PRELIMINARY OFFICIAL STATEMENT DATED JULY 29, 2020

NEW ISSUE – BOOK-ENTRY ONLY

S&P Program Rating: "AA+"
S&P Underlying Rating: " A "
See "RATINGS" herein.

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

$5,350,000*
FRANKLIN COUNTY MIDDLE SCHOOL BUILDING CORPORATION
(FRANKLIN COUNTY, INDIANA)
AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2020

Dated: As of Delivery **Due: As shown on the inside cover**

The Ad Valorem Property Tax First Mortgage Bonds, Series 2020 (the "Bonds") will be dated as of delivery with interest payable on January 15 and July 15 of each year, commencing July 15, 2021. The Bonds will be issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry-only form in the denomination of $5,000 or any integral multiples thereof. Purchasers of beneficial interest in the Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Bonds. Principal and semi-annual interest will be disbursed on behalf of the Franklin County Middle School Building Corporation (the "Building Corporation") by BOKF, NA, a national banking association having a corporate trust office in the City of Indianapolis, Indiana (the "Trustee", "Registrar" and "Paying Agent"). The principal of and premium, if any, and interest on the Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the Bonds. The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See "The Bonds - Book-Entry-Only System". The Bonds are subject to optional redemption and may be subject to mandatory sinking fund redemption prior to maturity as described herein under "The Bonds."

The Bonds are issued pursuant to a Trust Indenture dated as of August 1, 2020 (the "Indenture"), entered into between the Building Corporation and the Trustee. The Bonds constitute valid and legally binding obligations of the Building Corporation and are payable from certain sources of income of the Building Corporation which have been specifically pledged for the payment thereof including lease rental payments to be received from the Franklin County Community School Corporation, Franklin County, Indiana (the "School Corporation"), under the terms of a Lease Agreement between the School Corporation and Building Corporation executed April 13, 2020 (the "Lease") which rental payments are payable from ad valorem property taxes to be levied and collected on all taxable property within the School Corporation and which rental payments will be paid directly to the Trustee. The levy of ad valorem property taxes by the School Corporation to pay rent due and payable under the Lease is mandatory and not subject to annual appropriation. (However, see "SUMMARY OF THE LEASE" and "CIRCUIT BREAKER TAX CREDIT" herein).

THE BONDS WILL MATURE ON THE DATES AND IN THE AMOUNTS AS SHOWN ON THE INSIDE COVER

The Bonds are offered when, as and if issued by the Building Corporation, subject to prior sale, the withdrawal or modification of the offer without notice, and to the unqualified approval as to the legality of the Bonds by Ice Miller LLP, Indianapolis, Indiana, as bond counsel. Certain legal matters will be passed upon by Mullin, McMillin & McMillin, LLP, Brookville, Indiana, counsel for the Building Corporation and the School Corporation. It is expected that the Bonds will be delivered through The Depository Trust Company in New York, New York on or about August 26, 2020.

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.

*Preliminary, subject to change

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$5,350,000*

FRANKLIN COUNTY MIDDLE SCHOOL BUILDING CORPORATION
(Franklin County, Indiana)
AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2020

(Base CUSIP 352765) †

Maturity	Amount*	Interest Rate	Price	CUSIP
7/15/2021	$40,000			
1/15/2022	$110,000			
7/15/2022	$100,000			
1/15/2023	$105,000			
7/15/2023	$85,000			
1/15/2024	$85,000			
7/15/2024	$20,000			
1/15/2025	$20,000			
7/15/2025	$20,000			
1/15/2026	$20,000			
7/15/2026	$160,000			
1/15/2027	$160,000			
7/15/2027	$260,000			
1/15/2028	$260,000			
7/15/2028	$390,000			
1/15/2029	$390,000			
7/15/2029	$390,000			
1/15/2030	$390,000			
7/15/2030	$385,000			
1/15/2031	$385,000			
7/15/2031	$390,000			
1/15/2032	$390,000			
7/15/2032	$395,000			
1/15/2033	$400,000			

† The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the Building Corporation, the School Corporation or the Underwriter, and are included solely for the convenience of the holders of the Bonds. None of the Building Corporation, the School Corporation or the Underwriter is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturities.

*Preliminary, subject to change.

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This Official Statement is being distributed in connection with the sale of the Bonds referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesman or other person is authorized to make any representations concerning the Bonds other than those contained in this Official Statement, and if given or made, such other information or representations may not be relied upon as statements of the Franklin County Middle School Building Corporation, Franklin County, Indiana (the "Building Corporation") or the Franklin County Community School Corporation, Franklin County, Indiana (the "School 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 Bonds by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Building Corporation and School Corporation, from time to time (collectively, the "Official Statement"), may be treated as a final Official Statement with respect to the Bonds described herein that is deemed final by the Building Corporation and School Corporation as of the date hereof (or of any such supplemental or amendment).

Unless otherwise indicated, the Building Corporation and the School Corporation are the sources of the information contained in this Official Statement. Certain information in this Official Statement has been obtained by the Building Corporation and the School Corporation or on their behalf from The Depository Trust Company and other non-Building Corporation or School Corporation sources that the Building Corporation and the School Corporation believe to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. Nothing contained in this Official Statement is a promise of or representation by RSA Advisors, LLC (the "Municipal Advisor"). The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the Building Corporation and the School Corporation or other information in this Official Statement, since the date of this Official Statement.

This Official Statement contains statements that are "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Official Statement, the words "estimate," "intend," "project" or "projection," "expect" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Official Statement.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Bonds will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity shall have passed upon the accuracy or adequacy of this Official Statement.

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.

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PRELIMINARY OFFICIAL STATEMENT

$5,350,000*
FRANKLIN COUNTY MIDDLE SCHOOL BUILDING CORPORATION
(Franklin County, Indiana)
AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2020

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided to set forth certain information concerning the sale and delivery by the Franklin County Middle School Building Corporation (the "Building Corporation") of its Ad Valorem Property Tax First Mortgage Bonds, Series 2020 (the "Bonds") in the aggregate principal amount of $5,350,000*. The Bonds will be issued under the provisions of the Indiana Code, Title 20, Article 47, Chapter 3 (the "Act") and in accordance with the terms of the Trust Indenture dated as of April 1, 2020 (the "Trust Indenture" or "Indenture"), between the Building Corporation and BOKF, NA, Indianapolis, Indiana, as Trustee (the "Trustee", "Paying Agent" and "Registrar").

The Building Corporation was organized for the purpose of providing funds to be applied to the cost of acquiring real estate and the renovation of and improvements to a certain school facility thereon and leasing such facility to Franklin County Community School Corporation, Franklin County, Indiana (the "School Corporation"). Other powers of the Building Corporation include the authority to refinance previously incurred indebtedness and to execute amended lease agreements with the School Corporation based on terms of a refinancing agreement. See "THE BUILDING CORPORATION" herein.

Pursuant to pertinent provisions of the Indiana Code, projects that are considered controlled projects are subject to certain additional 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 such provision for the preceding calendar year; and

(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 exceptions for a controlled project are (a) when property taxes are used only as a back-up to enhance credit, (b) when a project is being refinanced to generate taxpayer savings, (c) when the project is mandated by federal law, and (d) when the project is in response to a natural disaster, emergency or accident.

The Project (as defined herein) funded by the Bonds is not a controlled project and therefore was not subject to additional public approval procedures. See "PURPOSE OF ISSUE AND PLAN OF FINANCE."

For more information on the School Corporation and the community of the School Corporation, see "APPENDIX A – Franklin County Community School Corporation," "APPENDIX B - General Information About

* Preliminary, subject to change

the Community," and "APPENDIX E – Federal Audit Report of Franklin County Community School Corporation Audit Report as of June 30, 2018", included herein. All financial and other information presented in this Official Statement has been provided by the School Corporation from its records, except for information expressly attributed to other sources. The presentation of information concerning the School Corporation, including financial information, is intended to show recent historic information and is not intended to indicate or project future or continuing trends in the financial position or other affairs of the School Corporation. No representation is made or implied hereby that any past experience, as might be shown by the financial and other information, will necessarily continue in the future.

The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. Terms not defined in this Official Statement shall have the meaning set forth in the respective documents.

Investors must read the entire Preliminary Official Statement to obtain information essential to the making of an informed investment decision.

The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. Terms not defined in this Official Statement shall have the meaning set forth in the respective documents.

PURPOSE OF ISSUE AND PLAN OF FINANCE

The proceeds from the sale of the Bonds will be used to finance the renovation of and improvements to Franklin County High School, including the construction of an addition and site improvements, safety, security and technology improvements throughout the School Corporation and the purchase of equipment.

THE LEASED PREMISES

The property which will support the repayment of the Bonds consists of a portion of Franklin County High School in the School Corporation (the "Leased Premises"). The rent payments due under the Lease secure the repayment of the Bonds (see "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS" herein).

ESTIMATED SOURCES AND USES OF FUNDS

Estimated Sources of Funds(1)	Building Corporation	School Corporation	Total
Principal Amount of the Bonds	$5,350,000.00		$5,350,000.00
Original Issue Premium [Discount]			
Estimated Uses of Funds(1)			
Construction Account			
Purchase of Leased Premises(2)		( )	0.00
Allowance for Underwriter's Discount			
Estimated Costs of Issuance			
Total Estimated Uses of Funds			

(1) Preliminary, subject to change.

(2) The Building Corporation will pay the School Corporation $____________ to purchase the Leased Premises. The School Corporation will deposit such purchase price in a construction account and use it to pay for a portion of the costs of the Project.

SCHEDULE OF SEMI-ANNUAL DEBT SERVICE REQUIREMENTS AND LEASE PAYMENTS FOR THE BONDS

	2020 Bonds (1)			Semi-annual
Payment Date	Principal	Interest	Total Debt Service	Lease Payment (2)(3)
7/15/2021	$40,000	$117,079	$157,079	$163,000
1/15/2022	$110,000	$53,756	$163,756	$163,000
7/15/2022	$100,000	$52,959	$152,959	$158,000
1/15/2023	$105,000	$52,234	$157,234	$158,000
7/15/2023	$85,000	$51,446	$136,446	$139,000
1/15/2024	$85,000	$50,809	$135,809	$139,000
7/15/2024	$20,000	$50,150	$70,150	$73,000
1/15/2025	$20,000	$49,995	$69,995	$73,000
7/15/2025	$20,000	$49,835	$69,835	$72,500
1/15/2026	$20,000	$49,675	$69,675	$72,500
7/15/2026	$160,000	$49,505	$209,505	$211,500
1/15/2027	$160,000	$48,145	$208,145	$211,500
7/15/2027	$260,000	$46,705	$306,705	$308,500
1/15/2028	$260,000	$44,365	$304,365	$308,500
7/15/2028	$390,000	$41,895	$431,895	$433,000
1/15/2029	$390,000	$38,190	$428,190	$433,000
7/15/2029	$390,000	$34,290	$424,290	$425,000
1/15/2030	$390,000	$30,390	$420,390	$425,000
7/15/2030	$385,000	$26,295	$411,295	$412,000
1/15/2031	$385,000	$22,253	$407,253	$412,000
7/15/2031	$390,000	$18,018	$408,018	$408,500
1/15/2032	$390,000	$13,728	$403,728	$408,500
7/15/2032	$395,000	$9,243	$404,243	$407,000
1/15/2033	$400,000	$4,700	$404,700	$407,000

(1) Preliminary, subject to change.
(2) Lease payments are paid on the prior June 30 and December 31.

THE BONDS

General

The Bonds will be issued in fully registered form in the denomination of $5,000 or any integral multiple of that amount, will be dated as of delivery, and mature on January 15 and July 15 in the years and amounts and bear interest at the rates set forth on the inside cover page of this Official Statement. Interest on the Bonds, payable on January 15 and July 15, commencing July 15, 2021, and principal of the Bonds, will be paid by wire transfer of immediately available funds on the interest payment date to depositories shown as registered owners.

So long as DTC or its nominee is the registered owner of the Bonds, principal of and interest on the Bonds will be paid directly to DTC by the Paying Agent. Interest will be paid on the basis of a 360-day year consisting of twelve 30-day months. Payment shall be made to the depository in whose name the Bond is registered on the fifteenth day preceding an interest payment date. (The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants, all as defined and more fully described herein.)

Book-Entry-Only System

(a) The Depository Trust Company ("DTC"), New York, NY, will act as Bonds depository for the Bonds (the "Bonds"). The Bonds will be issued as fully-registered Bonds 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 certificate will be issued for each issue of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

(b) DTC, the world's largest securities 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.

(c) Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

(d) To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

(e) Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

(f) Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

(g) Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

(h) Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Building Corporation or Agent, on 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 Bonds 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, Agent, or the Building Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments 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 Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

(i) A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to Tender/Remarketing Agent's DTC account.

(j) DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Building Corporation or Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

(k) The Building Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

(l) 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 the Building Corporation takes no responsibility for the accuracy thereof.

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 Bonds or (2) the Building Corporation elects to discontinue its use of DTC as a clearing agency for the Bonds, then the Building Corporation will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other clearing agency, as the holder of such Bonds may direct. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Bonds will be paid by the Building Corporation.

Optional Redemption

The Bonds due on and after July 15, 2028 may be redeemed prior to maturity, at the option of the Building Corporation, in whole or in part, in such order of maturity as determined by the Building Corporation, and by lot within maturities, on any date not earlier than January 15, 2028 at face value, plus in each case accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Bonds maturity on ___________ are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof plus accrued interest on the dates and in the amounts in accordance with the following schedules:

Term Bonds Due ______

Date	Amount	Date	Amount
		*	$

*Final maturity

Registration, Transfer and Exchange

The Bonds will be registered at and are transferable by the registered owners at the designated corporate trust office of the Registrar, upon surrender and cancellation and on presentation of a duly executed written instrument of transfer. A new bond or bonds of the same aggregate principal amount and maturity and in authorized denominations will be issued to the transferee or transferees in exchange therefor.

If any Bond is mutilated, lost, stolen or destroyed, the Registrar may execute, subject to the provisions of the Trust Indenture, a replacement bond or bonds of the same date, maturity and denomination. In the case of a mutilated bond, the Registrar may require that the mutilated bond be presented and surrendered as a condition to executing a replacement. In the case of loss, theft or destruction, the Registrar may require evidence of the destruction or indemnity satisfactory to the Registrar in its discretion. The Registrar may charge the owner for reasonable fees and expenses in connection with replacements.

ADDITIONAL BONDS

The Building Corporation may issue Additional Bonds ("Additional Bonds") on a parity basis with the Bonds from time to time to provide for the partial or full refunding of the Bonds, the additional construction and renovation to the Leased Premises under the Lease and for certain other limited purposes. Any series of Additional Bonds shall have maturities, interest rates, interest payment dates, denominations and other terms as provided in the supplemental indenture entered into in connection with the issuance of such Additional Bonds, provided that such terms and provisions shall not be otherwise inconsistent with the Trust Indenture. The Bonds, together with any Additional Bonds as may be issued on a parity basis therewith under the Trust Indenture, are to be equally and ratably secured and entitled to the protection given under the Trust Indenture.

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

The Bonds are valid and binding obligations secured by (i) a first mortgage lien on and security interest in certain property described in the Trust Indenture, including the Leased Premises and (ii) semi-annual Lease rental payments to be paid by the School Corporation directly to the Trustee (for the account of the Building Corporation) ("Rent") pursuant to the terms of a Lease Agreement between the School Corporation and the Building Corporation dated April 13, 2020 (the "Lease"). The Rent payable by the School Corporation under the Lease is payable from ad valorem property taxes to be levied by the School Corporation on all of the taxable property within the School Corporation. The levy of property taxes by the School Corporation to pay Rent due and payable under the Lease is mandatory and not subject to annual appropriation. (see "SUMMARY OF THE LEASE – Lease Term and Rental" and "CIRCUIT BREAKER TAX CREDIT" herein).

Indiana law does not permit school corporations to pay full lease rental payments on a building or structure which the school corporation leases until the renovations at such building or structure are complete and ready for occupancy. The semi-annual rentals, under the Lease, which are required to be paid by the School Corporation through the final maturity of the Bonds are in such amounts sufficient to pay the principal of and interest on the Bonds. The Lease provides for rental during renovation of the Leased Premises in the amount of up to $425,000 per payment, payable on June 30 and December 31 beginning on June 30, 2021 until completion of construction. Thereafter, each full installment of rent is payable in advance for the following six-month period on June 30 and December 31, commencing on June 30, 2022, or on the date the Leased Premises are completed and ready for occupancy, whichever is later. The Lessee agrees to pay rent in an accrued amount of $850,000 once the Leased Premises are completed. If there are excessive delays in the Project at the Leased Premises and the Project at the Leased Premises is not completed by June 30, 2022, then sufficient funds may not be available to meet all of the principal and interest payments due on the Bonds on and after such dates.

While the pledge of other sources of payment and revenues is made, such as the first mortgage on all of the real estate relating to the Leased Premises owned by the Building Corporation, pledged funds, interest earnings and property insurance proceeds, no significant source of payment exists other than the Rent payments by the School Corporation.

Under the Lease, if for any reason the Leased Premises is partially or totally destroyed or unfit for occupancy, the Rent payments shall be proportionally abated. In accordance with the Lease, the School Corporation is required to maintain rental value insurance insuring Rent payments in connection with the loss of use of the facilities due to casualty for a period of two years. In addition, the School Corporation is required to insure the Leased Premises against physical damage, however caused, in an amount equal to the lesser of (i) the replacement cost thereof, with such exceptions ordinarily required by insurers, or (ii) the redemption price of the outstanding bonds under the Trust Indenture.

INTERCEPT PROGRAM

The State Department of Local Government Finance (the "DLGF") is, prior to the end of each calendar year, required by Indiana Code Title 20, Article 48, Chapter 1, Section 11 (the "Intercept Act") to review the proposed bond and lease rental ad valorem tax levies of each school corporation for the next calendar year and the proposed appropriations from those levies to pay principal of and interest on the school corporation's outstanding general obligation bonds and to pay the school corporation's outstanding lease rental obligations (collectively "bond and lease obligations") to be due and payable in the next calendar year. The DLGF is to determine whether the proposed levies and appropriations are sufficient to pay the bond and lease obligations. If it determines that the proposed levies and appropriations are insufficient to pay the bond and lease obligations, then the DLGF is required to establish for the school corporation bond and lease rental levies and appropriations which are sufficient for that purpose. This provision of the Indiana Code could be modified or repealed at any time.

The Intercept Act further provides that upon failure of any school corporation to make lease rental payments when due and upon being notified of such failure by a claimant, the Treasurer of the State of Indiana (the "State") shall make such payments from the funds of the State (the "State Intercept Program"). Such payments are limited to the amounts appropriated by the General Assembly for distribution to the school corporation from State funds in the calendar year. Such lease rental payments made by the State Treasurer would then be deducted from state distributions being made to the school corporation. Pursuant to the Trust Indenture, the Trustee is to notify and demand payment immediately from the State Treasurer if the school corporation should default in its obligation under the Lease to pay Rent to the Trustee. There can, however, be no assurance as to the levels or amounts that may from time to time be appropriated by the Indiana General Assembly for school purposes or that this provision of the Indiana Code will not be repealed. Furthermore, there may be a delay in payment of debt service due to the procedural steps required for the Trustee or other claimants to draw on the State Intercept Program.

The estimated State distributions for 2020 and resulting debt service coverage levels are as follows:

2020 Estimated State Grants:	$14,397,556
Estimated Combined Maximum Annual Debt Service (1) (2) (see Page A-13):	$1,534,725
State Distributions Required to Provide Two-Times Coverage (1):	$3,069,450
State Distributions Above/(Below) Two-Times Coverage Amount (1):	$11,328,106

(1) Preliminary, subject to change.
(2) Based upon the estimated total debt service for budget year 2022,[including debt service on the Bonds].

PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

The lease rental 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. 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 the preceding year, the date by which the DLGF must certify the taxing units' budgets.

The certified statement of assessed value is used when the governing body of a local taxing unit meets to establish its budget for the next fiscal year (January 1 through December 31) and to set tax rates and levies. In preparing the taxing unit's estimated budget, the governing body must consider the net property tax revenue that will be collected by the taxing unit during the ensuing year, after taking into account the DLGF's estimate of the amount by which the taxing unit's distribution of property taxes will be reduced by the application of the Circuit Breaker Tax Credit (as defined in the summary of "CIRCUIT BREAKER TAX CREDIT" herein), and after taking into account the DLGF's estimate of the maximum amount of net property tax revenue and miscellaneous revenue that the taxing unit will receive in the ensuing year and after taking into account all payments for debt service obligations that are to be made by the taxing unit during the ensuing year. Before August 1 of each year, the DLGF shall provide to each taxing unit, an estimate of the amount by which the taxing unit's distribution of property taxes will be reduced.

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 percentage change between the current and proposed tax levies of each fund; (v) the estimated amount, determined by the DLGF, by which the taxing unit's property taxes may be reduced by the Circuit Breaker Tax Credit; (vi) the amounts of excess levy appeals to be requested, if any; (vii) the time and place at which the taxing unit will conduct a public hearing related to the information submitted to Gateway; and (viii) the time and place at which the taxing unit or appropriate fiscal body will meet to fix the budget, tax rate and levy of the taxing unit. The taxing unit must submit the information listed in (i) – (viii) above on Gateway at least ten days prior to the date of the public hearing. The public hearing must be completed at least ten days before the taxing unit meets to fix the budget, tax rate and tax levy which by statute must each be established no later than November 1. The taxing unit must file the adopted budget with the DLGF within five days after adoption. The public hearing must be conducted at least ten days prior to the date the governing body establishes the budget, tax rate and levy, which by statute must each be established no later than November 1.

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

The DLGF may not approve a levy for lease payments by a school corporation to a building corporation if: (i) there are no bonds of the building corporation outstanding; and (ii) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested. However, the DLGF may increase the school corporation's tax rate and levy if the tax rate and levy proposed by the school corporation are not sufficient to make its lease rental payments**.**

The DLGF must complete its review and certification of budgets, tax rates and levies by December 31 of the calendar year immediately preceding the ensuing calendar year unless a taxing unit in the county is issuing debt after December 1 in the year preceding the budget year or intends to file a levy shortfall appeal.

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.

Personal property values are assessed January 1 of every year and are self-reported by property owners to assessors using prescribed forms. The completed personal property return must be filed with the assessors no later than May 15. 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 July 1, 2019, pursuant to IC 6-1.1-3-7.2, State law automatically exempts from property taxation the acquisition cost of a taxpayer's total business personal property in a county if the total business personal property is less than forty thousand dollars ($40,000) for that assessment date.

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, amended State law to provide that “true tax value” for real property does <u>not</u> 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 Indiana Code § 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 general reassessments, as well as when changes occur in the property value due to new construction or demolition of improvements. Since July 1, 2013, and before May 1 of every fourth year thereafter, the county assessor is required to prepare and submit to the DLGF a reassessment plan for the county. Since 2015, 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 reassessment plan once during each reassessment cycle. The most recent cyclical reassessment began on May 1, 2018, and was to be completed in the first quarter of 2019 for taxes due and payable in 2020. 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.

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.

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 from any other undistributed funds of the political subdivision in possession of the State.

Pursuant to IC 6-1.1-20.6-9.9, if a school corporation has sufficient Circuit Breaker Tax Credit losses in any year from 2019 through 2023, and has such annual losses timely certified by the DLGF, it will be an eligible school corporation for such year that it submitted the request for a determination (an "Eligible School Corporation"). An Eligible School Corporation may allocate its Circuit Breaker Tax Credit loss 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 2019 and used the exemption in 2019. As of the date of this Official Statement, the School Corporation does not know whether it will qualify for this exemption in 2020.

After 2016, 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 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 such 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 2018, 2019 and 2020 are $55,573, $59,087 and $78,955, respectively. These estimates do not include the estimated debt service on the Bonds and lease rentals on the Lease securing the Bonds.

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

SCHOOL CORPORATION FISCAL INDICATORS

Public Law 213-2018(ss) was enacted by the Indiana General Assembly in 2018 (the "DUAB Law"). The DUAB Law required the Distressed Unit Appeal Board, an entity previously established pursuant to Indiana Code 6-1.1-20.3-4 (the "DUAB") to establish a Fiscal and Qualitative Indicators Committee (the "Committee"), and for such Committee to select from a prescribed list the fiscal and qualitative indicators with which the DUAB would evaluate the financial conditions of Indiana public school corporations.

Further, pursuant to the DUAB Law, starting in June, 2019, the DUAB has been charged with making a determination of whether a corrective action plan is necessary for any school corporations, based upon a process of initial identification by the DUAB's executive director pursuant to such fiscal and qualitative indicators, and a contact and assessment of each such school corporation by the DUAB's executive director.

The DUAB will place a school corporation on its watch list under certain circumstances, if such school corporation fails to properly submit a corrective action plan, or if such school corporation is not compliant with its corrective action plan. Upon the state budget committee review of the school corporation's placement on the watch list, such placement will become public. Until such time, all reports, correspondence and other related records are not subject to public disclosure laws under Indiana state law. See Indiana Code 20-19-7-18.

A graphic summary of such fiscal and qualitative indicators, searchable for any specific Indiana public school corporation, can be found at: https://www.in.gov/duab/2386.htm. (Some of such data may be less current than the data found in Appendix A hereto.)

THE BUILDING CORPORATION

The Building Corporation was organized pursuant to the Indiana Code, Title 23, Article 17, Chapters 1-30, for the sole purpose of acquiring land and constructing school facilities to be leased to the School Corporation. In order to provide the funds necessary to undertake projects, the Building Corporation has issued bonds secured by a lease agreement and mortgage. The Building Corporation also has the power to issue bonds.

During its existence, the Building Corporation will operate entirely without profit to the Building Corporation, its officers, directors and members. Its officers and directors serve without compensation.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Bonds and with regard to the tax status of the interest thereon (see "TAX MATTERS") will be passed upon by Ice Miller LLP ("Bond Counsel"). A signed copy of the opinion, dated and premised on facts and laws existing as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of the original delivery. Certain legal matters will be passed on for the School Corporation and for the Building Corporation by Mullin, McMillin & McMillin, LLP, Brookville, Indiana. A copy of the opinion proposed to be delivered by Bond Counsel for the Bonds is attached as Appendix D.

The engagement of Ice Miller LLP as Bond Counsel is limited generally to the examination of the documents contained in the transcript of proceedings, and examination of such transcript of proceedings and the law incident to rendering the approving legal opinion referred to above, and the rendering of such approving legal opinion. In its capacity as Bond Counsel, Ice Miller has reviewed those portions of this Official Statement under the captions: "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS", "THE BONDS" (EXCEPT FOR "BOOK – ENTRY-ONLY SYSTEM" AND "REVISION OF BOOK-ENTRY-ONLY SYSTEM"), "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE", "SUMMARY OF THE LEASE", "TAX MATTERS", "ORIGINAL ISSUE DISCOUNT", "AMORTIZABLE BOND PREMIUM" and "LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES" (Except for "Post Compliance"). Bond Counsel has not been retained to pass upon any other information in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information that may be prepared or made available by the School Corporation, the Trustee, the Underwriter or others to the prospective purchasers of the Bonds or to others.

LITIGATION

No litigation or administrative action or proceeding is pending or, to the knowledge of the Building Corporation and the School Corporation, threatened restraining or enjoining, or seeking to restrain or enjoin, the levy and collection of taxes to pay the Rent to be paid under the Lease, or contesting or questioning the proceedings or authority under which the Lease was authorized, or the validity of the Lease. No litigation or administrative action or proceeding is pending or, to the knowledge of the School Corporation and the Building Corporation, threatened concerning the issuance, validity and delivery of the Bonds. Certificates to such effect will be delivered at the time of the original delivery of the Bonds.

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 Bonds shall be deposited in the Construction Account of the Construction Fund and used to pay costs of construction.

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

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

The Construction Fund will be used to finance the proposed renovation of and improvements to Franklin County High School, including the construction of an addition and site improvements, safety, security and technology improvements throughout the School Corporation and the purchase of equipment (the "Project"), to pay costs of issuance of the Bonds and to pay interest on the Bonds during construction. Any moneys remaining in the Construction Fund one year after completion of the Project will be transferred to the Operation and Reserve Fund.

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 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 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 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 Bonds are called for redemption, to pay the principal, interest, and redemption premium, if any, on the Bonds, (d) to purchase 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 any officer 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 Bonds from becoming "arbitrage bonds" under the Code. If an exception to rebate is not met, the Building Corporation shall be required to calculate or cause to be calculated at the five year anniversary 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 Bonds secured by the Trust Indenture then outstanding, the Trustee shall apply the amounts in such Funds to the redemption of such 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 (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of American when such obligations are backed by the full faith and credit of the United States of America, (iv) Federal Housing Administration debentures, (v) Federal Home Loan Mortgage Corporation participation certificates and senior debt obligations (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts), (vi) Farm Credit Bank consolidated system-wide bonds and notes, (vii) Federal Home Loan Banks consolidated debt obligations, (viii) Federal National Mortgage Association senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts), (ix) unsecured certificates of deposit, time deposits and bankers' acceptances of any bank (including the Trustee and its affiliates) the short-term obligations of which are rated "A-1" or better by Standard and Poor's Ratings Group having an original maturity of not more than 360 days, (x) commercial paper (having original maturities of not more than 270 days) rated "A-1+" by Standard and Poor's Ratings Group and "Prime-1" by Moody's at the time of purchase, (xi) evidence of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated, (xii) deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), including CDARS, (xiii) money market funds, which funds may be funds of the Trustee or its affiliates, including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise, and which funds are rated "AAAm" or "AAAm-G" by Standard and Poor's Ratings Group, (xiv) repurchase and reverse repurchase agreements collateralized with Government Securities, including those of the Trustee of any of its affiliates, (xv) investment deposit agreements constituting an obligation of a bank, as defined by the Indiana Banking Act (including the Trustee and its affiliates), whose outstanding unsecured long-term debt is rated at the time of such agreement in any of the two highest rating categories by each Rating Agency, or (xvi) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic banks whose short term certificates of deposit are rated on the date of the purchase in any of the two highest rating categories by any rating agency and maturing no more than 360 days after the date of the purchase. 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 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 will begin promptly upon receipt by the Trustee of bond proceeds and that it will complete such construction 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 Bond and the Trust Indenture and will punctually pay the principal of, premium, if any, and interest on the Bonds;

(c) it is duly authorized under the laws of the State of Indiana to create and issue the 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 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 Bonds permitted by the Trust Indenture, and Additional Bonds, as long as the 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 Bonds, any moneys received from lease rentals payable according to the Lease, amounts received from the investment of the proceeds of the Bonds or other amounts received shall not be invested in such manner which would cause the 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 Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the 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 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 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code.

<u>Insurance</u>

The Building Corporation covenants that during construction of the Project it will carry or cause the School Corporation to carry the following kinds of risks insurance (a) builders risk insurance in the amount of 100% of the insurable value of the mortgaged property against physical loss or damage, and (b) bodily injury and property damage insurance for damages for bodily injury, including accidental death, as well as claims for property damages which may arise from such construction.

The Building Corporation further covenants that all contracts for the construction of the Project will or do require the contractor to carry such insurance as will protect the contractor from liability under the Indiana Worker's Compensation and Worker's Occupational Disease Act.

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 the full replacement cost of the property; (b) business income coverage or other similar insurance providing "rental value" coverage and naming the Lessor as an additional insured. Such "rental value" coverage shall include limits in an amount at least sufficient to meet the payments for two (2) years of the net rent, impositions and other charges provided for in the Lease, and (c) bodily injury and property damage insurance naming the Corporation as an insured against claims for damages for bodily injury, including accidental death, as well as claims for property damages with reference to the Leased Premises in an amount not less than One Million Dollars ($1,000,000) on account of each occurrence.

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 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 Bonds issued and then outstanding under the Trust Indenture at the then current redemption price.

<u>Events of Default and Remedies</u>

Events of default under the Trust Indenture include: failure to pay the principal of, or the redemption premiums, if any, on any of the Bonds; failure to pay interest on the 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 Bonds then outstanding and upon being indemnified to its reasonable satisfaction shall, declare the principal amount of and interest accrued on all outstanding Bonds immediately due and payable; subject, however, to the rights of the holders of the majority in principal amount of all the outstanding 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 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 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 Bonds, with interest at the highest rate of interest on any of the 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 Bonds is due, to the payment of the principal thereof and the accrued interest thereon pro rata. No holder of all of the 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 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 Bonds.

The holders of not less than 66-2/3% in aggregate principal amount of the 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 Bond;

(b) A reduction in the principal amount of any 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 Bond or Bonds over any other Bond or Bonds; or

(e) A reduction in the aggregate principal amount of the 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 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 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 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 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 Bonds outstanding.

If the whole amount of the principal, premium, if any, and interest so due and payable upon all of the 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 Bonds.

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 is to cause the Leased Premises to be completed in accordance with the contract documents and the plans and specifications which have been prepared by or at the direction of the Building Corporation and approved by the School Corporation and applicable agencies. The plans and specifications may be 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 may not alter the character of the building or reduce the value thereof.

Lease Term and Rental

The Lease is for a thirteen (13) year term which commences on the date the Building Corporation acquires fee simple title to the Leased Premises and expires on the date which is thirteen (13) years later. By each rent payment date, the School Corporation is to pay the installment of rent due under the Lease. The Lease provides for rental during renovation in the amount of up to $425,000 per payment payable on June 30 and December 31 beginning on June 30, 2021 until completion of construction. Thereafter, each installment of rent is payable in advance for the following six-month period on June 30 and December 31, commencing on June 30, 2022, or on the date the Leased Premises are completed and ready for occupancy, whichever is later. The annual rent to be paid is $850,000 per year, payable in equal semiannual installments. Completion of the Leased Premises is to be certified to the School Corporation by a representative of the Building Corporation pursuant to the Lease. The date the building is substantially completed and ready for occupancy shall be endorsed on the end of the Lease by the parties thereto as soon as can be done after the completion of the construction. The endorsement shall be recorded as an addendum to the Lease. The lease rental shall be reduced following the sale of the Building Corporation's Bonds to an amount not less than the multiple of $1,000 next higher than the highest sum of principal and interest due on such bonds in each bond year ending on a bond maturity date plus $5,000, payable in equal semiannual installments. Such amount of reduced annual rental shall be endorsed at the end of the Lease by the parties thereto as soon as can be done after the sale of the bonds. The endorsement shall be recorded as an addendum to the Lease.

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 one hundred percent (100%) of the full replacement cost of the mortgaged property. 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 Bonds and all such 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 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:

(c) 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

(d) 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 the Leases 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 Internal Revenue Code of 1986.

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.

POTENTIAL IMPACT OF CORONAVIRUS

The recent outbreak of the novel strain of coronavirus called COVID-19, which has been designated a global pandemic by the World Health Organization, is impacting local and global economies, as governments, businesses, and citizens react to, plan for, and try to prevent or slow further transmission of the virus. Financial markets, including the stock market in the United States and globally, have seen significant recent volatility and decline that have been attributed to coronavirus concerns. The Indiana Department of Health and the United States Centers for Disease Control and Prevention have been providing regular updates and guidelines to the public and to State and local governments. On March 6, 2020, as part of the State's response to address the outbreak, the Governor declared a state of emergency. On March 13, President Donald Trump declared a national emergency, freeing up funding for federal assistance to state and local governments. On March 19, 2020 the Governor issued Executive Order 20-05, which ordered all public and private K-12 schools closed until May 1, 2020, canceled all State mandated assessments for the current academic year, extended the deadline to pay State income tax payments from April 15 to July 15, and waived penalties for property taxes due by May 11 for 60 days. In addition on April 2, 2020, the Governor issued an Executive Order which ordered all public and private K-12 schools closed for the remainder of the 2019-2020 school year.

The State's finances may materially be adversely affected by the continued spread of COVID-19, which could affect the amount appropriated and timing of the distribution of State aid to school districts, including the School Corporation. Property taxes are the School Corporation's primary revenue source for repayment of the Bonds and the primary revenue source for the Operation Fund. Therefore, if the collection of property taxes is delayed or reduced, the School Corporation may have difficulty in paying the debt service on the Bonds and funding the Operations Fund. The School Corporation, however, cannot predict the effect the spread of COVID-19 will have on its finances or operations.

The March 19 press release from the Governor's office, regarding Executive Order 20-05, stated that the State will work with counties that may experience cash flow stress because of the income tax and property tax collection delays and their distribution to all taxing districts, including the School Corporation, In addition, under current State law the School Corporation has the ability to issue tax anticipation warrants, seek advances from the county treasurer for up to 95% of the amount to be received in the next settlement period, if available and enter into temporary loans to mitigate a delay in property tax and State aid distribution delays.

In its own response to COVID-19, and out of concern for the health and safety of its students, staff, and community, the School Corporation made the decision to close all School Corporation schools beginning March 13, 2020. Such closures will continue through the remaining 2019-2020 school year.

TAX MATTERS

In the opinion of Ice Miller LLP, Indianapolis, Indiana ("Bond Counsel") under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. This opinion is conditioned on continuing compliance by the Issuer with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana (the "State"). This opinion relates only to the exemption of interest on the Bonds for State income tax purposes. See Appendix D for the form of opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the Bonds as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Issuer will covenant not to take any action, within its power and control, nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code (collectively, the "Tax Covenants"). The Trust Indenture and certain certificates and agreements to be delivered on the date of delivery of the Bonds establish procedures under which compliance with the requirements of the Code can be met. It is not an event of default under the Trust Indenture if interest on the Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the issue date of the Bonds.

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

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

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

ISSUE PRICE

As described in Appendix F to this Preliminary Official Statement, the winning bidder agrees by submission of its bid to assist the Corporation in establishing the issue price of the Bonds and shall execute and deliver to the 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 Corporation and Bond Counsel. All interested bidders should read Appendix F regarding the Corporation's requirement for the winning bidder to establish the issue price of the Bonds within the meaning of the Code.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Bonds maturing on _______________ (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. A taxpayer who purchases a Discount Bond in the initial public offering at the price listed on the cover page hereof (assuming a substantial amount of such Discount Bond was sold at such price) 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 prices listed on the cover page hereof 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 Bonds maturing on ______________________ (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 public offering of the Bonds will be required to adjust the owner's basis in the Premium Bond downward as a result 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 disposition of the Premium Bonds, including sale, redemption or payment at maturity. The amount of amortizable Bond Premium will be computed on the basis of the taxpayer'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 Premium Bonds. Owners of the 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 such 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 tax advisors concerning treatment of Bond Premium.

PROPOSED LEGISLATION

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch, including some proposed changes under consideration at the time of issuance of the Bonds. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the Bonds. It is possible that legislation enacted after the date of issuance of the Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the Bonds.

Legislation affecting municipal bonds is considered from time to time by the Indiana legislature and Executive Branch. It is possible that legislation enacted after the date of the Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Bonds.

The issuer cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available to the bondholders upon a default under the Trust Indenture, or to the 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 Corporation from time to time, but the Corporation has no reason to believe, under existing law, that any such lien would have priority over the lien on the property taxes pledged to owners of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State 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.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission ("SEC") in SEC Rule 15c2-12, as amended (the "SEC Rule"), the School Corporation will enter into a Master Continuing Disclosure Undertaking (the "Undertaking") to be dated the date of the sale of the Bonds, provided that the winning bidder is an underwriter and the Bonds will be subject to the SEC Rule.

Pursuant to the terms of the Undertaking, the School Corporation agrees to provide the information detailed in the Undertaking, the form of which is attached hereto as Appendix C.

The School Corporation may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners 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 School Corporation, or type of business conducted; (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the SEC Rule on the date of execution of the Undertaking, 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) nationally recognized bond counsel or (B) an approving vote of the holders of the Bonds pursuant to the terms of the Resolution or Trust Indenture 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 Bonds by providing for an undertaking by the School Corporation in satisfaction of the SEC Rule. The Undertaking is solely for the benefit of the owners of the 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 Bonds, the Resolution or any other agreement.

In order to assist the Underwriter in complying with the Underwriter’s obligations pursuant to the SEC Rule, the School Corporation represents that it has conducted or caused to be conducted what it believes to be a reasonable review of the School Corporation’s compliance with its existing continuing disclosure obligations. Based upon such review, the School Corporation is not aware of any instances in the previous five years in which the School Corporation has failed to comply in any material respects with its previous undertaking agreements. The School Corporation has contracted with Ice Miller LLP as the dissemination agent to assist with future compliance filings.

UNDERWRITING

The Bonds are being purchased for reoffering by________________________ (the "Underwriter"). The Underwriter has agreed to purchase all, but not less than all, of the Bonds at an aggregate amount of $_______________, which includes the Underwriter’s discount of $____________ and [an original issue premium/discount] of $__________.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the inside cover page. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriter.

MUNICIPAL ADVISOR

RSA Advisors, LLC (the "Municipal Advisor") has been employed as Municipal Advisor in connection with the issuance of the Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery thereof.

RATINGS

S&P Global Ratings, a Division of S&P Global ("S&P Global"), has assigned a rating of "___" to the Bonds based upon the Indiana State Intercept Program (see "INTERCEPT PROGRAM" above) (the "Programmatic Rating Program") and an Issuer credit rating of "___" (the "Underlying Rating"). Such ratings reflect only the view of S&P Global and any explanation of the significance of such ratings may be obtained from S&P Global.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. No other ratings have been applied for.

Such ratings are not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by any rating agency should be evaluated independently. Except as may be required by the undertaking described under the heading "CONTINUING DISCLOSURE", the form of which is attached hereto as Appendix C, none of the Building Corporation, the School Corporation or the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

STATEMENT OF ISSUER

The information and descriptions of documents included in this Official Statement do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. The Municipal Advisor has referred to the documents for details of all terms and conditions thereof relating to the Leased Premises and the Bonds.

Neither this Official Statement, nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of any of the Bonds. Any statements in this Official Statement involving matters of opinion whether or not expressly so stated, are intended as such and not as representations of fact.

This Official Statement has been authorized and approved by the Building Corporation and is deemed to be nearly final in form. The Building Corporation will provide the Municipal Advisor with sufficient copies of the Preliminary Official Statement in a timely manner.

Franklin County Middle School Building Corporation

By: ____/s/____________________________
President

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APPENDIX A

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION

General

The Franklin County Community School Corporation is located in southeastern Indiana. The school corporation encompasses 300 square miles of Franklin County. The school corporation is governed by a seven-member non-partisan school board. Members are elected in November's General Election and take office in January. Members are elected for four year terms. The Board employs a Superintendent of Schools as its chief executive officer and educational leader.

Source: School Corporation

School Board

	Term Expiration
Matthew Siedling, President	12/31/2020
Rick Gill, Vice President	12/31/2020
Beth Foster, Secretary	12/31/2022
Terry Bryant, Member	12/31/2022
Francis Brumback, Member	12/31/2020
Phil Harsh, Member	12/31/2020
Sharon Wesolowski, Member	12/31/2022

Source: School Corporation

Personnel

The School Corporation, as of February 1, 2020, had a total staff of 308 personnel, 252 full time and 56 part-time, allocated in categories as follows:

Staffing Category	Full-Time	Part-Time
Administration	9	
Teachers	142	1
Counselors	3	
Librarians	3	
Social Workers	2	
Secretarial/Clerical/Computer Technicians	18	
Corporation Treasurer	1	
Nurses	5	
Maintenance/Custodial	24	2
Food Service/Cafeteria	6	24
Aides	36	16
Bus Drivers	3	13
Totals	252	56

The Franklin County Education Teachers Association	Represents Teachers	Expiration Date June 30, 2020

Source: School Corporation records

Facilities

In addition to the administration office, five school buildings are currently housing educational programs for the School Corporation. Summary information about the schools presented by selected category follows:

Name of School	Grades	Original Construction	Last Addition/ Renovation
Brookville Elementary	PreK-5	1960	2002
Franklin County Middle School	6-8	2002	N/A
Franklin County High School	9-12	1989	N/A
Laurel Elementary School	PreK-6	1975	N/A
Mt. Carmel Elementary School	K-6	1975	2008

Source: School Corporation records

Enrollments

Shown below are the total enrollments in grades K-12 for the past five years and a projection of such enrollments for the next five years:

Academic Year	Actual Enrollment	Academic Year	Projected Enrollment*
2015-16	2,533	2020-21	2114
2016-17	2452	2021-22	2072
2017-18	2321	2022-23	2011
2018-19	2223	2023-24	1964
2019-20 (1)	2121	2024-25	1923

(1) School corporations count total student enrollment or Average Daily Membership (ADM) twice annually, once in September and once in February. The enrollment reflects the February count.

Source: School Corporation records

Net Assessed Valuation

Annual net assessed valuation totals of the School Corporation are shown below. In Indiana, statutory provisions for assessment of land, improvements, and personal property specify true tax value as assessed valuation. Criteria for determination of true tax value are established by the Indiana Department of Local Government Finance. Assessed valuation is reduced by various exemptions for homesteads, mortgages, and abatements.

Tax Payment Year	Net Assessed Valuation
2016	$700,886,455
2017	700,411,446
2018	699,589,184
2019	718,805,353
2020	725,367,794

Note: 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 will shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land will result in a reduction of the total assessed value allocated to a School Corporation. Lower assessed values allocated to 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.

Source: Indiana Department of Local Government Finance

Largest Taxpayers

The net assessed valuation for the largest taxpayers located within Franklin County are included in the following table:

Name of Business	Type of Business	2019 pay 2020 Net Assessed Valuation
Rockies Express Pipeline LLC	Natural Gas Pipeline	$21,442,270
Owens Corning Roofing & Asphalt LLC	Building and Industrial Materials	8,714,770
Duke Energy Indiana, Inc.	Energy Company	3,920,890
Knecht Rentals, LLC	Rental Group	3,857,910
MRT of Brookville IN - SNF, LLC % MedEquities Realty Operating Partnership, LP	Real Estate Investment Trust	3,657,500
Enterprise TE Products Pipeline Company, LLC	Oil and Gas Company	3,077,510
Frontier North, Inc.	Telecommunications	2,810,900
Betty L Kolb, Trustee	Trust	2,780,200
Golden Brookville, LLC	Farming	2,636,030
Hautau Tube Cutoff Systems LLC	Manufacturing	2,355,310

Reasonable efforts have been made to determine and report the largest taxpayers and to include all taxable property of those taxpayers listed based on records provided by the Franklin County Auditor's office and the Indiana Department of Local Government Finance. Many of the taxpayers listed in such records, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included.

Source: Indiana Department of Local Government Finance

Taxes Levied and Collected

Total property tax levies for the School Corporation and collections against those levies for the past five years are:

Collection Year	Gross Taxes Levied	Less: Circuit Breaker Credits	Net Taxes Levied	Taxes Collected	Percent Collected
2016	$6,115,234	($36,839)	$6,078,395	$4,599,285	75.7%
2017	6,190,237	(45,127)	6,145,110	6,316,486	102.8
2018	6,274,616	(55,573)	6,219,043	6,322,714	101.7
2019	6,083,250	(59,087)	6,024,163	6,147,298	102.0%
2020 (est)	6,513,803	In Process	In Process	In Process	In Process

Collections shown include present and prior year property tax levies, along with penalties and interest on prior year delinquencies. Excluded are receipts from automobile excise taxes and financial institution (intangibles) taxes.

Indiana statutes and practices make it difficult to evade property tax liabilities. Penalty and interest charges are assessed and property may be seized and sold to satisfy loans. Taxes due each year are due in two installments, May and November.

Source: Indiana Department of Local Government Finance; School Corporation Annual Financial Reports (Form 9); the Franklin County Auditor's Office

School Tax Rates

The following property tax rates (per $100 of assessed valuation) are net rates for the past five years for the School Corporation.

Year	General(1)	Debt Service	Capital Projects(1)	Trans-Operating(1)	Bus Replace(1)	Education(1)	Operations(1)	Total
2016	$0.0000	$0.2210	$0.2724	$0.3574	$0.0217	--	--	$0.8725
2017	0.0000	0.2177	0.2724	0.3712	0.0225	--	--	0.8838
2018	0.0000	0.2144	0.2725	0.3866	0.0234	--	--	0.8969
2019	--	0.1594	--	--	--	0.0000	0.6869	0.8463
2020	--	0.1935	--	--	--	0.0000	0.7045	0.8980

(1) Public Law 244-2017 was enacted by the Indiana General Assembly in 2017 (the "Fund Law"). The Fund Law modified, repealed and created certain school corporation funds. Effective January 1, 2019, the Fund Law eliminated the General Fund and replaced the General Fund, in part, with an Education Fund. The Education Fund is to be used for expenditures related to student instruction and learning. Additionally, the Fund Law created an Operations Fund to replace, in part, the General Fund and, in whole, the Capital Projects Fund, the Transportation Fund, the Art Association Fund, the Historical Society Fund, the Public Playground Fund, the Bus Replacement Fund and the Racial Balance Fund. The Operations Fund is used to pay the expenditures of the aforementioned previously existing funds and the portions of operational expenses not paid for by the Education Fund. Under the Fund Law, a school corporation's property tax levy for its Operations Fund replaces the authority of the school corporation to impose all other property tax levies, except for debt services levies or levies approved by referenda.

Note: 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 will shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land will result in a reduction of the total assessed value allocated to a School Corporation. Lower assessed values allocated to 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.

Source: Indiana Department of Local Government Finance

Financial Statements

The School Corporation is audited biennially by the Indiana State Board of Accounts. The School Corporation maintains its system of accounts on a cash basis as prescribed by the SBA ("SBA") "Accounting and Uniform Compliance Manual for Indiana Public School Corporations" (2010 Revised Edition). Bi-annual Financial Reports (Form 9) are filed with the Indiana Department of Public Instruction. The most recent federal audit by the SBA was filed on June 26, 2019 for the period July 1, 2016 to June 30, 2018. The School Corporation does not control the timing of the review or release of the audit report by the SBA.

Prior to December 31, 2018, the School Corporation maintained six (6) principal funds: the General Fund, the Debt Service Fund, the Pension Bond Repayment Debt Service Fund, the Capital Projects Fund, the Transportation Operating Fund and the Transportation Bus Replacement Fund.

The General Fund was used for the operation and maintenance of the School Corporation and for any other lawful expenses payable from the General Fund. The Debt Service Fund was used for the payment of all debt, including lease rental obligations and other obligations to repay funds borrowed or advanced for the purchase or construction of, or addition to, school buildings. The Pension Bond Repayment Fund was used for the payment of all debt incurred to satisfy the School Corporation's unfunded pension liabilities. The Capital Projects Fund was used for land acquisition, site improvement, construction or purchase of school buildings and equipment, and remodeling or repairing school buildings, all for school classroom purposes. The Transportation Operating and Bus Replacement Funds were used exclusively for the payment of costs of transporting students and purchase school buses.

In 2017, the Indiana General Assembly enacted Public Law 244-2017 (the "Fund Law"). Public Law 244-2017 was enacted by the Indiana General Assembly in 2017 (the "Fund Law"). The Fund Law modified, repealed and created certain school corporation funds. Effective January 1, 2019, the Fund Law eliminated the General Fund and replaced the General Fund, in part, with an Education Fund. The Education Fund is to be used for expenditures related to student instruction and learning. Additionally, the Fund Law created an Operations Fund to replace, in part, the General Fund and, in whole, the Capital Projects Fund, the Transportation Fund, the Art Association Fund, the Historical Society Fund, the Public Playground Fund, the Bus Replacement Fund and the Racial Balance Fund. The Operations Fund is used to pay the expenditures of the aforementioned previously existing funds and the portions of operational expenses not paid for by the Education Fund. Under the Fund Law, a school corporation's property tax levy for its Operations Fund replaces the authority of the school corporation to impose all other property tax levies, except for debt services levies or levies approved by referenda.

A copy of the School Corporation's Audit Report for the period July 1, 2016 to June 30, 2018, is included as Appendix E to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the School Corporation's financial position. Such financial statements have been audited by the SBA, to the extent and for the periods indicated thereon. The School Corporation has not requested the SBA to perform any additional examination, assessment or evaluation with respect to such financial statements since the date thereof, nor has the School Corporation requested that the SBA consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial information in this Official Statement is not intended to demonstrate the fiscal condition of the School Corporation since the date of such financial information, in connection with the issuance of the Bonds, the School Corporation represents that there has been no material adverse change in the financial position or results of operations of the School Corporation, nor has the School Corporation incurred any material liabilities, which would make such financial information misleading.

Source: School Corporation

School Corporation Receipts and Disbursements

	2015	2016	2017	2018	2019
GENERAL FUND(1)					
Jan. 1 Balance	$5,792,689	$5,487,040	$4,098,994	$4,242,359	$3,831,322
Revenues					
Local Property Tax	0	0	0	0	0
Fin. Inst. Tax	0	0	0	0	0
License Excise Tax	0	0	0	0	0
State of Indiana Grants	16,148,730	15,961,949	15,280,367	14,761,434	0
Other	142,571	142,641	238,634	672,662	0
Total	$16,291301	$16,104,590	$15,519,001	$15,434,096	$0
Expenditures	$16,596,950	$17,492,636	$15,375,637	$15,845,133	$ 0
Transfer to Education Fund	0	0	0	0	$3,831,322
Dec. 31 Balance	$5,487,040	$4,098,994	$4,242,359	$3,831,322	$0
DEBT SERVICE FUND					
Jan. 1 Balance	$1,010,556	$473,631	$674,304	$1,293,405	$934,859
Revenues					
Local Property Tax	1,269,251	1,575,191	1,565,654	1,526,462	1,168,872
Fin. Inst. Tax	15,465	20,001	17,502	16,053	16,514
License Excise Tax	129,347	165,816	170,677	177,027	149,822
State of Indiana Grants	0	0	0	0	0
Other	91,941	104,975	100,463	10,130	0
Total	$1,506,004	$1,868,983	$1,854,296	$1,729,672	$1,335,208
Expenditures	$2,042,929	$1,665,310	$1,235,195	$2,088,218	$1,664,678
Dec. 31 Balance	$473,631	$674,304	$1,293,405	$934,859	$605,390
CAPITAL PROJECTS FUND(1)					
Jan. 1 Balance	$3,563,033	$2,920,212	$2,197,410	$1,178,014	$1,237,147
Revenues					
Local Property Tax	2,006,149	1,928,133	1,942,809	1,921,378	0
Fin. Inst. Tax	24,554	24,653	21,899	20,404	0
License Excise Tax	205,372	204,381	213,562	225,000	0
State of Indiana Grants	0	0	0	0	0
Other	151,639	228,515	158,971	13,830	0
Total	$2,387,714	$2,385,682	$2,337,241	$2,180,612	$0
Expenditures	$3,030,535	$3,108,484	$3,356,637	$2,121,479	$0
Transfer to Operations Fund	$0	$0	$0	$0	$1,237,147
Dec. 31 Balance	$2,920,212	$2,197,410	$1,178,014	$1,237,147	$0

(1) Public Law 244-2017 was enacted by the Indiana General Assembly in 2017 (the "Fund Law"). The Fund Law modified, repealed and created certain school corporation funds. Effective January 1, 2019, the Fund Law eliminated the General Fund and replaced the General Fund, in part, with an Education Fund. The Education Fund is to be used for expenditures related to student instruction and learning. Additionally, the Fund Law created an Operations Fund to replace, in part, the General Fund and, in whole, the Capital Projects Fund, the Transportation Fund, the Art Association Fund, the Historical Society Fund, the Public Playground Fund, the Bus Replacement Fund and the Racial Balance Fund. The Operations Fund is used to pay the expenditures of the aforementioned previously existing funds and the portions of operational expenses not paid for by the Education Fund. Under the Fund Law, a school corporation's property tax levy for its Operations Fund replaces the authority of the school corporation to impose all other property tax levies, except for debt services levies or levies approved by referenda.

Note: The School Corporation’s Form 9 data, which is the source of this section, has not been finalized and made available for calendar year 2019.

School Corporation Receipts and Disbursements – Continued

	2015	*2016*	*2017*	*2018*	*2019*
TRANSPORTATION FUND[(1)]					
Jan. 1 Balance	$1,298,737	$1,149,070	$1,282,536	$1,023,745	$345,556
Revenues					
Local Property Tax	2,559,512	2,517,590	2,647,514	2,709,868	0
Fin. Inst. Tax	31,326	32,345	29,842	28,947	0
License Excise Tax	262,013	268,156	291,021	319,210	0
State of Indiana Grants	0	0	0	0	0
Other	207,707	239,942	208,245	213,613	0
Total	$3,060,558	$3,058,033	$3,176,622	$3,271,638	0
Expenditures	3,210,225	2,924,567	3,435,414	3,949,827	0
Transfer to Operations Fund	$0	$0	$0	$0	$345,556
Dec. 31 Balance	$1,149,070	$1,282,536	$1,023,744	$345,556	$0
SCHOOL BUS REPLACEMENT[(1)]					
Jan. 1 Balance	$340,919	$265,990	$258,356	$169,918	$175,386
Revenues					
Local Property Tax	115,448	153,562	160,509	165,006	0
Fin. Inst. Tax	1,903	1,964	1,809	1,752	0
License Excise Tax	15,914	16,281	17,640	19,321	0
State of Indiana Grants	0	0	0	0	0
Other	51,311	11,320	12,156	1,104	0
Total	$184,576	$183,127	$192,114	$187,183	$0
Expenditures	259,505	190,763	280,552	181,715	$0
Transfer to Operations Fund	$0	$0	$0	$0	$175,386
Dec. 31 Balance	$265,990	$258,356	$169,918	$175,386	$0
EDUCATION FUND[(1)]					
Jan. 1 Balance	--	--	--	--	$0
Transfer in From General Fund					3,831,322
Revenues					
Local Sources	--	--	--	--	117,167
Intermediate Sources	--	--	--	--	693
State Tuition Support	--	--	--	--	14,431,918
Other State of Indiana Grants	--	--	--	--	97,047
Other	--	--	--	--	239,172
Total	--	--	--	--	$18,717,318
Expenditures	--	--	--	--	$15,022,001
Transfer to Operations Fund					1,177,480
Dec. 31 Balance	--	--	--	--	$2,517,837
OPERATIONS FUND[(1)]					
Jan. 1 Balance	--	--	--	--	$0
Transfer in from Various Funds					$2,935,569
Revenues					
Local Property Tax	--	--	--	--	4,978,426
Fin. Inst. Tax	--	--	--	--	71,165
License Excise Tax	--	--	--	--	645,626
State of Indiana Grants	--	--	--	--	0
Other	--	--	--	--	422,585
Total	--	--	--	--	$6,119,615
Expenditures	--	--	--	--	$8,083,929
Dec. 31 Balance	--	--	--	--	$971,256

	2015	2016	2017	2018	2019
ALL OTHER FUNDS					
Jan. 1 Balance	$2,067,786	$2,012,834	$2,640,644	$2,357,309	$2,360,111
Revenues	2,887,642	7,291,184	5,510,636	5,297,761	5,406,079
Expenditures	2,943,344	6,663,375	5,793,970	5,294,959	5,276,252
Dec. 31 Balance	$2,012,834	$2,640,643	$2,357,310	$2,360,111	$2,489,937

(1) Pubic Law 244-2017 was enacted by the Indiana General Assembly in 2017 (the "Fund Law"). The Fund Law modified, repealed and created certain school corporation funds. Effective January 1, 2019, the Fund Law eliminated the General Fund and replaced the General Fund, in part, with an Education Fund. The Education Fund is to be used for expenditures related to student instruction and learning. Additionally, the Fund Law created an Operations Fund to replace, in part, the General Fund and, in whole, the Capital Projects Fund, the Transportation Fund, the Art Association Fund, the Historical Society Fund, the Public Playground Fund, the Bus Replacement Fund and the Racial Balance Fund. The Operations Fund is used to pay the expenditures of the aforementioned previously existing funds and the portions of operational expenses not paid for by the Education Fund. Under the Fund Law, a school corporation's property tax levy for its Operations Fund replaces the authority of the school corporation to impose all other property tax levies, except for debt services levies or levies approved by referenda.

Note: The School Corporation’s Form 9 data, which is the source of this section, has not been finalized and made available for calendar year 2019.

Source: School Corporation Annual Financial Reports (Form 9) prepared by School Officials for the Indiana Department of Education Division of School Finance

Cash Balances by Funds

As of Dec. 31	General[1]	Debt Service	Cap. Projects[1]	Transp.[1]	School Bus Repl.[1]	Oper. Fund[1]	Educ. Fund[1]	All Other Funds	Total
2015	$5,487,040	$473,631	$2,920,211	$1,149,070	$265,990	N/A	N/A	$2,011,983	$12,308,027
2016	4,098,994	674,303	2,197,410	1,282,536	258,355	N/A	N/A	1,338,454	9,850,054
2017	4,242,359	1,293,405	1,178,014	1,023,745	169,918	N/A	N/A	2,357,309	11,264,750
2018	3,831,322	934,859	1,237,147	345,556	175,386	N/A	N/A	1,835,341	8,359,611
2019	0	605,390	0	0	0	$971,256	$2,517,837	2,489,937	6,584,420

(1) Public Law 244-2017 was enacted by the Indiana General Assembly in 2017 (the "Fund Law"). The Fund Law modified, repealed and created certain school corporation funds. Effective January 1, 2019, the Fund Law eliminated the General Fund and replaced the General Fund, in part, with an Education Fund. The Education Fund is to be used for expenditures related to student instruction and learning. Additionally, the Fund Law created an Operations Fund to replace, in part, the General Fund and, in whole, the Capital Projects Fund, the Transportation Fund, the Art Association Fund, the Historical Society Fund, the Public Playground Fund, the Bus Replacement Fund and the Racial Balance Fund. The Operations Fund is used to pay the expenditures of the aforementioned previously existing funds and the portions of operational expenses not paid for by the Education Fund. Under the Fund Law, a school corporation's property tax levy for its Operations Fund replaces the authority of the school corporation to impose all other property tax levies, except for debt services levies or levies approved by referenda.

Note: The School Corporation’s Form 9 data, which is the source of this section, has not been finalized and made available for calendar year 2019.

Source: School Corporation Annual Financial Reports (Form 9)

Anticipated Receipts & Disbursements
Calendar Year 2020 Budget

	Education Fund(1)	Debt Service Fund	Operations Fund(1)
Receipts:			
Property Tax	--	$ 1,403,587	$ 5,110,216
Bank & Excise	--	198,841	1,117,737
State Grants	14,397,556	--	--
Miscellaneous	175,250	--	1,925,200
Total	$ 14,572,806	$ 1,602,428	$ 8,153,153
Disbursements	$ 14,118,835	$ 1,602,012	$ 8,741,000

(1) Public Law 244-2017 was enacted by the Indiana General Assembly in 2017 (the "Fund Law"). The Fund Law modified, repealed and created certain school corporation funds. Effective January 1, 2019, the Fund Law eliminated the General Fund and replaced the General Fund, in part, with an Education Fund. The Education Fund is to be used for expenditures related to student instruction and learning. Additionally, the Fund Law created an Operations Fund to replace, in part, the General Fund and, in whole, the Capital Projects Fund, the Transportation Fund, the Art Association Fund, the Historical Society Fund, the Public Playground Fund, the Bus Replacement Fund and the Racial Balance Fund. The Operations Fund is used to pay the expenditures of the aforementioned previously existing funds and the portions of operational expenses not paid for by the Education Fund. Under the Fund Law, a school corporation's property tax levy for its Operations Fund replaces the authority of the school corporation to impose all other property tax levies, except for debt services levies or levies approved by referenda.

Note: The School Corporation's Form 9 data, which is the source of this section, has not been finalized and made available for calendar year 2019.

Source: School Corporation 1782 Notice.

State of Indiana Payments

The following table shows the annual amounts appropriated to the School Corporation during previous years and the amounts of such appropriations projected to be received during the current year.

Year	Total
2016	$16,291,614.81
2017	15,485,493.97
2018	15,257,493.27
2019	14,431,918.03
2020	14,397,556.00

Source: School Corporation Annual Financial Reports (Form 9)

Indebtedness

The tabulation below sets forth the indebtedness of the School Corporation as of July 15, 2020.

		Per Capita	Percent of NAV
Net Assessed Value of Property (2020)	$725,367,794	$31,756	N/A
Direct Debt	12,353,000	541	1.70%
Direct & Overlapping Debt	12,562,000	550	1.73%
2018 Estimated Population:	22,842		

The following tabulation itemizes the direct and overlapping indebtedness of the School Corporation.

Direct Debt	Original Par Amount	Final Maturity	Outstanding Amount
General Obligation Bonds			
General Obligation Bonds of 2011 (Qualified Zone Academy Bonds – Tax Credit Bonds)	$1,985,000	01/15/2023	$510,000
Lease Obligations			
Franklin County Middle School Building Corporation			
Ad Valorem Property Tax First Mortgage Bonds, Series 2020*	$5,350,000	01/15/2033	$5,350,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2015	1,960,000	01/15/2032	1,915,000
Ad Valorem Property Tax First Mortgage Refunding and Improvement Bonds, Series 2015	5,225,000	01/15/2028	1,435,000
Franklin County Community School Building Corporation			
Ad Valorem Property Tax First Mortgage Bonds, Series 2012	3,980,000	01/15/2036	1,675,000
Tax Supported Debt			
Common School Fund Loans			1,468,000
Total Direct Debt			$12,353,000

In addition to the above, the School Corporation has a copier lease outstanding in the total amount of $11,149.

*Preliminary, subject to change.

Overlapping Debt**	Original Par Amount	Final Maturity	Outstanding Amount
Franklin County GO Refunding Bonds Series 2015	11666 $1,990,000	01/15/2021	$209,000
Total Overlapping and Direct Debt			$12,562,000

	Original Par Amount	Final Maturity	Outstanding Amount
** Only includes property tax supported debt			
	$1,985,000	01/15/2023	$510,000

Source: Direct Debt from School Corporation Records; other debt from Indiana Department of Local Government Finance "Gateway" website.

Combined Debt Service Requirements

The tabulation below sets forth the combined annual debt service requirements (in thousands) for all loans, leases and other obligations of the School Corporation as of July, 2020.

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Budget Year	Common School A0474	2011 QZAB	Series 2012	Series 2015	Series 2015B	Common School Safety Advance	Projected Series 2020*	Total Debt Service Payments
2017	$233,450	$207,063	$288,459	$59,256	$850,350	$0	$0	$1,638,578
2018	$227,010	$204,213	$294,653	$59,081	$854,950	$0	$0	$1,639,906
2019	$220,570	$206,363	$305,316	$58,906	$859,150	$0	$0	$1,650,305
2020	$214,130	$208,400	$320,013	$213,731	$559,500	$21,850	$0	$1,537,624
2021	$207,690	$205,400	$318,870	$339,038	$121,200	$21,650	$320,835	$1,534,682
2022	$201,250	$212,363	$326,983	$343,088	$119,400	$21,450	$310,193	$1,534,725
2023	$194,810		$329,320	$341,647	$117,600	$21,250	$272,255	$1,276,882
2024	$188,370		$336,093	$343,025	$180,500	$21,050	$140,145	$1,209,183
2025	$181,930		$342,070	$353,200	$171,225	$20,850	$139,510	$1,208,785
2026	$175,490			$187,775	$310,675	$20,650	$417,650	$1,112,240
2027	$169,050			$0	$306,750	$20,450	$611,070	$1,107,320
2028	$82,110			$0		$20,250	$860,085	$962,445
2029						$10,050	$844,680	$854,730
2030							$818,548	$818,548
2031							$811,745	$811,745
2032							$808,943	$808,943
2033								$0
2034								$0
2035								$0
2036								$0
2037								$0
Totals:	$2,295,860	$1,243,800	$2,861,775	$2,298,747	$4,451,300	$199,500	$6,355,657	$19,706,639

Source: School Corporation Records

Future Financing

After the issuance of the 2020 Bonds, the School Corporation currently has no plans to issue debt in the next twelve months.

Debt Payment History

The School Corporation has no record of default and has met its debt repayment obligations promptly.

Source: Indiana Gateway; School Corporation Records

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
1 North Capitol Avenue, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

PERF Employer contributions for the years 2018 and 2019 were $175.350.22 and $188,954.57, respectively. The estimated contribution for 2020 is $199,942.00. The School Corporation primarily funds these obligations with General Fund money (approximately 74%). The remainder is paid from the Operations Fund and Food Service Fund.

Teachers' Retirement Fund Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

TRF Employer contributions for the years 2018 and 2019 were $756,544.13 and $694,179.58, respectively. The estimated contribution for 2020 is $575,761.00. The School Corporation primarily funds these obligations with General Fund money (approximately 97%). The remainder is paid from Federal and State grants.

Other Postemployment Benefits

The School Corporation permits eligible classified and certified retirees and family members, provided they are under 65 (spouse) or under 26 (dependent), to remain on the School Corporation's group health and vision insurance until the eligible retiree reaches Medicare eligibility, provided that such retiree pays the full premiums on such insurance. In addition, eligible administrators are able to remain on the School Corporation’s group health and vision insurance until the administrator retiree reaches Medicare eligibility, for $1.00 for each policy. The School Corporation pasy the remaining portion of such retiree’s health and vision insurance. Spouses and dependents of administrator retirees can remain on the School Corporation’s health and vision insurance. Spouses and dependents of administrator retirees can remain on the School Corporation’s health and vision insurance provided they are under 65 (spouse) or under 26 (dependent) and that the retiree pays the full premium on such dependent’s policies. In 2019, the School Corporation paid a total of $0.00 for this benefit.

Classified, Certified and Administrator Retirees, spouses and dependents also have access to life insurance until the eligible retiree reaches Medicare eligibility. To receive this life insurance benefit, the retiree must pay $1.00 per year and the School Corporation pays the remainder, which was $162 per month in 2018 and $134 per month in 2019.

The School Corporation contributes 2.5% of the gross wages into 403(b) retirement accounts for a certified employee hired prior to June 30, 1999 and 2% of the gross wages for a certified employee hired after June 30, 1999. If a classified employee, who is not otherwise PERF eligible, opens up an annuity with VALIC, the School Corporation will contribute 0.5% of such classified employee's gross wages to their VALIC account. In 2019 the School Corporation paid a total of $108,503.94 for this benefit.

The School Corporation will pay $45.00 per day up to 180 unused leave days when a certified employee retires, such amount is required to be deposited into such certified retiree’s 403(b). The School Corporation will also pay $50.00 per day up to 60 unused leave days when a classified employee retires which is distributed as a lump sum cash payment. In addition, the School Corporation will pay $50.00 per day up to 180 days unused leave days when an administrator retires which is distributed as a lump sum cash payment. In 2019 the School Corporation paid $56,340.00 from the Post-Retirement/Severance Fund for this benefit.

As of February 17, 2020, the estimated net present value of the unfunded liability based upon an actuarial study dated June 30, 2016, was $1,333,500.25.

Source: School Corporation

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APPENDIX B

THE COMMUNITY

Location

Franklin County is located in southeastern Indiana and was formed in 1811. The county is bordered on the east by Dearborn County and Ripley County. Franklin County is adjacent to the Ohio state border on the east, Fayette County and Union County are to the north, and Decatur County to the west. Brookville serves as the county seat and is the largest city in the county.

Population

General population for the units of local government which comprise the School Corporation are:

	2010	2018
School Corporation	17,355	17,382
Franklin County	23,087	22,842
Percentage of County	75.7%	76.1%

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimate

Total Tax Rates

Total tax rates, which include the school rates of the taxing units in the School Corporation, have been:

Civil Unit	Year Payable				
	2016	2017	2018	2019	2020
Bloomington Grove Township	$1.4214	$1.4514	$1.4883	$1.4444	$1.4877
Brookville Township	1.4063	1.4347	1.4705	1.4260	1.4679
Brookville Town	2.3135	2.3922	2.4502	2.4411	2.4470
Butler Township – East	1.2720	1.2524	1.3006	1.2521	1.2945
Fairfield Township	1.4200	1.4467	1.4840	1.4397	1.4824
Highland Township	1.2646	1.2855	1.3152	1.2674	1.3079
Cedar Grove Town	1.3419	1.3642	1.4000	1.3504	1.3914
Laurel Township	1.4331	1.4639	1.5007	1.4574	1.5000
Laurel Town	1.9628	1.9876	2.0711	2.0162	2.0527
Metamora Township	1.4400	1.4701	1.5058	1.4612	1.5066
Posey Township	1.4090	1.4380	1.4747	1.4313	1.4733
Salt Creek Township – North	1.2631	1.2833	1.3140	1.2658	1.3074
Springfield Township	1.2591	1.2804	1.3111	1.2646	1.3047
Mt. Carmel Township	1.8070	1.8534	1.9128	1.8333	1.8517
Whitewater Township	1.2673	1.2876	1.3174	1.2676	1.3079
Butler East Fire Terr.	1.3222	1.3416	1.3737	1.3242	1.3685
Salt Creek North Fire Terr.	1.3314	1.3512	1.3846	1.3353	1.3795

Source: Indiana Department of Local Government Finance.

Employment

Total Covered Employment for the 3rd Quarter of 2019 was 4,432. Employment patterns for Franklin County were:

Employment Category	Quarterly Wages	Number of Employees	% of Total Employment
Manufacturing	$8,116,051	710	16.02%
Educational Services	5,107,315	570	12.86
Retail Trade	4,681,027	682	15.39
Health Care and Social Services	4,367,726	599	13.52
Public Administration	2,362,896	321	7.24
Construction	2,163,728	183	4.13
Admin. & Support & Waste Mgt. & Rem. Services	2,036,278	176	3.97
Finance and Insurance	1,616,496	152	3.43
Accommodation and Food Services	1,565,279	435	9.81
Wholesale Trade	1,431,204	126	2.84
Transportation & Warehousing	1,362,786	131	2.96
Professional, Scientific, and Technical Services	653,450	57	1.29
Other Services (Except Public Administration)	593,756	108	2.44
Information	236,204	41	0.93
Agriculture, Forestry, Fishing and Hunting	225,186	39	0.88
Arts, Entertainment, and Recreation	196,959	65	1.47
Mining	163,808	20	0.45
Real Estate and Rental and Leasing	11,273	5	0.11
Total	$37,055,694	4,432	100.00%

Source: County Employment Patterns – STATS Indiana

With regard to the level of employment as reported by the Indiana Employment Security Division, the data revealed the following for Franklin County in comparison to the State of Indiana and the United States:

	Annual Averages				
Franklin County	2015	2016	2017	2018	Dec. 2019
Labor Force	11,386	11,479	11,228	11,395	11,325
Unemployed	578	497	408	423	345
Percent Unemployed	5.1%	4.3%	3.6%	3.7%	3.0%
State of Indiana	4.8%	4.4%	3.6%	3.6%	3.0%
United States	5.3%	4.9%	4.6%	4.1%	3.4%

Source: Labor Force Overview – STATS Indiana

Largest Employers

The largest employers in the Franklin County according to STATS Indiana as of March 1, 2020:

Name	Type of Business
Hillenbrand Inc.	Industrial Company
Margaret Mary Health Main Campus	Hospital
Batesville Tool & Die Inc.	Machine Shop
Forethought Life Insurance	Insurance Agency
Romweber Marketplace	Event Venue
East Central High School	School
Kroger Co.	Retail Grocer
Sisters of St. Francis	Church
Sperry & Rice Manufacturing Co. LLC	Rubber Product Supplier
Water of Batesville	Utility Company

Source: STATS Indiana- Major Employers for Franklin County

Building Permits

The following is information regarding residential building permits issued for units in the City:

	City of Indianapolis	
Year	#	Value
2014	35	$8,432,500
2015	36	6,889,568
2016	38	8,082,508
2017	47	10,987,000
2018	48	14,072,700

Source: U.S. Census Bureau, Building Permit Estimates

Higher Education

Within one-and-a-half hours or less driving time from the School Corporation are the following institutions of higher education:

Institution	Location
Indiana University - Purdue University	Columbus
Ivy Tech Community College – Columbus	Columbus
Ivy Tech Community College – Lawrenceburg	Lawrenceburg
Ivy Tech Community College – Madison	Madison
Hanover College	Hanover

Educational Attainment

The educational background of area residents living in the School Corporation; Franklin County, Indiana; and the State of Indiana are set forth in the following table.

Educational Level Attained	School Corporation	Franklin County	Indiana
Population 25 Years and over			
Less than 9th grade	5.3%	4.5%	3.7%
9th to 12 grade, no diploma	8.0	7.4	7.7
High School Graduate (includes equivalency)	45.2	42.8	33.5
Some College, no degree	15.9	15.4	20.4
Associate's Degree	10.9	10.2	8.7
Bachelor's Degree	10.1	12.9	16.5
Graduate or Professional Degree	4.7	6.9	9.4

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimate

Household Income

The following table sets forth the distribution of household income for the School Corporation; Franklin County, Indiana; and the State of Indiana.

Income Level	School Corporation	Franklin County	Indiana
Less than $10,000	5.2%	4.5%	1.8%
$10,000 to $24,999	14.6	14.6	6.3
$25,000 to $34,999	10.8	10.2	6.7
$35,000 to $49,999	13.1	12.6	12.1
$50,000 to $74,999	20.8	20.5	21.3
$75,000 to $99,999	14.9	14.3	18.1
$100,000 to $149,999	14.3	15.3	20.7
$150,000 or more	6.3	8.0	13.7
Median Income (dollars)	$56,168	$58,382	$77,244

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimate

Per Capita Income

Per Capita Income statistics are provided by Stats Indiana, a service of the Kelley School of Business at Indiana University. No statistics are available specifically for the School Corporation.

	2014	2015	2016	2017	2018
Franklin County	$40,595	$42,248	$43,203	$44,614	$46,629
Indiana	41,098	42,626	43,734	45,239	47,124

Source: STATS Indiana

Housing Values

The following table sets forth the distribution of home values for owner-occupied units for the School Corporation; Franklin County, Indiana; and the State of Indiana.

Value of Owner-occupied Housing Units	School Corporation	Franklin County	Indiana
Less than $50,000	10.0%	8.1%	9.2%
$50,000 to $99,999	20.3	17.5	24.0
$100,000 to $299,999	60.1	62.1	55.5
$300,000 to $499,999	6.6	8.8	8.2
$500,000 to $999,999	2.3	2.8	2.5
$1,000,000 or more	0.7	0.6	0.2
Median (dollars)	$139,200	$151,900	$135,400

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimate

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APPENDIX C

FORM OF MASTER CONTINUING DISCLOSURE UNDERTAKING

This MASTER CONTINUING DISCLOSURE UNDERTAKING dated as of May ______, 2020 (the "Master Undertaking") is executed and delivered by FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION (the "Obligor") for the purpose of permitting various Underwriters (as hereinafter defined) of the Obligations (as hereinafter defined) issued by or on behalf of the Obligor from time to time to purchase such Obligations in compliance with the Securities and Exchange Commission ("SEC") Rule 15c2-12, as amended (the "SEC Rule");

WITNESSETH THAT:

Section 1. Definitions. The words and terms defined in this Master Undertaking shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar do not otherwise require capitalization, shall have the meanings assigned to them in the SEC Rule.

(1) "Holder" or any similar term, when used with reference to any Obligation or Obligations, means any person who shall be the registered owner of any outstanding Obligation, or the owner of a beneficial interest in such Obligation.

(2) "EMMA" is Electronic Municipal Market Access System established by the MSRB.

(3) "Financial Obligation" means a debt obligation; derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or a guarantee of either a debt obligation or a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, but does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the SEC Rule.

(4) "Final Official Statement" means, with respect to any Obligations, the final Official Statement relating to such Obligations, including any document or set of documents included by specific reference to such document or documents available to the public on EMMA.

(5) "MSRB" means the Municipal Securities Rulemaking Board.

(6) "Obligated Person" means any person, including the Obligor, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or a part of the obligations on the Obligations (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). All Obligated Persons with respect to Obligations currently are identified in Section 3 below.

(7) "Obligations" means the various obligations issued by or on behalf of the Obligor, as listed on Exhibit A, as the same shall be amended or supplemented from time to time.

(8) "Underwriter" or "Underwriters" means, with respect to any Obligations, the underwriter or underwriters of such Obligations pursuant to the applicable purchase agreement for such Obligations.

Section 2. Obligations; Term. (a) This Master Undertaking applies to the Obligations.

(b) The term of this Master Undertaking extends from the date of delivery of the Master Undertaking by the Obligor to the earlier of: (i) the date of the last payment of principal or redemption price, if any, of, and interest to accrue on, all Obligations; or (ii) the date all Obligations are defeased under the respective trust indentures or respective resolutions.

Section 3. Obligated Persons. The Obligor hereby represents and warrants as of the date hereof that the only Obligated Person with respect to the Obligations is the Obligor. If any such person is no longer committed by contract or other arrangement to support payment of the Obligations, such person shall no longer be considered an Obligated Person within the meaning of the SEC Rule and the continuing obligation under this Master Undertaking to provide annual financial information and notices of events shall terminate with respect to such person.

Section 4. Provision of Financial Information. (9) The Obligor hereby undertakes to provide, with respect to the Obligations, the following financial information, in each case in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB:

(1) To the MSRB, the audited financial statements of the Obligor as prepared and examined by the Indiana State Board of Accounts on a biennial basis for each period of two fiscal years, together with the opinion of the reviewers thereof and all notes thereto (collectively, the "Audited Information"), by the June 30 immediately following each biennial period. Such disclosure of Audited Information shall first occur by June 30, 2021, and shall be made by June 30 every two years thereafter, if the Audited Information is delivered to the Obligor by June 30 of each biennial period. If, however, the Obligor has not received the Audited Information by such June 30 biennial date, the Obligor agrees to (i) post a voluntary notice to the MSRB by June 30 of such biennial period that the Audited Information has not been received, and (ii) post the Audited Information within 60 days of the Obligor's receipt thereof; and

(2) To the MSRB, no later than June 30 of each year beginning June 30, 2021, the most recent unaudited annual financial information for the Obligor including (i) unaudited financial statements of the Obligor, and (ii) operating data (excluding any demographic information or forecast) of the general type provided under the general categories of headings as described below (collectively, the "Annual Information"), which Annual Information may be provided in such format and under such headings as the School Corporation deems appropriate:

APPENDIX A

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION

- Enrollments
- School Corporation Receipts and Disbursements
- Cash Balances by Fund
- State of Indiana Payments
- Net Assessed Valuation
- Taxes Levied and Collected
- School Corporation Tax Rates
- Largest Taxpayers

(b) If any Annual Information or Audited Information relating to the Obligor referred to in paragraph (a) of this Section 4 no longer can be provided because the operations to which they relate have been materially changed or discontinued, a statement to that effect, provided by the Obligor to the MSRB, along with any other Annual Information or Audited Information required to be provided under this Master Undertaking, shall satisfy the undertaking to provide such Annual Information or Audited Information. To the extent available, the Obligor shall cause to be filed along with the other Annual Information or Audited Information operating data similar to that which can no longer be provided.

(c) The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit B attached hereto.

(d) The Obligor agrees to make a good faith effort to obtain Annual Information and Audited Information. However, failure to provide any component of Annual Information and Audited Information, because it is not available to the Obligor on the date by which Annual Information is required to be provided hereunder, shall not be deemed to be a breach of this Master Undertaking. The Obligor further agrees to supplement the Annual Information or Audited Information filing when such data is available.

(e) Annual Information or Audited Information required to be provided pursuant to this Section 4 may be provided by a specific reference to such Annual Information or Audited Information already prepared and previously provided to the MSRB. Any information included by reference shall also be (i) available to the public on EMMA at www.emma.msrb.org, or (ii) filed with the SEC.

(f) All continuing disclosure filings under this Master Undertaking shall be made in accordance with the terms and requirements of the MSRB at the time of such filing. As of the date of this Master Undertaking, the SEC has approved the submission of continuing disclosure filings on EMMA, and the MSRB has requested that such filings be made by transmitting such filings electronically to EMMA currently found at www.emma.msrb.org.

Section 5. Accounting Principles. The Annual 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 Information of the Obligor, as described in Section 4(a)(1) hereof, will be prepared in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Section 6. Reportable Events. The Obligor undertakes to disclose the following events 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), to the MSRB, in each case (i) in an electronic format as prescribed by the MSRB and (ii) accompanied by identifying information as prescribed by the MSRB:

(1) non-payment related defaults;
(2) modifications to rights of Holders;
(3) bond calls;
(4) release, substitution or sale of property securing repayment of the Obligations;
(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;
(6) appointment of a successor or additional trustee or the change of name of a trustee; and
(7) incurrence of a Financial Obligation (as defined in the SEC Rule) of the obligor, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligor, any of which affect security holders.

The Obligor undertakes to disclose the following events, within 10 business days of the occurrence of any of the following events, regardless of materiality, to the MSRB, in each case (i) in an electronic format as prescribed by the MSRB and (ii) accompanied by identifying information as prescribed by the MSRB:

(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 Obligations, 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 Obligations;

(8) tender offers;

(9) bankruptcy, insolvency, receivership or similar event of the obligated person; and

(10) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligor, any of which reflect financial difficulties.

The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit C attached hereto.

Section 7. 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 SEC Rule and the terms of this Master Undertaking. If a Dissemination Agent is selected for these purposes, the Obligor shall provide prior written notice thereof (as well as notice of replacement or dismissal of such agent) to EMMA, and the MSRB.

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 Master Undertaking.

Section 8. Failure to Disclose. If, for any reason, the Obligor fails to provide the Audited Information or Annual Information as required by this Master Undertaking, the Obligor shall provide notice of such failure in a timely manner to EMMA or to the MSRB, in the form of the notice attached as Exhibit D.

Section 9. Remedies. (a) The purpose of this Master Undertaking is to enable the Underwriters to purchase the Obligations by providing for an undertaking by the Obligor in satisfaction of the SEC Rule. This Master Undertaking is solely for the benefit of (i) the Underwriters, and (ii) the Holders, and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, underwriters, 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 Master Undertaking 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. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Obligations or any other agreement to which the Obligor is a party and shall not give rise to any other rights or remedies.

(b) Subject to paragraph (e) of this Section 9, in the event the Obligor fails to provide any information required of it by the terms of this Master Undertaking, any holder of Obligations may pursue the remedy set forth in the preceding paragraph in any court of competent jurisdiction in the State of Indiana. An affidavit to the effect that such person is a holder of Obligations supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue this remedy.

(c) Subject to paragraph (e) of this Section 9, any challenge to the adequacy of the information provided by the Obligor by the terms of this Master Undertaking may be pursued only by holders of not less than 25% in principal amount of Obligations then outstanding in any court of competent jurisdiction in the State of Indiana. An affidavit to the effect that such persons are holders of Obligations supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue the remedy set forth in the preceding paragraph.

(d) If specific performance is granted by any such court, the party seeking such remedy shall be entitled to payment of costs by the Obligor and to reimbursement by the Obligor of reasonable fees and expenses of attorneys incurred in the pursuit of such claim. If specific performance is not granted by any such court, the Obligor shall be entitled to payment of costs by the party seeking such remedy and to reimbursement by such party of reasonable fees and expenses of attorneys incurred in the pursuit of such claim.

(e) Prior to pursuing any remedy for any breach of any obligation under this Master Undertaking, a holder of Obligations shall give notice to the Obligor and the respective issuer of each obligation, by registered or certified mail, of such breach and its intent to pursue such remedy. Thirty (30) days after the receipt of such notice, upon earlier response from the Obligor to this notice indicating continued noncompliance, such remedy may be pursued under this Master Undertaking if and to the extent the Obligor has failed to cure such breach.

Section 10. Additional Information. Nothing in this Master Undertaking shall be deemed to prevent the Obligor from disseminating any other information, using the means of dissemination set forth in this Master Undertaking or any other means of communication, or including any other information in any Annual Information or notice of occurrence of a reportable event, in addition to that which is required by this Master Undertaking.

Section 11. Modification of Master Undertaking. The Obligor may, from time to time, amend or modify this Master Undertaking without the consent of or notice to the holders of the Obligations 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 (including but not limited to a change in law which requires a change in the Obligor's policies or accounting practices) or change in the identity, nature or status of the Obligor, or type of business conducted, (ii) this Master Undertaking, 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 Obligations, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the Obligations pursuant to the terms of any Trust Indenture at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds this Master Undertaking) is otherwise permitted by the SEC Rule, as then in effect.

Section 12. Interpretation Under Indiana Law. It is the intention of the parties hereto that this Master Undertaking and the rights and obligations of the parties hereunder shall be governed by, and construed and enforced in accordance with, the law of the State of Indiana.

Section 13. Severability Clause. In case any provision in this Master Undertaking 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 14. Successors and Assigns. All covenants and agreements in this Master Undertaking made by the Obligor shall bind its successors, whether so expressed or not.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Obligor has caused this Master Undertaking to be executed as of the day and year first hereinabove written.

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION, as Obligor

By: ______________________________
President, Board of School Trustees

____
Secretary, Board of School Trustees

[Signature Page to Master Continuing Disclosure Undertaking]

EXHIBIT A

OBLIGATIONS

Full Name of Bond Issue	Base CUSIP	Final Maturity
Franklin County Middle School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2020*		

*Issued after February 27, 2019 and subject to the 2018 Amendments as defined in the Master Undertaking.

EXHIBIT B

CERTIFICATE RE: [ANNUAL INFORMATION][AUDITED INFORMATION] DISCLOSURE

The undersigned, on behalf of the FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION, as the Obligor under the Master Continuing Disclosure Undertaking, dated as of May ______, 2020 (the "Master Undertaking"), hereby certifies that the information enclosed herewith constitutes the [Annual Information][Audited Information] (as defined in the Master Agreement) which is required to be provided pursuant to Section 4(a) of the Master Agreement.

Dated: ____________________.

FRANKLIN COUNTY COMMUNITY SCHOOL
CORPORATION

____

DO NOT EXECUTE – FOR FUTURE USE ONLY

EXHIBIT C

CERTIFICATE RE: REPORTABLE EVENT DISCLOSURE

The undersigned, on behalf of the FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION, as Obligor under the Master Continuing Disclosure Undertaking, dated as of May _____, 2020 (the "Master Agreement"), hereby certifies that the information enclosed herewith constitutes notice of the occurrence of a reportable event which is required to be provided pursuant to Section 6 of the Master Agreement.

Dated: ___________________.

FRANKLIN COUNTY COMMUNITY SCHOOL
CORPORATION

____

DO NOT EXECUTE – FOR FUTURE USE ONLY

EXHIBIT D

NOTICE TO MSRB OF FAILURE TO FILE INFORMATION

Notice is hereby given that the FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION (the "Obligor") did not timely file its [Annual Information][Audited Information] as required by Section 4(a) of the Master Continuing Disclosure Undertaking, dated as of May _____, 2020.

Dated: ____________________

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION

____

DO NOT EXECUTE – FOR FUTURE USE ONLY

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

August ______, 2020

Re: Franklin County Middle School Building Corporation
Ad Valorem Property Tax First Mortgage Bonds, Series 2020
Total Issue: $5,350,000
Original Date: June ____, 2020

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Franklin County Middle School Building Corporation (the "Issuer") of $5,350,000 of Ad Valorem Property Tax First Mortgage Bonds, Series 2020 dated as of June _____, 2020 (the "Bonds"), pursuant to Indiana Code § 20-47-3 (the "Act") and a Trust Indenture (the "Indenture") between the Issuer and BOKF, NA, as trustee (the "Trustee"), dated as of ________, 2020. We have examined the law and the certified transcript of proceedings of the Issuer and the Franklin County Community School Corporation (the "School Corporation") relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render these opinions. We have relied upon the certified transcript of proceedings and certificates of public officials, including the Issuer's and the School Corporation's tax covenants and representations ("Tax Representations"), and we have not undertaken to verify any facts by independent investigation.

We have also relied upon a commitment for title insurance as to title to the real estate described in the Indenture.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Preliminary Official Statement dated _____________, 2020 or the Final Official Statement dated ___________, 2020 (collectively, 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 Agreement (the "Lease") between the Issuer, as lessor, and the School Corporation, as lessee, executed April 13, 2020, and with a term of thirteen (13) years, has been duly entered into in accordance with the provisions of the Act, and is a valid and binding Lease. All taxable property in the School Corporation is subject to ad valorem taxation to pay the Lease rentals; however, the School Corporation's collection of the levy may be limited by operation of Indiana Code § 6-1.1-20.6, which provides taxpayers with tax credits for property taxes attributable to different classes of property in an amount that exceeds certain percentages of the gross assessed value of that property. The School Corporation is required by law to fully fund the payment of its Lease rentals in an amount sufficient to pay the Lease rentals, regardless of any reduction in property tax collections due to the application of such tax credits. Pursuant to the Lease, the School Corporation is required by law annually to pay the Lease rentals which commence during renovation on June 30, 2021 and which commence with the later of completion of renovation and improvements to the school building or June 30, 2022.

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 by 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 of the owners for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code") and is not a specific preference item for purposes of the federal alternative minimum tax. This opinion is conditioned upon compliance by the Issuer and the School Corporation subsequent to the date hereof with the Tax Representations. Failure to comply with the Tax Representations could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to their date of issuance.

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, the School Corporation 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 law and equity; and (ii) the valid exercise of the constitutional powers of the State and the United States of America.

Very truly yours,

APPENDIX E

STATE BOARD OF ACCOUNTS AUDIT REPORT

AS OF JUNE 30, 2018

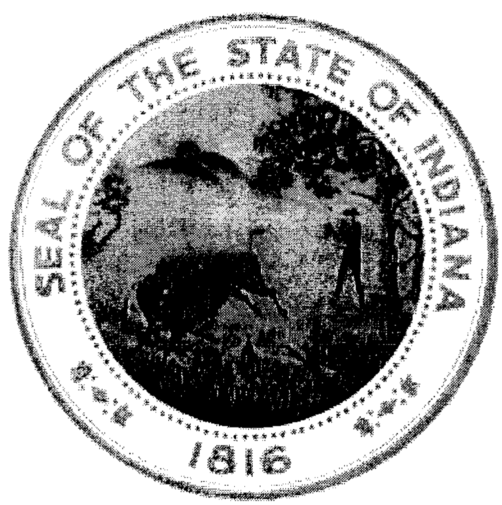
B52489

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

FRANKLIN COUNTY COMMUNITY
SCHOOL CORPORATION
FRANKLIN COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
03/29/2019

TABLE OF CONTENTS

SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Sharon Pohlman	07-01-16 to 06-30-19
Superintendent of Schools	Dr. Debbie Howell	07-01-14 to 06-30-21
President of the School Board	Kim Simonson	01-01-16 to 12-31-18
	Francis Brumback	01-01-19 to 12-31-19

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION, FRANKLIN COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Franklin County Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 20, 2019, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

March 20, 2019

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION, FRANKLIN COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Franklin County Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated March 20, 2019, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exists that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001, that we consider to be a material weakness.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001.

Franklin County Community School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

March 20, 2019

(This page intentionally left blank.)

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	$ 5,987,691	$ 15,866,259	$ 17,148,600	$ (791,954)	$ 3,913,396	$ 15,566,398	$ 15,299,394	$ 14,449	$ 4,194,849
Debt Service	761,177	1,830,791	1,665,203	-	926,765	1,806,833	1,658,863	-	1,074,735
Capital Projects	2,301,732	2,317,076	2,880,025	-	1,738,783	2,280,318	2,693,018	462	1,326,545
School Transportation	1,575,967	3,105,572	3,020,129	-	1,661,410	3,181,699	3,949,284	-	893,825
School Bus Replacement	375,200	186,601	190,762	-	371,039	192,143	376,084	-	187,098
Rainy Day	68,713	-	-	-	68,713	33,912	-	-	102,625
Post-Retirement/Severance Future Benefits	1,069,387	-	217,051	739,771	1,592,107	-	154,195	-	1,437,912
School Lunch	54,929	1,105,683	1,052,469	-	108,143	1,045,471	1,000,032	-	153,582
Textbook Rental	363,789	479,102	298,818	-	544,073	441,822	355,050	-	630,845
Self-Insurance	334,318	4,449,623	4,497,289	-	286,652	3,328,909	3,476,238	-	139,323
Child Care Program	-	-	-	-	-	19,068	34,980	-	(15,912)
Wildcat Watch Latch Key Fund	-	-	-	-	-	39,345	63,770	-	(24,425)
Educational License Plates	17,381	38	-	-	17,419	244	-	-	17,663
Alternative Education	10,242	10,004	20,246	-	-	5,907	(20,246)	-	26,153
Early Intervention Grant	-	10,275	4,598	-	5,677	-	5,677	-	-
2016 Early Intenvention Grant	1,864	1,758	3,622	-	-	-	-	-	-
2017-2018 IN Literacy Early Intervention Grant	-	-	-	-	-	10,643	5,053	-	5,590
Lilly Endowment Grant - Comprehensive	-	30,000	20,882	-	9,118	-	9,037	-	81
Donation from MTC APPLES	2,425	3,126	3,939	-	1,612	7,350	5,850	-	3,112
Donation From Alco Stores	474	5,100	641	-	4,933	6,311	5,639	-	5,605
Donations For BES	5,000	2,375	4,314	-	3,061	17,975	17,069	-	3,967
Donations For FCMS	7,395	958	8,057	-	296	1,542	1,519	-	319
Donations for FCHS	2,465	38,713	36,802	-	4,376	12,130	4,694	-	11,812
Donations for LES	300	15,817	13,145	-	2,972	9,150	11,805	-	317
Wellness Grants	-	300	-	-	300	-	40	-	260
Formative Assessment	-	32,444	32,444	-	-	28,832	28,832	-	-
Instruction Support	-	37,665	37,724	-	(59)	-	(59)	-	-
2015-2016 High Ability Grant	548	-	548	-	-	-	-	-	-
High Ability 2017-2018	-	-	-	-	-	36,734	31,129	-	5,605
Adult and Continuing Education	12,971	-	-	-	12,971	-	1,875	-	11,096
Medicaid Reimbursement	-	3,552	-	-	3,552	201	-	-	3,753
Secured Schools Safety Grant	(53,178)	81,659	45,163	-	(16,682)	-	19,536	-	(36,218)
Non-English Speaking Programs	87	-	-	-	87	-	-	-	87
School Technology	1,704	8,468	6,564	-	3,608	16,913	11,258	-	9,263
Career and Technical Performance Grant	-	8,054	5,245	-	2,809	10,777	8,652	-	4,934
21st Century Scholars	-	327	-	-	327	-	113	-	214
ECO15-FCHS Biomed	29,642	-	10,725	-	18,917	-	(256)	-	19,173
ECO15 Dream It Do It Grant	405	-	405	-	-	-	-	-	-
15/16 Title I	(46,860)	140,863	94,003	-	-	-	-	-	-
Title I 2016-2017	-	278,893	310,932	-	(32,039)	77,158	45,119	-	-
Title I 2017-2018	-	-	-	-	-	230,047	313,998	-	(83,951)
Title IV Part A 2017-2019	-	-	-	-	-	23,253	23,753	-	(500)
Team Nutrition Training Grants	-	500	-	-	500	-	-	-	500
Medicaid Reimbursement - Federal	24,475	6,521	12,237	-	18,759	-	3,340	-	15,419
14/16 Title II Part A Grant	(945)	1,229	284	-	-	-	-	-	-
15/17 Title II Part A Grant	(15,198)	55,665	43,651	-	(3,184)	7,280	4,096	-	-
Title II Part A 2016-2018	-	23,772	32,347	-	(8,575)	61,034	59,069	-	(6,610)
Title II Part A 2017-2019	-	-	-	-	-	23,147	36,830	-	(13,683)
Special Education - Part B - Preschool	3,376	12,203	15,579	-	-	19,032	19,032	-	-
Qualified Zone Academy Bond	11,171	-	-	-	11,171	-	-	-	11,171
Pre-Paid Food	21,674	400,136	400,386	-	21,424	343,036	342,481	-	21,979
Payroll Withholding	40,481	3,700,354	3,611,477	-	129,358	3,454,796	3,501,241	-	82,913
Totals	$ 12,970,802	$ 34,251,476	$ 35,746,306	$ (52,183)	$ 11,423,789	$ 32,339,410	$ 33,557,084	$ 14,911	$ 10,221,026

The notes to the financial statement are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. *Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. *Other Financing Sources and Uses*

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Proceeds of long-term debt. Amounts received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

Transfers in. Amounts received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out. Amounts paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. *Fund Accounting*

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, 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.

B. *Teachers' Retirement Fund*

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, 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.

Note 7. Negative Disbursements

The financial statement contains some disbursements which appear as negative entries. This is a result of error corrections from prior periods. The errors made in the prior period were corrected by reversing the original entry. Since the original entry and the correction were made in separate periods, a negative disbursement was shown in the current period.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2017 or 2018. The Child Care Program fund and Wildcat Watch Latch Key Fund had deficit cash balances due to expenditures exceeding receipts.

Note 9. Holding Corporations

The School Corporation has entered into capital leases with the Franklin County Community School Building Corporation and the Franklin County Middle School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related-parties of the School Corporation. Lease payments during the fiscal years ending June 30, 2017 and 2018, totaled $1,216,500 and $1,211,500, respectively.

Note 10. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: Individual VEBA, Social Security Bridge Plan, Paid Accumulated Leave, and Life Insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: http://www.doe.in.gov/finance/school-financial-reports. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: https://gateway.ifionline.org/.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2017

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/ Severance Future Benefits	School Lunch	Textbook Rental
Cash and investments - beginning	$ 5,987,691	$ 761,177	$ 2,301,732	$ 1,575,967	$ 375,200	$ 68,713	$ 1,069,387	$ 54,929	$ 363,789
Receipts:									
Local sources	123,299	1,830,791	2,317,076	3,104,808	186,601	-	-	400,421	51,713
Intermediate sources	230	-	-	-	-	-	-	-	-
State sources	15,735,660	-	-	-	-	-	-	8,741	369,983
Federal sources	-	-	-	-	-	-	-	677,372	3,223
Interfund loans	-	-	-	-	-	-	-	-	54,183
Other receipts	7,070	-	-	764	-	-	-	19,149	-
Total receipts	15,866,259	1,830,791	2,317,076	3,105,572	186,601	-	-	1,105,683	479,102
Disbursements:									
Instruction	12,693,508	-	-	-	-	-	172,051	-	-
Support services	4,104,299	-	1,593,188	3,020,129	190,762	-	45,000	-	298,818
Noninstructional services	350,793	-	-	-	-	-	-	1,052,469	-
Facilities acquisition and construction	-	-	1,286,837	-	-	-	-	-	-
Debt service	-	1,665,203	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	17,148,600	1,665,203	2,880,025	3,020,129	190,762	-	217,051	1,052,469	298,818
Excess (deficiency) of receipts over disbursements	(1,282,341)	165,588	(562,949)	85,443	(4,161)	-	(217,051)	53,214	180,284
Other financing sources (uses):									
Sale of capital assets	2,000	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	739,771	-	-
Transfers out	(793,954)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(791,954)	-	-	-	-	-	739,771	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,074,295)	165,588	(562,949)	85,443	(4,161)	-	522,720	53,214	180,284
Cash and investments - ending	$ 3,913,396	$ 926,765	$ 1,738,783	$ 1,661,410	$ 371,039	$ 68,713	$ 1,592,107	$ 108,143	$ 544,073

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2017

	Self-Insurance	Child Care Program	Wildcat Watch Latch Key Fund	Educational License Plates	Alternative Education	Early Intervention Grant	2016 Early Intenvention Grant	2017-2018 IN Literacy Early Intervention Grant	Lilly Endowment Grant - Comprehensive
Cash and investments - beginning	$ 334,318	$ -	$ -	$ 17,381	$ 10,242	$ -	$ 1,864	$ -	$ -
Receipts:									
Local sources	4,449,623	-	-	-	-	-	-	-	30,000
Intermediate sources	-	-	-	38	-	-	-	-	-
State sources	-	-	-	-	10,004	10,275	1,758	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	4,449,623	-	-	38	10,004	10,275	1,758	-	30,000
Disbursements:									
Instruction	-	-	-	-	-	4,598	3,622	-	-
Support services	505,681	-	-	-	20,246	-	-	-	20,882
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	3,991,608	-	-	-	-	-	-	-	-
Total disbursements	4,497,289	-	-	-	20,246	4,598	3,622	-	20,882
Excess (deficiency) of receipts over disbursements	(47,666)	-	-	38	(10,242)	5,677	(1,864)	-	9,118
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(47,666)	-	-	38	(10,242)	5,677	(1,864)	-	9,118
Cash and investments - ending	$ 286,652	$ -	$ -	$ 17,419	$ -	$ 5,677	$ -	$ -	$ 9,118

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For the Year Ended June 30, 2017

	Donation from MTC APPLES	Donation From Alco Stores	Donations For BES	Donations For FCMS	Donations for FCHS	Donations for LES	Wellness Grants	Formative Assessment	Instruction Support
Cash and investments - beginning	$ 2,425	$ 474	$ 5,000	$ 7,395	$ 2,465	$ 300	$ -	$ -	$ -
Receipts:									
Local sources	3,126	5,100	2,375	958	38,713	15,817	300	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	32,444	37,665
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	3,126	5,100	2,375	958	38,713	15,817	300	32,444	37,665
Disbursements:									
Instruction	3,589	663	4,314	8,057	36,802	11,774	-	32,444	37,724
Support services	-	(22)	-	-	-	1,371	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	350	-	-	-	-	-	-	-	-
Total disbursements	3,939	641	4,314	8,057	36,802	13,145	-	32,444	37,724
Excess (deficiency) of receipts over disbursements	(813)	4,459	(1,939)	(7,099)	1,911	2,672	300	-	(59)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(813)	4,459	(1,939)	(7,099)	1,911	2,672	300	-	(59)
Cash and investments - ending	$ 1,612	$ 4,933	$ 3,061	$ 296	$ 4,376	$ 2,972	$ 300	$ -	$ (59)

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2017

	2015-2016 High Ability Grant	High Ability 2017-2018	Adult and Continuing Education	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	21st Century Scholars
Cash and investments - beginning	$ 548	$ -	$ 12,971	$ -	$ (53,178)	$ 87	$ 1,704	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	3,552	81,659	-	8,468	8,054	327
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	3,552	81,659	-	8,468	8,054	327
Disbursements:									
Instruction	548	-	-	-	45,163	-	-	5,245	-
Support services	-	-	-	-	-	-	6,564	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	548	-	-	-	45,163	-	6,564	5,245	-
Excess (deficiency) of receipts over disbursements	(548)	-	-	3,552	36,496	-	1,904	2,809	327
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(548)	-	-	3,552	36,496	-	1,904	2,809	327
Cash and investments - ending	$ -	$ -	$ 12,971	$ 3,552	$ (16,682)	$ 87	$ 3,608	$ 2,809	$ 327

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2017

	ECO15-FCHS Biomed	ECO15 Dream It Do It Grant	15/16 Title I	Title I 2016-2017	Title I 2017-2018	Title IV Part A 2017-2019	Team Nutrition Training Grants	Medicaid Reimbursement - Federal	14/16 Title II Part A Grant
Cash and investments - beginning	$ 29,642	$ 405	$ (46,860)	$ -	$ -	$ -	$ -	$ 24,475	$ (945)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	140,863	278,893	-	-	500	6,521	1,229
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	140,863	278,893	-	-	500	6,521	1,229
Disbursements:									
Instruction	10,725	405	63,021	212,592	-	-	-	12,237	284
Support services	-	-	29,552	83,450	-	-	-	-	-
Noninstructional services	-	-	1,430	14,890	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10,725	405	94,003	310,932	-	-	-	12,237	284
Excess (deficiency) of receipts over disbursements	(10,725)	(405)	46,860	(32,039)	-	-	500	(5,716)	945
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,725)	(405)	46,860	(32,039)	-	-	500	(5,716)	945
Cash and investments - ending	$ 18,917	$ -	$ -	$ (32,039)	$ -	$ -	$ 500	$ 18,759	$ -

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2017

	15/17 Title II Part A Grant	Title II Part A 2016-2018	Title II Part A 2017-2019	Special Education - Part B - Preschool	Qualified Zone Academy Bond	Pre-Paid Food	Payroll Withholding	Totals
Cash and investments - beginning	$ (15,198)	$ -	$ -	$ 3,376	$ 11,171	$ 21,674	$ 40,481	$ 12,970,802
Receipts:								
Local sources	-	-	-	-	-	-	-	12,560,721
Intermediate sources	-	-	-	-	-	-	-	268
State sources	-	-	-	-	-	-	-	16,308,590
Federal sources	55,665	23,772	-	12,203	-	-	-	1,200,241
Interfund loans	-	-	-	-	-	-	-	54,183
Other receipts	-	-	-	-	-	400,136	3,700,354	4,127,473
Total receipts	55,665	23,772	-	12,203	-	400,136	3,700,354	34,251,476
Disbursements:								
Instruction	43,651	32,347	-	15,579	-	-	-	13,450,943
Support services	-	-	-	-	-	-	-	9,919,920
Noninstructional services	-	-	-	-	-	-	-	1,419,582
Facilities acquisition and construction	-	-	-	-	-	-	-	1,286,837
Debt service	-	-	-	-	-	-	-	1,665,203
Nonprogrammed charges	-	-	-	-	-	400,386	3,611,477	8,003,821
Total disbursements	43,651	32,347	-	15,579	-	400,386	3,611,477	35,746,306
Excess (deficiency) of receipts over disbursements	12,014	(8,575)	-	(3,376)	-	(250)	88,877	(1,494,830)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	2,000
Transfers in	-	-	-	-	-	-	-	739,771
Transfers out	-	-	-	-	-	-	-	(793,954)
Total other financing sources (uses)	-	-	-	-	-	-	-	(52,183)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,014	(8,575)	-	(3,376)	-	(250)	88,877	(1,547,013)
Cash and investments - ending	$ (3,184)	$ (8,575)	$ -	$ -	$ 11,171	$ 21,424	$ 129,358	$ 11,423,789

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2018

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/ Severance Future Benefits	School Lunch	Textbook Rental
Cash and investments - beginning	$ 3,913,396	$ 926,765	$ 1,738,783	$ 1,661,410	$ 371,039	$ 68,713	$ 1,592,107	$ 108,143	$ 544,073
Receipts:									
Local sources	303,233	1,806,833	2,280,318	3,181,060	192,143	33,912	-	347,154	159,920
Intermediate sources	247	-	-	-	-	-	-	-	-
State sources	15,259,266	-	-	-	-	-	-	8,998	281,471
Federal sources	-	-	-	-	-	-	-	655,414	431
Other receipts	3,652	-	-	639	-	-	-	33,905	-
Total receipts	15,566,398	1,806,833	2,280,318	3,181,699	192,143	33,912	-	1,045,471	441,822
Disbursements:									
Instruction	11,009,566	-	-	-	-	-	124,195	-	-
Support services	3,941,254	-	1,360,052	3,949,284	376,084	-	30,000	-	355,050
Noninstructional services	348,574	-	-	-	-	-	-	1,000,032	-
Facilities acquisition and construction	-	-	1,332,966	-	-	-	-	-	-
Debt service	-	1,658,863	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	15,299,394	1,658,863	2,693,018	3,949,284	376,084	-	154,195	1,000,032	355,050
Excess (deficiency) of receipts over disbursements	267,004	147,970	(412,700)	(767,585)	(183,941)	33,912	(154,195)	45,439	86,772
Other financing sources (uses):									
Proceeds of long-term debt	8,694	-	-	-	-	-	-	-	-
Sale of capital assets	5,755	-	462	-	-	-	-	-	-
Total other financing sources (uses)	14,449	-	462	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	281,453	147,970	(412,238)	(767,585)	(183,941)	33,912	(154,195)	45,439	86,772
Cash and investments - ending	$ 4,194,849	$ 1,074,735	$ 1,326,545	$ 893,825	$ 187,098	$ 102,625	$ 1,437,912	$ 153,582	$ 630,845

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2018

	Self-Insurance	Child Care Program	Wildcat Watch Latch Key Fund	Educational License Plates	Alternative Education	Early Intervention Grant	2016 Early Intervention Grant	2017-2018 IN Literacy Early Intervention Grant	Lilly Endowment Grant - Comprehensive
Cash and investments - beginning	$ 286,652	$ -	$ -	$ 17,419	$ -	$ 5,677	$ -	$ -	$ 9,118
Receipts:									
Local sources	3,328,909	19,068	39,345	-	-	-	-	-	-
Intermediate sources	-	-	-	244	-	-	-	-	-
State sources	-	-	-	-	5,907	-	-	10,643	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	3,328,909	19,068	39,345	244	5,907	-	-	10,643	-
Disbursements:									
Instruction	-	-	-	-	-	5,677	-	5,053	-
Support services	-	-	-	-	(20,246)	-	-	-	9,037
Noninstructional services	-	34,980	63,770	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	3,476,238	-	-	-	-	-	-	-	-
Total disbursements	3,476,238	34,980	63,770	-	(20,246)	5,677	-	5,053	9,037
Excess (deficiency) of receipts over disbursements	(147,329)	(15,912)	(24,425)	244	26,153	(5,677)	-	5,590	(9,037)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(147,329)	(15,912)	(24,425)	244	26,153	(5,677)	-	5,590	(9,037)
Cash and investments - ending	$ 139,323	$ (15,912)	$ (24,425)	$ 17,663	$ 26,153	$ -	$ -	$ 5,590	$ 81

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2018

	Donation from MTC APPLES	Donation From Alco Stores	Donations For BES	Donations For FCMS	Donations for FCHS	Donations for LES	Wellness Grants	Formative Assessment	Instruction Support
Cash and investments - beginning	$ 1,612	$ 4,933	$ 3,061	$ 296	$ 4,376	$ 2,972	$ 300	$ -	$ (59)
Receipts:									
Local sources	7,350	6,311	17,975	1,542	12,130	9,150	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	28,832	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	7,350	6,311	17,975	1,542	12,130	9,150	-	28,832	-
Disbursements:									
Instruction	1,650	760	17,069	1,019	4,212	11,805	-	23,976	(59)
Support services	-	4,879	-	500	482	-	40	4,856	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	4,200	-	-	-	-	-	-	-	-
Total disbursements	5,850	5,639	17,069	1,519	4,694	11,805	40	28,832	(59)
Excess (deficiency) of receipts over disbursements	1,500	672	906	23	7,436	(2,655)	(40)	-	59
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,500	672	906	23	7,436	(2,655)	(40)	-	59
Cash and investments - ending	$ 3,112	$ 5,605	$ 3,967	$ 319	$ 11,812	$ 317	$ 260	$ -	$ -

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2018

	2015-2016 High Ability Grant	High Ability 2017-2018	Adult and Continuing Education	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	21st Century Scholars
Cash and investments - beginning	$ -	$ -	$ 12,971	$ 3,552	$ (16,682)	$ 87	$ 3,608	$ 2,809	$ 327
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	36,734	-	201	-	-	11,010	10,777	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	5,903	-	-
Total receipts	-	36,734	-	201	-	-	16,913	10,777	-
Disbursements:									
Instruction	-	31,129	1,875	-	19,536	-	-	8,652	-
Support services	-	-	-	-	-	-	11,258	-	113
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	31,129	1,875	-	19,536	-	11,258	8,652	113
Excess (deficiency) of receipts over disbursements	-	5,605	(1,875)	201	(19,536)	-	5,655	2,125	(113)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,605	(1,875)	201	(19,536)	-	5,655	2,125	(113)
Cash and investments - ending	$ -	$ 5,605	$ 11,096	$ 3,753	$ (36,218)	$ 87	$ 9,263	$ 4,934	$ 214

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2018

	ECO15-FCHS Biomed	ECO15 Dream It Do It Grant	15/16 Title I	Title I 2016-2017	Title I 2017-2018	Title IV Part A 2017-2019	Team Nutrition Training Grants	Medicaid Reimbursement - Federal	14/16 Title II Part A Grant
Cash and investments - beginning	$ 18,917	$ -	$ -	$ (32,039)	$ -	$ -	$ 500	$ 18,759	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	77,158	230,047	23,253	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	77,158	230,047	23,253	-	-	-
Disbursements:									
Instruction	(256)	-	-	30,015	208,948	22,555	-	3,340	-
Support services	-	-	-	15,104	90,080	1,198	-	-	-
Noninstructional services	-	-	-	-	14,970	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	(256)	-	-	45,119	313,998	23,753	-	3,340	-
Excess (deficiency) of receipts over disbursements	256	-	-	32,039	(83,951)	(500)	-	(3,340)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	256	-	-	32,039	(83,951)	(500)	-	(3,340)	-
Cash and investments - ending	$ 19,173	$ -	$ -	$ -	$ (83,951)	$ (500)	$ 500	$ 15,419	$ -

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2018

	15/17 Title II Part A Grant	Title II Part A 2016-2018	Title II Part A 2017-2019	Special Education - Part B - Preschool	Qualified Zone Academy Bond	Pre-Paid Food	Payroll Withholding	Totals
Cash and investments - beginning	$ (3,184)	$ (8,575)	$ -	$ -	$ 11,171	$ 21,424	$ 129,358	$ 11,423,789
Receipts:								
Local sources	-	398	-	-	-	-	-	11,746,751
Intermediate sources	-	-	-	-	-	-	-	491
State sources	-	-	-	-	-	-	-	15,653,839
Federal sources	7,280	60,636	23,147	19,032	-	-	-	1,096,398
Other receipts	-	-	-	-	-	343,036	3,454,796	3,841,931
Total receipts	7,280	61,034	23,147	19,032	-	343,036	3,454,796	32,339,410
Disbursements:								
Instruction	4,096	59,069	36,830	19,032	-	-	-	11,649,744
Support services	-	-	-	-	-	-	-	10,129,025
Noninstructional services	-	-	-	-	-	-	-	1,462,326
Facilities acquisition and construction	-	-	-	-	-	-	-	1,332,966
Debt service	-	-	-	-	-	-	-	1,658,863
Nonprogrammed charges	-	-	-	-	-	342,481	3,501,241	7,324,160
Total disbursements	4,096	59,069	36,830	19,032	-	342,481	3,501,241	33,557,084
Excess (deficiency) of receipts over disbursements	3,184	1,965	(13,683)	-	-	555	(46,445)	(1,217,674)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	8,694
Sale of capital assets	-	-	-	-	-	-	-	6,217
Total other financing sources (uses)	-	-	-	-	-	-	-	14,911
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,184	1,965	(13,683)	-	-	555	(46,445)	(1,202,763)
Cash and investments - ending	$ -	$ (6,610)	$ (13,683)	$ -	$ 11,171	$ 21,979	$ 82,913	$ 10,221,026

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FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2018

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	$ 748,274	$ 181,297

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Franklin County Middle School Building Corporation	Renovations and improvements to Brookville Elementary School	$ 63,500	3/9/2015	6/30/2026
Franklin County Middle School Building Corporation	Refund 2005 Bond and renovations and improvements to athletic complex at FCHS	857,800	11/9/2015	12/31/2027
Franklin County Community School Building Corporation	Mt. Carmel/Laurel School Geo-Thermal Project	303,250	2/13/2012	12/31/2025
Total governmental activities		1,224,550		
Total of annual lease payments		$ 1,224,550		

Description of Debt			
Type	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	QZAB Update Technology at Franklin County High School	$ 995,000	$ 204,213
Notes and loans payable	Common School Loan A0474 Brookville Middle School/Brookville Elementary School	1,690,500	227,010
Total governmental activities		2,685,500	431,223
Totals		$ 2,685,500	$ 431,223

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2018

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Buildings	$ 25,609,178
Improvements other than buildings	3,900,048
Machinery, equipment, and vehicles	5,037,363
Books and other	972,458
Total governmental activities	35,519,047
Total capital assets	$ 35,519,047

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SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION, FRANKLIN COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Franklin County Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Report on Internal Control over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2018-002, that we consider to be a material weakness.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

March 20, 2019

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
USDA Breakfast Program			FY2017	$ -	$ 176,958	$ -	$ -
USDA Breakfast Program			FY2018	-	-	-	165,252
Total - School Breakfast Program				-	176,958	-	165,252
National School Lunch Program	Indiana Department of Education	10.555					
Commodities			FY2017	-	84,445	-	-
Commodities			FY2018	-	-	-	80,577
USDA Snack Program			FY2017	-	769	-	-
USDA Snack Program			FY2018	-	-	-	6,553
USDA Lunch Program			FY2017	-	499,645	-	-
USDA Lunch Program			FY2018	-	-	-	480,812
Total - National School Lunch Program				-	584,859	-	567,942
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Service			FY2018	-	-	-	7,194
Total - Summer Food Service Program for Children				-	-	-	7,194
Total - Child Nutrition Cluster				-	761,817	-	740,388
Total - Department of Agriculture				-	761,817	-	740,388
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
FY2015 Federal Part B 611 Grant			14215-013-PN01	-	2,506	-	-
FY2016 Federal Part B 611 Grant			14216-011-PN01	-	506,747	-	-
FY2017 Federal Part B 611 Grant			14217-011-PN01	-	191,005	-	485,712
FY2018 Federal Part B 611 Grant			18611-011-PN01	-	-	-	205,486
Total - Special Education Grants to States				-	700,258	-	691,198

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
Special Education Preschool Grants	Indiana Department of Education	84.173					
FY2016 Federal Preschool 619 Grant			45716-011-PN01	-	13,396	-	-
FY2017 Federal Preschool 619 Grant			45717-011-PN01	-	-	-	20,418
FY2018 Federal Preschool 619 Grant			18619-011-PN01	-	-	-	10,981
Total - Special Education Preschool Grants				-	13,396	-	31,399
Total - Special Education Cluster (IDEA)				-	713,654	-	722,597
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 2015-2016			15-2475	-	140,862	-	-
Title I 2016-2017			16-2475	-	278,893	-	77,159
Title I 2017-2018			17-2475	-	-	-	230,047
Total - Title I Grants to Local Educational Agencies				-	419,755	-	307,206
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
2014-2016 Title II Part A			13-2475	-	1,229	-	-
2015-2017 Title II Part A			15-2475	-	55,665	-	7,280
2016-2018 Title II Part A			16-2475	-	23,772	-	60,636
2017-2019 Title II Part A			17-2475	-	-	-	23,147
Total - Supporting Effective Instruction State Grants				-	80,666	-	91,063
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
2017-2018 Title IV Part A			S424A170015	-	-	-	23,253
Total - Student Support and Academic Enrichment Program				-	-	-	23,253
Total - Department of Education				-	1,214,075	-	1,144,119
Total federal awards expended				$ -	$ 1,975,892	$ -	$ 1,884,507

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of $750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

Name of Federal Program or Cluster	Opinion Issued
Child Nutrition Cluster	Unmodified
Special Education Cluster (IDEA)	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2018-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Condition

The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Treasurer entered federal award information on the Indiana Gateway for Government Units financial reporting system, which was used to generate the School Corporation's SEFA. The Superintendent of Schools reviewed this information prior to submission; however, material errors were undetected.

Context

The SEFA contained the following errors:

1. The Child Nutrition Cluster was understated by $172,216.

2. The Special Education Cluster (IDEA) was overstated by $676,229.

3. Program titles were incorrect.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

Management had not established an effective system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended that the School Corporation's management establish and implement controls related to the preparation of the SEFA.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-002

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY2017, FY2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Procurement and Suspension and Debarment, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - Paid Lunch Equity
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding of 2016-002 from the immediately prior audit report regarding Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP).

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Procurement and Suspension and Debarment, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity.

Procurement and Suspension and Debarment

The School Corporation had not designed or implemented adequate internal controls to ensure the Procurement and Suspension and Debarment compliance requirement was being met. One employee was responsible to ensure compliance with the procurement and suspension and debarment requirements without any oversight, review, or approval process.

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

The School Corporation had not designed or implemented adequate internal controls to ensure that the verification of free and reduced price applications and any necessary changes to students' eligibility statuses were accurate. One employee performed the verification of applications without evidence of an oversight, review, or approval process.

Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)

The School Corporation had not designed or implemented adequate internal controls to ensure the accuracy of the paid lunch equity calculation. One employee performed the paid lunch equity calculations using the online calculator tool without evidence of an oversight, review, or approval process.

Context

The lack of controls was a systemic issue throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

The School Corporation's management had not implemented an adequate system of internal controls that would ensure compliance with the Procurement and Suspension and Debarment, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Procurement and Suspension and Debarment, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish effective internal controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

Dr. Debbie Howell
Superintendent of Schools

Ms. Tammy Chavis
Assistant Superintendent

FRANKLIN COUNTY
COMMUNITY SCHOOL CORPORATION
225 E. 10TH Street | Brookville, Indiana 47012

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal year in which the finding initially occurred: 2016
Contact Person Responsible for Corrective Action: Sharon Pohlman, Treasurer
Contact Phone Number: (765) 647-4128

Status of Audit Finding: ***Internal Controls Over Financial Transactions and Reporting***

1. The Treasurer deposits funds into the appropriate bank.
2. The Accounts Payable/Purchasing Coordinator enters all incoming checks, cash, processed ACH transactions, and direct deposits into the business system.
3. The Payroll/Benefits Coordinator links the deposits to the business system bank to complete the posting process of all transactions.
4. The Treasurer reconciles the bank(s) at the end of each month.
5. The Superintendent reviews the reconciliation and signs an attestation sheet.

Sharon A. Pohlman
(Signature)

Treasurer
(Title)

02-13-2019
(Date)

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Dr. Debbie Howell
Superintendent of Schools

Ms. Tammy Chavis
Assistant Superintendent

FRANKLIN COUNTY
COMMUNITY SCHOOL CORPORATION
225 E 10TH Street | Brookville, Indiana 47012

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-002

Fiscal year in which the finding initially occurred: 2016
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Courtney Halloran, Food Service Director
Contact Phone Number: (765) 647-4128

Status of Audit Finding: ***Cash Management, Eligibility, Reporting, and Special Tests and Provisions Verification of Free and Reduced Price Applications***

Cash Management
a. The Food Service Director reviews the School Lunch account on a monthly basis.
b. She presents the financial information to FCCSC Board of School Trustees at their monthly meeting. This information includes the Food Service Department's three-month total.
c. In the event there is a balance of more than a three-month average of expenditures, the Director of Food Services will contact the Treasurer and the Superintendent with this information.
d. There will be a concerted effort to replace outdated Food Service equipment with this balance instead of using Capital Project Funds.

Eligibility
a. Parents complete Free and Reduced applications online using lunchapp.com. The software guides the parents step by step to ensure that it is filled out properly.
b. The applications are then sent to the building Cashiers/Assistant Secretaries. They match the students in the software to approve or deny free/reduced benefits.
c. The Food Service Director then checks to ensure that the applications are completed correctly.

Reporting:
a. The claims for reimbursements, annual financial reports, and verification reports are completed and submitted by the Food Service Director.
b. The monthly reimbursement claims, annual financial reports, and verification reports are reviewed by the School Treasurer to ensure that the reports are correct. If there are discrepancies between what is submitted and what is correct, the Food Service Director edits the previous submission with the correct information. Then, the edited submission is again reviewed by the School Treasurer, and he/she signs off on the document.

Program Income:
a. FCCSC Board of School Trustees approves meal prices prior to the beginning of each school year. Cafeteria Managers review and ensure that the correct prices are being charged by their school. The Cafeteria Managers will sign off on the correct prices being charged. They will then submit documentation to the Food Service Director.
b. The Food Service Director reviews and signs each building's price implementation and charges documentation and this is kept on file.

Status of Audit Finding: ***Cash Management, Eligibility, Reporting, and Special Tests and Provisions Verification of Free and Reduced Price Applications (continued)***

<u>Special Provisions:</u>

a. The Food Service Director will verify the free and reduced applications.
b. The Verification Summary Report will be submitted to the School Treasurer to ensure that the verification process was properly completed.
c. This will take place each December.

Conney Hallman
(Signature)

Food Service Director
(Title)

2/12/19
(Date)

Dr. Debbie Howell
Superintendent of Schools

Ms. Tammy Chavis
Assistant Superintendent

FRANKLIN COUNTY
COMMUNITY SCHOOL CORPORATION
225 E 10TH Street | Brookville Indiana 47012

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-003

Fiscal year in which the finding initially occurred: 2016
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Courtney Halloran
Contact Phone Number: (765) 647-4128

Status of Audit Finding: ***Allowable Costs/Cost Principles***

Allowable Costs/Cost Principles

a. The Cashier/Assistant Secretary of each school documents the time worked as a Cashier in the Food Service Program separate from the time worked as an Assistant Secretary on a Time and Efforts Timesheet.
b. The Cashier/Assistant Secretary submits this timesheet to the Food Service Director each week to check and review. The Food Service Director then submits the weekly timesheet to the Payroll/Benefits Coordinator to process for payroll.
c. The time worked as a Cashier in the Food Service Program includes;
    1. Acting as Cashier in the cafeteria
    2. Keeping track of payments from all students and their parents.
    3. Reconciling meals and payments.
    4. Sending the weekly information to the Food Service Director for verification.
    5. Sending the correct amount for the weekly meals to the Corporation Treasurer.
    6. Tracking student eligibility and processing applications.

Courtney Halloran
(Signature)

Food service Director
(Title)

2/13/19
(Date)

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Dr. Debbie Howell
Superintendent of Schools

Ms. Tammy Chavis
Assistant Superintendent

FRANKLIN COUNTY
COMMUNITY SCHOOL CORPORATION
225 E. 10TH Street | Brookville, Indiana 47012

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-004

Fiscal year in which the finding initially occurred: 2016
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Sharon Pohlman, Treasurer
Contact Phone Number: (765) 647-4128

Status of Audit Finding: ***IDEA - Allowable Costs/Cost Principles***

Allowable Costs/Cost Principles
The Treasurer at Union County/College Corner Special Education verifies and signs off on any payroll reports generated for Franklin County Community School Corporation's payroll that are paid by grants for which UC/CC is the LEA. The East Central Indiana Special Services Governing Board reviews and approves these expenditures at their monthly meeting.

The Treasurer at Franklin County Community School Corporation completes the annual Maintenance of Effort reports as they deal with the Special Education Grants coming through Union County/College Corner. The Superintendent of FCCSC verifies the reports and signs an attestation before it is forwarded to the Director of East Central Indiana Special Services at Union County/College Corner Joint School District.

Sharon A. Pohlman
(Signature)

Treasurer
(Title)

02-13-2019
(Date)

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Dr. Debbie Howell
Superintendent of Schools

Ms. Tammy Chavis
Assistant Superintendent

FRANKLIN COUNTY
COMMUNITY SCHOOL CORPORATION
225 E. 10TH Street | Brookville, Indiana 47012

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-005

Fiscal year in which the finding initially occurred: 2016
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Tammy Chavis, Assistant Superintendent
Contact Phone Number: (765) 647-4128

Status of Audit Finding:

Reporting

The Treasurer creates a reimbursement spreadsheet and compiles the reimbursement information to be submitted in the Title I Application Center the 1st and 15th of every month. The reimbursement spreadsheet is presented to the Assistant Superintendent who reviews and signs the spreadsheet agreeing to the amount requested for reimbursement.

Eligibility

The School Corporation will use the Real Time Report with an October 1st date. The building secretaries enter the information into Power School. After the building level principals approve the information the Education Technology Director will retrieve the information from Power School and input this same information for the Department of Education Real Time Report. Before submission of the Real Time Report, the Assistant Superintendent will review the information from Power School and the Real Time Report. After verifying that the information is correct, the Education Technology Director will submit the Real Time Report. The anticipated completion date for this is October 1, 2019.

Special Tests and Provisions - Annual Report Card, High School Graduation Rate

Prior to a student being removed from a graduation cohort, the student must sign an official withdrawal form. The appropriate withdrawal code is placed on the form. The principal verifies the form to ensure the correct withdrawal code is on the form before signing. Once the form is signed, the counselor withdraws the student using the correct withdrawal code. The Education Technology Director then completes the real time report that will remove the student from the cohort. All signed withdrawal forms are maintained at the building level. The Assistant Superintendent will review and verify the real time information that includes an October 1st date. The anticipated completion date for this is October 1, 2019.

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Special Tests and Provisions - Comparability Report
Prior to the submission of the Comparability Report, the Title I Coordinator will review the Title I Comparability of Services Guidance provided by the State Education Agency. All reporting LEA's have the option of using either Form B1 or Form B2. Fall counts of enrollment and staff are used for the comparability report. Once the form is complete, the Superintendent will review the form and sign to certify that the information is correct. The person completing the Comparability Report will sign, make a copy for the files and send the original to the Office of Federal Title Grant Programs.

Special Tests and Provisions - Assessment System Security
The Test Security Policy was approved by the Board of School Trustees at the October 2018 School Board Meeting. This policy is located in Section 5.14 of the Board Policy Handbook. All steps of the policy have implemented and followed.

Tommy Chavis
(Signature)

Assistant Superintendent
(Title)

February 12, 2019
(Date)

CORRECTIVE ACTION PLAN

FINDING 2018-001
Material Weakness, Noncompliance

Contact Person Responsible for Corrective Action: Sharon Pohlman, Treasurer
Contact Phone Number: 765-647-4128 ext 1567

Views of Responsible Official: I concur that these items findings are correct.

Description of Corrective Action Plan:

SEFA
The Corporation Treasurer and the Superintendent will review the Gateway Annual Financial Report together each year to ensure that the information is correctly reported and that Internal Controls are in place before entering the information to Gateway. The Corporation Treasurer is now aware that the Secured Safety Grant is not a Federal Grant, and that the Food Service Commodities must be entered on the SEFA Report.

The Auditor supplied the Corporation Treasurer with corrections to the 2016-2017 and the 2017-2018 Gateway Annual Financial Report. These corrections will be completed before March 20, 2019.

Anticipated Completion Date: 2018-2019 Gateway Annual Financial Report

Sharon A. Pohlman
(Signature)

Treasurer
(Title)

March 14, 2019
(Date)

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Dr. Debbie Howell
Superintendent of Schools

:Ms. Tammy Chavis
Assistant Superintendent

FRANKLIN COUNTY
COMMUNITY SCHOOL CORPORATION

CORRECTIVE ACTION PLAN

FINDING 2018-002
Material Weakness

Contact Person Responsible for Corrective Action: Courtney Halloran, Food Service Director
Contact Phone Number: 765-647-1128 ext 1561

Views of Responsible Official: I concur that these findings are correct.

Description of Corrective Action Plan:

Suspension and Debarment
Suspension and Debarment requirements are now be met with the use of the West Indy Co-op for use of food, non-food, paper, and commercial goods. The Food Service Director will ensure that all vendors used for purchasing will be compliant and accessible

Anticipated Completion Date: Immediately

Special Tests and Provisions- Verification
Verification will be conducted by the Food Service Director each first semester. The student eligibility, applications, and household incomes will be reviewed and signed by the Administrative Secretary to ensure that all the information and totals are correct before submission of the verification report. The final verification report prepared by the Food Service Director will also be reviewed and signed by the School Corporation Treasurer.

Anticipated Completion Date: December 2019

Paid Lunch Equity
The Paid Lunch Equity tool provided by the USDA will be completed by the Food Service Director each year. The Administrative Secretary will review the Paid Lunch Equity draft in comparison to the calculation of the lunch prices to ensure that totals are correct. The Administrative Secretary will sign off on the document if it is correct. The Food Service Director will submit the Paid Lunch Equity, and will present any price changes to the school board for approval.

Anticipated Completion Date: April 2019

Courtney Halloran
(Signature)

Food Service Director
(Title)

March 14, 2019
(Date)

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OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: http://www.in.gov/sboa/.

B52490

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT
OF

FRANKLIN COUNTY COMMUNITY
SCHOOL CORPORATION
FRANKLIN COUNTY, INDIANA

July 1, 2016 to June 30, 2018

FILED
03/29/2019

TABLE OF CONTENTS

SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Sharon Pohlman	07-01-16 to 06-30-19
Superintendent of Schools	Dr. Debbie Howell	07-01-14 to 06-30-21
President of the School Board	Kim Simonson	01-01-16 to 12-31-18
	Francis Brumback	01-01-19 to 12-31-19

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION, FRANKLIN COUNTY, INDIANA

This report is supplemental to our audit report of the Franklin County Community School Corporation (School Corporation), for the period from July 1, 2016 to June 30, 2018. It has been provided as a separate report so that the reader may easily identify any Federal Findings that pertain to the School Corporation. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement and federal program compliance. This report may be found at www.in.gov/sboa/.

The Federal Findings, identified in the above referenced audit report, are included in this report.

Any Corrective Action Plan for the Federal Findings, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

March 20, 2019

FINDING 2018-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Condition

The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Treasurer entered federal award information on the Indiana Gateway for Government Units financial reporting system, which was used to generate the School Corporation's SEFA. The Superintendent of Schools reviewed this information prior to submission; however, material errors were undetected.

Context

The SEFA contained the following errors:

1. The Child Nutrition Cluster was understated by $172,216.

2. The Special Education Cluster (IDEA) was overstated by $676,229.

3. Program titles were incorrect.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

> "Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.
>
> An integral part of the control activity component is segregation of duties. . . .
>
> There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

Management had not established an effective system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended that the School Corporation's management establish and implement controls related to the preparation of the SEFA.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2018-002

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY2017, FY2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Procurement and Suspension and Debarment, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - Paid Lunch Equity
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding of 2016-002 from the immediately prior audit report regarding Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP).

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Procurement and Suspension and Debarment, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity.

Procurement and Suspension and Debarment

The School Corporation had not designed or implemented adequate internal controls to ensure the Procurement and Suspension and Debarment compliance requirement was being met. One employee was responsible to ensure compliance with the procurement and suspension and debarment requirements without any oversight, review, or approval process.

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

The School Corporation had not designed or implemented adequate internal controls to ensure that the verification of free and reduced price applications and any necessary changes to students' eligibility statuses were accurate. One employee performed the verification of applications without evidence of an oversight, review, or approval process.

Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)

The School Corporation had not designed or implemented adequate internal controls to ensure the accuracy of the paid lunch equity calculation. One employee performed the paid lunch equity calculations using the online calculator tool without evidence of an oversight, review, or approval process.

Context

The lack of controls was a systemic issue throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

The School Corporation's management had not implemented an adequate system of internal controls that would ensure compliance with the Procurement and Suspension and Debarment, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Procurement and Suspension and Debarment, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish effective internal controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Dr. Debbie Howell
Superintendent of Schools

Ms. Tammy Chavis
Assistant Superintendent

FRANKLIN COUNTY
COMMUNITY SCHOOL CORPORATION

CORRECTIVE ACTION PLAN

FINDING 2018-001
Material Weakness, Noncompliance

Contact Person Responsible for Corrective Action: Sharon Pohlman, Treasurer
Contact Phone Number: 765-647-4128 ext 1567

Views of Responsible Official: I concur that these items findings are correct.

Description of Corrective Action Plan:

SEFA
The Corporation Treasurer and the Superintendent will review the Gateway Annual Financial Report together each year to ensure that the information is correctly reported and that Internal Controls are in place before entering the information to Gateway. The Corporation Treasurer is now aware that the Secured Safety Grant is not a Federal Grant, and that the Food Service Commodities must be entered on the SEFA Report.

The Auditor supplied the Corporation Treasurer with corrections to the 2016-2017 and the 2017-2018 Gateway Annual Financial Report. These corrections will be completed before March 20, 2019.

Anticipated Completion Date: 2018-2019 Gateway Annual Financial Report

Sharon A. Pohlman
(Signature)

Treasurer
(Title)

March 14, 2019
(Date)

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Dr. Debbie Howell
Superintendent of Schools

Ms. Tammy Chavis
Assistant Superintendent

FRANKLIN COUNTY
COMMUNITY SCHOOL CORPORATION

CORRECTIVE ACTION PLAN

FINDING 2018-002
Material Weakness

Contact Person Responsible for Corrective Action: Courtney Halloran, Food Service Director
Contact Phone Number: 765-647-1128 ext 1561

Views of Responsible Official: I concur that these findings are correct.

Description of Corrective Action Plan:

Suspension and Debarment
Suspension and Debarment requirements are now be met with the use of the West Indy Co-op for use of food, non-food, paper, and commercial goods. The Food Service Director will ensure that all vendors used for purchasing will be compliant and accessible

Anticipated Completion Date: Immediately

Special Tests and Provisions- Verification
Verification will be conducted by the Food Service Director each first semester. The student eligibility, applications, and household incomes will be reviewed and signed by the Administrative Secretary to ensure that all the information and totals are correct before submission of the verification report. The final verification report prepared by the Food Service Director will also be reviewed and signed by the School Corporation Treasurer.

Anticipated Completion Date: December 2019

Paid Lunch Equity
The Paid Lunch Equity tool provided by the USDA will be completed by the Food Service Director each year. The Administrative Secretary will review the Paid Lunch Equity draft in comparison to the calculation of the lunch prices to ensure that totals are correct. The Administrative Secretary will sign off on the document if it is correct. The Food Service Director will submit the Paid Lunch Equity, and will present any price changes to the school board for approval.

Anticipated Completion Date: April 2019

Courtney Halloran
(Signature)

Food Service Director
(Title)

March 14, 2019
(Date)

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FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2019, with Sharon Pohlman, Treasurer; Dr. Debbie Howell, Superintendent of Schools; and Francis Brumback, President of the School Board.

APPENDIX F

ISSUE PRICE DETERMINATION

This Appendix F assumes that: (a) the winning bidder (the "Purchaser") is purchasing the Bonds as an Underwriter (as hereinafter defined) and is not purchasing the Bonds with the intent to hold the Bonds for its own account; and (b) the Franklin County Middle 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 Bonds in the event that the Competitive Sale Requirements (as hereinafter defined) are not met. The Purchaser must agree to execute the applicable schedules depending on the sale results.

(a) By submitting a bid, the Purchaser agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at the Closing (as hereinafter defined) for the Bonds written evidence identifying the "Issue Price" as defined in the provisions of Treasury Regulation Section 1.148-1 ("Issue Price Rules") for the Bonds or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the Issuer and Bond Counsel. All actions to be taken by the Issuer to establish the Issue Price of the Bonds may be taken on behalf of the Issuer by the Issuer's municipal advisor identified in the Official Statement 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 F, the Competitive Sale Requirements will be satisfied in accordance with the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (the "Competitive Sale Requirements") for purposes of establishing the Issue Price of the Bonds and will apply to the initial sale of the Bonds if the Issuer receive bids for the Bonds from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds because:

(1) the Issuer shall disseminate the Notice of 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 Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost) as set forth in the Notice (the requirements set forth in this paragraph (b), collectively, the "Competitive Sale Requirements").

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

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

(4) General Rule

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

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

\- OR -

(5) Hold the Price

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

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

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

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

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

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

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

(1) "Public" means any person other than an Underwriter or a related party,

(2) "Underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a

written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public),

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

(4) "Sale Date" means the date that the Bonds are awarded by the Issuer to the winning bidder,

(5) "Closing" and "Closing Date" mean the day the Bonds are delivered to the Purchaser and payment is made thereon to the Issuer, and

(6) "Initial Offering Prices" means the respective initial offering prices of the Bonds offered by the Purchaser to the Public on or before the Sale Date as set forth in the pricing wire or equivalent communication for the Bonds provided to the Issuer by the Purchaser.

<u>Schedule I</u>

$5,350,000
FRANKLIN COUNTY MIDDLE SCHOOL BUILDING CORPORATION
AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2020

ISSUE PRICE CERTIFICATE

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

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms***.

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

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

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is _________________, 2020.

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 Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ice Miller LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER], as Underwriter

By: ____

Name: ____

Title: ____

Dated: _______________, 2020

SCHEDULE A

EXPECTED OFFERING PRICES

(*Attached*)

SCHEDULE B

COPY OF UNDERWRITER'S BID

(*Attached*)

Schedule II

AGREEMENT TO ESTABLISH ISSUE PRICE

The Franklin County Middle School Building Corporation (the "Issuer") offered its Franklin County Middle School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2020 (the Bonds") through a competitive offering in compliance with state law. For federal tax law purposes, Issue Price as defined in Treasury Regulations Section 1.148-1(f) (the "Issue Price Regulations") must be established by one of the methods set forth in Issue Price Regulations. One of the methods to establish Issue Price is to offer the Bonds to achieve a Competitive Sale as defined by the Issue Price Regulations by meeting specific requirements under the Issue Price Regulation. Although the Issuer achieved a competitive sale to comply with state law, one or more of the requirements for a Competitive Sale, for federal tax law purposes, was not achieved. The Issue Price Regulations provide if more than one rule for determining the Issue Price of the Bonds is available, the Issuer may select the rule it will use to determine the Issue Price of the Bonds.

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

This Agreement may be signed in counterparts.

(Remainder of page intentionally left blank)

[PURCHASER]

By: ____

Name: ____

Title: ____

[Signature page to Agreement to Establish Issue Price]

FRANKLIN COUNTY MIDDLE SCHOOL BUILDING CORPORATION

By: ____

Name: ____

Title: ____

[Signature page to Agreement to Establish Issue Price]

SCHEDULE A

This Schedule A sets forth as of the date hereof, the agreement between Franklin County Middle 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 Bonds (as defined in Schedule II) must be established (the "Agreement").

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

Check one, as applicable:

_______ (1) General Rule (the "10% test") set forth below in (1); or
_______ (2) "Hold the Price Rule" set forth below in (2).

SELECTION OF METHOD OF ISSUE PRICE ESTABLISHMENT

The methods are as follows:

(1) General Rule

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

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

- OR -

(2) Hold the Price

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

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

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

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

DEFINITIONS OF GENERAL APPLICABILITY

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

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

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

"Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _______, 2020.

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

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

Schedule III

$10,000,000
FRANKLIN COUNTY MIDDLE SCHOOL BUILDING CORPORATION
AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2020

ISSUE PRICE CERTIFICATE

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

Select appropriate provisions below:

1. [Alternative 1[1] – All Maturities Use General Rule: ***Sale of the Bonds***. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][Alternative 2[2] – Select Maturities Use General Rule: ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.] [Alternative 3[3]-Issue Price not required on Closing Date and Select Maturities Use General Rule]: As of the date of this certificate, the General Rule Maturities and their respective issue prices (the first price at which 10% of such Maturity was sold to the Public) are listed in Schedule A. [SHORT NAME OF UNDERWRITER] certifies that it agreed in its [bid form][bond purchase agreement] to report to the Issuer the prices at which the Unsold Bonds have been sold to the Public within 5 business days of such sale until [SHORT NAME OF UNDERWRITER] can establish the first price at which at least 10% test of each Maturity of the Unsold Bonds has been sold to the Public.]

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

(a) [Alternative 1[4] – All Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.] [Alternative 2[5] – 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

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

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

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

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

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

in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

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

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

3. **Defined Terms.**

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

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

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (____________, 2020), 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 Franklin County Middle School Building Corporation.

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

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

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _______________, 2020.

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING 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 with respect to certain of the representations set forth in the Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ice Miller LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: ____

Name: ____

Title: ____

Dated: ______________, 2020

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 Franklin County Middle School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2020 (the "Bonds") that the Issuer has determined to apply the hold the price rule (as described in the Bid Form dated _____________, 20__) to the Bonds maturing _____________, ______________ and ________________ (the "Hold the Price Maturities"). The Purchaser's bid will be cancelled and deemed withdrawn unless the Purchaser affirmatively confirms its bid and agrees to comply with the hold the price rule by executing and **[faxing/e-mailing]** the confirmation below by 5:00 p.m.

FRANKLIN COUNTY MIDDLE SCHOOL BUILDING CORPORATION

By: ____

Name: ____

Title: ____

(Remainder of page intentionally left blank)

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

[PURCHASER]

By: ____

Name: ____

Title: ____

APPENDIX G

NOTICE OF INTENT TO SELL BONDS

<u>**NOTICE OF INTENT TO SELL BONDS**</u>

$5,350,000[*]

AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2020
FRANKLIN COUNTY MIDDLE SCHOOL BUILDING CORPORATION

Upon not less than twenty-four (24) hours' notice given by the undersigned Secretary prior to the ninetieth day after this notice is first published, Franklin County Middle 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, who is not bidding through PARITY (as described below) may furnish in writing to the Corporation c/o RSA Advisors, LLC ("RSA"), 325 West Main Street, Suite 300, Lexington, Kentucky 40507 (800) 255-0795 or by e-mail to dsalsbury@rsamuni.com on or before 11:00 a.m. (Indianapolis Time) July 29, 2020, the person's name, address, and telephone number. Interested persons may also furnish an e-mail address. The undersigned Secretary will notify (or cause to be notified) each person so registered of the date and time bids will be received not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by such person and also by e-mail, if an e-mail address has been received.

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until the time and date specified in the Notice provided at least 24 hours prior to the sale, which is expected to be 11:00 a.m. (Indianapolis Time), on August 5, 2020. Bids may be submitted electronically via PARITY® pursuant to this Notice until the time specified in the Notice, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Corporation's municipal advisor, RSA Advisors, LLC at (800) 255-0795 or PARITY® at (212) 849-5021.

At the time designated for the sale, the Corporation will receive at the offices of RSA Advisors, LLC, 325 West Main Street, Suite 300, Lexington, Kentucky, and consider bids for the purchase of the following described Bonds:

> Franklin County Middle School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2020 (the "Bonds") in the principal amount of $5,350,000[†]; Fully registered form; Denomination $5,000 and integral multiples thereof (or in such other denomination as requested by the winning bidder); Originally dated the date of delivery of the Bonds; Bearing interest at a rate or rates to be determined by bidding, payable on July 15, 2021, and semiannually thereafter; Interest

[*] Preliminary, subject to change
[†] Preliminary, subject to change

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 fifteenth day immediately preceding such interest payment date; Maturing or subject to mandatory redemption on January 15 and July 15 beginning on July 15, 2021 through and including January 15, 2033 on the dates and in the amounts as provided by the Corporation prior to the sale.

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

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 (the "Purchaser").

The Bonds are redeemable prior to maturity at the option of the Corporation, in whole or in part in such order of maturity as the Corporation shall direct and by lot within maturity, on or after July 15, 2027, at face value plus accrued interest to the date of redemption.

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

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

Each bid must be for all of the Bonds and must state the rate of interest which each maturity of the Bonds is to bear, stated in multiples of 1/8th, 1/20th or 1/100th of 1%. The maximum interest rate on the Bonds shall not exceed 5.00% per annum. All Bonds maturing on the same date shall bear the same rate. Bids shall set out the total amount of interest payable over the term of the Bonds and the net interest cost on the Bonds covered by the bid. No bid for less than 98.5% or more than 110% of the face value of the Bonds will be considered. The Bonds will be awarded to the lowest responsible and responsive bidder who has submitted a bid in accordance herewith. The winning bidder will be the one who offers the lowest net interest cost to the Corporation, to be determined by computing the total interest on all of the Bonds to their maturities based upon the schedule provided by the Corporation prior to the sale and deducting therefrom the premium bid, if any, and adding thereto the discount bid, if any. No conditional bids will be considered. The right is reserved to reject any and all bids. If an acceptable bid is not received for the Bonds on the date of sale hereinbefore fixed, the sale may be continued from day to day thereafter without further advertisement, during which time no bid which provides a higher net interest cost to the Corporation than the best bid received at the time of the advertised sale will be considered.

Each bid not submitted via PARITY® must be enclosed in a sealed envelope addressed to the Corporation and marked on the outside "Bid for Franklin County Middle School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2020". A good faith deposit ("Deposit") in the form of cash, wire transfer or certified or cashier's check in the amount of $53,500* payable to the order of the Corporation is required to be submitted by the Purchaser not later than 3:30 p.m. (Indianapolis Time) 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 Purchaser shall make payment for such Bonds and accept delivery thereof within five days after being notified that the Bonds are ready for delivery, at such place in the City of Indianapolis, Indiana, as the Purchaser may designate, or at such other location mutually agreed to by the School Corporation and the Purchaser. The Bonds will be ready for delivery within 45 days after the date of sale. If the Corporation fails to have the Bonds ready for delivery prior to the close of banking hours on the forty-fifth day after the date of sale, the Purchaser may secure the release of the bid upon request in writing, filed with the Corporation. The Purchaser is expected to apply to a securities depository registered with the Security and Exchange Commission ("SEC") to make such Bonds depository-eligible. If the Bonds are reoffered, at the time of delivery of the Bonds to the Purchaser, the Purchaser will be required to certify to the Corporation the initial reoffering price to the public of a substantial amount of each maturity of the Bonds.

* Preliminary, subject to change

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

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

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder therefor to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. No CUSIP identification number shall be deemed to be a part of any Bond or a part of the contract evidenced thereby and no liability shall hereafter attach to the 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 Bond Counsel, together with a transcript of the proceedings relating to the issuance of the Bonds and closing papers in the usual form showing no litigation questioning the validity of the Bonds, will be furnished to the Purchaser at the expense of the Corporation.

The Corporation was organized for the purpose of constructing and renovating school buildings and leasing such buildings to the School Corporation. All action has been taken and the Bonds are issued in compliance with the provisions of I.C. 20-47-3 (the "Act"). The Bonds will be secured by a Trust Indenture (the "Indenture") between the Corporation and BOKF, NA, as trustee (the "Trustee") and will be subject to the terms and provisions of the 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 of 1986, as amended to the date hereof (the "Code"). The Bonds have been designated as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code.

The property to be covered by the Indenture has been leased for a period of 13 years to the School Corporation. The Lease Agreement (the "Lease") provides for annual payments in the amount of $850,000, plus the payment of all taxes and assessments, which annual rental is payable semiannually on June 30 and December 31 in each year, commencing with the completion of the construction or June 30, 2022, whichever is later.

After the sale of all Bonds issued by the Corporation to pay for the cost of renovation, 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 $5,000, payable in equal semiannual installments. All bidders shall be deemed to be advised as to the provisions of the above-mentioned Indenture and Lease and the provisions of the Act.

The Bonds constitute an indebtedness only of the Corporation, payable in accordance with the terms of the Indenture. The Bonds constitute a valid and legally binding obligation of the Corporation and are payable from Lease rental payments to be received from the School Corporation, which Lease rental payments are payable from ad valorem taxes to be collected on the taxable property within the School Corporation; however, the School Corporation's collection of the levy may be limited by operation of I.C. 6-1.1-20.6, which provides taxpayers with tax credits for property taxes attributable to different classes of property in an amount that exceeds certain percentages of the gross assessed value of that property. The School Corporation is required by law to fully fund the payment of debt service on the Bonds in an amount sufficient to pay the debt service, regardless of any reduction in property tax collections due to the application of such tax credits. In the opinion of Bond Counsel, under the existing federal statutes, decisions, regulations and rulings, the interest on the Bonds is exempt from all income taxation in Indiana. In the opinion of Bond Counsel, under the existing federal statutes, decisions, regulations and rulings, the interest on the Bonds is excludable from gross income for purposes of federal income taxation.

The Corporation has prepared a Preliminary Official Statement (the "Preliminary Official Statement") relating to the Bonds which it has deemed to be nearly final. A copy of the Preliminary Official Statement may be obtained from the Corporation's municipal advisor, RSA Advisors, LLC, 325 West Main Street, Suite 300, Lexington, Kentucky 40507**.** Within seven (7) business days of the sale, the Corporation will provide the successful bidder with sufficient copies of the Final Official Statement (the "Final Official Statement") at the Corporation's expense in order for such bidder to comply with Section (b)(4) of the SEC Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Additional copies, at the Purchaser's expense, must be requested within five (5) business days of the sale. Inquiries concerning matters contained in the Preliminary Official Statement must be made and pricing and other information necessary to complete the Final Official Statement must be submitted by the Purchaser within two (2) business days following the sale to be included in the Final Official Statement.

If the Bonds are reoffered, the School Corporation agrees to enter into a continuing disclosure undertaking (the "Master Agreement") in order to permit the Purchaser to comply with the SEC Rule 15c2-12, as amended to the date hereof. A copy of such Master Agreement is available from the School Corporation or municipal advisor at the addresses below.

Further information relative to the Bonds and a copy of the Preliminary Official Statement may be obtained upon application to RSA Advisors, LLC, 325 West Main Street, Suite 300, Lexington, Kentucky 40507, municipal advisor to the School Corporation; Amber McMillion Orozco, P.O. Box 68, Brookville, Indiana 47012, attorney for the School Corporation; or Dr. Debbie Howell, Superintendent of the School Corporation, 225 East 10th Street, Brookville, Indiana 47012. If bids are submitted by mail, they should be addressed to the Corporation, attention of RSA Advisors, LLC, 325 West Main Street, Suite 300, Lexington, Kentucky 40507.

Dated this 22nd day of July, 2020.

/s/____
Secretary, Board of Directors
Franklin County Middle School Building Corporation

FORWARD A COPY OF THE NOTICE OF INTENT TO:

parity@ipreo.com