

Question: Were the 2018, 2019, and 2020 debt issuances structured to avoid public scrutiny?

Answer: No. The debt issuances all followed the legal requirements in IC 6-1.1-20.3.1, 3.5 and 3.6, as shown below. There were extensive legal publications and public hearings and meetings all as required by statute. The following is a brief history detailing each issue: 2017, 2018, 2019 and 2020. Provided is the Principal Amount, the realized premium at closing on each issue, capitalized interest on each issue, bond issuance costs on each issue, and respective deposits. Also detailed are the projects that received the funds. Every issue included legal consultation of Ice- Miller. Ice Miller is one of the largest, most experienced public law firms in the Country. Over the last 10 years they have served as bond counsel on more than 3,100 issues with a total principal amount of over \$55,000,000,000 and serve as bond counsel for the vast majority of Indiana school corporations. Baker Tilly formerly known as Umbaugh and Associates served as our Financial Advisor. The firm is a leading Financial Advisor in the Public Finance arena and is a 90-year-old firm that has grown to become a top 10 advisory, tax, and assurance firm Nationally. They continue to provide guidance to our corporation, and they have made a number of presentations at our public-school meetings to help the public better understand our finances.

1. West Lafayette School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2017. – SUBJECT TO PETITION REQUESTING REFERENDUM PROCESS

a) Funds:

i) Principal amount = \$46,495,000

ii) Premium = \$8,115,029.25

iii) Capitalized interest deposited into Bond Interest Account with Trustee bank = \$3,335,173.33

iv) Bond Issuance Expense = \$300,000

v) Interim lease payment to construction (which was to reduce cap I) = \$1,600,000

vi) Construction account = \$50,872,566.92 (\$7,444,000 transferred to school corporation account for leased premises & \$8,593,153.01 to pay off Bond Anticipation Note)

b) Purpose: New Happy Hollow Elementary School and other related improvements and renovation of and improvements to West Lafayette Jr/Sr High School, Cumberland Elementary School, and the current Happy Hollow facility for early childhood education (the "New Elementary Project").

c) Processes:

a. Public Notice of hearing (3/24/2016)

b. Public Hearing held April 4, 2016

c. Public Notice of Adoption of Preliminary Determination Hearing (4/7/2016 & 4/14/2016) for estimated principal amount of \$49,700,000 and maximum annual lease payments of \$4,016,000.

d. Additional Public notices (11/3/2016, 11/17/2016, 12/8/2016 and hearings regarding the lease steps for this Project and bonds – Additional Appropriation Hearing, Lease Hearing, Lease Execution, Notice of Intent to Sell Bonds.

2. West Lafayette School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2018. – SUBJECT TO PETITION REQUESTING REFERENDUM PROCESS

a) Funds:

i) Principal amount = \$15,000,000

ii) Premium = \$2,345,442.76

iii) Capitalized interest deposited into Bond Interest Account with Trustee bank = \$1,164,583.33

iv) Bond Issuance Expense = \$235,000

v) Construction account = \$15,945,859.42

b) Purpose: Renovation of and improvements to West Lafayette Jr/Sr High School, including construction of Aquatics Center (the "Aquatics Project").

c) Processes:

a. Public Notice of hearing (12/7/2017)

b. Public Hearings held December 21, 2017 & January 3, 2018

c. Public Notice of Adoption of Preliminary Determination Hearing (1/4/2018 & 1/11/2018) for estimated principal amount of \$15,000,000 and maximum annual lease payments of \$3,600,000.

d. Additional Public notices (3/1/2018, 4/5/2018, 5/17/2018) and hearings regarding the lease steps for this Project and bonds – Lease Hearing, Lease Execution, Notice of Intent to Sell Bonds.

3. West Lafayette School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2019. – SUBJECT TO PETITION REQUESTING PETITION & REMONSTRANCE PROCESS

a) Funds:

i) Principal amount = \$14,995,000

ii) Premium = \$550,705.31

iii) Capitalized interest deposited into Bond Interest Account with Trustee bank = \$246,597.36

iv) Bond Issuance Expense = \$260,000

v) Construction account = \$14,999,107.95

b) Purpose: Renovation of and improvements to West Lafayette Jr/Sr High School, including construction of James R. Guy Educational Wing and Robert Kelly Performance Arts Center (the "HS Project").

c) Processes:

a. Public Notice of hearing (12/6/2018)

b. Public Hearings held December 20, 2018 & January 4, 2019

c. Public Notice of Adoption of Preliminary Determination Hearing (1/10/2019 & 1/17/2019) for estimated principal amount of \$15,000,000 and maximum annual lease payments of \$4,781,000.

d. Additional Public Notices (3/28/2019, 5/9/2019 & 6/6/2019) and hearings regarding the lease steps for this Project and bonds – Lease Hearing, Lease Execution, Notice of Intent to Sell Bonds.

4. West Lafayette School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2020 (Completion Bonds for HS Project above – SUBJECT TO PETITION REQUESTING REFERENDUM

a) Funds:

i) Principal amount = \$7,450,000

ii) Premium = \$240,380.50

iii) UW discount = \$62,306.83

iv) Capitalized interest deposited into Bond Interest Account with Trustee bank = \$132,607.72

v) Bond Issuance Expense = \$200,000

vi) Construction account = \$7,295,465.95

b) Purpose: Renovation of and improvements to West Lafayette Jr/Sr High School, including construction of James R. Guy Educational Wing and Robert Kelly Performance Arts Center (the "HS Project").

c) Processes: Note this is a duplication of the steps for the 2019 Bonds and then supplemented because construction estimates had increased so School Corporation went through an ADDITIONAL STEP and opened up this project to the possibility of a Referendum.

a. Public Notice of hearings (12/6/2018)

b. Public Hearings held December 20, 2018 & January 4, 2019

c. Public Notice of Adoption of Preliminary Determination Hearing (1/10/2019 & 1/17/2019) for estimated principal amount of \$15,000,000 and maximum annual lease payments of \$4,781,000.

d. Additional Public notices (3/28/2019 & 5/9/2019) and hearings regarding the lease steps for this Project and bonds – Lease Hearing, Lease Execution, Notice of Intent to Sell Bonds.

SUPPLEMENTAL STEPS:

e. Public Notice of hearings (11/14/2019)

f. Public Hearings held November 26, 2019 & December 2, 2019

g. Public Notice of Adoption of Preliminary Determination Hearing (12/5/2019 & 12/12/2019) for estimated principal amount of \$7,500,000 and maximum additional annual lease payments of \$3,500,000.

h. Additional Public notices related to the lease proceedings (1/30/2020, 3/5/2020 & 4/23/2020) and hearings regarding the lease steps for this Project and bonds – Lease Hearing, Lease Execution, Notice of Intent to Sell Bonds.