

ADDENDUM TO
OFFICIAL STATEMENT

\$9,995,000 EUREKA SPRINGS SCHOOL DISTRICT NO. 21
OF CARROLL COUNTY, ARKANSAS
REFUNDING BONDS
Dated November 1, 2020

The sections titled **BONDS BEING OFFERED**, Security and Source of Payment, **DEBT STRUCTURE**, Outstanding Indebtedness and **DEBT STRUCTURE**, Computation of Dollar Amount of Debt Service Tax Levied, of the Official Statement, dated November 3, 2020, shall be amended as follows:

BONDS BEING OFFERED

Security and Source of Payment. The Bonds will be limited, general obligations of the District, secured by a pledge of (1) the proceeds of a continuing debt service tax voted at the 2010 school election specifically for the payment of the 2010 Bonds, which were refunded by the Bonds Being Refunded, and (2) surplus revenues (being revenues in excess of the amounts necessary to insure the payment when due of principal of, interest on and trustee's and paying agent's fees in connection with the bonds for which voted) derived from debt service taxes heretofore or hereafter voted for payment of other bond issues of the District (subject to prior pledges of such surplus revenues) that may legally be used for the purpose of paying the principal of and interest on the Bonds.

The tax specifically pledged for payment of the Bonds Being Refunded, and thus pledged to these Bonds, is a tax of 11.13 mills on the dollar of the assessed valuation of taxable property in the District. See **DEBT STRUCTURE**, Computation of Dollar Amount of Debt Service Tax Levied.

See **DEBT STRUCTURE**, Outstanding Indebtedness, for a description of other debt and debt service taxes pledged.

In addition to the pledged revenues, the District will also covenant to use for payment of principal of and interest on the Bonds, as and to the extent necessary, all other revenues of the District that may legally be used for the purpose. The District may not legally pay debt service from revenues derived from the tax voted for maintenance and operation of schools.

Any surplus of the pledged revenues over and above the amount necessary to insure the payment as due of principal of, interest on and trustee fees in connection with the Bonds of this issue will be released from the pledge in favor of the Bonds and may be used for other school purposes.

The Bonds are not secured by any lien on or security interest in any physical properties of the District.

DEBT STRUCTURE

Outstanding Indebtedness. The principal categories of indebtedness which the District is authorized to incur are commercial bonds (offered at public sale on competitive bids), revolving loan bonds and certificates of indebtedness (representing loans from the State Department of Education), installment contracts (payable in subsequent fiscal years) and postdated warrants (warrants drawn in one fiscal year for payment in a subsequent fiscal year). In addition, the District is authorized to lease property from the owner under lease agreements giving the District the option to purchase the property leased. Commercial bonds and revolving loan indebtedness are payable from debt service tax revenues. Installment contracts, postdated warrants and lease-purchase obligations are payable from maintenance and operation tax revenues.

The present outstanding debt of the District is as follows:

<u>Date of Obligations</u>	<u>Amount Outstanding Immediately After Issuance of These Bonds</u>	<u>Final Maturity</u>	<u>Tax Rate (in mills per dollar) Voted for Payment as Rolled Back After Reassessment (applicable to real estate)</u>
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COMMERCIAL BONDS

11/01/20	\$9,995,000	02/01/40	11.13
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REVOLVING LOAN BONDS AND/OR CERTIFICATES OF INDEBTEDNESS

None

POST-DATED WARRANTS

None

INSTALLMENT CONTRACTS

None

LEASE-PURCHASE OBLIGATIONS

None

Computation of Dollar Amount of Debt Service Tax Levied. The most recent county-wide reassessment of taxable property was completed in Carroll County 2017 and in Benton County in 2016. **The next county-wide reassessment is scheduled for completion in Carroll County in 2022 and in Benton County in 2021.** For purposes of Amendment 59, the year in which the reassessment is completed is known as the “Base Year.” For a general discussion of the reassessment requirement and its effect on assessed value and tax rate, see **FINANCIAL INFORMATION, Constitutional Amendment No. 59 and 79, *infra*.**

Constitutional Amendment No. 79 provides for an annual state credit against ad valorem property tax on a homestead in an amount not less than \$300. Effective with the assessment year 2019, the amount of the credit was increased to \$375. The tax reduction is reflected on the tax bill sent to the property owner by the county collector. Amendment No. 79 provides that the credit shall be applied in a manner that would not impair a bondholder’s interest in ad valorem debt service revenue. In addition, Amendment No. 79 provides that the “General Assembly shall, by law, provide for procedures to be followed with respect to adjusting ad valorem taxes or millage pledged for bonded indebted purposes, to assure that the tax or millage levied for bonded indebtedness purposes will, at all times, provide a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture.”

The taxing units within the county are entitled to reimbursement of the reduction from the annual state credit. Pursuant to legislation, the state sales tax increased. The purpose of the legislation is to raise revenue that the State will send back to school districts to replace the money they would lose as a result of the state credit. Therefore, for purposes of calculating projected revenues available for debt service discussed below, the District has assumed that it will receive debt service revenues equal to the debt service revenues it would have received prior to the adoption of Amendment No. 79.

The debt service tax levied for collection in 2020 for use in the 2020-2021 school year, and thereafter, has been computed by multiplying the 2019 assessment (\$235,601,351) by the total number of debt service mills (11.13 mills).

For purposes of calculating revenues available for debt service, it has also been assumed that the assessed value of all property in the District will remain the same, without increase or decrease. On this basis, the total debt service tax levied in each year will be as shown under Debt Service Schedule and Coverage, below.

EUREKA SPRINGS SCHOOL DISTRICT NO. 21
OF CARROLL COUNTY, ARKANSAS

By /s/ Danny P. Lovelady
Danny P. Lovelady
FIRST SECURITY BEARDSLEY
FISCAL AGENT