

Manchester Community Schools

1028/Preliminary Determination Public Hearings
Financial Presentation

May 29, 2018

June 5, 2018

Financial Parameters

- Borrowing Amount
 - \$16,660,000 (of which \$15,738,588 will be available for the construction budget provided by Moake Park)
- Estimated Interest Rate *
 - 4.712%
- Estimated Total Interest Costs *
 - \$10,558,111 (inclusive of estimated capitalized interest expense)

* Based on the current bond market, the estimated interest rate is 3.701%, which represents approximately \$8,138,511 in total interest costs (inclusive of estimated capitalized interest expense).

Financial Parameters (Cont'd)

- Estimated Increase in Annual Payments over 2019 levels
 - \$912,864
 - Increase over current payments in years 2020 - 2026
- Estimated Increase in Debt Service Fund Tax Rate over 2018
 - \$0.2152
 - Based on 2018 Certified Net Assessed Value of \$402,972,196
 - Assumes that 5% of the annual payment will be funded from miscellaneous revenues the School Corporation receives in conjunction with property tax distributions

Financial Parameters (Cont'd)

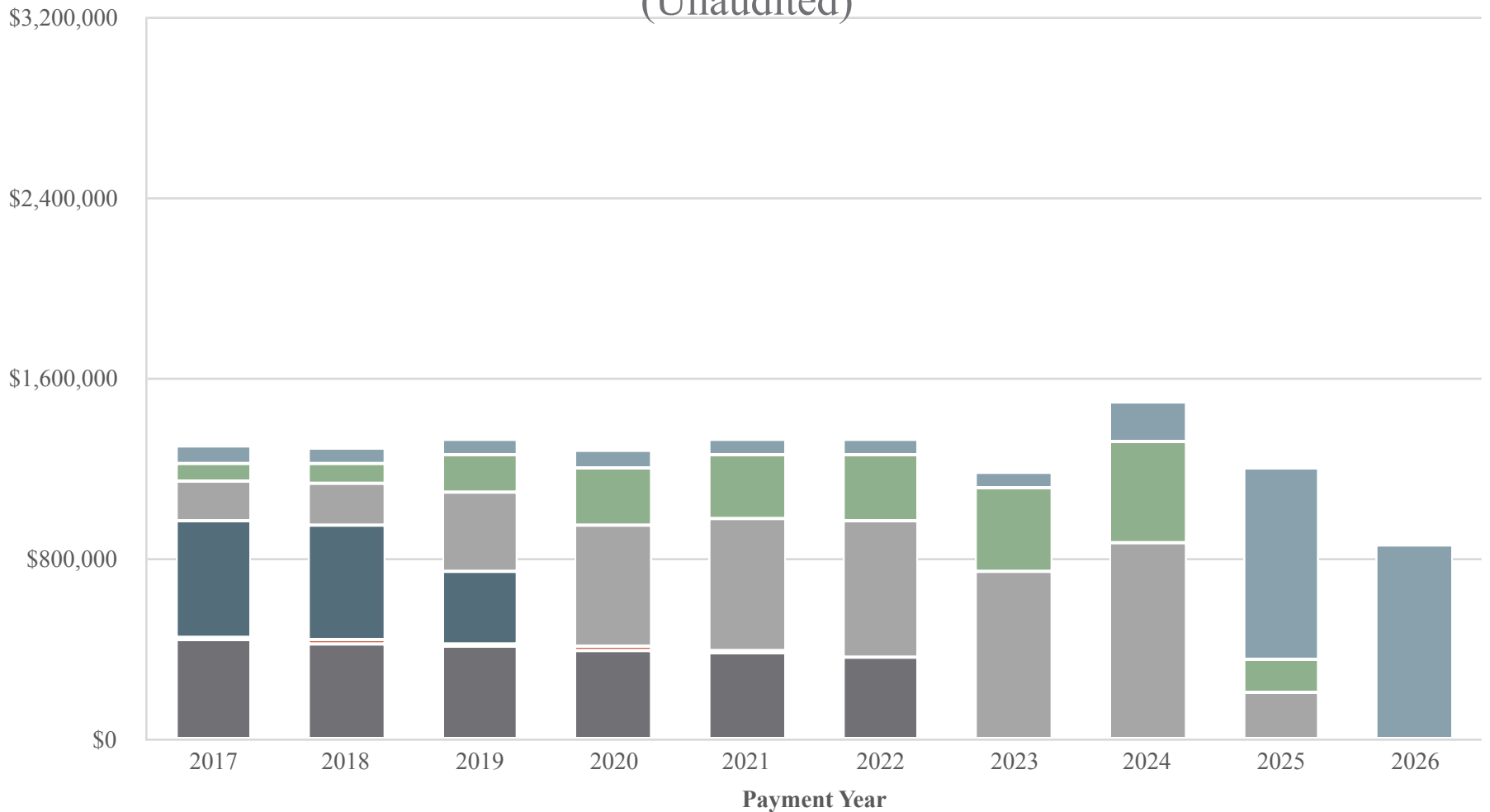
Maximum Legal Parameters

- Estimated Aggregate Payments over Term of the Leases
 - \$26,736,000
- Estimated Maximum Annual Payment
 - \$1,648,000
- Estimated Maximum Annual Tax Rate
 - \$0.3885 (occurs in 2027 and 2029 after all current bonds are fully repaid)
 - Based on 2018 Certified Net Assessed Value of \$402,972,196
 - Assumes that 5% of the annual payment will be funded from miscellaneous revenues the School Corporation receives in conjunction with property tax distributions

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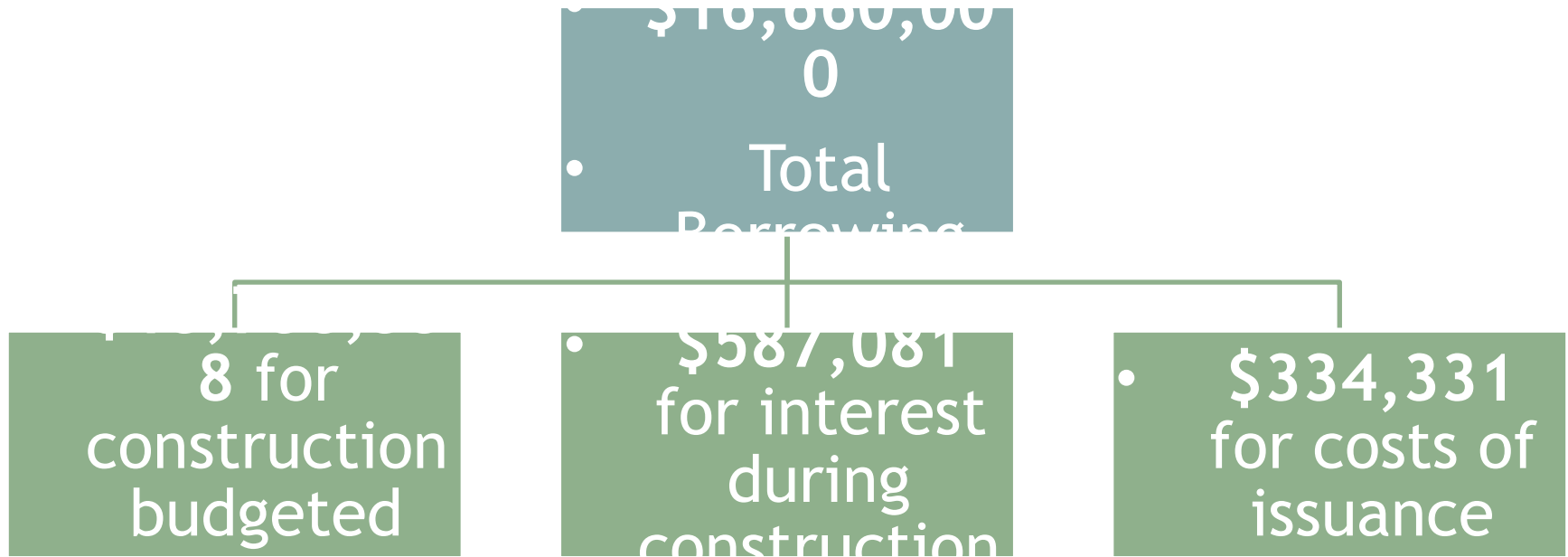
Chart of Existing Annual Debt Service/Lease Rental Payments

(Unaudited)



- Common School Fund Loan A0272
- First Mortgage Refunding & Improvement Bonds, Series 2012
- First Mortgage Bonds, Series 2013
- Common School Fund Loan A0271
- First Mortgage Bonds, Series 2014
- First Mortgage Bonds, Series 2015

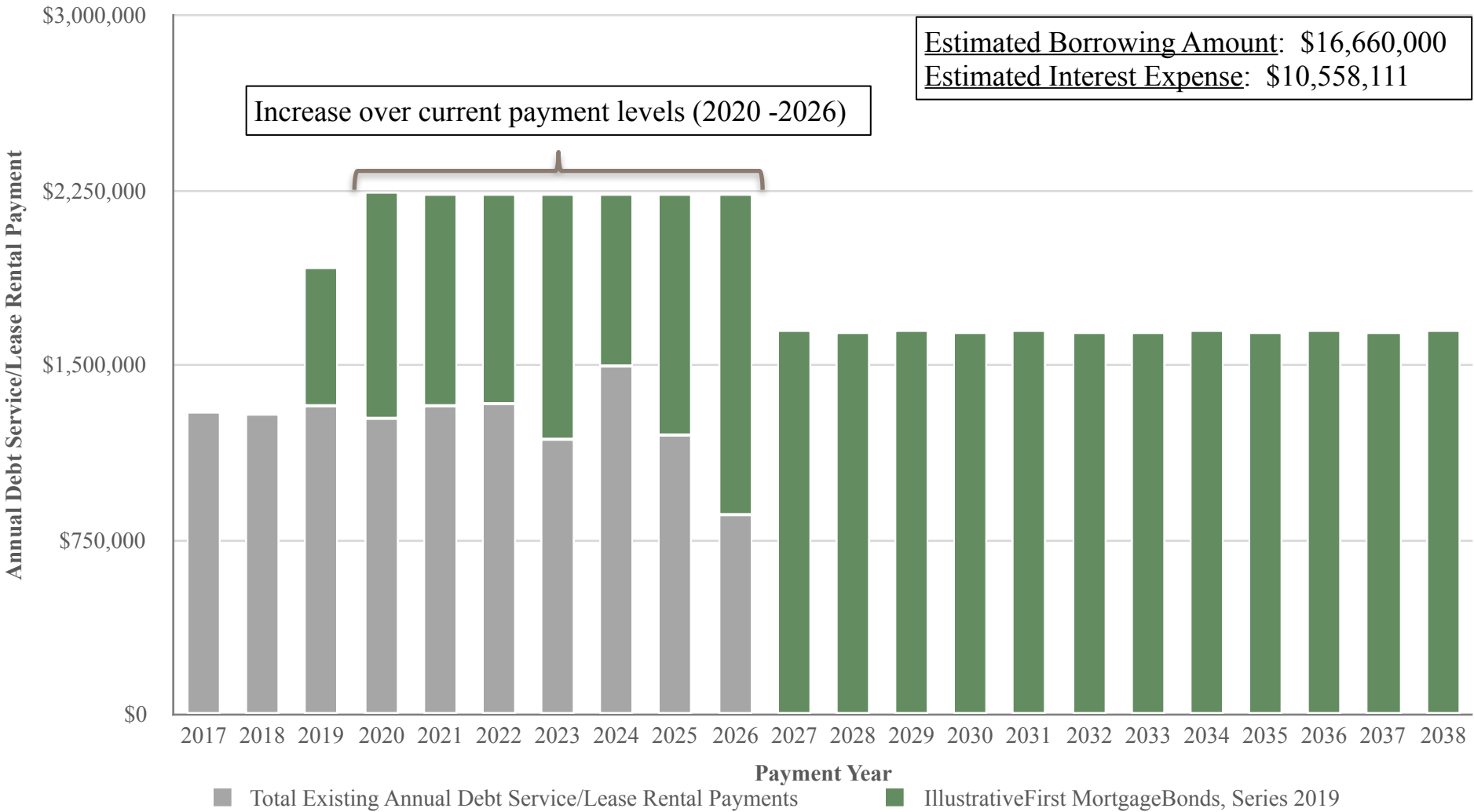
Estimated Project Funding *



* Preliminary, subject to change. Based upon maximum parameters established through legal process.

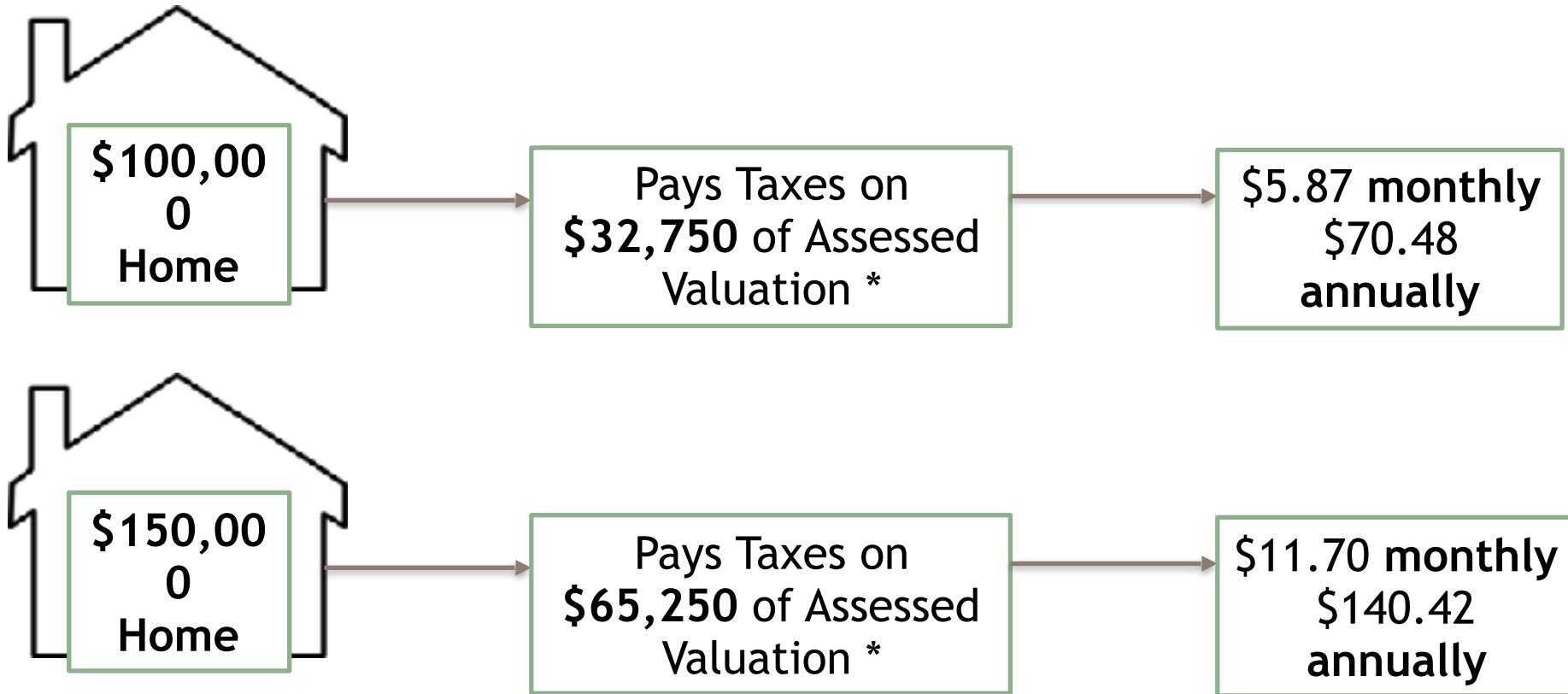
Manchester Community Schools

Chart of Existing and Illustrative Annual Debt Service/Lease Rental Payments (Unaudited)



Summary of Estimated Tax Impact

Increase over Current Payment Levels

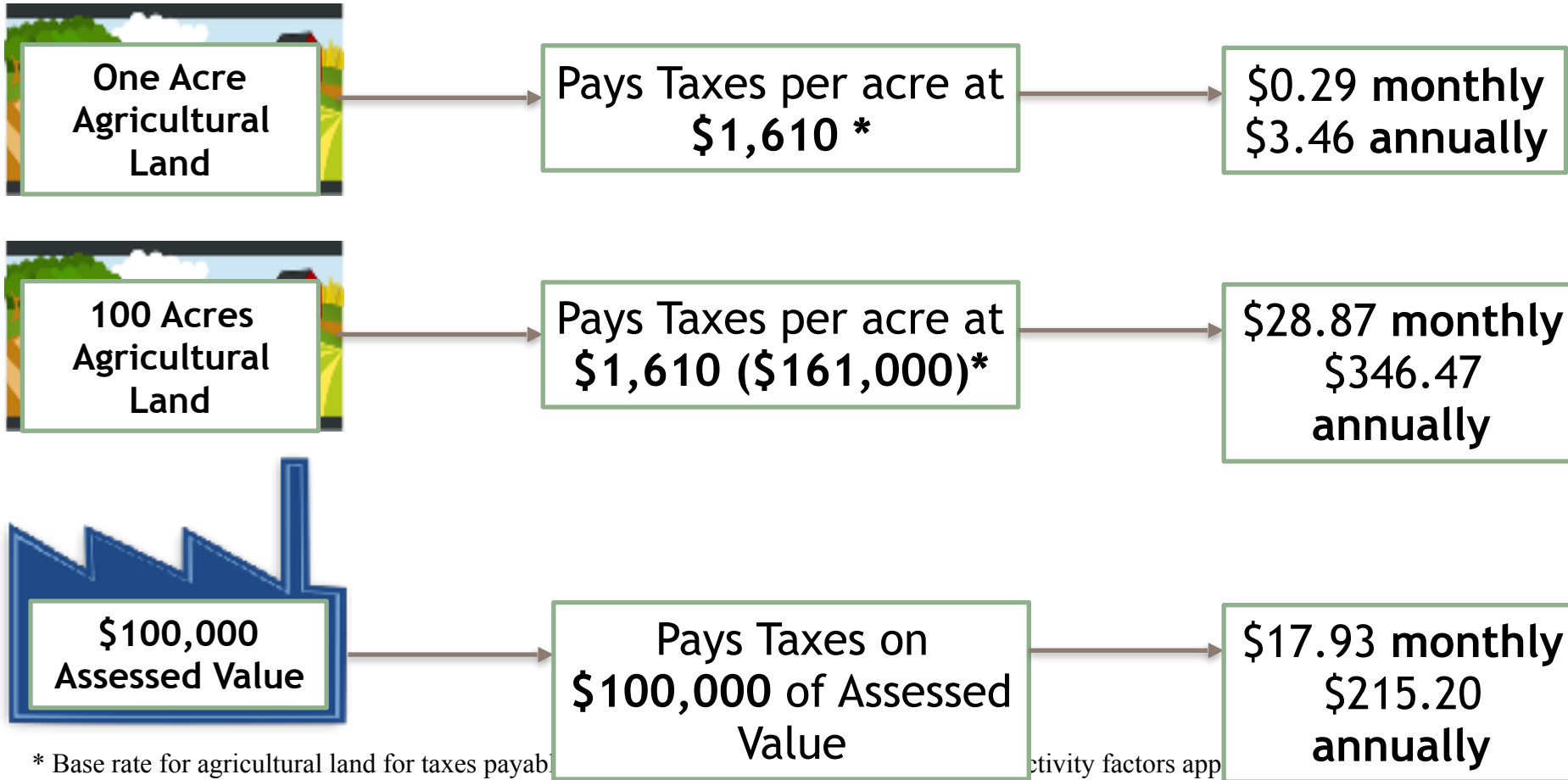


Note: The median home value within the School Corporation is \$101,200 per the U.S. Census Bureau.

* Homes are eligible for the following deductions to the assessed value of their property: Standard Deduction, Supplemental Homestead Deduction and Mortgage Deduction.

Summary of Estimated Tax Impact

Increase over Current Payment Levels



* Base rate for agricultural land for taxes payable

activity factors apply

Comparison of 2018 Certified Total Tax Rates

<u>Contiguous School Corporations</u>	<u>Total Tax Rate</u>
Wabash City S.C.	\$1.6251
Mississinewa C.S.C.	\$1.5595
Peru C.S.C.	\$1.4718
Oak Hill United S.C.	\$1.3066
Whitko C.S.C.	\$1.2210
Whitley Co. C.S.C.	\$1.0416
Tippecanoe Valley S.C.	\$0.9806
Proposed Manchester C.S.C. (Including Proposed Bonds)	\$0.9738
Current Manchester C.S.C.	\$0.7586

Calculation of Annual Debt Service as a Percent of Net Assessed Value

Payment Year	Combined Debt Service	Net Assessed Value	D/S as a Percent of NAV
		(1)	
2018	\$1,292,898	\$402,972,196	0.32%
2019	1,328,764	402,972,196	0.33%
2020	2,241,628	402,972,196	0.56%
2021	2,238,492	402,972,196	0.56%
2022	2,238,676	402,972,196	0.56%
2023	2,238,250	402,972,196	0.56%
2024	2,239,250	402,972,196	0.56%
2025	2,238,750	402,972,196	0.56%
2026	2,238,375	402,972,196	0.56%
2027	1,648,000	402,972,196	0.41%
2028	1,644,000	402,972,196	0.41%
2029	1,648,000	402,972,196	0.41%
2030	1,643,000	402,972,196	0.41%

(1) Based upon the 2018 Certified Net Assessed Valuation per the DLGF Wabash County Budget Order for the School Corporation. Assumes no growth in 2019 or thereafter.

Debt Ratios

The following presents the ratios relative to the tax supported indebtedness of the taxing units within and overlapping the School Corporation as of May 21, 2018.

	Direct Tax Supported Debt \$25,968,427	Allocable Portion of All Other Overlapping Tax Supported Debt \$2,487,786	Total Direct and Overlapping Tax Supported Debt \$28,456,213
Percent of Certified Net Assessed Value (1)	6.44%	0.62%	7.06%
Percent of Gross Assessed Value (2)	3.98%	0.38%	4.36%

(1) The Certified Net Assessed Value for the School Corporation for taxes payable in 2018 is \$402,972,196 according to the DLGF Wabash County Budget Orders for the School Corporation.

(2) The Gross Assessed Value of the School Corporation for taxes payable in 2018 is \$652,233,200 according to the Wabash County Auditor's office.

Illustrative Homeowner Tax Bill - 2018

Net Assessed Value Calculation

	Current - North Manchester Town	With Bonds - North Manchester Town
Market Value of Property	\$148,800	\$148,800
Less: Homestead Deduction	(45,000)	(45,000)
Less: Supplemental Homestead Deduction	(36,330)	(36,330)
Less: Mortgage Deduction	(3,000)	(3,000)
Net Assessed Value	\$64,470	\$64,470

Tax Bill Calculation

Gross Tax Rate - 2018 Tax Rates	\$2.7542	\$2.9694 (1)
Gross Taxes Due	\$1,775.63	\$1,914.37
Less: Local Property Tax Credits (2)	(\$524.70)	(\$565.70)
Net Tax Bill Due	\$1,250.93	\$1,348.67
Gross Change in Annual Tax Bill (3)		\$138.74
Net Change in Annual Tax Bill (4)		\$97.74

Note: Represents taxpayer not at tax cap. This tax bill is calculated for illustrative purposes only. Actual results may vary.

(1) Includes project tax rate impact of \$0.2152.

(2) Assumes local property tax replacement credits totaling 29.5502% for taxes payable in 2018.

(3) Represents estimated change in tax bill not including local property tax replacement credits.

(4) Represents estimated change in tax bill including local property tax replacement credits.

Illustrative Farm Tax Bill - 2018

Net Assessed Value Calculation

	Current - Chester Township	With Bonds - Chester Township
Value of Property	\$327,700	\$327,700
Less: Deductions	0	0
Net Assessed Value	<u>\$327,700</u>	<u>\$327,700</u>

Tax Bill Calculation

Gross Tax Rate - 2018 Tax Rates	\$1.2687	\$1.4839 (1)
Gross Taxes Due	\$4,157.53	\$4,862.74
Less: Local Property Tax Credits (2)	<u>(\$205.74)</u>	<u>(\$240.64)</u>
Net Tax Bill Due	<u>\$3,951.79</u>	<u>\$4,622.10</u>
Gross Change in Annual Tax Bill (3)		\$705.21
Net Change in Annual Tax Bill (4)		\$670.31

Note: Represents taxpayer not at tax cap. This tax bill is calculated for illustrative purposes only. Actual results may vary.

(1) Includes project tax rate impact of \$0.2152.

(2) Assumes local property tax replacement credits totaling 4.9487% for taxes payable in 2018.

(3) Represents estimated change in tax bill not including local property tax replacement credits.

(4) Represents estimated change in tax bill including local property tax replacement credits.