

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 12, 2026

REFUNDING 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 (as defined herein) 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 an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed certain on corporations. 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. See "TAX MATTERS" herein and Appendix D herein.

\$11,920,000*

SHERIDAN COMMUNITY SCHOOL BUILDING CORPORATION (BOONE AND HAMILTON COUNTIES, INDIANA)

AD VALOREM PROPERTY TAX FIRST MORTGAGE REFUNDING BONDS, SERIES 2026

Dated: As of Delivery

Due: As shown on the inside cover

The Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026 (the "Bonds") will be dated as of delivery with interest payable on January 15 and July 15 of each year, commencing July 15, 2026. 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 Sheridan Community School Building Corporation (the "Building Corporation" or "Issuer") by The Bank of New York Mellon Trust Company, N.A. (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 not subject to optional redemption prior to maturity; however, the Bonds may, at the discretion of the Underwriter (as hereinafter defined), be subject to mandatory sinking fund redemption prior to maturity. See "THE BONDS – Optional Redemption" and "– Mandatory Sinking Fund Redemption" herein.**

The Bonds will be issued pursuant to a Trust Indenture, dated as of June 1, 2008, as supplemented and amended by a First Supplemental Trust Indenture, dated as of July 1, 2013, a Second Supplemental Trust Indenture, dated as of April 1, 2015, and a Third Supplemental Trust Indenture, dated as of February 1, 2026 (collectively, the "Trust Indenture" or "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 Sheridan Community Schools, Boone and Hamilton Counties, Indiana (the "School Corporation"), under the terms of a Lease Agreement between the Issuer, as lessor, and the School Corporation, as lessee, executed on December 10, 2007, as amended by an Amendment to Lease, dated as of June 1, 2008, a Second Amendment to Lease, dated as of June 11, 2013, a Third Amendment to Lease, dated as of March 17, 2015, and a Fourth Amendment to Lease, dated as of February 1, 2026 (as amended, the "Lease"). The lease rental payments owed by the School Corporation under the Lease 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 rental payments due under the Lease 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 taxes by the School Corporation to pay rent due and payable under the Lease is mandatory and not subject to annual appropriation; however, the School Corporation's obligation to pay rent due and payable under the Lease is subject to abatement in the event the Leased Premises (as defined herein) are damaged or destroyed. (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 and received by the Underwriter, 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 Church, Church, Hittle & Antrim, Noblesville, Indiana, counsel for the Building Corporation and the School Corporation. Certain legal matters will be passed upon for the Underwriter by its counsel, Barnes & Thornburg LLP, Indianapolis, Indiana. It is expected that the Bonds will be delivered through The Depository Trust Company in New York, New York on or about _____, 2026.*

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.

\$11,920,000*
SHERIDAN COMMUNITY SCHOOL BUILDING CORPORATION
(BOONE AND HAMILTON COUNTIES, INDIANA)
AD VALOREM PROPERTY TAX FIRST MORTGAGE REFUNDING BONDS, SERIES 2026

(Base CUSIP)[†]

<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u>
7/15/2026	\$815,000	_____ %	_____	_____
1/15/2027	730,000			
7/15/2027	755,000			
1/15/2028	770,000			
7/15/2028	790,000			
1/15/2029	810,000			
7/15/2029	830,000			
1/15/2030	850,000			
7/15/2030	870,000			
1/15/2031	895,000			
7/15/2031	915,000			
1/15/2032	940,000			
7/15/2032	965,000			
1/15/2033	985,000			

[\$_____ Term Bonds @ __%, due ____ 15, 20__, Price ____; CUSIP ____]

† 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. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc.

* Preliminary, subject to change

**SHERIDAN COMMUNITY SCHOOL BUILDING CORPORATION
BOARD OF DIRECTORS**

Mark Durr, President
Alan Quick, Secretary
Todd Roberts, Treasurer

**SHERIDAN COMMUNITY SCHOOLS
BOARD OF SCHOOL TRUSTEES**

	<u>Expiration of Term</u>
Tyler Henning, President	12/31/2026
John Hunt, Vice President	12/31/2028
Kim Zachery, Secretary	12/31/2026
Dan Fleming, Member	12/31/2028
Nancy Boone, Member	12/31/2026

SCHOOL ADMINISTRATION

Dr. David Mundy, Superintendent
24795 Hinesley Road
Sheridan, IN 46069
317.758.4172

SCHOOL ATTORNEY

Church, Church, Hittle & Antrim, LLP
Two North Ninth Street
P.O. Box 10
Noblesville, Indiana 46061
(317) 773-2190

BOND COUNSEL

Ice Miller LLP
One American Square, Suite 2900
Indianapolis, IN 46282
317.236.2437

UNDERWRITER'S COUNSEL

Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, IN 46204
317.229.3056

UNDERWRITER

Stifel, Nicolaus & Company, Incorporated
201 North Illinois Street, Suite 350
Indianapolis, IN 46204
317.634.4400

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 Sheridan Community School Building Corporation, Boone and Hamilton Counties, Indiana (the "Building Corporation") or the Sheridan Community Schools, Boone and Hamilton Counties, 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 Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. 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.

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in the Securities and Exchange Commission Rule 15c2-12, as amended, the School Corporation will enter into a supplement to its Continuing Disclosure Undertaking, as previously supplemented. For a description of the Continuing Disclosure Undertaking, as supplemented, see "CONTINUING DISCLOSURE" and APPENDIX C herein.

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PRELIMINARY OFFICIAL STATEMENT

\$11,920,000*
SHERIDAN COMMUNITY SCHOOL BUILDING CORPORATION
(BOONE AND HAMILTON COUNTIES, INDIANA)
AD VALOREM PROPERTY TAX FIRST MORTGAGE REFUNDING BONDS,
SERIES 2026

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided to set forth certain information concerning the sale and delivery by the Sheridan Community Building Corporation (the "Building Corporation" or "Issuer") of its Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026 (the "Bonds") in the aggregate principal amount of \$11,920,000*. The Bonds will be issued under the provisions of Indiana Code, Title 5, Article 1, Chapter 5 and Indiana Code, Title 20, Article 47, Chapter 3 (collectively, the "Act") and in accordance with the terms of the Trust Indenture, dated as of June 1, 2008 (the "Original Indenture"), as supplemented and amended by a First Supplemental Trust Indenture, dated as of July 1, 2013, a Second Supplemental Trust Indenture, dated as of April 1, 2015, and a Third Supplemental Trust Indenture, dated as of February 1, 2026 (collectively, the "Trust Indenture" or "Indenture"), between the Building Corporation and The Bank of New York Mellon Trust Company, N.A., 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 the Sheridan Community Schools, Boone and Hamilton Counties, 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:

- (1) Costs more than the lesser of:
 - (A) Depending on the date of adoption of the preliminary determination ordinance or resolution:
 - (i) If adopted prior to January 1, 2018, \$2 Million;
 - (ii) If adopted after December 31, 2017, but before January 1, 2019, \$5 Million;
 - (iii) 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
 - (B) An amount equal to:
 - (i) At least 1% of gross assessed value, if that total gross assessed value is more than \$100 Million; or
 - (ii) \$1 Million if the gross assessed value is not more than \$100 Million; or
- (2) Regardless of threshold amounts, is financed by a school corporation whose total debt service tax rate is more than forty cents (\$0.40) per one hundred dollars (\$100) of assessed value unless a public hearing for such project was conducted under IC 20-26-7-37 before July 1, 2023.

The exceptions from the definition of 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, (d) when the project is in response to a natural disaster, emergency or accident, and (e) when the project is for engineering, land and right-of-way acquisition, construction, resurfacing, maintenance, restoration, and rehabilitation exclusively for or of: (i) local road and street systems, including bridges that are designated as being in a local road and street system; (ii) arterial road and street systems, including bridges that are designated as being in an arterial road and street system; or (iii) any combination of local and arterial road and street systems, including designated bridges.

Controlled projects are subject to either a petition and remonstrance process or a referendum process. Controlled projects are subject to the petition and remonstrance process unless the project amounts trigger the voter approval referendum process.

Once the referendum process is initiated, the public question regarding the controlled project will go on the ballot. If the majority of voters approve of the project, the project may proceed. Projects approved by the referendum process are outside the Circuit Breaker Tax Credit calculations.

Because the Bonds are being issued to refinance certain prior bonds issued by the Issuer and will generate a taxpayer savings and because the cost of the Prior Project (as defined herein) did not exceed certain applicable cost thresholds in effect at such time, the Prior Project and the Bonds are not considered a controlled project and therefore are not subject to either a petition and remonstrance process or a referendum process. Therefore, the issuance of the Bonds was able to continue without additional approval procedures. However, because the Prior Project to be refinanced by the Bonds were not approved through the referendum process, the ad valorem property tax to be levied on all taxable property within the School Corporation to repay the Bonds will be included in the Circuit Breaker Tax Credit calculation. 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 – Sheridan Community Schools," "APPENDIX B - General Information About the Community," and "APPENDIX E – Sheridan Community Schools Audit Report as of June 30, 2024", 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.

PURPOSE OF ISSUE AND PLAN OF REFINANCING

The proceeds from the sale of the Bonds, together with other available amounts, will be used to effect a current refunding of all of the Building Corporation's outstanding Ad Valorem Property Tax First Mortgage Refunding and Improvement Bonds, Series 2015, dated December 2, 2015 (the "2015 Bonds"), maturing on July 15, 2026, through and including January 15, 2033 (the "Refunded Bonds"), and pay the costs of issuance of the Bonds, including underwriter's discount. The proceeds of the Refunded Bonds were used to (i) pay the costs of the renovation of an improvements to Sheridan Elementary School, Sheridan Middle School, and Sheridan High School (collectively, the "Prior Project") on the Leased Premises (described below), and (ii) fund an escrow account for (a) the payment of the principal amount of the Building Corporation's outstanding First Mortgage Bonds, Series 2008 (the "2008 Bonds"), (b) the interest payable on the 2008 Bonds through and including July 15, 2018, and (c) costs of refunding and thereby

procuring the partial release and discharge of the Original Indenture, solely as to the 2008 Bonds. The refunding will allow the Building Corporation to amend the Lease and reduce the required semi-annual lease rental payments.

The Refunded Bonds will be called for optional redemption on _____, 2026 (the "Redemption Date"), at 100% of the principal amount thereof.

The refunding of the Refunded Bonds will be accomplished by depositing, concurrently with the issuance of the Bonds, a portion of the proceeds thereof, together with other moneys legally available therefor, in the escrow fund (the "Escrow Fund"), which will be held by The Bank of New York Mellon Trust Company, N.A., as escrow trustee (the "Escrow Trustee") for the Refunded Bonds. Moneys on deposit in the Escrow Fund will be invested in direct obligations of the United States of America consisting of State and Local Government Series securities acquired from the Secretary of the United States Treasury ("SLGS"), the principal of and interest on which, when due, together with earnings thereon and cash, if any, will provide sufficient moneys for the payment of the interest on the Refunded Bonds when due and the redemption price of the Refunded Bonds called for optional redemption on the Redemption Date. Upon such deposits and investment, the Refunded Bonds will no longer be outstanding under the Indenture and the indebtedness with respect thereto will be discharged.

Causey Public Finance, LLC, Denver, Colorado, a firm of independent public accountants, will deliver to the Building Corporation its attestation report indicating that it has examined, in accordance with standards established by the American Institute of Certified Accountants, the information and assertions provided by the Issuer, the Building Corporation and others. Included in the scope of its examination will be a verification of the mathematical accuracy of: (1) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the SLGS deposited in the Escrow Fund to pay the interest on the Refunded Bonds when due and the redemption price of the Refunded Bonds on the Redemption Date; and (2) the mathematical computations supporting the conclusion of Ice Miller LLP that the Bonds are not "arbitrage bonds" under the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

THE LEASED PREMISES

The property that comprises the leased premises under the Lease and will support the repayment of the Bonds currently consists of (1) the K-6 elementary school facility named Sheridan Elementary School and (2) the renovations to the existing Sheridan Middle/High School facility (collectively, the "Leased Premises"). Sheridan Elementary School has a student capacity of 750 students with approximately 110,000 square feet. The support spaces include special education, art, music, computer lab, cafeteria, gymnasium, and media center. Playgrounds are included along with lawn space for activities.

Additionally, the Leased Premises include a portion of the existing Sheridan Middle/High School. The renovation projects at Sheridan Middle/High School included: new boiler system, renovation of the existing HVAC system, main entrance, corridors, cafeteria, classroom areas and restrooms, physical education area and gymnasium.

The elementary school project began in July, 2008 and was substantially completed in February, 2010. The Sheridan Middle/High School project also began in July, 2008 and was substantially completed in Summer of 2009. Rent payments under the Lease are separated by Tract A – Elementary School and Tract B – Sheridan Middle/High School. Rent during renovation payments for Tract B were paid on December 31, 2009, June 30, 2010 and December 31, 2010. These Rent payments were deposited into the Sinking Fund to pay for a portion of the interest on the Bonds which was capitalized through January 15, 2011. Full rent payments began on June 30, 2011 after both projects were completed.

The rent payments due under the Lease secure the repayment of the Bonds. The Leased Premises are complete and available for use and occupancy by the School Corporation. Rent payments under the Lease have been timely made by the School Corporation as agreed since December 31, 2009. (see "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS" herein).

ESTIMATED SOURCES AND USES OF FUNDS

<u>Estimated Sources of Funds*</u>	<u>Total</u>
Principal Amount of the Bonds	\$11,920,000*
[Net] Original Issue [Premium] [Discount]	
Other Sources of Funds	
 Total Estimated Sources of Funds	
 <u>Estimated Uses of Funds</u>	
Deposit to Escrow Fund	
Underwriter's Discount	
Estimated Costs of Issuance	
 Total Estimated Uses of Funds	

SCHEDEUE OF SEMI-ANNUAL DEBT SERVICE REQUIREMENTS AND LEASE PAYMENTS

Payment <u>Date</u>	2026 Bonds			Semi-annual Lease <u>Payment⁽¹⁾</u>
	<u>Principal*</u>	<u>Interest</u>	<u>Total Debt Service</u>	
7/15/2026	\$815,000	\$ _____	\$ _____	\$ _____
1/15/2027	730,000	\$ _____	\$ _____	\$ _____
7/15/2027	755,000	\$ _____	\$ _____	\$ _____
1/15/2028	770,000	\$ _____	\$ _____	\$ _____
7/15/2028	790,000	\$ _____	\$ _____	\$ _____
1/15/2029	810,000	\$ _____	\$ _____	\$ _____
7/15/2029	830,000	\$ _____	\$ _____	\$ _____
1/15/2030	850,000	\$ _____	\$ _____	\$ _____
7/15/2030	870,000	\$ _____	\$ _____	\$ _____
1/15/2031	895,000	\$ _____	\$ _____	\$ _____
7/15/2031	915,000	\$ _____	\$ _____	\$ _____
1/15/2032	940,000	\$ _____	\$ _____	\$ _____
7/15/2032	965,000	\$ _____	\$ _____	\$ _____
1/15/2033	985,000	\$ _____	\$ _____	\$ _____

⁽¹⁾ Each semi-annual lease payment is due on June 30 and December 31 prior to the corresponding payment date on the Bonds.

* Preliminary, subject to change.

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 on the dates, in the 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, 2026, 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

The Depository Trust Company (“DTC”), New York, NY, will act as 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 maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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.

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 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 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.

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.

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.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

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 School 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).

Principal, premium, and interest 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 School Corporation, the Registrar or the Paying 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, the School Corporation, the Registrar or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School Corporation, the Registrar or the Paying 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.

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.

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

The School 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.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School Corporation believes to be reliable, but the School Corporation takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry-Only System

In the event that the book-entry system for the Bonds is discontinued, the Trustee, as registrar, would provide for the registration of the Bonds in the name of the Beneficial Owners thereof. The School Corporation and the Trustee, as registrar, would, in such event, treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and neither the School Corporation nor the Trustee, as registrar, would be bound by any notice or knowledge to the contrary.

In such event, each Bond would be transferable or exchangeable only upon the presentation and surrender thereof at the principal corporate trust office of the Registrar, duly endorsed for transfer or exchange, or accompanied by a written assignment duly executed by the owner or its authorized representative in form satisfactory to the Trustee, as registrar. Upon due presentation of any Bonds for transfer or exchange, the Trustee, as registrar, would authenticate and deliver in exchange therefor, within a reasonable time after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees (in the case of a transfer), or the owner (in the case of an exchange), in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented. The School Corporation or the Trustee, as registrar, would require the owner of any Bonds to pay a sum sufficient to cover any tax, fee or other governmental charge required to be paid in connection with the transfer or exchange of such Bonds.

Optional Redemption

The Bonds are not subject to optional redemption prior to maturity thereof.

Mandatory Sinking Fund Redemption

The Bonds maturity on _____ 15, 20____ 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:

<u>Term Bonds Due</u>		<u>15, 20</u>	
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
____ 15, 20 ____	\$ _____	____ 15, 20 ____ *	\$ _____

*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, when issued, will be valid and binding obligations secured by (a) a first mortgage lien on and security interest in certain property described in the Trust Indenture, including the Leased Premises and (b) 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 (i) a Lease Agreement between the Issuer, as lessor, and the School Corporation, as lessee, executed on December 10, 2007, as amended by an Amendment to Lease, dated as of June 1, 2008, a Second Amendment to Lease, dated as of June 11, 2013, a Third Amendment to Lease, dated as of March 17, 2015, and a Fourth Amendment to Lease, dated as of February 1, 2026 (as amended, 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; however, the School Corporation's obligation to pay rent due and payable under the Lease is subject to abatement in the event the Leased Premises are damaged or destroyed. (see "SUMMARY OF THE LEASE – Lease Term and Rental" and "CIRCUIT BREAKER TAX CREDIT" herein).

Pursuant to the Lease, the Leased Premises consist of the Sheridan Elementary School together with the real property on which the portions of such school building is located, including the renovations, improvements and equipping projects completed thereon. The School Corporation has full use of and currently occupies the Leased Premises, and has paid Rent with respect to the Leased Premises since the date of substantial completion of the projects constructed thereon, as agreed under the Lease.

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.

During the terms of the Lease, the School Corporation assumes all responsibility for the maintenance, repair, and alterations to the Leased Premises. At the end of the terms of the Lease, the School Corporation will deliver the Leased Premises to the Building Corporation in as good a condition as at the beginning of the Lease, reasonable wear and tear expected. For more detailed discussion of the provisions of the Lease, see "SUMMARY OF THE LEASE" in this Official Statement.

INTERCEPT PROGRAM

Indiana Code Title 20, Article 48, Chapter 1, Section 11, as amended (the "Intercept Act"), requires the Department of Local Government Finance (the "DLGF") to review levies and appropriations of school corporations for debt service or lease rental payments that are payable in the succeeding calendar year. In the event a school

corporation fails to levy and appropriate sufficient funds for such purpose for the next succeeding calendar year, the DLGF must establish levies and appropriations which are sufficient to pay such obligations.

The Act further provides that upon failure of any school corporation to make a debt service or lease rental payment when due and upon notice and claim being filed with the Treasurer of the State of Indiana (the "State Treasurer"), (a) the State Treasurer must immediately contact the school corporation and the person or entity filing the claim to confirm whether the school corporation is unable to make the required payment on the due date, (b) if confirmed, the State Treasurer must notify the Budget Director of the State of Indiana (the "State Budget Director"), the Auditor of the State of Indiana (the "State Auditor") and any department or agency of the State of Indiana responsible for distributing funds appropriated by the Indiana General Assembly (the "General Assembly") to provide the State Treasurer with available funds in order for the State Treasurer to fulfill his/her obligations under the Act, (c) within three (3) days, excluding Saturdays, Sundays and legal holidays, of receiving the notice from the State Treasurer, the State Budget Director, the State Auditor and any department or agency of the State of Indiana responsible for distributing funds appropriated by the General Assembly must provide the State Treasurer with available funds in order for the State Treasurer to fulfill his/her obligations under the Act, and (d) the State Treasurer must make such payment to the claimant from such funds within five (5) days, excluding Saturdays, Sundays and legal holidays of the claim being filed with the State Treasurer (clauses (a) through and including (d), collectively, the "State Intercept Program"). The funds to make such payment will be from the following sources, in the following amount and in the following order of priority: (i) first, from amounts appropriated by the General Assembly for distribution to the school corporation from State funds in the current fiscal year of the State of Indiana, which begins on July 1 and ends on the immediately following June 30, (ii) second, to the extent the amounts described in clause (i) are insufficient, from any remaining amounts appropriated by the General Assembly for distribution for tuition support in the current State fiscal year which are in excess of the aggregate amount of tuition support needed for distribution to all school corporations during the current State fiscal year, and (iii) third, to the extent the amounts described in clauses (i) and (ii) are insufficient and the General Assembly has adopted a biennial budget appropriating amounts in the immediately succeeding State fiscal year for distribution to the school corporation from State funds, then from such fund or account, as determined by the State Budget Director in an amount not to exceed the amount to be distributed to the school corporation in the immediately succeeding State fiscal year. If any such payment is made by the State Treasurer pursuant to the State Intercept Program, then the State will recover such amounts by deducting such amount from the future State distributions to be made to the school corporation.

The estimated State distributions for State fiscal year 2026 and resulting debt service coverage levels are as follows: *

2026 Estimated State Grants (see Page A-8):	\$10,074,768
Estimated Combined Maximum Annual Debt Service (see Page A-10) ⁽¹⁾ :	\$4,423,165
State Distributions Required to Provide 1.5x Coverage ⁽¹⁾ :	\$6,634,748
State Distributions Above/(Below) 1.5x Coverage Amount ⁽¹⁾ :	\$3,440,000

(1) Based upon the estimated total debt service for budget year 2026.

Pursuant to the paying agency agreement between the School Corporation and the Registrar and Paying Agent, the Registrar and Paying Agent is to notify and demand payment immediately from the State Treasurer if the School Corporation should default in its obligation under the applicable Bond Resolution. 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 claimants to draw on the State Intercept Program.

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 in an amount sufficient to pay debt service as it becomes due and payable, subject to the Circuit Breaker Tax Credit described herein. 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

* Preliminary, subject to change.

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, as amended), 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), 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; (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; and (ix) the date, time, and place of the final adoption of the budget, tax rate, and levy. The taxing unit must submit the information listed in (i) – (ix) 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 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; (iii) notice is given to the county fiscal body of the DLGF's correction; (iv) the request includes the corrected budget, tax rate, or levy, as applicable, and the time and place of the public meeting; and (v) the political subdivision adopts the needed changes to its budget, tax levy, or rate in a public meeting of the governing body.

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 county assessors using prescribed forms. The completed personal property return must be filed with the county 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. Pursuant to IC 6-1.1-3-7.2, as amended, 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 (i) eighty thousand dollars (\$80,000) for assessment dates before 2026, and (ii) two million dollars (\$2,000,000) for the 2026 assessment date and each assessment date thereafter.

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 2021 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4 and the 2021 Real Property Assessment Guidelines ("Guidelines"), as published by the DLGF. In the case of agricultural land, true tax value shall be the value determined in accordance with the Guidelines and IC 6-1.1-4-13, as amended, which shall mean the "market value-in-use" of a property for its current use, as reflected by the utility received by the owner or by a similar user from the property. Except for agricultural land, and rental residential property with rental periods longer than thirty (30) days, the Manual permits assessing officials in each county to choose one of three standard approaches to determine market value-in-use, which are the cost approach, the sales comparison approach or the income approach. The Guidelines provide each of the approaches to determine "market value-in-use and the reconciliation of these approaches shall be applied in accordance with generally recognized appraisal principals." In accordance with IC 6-1.1-4-4.2(a), as amended, the county assessor is required to submit a reassessment plan to the DLGF before May 1 every four (4) years, and the DLGF has to approve the reassessment plan before January 1 the following year. 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 a 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. All real property assessments are revalued annually to reflect market value based upon comparable sales ("Trending"). "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. 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 by June 15 of the assessment year if the written notification is provided to the taxpayer before May 1 of that year, or June 15 of the year in which the tax bill is mailed by the county treasurer if the notice is provided on or after May 1 of the assessment year, whichever is earlier. 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. For all

appeals except an appeal on the assessed value of the property, the taxpayer may appeal not later than three years after the taxes were first due.

Over the past few years, the Indiana General Assembly has proposed legislation containing numerous provisions related to property taxation and local income taxation, which could adversely affect political subdivisions in the State in a variety of ways. Senate Enrolled Act No. 1 (2025) ("SEA 1") includes provisions that increase the homestead deduction for real property owners and new assessed value deductions to real property owners of non-homestead residential property, agricultural property and long-term care facilities, all of which phase in through taxes payable year 2031. Some of the changes in SEA 1 may result in a decrease in assessed valuation, which may require an increase in property tax rates. It is uncertain at this time what impact, if any, SEA 1 or any future legislation may have on the property assessment process or the amount of ad valorem property taxes and local income taxes to be received by local government entities in future years. Neither the Issuer, the School Corporation nor their advisors assume any responsibility for assessing the potential risk of any such legislation that may impact the Bonds or the operations of the School Corporation. The purchasers of the Bonds should consult their own advisors regarding risks associated with SEA 1 or future legislation.

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, as amended), 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 and other additional Indiana laws provide additional property tax credits, deductions, or exemptions, as applicable, for property taxes paid by homesteads or certain real property owners based on certain demographic categories or property uses.

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 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 (See "State Intercept Program" herein); however, application of the State Intercept Program will result in a shortfall in distributions to the school corporation's education fund and school corporations are encouraged by the DLGF to fund any shortfall directly from the school corporation's other legally available funds 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, as amended, if a school corporation has sufficient Circuit Breaker Tax Credit losses and meets certain requirements in any year from 2014 through 2026, and has approval from 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 a portion of its Circuit Breaker Tax Credit loss to its non-exempt debt service fund(s), and is exempt from the protected taxes requirement described below.

After December, 31, 2023, if a school corporation issues new bonds or enters into a new lease rental agreement after July 1, 2023, 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, 2024, but only if the refinancing or renewal is for a lower interest rate; or (B) for indebtedness that is approved in a local public question or referendum under IC 6-1.1-20 or any other law, the school corporation will not be an Eligible School Corporation.

Because the School Corporation issued new bonds or entered into a new lease rental agreement after July 1, 2023, for which it is imposing or will impose a debt service levy other than for the exceptions permitted in the preceding sentence, the School Corporation does not qualify for this exemption for 2026 and will not qualify for this exception in future years under current law.

Except for an Eligible School Corporation, the Statute categorizes property taxes levied to pay Debt Service Obligations as "protected taxes," regardless of whether the property taxes were approved at a referendum, and all other property taxes as "unprotected taxes." The total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined without applying the Circuit Breaker Tax Credit. The application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund. The School Corporation may allocate the reduction by using a combination of unprotected taxes of the political subdivision in those taxing districts in which the Circuit Breaker Tax Credit caused a reduction in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

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 or if there is not a fund receiving only unprotected taxes from which to distribute revenue, 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 allocation of property tax reductions to funds may impact the ability of political subdivisions to provide existing levels of service, and in extreme cases, the ability to make debt service or lease rental payments.

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 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.

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 2023, 2024 and 2025 are \$246,529, \$229,107 and \$326,555, 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 Warrick & Boyn, LLP, Elkhart, 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 "DISCONTINUATION 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", "LEGAL OPINIONS AND

ENFORCEABILITY OF REMEDIES" AND "CONTINUING DISCLOSURE". 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, as supplemented, and does not purport to comprehensively describe that document in its entirety.

Application of Bond Proceeds

A portion of the proceeds of the Bonds shall be used to purchase government obligations for deposit along with cash into an escrow fund held by the Escrow Trustee to effect the defeasance of the Trust Indenture, solely as to the 2015 Bonds. The balance of the proceeds of the Bonds shall be deposited in the 2026 Bond Issuance Expense Account of the Construction Fund.

Construction Fund, Bond Issuance Expense Fund, Sinking Fund, Operation and Reserve Fund and Rebate Fund

There are created under the Trust Indenture the following funds: (1) the Sheridan Community School Building Corporation Construction Fund (the "Construction Fund"), (2) the Sheridan Community School Building Corporation Bond Issuance Expense Fund (the "Bond Issuance Expense Fund"), (3) the Sheridan Community School Building Corporation Sinking Fund (the "Sinking Fund"), (4) the Sheridan Community School Building Corporation Operation and Reserve Fund (the "Operation and Reserve Fund"), and (5) the Sheridan Community School Building Corporation Rebate Fund (the "Rebate 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 principal of, mandatory sinking fund payment and interest on the Bonds due within fifteen (15) days after the due date of such rental payment. The Lease rental received on or before December 31, 2026 which is not needed to pay debt service on the Bonds will be deposited in the 2026 Construction Account of the Construction Fund. The 2026 Construction Account may be used for any facility owned or operated by the Lessee, including the purchase of equipment and technology. After December 31, 2026, any portion of a rental payment remaining after such deposit to the Sinking Fund 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 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, (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 and (d) 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.

Costs of issuance of the Bonds will be paid from moneys deposited in the 2026 Bond Issuance Expense Account of the Construction Fund. It is expected that all costs will be paid within thirty (30) days of closing. Any moneys remaining in such Account will be transferred to the Sinking Fund after the filing of an affidavit with the Trustee that all costs have been paid.

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") and deposit such rebate amount 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 together with all investment earnings thereon to the United States of America at such times as shall be 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 America 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 S&P Global Ratings 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 S&P Global Ratings 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) State and Municipal Obligations, which means (a) direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated in the two highest rating categories by S&P Global Ratings or Moody's at the time of purchase, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated, (b) direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P Global Ratings or "MIG-1" by Moody's at the time of purchase, (c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated in the two highest rating categories by S&P Global Ratings or Moody's at the time of purchase, (xiv) 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 S&P Global Ratings, (xv) repurchase and reverse repurchase agreements collateralized with Government Securities, including those of the Trustee of any of its affiliates, (xvi) investment deposit agreements constituting an obligation of a bank (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 S&P global Ratings or Moody's, or (xvii) 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 S&P Global Ratings or Moody's and maturing no more than 360 days after the date of the purchase. Any income or interest realized upon any such investment shall be credited and any loss shall be charged to the Fund or Account from which the moneys were invested. Securities purchased with moneys from the Sinking Fund or the Rebate Fund shall mature prior to the time the moneys invested will be needed to pay the amounts which must be paid from such funds. Moneys in the Sinking Fund and Rebate Fund shall be invested without restriction as to yield during an applicable temporary period pending their use. Moneys in the Construction Fund after one (1) year of the date of issuance of the Bonds and 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 School Corporation, and that a full, true and correct copy of the Lease is on file with the Trustee; that construction has been completed on schedule, and the School Corporation has begun paying lease rental;
- (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 other than the Bonds secured by the Trust Indenture, unless such additional indebtedness is payable only from income of the Building Corporation other than the rental payments provided for in the Lease, 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; and

- (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.

Insurance

The Building Corporation covenants to carry or cause the School Corporation to carry the following kinds of insurance after completion of construction: (a) physical loss or damage insurance on the mortgaged property in the amount of 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 Three Million Dollars (\$3,000,000) 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.

Events of Default and Remedies

Events of default under the Trust Indenture include: failure to pay the principal of, or the redemption premiums, if any, on any of the 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 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, 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 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.

No duties or responsibilities of the Trustee may be amended or modified without the written consent of the Trustee.

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.

Additional Bonds

The Trustee, at the request of the Building Corporation or the School Corporation, to the extent permitted by law, shall cause to be issued Additional Bonds from time to time to provide for refunding the Bonds and certain other limited purposes; provided that the issuance of such Additional Bonds shall not result in the interest on the Bonds outstanding immediately prior to such issuance becoming subject to federal income tax. Before any Additional Bonds are executed, there shall be delivered to the Trustee the items required by the Indenture. 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 such Additional Bonds, and the proceeds thereof shall be held, invested and paid out as therein provided, provided that such terms and provisions shall not be otherwise inconsistent with the Indenture.

SUMMARY OF THE LEASE

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

Acquisition and Construction of the Leased Premises

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

Lease Term and Rental

The Lease term ends on December 31, 2035. By each rent payment date, the School Corporation is to pay the installment of rent due under the Lease. Each installment of rent is payable in advance for the following six-month period on June 30 and December 31. The annual rent (to be paid in equal semiannual installments) is as shown in this Official Statement. Completion of the Leased Premises was to be certified to the School Corporation by a representative of the Lessor pursuant to the Lease. The date the building was substantially completed and ready for occupancy was to be endorsed on the end of the Lease by the parties thereto as soon as could be done after the completion of the construction. The endorsement was 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 Lessor 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 is 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 Lessor 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 Lessor or to such other person or persons as the Lessor 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 is damaged or destroyed (in whole or in part) by fire, windstorm or other casualty at any time during the term of the Lease, the Lessor 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 is 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 Lessor, 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 is 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 term 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 is 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 Lessor to rebate to the United States Government to prevent the Lessor's bonds from becoming arbitrage bonds.

Events of Default

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

- (a) Failure to pay any rentals or other sums payable to the Lessor under the Lease, or failure to pay any other sum therein required to be paid to the Lessor; or
- (b) 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 lessor, at its option, without further notice, may terminate the estate and interest of the School Corporation thereunder, and it shall be lawful for the Lessor forthwith to resume possession of the Leased Premises and the School Corporation covenants to surrender the same forthwith upon demand. The exercise by the Lessor of the right to terminate the Lease shall not release the School Corporation from the performance of any obligation thereof maturing prior to the Lessor's actual entry into possession. No waiver by the Lessor of any right to terminate this Lease upon any default shall operate to waive such right upon the same or other default subsequently occurring.

The School Corporation may not assign the Lease or sublet the Leased Premises without the written consent of the Lessor. 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 Lessor'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 Lessor 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.

PUBLIC HEALTH EMERGENCIES COULD NEGATIVELY AFFECT THE ISSUER'S OPERATIONS

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus ("COVID-19" or the "Pandemic"), could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues, extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession. The Issuer cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the Issuer associated with operating during any public health emergencies, including, but not limited to, the amount of (1) costs to clean, sanitize and maintain its facilities, (2) costs to hire substitute employees, (3) costs to acquire supporting goods and services, (4) costs to provide alternative means of education to its students, or (5) costs to operate remotely and support the employees of the Issuer. Accordingly, the Issuer cannot predict the effect any public health emergencies will have on the finances or operations of the Issuer or whether any such effects will have a material adverse effect on the ability to support payment of debt service on the Series 2026 Bonds.

CYBERSECURITY

School districts, like other governmental and business entities, face significant risks relating to the use and application of computer software and hardware for educational and operational and management purposes. The School Corporation also collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, and contractors. As the custodian of such information, the School Corporation may face cybersecurity threats from time to time. Given the importance of cybersecurity for school districts, federal lawmakers approved the K-12 Cybersecurity Act of 2021 to study cybersecurity risks that school districts face and develop recommended guidelines and an online training toolkit for school district officials to address such cybersecurity risks.

The School Corporation carries insurance for such matters, but no assurances can be given that the School Corporation's cybersecurity control measures will be successful in guarding against any and each cyber threat and attack. The results of any attack on the School Corporation's computer and information technology systems could impact its operations and damage the School Corporation's digital networks and systems, and the costs of remedying any such damage could be substantial.

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 an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may

be taken into account for the purpose of computing the alternative minimum tax imposed certain on corporations. 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.

IC 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.

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

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

FUTURE CHANGES IN LAW

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. 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.

As one example, Indiana Governor Michael Braun signed SEA 1 into law on Tuesday, April 15, 2025. SEA 1 includes a number of provisions which may adversely impact future tax collections and budgets of political subdivisions in the State, including school corporations.

The final version of SEA 1 which was signed by Governor Braun, as well as related fiscal information provided by the State of Indiana's Legislative Services Agency, can be found here: <https://iga.in.gov/legislative/2025/bills/senate/1/details>.

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

There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the Issuer or the School Corporation.

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 Building Corporation under the Lease, are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Trust Indenture and the Lease may not be readily available or may be limited. Under federal and State environmental laws certain liens may be imposed on property of the Building Corporation from time to time, but the Building Corporation has no reason to believe, under existing law, that any such lien would have priority over the lien on the property taxes pledged to owners of the 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, moratorium 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 has entered into a Continuing

Disclosure Undertaking dated March 26, 2015, as amended by a First Amendment to Master Continuing Disclosure Undertaking and as supplemented by a First Supplement to Master Continuing Disclosure Undertaking, a Second Supplement to Continuing Disclosure Undertaking, and a Third Supplement to Continuing Disclosure Undertaking (collectively, the "Original Undertaking"). In connection with the issuance of the Bonds the School Corporation will enter into a Fourth Supplement to the Original Undertaking (the "Supplement," and together with the Original Undertaking, the "Undertaking"). 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 in the previous five years it has not fully complied with its previous undertakings including, but not limited to, the following instances: the School Corporation timely filed unaudited financial information for the year ended December 31, 2021; however, the information posted only included six months' worth of information rather than information relating to the entire calendar year and the biennial audits for the period ended June 30, 2022 were posted late. The School Corporation makes no representation as to any potential materiality of such prior instances, as materiality is dependent upon individual facts and circumstances. The School Corporation has contracted with Ice Miller LLP as the dissemination agent to assist with future compliance filings. The School Corporation has conducted a review of compliance of its previous undertakings, and the list above represents any instances of non-compliance of which the School Corporation is aware.

UNDERWRITING

The Bonds are being purchased, subject to certain conditions, by Stifel, Nicolaus & Company, Incorporated (the "Underwriter" or "Stifel"). The Underwriter has agreed to purchase all, but not less than all, of the Bonds at an aggregate amount of \$_____, which represents the aggregate par amount of the Bonds, less an Underwriter's discount of \$_____ and [plus/less] [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.

Stifel and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the Building Corporation and the School Corporation and to persons and entities with relationships with the Building Corporation and the School Corporation, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Building Corporation and the School Corporation (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Building Corporation and the School Corporation.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Building Corporation and the School Corporation.

RATINGS

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), has assigned a rating of "AA+" to the Bonds based upon the Indiana State Intercept Program (see "INTERCEPT PROGRAM" above) (the "Programmatic Rating Program") and an Issuer credit rating of "A+" (the "Underlying Rating"). Such ratings reflect only the view of S&P and any explanation of the significance of such ratings may be obtained from S&P.

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. Prospective purchasers of the Bonds are 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.

During the initial offering period for the Bonds, copies of the forms of the Lease and Trust Indenture can be obtained from the Public Finance Department of Stifel, Nicolaus & Company, Incorporated, 201 North Illinois, Suite 350, Indianapolis, IN 46204, upon request.

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 Underwriter with sufficient copies of the Official Statement in a timely manner to be distributed to the purchasers of the Bonds.

SHERIDAN COMMUNITY SCHOOL BUILDING
CORPORATION

By: _____
President

SHERIDAN COMMUNITY SCHOOLS

By: _____
President, Board of Trustees

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APPENDIX A
SHERIDAN COMMUNITY SCHOOLS

General

The Sheridan Community Schools, Hamilton and Boone Counties, Indiana (the "School Corporation") began operating as an Indiana organized school corporation in 1961 under the name of Marion-Adams Schools. In 2006, the legal name of the School Corporation was changed to Sheridan Community Schools. The School Corporation is comprised of Marion Township in Boone County and Adams Township in Hamilton County and the Town of Sheridan in Hamilton County. Total land area for the School Corporation is approximately 96 square miles.

School Board

A five (5) member board of school trustees, elected/appointed to four-year staggered terms, governs the School Corporation. Administrative functions are carried out by a superintendent of schools, appointed by the board. A central office staff complements the leadership of the superintendent.

	<u>Expiration of Term</u>
Tyler Henning, President	12/31/2026
John Hunt, Vice President	12/31/2028
Kim Zachery, Secretary	12/31/2026
Dan Flemming, Member	12/31/2028
Nancy Boone, Member	12/31/2026

Source: School Corporation

Personnel

The School Corporation, as of November 17, 2025, had a total staff of 239 personnel, 175 full-time and 64 part-time, allocated in the following categories:

<u>Staffing Category</u>	<u>Full-Time</u>	<u>Part-Time</u>
Administration	12	0
Teachers	92	3
Counselors	4	0
Librarians	1	0
Social Workers	1	0
Secretarial/Clerical/Computer Technicians	7	0
Corporation Treasurer	1	0
Nurses	2	2
Maintenance/Custodial	13	6
Food Service/Cafeteria	14	8
Aides	6	31
Bus Drivers	14	5
Support Staff	<u>8</u>	<u>9</u>
Totals	<u>175</u>	<u>64</u>

Source: School Corporation

Facilities

In addition to the bus and maintenance facility, three (3) school buildings are currently housing the educational programs for the School Corporation. Selected information concerning the facilities presently operated by the School Corporation is shown below:

<u>Name of School</u>	<u>Grades</u>	<u>Original Construction</u>	<u>Last Addition/ Renovation</u>	<u>Condition of Building</u>
Sheridan Elementary/Central Office	K-5	2008	-	Good
Sheridan Middle School	6-8	1968	2014	Good
Sheridan High School	9-12	1968	2023	Good
Bus and Maintenance Facility		1988		Fair

Source: School Corporation

Enrollments

Shown below are the average daily membership enrollments for the past five years and a projection of such enrollments for the next five years:

<u>Academic Year</u>	<u>Actual Enrollment</u>	<u>Academic Year</u>	<u>Projected Enrollment*</u>
2021-22	1,062	2026-27	1,225
2022-23	1,088	2027-28	1,241
2023-24	1,122	2028-29	1,259
2024-25	1,162	2030-31	1,274
2025-26**	1,189	2031-32	1,292

* Projected enrollments are based on housing starts and populations trends. Projections are subject to uncertainty and risks that could cause the actual results to vary, possibly materially.

**October 2025 Count.

Source: School Corporation

Employment Relations

The School Corporation's employees are represented by the following labor organizations. The School Corporation considers its relationship with the employee groups to be positive.

<u>Organization</u>	<u>Represents</u>	<u>Expiration Date</u>
Sheridan Education Association	Teachers	June 30, 2026

Source: School Corporation

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 <u>Year</u>	<u>Net Assessed Valuation</u>	Tax Payment <u>Year</u>	<u>Net Assessed Valuation</u>
2017	\$384,426,132	2022	\$439,685,828
2018	379,287,595	2023	489,801,800
2019	390,268,673	2024	549,609,412
2020	413,700,486	2025	609,347,913
2021	\$423,540,122	2026	633,664,394

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 the School Corporation are included in the following table:

<u>Name of Business</u>	<u>Type of Business</u>	2024 pay 2025 <u>Net Assessed Valuation</u>	% of School Corporation's Total <u>Net Assessed Value</u>
United Animal Health, Inc.	Agriculture	\$10,314,930	1.69%
Midcontinent Indep. Trans. Sys. Operator, Inc.	Auto Mfg.	7,637,970	1.25%
Indiana American Water Company	Utility	6,186,690	1.02%
RMAC LLC	Farm Equip Sales	5,343,800	0.88%
EMC Precision Machining II LLC	Machine Mfg	4,730,670	0.78%
Duke Energy Indiana	Utility	4,618,040	0.76%
Waitt Grain Co., Inc.	Agriculture	2,307,100	0.38%
The Six Pence	Event Venue	2,136,500	0.35%
Boone County REMC	Utility	1,692,550	0.28%
Malisa A Smith Living Trust	Agriculture	1,665,400	0.27%

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 sources below. 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.

Sources: Hamilton County Auditor; Boone County Auditor

Taxes Levied and Collected

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

Collection <u>Year</u>	Gross Taxes <u>Levied</u>	<i>Less:</i>		Taxes <u>Collected</u>	Percent of Net <u>Levy Collected</u>
		Circuit Breaker <u>Credits</u> ⁽¹⁾	Net Taxes <u>Levied</u>		
2021	\$5,412,492	\$173,707	\$5,238,785	\$5,246,561	100.15%
2022	5,810,308	207,083	5,603,225	5,581,445	99.61%
2023	6,584,896	246,529	6,338,367	6,406,978	101.08%
2024	7,374,801	229,106	7,145,695	7,154,694	100.13%
2025	8,180,048	326,555	7,853,493	7,813,951	99.50%
2026 (est)	8,509,637	691,400	7,818,237		<i>In progress</i>

⁽¹⁾ Effective with property taxes payable in 2010, property taxes for residential homesteads are limited to 1.0% of the gross assessed value of the homestead; property taxes for agricultural, other residential property and long-term care facilities are limited to 2.0% of their gross assessed value; and property taxes for all other real and personal property are limited to 3.0% of gross assessed value. Additional property tax limits have been made available to certain senior citizens. School corporations are authorized to impose a referendum tax levy to replace property tax revenue that the school corporation will not receive due to the Circuit Breaker Tax Credit. Other political subdivisions may not increase their property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit

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 liens. Taxes due each year are due in two installments, May and November.

Sources: Indiana Department of Local Government Finance; School Corporation Annual Financial Reports (Form 9)

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.

<u>Fund</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Debt Service	\$0.6017	\$0.6193	\$0.6529	\$0.6796	\$0.6796
Pension Debt Service	0.0078	0.0070	0.0075	0.0066	0.0029
Operations	0.5060	0.4582	0.4236	0.3978	0.4016
Referendum Fund Exempt Oper Post 09	<u>0.2500</u>	<u>0.2500</u>	<u>0.2500</u>	<u>0.2500</u>	<u>0.2500</u>
Totals	1.3655	1.3345	1.3340	1.3340	1.3341

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 February 3, 2025 for the period July 1, 2022 to June 30, 2024. The School Corporation does not control the timing of the review or release of the audit report by the SBA.

The School Corporation maintains five (5) principal funds: the Debt Service Fund, the Pension Bond Repayment Debt Service Fund, the Education Fund, the Referendum Debt Service Fund and the Operations Fund.

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 referendum.

A copy of the School Corporation's Audit Report for the period July 1, 2022 to June 30, 2024, 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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
EDUCATION					
Jan. 1 Balance	\$509,494	\$932,744	\$1,106,755	\$1,749,866	\$2,477,525
Revenues					
Local Property Tax	-	-	-	-	-
Fin. Inst., Excise Taxes	-	-	-	-	-
Local Option Prop Tax Replacement	-	-	-	-	-
Other Local Sources	67,248	128,668	542,489	587,108	556,213
State Aid	7,636,248	8,095,520	8,982,347	9,620,792	10,161,988
County & Intermediate	124	120	118	115.32	222.80
Sale of Property, Adjust & Refund	-	-	-	-	-
Other	12,020	3,238	11,872	77,392	49,830
Interfund Transfers	-	-	-	185,369	-
Total	<u>\$7,715,640</u>	<u>\$8,227,546</u>	<u>\$9,536,826</u>	<u>\$10,470,776</u>	<u>\$10,768,254</u>
Expenditures	7,172,390	7,933,535	8,773,715	8,493,126	9,797,450
Interfund Transfers	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>1,249,992</u>	<u>1,249,998</u>
Dec. 31 Balance	\$932,744	\$1,106,755	\$1,749,866	\$2,477,525	\$2,198,330
OPERATIONS					
Jan. 1 Balance	\$ 680,662	\$1,219,716	\$1,304,405	\$1,380,720	\$1,598,656
Revenues					
Local Property Tax	1,897,056	1,926,296	2,040,947	2,107,562	2,109,284
Fin. Inst., Excise Taxes	186,446	194,305	178,343	172,063	183,218
Local Option Prop Tax Replacement	-	-	-	-	-
Other Local Sources	40,263	28,729	52,817	110,924	130,977
State Aid	-	-	-	-	-
County & Intermediate	-	-	-	-	-
Sale of Property	-	-	-	-	-
Other	47,951	23,266	110,630	19,275	27,525
Interfund Transfers & Exceptions	<u>136,620</u>	<u>120,000</u>	<u>120,000</u>	<u>1,249,992</u>	<u>1,249,998</u>
Total	<u>\$2,308,336</u>	<u>\$2,292,596</u>	<u>\$2,502,737</u>	<u>\$3,659,816</u>	<u>\$3,701,002</u>
Expenditures	1,769,282	2,207,907	2,426,422	3,441,880	3,698,608
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Dec. 31 Balance	\$1,219,716	\$1,304,405	\$1,380,720	\$1,598,656	\$1,601,050
OPERATING REFERENDUM TAX LEVY⁽¹⁾					
Jan. 1 Balance	\$1,156,718	\$1,568,946	\$1,611,025	\$1,689,581	\$1,415,522
Revenues					
Local Property Tax	1,071,533	1,097,212	1,294,006	1,421,465	1,572,630
Fin. Inst., Excise Taxes	91,954	96,001	97,306	101,548	104,804
Local Option Prop Tax Replacement	-	-	-	-	-
Other Local Sources	-	-	-	-	-
State Aid	-	-	-	-	-
County & Intermediate	-	-	-	-	-
Sale of Property	-	-	-	-	-
Federal Sources	45,332	-	-	-	-
Other	1,071	14,144	268	-	180
Interfund Transfers & Exceptions	<u>17,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,226,890</u>	<u>\$1,207,357</u>	<u>\$1,391,580</u>	<u>\$1,523,013</u>	<u>\$1,677,614</u>
Expenditures	814,662	1,165,278	1,313,024	1,797,072	1,800,000
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Dec. 31 Balance	\$1,568,946	\$1,611,025	\$1,689,581	\$1,415,522	\$1,293,136

School Corporation Receipts and Disbursements – Continued

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
PENSION DEBT SERVICE FUND					
Jan. 1 Balance	\$20,609	\$12,567	\$10,875	\$12,774	\$18,331
Revenues					
Local Property Tax	27,981	32,713	34,743	41,239	40,000
Fin. Inst., Excise Taxes	3,200	2,995	2,725	3,046	2,767
Local Option Prop Tax Replacement	-	-	-	-	-
Other Local Sources	-	-	-	-	-
State Aid	-	-	-	-	-
County & Intermediate	-	-	-	-	-
Sale of Property, Adjust & Refund	-	-	-	-	-
Other	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total	<u>\$31,181</u>	<u>\$35,708</u>	<u>\$37,468</u>	<u>\$44,286</u>	<u>\$42,767</u>
Expenditures	39,223	37,400	35,570	38,729	41,422
Interfund Transfers	-	-	-	-	-
Dec. 31 Balance	<u>\$12,567</u>	<u>\$10,875</u>	<u>\$12,774</u>	<u>\$18,331</u>	<u>\$19,675</u>
DEBT SERVICE FUND					
Jan. 1 Balance	\$1,274,030	\$1,258,113	\$1,201,947	\$1,262,578	\$1,092,975
Revenues					
Local Property Tax	2,249,991	2,525,224	3,037,282	3,584,428	4,091,937
Fin. Inst., Excise Taxes	207,228	231,055	241,047	265,202	284,899
Local Option Prop Tax Replacement	-	-	-	-	-
Other Local Sources	-	-	-	-	-
State Aid	-	-	-	-	-
County & Intermediate	-	-	-	-	-
Other	-	-	-	-	17,005
Sale of Property, Adjust & Refund	-	-	-	-	-
Interfund Transfers	-	-	-	-	-
Total	<u>\$2,457,219</u>	<u>\$2,756,279</u>	<u>\$3,278,329</u>	<u>\$3,849,630</u>	<u>\$4,393,840</u>
Expenditures	2,436,630	2,776,870	3,185,800	4,019,233	4,739,568
Interfund Transfers	-	-	-	-	-
Expenditure Exceptions	<u>36,506</u>	<u>35,575</u>	<u>31,898</u>	<u>-</u>	<u>-</u>
Dec. 31 Balance	<u>\$1,258,113</u>	<u>\$1,201,947</u>	<u>\$1,262,578</u>	<u>\$1,092,975</u>	<u>\$747,247</u>

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Education Fund	932,744	1,106,755	1,749,866	2,477,525	2,198,330
Debt Service Fund	1,258,113	1,201,947	1,262,578	1,092,975	747,247
Pension Debt Service Fund	12,567	10,875	12,773	18,331	19,675
Operations Fund	1,219,716	1,304,405	1,380,720	1,598,656	1,601,050
Rainy Day Fund	876,979	876,979	876,979	876,979	876,980
Oper Referend. Tax Levy Fund	1,568,946	1,611,025	1,689,581	1,415,522	1,293,136
All Other Funds	<u>1,290,304</u>	<u>1,333,609</u>	<u>4,987,399</u>	<u>6,169,929</u>	<u>4,034,228</u>
TOTAL	\$7,159,369	\$7,445,595	\$11,959,896	\$13,649,917	\$10,770,647

Source: School Corporation Annual Financial Reports (Form 9)

Anticipated Receipts & Disbursements Calendar Year 2025 Budget

	<u>Education Fund</u>	<u>Debt Service Fund</u>	<u>Pension Fund</u>	<u>Referendum Fund</u>	<u>Operations Fund</u>	<u>Rainy Day</u>
Receipts:						
Property Tax	\$ -	\$4,141,128	\$40,217	\$1,574,716	\$2,188,672 ⁽¹⁾	\$ -
Bank & Excise	- -	222,940	2,164	82,221	130,497	- -
State Grants	10,074,768	- -	- -	- -	- -	- -
Miscellaneous	<u>354,120</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>1,362,000</u>	<u>- -</u>
Total	\$10,428,888	\$4,364,068	\$42,381	\$1,656,937	\$3,681,169	\$0
Disbursements						
	\$11,174,710	\$4,741,407	\$41,423	\$1,800,000	\$3,846,534	\$400,000

⁽¹⁾ Includes Property Tax Cap Impact of (\$235,314)

Source: School Corporation 1782 Notice.

State of Indiana Payments

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

<u>Year</u>	<u>Total</u>
2021	7,928,054
2022	8,384,796
2023	8,982,347
2024	8,990,692
2025	10,437,814
2026 (est)	10,074,768

Source: School Corporation Annual Financial Reports (Form 9)

Indebtedness

The following tabulation, prepared as of February 11, 2026, has been adjusted to reflect the issuance of the 2026 Bonds.

	<u>Per Capita</u>	<u>Percent of Assessed Valuation</u>
2026 Net Assessed Value	\$633,664,394	\$100,184
Direct Debt	36,343,962	5,746
Direct & Underlying Debt	45,726,114	7,229

2023 Estimated Population: 6,325

The following tabulation itemizes the outstanding and expected principal amount of long-term indebtedness of the School Corporation and its overlapping and underlying taxing units.

<u>Direct Debt</u>	<u>Dated Date</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
Lease Obligations				
Series 2021 Bonds	12/02/21	\$9,080,000	01/15/41	\$7,845,000
Series 2022 Bonds	05/19/22	6,015,000	01/15/42	6,015,000
Series 2024 Bonds	12/18/24	9,145,000	01/15/36	8,230,000
Series 2026 Refunding Bonds (1)	3/___/26	11,920,000	01/15/33	11,920,000
General Obligations				
2006 Amend Taxable Pension Bonds	08/20/15	333,963	01/05/27	38,962
2023 Bonds	11/14/23	3,340,000	01/15/35	2,295,000
Total Direct Debt		<u>39,833,963</u>		<u>36,343,962</u>

(1) This issue. Preliminary, subject to change

The School Corporation also entered into a bank loan to install a solar farm with an outstanding balance of \$2,945,359 and a final maturity of 2036, which debt is not included on the table above. Those payments are expected to be made from the Operations Fund not the Debt Service Fund.

<u>Underlying and Overlapping Tax Supported Debt</u>	<u>Applicable</u>		
	<u>Outstanding Amount</u>	<u>Percent</u>	<u>Amount</u>
Hamilton County	\$62,625,000	1.63%	\$998,999
Hamilton County Public Building Corporation	107,345,000	1.63%	1,643,068
Boone County	55,625,000	6.55%	3,569,084
Town of Sheridan	404,000	100.00%	326,000
Sheridan Public Library	2,915,000	100.00%	2,845,000
			<u>9,382,152</u>

Combined Debt Service Requirements

The tabulation below sets forth the combined annual debt service requirements for all loans, leases and other obligations of the School Corporation including issuance of the 2026 Bonds.

Year	2006 Pension	2021 Bonds	2022 Bonds	2023 GO	2024 Bonds	2026 Refunding Bonds ⁽¹⁾	Total
2026	38,962	600,000	246,000	311,203	1,197,000	2,030,000	4,423,165
2027		601,000	246,000	311,873	1,197,000	2,030,000	4,385,873
2028		601,000	246,000	307,113	1,200,000	2,030,000	4,384,113
2029		601,000	246,000	312,139	1,201,000	2,030,000	4,390,139
2030		598,000	246,000	311,521	1,199,000	2,030,000	4,384,521
2031		601,000	246,000	310,474	1,077,000	2,030,000	4,264,474
2032		683,000	301,000	308,998	1,082,000	2,030,000	4,404,998
2033		717,000	774,000	307,094	1,079,000		2,877,094
2034		715,000	772,000	309,653	1,079,000		2,875,653
2035		712,000	770,000				1,482,000
2036		714,000	771,000				1,485,000
2037		716,000	772,000				1,488,000
2038		716,000	767,000				1,483,000
2039		717,000	771,000				1,488,000
2040		716,000	769,000				1,485,000
2041				1,087,000			1,087,000

⁽¹⁾ This issue; preliminary, subject to change.

Source: School Corporation Records

Future Financing

The School Corporation continues to monitor the needs of the School Corporation and may consider future financings or refinancings when deemed appropriate.

Debt Payment History

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

Pension and Post Employment Obligations

Public Employees' Retirement Fund Plan Description

All full-time non-certified employees of the School Corporation are covered under the Public Employees Retirement Fund of Indiana ("PERF"). PERF consists of: (i) a defined benefit contribution plan, and (ii) a defined contribution plan. Based on census data as of July 1, 2023, there were approximately 121,200 total PERF active members statewide making contributions.

The INPRS Board sets, at its discretion, the applicable employer contribution rates upon considering their results of the actuarial valuation and other analysis as appropriate. The School Corporation currently contributes at a rate of 11.2% of earned salary or compensation. Employees are required to contribute 3% of their compensation to wages to fund the defined contribution portion of the PERF; however employers may "pick up" the employee contributions. The School Corporation does make said contribution on behalf of its employees.

The School Corporation's total contributions to PERF for the fiscal years ended June 30, 2024 and 2025, were \$231,901 and \$269,886.54, respectively. The anticipated contribution for the fiscal year ending June 30, 2026 is \$284,515.14.

According to the latest actuarial valuation, as of June 30, 2024, the actuarial accrued liability for PERF was \$19,673 million and the actuarial value of assets was \$15,642 million, resulting in an unfunded accrued liability of \$4,031 million and a funded ratio of 79.5%.

Teachers' Retirement Fund Plan Description

All present and retired certificated employees of the School Corporation are covered under the Indiana State Teachers' Retirement Fund (the "Fund"). The Fund is comprised of two accounts: (1) the Pre-1996 Account consisting of members hired prior to July 1, 1995, and (ii) the 1996 Account consisting of members hired on or after July 1, 1995 or certain employees hired before July 1, 1995 that were either hired by another covered employer or re-hired by a covered prior employer before June 30, 2005.

The Pre-1996 Account is a cost-sharing multiple-employer defined benefit plan with the State being the lone non-employer contributing entity. The State is responsible for 100% of the contributions to the Pre-1996 Account. Based on census data as of June 30, 2023, there were 5,524 active Pre-1996 accounts state-wide. The 1996 Account is a cost-sharing multiple-employer defined benefit plan with no non-employer contributing entities. The employers (i.e., the school corporations) are responsible for 100% of the contributions to the 1996 Account. Based on census data as of June 30, 2023, there were 61,188 active 1996 accounts state-wide.

The defined benefits payable from the Pre-1996 Account are funded by State appropriations (including approximately \$30 million per year from the State Lottery). Historically, the benefits have been funded on a pay-as-you-go basis. Additionally, all active members in the Pre-1996 are required by State law to contribute 3% of their salary to their Annuity Savings Account ("ASA"), a separate lump sum account benefit, to fund the defined contribution. These 3% contributions are generally "picked up" by the employers and contributed on a pre-tax basis on behalf of the employee. The School Corporation makes the 3% contribution on behalf of its employees.

The defined benefits payable from the 1996 Account are funded by contributions from the individual employers. The Indiana Public Retirement System ("INPRS") Board of Trustees establishes a contribution rate, based on several factors including the annual actuarial valuation. Each employer is then contractually required to pay that contribution rate. For the fiscal year ended June 30, 2024, employers were required to contribute 6% of their active participant payroll to the defined benefit plan with an increased rate to 6.50% effective January 1, 2025. Additionally, members of the 1996 Account are required to contribute 3% of their annual wages to fund the defined contribution portion of the 1996 Account. Employers may choose to make this contribution on behalf of its employees, and the School Corporation does so.

The School Corporation's total contributions to the Fund for the fiscal years ended June 30, 2024 and 2025 were

484,021 and \$562,954.02, respectively. The anticipated contribution for the fiscal year ending June 30, 2026 is \$657,622.42.

According to the latest actuarial valuation, as of June 30, 2024, the actuarial accrued liability for the Pre-1996 Account was \$13,410 million and the actuarial value of assets was \$9,119 million, resulting in an unfunded accrued liability of \$4,291 million and a funded ratio of 68.0%. As of June 30, 2024, the actuarial accrued liability for the 1996 Account was \$10,023 million and the actuarial value of assets was \$8,659 million, resulting in an unfunded accrued liability of \$1,364 million and a funded ratio of 86.4%.

Governance

The Fund and PERF were created and operate pursuant to statutes of the State. The Indiana General Assembly could determine to amend the format and could impose or revise rates of contributions to be made by the School Corporation and revise benefits or benefit levels.

The Fund and PERF are administered and managed by the INPRS, which is governed by a nine-member board of trustees. INPRS issues publicly available financial reports and actuarial valuation reports that include financial statements and required supplementary information. Those reports may be viewed at the INPRS's website, as follows:

<http://www.in.gov/inprs/index.htm>

Such information is prepared by the entity maintaining such website and not by any of the parties to this transaction, and no such information is incorporated herein by this reference.

Other Retirement Benefits

The School Corporation permits eligible retirees to remain on the School Corporation's group health, vision, and dental insurance plans through COBRA offerings until they reach age 65, provided that such retirees pay the full premiums on such insurance. Additionally, family members covered by eligible retirees at the time of retirement may remain on the School Corporation's group health, vision, and dental insurance so long as the family member is not eligible for coverage under any other plan.

The School Corporation makes matching contributions of up to 1.5% to a 401(a) account for participating full-time employees. In 2024 the School Corporation paid \$94,504.31 from various funds for this benefit and the estimated contribution for 2025 is \$111,616.18. Additionally, the School Corporation pays a portion of the insurance premiums for Certified Staff (i.e., employees under a teaching contract) through the Voluntary Employees Beneficiary Association Plan (VEBA). In 2024 the School Corporation paid \$51,647 from various funds for this benefit and the estimated contribution for 2025 is \$53,285.

Source: School Corporation

APPENDIX B
GENERAL INFORMATION ABOUT THE AREA

Location

Sheridan Community Schools (the "School Corporation") is located in the town of Sheridan, Indiana. The town was incorporated in 1870 and is located 30 minutes north of Indianapolis in Hamilton County. The School Corporation is made up of Adams Township in Hamilton County and Marion Township located in Boone County.

Population

General population for the School Corporation are:

<u>Year</u>	<u>Population</u>
1990	5,695
2000	6,251
2010	6,091
2020	6,251
2024	6,493

Source: U.S. Census Bureau, 2020-2024 American Community Survey 5-Year Estimates

Total Tax Rates

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

<u>Civil Unit</u>	<u>2026</u>
Townships: Marion (Boone County)	\$1.5375
Cities/Towns: Sheridan (Hamilton County)	2.7455

Source: Indiana Department of Local Government Finance

Employment Statistics and Patterns

Total Covered Employment for the 1st Quarter 2025 was 164,058. Employment patterns for Hamilton County were:

<u>Employment Category</u>	<u># of Employees</u>	<u>% of Total Employment</u>
Agriculture, Forestry, Fishing and Hunting	838	0.51%
Mining	191	0.12%
Utilities	1,154	0.70%
Construction	9,563	5.82%
Manufacturing	7,623	4.64%
Wholesale Trade	7,166	4.47%
Retail Trade	18,398	11.20%
Transportation & Warehousing	2,176	1.33%
Information	2,189	1.33%
Finance and Insurance	15,632	9.53%
Real Estate and Rental and Leasing	3,070	1.87%
Professional, Scientific, and Technical Services	15,776	9.60%
Management of Companies and Enterprises	3,172	1.94%
Admin. & Support & Waste Mgt. & Rem. Services	11,086	6.76%
Educational Services	11,894	7.24%
Health Care and Social Services	24,009	14.68%
Arts, Entertainment, and Recreation	3,306	2.02%
Accommodation and Food Services	17,702	10.68%
Other Services (Except Public Administration)	5038	3.07%
Public Administration	4075	2.49%
Total	164,058	100.00%

Source: Stats Indiana – Indiana Department of Workforce Development data

Total Covered Employment for the 1st Quarter 2025 was 46,496. Employment patterns for Boone County were:

<u>Employment Category</u>	<u># of Employees</u>	<u>% of Total Employment</u>
Agriculture, Forestry, Fishing and Hunting	212	0.46%
Mining	0	0.00%
Utilities	69	0.15%
Construction	2,692	5.79%
Manufacturing	3,876	8.34%
Wholesale Trade	2,723	5.86%
Retail Trade	3,612	7.77%
Transportation & Warehousing	14,579	31.36%
Information	194	0.42%
Finance and Insurance	535	1.15%
Real Estate and Rental and Leasing	465	1.00%
Professional, Scientific, and Technical Services	4,167	8.96%
Management of Companies and Enterprises	178	0.38%
Admin. & Support & Waste Mgt. & Rem. Services	1,398	3.01%
Educational Services	2,361	5.08%
Health Care and Social Services	3,476	7.48%
Arts, Entertainment, and Recreation	720	1.55%
Accommodation and Food Services	3,065	6.59%
Other Services (Except Public Administration)	1,081	2.32%
Public Administration	1,093	2.35%
Total	46,496	100.00%

Source: Stats Indiana – Indiana Department of Workforce Development data

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

<u>Hamilton County</u>	Annual Averages					
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025 (August)</u>
Labor Force	186,215	190,416	195,968	197,462	207,699	212,373
Unemployed	8,851	4,589	4,172	5,021	6,907	6,657
Percent Unemployed	4.80%	2.40%	2.10%	2.50%	3.30%	3.10%
 <u>Boone County</u>						
Labor Force	36,352	37,291	38,362	38,693	41,735	42,659
Unemployed	1,586	860	774	969	1,372	1,296
Percent Unemployed	4.40%	2.30%	2.00%	2.50%	3.30%	3.00%
 State of Indiana	7.30%	3.90%	3.00%	3.30%	4.20%	3.80%
United States	8.10%	5.30%	3.60%	3.60%	4.00%	4.50%

Source: County Employment Patterns – STATS Indiana

Largest Employers

Below is a list of the largest employers in Hamilton and Boone Counties.

	<u>Name</u>	<u>Type of Business</u>	<u>Reported Employed</u>
Cno Financial Group, Inc		Insurance Services	3,070
Amazon		Retail Fulfillment	2,500
SMC Corporation		Pneumatic Technology	1,485
Delta Faucet Company		Faucet Manufacturer	1,203
Midcontinent Independent System Operator (MISO)		Electric Grid Operator	999
NextGear Capital		Floor Plan Financing Products	971
Indiana University Health North Hospital		Healthcare	895
KAR Auction Services		Vehicle Auction Services	887
American Specialty Health		Health Management	867
Whitham Hospital		Healthcare	800

Source: Hamilton County Economic Development Corporation; Boone County Econ. Development Corporation

Building Permits

The following table sets forth the residential building permits and values for the Town of Sheridan.

<u>Year</u>	<u>Number of Permits</u>	<u>Value of Permits</u>
2019	6	\$1,750,000
2020	8	1,908,335
2021	84	23,978,588
2022	75	23,379,277
2023	66	20,279,380

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

Transportation

The School Corporation is served by State Roads 38, 47 and 421 and U.S. 31. Commercial air service is available from Indianapolis International Airport. Private aircraft and passenger charter service is available at Indianapolis Executive Airport, Indianapolis Metropolitan Airport and the Sheridan Airport.

News Media

The area of the School Corporation is served by multiple newspapers including the *Sheridan News*, *Hamilton County Reporter*, *Times of Noblesville*, *Indy Star*, *Lebanon Reporter*, *The Topics Newspaper* and the *Daily Ledger*. There are roughly 20 metropolitan area radio stations, four major television network channels and a cable provider for the Town of Sheridan.

Utilities

The following public utilities provide service within the School Corporation:

Telephone	- SBC
Electric	- Duke Energy
Natural Gas	- Vectren Energy Services
Water	- Municipal Water Works, Town of Sheridan

Hospitals

Health service is available through Riverview Health Westfield Hospital, St. Vincent Carmel Hospital in Carmel, IU Health North Hospital, and the Sheridan Rehabilitation & Healthcare Center.

Higher Education

Within commuting distance of the School Corporation are the following institutions of higher education:

<u>Institution</u>	<u>Location</u>
Union Bible College	Westfield, Indiana
Butler University	Indianapolis, Indiana
Marian University	Indianapolis, Indiana
Indiana University Purdue University Indianapolis	Indianapolis, Indiana
Ivy Tech Community College	Indianapolis, Indiana
Wabash College	Crawfordsville, Indiana
Purdue University	West Lafayette, Indiana
Anderson University	Anderson, Indiana

Educational Attainment

The educational background of area residents living in the School Corporation, Hamilton and Boone Counties, and the State of Indiana are set forth in the following table.

<u>Educational Level Attained for Persons Age 25 Years and Over</u>	<u>School Corporation</u>	<u>Hamilton County</u>	<u>Boone County</u>	<u>Indiana</u>
Less than 9 th grade	0.4%	1.0%	1.8%	3.5%
9 th to 12 grade, no diploma	5.7	1.9	3.2	6.5
High School Graduate (incl equivalency)	41.1	14.8	19.3	33.0
Some College, no degree	20.2	14.4	17.1	19.7
Associate's Degree	9.0	7.1	9.0	9.0
Bachelor's Degree	18.0	37.8	30.9	18.0
Graduate or Professional Degree	5.6	23.0	18.6	10.2
Percent High School Graduate or higher	93.9	97.2	95.0	90.0
Percent Bachelor's Degree or higher	23.6	60.8	49.5	28.2

Source: U.S. Census Bureau, 2018-2022 American Community Survey

Household Income

The following table sets forth the distribution of household income for the School Corporation, Hamilton and Boone Counties, and the State of Indiana.

<u>Income Level</u>	<u>School Corporation</u>	<u>Hamilton County</u>	<u>Boone County</u>	<u>Indiana</u>
Less than \$10,000	2.4%	2.2%	2.8%	5.0%
\$10,000 to \$14,999	2.0	1.0	2.2	3.7
\$15,000 to \$24,999	12.8	3.2	4.8	7.7
\$25,000 to \$34,999	8.0	3.9	4.8	8.4
\$35,000 to \$49,999	15.2	7.0	7.4	12.5
\$50,000 to \$74,999	17.1	14.1	14.5	18.0
\$75,000 to \$99,999	11.0	12.6	11.3	14.0
\$100,000 to \$149,999	19.7	19.9	20.1	16.8
\$150,000 to \$199,999	3.8	13.4	11.4	7.2
\$200,000 or more	8.2	22.8	20.6	6.7
Median Income (dollars)	\$ 66,392	\$ 114,866	\$ 103,038	\$ 67,173
Mean Income (dollars)	81,515	151,722	144,562	88,805

Source: U.S. Census Bureau, 2018-2022 American Community Survey

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.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Hamilton County	\$75,113	\$78,231	\$81,233	\$85,814	\$95,757	\$99,456
Boone County	72,926	77,754	80,234	84,985	91,419	97,028
Indiana	46,945	48,749	52,194	56,435	57,930	61,083

Source: Stats Indiana

Housing Values

The following table sets forth the distribution of home values for owner-occupied units for the School Corporation, Hamilton and Boone Counties, and the State of Indiana.

<u>Value of Owner-occupied Housing Units</u>	<u>School Corporation</u>	<u>Hamilton County</u>	<u>Boone County</u>	<u>Indiana</u>
Less than \$50,000	3.9%	2.0%	3.0%	6.7%
\$50,000 to \$99,999	6.3	1.1	3.4	13.8
\$100,000 to \$149,000	18.3	2.7	9.3	17.0
\$150,000 to \$199,000	16.3	7.3	10.3	17.8
\$200,000 to \$299,999	26.8	24.9	20.6	22.9
\$300,000 to \$499,999	24.7	40.8	28.3	15.9
\$500,000 to \$999,999	3.7	18.5	21.3	5.0
\$1,000,000 or more	0.0	2.7	3.8	0.9

Source: U.S. Census Bureau, 2018-2022 American Community Survey

APPENDIX C

CONTINUING DISCLOSURE UNDERTAKING, AMENDMENT AND FOURTH SUPPLEMENT

CONTINUING DISCLOSURE UNDERTAKING

This CONTINUING DISCLOSURE UNDERTAKING (the "Agreement") is made as of March 26, 2015, by Sheridan Community Schools, a school corporation organized and existing under the laws of the State of Indiana (the "Obligor") for the purpose of permitting City Securities Corporation (the "Underwriters") to purchase the Sheridan Community School Building Corporation's (the "Building Corporation") \$27,130,000 of Ad Valorem Property Tax First Mortgage Refunding and Improvement Bonds, Series 2015, dated April 15, 2015 (the "Bonds"), issued pursuant to a Trust Indenture dated as of June 1, 2008, as supplemented by a First Supplemental Trust Indenture dated as of July 1, 2013, and a Second Supplemental Trust Indenture dated as of April 1, 2015 (the "Indenture") between the Building Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee, in compliance with the Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "SEC Rule") as published in the Federal Register on November 17, 1994.

WHEREAS, the Building Corporation has issued its Bonds pursuant to the Indenture; and

WHEREAS, pursuant to a Lease Agreement dated December 10, 2007, as amended by an Amendment to Lease dated as of June 1, 2008, a Second Amendment to Lease dated June 11, 2013, and a Third Amendment to Lease dated March 17, 2015 (as amended, the "Lease") between the Building Corporation, as lessor, and the Obligor, as lessee, the Obligor is required to pay lease rentals due, which rentals will be used to pay the principal and interest due on the Bonds;

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

WHEREAS, the Underwriters, by their agreement to purchase the Bonds, accept and assent to this Agreement and the exchange of such purchase and acceptance for the promises of Obligor contained herein, and hereby assigns all their rights hereunder, as promisee, to the holders of the Bonds;

NOW, THEREFORE, in consideration of the payment for and acceptance of any Bonds by the Underwriters, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Obligor hereby promises to the Underwriters:

Section 1. Definitions. The words and terms defined in this Agreement 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) "Bondholder" or "holder" or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, or the holders of beneficial interests in the Bonds.
- (2) "EMMA" is Electronic Municipal Market Access System established by the Municipal Securities Rulemaking Board.
- (3) "Final Official Statement" means the Official Statement, dated as of March 26, 2015, relating to the Bonds, including any document included by specific reference to such document filed with the MSRB.
- (4) "MSRB" means the Municipal Securities Rulemaking Board.

Section 2. Term. The term of this Agreement is from the date hereof to the earlier of (i) the date of the last payment of principal of and interest on the Bonds, or (ii) the date the Bonds are defeased under the Indenture. Obligated Persons. The Obligor hereby represents and warrants as of the date hereof that it is the only Obligated Person with respect to the Bonds. If the Obligor is no longer committed by contract or other arrangement to support payment of the Bonds, such person shall no longer be considered an Obligated Person within the meaning of the SEC Rule and the continuing obligation under this Agreement to provide annual financial information and notices of events shall terminate with respect to such person.

Section 4. Provision of Financial Information (a) The Obligor hereby undertakes to provide, with respect to the Bonds, the following annual financial information, in each case (i) in an electronic format as prescribed by the MSRB and (ii) accompanied by identifying information as prescribed by the MSRB: 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 such auditors 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, 2015, and shall be made by June 30 of every other year 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, 2015, 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 included under the following headings in Appendix A in the Final Official Statement (collectively, the "Annual Information") however, that the updated information may be provided in such format as the Obligor deems appropriate:

APPENDIX A

SHERIDAN COMMUNITY SCHOOLS

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

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

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

(d) The Obligor agrees to make a good faith effort to obtain Annual Information. However, failure to provide audited financial statements or portions of Annual Information because it is unavailable through circumstances beyond the control of the Obligor shall not be deemed to be a breach of this Agreement. The Obligor further agrees to supplement the Annual Information filing when such data is available.

(e) Annual Information or audited financial statements required to be provided pursuant to this Section 4 may be provided by a specific reference to such Annual Information or audited financial statements already prepared and previously provided to the MSRB. Any information included by reference shall also be (i) available to the public on the MSRB's Internet Web Site, or (ii) filed with the Securities and Exchange Commission.

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

Section 5. Accounting Principles. The financial information will be prepared on a cash basis as prescribed by the State Board of Accounts, as in effect from time to time, as described in the auditors' report and notes accompanying the audited financial statements of the Obligor or those mandated by state law from time to time. The audited financial statements of the Obligor, as described in Section 3(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 in 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; and
- (6) appointment of a successor or additional trustee or the change of name of a trustee.

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

The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit B 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 Agreement. 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 Agreement.

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

Section 9. Remedies The purpose of this Agreement is to enable the Underwriters to purchase the Bonds by providing for an undertaking by the Obligor in satisfaction of the SEC Rule. This Agreement is solely for the benefit of (i) the Underwriters, and (ii) the Bondholders 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 Agreement shall be for specific performance of the Obligor's disclosure obligations hereunder and not for money damages of any kind or in any amount or for any other remedy. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Indenture, the Lease 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 Agreement, any holder of Bonds 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 Bonds 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 Agreement may be pursued only by holders of not less than 25% in principal amount of Bonds then outstanding in any court of competent jurisdiction in the State of Indiana. An affidavit to the effect that such persons are holders of Bonds supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue the remedy set forth in the preceding paragraph.

(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 Agreement, a holder of Bonds shall give notice to the Obligor and the Building Corporation, 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 Agreement if and to the extent the Obligor has failed to cure such breach.

Section 10. Modification of Master Undertaking. The Obligor may, from time to time, amend or modify this Agreement without the consent of or notice to the holders of the Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Obligor, or type of business conducted, (ii) this Agreement, as so amended or modified, would have complied with the requirements of the SEC Rule on the date hereof, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances, and (iii) such amendment or modification does not materially impair the interests of the holders of the Bonds, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the Bonds pursuant to the terms of Article 11 of the Indenture at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds this Agreement) is permitted by the SEC Rule, as then in effect.

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

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

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

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

SHERIDAN COMMUNITY SCHOOLS, as Obligor

By: _____
President, Board of School Trustees

Secretary, Board of School Trustees

EXHIBIT A

CERTIFICATE RE: ANNUAL FINANCIAL INFORMATION DISCLOSURE

The undersigned, on behalf of the Sheridan Community Schools, as the Obligor under the Continuing Disclosure Undertaking, dated March 26, 2015 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Agreement) which is required to be provided pursuant to Section 4(a)(2) of the Agreement.

Dated: _____

SHERIDAN COMMUNITY SCHOOLS

DO NOT EXECUTE – FOR FUTURE USE ONLY

EXHIBIT B

CERTIFICATE RE: REPORTABLE EVENT DISCLOSURE

The undersigned, on behalf of the Sheridan Community Schools, as Obligor under the Continuing Disclosure Undertaking, dated March 26, 2015 (the "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 Agreement.

Dated: _____

SHERIDAN COMMUNITY SCHOOLS

DO NOT EXECUTE – FOR FUTURE USE ONLY

EXHIBIT C

NOTICE TO MSRB OF FAILURE TO FILE INFORMATION

Notice is hereby given that the Sheridan Community Schools (the "Obligor") has not provided the Annual Information as required by Section 4(a)(2) of the Continuing Disclosure Undertaking, dated as of March 26, 2015.

Dated: _____

SHERIDAN COMMUNITY SCHOOLS

DO NOT EXECUTE – FOR FUTURE USE ONLY

**FIRST AMENDMENT TO
MASTER CONTINUING DISCLOSURE UNDERTAKING**

This FIRST AMENDMENT TO MASTER CONTINUING DISCLOSURE UNDERTAKING, dated as of November 10, 2021 (the "Amendment") amends the Master Continuing Disclosure Undertaking dated as of March 26, 2015 (the "Original Undertaking"). The Amendment is being entered into by Sheridan Community Schools (the "Obligor") for the purpose of incorporating changes to the Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "SEC Rule") as described in the 2018 Amendments (as hereinafter defined). The Original Undertaking as amended by the Amendment is referred to herein as the "Master Undertaking".

WITNESSETH THAT:

WHEREAS, the Original Undertaking is being amended to modify Section 6 thereof pursuant to SEC Release No. 34-83885, dated August 20, 2018 (the "2018 Amendments"), and does not require the consent of existing Holders of Obligations because (i) this Amendment is entered into due to a change in circumstances that arises from a change in legal requirements or change in law, (ii) the Original Undertaking would have complied with the requirements of the SEC Rule on the date thereof, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances, and (iii) such amendments or modifications herein do not materially impair the interests of the Holders of the Obligations issued before the date of this Amendment, as determined by nationally recognized bond counsel; and

WHEREAS, the Obligor finds that this Amendment is being entered into in connection with a change in circumstances that arises from a change in legal requirements and a change in law; and

WHEREAS, the Obligor further finds that the Original Undertaking would have complied with the requirements of the SEC Rule on the date thereof; and

WHEREAS, upon a determination by nationally recognized bond counsel, the Obligor further finds that this Amendment does not materially impair the interests of the Holders of the Obligations issued before the date of this Amendment; and

WHEREAS, the Obligor is an Obligated Person (as defined in the SEC Rule) because the only sources of funds pledged to pay the principal and interest due on the Obligations are (i) lease rental payments (in addition to bond proceeds held under one or more trust indentures) due under one or more lease agreements pursuant to which the Obligor is a party, and/or (ii) the tax levy of the Obligor;

NOW, THEREFORE, in consideration of the payment for and acceptance of the Sheridan Community Schools Ad Valorem Property Tax First Mortgage Bonds, Series 2021 (the "2021 Bonds") and any Obligations issued after the date of this Amendment, the Original Undertaking is hereby amended as follows:

SECTION 1. Definitions. In this Amendment, words and terms not defined shall have the meaning prescribed in the Original Undertaking unless the context otherwise dictates. "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."

SECTION 2. Solely as to the 2021 Bonds and any Obligations issued after the date of this Amendment, Section 6 of the Original Undertaking is hereby replaced and shall read as follows:

"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 Obligor, 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) solely as to the 2021 Bonds and any Obligations issued after the date of this Amendment, 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 Obligor; and
- (10) solely as to the 2021 Bonds and any Obligations issued after the date of this Amendment, 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."

SECTION 3. Obligations. This Amendment only applies to the 2021 Bonds and Obligations issued after the date of this Amendment.

[Remainder of page intentionally left blank]

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

SHERIDAN COMMUNITY SCHOOLS, as Obligor

By: _____
President, Board of School Trustees

Secretary, Board of School Trustees

[Signature Page to First Amendment to Master Continuing Disclosure Undertaking]

**FOURTH SUPPLEMENT TO
CONTINUING DISCLOSURE UNDERTAKING**

This Fourth Supplement to Continuing Disclosure Undertaking, dated as of _____, 2026 (the "Fourth Supplement"), to the Continuing Disclosure Undertaking dated as of March 26, 2015, as amended by a First Amendment to Master Continuing Disclosure Undertaking dated as of November 10, 2021 and as previously supplemented by a First Supplement to Master Continuing Disclosure Undertaking, a Second Supplement to Continuing Disclosure Undertaking and a Third Supplement to Continuing Disclosure Undertaking (as amended and supplemented, the "Original Undertaking"), of Sheridan Community Schools (the "Obligor"), is entered into for the benefit of Stifel, Nicolaus & Company, Incorporated, as underwriter of the \$ _____ Sheridan Community School Building Corporation Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026 (the "2026 Bonds"). The Original Undertaking as supplemented by this Fourth Supplement will be referred to herein as the "Master Undertaking."

Section 1. The terms of the Master Undertaking are hereby made applicable in all respects to the 2026 Bonds. As of the date of this Fourth Supplement, for clarification purposes only:

- (i) the Audited Information referred to in Section 4(a)(1) of the Master Undertaking shall first occur on the 2026 Bonds by June 30, 2027; and
- (ii) the Annual Information referred to in Section 4(a)(2) of the Master Undertaking shall first occur on the 2026 Bonds beginning June 30, 2026.

Section 2. There are no other obligated persons other than the Obligor with respect to the 2026 Bonds.

Section 3. Exhibit A of the Master Undertaking is supplemented to include the 2026 Bonds, as attached hereto.

[Remainder of page intentionally left blank]

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

SHERIDAN COMMUNITY SCHOOLS, as Obligor

By: _____
Tyler Henning, President
Board of School Trustees

Kim Zachery, Secretary
Board of School Trustees

[Signature Page to Fourth Supplement to Continuing Disclosure Undertaking]

EXHIBIT A

OBLIGATIONS

Proforma after Issuance of 2026 Bonds

Full Name of Bond Issue	Base CUSIP	Final Maturity
-------------------------	------------	----------------

General Obligation Bonds

Lease Obligations

Ad Valorem Property Tax First Mortgage Refunding and Improvement Bonds, Series 2015 ¹	82378P	January 15, 2033
Ad Valorem Property Tax First Mortgage Bonds, Series 2021*	82378P	January 15, 2041
Ad Valorem Property Tax First Mortgage Bonds, Series 2022*	82378P	January 15, 2042
Ad Valorem Property Tax First Mortgage Bonds, Series 2024*	82378P	January 15, 2035
Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026*	82378P	_____,____

¹ Note that these Bonds have been defeased and are no longer subject to the Master Continuing Disclosure Undertaking.

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

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

_____, 2026

Stifel, Nicolaus & Company, Incorporated
Indianapolis, Indiana

Re: Sheridan Community School Building Corporation
Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026
Total Issue: \$ _____
Dated Date: _____, 2026

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Sheridan Community School Building Corporation (the "Issuer") of \$ _____ of Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026 dated _____, 2026 (the "Bonds"), pursuant to Indiana Code § 20-47-3 and 5-1-5 and a Trust Indenture (the "Indenture") between the Issuer and The Bank of New York Mellon Trust Company, N.A., as successor in trust to The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), dated as of June 1, 2008, as supplemented by a First Supplemental Trust Indenture dated as of July 1, 2013, a Second Supplemental Trust Indenture dated as of April 1, 2015, and a Third Supplemental Trust Indenture dated as of February 1, 2026 (as supplemented, the "Indenture"). We have examined the law and the certified transcript of proceedings of the Issuer and the Sheridan Community Schools (the "School Corporation") relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render the opinions below. 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 (the "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 February __, 2026 or the Final Official Statement dated _____, 2026 (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 between the Issuer, as lessor, and the School Corporation, as lessee, executed on December 10, 2007, as amended by an Amendment to Lease dated June 1, 2008, a Second Amendment to Lease dated June 11, 2013, a Third Amendment to Lease dated March 17, 2015, and a Fourth Amendment to Lease dated February 1, 2026 (as amended, the "Lease") has been duly entered into in accordance with the provisions of the Indiana Code § 20-47-3 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 Lease rentals have commenced.

2. The Issuer has duly authorized, sold, executed and delivered the Bonds and has duly authorized and executed the Indenture securing the same, and the Indenture has been duly recorded. The Bonds are the valid and binding obligations of the Issuer secured 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 an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. This opinion is conditioned upon compliance by the Issuer and the School Corporation subsequent to the date hereof with their respective 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 issue date.

In rendering the opinion set forth in paragraph 4 above, we have relied upon a report of Causey Public Finance, LLC, Denver, Colorado, as to the accuracy of the mathematical computations of the yield on the Bonds and the yield on the direct obligations of the United States of America deposited on the date hereof with The Bank of New York Mellon Trust Company, N.A., as escrow trustee (the "Escrow Trustee"), pursuant to an Escrow and Defeasance Agreement dated as of the date hereof among the Issuer, the Trustee and the Escrow Trustee.

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

**SHERIDAN COMMUNITY SCHOOLS AUDIT REPORT
AS OF JUNE 30, 2024**

(attached)

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

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

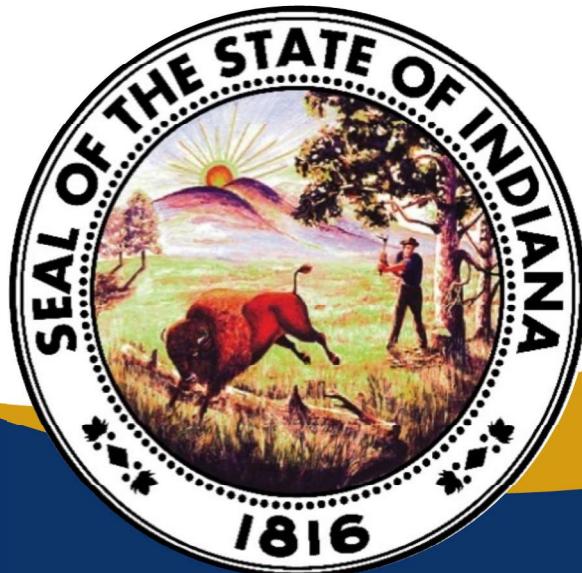
FINANCIAL STATEMENT AUDIT REPORT

OF

SHERIDAN COMMUNITY SCHOOLS

HAMILTON COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

02/03/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Robin Popejoy	07-01-22 to 06-30-25
Superintendent of Schools	Dr. David Mundy	07-01-22 to 06-30-25
President of the School Board	Todd Roberts John Hunt Dan Fleming Tyler Henning	07-01-22 to 12-31-22 01-01-23 to 12-31-23 01-01-24 to 12-31-24 01-01-25 to 12-31-25



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET

ROOM E418

INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513

Fax: (317) 232-4711

www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SHERIDAN COMMUNITY SCHOOLS, HAMILTON COUNTY, INDIANA

Report on the Audit of the Financial Statement

Adverse and Unmodified Opinions

We have audited the accompanying financial statement of the Sheridan Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement as listed in the Table of Contents.

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 and Unmodified Opinions* section of our report, the financial statement referred to above does not present fairly, the financial position and results of operations of the School Corporation for the period of July 1, 2022 to June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the respective financial position and results of operations of the School Corporation, for the period of July 1, 2022 to June 30, 2024, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial auditors contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are required to be independent of the School Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates and related disclosures made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT
(Continued)

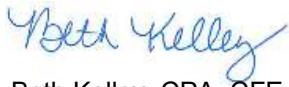
Other Information

Management is responsible for the other information included in the Annual Financial Report. The other information comprises 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, but does not include the basic financial statement and our auditor's report thereon. Our opinions on the basic financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we concluded that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2025, on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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.



Beth Kelley
Beth Kelley, CPA, CFE
Deputy State Examiner

January 14, 2025



FINANCIAL STATEMENT AND ACCOMPANYING NOTES AND OTHER INFORMATION

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.

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: [IDOE Finance Dashboard](#). 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 which are 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.

SHERIDAN COMMUNITY SCHOOLS
 STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER
 FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2023 and 2024

Fund	Cash and Investments 07-01-22			Other Financing Sources (Uses)			Cash and Investments 06-30-23			Other Financing Sources (Uses)			Cash and Investments 06-30-24		
	Receipts	Disbursements			Receipts	Disbursements			Receipts	Disbursements			Receipts	Disbursements	
Education Fund	\$ 1,009,120	\$ 8,816,786	\$ 8,418,267	\$ (120,000)	\$ 1,287,639	\$ 10,020,913	\$ 8,407,785	\$ (684,996)	\$ 2,215,771						
Referendum Fund	1,719,816	1,309,115	1,203,280	-	1,825,651	1,443,419	1,644,481	-	1,624,589						
Debt Service Fund	1,451,136	3,010,848	3,093,288	-	1,368,696	3,558,574	3,522,300	-	1,404,970						
Retirement/Severance Bond Debt	14,594	36,317	36,485	-	14,426	40,663	34,651	-	20,438						
Operations Fund	1,485,193	2,216,135	2,309,997	120,000	1,511,331	2,406,055	2,898,664	684,996	1,703,718						
Rainy Day Fund	876,979	-	-	-	876,979	-	-	-	876,979						
21-Bonds Lease Rental	1,085,958	25,155	212,379	-	898,734	143,910	1,703,684	3,340,000	2,678,960						
School Lunch Fund	190,433	878,755	765,283	-	303,905	742,373	785,671	-	260,607						
Textbook Rental	114,177	152,787	231,463	-	35,501	181,138	149,347	-	67,292						
Student Support - Preschool	36,882	354,932	351,404	-	40,410	485,674	408,824	-	117,260						
Solar	22,896	4,121	12,480	-	14,537	4,778	10,831	-	8,484						
Chase	15,711	8,884	3,072	-	21,523	137	(323)	-	21,983						
Education License Plates	1,200	131	-	-	1,331	56	-	-	1,387						
2023-3E Lively	-	81,906	-	-	81,906	-	233,741	-	(151,835)						
Student Learning Recovery	(115,852)	408,801	293,235	-	(286)	32,418	32,133	-	(1)						
Perry 3E Grant	-	24,125	34,057	-	(9,932)	63,680	67,434	-	(13,686)						
NHC-Hamilton County Foundation	-	10,000	-	-	10,000	5,000	-	-	15,000						
Vape Machines	-	6,000	6,000	-	-	-	-	-	-						
Apr-Ball State	-	-	-	-	-	34,399	-	-	34,399						
SCS Funds	-	382,000	-	-	382,000	8,772	12,702	-	378,070						
SCS Fieldhouse Sponsorship	-	-	-	-	-	32,178	16,602	-	15,576						
Moore Foundation	5,194	14,000	15,485	-	3,709	24,000	23,213	-	4,496						
REMC Boone Donation(Teacher Sup)	4,000	1,000	-	-	5,000	-	5,000	-	-						
Winter Guard Donation	-	-	-	-	-	5,557	5,557	-	-						
Donation (Mindful Retreat)	500	-	500	-	-	-	-	-	-						
Duke Energy	4,106	-	4,106	-	-	10,000	-	-	10,000						
Summer Safari	6,365	-	6,365	-	-	-	-	-	-						
SCS Ed Fund	15,866	11,500	1,500	-	25,866	(8,366)	9,500	-	8,000						
Biddle Donation	333	-	333	-	-	-	-	-	-						
Urban/Grainger Donation	13,025	-	500	-	12,525	-	12,525	-	-						
22-Formative Assessment	8,000	13,395	21,395	-	-	16,542	13,778	-	2,764						
Special Education Excess Costs	7,508	83,966	84,358	-	7,116	72,079	90,447	-	(11,252)						
Early Literacy Achievement Grant	-	-	-	-	-	5,504	5,504	-	-						
DMHA Community Catalyst	-	-	-	-	-	26,914	47,727	-	(20,813)						
22-SRO	(37,333)	94,578	68,089	-	(10,844)	110,845	74,482	-	25,519						
STEM-Prime Math	-	304	304	-	-	-	-	-	-						
STEM Integration Grant	-	10,000	10,000	-	-	9,500	18,722	-	(9,222)						
21-Early Intervention	1,859	3,182	5,041	-	-	-	-	-	-						
21-NESP	-	5,265	5,265	-	-	-	-	-	-						

SHERIDAN COMMUNITY SCHOOLS
 STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER
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 For the Years Ended June 30, 2023 and 2024

Fund	Cash and Investments 07-01-22		Other Financing Sources (Uses)	Cash and Investments 06-30-23		Other Financing Sources (Uses)	Cash and Investments 06-30-24	
	Receipts	Disbursements		Receipts	Disbursements		Receipts	Disbursements
State Connectivity (Internet)	-	4,500	-	-	-	-	-	-
Career & Tech Performance Grant	-	-	-	-	55	-	-	55
TAG Grant	-	40,647	40,650	(3)	41,984	41,984	-	(3)
SOR Science Of Reading Grant	-	-	-	-	-	120,739	-	(120,739)
22-High Ability	-	21,802	20,200	1,602	30,925	26,137	-	6,390
State Connectivity	-	-	-	-	4,500	4,500	-	-
22-Title I	(31,937)	152,292	130,921	(10,566)	88,424	103,719	-	(25,861)
22-Project Aware	(21,448)	51,496	74,267	(44,219)	68,275	24,056	-	-
22-Federal B	-	-	10,118	(10,118)	24,409	22,376	-	(8,085)
22-Title IV	10,000	10,000	10,000	10,000	-	10,000	-	-
Title IV Part A	-	-	-	-	10,300	109,461	-	(99,161)
Child Care Grant	-	-	-	-	-	2,600	-	(2,600)
Medicaid	-	-	-	-	9,406	-	-	9,406
23-Title II	(40,860)	84,169	43,309	-	-	23,283	25,047	-
Title II - Juvenile Justice	(38,798)	35,685	(3,113)	-	-	-	-	-
ARP-Fed B 611	(29,073)	34,326	6,302	(1,049)	21,075	20,026	-	-
ARP-Fed B 619	(4,767)	4,134	(633)	-	-	1	1	-
Esser III	-	14,028	14,028	-	-	-	-	-
22-Recon	(27,642)	76,391	48,749	-	9,864	41,450	-	(31,586)
Prepaid Meals	15,193	281,092	287,378	8,907	262,906	257,916	-	13,897
Federal Tax Clearing	-	697,696	697,696	-	735,474	735,474	-	-
Social Security Clearing	-	623,351	623,351	-	673,125	673,125	-	-
State Tax Clearing	-	245,979	245,979	-	258,029	258,029	-	-
County Tax Clearing	-	102,636	102,636	-	108,853	108,853	-	-
TRF Vol Deduction	-	3,899	3,899	-	3,889	3,889	-	-
PERF Vol Deduction	-	2,109	2,109	-	3,283	3,283	-	-
WV/WCI Health Insurance	-	377,998	377,998	-	438,068	438,068	-	-
VALIC	-	137,890	137,890	-	189,974	189,974	-	-
Garnishing Of Wages Clearing	-	2,010	2,010	-	1,057	1,057	-	-
Daycare Deduction Clearing	-	119,539	119,539	-	189,418	189,418	-	-
Clearing	-	550,459	550,459	-	588,389	554,173	-	34,216
Totals	\$ 7,768,334	\$ 21,638,116	\$ 20,744,173	\$ -	\$ 8,662,277	\$ 23,261,678	\$ 24,200,337	\$ 3,340,000
								\$ 11,063,618

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

**SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL 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.

SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Temporary loans. Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

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 services. 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.

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.

SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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 December 31 of the year preceding the budget year or January 15 of the budget year if the School Corporation is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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.

SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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 Defined Benefit Plan (PERF DB) is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Financial Report

INPRS 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. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Hybrid Plan (TRF Hybrid) consists of two components: Indiana Teachers' Pre-1996 Defined Benefit Account (Teachers' Pre-1996 DB) or Indiana Teachers' 1996 Defined Benefit Account (Teachers' 1996 DB) the monthly employer-funded defined benefit components, along with the Indiana Teachers' Defined Contribution Account (TRF DC), the defined contribution component. Generally, members hired before 1996 participate in the Teachers' Pre-1996 DB and members hired after 1995 participate in the Teachers' 1996 DB.

The Teachers' 1996 DB is a cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. All legally qualified and regularly employed licensed teachers serving in State of Indiana public schools are eligible to participate in the Teachers' 1996 DB.

The Teachers' Pre-1996 DB is a pay-as-you-go, cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. Membership in the Teachers' Pre-1996 DB is closed to new entrants.

The TRF DC is a multiple-employer defined contribution plan providing supplemental retirement benefits to Teachers' 1996 DB and Teachers' Pre-1996 DB members.

The Retirement Savings Plan for Public Teachers (My Choice) is a multiple-employer defined contribution plan. New employees hired after June 30, 2019, have a one-time election to join either the TRF Hybrid plan that is not closed to new entrants or the My Choice plan.

All these plans are administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3, and IC 5-10.4) and administrative code (35 IAC 14), which govern most requirements of the system and give the School Corporation authority to contribute to the plan when applicable.

SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Financial Report

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. (844) 464-6777

Contributions

The School Corporation contributes the employer's share to Teachers' 1996 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. These contributions are determined by INPRS Board based on actuarial valuation. 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 (Teachers' Pre-1996 DB) is considered to be an obligation of, and is paid by, the State of Indiana.

Contributions for the defined contribution component of TRF Hybrid are determined by statute and the INPRS Board at 3 percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

My Choice plan is funded with employer contributions and member contributions. The employer contributions must equal the contribution rate for monthly employer-funded defined benefit components of TRF Hybrid. The amount deposited into the employer contribution subaccount for the member is the normal cost of participation. The variable rate contribution can be no less than 3 percent. Member contributions are determined by statute and the Board at 3 percent of covered payroll. The employer must make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

Note 7. 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, 2023, and June 30, 2024.

Note 8. Holding Corporation

The School Corporation has entered into capital leases with the Sheridan Community Schools Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2022-2023 and 2023-2024 totaled \$2,951,500 and \$2,913,500, respectively.

SHERIDAN COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Subsequent Event

On December 18, 2024, the Sheridan Community Schools Building Corporation issued AD Valorem Property Tax First Mortgage Bonds, Series 2024 in the amount of \$9,145,000. The bonds will be used to finance renovation and improvements to school facilities, including athletic and site improvements, the purchase of equipment and technology, to and pay for the costs of issuing the bonds.

OTHER INFORMATION

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Education Fund	Referendum Fund	Debt Service Fund	Retirement/Severance Bond Debt	Operations Fund	Rainy Day Fund	21-Bonds Lease Rental
Cash and investments - beginning	\$ 1,009,120	\$ 1,719,816	\$ 1,451,136	\$ 14,594	\$ 1,485,193	\$ 876,979	\$ 1,085,958
Receipts:							
Local sources	290,565	1,294,702	3,010,848	36,317	2,190,932		25,155
Intermediate sources	8,516,517	-	-	-	-		-
State sources	-	-	-	-	-		-
Federal sources	-	-	-	-	-		-
Other receipts	9,585	14,413	-	-	25,203		-
Total receipts	8,816,786	1,309,115	3,010,848	36,317	2,216,135		25,155
Disbursements:							
Instruction	5,918,261	(5,450)	-	-	-		-
Support services	2,170,339	1,208,730	-	-	1,968,218		148,039
Noninstructional services	329,667	-	-	-	24,492		-
Facilities acquisition and construction	-	-	-	-	317,287		64,340
Debt services	-	-	3,093,288	36,485	-		-
Nonprogrammed charges	-	-	-	-	-		-
Total disbursements	8,418,267	1,203,280	3,093,288	36,485	2,309,997		212,379
Excess (deficiency) of receipts over (under) disbursements	398,519	105,835	(82,440)	(168)	(93,862)		(187,224)
Other financing sources (uses):							
Transfers in	-	-	-	-	120,000		-
Transfers out	(120,000)	-	-	-	-		-
Total other financing sources (uses)	(120,000)	-	-	-	120,000		-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	278,519	105,835	(82,440)	(168)	26,138		(187,224)
Cash and investments - ending	\$ 1,287,639	\$ 1,825,651	\$ 1,368,696	\$ 14,426	\$ 1,511,331	\$ 876,979	\$ 898,734

**SHERIDAN COMMUNITY SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2023**

	School Lunch Fund	Textbook Rental	Student Support- Preschool	Solar	Chase	Education License Plates	2023-3E Lively	Student Learning Recovery
Cash and investments - beginning	\$ 190,433	\$ 114,177	\$ 36,882	\$ 22,896	\$ 15,711	\$ 1,200	\$ -	\$ (115,852)
Receipts:								
Local sources	367,314	84,342	354,859	4,121	8,884	131	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	4,784	68,445	-	-	-	-	-	-
Federal sources	506,627	-	-	-	-	-	-	-
Other receipts	30	-	73	-	-	81,906	408,801	-
Total receipts	878,755	152,787	354,932	4,121	8,884	131	81,906	408,801
Disbursements:								
Instruction	-	104	350,941	-	-	-	-	89,611
Support services	12,742	231,359	463	12,480	3,072	-	-	203,624
Noninstructional services	660,476	-	-	-	-	-	-	-
Facilities acquisition and construction	92,065	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	765,283	231,463	351,404	12,480	3,072	-	-	293,235
Excess (deficiency) of receipts over (under) disbursements	113,472	(78,676)	3,528	(8,359)	5,812	131	81,906	115,566
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	113,472	(78,676)	3,528	(8,359)	5,812	131	81,906	115,566
Cash and investments - ending	\$ 303,905	\$ 35,501	\$ 40,410	\$ 14,537	\$ 21,523	\$ 1,331	\$ 81,906	\$ (286)

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	NHC-Hamilton County	Perry 3E Grant	SCS Foundation	Vape Machines	Apr-Ball State	SCS Funds	SCS Fieldhouse Sponsorship	Moore Foundation	REMC Boone Donation/Teacher Sup
Cash and investments - beginning									\$ 4,000
Receipts:									
Local sources	-	10,000	6,000	-	-	382,000	-	14,000	1,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	24,125	-	-	-	-	-	-	-	-
Total receipts	24,125	10,000	6,000			382,000		14,000	1,000
Disbursements:									
Instruction	34,057	-	-	-	-	-	-	-	-
Support services	-	-	6,000	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	15,485
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	34,057	-	6,000			-		15,485	-
Excess (deficiency) of receipts over (under) disbursements	(9,932)	10,000	-			382,000		(1,485)	1,000
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)									
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(9,932)	10,000	-			382,000		(1,485)	1,000
Cash and investments - ending	\$ (9,932)	\$ 10,000	\$ -			\$ 382,000		\$ 3,709	\$ 5,000

**SHERIDAN COMMUNITY SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2023**

	Winter Guard Donation	Donation (Mindful Retreat)	Duke Energy	Summer Safari	SCS Ed Fund	Biddle Donation	Urban/Grainger Donation	22 Formative Assessment
	\$ 500	\$ 500	\$ 4,106	\$ 6,365	\$ 15,866	\$ 333	\$ 13,025	\$ 8,000
Cash and investments - beginning								
Receipts:								
Local sources	-	-	-	-	11,500	-	-	-
Intermediate sources	-	-	-	-	-	-	-	13,395
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts					11,500	-	-	13,395
Disbursements:								
Instruction	-	500	4,106	6,365	1,500	-	333	500
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements		500	4,106	6,365	1,500	333	500	21,395
Excess (deficiency) of receipts over (under) disbursements		(500)	(4,106)	(6,365)	10,000	(333)	(500)	(8,000)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)								
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses		(500)	(4,106)	(6,365)	10,000	(333)	(500)	(8,000)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 25,866	\$ -	\$ 12,525	\$ -

**SHERIDAN COMMUNITY SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2023**

	Special Education Excess Costs	Early Literacy Achievement Grant	DMHA Community Catalyst	22-SRO	STEM Prime Math	STEM Integration Grant	21-Early Intervention	21-NESP
Cash and investments - beginning	\$ 7,508	\$ -	\$ -	\$ (37,333)	\$ -	\$ -	\$ 1,859	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	83,966	-	-	94,578	304	10,000	3,182	5,265
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	83,966	-	-	94,578	304	10,000	3,182	5,265
Disbursements:								
Instruction	84,358	-	-	68,089	304	10,000	5,041	5,265
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	84,358	-	-	68,089	304	10,000	5,041	5,265
Excess (deficiency) of receipts over (under) disbursements	(392)	-	-	26,489	-	-	(1,859)	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(392)	-	-	26,489	-	-	(1,859)	-
Cash and investments - ending	\$ 7,116	\$ -	\$ -	\$ (10,844)	\$ -	\$ -	\$ -	\$ -

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	State Connectivity (Internet)	Career & Tech Performance Grant	TAG Grant	SOR Science Of Reading Grant	22-High Ability	Connectivity	22-Title I	State Aware
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31,937)	\$ (21,448)
Cash and investments - beginning								
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	40,647	-	-	21,802	-	-
State sources	4,500	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	152,292	51,496
Other receipts	-	-	-	-	-	-	-	-
Total receipts	4,500	-	40,647	-	-	21,802	-	152,292
Disbursements:								
Instruction	-	-	37,293	-	20,200	-	130,921	-
Support services	4,500	-	3,357	-	-	-	-	74,267
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	4,500	-	40,650	-	20,200	-	130,921	74,267
Excess (deficiency) of receipts over (under) disbursements	-	-	(3)	-	1,602	-	21,371	(22,771)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses								
Cash and investments - ending	\$ -	\$ -	\$ (3)	\$ -	\$ 1,602	\$ -	\$ (10,566)	\$ (44,219)

**SHERIDAN COMMUNITY SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2023**

	<u>22-Federal B</u>	<u>22-Title IV</u>	<u>Title IV Part A</u>	<u>Child Care Grant</u>	<u>Medicaid</u>	<u>23-Title II</u>	<u>Title II - Juvenile Justice</u>	<u>ARP-Fed B 611</u>
Cash and investments - beginning	\$ 10,000	\$ -	\$ -	\$ -	\$ (40,860)	\$ (38,798)	\$ (29,073)	
Receipts:								
Local sources	-	-	-	-	-	-	-	
Intermediate sources	-	-	-	-	-	-	-	
State sources	-	10,000	-	-	-	84,169	35,685	34,326
Federal sources	-	-	-	-	-	-	-	
Other receipts	-	-	-	-	-	-	-	
Total receipts	-	10,000	-	-	-	84,169	35,685	34,326
Disbursements:								
Instruction	10,118	10,000	-	-	-	2,000	-	6,302
Support services	-	-	-	-	-	41,309	(3,113)	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	10,118	10,000	-	-	-	43,309	(3,113)	6,302
Excess (deficiency) of receipts over (under) disbursements	(10,118)	-	-	-	-	40,860	38,798	28,024
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(10,118)	-	-	-	-	40,860	38,798	28,024
Cash and investments - ending	<u>\$ (10,118)</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,049)</u>

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	ARP-Fed B 619	Esser III	22-Recon	Prepaid Meals	Federal Tax Clearing	Social Security Clearing	State Tax Clearing	County Tax Clearing
Cash and investments - beginning	\$ (4,767)	\$ -	\$ (27,642)	\$ 15,193	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	29,460	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	4,134	14,028	46,931	-	-	-	-	-
Other receipts	-	-	-	281,092	697,696	623,351	245,979	102,636
Total receipts	4,134	14,028	76,391	281,092	697,696	623,351	245,979	102,636
Disbursements:								
Instruction	(633)	14,028	48,749	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	287,378	697,696	623,351	245,979	102,636
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	(633)	14,028	48,749	287,378	697,696	623,351	245,979	102,636
Excess (deficiency) of receipts over (under) disbursements	4,767	-	27,642	(6,286)	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	4,767	-	27,642	(6,286)	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 8,907	\$ -	\$ -	\$ -	\$ -

**SHERIDAN COMMUNITY SCHOOLS
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2023**

	TRF Vol Deduction	PERF Vol Deduction	WV/MCI Health Insurance	VALIC	Garnishing Of Wages Clearing	Daycare Deduction Clearing	Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,768,334
Receipts:								
Local sources	-	-	-	-	-	-	-	8,121,999
Intermediate sources	-	-	-	-	-	-	-	250
State sources	-	-	-	-	-	-	-	8,867,385
Federal sources	-	-	-	-	-	-	-	939,688
Other receipts	3,899	2,109	377,998	137,890	2,010	119,539	550,459	3,708,794
Total receipts	3,899	2,109	377,998	137,890	2,010	119,539	550,459	21,638,116
Disbursements:								
Instruction	-	-	-	-	-	-	-	6,794,532
Support services	-	-	-	-	-	-	-	6,165,112
Noninstructional services	-	-	-	-	-	-	-	1,014,635
Facilities acquisition and construction	-	-	-	-	-	-	-	489,177
Debt services	-	-	-	-	-	-	-	3,129,773
Nonprogrammed charges	3,899	2,109	377,998	137,890	2,010	119,539	550,459	3,150,944
Total disbursements	3,899	2,109	377,998	137,890	2,010	119,539	550,459	20,744,173
Excess (deficiency) of receipts over (under) disbursements	-	-	-	-	-	-	-	893,943
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	120,000
Transfers out	-	-	-	-	-	-	-	(120,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	-	-	-	-	-	-	-	893,943
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,662,277

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Education Fund	Referendum Fund	Debt Service Fund	Retirement/Severance Bond Debt	Operations Fund	Rainy Day Fund	21-Bonds Lease Rental
Cash and investments - beginning	\$ 1,287,639	\$ 1,825,651	\$ 1,368,696	\$ 14,426	\$ 1,511,331	\$ 876,979	\$ 898,734
Receipts:							
Local sources	629,006	1,443,419	3,558,574	40,663	2,299,447	-	128,910
Intermediate sources	6,878	-	-	-	-	-	-
State sources	9,339,803	-	-	-	72,697	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	45,226	-	-	-	33,911	-	15,000
Total receipts	10,020,913	1,443,419	3,558,574	40,663	2,406,055	-	143,910
Disbursements:							
Instruction	5,614,614	706,325	-	-	-	-	-
Support services	2,485,335	938,156	-	-	2,652,579	-	139,627
Noninstructional services	307,836	-	-	-	27,462	-	-
Facilities acquisition and construction	-	-	-	-	218,623	-	1,564,057
Debt services	-	-	3,522,300	34,651	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	8,407,785	1,644,481	3,522,300	34,651	2,898,664	-	1,703,684
Excess (deficiency) of receipts over (under) disbursements	1,613,128	(201,062)	36,274	6,012	(492,609)	-	(1,559,774)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	3,340,000
Transfers in	-	-	-	-	684,996	-	-
Transfers out	(684,996)	-	-	-	-	-	-
Total other financing sources (uses)	(684,996)	-	-	-	684,996	-	3,340,000
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	928,132	(201,062)	36,274	6,012	192,387	-	1,780,226
Cash and investments - ending	\$ 2,215,771	\$ 1,624,589	\$ 1,404,970	\$ 20,438	\$ 1,703,718	\$ 876,979	\$ 2,678,960

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	School Lunch Fund	Textbook Rental	Student Support - Preschool	Solar	Chase	Education License Plates	2023-3E Lively	Student Learning Recovery
Cash and investments - beginning	\$ 303,905	\$ 35,501	\$ 40,410	\$ 14,537	\$ 21,523	\$ 1,331	\$ 81,906	\$ (286)
Receipts:								
Local sources	282,564	121	476,509	4,778	137	-	-	-
Intermediate sources	-	-	-	-	-	56	-	-
State sources	7,131	177,517	-	-	-	-	-	-
Federal sources	452,464	-	-	-	-	-	-	-
Other receipts	214	3,500	9,165	-	-	-	-	32,418
Total receipts	742,373	181,138	485,674	4,778	137	56	-	32,418
Disbursements:								
Instruction	-	10,024	407,989	-	-	-	233,741	2,727
Support services	14,021	139,323	835	10,831	(323)	-	-	29,406
Noninstructional services	758,315	-	-	-	-	-	-	-
Facilities acquisition and construction	13,335	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	785,671	149,347	408,824	10,831	(323)	-	233,741	32,133
Excess (deficiency) of receipts over (under) disbursements	(43,298)	31,791	76,850	(6,053)	460	56	(233,741)	285
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(43,298)	31,791	76,850	(6,053)	460	56	(233,741)	285
Cash and investments - ending	\$ 260,607	\$ 67,292	\$ 117,260	\$ 8,484	\$ 21,983	\$ 1,387	\$ (151,835)	\$ (1)

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	NHC-Hamilton County	Perry 3E Grant	Foundation	Vape Machines	Apr-Ball State	SCS Funds	SCS Fieldhouse	Sponsorship	Moore	Foundation	REMC Boone	Donation(Teacher Sup)
Cash and investments - beginning	\$ (9,932)	\$ 10,000	\$ -	\$ -	\$ -	\$ 382,000	\$ -	\$ -	\$ 3,709	\$ -	\$ 5,000	
Receipts:												
Local sources	-	5,000	-	-	-	-	8,772	-	-	24,000	-	
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	
State sources	-	-	-	-	-	-	-	-	-	-	-	
Federal sources	-	-	-	-	-	-	-	-	-	-	-	
Other receipts	63,680	-	-	-	34,399	-	-	-	32,178	-	-	
Total receipts	63,680	5,000	-	-	34,399	8,772	-	32,178	24,000	-	-	
Disbursements:												
Instruction	67,434	-	-	-	-	-	-	-	11,299	-	-	
Support services	-	-	-	-	-	-	-	-	5,303	220	-	5,000
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	
Facilities acquisition and construction	-	-	-	-	-	-	12,702	-	-	22,993	-	
Debt services	-	-	-	-	-	-	-	-	-	-	-	
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	
Total disbursements	67,434	-	-	-	-	-	12,702	-	16,602	23,213	-	5,000
Excess (deficiency) of receipts over (under) disbursements	(3,754)	5,000	-	-	34,399	(3,930)	-	15,576	787	-	(6,000)	
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	
Transfers in	-	-	-	-	-	-	-	-	-	-	-	
Transfers out	-	-	-	-	-	-	-	-	-	-	-	
Total other financing sources (uses)												
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(3,754)	5,000	-	-	34,399	(3,930)	-	15,576	787	-	(6,000)	
Cash and investments - ending	\$ (13,686)	\$ 15,000	\$ -	\$ -	\$ 34,399	\$ 378,070	\$ 15,576	\$ 4,496	\$ -	\$ -	\$ -	

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Winter Guard Donation	Donation (Mindful Retreat)	Duke Energy	Summer Safari	SCS Ed Fund	Biddle Donation	Urban/Grainger Donation	22-Formative Assessment
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 25,866	\$ -	\$ 12,525	\$ -
Receipts:								
Local sources	5,557	-	10,000	-	(8,366)	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	16,542
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	5,557	-	10,000	-	(8,366)	-	-	16,542
Disbursements:								
Instruction	5,557	-	-	-	9,500	-	-	-
Support services	-	-	-	-	-	-	12,525	13,778
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	5,557	-	-	-	9,500	-	12,525	13,778
Excess (deficiency) of receipts over (under) disbursements	-	-	10,000	-	(17,866)	-	(12,525)	2,764
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	-	-	10,000	-	(17,866)	-	(12,525)	2,764
Cash and investments - ending	\$ -	\$ -	\$ 10,000	\$ -	\$ 8,000	\$ -	\$ -	\$ 2,764

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Special Education Excess Costs	Early Literacy Achievement Grant	DMHA Community Catalyst	22-SRO	STEM-Prime Math	STEM Integration Grant	21-Early Intervention	21-NESP
Cash and investments - beginning	\$ 7,116	\$ -	\$ -	\$ (10,844)	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	72,079	5,504	26,914	110,845	-	9,500	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	72,079	5,504	26,914	110,845	-	9,500	-	-
Disbursements:								
Instruction	90,447	5,504	-	-	-	9,222	-	-
Support services	-	-	47,727	74,482	-	9,500	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	90,447	5,504	47,727	74,482	-	18,722	-	-
Excess (deficiency) of receipts over (under) disbursements	(18,368)	-	(20,813)	36,363	-	(9,222)	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(18,368)	-	(20,813)	36,363	-	(9,222)	-	-
Cash and investments - ending	\$ (11,252)	\$ -	\$ (20,813)	\$ 25,519	\$ -	\$ (9,222)	\$ -	\$ -

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	State Connectivity (Internet)	Career & Tech Performance Grant	TAG Grant	SOR Science Of Reading Grant	22-High Ability	State Connectivity	22-Title I	22-Project Aware
Cash and investments - beginning	\$ -	\$ -	\$ (3)	\$ -	\$ 1,602	\$ -	\$ (10,566)	\$ (44,219)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	55	41,984	-	30,925	4,500	-	-
Federal sources	-	-	-	-	-	-	88,424	68,275
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	55	41,984	-	30,925	4,500	88,424	68,275
Disbursements:								
Instruction	-	-	38,294	-	21,487	-	103,719	-
Support services	-	-	3,690	120,739	4,650	4,500	-	24,056
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	41,984	120,739	26,137	4,500	103,719	24,056
Excess (deficiency) of receipts over (under) disbursements	-	55	-	(120,739)	4,788	-	(15,295)	44,219
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	-	55	-	(120,739)	4,788	-	(15,295)	44,219
Cash and investments - ending	\$ -	\$ 55	\$ (3)	\$ (120,739)	\$ 6,390	\$ -	\$ (25,861)	\$ -

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	22-Federal B	22-Title IV	Title IV Part A	Child Care Grant	Medicaid	23-Title II	Title II - Juvenile Justice	ARP-Fed B 611
Cash and investments - beginning	\$ (10,118)	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,049)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	24,409	-	10,300	-	9,406	23,283	-	21,075
Other receipts	-	-	-	-	-	-	-	-
Total receipts	24,409	-	10,300	-	9,406	23,283	-	21,075
Disbursements:								
Instruction	22,376	10,000	2,781	-	-	-	-	20,026
Support services	-	-	106,680	-	-	25,047	-	-
Noninstructional services	-	-	-	2,600	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	22,376	10,000	109,461	2,600	-	25,047	-	20,026
Excess (deficiency) of receipts over (under) disbursements	2,033	(10,000)	(99,161)	(2,600)	9,406	(1,764)	-	1,049
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	2,033	(10,000)	(99,161)	(2,600)	9,406	(1,764)	-	1,049
Cash and investments - ending	\$ (8,085)	\$ -	\$ (99,161)	\$ (2,600)	\$ 9,406	\$ (1,764)	\$ -	\$ -

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	ARP-Fed B 619	Esser III	22-Recon	Prepaid Meals	Federal Tax Clearing	Social Security Clearing	State Tax Clearing	County Tax Clearing
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 8,907	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	1	-	9,864					
Other receipts	-	-	-	262,906	735,474	673,125	258,029	108,853
Total receipts	1	-	9,864	262,906	735,474	673,125	258,029	108,853
Disbursements:								
Instruction	1	-	41,450	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	257,916	735,474	673,125	258,029	108,853
Total disbursements	1	-	41,450	257,916	735,474	673,125	258,029	108,853
Excess (deficiency) of receipts over (under) disbursements	-	-	-	(31,586)	4,990	-	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	-	-	-	(31,586)	4,990	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ (31,586)	\$ 13,897	\$ -	\$ -	\$ -	\$ -

SHERIDAN COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	TRF Vol Deduction	PERF Vol Deduction	WV/WCI Health Insurance	VALIC	Garnishing Of Wages Clearing	Daycare Deduction Clearing	Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,662,277
Receipts:								
Local sources	-	-	-	-	-	-	-	8,909,091
Intermediate sources	-	-	-	-	-	-	-	6,934
State sources	-	-	-	-	-	-	-	9,915,996
Federal sources	-	-	-	-	-	-	-	707,501
Other receipts	3,889	3,283	438,068	189,974	1,057	189,418	588,389	3,722,156
Total receipts	3,889	3,283	438,068	189,974	1,057	189,418	588,389	23,261,678
Disbursements:								
Instruction	-	-	-	-	-	-	-	7,434,517
Support services	-	-	-	-	-	-	-	6,867,687
Noninstructional services	-	-	-	-	-	-	-	1,096,213
Facilities acquisition and construction	-	-	-	-	-	-	-	1,831,710
Debt services	-	-	-	-	-	-	-	3,556,951
Nonprogrammed charges	3,889	3,283	438,068	189,974	1,057	189,418	554,173	3,413,259
Total disbursements	3,889	3,283	438,068	189,974	1,057	189,418	554,173	24,200,337
Excess (deficiency) of receipts over (under) disbursements	-	-	-	-	-	-	34,216	(938,659)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	3,340,000
Transfers in	-	-	-	-	-	-	-	684,996
Transfers out	-	-	-	-	-	-	-	(684,996)
Total other financing sources (uses)	-	-	-	-	-	-	-	3,340,000
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	-	-	-	-	-	-	34,216	2,401,341
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,216	\$ 11,063,618	



SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2024

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>794,027</u>	\$ <u>-</u>

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2024

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Sheridan Community Schools Building Corp	Fieldhouse-Bond 2022	\$ 240,600	05/19/22	01/15/42
Sheridan Community Schools Building Corp	Fieldhouse-Bond 2021	592,750	12/02/21	01/15/41
Sheridan Community Schools Building Corp.	SES Building-Bond 2015	<u>2,069,000</u>	04/15/15	01/15/33
Total governmental activities		<u>2,902,350</u>		
Total of annual lease payments		<u><u>\$ 2,902,350</u></u>		
Type	Description of Debt	Purpose	Ending Principal Balance	Principal Due Within One Year
Governmental activities:				
General Obligation Bonds	General Obligation Bond Series 2005	\$ 160,000	\$ 105,000	
General Obligation Bonds	General Obligation Bond Series 2023	2,935,000	535,000	
General Obligation Bonds	General Obligation Bond Series 2006	100,000	40,000	
Other	Solar	<u>3,042,023</u>	<u>198,463</u>	
Total governmental activities		<u>6,237,023</u>	<u>878,463</u>	
Totals		<u><u>\$ 6,237,023</u></u>	<u><u>\$ 878,463</u></u>	

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF CAPITAL ASSETS
June 30, 2024

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:	
Land	\$ 400,000
Buildings	34,182,164
Improvements other than buildings	8,069,156
Machinery, equipment, and vehicles	6,273,188
	<hr/>
Total governmental activities	48,924,508
	<hr/>
Total capital assets	\$ 48,924,508

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/>.

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

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

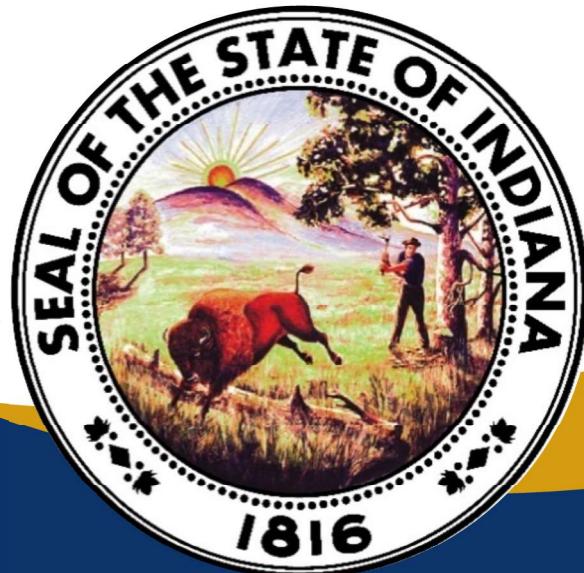
FEDERAL COMPLIANCE AUDIT REPORT

OF

SHERIDAN COMMUNITY SCHOOLS

HAMILTON COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

02/03/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Robin Popejoy	07-01-22 to 06-30-25
Superintendent of Schools	Dr. David Mundy	07-01-22 to 06-30-25
President of the School Board	Todd Roberts John Hunt Dan Fleming Tyler Henning	07-01-22 to 12-31-22 01-01-23 to 12-31-23 01-01-24 to 12-31-24 01-01-25 to 12-31-25



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
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 SHERIDAN COMMUNITY SCHOOLS, HAMILTON 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 Sheridan Community Schools (School Corporation), for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated January 14, 2024, 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.

Report on 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) as a basis for designing 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 exist that were not identified. We did identify certain deficiencies in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002, that we consider to be material weaknesses.

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)

Report on 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 2024-002.

Sheridan Community Schools' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. 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.



Beth Kelley, CPA, CFE
Deputy State Examiner

January 14, 2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

TO: THE OFFICIALS OF THE SHERIDAN COMMUNITY SCHOOLS, HAMILTON COUNTY, INDIANA

Report on Compliance for the Major Federal Program

Qualified Opinion

We have audited the Sheridan Community Schools' (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the period of July 1, 2022 to June 30, 2024. The School Corporation's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2022 to June 30, 2024.

Basis for Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Child Nutrition Cluster

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding 10.553, 10.555 Child Nutrition Cluster, as described in item 2024-003 for Allowable Cost/Cost Principles. Compliance with such requirement is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2024-004. Our opinion on the major federal program is not modified with respect to these matters.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response to the noncompliance 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.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 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 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. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2024-003, 2024-004, and 2024-005, to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response was not subjected to the other 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement. We issued our report thereon dated January 14, 2025, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 as a whole.



Beth Kelley, CPA, CFE
Deputy State Examiner

January 14, 2025

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.

SHERIDAN COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2023 and 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended		Total Federal Awards Expended 06-30-24
				Passed Through to Subrecipient 06-30-23	Passed Through to Subrecipient 06-30-23	
Department of Agriculture						
Child Nutrition Cluster						
School Breakfast Program	Indiana Department of Education	10,553	FY 2024	\$ -	\$ 121,013	\$ 110,523
School Breakfast Program			FY 2023	-----	-----	-----
School Breakfast Program						
Total - School Breakfast Program				-----	121,013	110,523
National School Lunch Program	Indiana Department of Education	10,555	FY 2023	-	445,492	-
National School Lunch Division			FY 2024	-	-	340,299
National School Lunch Division				-----	42,751	52,166
Commodities			FY 2023 / FY 2024	-----	-----	-----
Total - National School Lunch Program				-----	488,243	392,465
Total - Child Nutrition Cluster				-----	609,256	502,988
Total - Department of Agriculture				-----	609,256	502,988
Department of Justice						
Juvenile Justice and Delinquency Prevention	Indiana Department of Education	16,540	TII-2021-00047	-----	35,685	-----
Juvenile Justice and Delinquency Prevention				-----	35,685	-----
Total - Department of Justice				-----	35,685	-----
Department of Education						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education	84,027	21611-023-PN01	-	587	-
Special Ed Grants to State			22611-023-PN01	-	36,948	15,680
Special Ed Grants to State			23611-023-PN01	-	203,751	46,130
Special Ed Grants to State			24611-023-PN01	-----	-----	230,952
Special Ed Grants to State						
Subtotal - Special Education Grants to States				-----	241,286	292,762
COVID-19 - Special Education Grants to States	Indiana Department of Education	84,027	22611-023-ARP	-----	34,326	55,401
Special Ed Grants to State				-----	34,326	55,401
Total - Special Education Grants to States				-----	275,612	348,163
Special Education Preschool Grants	Indiana Department of Education	84,173	21619-023-PN01	-	85	-
Special Ed Preschool Grants			22619-023-PN01	-	5,780	93
Special Ed Preschool Grants			23619-023-PN01	-----	9,621	5,489
Special Ed Preschool Grants						
Subtotal - Special Education Preschool Grants				-----	15,486	5,582
COVID-19 - Special Education Preschool Grants	Indiana Department of Education	84,173	22619-023-ARP	-----	4,134	1
Special Ed Preschool Grants				-----	4,134	1
Total - Special Education Preschool Grants				-----	19,620	5,583
Total - Special Education Cluster (IDEA)				-----	295,232	353,746
Title I Grants to Local Educational Agencies	Indiana Department of Education	84,010	18611-001-PN01	-----	152,292	88,424
Title I Grants to Local Education Agencies				-----	152,292	88,424
Total - Title I Grants to Local Educational Agencies				-----	152,292	88,424

SHERIDAN COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2023 and 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367	S367A200013 S367A220013 S367S210013	- - -	24,735 29,422 30,012	- - -	- 23,273 -
Part A Supporting Effective Instruction							
Part A Supporting Effective Instruction							
Part A Supporting Effective Instruction							
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	84,169	-	23,273
Education Innovation and Research (formerly Investing in Innovation (i3) Fund)	Indiana Department of Education	84.411	FY 2022 FY 2023	- -	29,460 46,931	- -	7,832 2,032
Education Innovation and Research (EIR) Program Mild Phase Grants							
Education Innovation and Research (EIR) Program Mild Phase Grants							
Total - Education Innovation and Research (formerly Investing in Innovation (i3) Fund)				-	76,391	-	9,864
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424	S424A200015	-	10,000	-	10,300
Student Support and Academic Enrichment Program							
Total - Student Support and Academic Enrichment Program				-	10,000	-	10,300
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425U	S425U210013	-	14,028	-	-
COVID-19 - Education Stabilization Fund							
Total - Department of Education				-	632,112	-	485,607
<u>Department of Health and Human Services</u>							
<u>Medicaid Cluster</u>							
Medical Assistance Program	Indiana Department of Education	93.778	FY 2024	-	-	-	34,548
Medicaid Assistance Program							
Total - Medicaid Cluster				-	-	-	34,548
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Indiana Department of Education	93.779	FY 2023	-	32,734	-	-
Medicaid Assistance Program							
Total - Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations				-	32,734	-	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Indiana Department of Education	93.243	FY 2023	-	51,496	-	68,275
Substance Abuse and Mental Health Services							
Total - Substance Abuse and Mental Health Services Projects of Regional and National Significance				-	51,496	-	68,275
Total - Department of Health and Human Services				-	84,230	-	102,823
<u>Federal Emergency Management Agency</u>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	FY 2024	-	-	-	72,697
Disaster Grants - Public Assistance (Presidentially Declared Disasters)							
Total - Federal Emergency Management Agency				-	-	-	72,697
Total federal awards expended				\$ -	\$ 1,361,283	\$ -	\$ 1,164,115

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

SHERIDAN COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of the School Corporation under programs of the federal government for the years ended June 30, 2023 and 2024. 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 non-federal 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.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable 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.

Note 2. Indirect Cost Rate

The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Hamilton-Boone-Madison Special Services Cooperative

The School Corporation is a member of the Hamilton-Boone-Madison Special Services Cooperative (Cooperative). As a result, some of the activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is presented in the financial statement of the Cooperative's fiscal agent.

SHERIDAN COMMUNITY SCHOOLS
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 weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

Identification of Major Program and type of auditor's report issued on compliance for it:

Name of Federal Program or Cluster	Opinion Issued
Child Nutrition Cluster	Qualified

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 2024-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-001.

Condition and Context

There were deficiencies in the internal control system of the School Corporation related to payroll disbursements. Payroll was prepared by the Business Director's office and presented in the aggregate to the School Board for review and approval. Internal controls were not in place to ensure that individual employee payroll checks were accurate and paid in accordance with hours worked and established salary amounts.

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. . . ."

Cause

The School Corporation did not have effective internal controls in place that would prevent, or detect and correct, errors within the payroll disbursement process.

Effect

Without a proper system of internal controls that operated effectively, employees could be paid incorrect amounts which could result in material misstatements of payroll disbursements reported in the financial statements. These errors could occur and go undetected.

Views of Responsible Officials

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

FINDING 2024-002

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-002.

Condition and Context

The School Corporation had not established effective internal controls over the federal award information entered into Annual Financial Report (AFR) via the Indiana Gateway for Government Units financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA).

**SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)**

Although one employee prepared and entered the federal award information into the AFR, and another employee reviewed and approved the information prior to submission, the review process was not effective and did not detect and correct errors prior to submission.

Due to the lack of effective internal controls, the SEFA presented for audit contained the following errors:

- The Child Nutrition Cluster Commodities were omitted for fiscal years 2022-2023 and 2023-2024, which understated expenditures by \$42,751 and \$52,166, respectively.
- The Disaster Grants - Public Assistance (Presidentially Declared Disasters) grant was omitted, which understated expenditures for 2023-2024 by \$72,697.
- Several additional grants had individually immaterial errors that resulted in a combined misstatement of \$131,672, in total.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

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 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control . . ."

2 CFR 200.1 states in part:

". . . *Internal controls* for non-Federal entities means:

- (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (i) Effectiveness and efficiency of operations;
- (ii) Reliability of reporting for internal and external use; . . ."

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. 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 Assistance Listings Number or other identifying number when the Assistance Listings 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 the 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."

**SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)**

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under **IC 5-14-3.8-7**."

Cause

Management of the School Corporation had not established a proper system of internal controls that would have ensured proper reporting of the SEFA. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the School Corporation's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

Effect

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

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 2024-003

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

Assistance Listings Numbers: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 2024

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-003.

Condition and Context

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

**SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)**

During the audit period, there was not an approved salary ordinance for noncertified staff for fiscal year 2023-2024. Of the nine paychecks selected for testing, three did not have hourly rates approved by the governing body. It was further determined that all noncertified staff employees did not have the hourly rates approved by the governing body for 2023-2024. Therefore, we were not able to determine if the amounts paid to these employees were appropriate.

The lack of internal controls and noncompliance was limited to payroll disbursements of noncertified employees during 2024.

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). . . ."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .
- (g) Be adequately documented. . . ."

2 CFR 200.430(g)(1) states in part:

"Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control that provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the recipient or subrecipient;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the recipient or subrecipient, not exceeding 100 percent of compensated activities (for IHEs, this is the IBS);
- (iv) Encompass federally-assisted and all other activities compensated by the recipient or subrecipient on an integrated basis but may include the use of subsidiary records as defined in the recipient's or subrecipient's written policy;

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (v) Comply with the established accounting policies and procedures of the recipient or subrecipient (See paragraph (i)(1)(ii) of this section for treatment of incidental work for IHEs.); and . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.
- (viii) Budget estimates (meaning, estimates determined before the services are performed) alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:
 - (A) The system for establishing the estimates produces reasonable approximations of the activity performed;
 - (B) Significant changes in the related work activity (as defined by the recipient's or subrecipient's written policies) are promptly identified and entered into the records. Short-term (such as one or two months) fluctuations between workload categories do not need to be considered as long as the distribution of salaries and wages is reasonable over the longer term; and
 - (C) The recipient's or subrecipient's system of internal controls includes processes to perform periodic after-the-fact reviews of interim charges made to a Federal award based on budget estimates. All necessary adjustments must be made so that the final amount charged to the Federal award is accurate, allowable, and properly allocated.
- (ix) Because practices vary as to the activity constituting a full workload (for example, the Institutional Base Salary (IBS) for IHEs), records may reflect categories of activities expressed as a percentage distribution of total activities.
- (x) It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. Therefore, a precise assessment of factors contributing to costs is not required when IHEs record salaries and wages charged to Federal awards . . ."

Cause

Management had not established an effective system of internal controls that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

The total of known questioned costs was \$219,188.

**SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)**

Recommendation

We recommended that the School Corporation's management establish an effective system of internal controls to ensure compliance and comply with the grant agreement and Allowable Costs/Cost Principles compliance requirement. An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

Views of Responsible Officials

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

FINDING 2024-004

Subject: Child Nutrition Cluster - Suspension and Debarment

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

Assistance Listings Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2023, FY 2024

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

Condition and Context

Prior to entering into subawards and covered transactions with federal award funds, recipients are required to verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to, contracts for goods and services awarded under a nonprocurement transaction (i.e., grant agreement) that are expected to equal or exceed \$25,000. The verification is to be done by checking the SAM exclusions, collecting a certification from that person, or adding a clause or condition to the covered transaction with that person.

Upon inquiry of the School Corporation, it was determined that the School Corporation ensures all service contracts include a provision regarding suspension and debarment. The contracts are reviewed and signed by a knowledgeable member of the School Corporation.

Two vendors with covered transactions for goods or services that equaled or exceeded \$25,000 paid from Child Nutrition Cluster funds during the audit period were identified at the School Corporation level and tested. For one of the two vendors, the School Corporation did not verify that the contract included the provision regarding suspension and debarment or otherwise verify the vendor's suspension and debarment status prior to payment.

The lack of effective internal controls and noncompliance were systemic issues throughout the audit period.

**SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)**

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over 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). . . ."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

A proper system of internal controls was not designed by management of the School Corporation, which would include segregation of key functions. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the School Corporation's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

Effect

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As a result, vendors to whom payments equal to or in excess of \$25,000 were not verified to be not suspended, debarred, or otherwise excluded.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to ensure contractors and subrecipients, as appropriate, are not suspended, debarred, or otherwise excluded prior to entering into any contracts or subawards.

Views of Responsible Officials

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

**SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)**

FINDING 2024-005

Subject: Child Nutrition Cluster - Eligibility

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

Assistance Listings Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2023, FY 2024

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Finding: Material Weakness

Condition and Context

Any child enrolled in a participating school, who meets the applicable program's definition of "child," may receive meals under applicable programs. A child belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or at a reduced price. Children that have been determined ineligible for free or reduced-price meals pay the full price for their meals. A child's eligibility for free and reduced-priced meals under a Child Nutrition Cluster program may be established by the submission of an annual application or statement which furnished such information as family income and family size. The School Corporation determines eligibility by comparing the data reported by the child's household to published income eligibility guidelines. Annual eligibility determinations may also be based on the child's household receiving benefits under SNAP, FDPIR, the Head Start Program, or, under most circumstances, the TANF program. A household may furnish documentation of its participation in one of those programs, or the School Corporation may obtain the information directly from the State or local agency that administers those programs. Certain foster, runaway, homeless, and migrant children are categorically eligible for free school lunches and breakfasts. Direct certified households do not need to complete an application.

One employee uploaded the Direct Certification reports from the state into the software system without a documented oversight or review process in place to ensure direct certified students were properly processed.

The lack of internal controls was isolated to the direct certified households.

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). . . ."

SHERIDAN COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

A proper system of internal controls, which would include segregation of key functions, was not implemented by management of the School Corporation. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the School Corporation's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

Effect

Without the proper design or implementation of the components of a system of internal controls, including policies and procedures that provide segregation of duties and additional oversight as needed, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the School Corporation design and implement a proper system of internal controls, including policies and procedures that would provide segregation of duties to ensure appropriate reviews, approvals, and oversight are taking place.

Views of Responsible Officials

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



AUDITEE-PREPARED DOCUMENTS

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



Sheridan Community Schools

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Dr. Dave Mundy, Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Fiscal year in which the finding initially occurred: FY2021/ FY2022

Current Audit Period: FY2023/FY2024

Finding Subject: Financial Transactions

Summary of Finding: There were deficiencies in the internal control system of the School Corporation related to disbursements. The School Corporation had not properly designed nor implemented internal controls to ensure that disbursements were properly recorded. One employee recorded the disbursements without a documented review or approval process in place to prevent, or detect and correct, errors.

Status of Audit Finding: Partially Corrected

Response Comments: The issue with vendor disbursements has been addressed, and a control has been implemented. We plan to do the same for payroll. Once payroll has been entered, we will have someone review the input and check the final reports before signing off.

FINDING 2022-002

Fiscal year in which the finding initially occurred: FY2016

Current Audit Period: FY2023/FY2024

Finding Subject: Preparation of the Schedule of Expenditures of Federal Awards

Summary of Finding: The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA). The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. Although one employee prepared and entered the federal award information into Gateway, and another employee reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

Status of Audit Finding: Not Corrected

Response Comments: The oversight conducted was insufficient in correcting the errors identified in the report. There were instances of numbers being transposed, some amounts were missed in the reporting, and one federal fund (FEMA) was not reported. Plans are being developed to separate and approve reporting accurately.

FINDING 2022-003

Fiscal year in which the finding initially occurred: FY2021/FY2022

Pass-Through Entity: Indiana Department of Education

Current Audit Period: FY2023/FY2024

Finding Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles

Summary of Finding: An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Status of Audit Finding: Not Corrected

Response Comments: Once payroll has been entered, someone will review the inputs and verify the final reports before signing off.

FINDING 2022-004

Fiscal year in which the finding initially occurred: FY2021/FY2022

Pass-Through Entity: Indiana Department of Education

Current Audit Period: FY2023/FY2024

Finding Subject: Child Nutrition Cluster – Activities Allowed and Unallowed Reporting and Special Tests and Provisions. – Non-Profit School Food Service Accounts

Summary of Finding: An effective internal control system was not designed nor implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed, the Reporting, and the Special Tests and Provisions - Non-Profit School Food Service Accounts compliance requirements.

Status of Audit Finding: Fully Corrected and the original corrective action was implemented

Response Comments:

FINDING 2022-005

Fiscal year in which the finding initially occurred: FY 2021/FY2022

Pass-Through Entity: Indiana Department of Education

Current Audit Period: FY2023/FY2024

Finding Subject: COVID-19 – Education Stabilization Fund – Allowable Costs/ Cost Principles

Summary of Audit Finding: 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 Allowable Costs/Cost Principles compliance requirement. The School Corporation did not have adequate internal controls in place to ensure that the reimbursement requests included salaries for all contracted employees and adequate supporting documentation or personnel activity reports, such as time and effort logs or Semi-Annual Certifications. The School Corporation paid salaries for all contracted employees without adequate supporting documentation or personnel activity reports, such as time and effort logs or Semi-Annual Certifications

Status of Audit Finding: No Further Action Warranted

Response Comments: Once payroll has been entered, someone will review the inputs and verify the final reports before signing off.

The Education Stabilization Funds have been fully expended during the period and are no longer applicable.

FINDING 2022-006

Fiscal year in which the finding initially occurred: FY2021/FY2022

Pass-Through Entity: Indiana Department of Education

Current Audit Period: FY2023/FY2024

Finding Subject: COVID-19- Education Stabilization Fund – Equipment and Real Property Management

Summary of Finding: An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management compliance requirement.

Status of Finding: No Further Action Warranted

Response Comments: During the audit period, no equipment was purchased; however, equipment was purchased during the grant's life cycle and compliance requirements were not followed. Our plan is to have an external company come in to evaluate our assets and maintain a log of equipment purchases. They will be hired to oversee this process.

The Education Stabilization Funds have been fully expended during the period and are no longer applicable.

FINDING 2022-007

Fiscal year in which the finding initially occurred: FY2021/FY2022

Pass-Through Entity: Indiana Department of Education

Current Audit Period: FY2023/FY2024

Finding Subject: COVID-19 – Education Stabilization Fund – Reporting

Summary of Audit Finding: An effective internal control system, was not designed nor implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

Status of Audit Finding: Fully Corrected and the original corrective action was implemented

Response Comments:



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CORRECTIVE ACTION PLAN

FINDING 2024-001

Finding Subject: Financial Transactions and Reporting

Summary of Finding: It was discussed of the lack of controls regarding payroll claims. To address this issue, it is necessary to implement documented controls that demonstrate approval of salaries/hourly rates by the board for non-certified employees. Additionally, there should be a review process after time has been entered into the payroll software to ensure accuracy in data entry and posting.

Contact Person Responsible for Corrective Action: Robin Popejoy

Contact Phone Number and Email Address: 317.758.4172 – rpopojoy@sheridan.k12.in.us

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: We have implemented a series of checks in the payroll input process. The Business Director enters all absences, which are then reviewed by the Payroll Director. Once hours are inputted by the Payroll Director, they are verified by the Deputy Treasurer. The salary schedules will be submitted to the board for approval.

Anticipated Completion Date: December 19, 2024



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Dr. Dave Mundy, Superintendent

CORRECTIVE ACTION PLAN

FINDING 2024-002

Finding Subject: Preparation of SEFA

Summary of Finding: There were omissions in the Child Nutrition Cluster Commodities for fiscal years 2022-2023 and 2023-2024, resulting in an understatement of expenditures by \$42,751 and \$52,166 respectively. Additionally, the Disaster Grants - Public Assistance (Presidentially Declared Disasters) grant was omitted, leading to an understatement of expenditures by \$72,697. Furthermore, there were several other grants with minor errors that collectively resulted in a total misstatement of \$87,290.

Contact Person Responsible for Corrective Action: Robin Popejoy

Contact Phone Number and Email Address: 317.758.4172 – rpopjoy@sheridan.k12.in.us

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: We will begin the process of the Director of Business entering the SEFA information, with the Deputy Treasurer checking and verifying that the amounts are entered correctly.

Anticipated Completion Date: July – August 2025



Sheridan Community Schools

Home of the Sheridan Blackhawks

24185 N Hinesley Road • Sheridan, Indiana 46069 • 317-758-4172

Dr. Dave Mundy, Superintendent

CORRECTIVE ACTION PLAN

FINDING 2024-003

Finding Subject: Child Nutrition Cluster (School Lunch) – Allowable Cost

Summary of Finding: The payroll for non-certified employees for the 2023-2024 school year has not been approved by the board, leading to a lack of verification for salaries paid from fund 800. As a result, any payroll for non-certified employees paid after August 1, 2023 from fund 800 cannot be verified.

Contact Person Responsible for Corrective Action: Robin Popejoy

Contact Phone Number and Email Address: 317.758.4172 – rpopojoy@sheridan.k12.in.us

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: The salary schedules will be submitted to the board for approval.

Anticipated Completion Date: May – August 2025



Sheridan Community Schools

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24185 N Hinesley Road • Sheridan, Indiana 46069 • 317-758-4172

Dr. Dave Mundy, Superintendent

CORRECTIVE ACTION PLAN

FINDING 2024-004

Finding Subject: Child Nutrition Cluster (School Lunch) – Suspension and Debarment

Summary of Finding: One of the vendors tested did not have documentation showing that the school corporation had verified they were not suspended or debarred before entering into a covered transaction.

Contact Person Responsible for Corrective Action: Robin Popejoy

Contact Phone Number and Email Address: 317.758.4172 – rpoppejoy@sheridan.k12.in.us

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: Café Direction will check SAM.gov to ensure the vendor is not suspended or debarred before proceeding with any transactions.

Anticipated Completion Date: January 2025



Sheridan Community Schools

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Dr. Dave Mundy, Superintendent

CORRECTIVE ACTION PLAN

FINDING 2024-005

Finding Subject: Child Nutrition Cluster (School Lunch) – Eligibility

Summary of Finding: Café Director uploaded the Direct Certification reports from the state into the software system without following a documented oversight or review process to ensure that direct certified students were accurately processed. This highlights a lack of documented controls for directly certified students.

Contact Person Responsible for Corrective Action: Robin Popejoy

Contact Phone Number and Email Address: 317.758.4172 – rpopojoy@sheridan.k12.in.us

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: The Data Department will collaborate with the Café Department to input and ensure the accuracy of the information.

Anticipated Completion Date: Already started in August of 2024.

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/>.

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

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

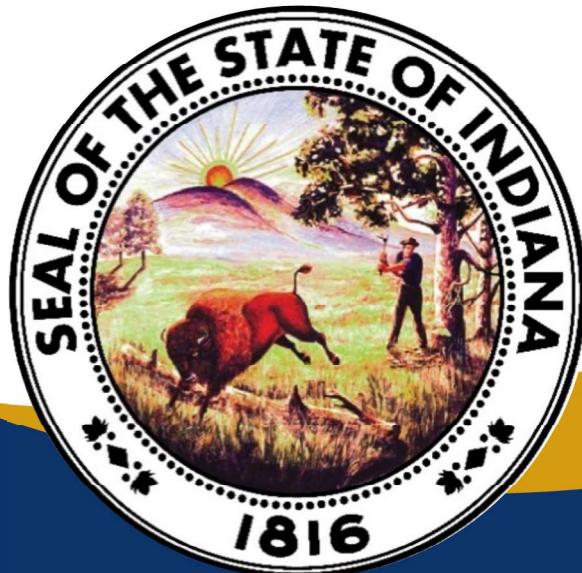
SUPPLEMENTAL COMPLIANCE REPORT

OF

SHERIDAN COMMUNITY SCHOOLS

HAMILTON COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

02/03/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Robin Popejoy	07-01-22 to 06-30-25
Superintendent of Schools	Dr. David Mundy	07-01-22 to 06-30-25
President of the School Board	Todd Roberts John Hunt Dan Fleming Tyler Henning	07-01-22 to 12-31-22 01-01-23 to 12-31-23 01-01-24 to 12-31-24 01-01-25 to 12-31-25



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

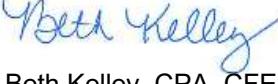
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

TO: THE OFFICIALS OF THE SHERIDAN COMMUNITY SCHOOLS, HAMILTON COUNTY, INDIANA

This report is supplemental to the audit report of the Sheridan Community Schools (School Corporation), for the period from July 1, 2022 to June 30, 2024. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with the Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.



Beth Kelley
Beth Kelley, CPA, CFE
Deputy State Examiner

January 14, 2025

SHERIDAN COMMUNITY SCHOOLS AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

A similar comment also appeared in prior Report B60879.

Condition and Context

There were deficiencies in the internal control system of the School Corporation related to disbursements.

Disbursements

The School Corporation had not designed or implemented effective internal controls over payroll disbursements. Payroll was prepared by the Business Director's office and presented in the aggregate to the School Board for review and approval. Internal controls were not in place to ensure that individual employee payroll checks were accurate and paid in accordance with hours worked and established salary amounts.

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. . . ."

ANNUAL FINANCIAL REPORT

A similar comment also appeared in prior Report B60879, entitled *ANNUAL FINANCIAL REPORT - SUPPLEMENTAL SCHEDULES*.

Condition and Context

The Annual Financial Report (AFR) is required to be submitted annually via the Indiana Gateway for Government Units financial reporting system. Although the AFR information is completed by the Director of Business and approved by the Superintendent of Schools, internal controls were not effective to detect or allow for correction of errors to information submitted in the AFR.

As a result, the AFR contained the following errors:

SHERIDAN COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Grants

- The Child Nutrition Cluster did not include commodities for years ended June 30, 2023 and 2024. As a result, expenditures were understated by \$42,751 and \$52,166, respectively.
- The Child Nutrition Cluster National School Lunch Division expenditures were understated by \$34,055 for the year ended June 30, 2023.
- The Title I Grants to Local Education Agencies expenditures were understated by \$23,434 for the year ended June 30, 2023.
- The Special Ed Grants to State expenditures were understated by \$53,050 for the year ended June 30, 2024.
- The Disaster Grants - Public Assistance (Presidentially Declared Disasters) expenditure was omitted from the grant schedule. As a result, expenditures were understated by \$72,697 for the year ended June 30, 2024.

Audit adjustments were proposed, accepted by the School Corporation, and made to the Schedule of Expenditures of Federal Awards presented in the Federal Compliance Audit Report of the School Corporation.

Leases and Debt

The ending principal balance as of June 30, 2023, for one debt instrument reported in the AFR was understated when compared to underlying accounting records by \$2,034,841.

Audit adjustments were proposed, accepted by the School Corporation, and made to the Schedule of Leases and Debt presented as Other Information in the Financial Statement Audit Report of the School Corporation.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

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:

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SHERIDAN COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

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. . . ."

CAPITAL ASSETS

A similar comment also appeared in prior Report B60879.

Condition and Context

The School Corporation did not have adequate internal controls in place to ensure compliance with applicable laws and regulations related to capital assets. Evidence that a complete physical inventory of capital assets had been conducted at least every two years was not presented for audit. Additionally, one capital asset was sold during the audit period but not removed from the School Corporation's capital asset listing.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

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:

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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. . . ."

SHERIDAN COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

COMPENSATION AND BENEFITS

Condition and Context

The School Corporation did not have adequate internal controls in place to ensure compliance with applicable laws and regulations related to salaries and wages. For fiscal year 2023-2024, an approved salary ordinance, resolution, or schedule, detailing salaries and hourly wages for noncertified employees was not presented for audit. In a test of payroll disbursements, eight noncertified employees' salary or hourly wage amounts were not approved by the School Board.

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

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:

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SHERIDAN COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on January 14, 2025, with Dr. David Mundy, Superintendent of Schools; Robin Popejoy, Treasurer; Tyler Henning, President of the School Board; and Kim Zachery, School Board member.