation of a lien upon the mortgaged property taking priority or on a parity with the lien created by the Trust Indenture;
- (d) A preference or priority of any 2018 Bond or 2018 Bonds over any other 2018 Bond or 2018 Bonds; or
- (e) A reduction in the aggregate principal amount of the 2018 Bonds required for consent to supplemental indentures.

If the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the bonds outstanding at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as provided in the Trust Indenture, no owner of any bond shall have any right to object to the execution of such supplemental indenture 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 execution thereof, or to enjoin or restrain the Trustee or the Building Corporation from executing the same, or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplemental indenture pursuant to the provisions of the Trust Indenture, the Trust Indenture shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Trust Indenture of the Building Corporation, the Trustee, and all owners of bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

### **Possession Until Default, Defeasance, Payment, Release**

Subject to the rights of the Trustee and the holders of the 2018 Bonds in the event of the occurrence and continuance of an event of default, the Building Corporation shall have the right of full possession, enjoyment and control of all the mortgaged property. While in possession of the mortgaged property, and while not in default under the Trust Indenture, the Building Corporation shall have the right at all times to alter, change, add to, repair, or replace any of the property constituting a part of the mortgaged property so long as the value of the mortgaged property and the security of the 2018 Bonds shall not be substantially impaired or reduced. The

Trustee may release any mortgaged property which has become unfit or unnecessary for use pursuant to the Trust Indenture. If new property is purchased or acquired in substitution for the mortgaged property so released, the new property shall become subject to the lien and the operation of the Trust Indenture. If no new property is purchased with the proceeds of any sale or mortgaged property within ninety (90) days after the receipt of the proceeds, the proceeds shall be deposited in the Operation and Reserve Fund.

The Building Corporation may pay and discharge the entire indebtedness on all 2018 Bonds outstanding:

- (a) by paying the whole amount of the principal and interest and the premium if any, due and payable upon all of the 2018 Bonds then outstanding; or
- (b) by depositing with the Trustee (i) sufficient money, (ii) direct obligations of the United States of America (the "Government Securities") or (iii) time certificates of deposit of a bank or banks secured as to both principal and interest by Government Securities in amounts sufficient to pay or redeem all 2018 Bonds outstanding.

If the whole amount of the principal, premium, if any, and interest so due and payable upon all of the 2018 Bonds then outstanding shall be paid or provision made for payment, then the right, title and interest of the Trustee shall thereupon cease, terminate and become void. Upon termination of the Trustee's title, the Trustee shall release the Trust Indenture and return to the Building Corporation any surplus in the Sinking Fund and Operation and Reserve Fund and any other funds other than moneys held for redemption or payment of 2018 Bonds.

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## APPENDIX E





\_\_\_\_\_, 2018

Blackford County School Building Corporation  
Blackford County, Indiana

Re: Blackford County School Building Corporation  
Ad Valorem Property Tax First Mortgage Bonds, Series 2018  
Total Issue: \$5,000,000  
Original Date: \_\_\_\_\_, 2018

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Blackford County School Building Corporation (the “Issuer”) of \$5,000,000 of Ad Valorem Property Tax First Mortgage Bonds, Series 2018 with an Original Date of \_\_\_\_\_, 2018 (the “Bonds”), pursuant to INDIANA CODE 20-47-3 (the “Act”) and a Trust Indenture dated as of April 1, 2015, as supplemented by a First Supplemental Trust Indenture dated as of November 1, 2016, and a Second Supplemental Trust Indenture dated as of August 1, 2018 (as supplemented, the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). We have examined the law and such certified transcript of proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Indenture and in the certified transcript of proceedings and other certificates of officers furnished to us, including the Issuer’s tax covenants and representations (the “Tax Covenants”), without undertaking to verify the same by independent investigation. We have relied upon the legal opinion of DeFur Voran, Muncie, Indiana, counsel to the Issuer, dated the date hereof, as to the matters stated therein.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Bonds, and we express no opinion relating thereto.

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

1. The lease dated as of October 2, 1997, as amended by an Amendment to Lease dated as of July 1, 2005, a Second Amendment to Lease dated as of April 21, 2015, a Third Amendment to Lease dated as of November 15, 2016, and a Fourth Amendment to Lease dated as of June 19, 2018 (as amended, the “Lease”), between the Issuer, as lessor, and Blackford County Schools (the “School Corporation”), as lessee, has been duly entered into in accordance with the provisions of the Act, and is a valid and binding lease. The lease rentals payable under the Lease are payable from ad valorem taxes to be levied on all property within the School Corporation; subject, however, to the tax credits authorized by INDIANA CODE 6-1.1-20.6, which

provide taxpayers with tax credits 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 lease rental payments, regardless of any reduction in property tax collections due to the application of such credits. Pursuant to the Lease, the School Corporation is required by law annually to pay the lease rentals which rentals have commenced.

2. The Issuer has duly authorized, sold, executed and delivered the Bonds and has duly authorized and executed the Indenture securing the same, and the Indenture has been duly recorded. The Bonds are the valid and binding obligations of the Issuer secured a parity with the Issuer's outstanding Ad Valorem Property Tax First Mortgage Bonds, Series 2016 by the Lease and a mortgage on the property described in the Indenture.. Any foreclosure of the mortgage would, if the School Corporation is not in default in the payment of rentals as provided in the Lease, be subject to the rights of the School Corporation under the Lease.

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

4. Under federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986 (the "Code"), is not a specific preference item for purposes of the alternative minimum tax. This opinion is conditioned upon compliance by the Issuer subsequent to the date hereof with its Tax Covenants. 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 their date of issue.

5. The Bonds have been properly designated as "qualified tax exempt obligations" for the purposes of Section 265(b)(3) of the Code.

It is to be understood that the rights of the registered owners of the Bonds and the enforceability of the Bonds and the Indenture, as well as the rights of the Issuer and the Trustee and the enforceability of the Lease 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 equity; and (ii) the valid exercise of the constitutional powers of the State and the United States of America.

Very truly yours,

## APPENDIX F



**BLACKFORD COUNTY SCHOOL BUILDING CORPORATION  
(BLACKFORD COUNTY, INDIANA)**

**AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2018**

**CONTINUING DISCLOSURE UNDERTAKING**

This CONTINUING DISCLOSURE UNDERTAKING (the “Agreement”) is made as of \_\_\_\_\_, 2018, by the Blackford County Schools, a school corporation organized and existing under the laws of the State of Indiana (the “Obligor”) for the purpose of permitting \_\_\_\_\_ (the “Underwriter”), to purchase the \$5,000,000 Ad Valorem Property Tax First Mortgage Bonds, Series 2018 dated \_\_\_\_\_, 2018 (the “Bonds”), issued by the Blackford County School Building Corporation (the “Building Corporation”), pursuant to a Trust Indenture dated as of April 1, 2015, as supplemented by a First Supplemental Trust Indenture dated as of November 1, 2016, and a Second Supplemental Trust Indenture dated as of August 1, 2018 (as supplemented, the “Indenture”), between the Building Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), in compliance with the Securities and Exchange Commission (“SEC”) Rule 15c2-12 (the “SEC Rule”).

WHEREAS, the Bonds have been issued by the Building Corporation on behalf of the Obligor pursuant to the Indenture; and

WHEREAS, the Bonds are secured by lease payments to be paid by Obligor to the Trustee on behalf of the Building Corporation pursuant to the Lease Agreement, dated as of October 2, 1997, as amended (the “Lease”); and

WHEREAS, the Obligor is an Obligated Person (as defined in the SEC Rule) because the payments under the Lease are the only source of funds (other than proceeds held under the Indenture) pledged to pay the principal and interest due on the Bonds;

NOW, THEREFORE, the Obligor agrees as follows:

Section 1. Definitions. The words and terms defined in this Agreement shall have the meanings herein specified. Those words and terms not expressly defined herein shall have the meanings assigned to them in the SEC Rule.

(a) “Bondholder” or “holder” or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, including the holders of beneficial interests in the Bonds.

(b) “Final Official Statement” means the Official Statement, dated as of \_\_\_\_\_, 2018, relating to the Bonds, including any document included by specific reference to such document previously filed with the Municipal Securities

Rulemaking Board (“MSRB”) through the Electronic Municipal Market Access (“EMMA”) system established by the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org).

Section 2. Term. The term of this Agreement is from the date hereof to the earlier of (i) the date of the last payment of principal of and interest on the Bonds, or (ii) the date the Bonds are defeased under the Indenture, or (iii) the date of rescission as described in Section 12.

Section 3. Provision of Financial Information. The Obligor hereby undertakes to provide the following financial information:

(a) To the MSRB through EMMA, when and if available, the audited financial statements of the Obligor as prepared and examined by the State Board of Accounts for each biennial period ending June 30, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the State Board of Accounts; and

(b) To the MSRB through EMMA, within 180 days of each December 31, unaudited annual financial information for the Obligor for such calendar year including (i) unaudited financial statements of the Obligor, and (ii) operating data of the type included under the following headings in Appendix A to the Final Official Statement (collectively, the “Annual Information”):

#### BLACKFORD COUNTY SCHOOLS

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

If any Annual Information or audited financial statements relating to the Obligor referred to in paragraph (1)(a) of this Section 3 no longer can be generated because the operations to which they related have been materially changed or discontinued, a statement to that effect, provided by the Obligor to the MSRB through EMMA, along with any other Annual Information or audited financial statements required to be provided under this Agreement, shall satisfy the undertaking to provide such Annual Information or audited financial statements. To the extent available, the Obligor shall cause to be filed along with the other Annual Information or audited financial statements operating data similar to that which can no longer be provided.

The Obligor agrees to make a good faith effort to obtain Annual Information. However, failure to provide audited financial statements or Annual Information because it is not available

to the Obligor shall not be deemed to be a breach of this Agreement. The Obligor further agrees to supplement the Annual Information filing when such data is available.

Annual Information or audited financial statements required to be provided pursuant to this Section 3 may be provided by a specific reference to such Annual Information or audited financial statements already prepared and previously provided to the MSRB through EMMA, or filed with the SEC; however, if such document is a final official statement, it must also be available from the MSRB through EMMA.

Section 4. Accounting Principles. The financial information will be prepared on a cash basis as prescribed by the State Board of Accounts, as in effect from time to time, as described in the auditors' report and notes accompanying the audited financial statements of the Obligor or those mandated by state law from time to time. The audited financial statements of the Obligor, as described in Section 3(1)(a) hereof, will be prepared in accordance with generally accepted accounting principles and Government Auditing Standards issued by the Comptroller General of the United States.

Section 5. Events. (a) The Obligor shall disclose the following events to the MSRB through EMMA, within 10 business days of the occurrence of any of the following events, if material (which determination of materiality shall be made by the Obligor in accordance with the standards established by federal securities laws):

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

(b) The Obligor shall disclose the following events to the MSRB through EMMA, within 10 business days of the occurrence of any of the following events, regardless of materiality:

- 1) principal and interest payment delinquencies;
- 2) unscheduled draws on debt service reserves reflecting financial difficulties;
- 3) unscheduled draws on credit enhancements reflecting financial difficulties;
- 4) substitution of credit or liquidity providers, or their failure to perform;
- 5) defeasances;

- 6) rating changes;
- 7) adverse tax opinions or events affecting the status of the Bonds, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events, notices or determinations with respect to the tax status of the Bonds;
- 8) tender offers; and
- 9) bankruptcy, insolvency, receivership or similar event of the obligated person.

Section 6. Use of Agent. The Obligor may, at its sole discretion, utilize an agent (the “Dissemination Agent”) in connection with the dissemination of any information required to be provided by the Obligor pursuant to the terms of this Agreement.

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

Section 7. Failure to Disclose. If, for any reason, the Obligor fails to provide the audited financial statements or Annual Information as required by this Agreement, the Obligor shall provide notice of such failure in a timely manner to the MSRB through EMMA.

Section 8. Remedies.

1) The purpose of this Agreement is to enable the Underwriter to purchase the Bonds by providing for an undertaking by the Obligor in satisfaction of the SEC Rule. This Agreement is solely for the benefit of the holders of the Bonds and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, Underwriter, brokers, dealers, municipal securities dealers, potential customers, other Obligated Persons or any other third party. The sole remedy against the Obligor for any failure to carry out any provision of this Agreement shall be for specific performance of the Obligor's disclosure obligations hereunder and not for money damages of any kind or in any amount or for any other remedy.

2) Subject to paragraph (4) of this Section 8, in the event the Obligor fails to provide any information required of it by the terms of this Agreement, any holder of Bonds may pursue the remedy set forth in the preceding paragraph in any court of competent jurisdiction in the county in which the Obligor is located. An affidavit to the effect that such person is a holder of Bonds supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue this remedy.



3) Subject to paragraph (4) of this Section 8, any challenge to the adequacy of the information provided by the Obligor by the terms of this Agreement may be pursued only by holders of not less than 25% in principal amount of Bonds then outstanding in any court of competent jurisdiction in the county in which the Obligor is located. An affidavit to the effect that such persons are holders of Bonds supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue the remedy set forth in the preceding paragraph.

4) Prior to pursuing any remedy under this Section, a holder of Bonds shall give notice to the Obligor, via registered or certified mail, of such breach and its intent to pursue such remedy. Fifteen (15) days after mailing of such notice, and not before, a holder of Bonds may pursue such remedy under this Section. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Indenture, or any other agreement to which the Obligor is a party.

Section 9. Modification of Agreement. The Obligor may, from time to time, amend or modify this Agreement without the consent of or notice to the holders of the Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Obligor, or type of business conducted, (ii) this Agreement, as so amended or modified, would have complied with the requirements of the SEC Rule on the date hereof, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances, and (iii) such amendment or modification does not materially impair the interests of the holders of the Bonds, as determined either by (A) the Counterparty, the trustee under the Indenture or nationally recognized bond counsel or (B) an approving vote of the holders of the Bonds pursuant to the terms of the Indenture at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds this Agreement) is permitted by the SEC Rule, as then in effect.

Section 10. Previous Undertakings. The Obligor hereby represents that it has not, except as disclosed in the Final Official Statement, in the previous five years, failed to comply with previous Undertakings.

Section 11. Interpretation Under Indiana Law. It is the intention of the parties hereto that this Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with, the laws of the State of Indiana.

Section 12. Severability Clause. In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13. Successors and Assigns. All covenants and agreements in this Agreement made by the Obligor shall bind its successors, whether so expressed or not.

IN WITNESS WHEREOF, the Obligor has caused this Agreement to be executed as of \_\_\_\_\_, 2018.

BLACKFORD COUNTY SCHOOLS

\_\_\_\_\_  
President, Board of School Trustees

\_\_\_\_\_  
Secretary, Board of School Trustees

[SIGNATURE PAGE TO THE CONTINUING DISCLOSURE UNDERTAKING]

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## APPENDIX G



## APPENDIX G

**This Appendix G assumes that (a) the winning bidder (the “Purchaser”) is purchasing the Series 2018 Bonds as an Underwriter (as hereinafter defined) and is not purchasing the Series 2018 Bonds with the intent to hold the Series 2018 Bonds for its own account, and (b) Blackford County School Building 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 Series 2018 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 Series 2018 Bonds and shall execute and deliver to the Issuer at the Closing (as hereinafter defined) for the Series 2018 Bonds written evidence identifying the “Issue Price” as defined in the provisions of Treasury Regulation Section 1.148-1 (“Issue Price Rules”) for the Series 2018 Bonds or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2018 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 Series 2018 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 G, 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 Series 2018 Bonds and will apply to the initial sale of the Series 2018 Bonds if the Issuer receive bids for the Series 2018 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 (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 Series 2018 Bonds to the bidder who submits a firm offer to purchase the Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 Bonds, the Purchaser agrees to promptly report to the Issuer the prices at which the unsold Series 2018 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 Series 2018 Bonds of that maturity or until all Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 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 G. 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 Series 2018 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 Series 2018 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 Series 2018 Bonds to the Public),
- (3) a purchaser of any of the Series 2018 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 Series 2018 Bonds are awarded by the Issuer to the winning bidder,
- (5) “Closing” and “Closing Date” mean the day the Series 2018 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 Series 2018 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 Series 2018 Bonds provided to the Issuer by the Purchaser.

**Schedule I**  
**\$5,000,000**  
**Ad Valorem Property Tax First Mortgage Bonds, Series 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 “Series 2018 Bonds”).

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

- (a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2018 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 Series 2018 Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Series 2018 Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 Bonds. The Sale Date of the Series 2018 Bonds is August 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 Series 2018 Bonds, and by Taft Stettinius & Hollister LLP in connection with rendering its opinion that the interest on the Series 2018 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 Series 2018 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 Blackford County School Building Corporation (the “Issuer”) offered its Ad Valorem Property Tax First Mortgage Bonds, Series 2018 (the Series 2018 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 Series 2018 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 Series 2018 Bonds is available, the Issuer may select the rule it will use to determine the Issue Price of the Series 2018 Bonds.

On the date hereof, the Purchaser represents that the first price at which at least 10% of each maturity of the Series 2018 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 Series 2018 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**

**Blackford County School Building  
Corporation**

**By:** \_\_\_\_\_

## SCHEDULE A

This Schedule A sets forth as of the date hereof, the agreement between Blackford County School Building 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 Bonds, the Purchaser agrees to promptly report to the Issuer the prices at which the unsold Series 2018 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 Series 2018 Bonds of that maturity or until all Series 2018 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 Series 2018 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 Series 2018 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 (5<sup>th</sup>) 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 Series 2018 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 Series 2018 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 Series 2018 Bonds to the Public).

A purchaser of any of the Series 2018 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 Series 2018 Bonds. The Sale Date of the Series 2018 Bonds is August 28, 2018.

“Closing” and “Closing Date” mean the day the Series 2018 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**

**\$5,000,000**

**Ad Valorem Property Tax First Mortgage Bonds, Series 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 “Series 2018 Bonds”).

Select appropriate provisions below:

1. [Alternative 1<sup>1</sup> – All Maturities Use General Rule: *Sale of the Series 2018 Bonds*. As of the date of this certificate, for each Maturity of the Series 2018 Bonds, the first price at which at least 10% of such Maturity of the Series 2018 Bonds was sold to the Public is the respective price listed in Schedule A.] [Alternative 2<sup>2</sup> – 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 Series 2018 Bonds was sold to the Public is the respective price listed in Schedule A.] [Alternative 3<sup>3</sup>-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 Series 2018 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 Series 2018 Bonds has been sold to the Public.]

2. ***Initial Offering Price of the [Series 2018 Bonds][Hold-the-Offering-Price Maturities]***.

(a) [Alternative 1<sup>4</sup> – All Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Series 2018 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 Series 2018 Bonds is attached to this

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

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

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

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

certificate as Schedule B.] [Alternative 2<sup>5</sup> – Select Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF 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 Series 2018 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 Series 2018 Bonds, [it][they] would neither offer nor sell any of the Series 2018 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 Series 2018 Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2018 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 Series 2018 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 Series 2018 Bonds during the Holding Period.

(c) [To be used when the Series 2018 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 Series 2018 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 Series 2018 Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Series 2018 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

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

Date ([DATE]), 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 Blackford County School Building Corporation.

(e) *Maturity* means Series 2018 Bonds with the same credit and payment terms. Series 2018 Bonds with different maturity dates, or Series 2018 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 Series 2018 Bonds. The Sale Date of the Series 2018 Bonds is August 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 Series 2018 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 Series 2018 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 Series 2018 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 Series 2018 Bonds, and by Taft Stettinius & Hollister LLP in connection with rendering its opinion that the interest on the Series 2018 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 Series 2018 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 Ad Valorem Property Tax First Mortgage Bonds, Series 2018 (the "Series 2018 Bonds") that the Issuer has determined to apply the hold the price rule (as described in the Bid Form dated \_\_\_\_\_, 20\_\_) to the Series 2018 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.]**.

**Blackford County School Building  
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 Series 2018 Bonds and agrees to comply with the hold the price rule with respect to the Hold the Price Maturities.

**[PURCHASER]**

**By:** \_\_\_\_\_