

**NEW ISSUE – BOOK-ENTRY ONLY**

**Program Rating:** S&P Global Ratings: “AA+ (Stable Outlook)”  
**Underlying Rating:** S&P Global Ratings: “A- (Negative Outlook)”  
 See “RATINGS” herein.

*In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana (“Bond Counsel”), under existing laws interest on the 2025 Bonds (hereinafter defined) is excludable from gross income under 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. However, such interest is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax. Such exclusion is conditioned on continuing compliance with the Tax Covenants (hereinafter defined). In the opinion of Bond Counsel under existing laws, interest on the 2025 Bonds is exempt from income taxation in the State of Indiana, except for the State financial institutions tax. The 2025 Bonds have not been designated as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code. See “TAX MATTERS” herein.*

**\$15,000,000\*****KNIGHTSTOWN HIGH SCHOOL BUILDING CORPORATION****(Henry and Rush Counties, Indiana)****\$15,000,000\* AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2025****Dated: As of Delivery****Due: As shown on inside front cover**

The Knightstown High School Building Corporation, Henry and Rush Counties, Indiana Ad Valorem Property Tax First Mortgage Bonds, Series 2025 (the “2025 Bonds”) will be dated as of delivery with interest due on January 10 and July 10 of each year commencing July 10, 2026. The 2025 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, New York, New York (“DTC”). Purchases of beneficial interests in the 2025 Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the 2025 Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interest in the 2025 Bonds. Principal and semi-annual interest will be disbursed on behalf of the Knightstown High School Building Corporation (the “Building Corporation”) by The Bank of New York Mellon Trust Company, N.A., as trustee, registrar and paying agent (the “Trustee”, “Registrar” or “Paying Agent”), located at its designated corporate trust office, currently in Pittsburgh, Pennsylvania. The principal of and premium, if any, and interest on the 2025 Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the 2025 Bonds. The final disbursement of such payments to the Beneficial Owners of the 2025 Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See “THE 2025 BONDS – Book-Entry-Only System”. **The 2025 Bonds are subject to optional redemption prior to maturity as described herein and may be subject to mandatory sinking fund and redemption prior to maturity as described herein.**

The 2025 Bonds are issued pursuant to a Trust Indenture, dated as of October 1, 2001 (the “Original Indenture”), as supplemented and amended by a First Supplemental Trust Indenture, dated as of July 1, 2009 (the “First Supplemental Indenture”), a Second Supplemental Trust Indenture, dated as of December 1, 2009 (the “Second Supplemental Indenture”), a Third Supplemental Trust Indenture, dated as of September 1, 2022 (the “Third Supplemental Indenture”), and as a Fourth Supplemental Trust Indenture dated as of \_\_\_\_\_, 2025 (the “Fourth Supplemental Indenture”) (the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture, the “Indenture”), each of which is by and between the Building Corporation and the Trustee. The 2025 Bonds, together with the Building Corporation’s Ad Valorem Property Tax First Mortgage Bonds, Series 2022 (the “2022 Bonds”) and all additional bonds issued under the Indenture on a parity with the 2025 Bonds and the 2022 Bonds (collectively, the “Additional Bonds”) (the 2025 Bonds, the 2022 Bonds and all Additional Bonds, collectively, the “Bonds”), constitute valid and legally binding obligations of the Building Corporation and payable solely from and secured exclusively by a first mortgage lien on and security interest in the Mortgaged Property, as herein defined, which includes the lease rental payments to be paid by the Charles A. Beard Memorial School Corporation, Henry/Rush Counties, Indiana (“School Corporation”), under the terms of a Lease Agreement, dated as of July 19, 2001 (the “Original Lease”), as supplemented and amended an Amendment to Lease Agreement, dated as of October 1, 2001 (the “First Amendment to Lease”), a Second Amendment to Lease Agreement, dated as June 2, 2009 (the “Second Amendment to Lease”), an Addendum to Lease Agreement, dated as of July 1, 2009 (the “Addendum to Lease”), a Third Amendment to Lease Agreement, dated as of November 18, 2009 (the “Third Amendment to Lease”), a Fourth Amendment to Lease Agreement, dated as of June 21, 2022 (the “Fourth Amendment to Lease”), an Addendum to Fourth Amendment to Lease Agreement, dated as of September 1, 2022 (the “Addendum to Fourth Amendment to Lease”), a Fifth Amendment to Lease Agreement, dated as of June 20, 2023 (the “Fifth Amendment to Lease”), and a First Addendum to Fifth Amendment to Lease Agreement, dated as of \_\_\_\_\_, 2025 (the “First Addendum to Fifth Amendment to Lease”) (the Original Lease, as supplemented and amended by the First Amendment to Lease, the Second Amendment to Lease, the Addendum to Lease, the Third Amendment to Lease, the Fourth Amendment to Lease, the Addendum to Fourth Amendment to Lease, the Fifth Amendment to Lease and the First Addendum to Fifth Amendment to Lease, the “Lease”), **which rental payments will be paid directly to the Trustee. They levy of ad valorem property taxes by the School Corporation to pay rent due and payable under the Lease is mandatory and not subject to annual appropriation. (See “SUMMARY OF CERTAIN PROVISIONS OF THE LEASE” in APPENDIX G herein.)**

**THE 2025 BONDS WILL MATURE ON THE DATES AND IN THE AMOUNTS AS SHOWN ON THE INSIDE FRONT COVER.**

The 2025 Bonds are offered when, as and if issued by the Building Corporation and received by Stifel, Nicolaus & Company, Incorporated, as the underwriter (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 2025 Bonds by Bond Counsel. Certain legal matters will be passed on for the Underwriter by Bose McKinney & Evans LLP, Indianapolis, Indiana, as its special counsel. It is expected that the 2025 Bonds will be delivered through DTC in New York, New York, on or about [\_\_\_\_], 2025.

# STIFEL

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.*

**\*Preliminary, subject to change.**

This Preliminary Official Statement and information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may an offer to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**KNIGHTSTOWN HIGH SCHOOL BUILDING CORPORATION**  
**(Henry and Rush Counties, Indiana)**  
**\$15,000,000\* Ad Valorem Property Tax First Mortgage Bonds, Series 2025**

(Base CUSIP \_\_\_\_\_)\*

| <u>MATURITY*</u> | <u>PRINCIPAL<br/>AMOUNT*</u> | <u>COUPON</u> | <u>PRICE</u> | <u>CUSIP</u> |
|------------------|------------------------------|---------------|--------------|--------------|
| 7/15/2026        | \$615,000                    |               |              |              |
| 1/15/2027        | 690,000                      |               |              |              |
| 7/15/2027        | 240,000                      |               |              |              |
| 1/15/2028        | 245,000                      |               |              |              |
| 7/15/2028        | 250,000                      |               |              |              |
| 1/15/2029        | 260,000                      |               |              |              |
| 7/15/2029        | 265,000                      |               |              |              |
| 1/15/2030        | 270,000                      |               |              |              |
| 7/15/2030        | 275,000                      |               |              |              |
| 1/15/2031        | 285,000                      |               |              |              |
| 7/15/2031        | 290,000                      |               |              |              |
| 1/15/2032        | 300,000                      |               |              |              |
| 7/15/2032        | 305,000                      |               |              |              |
| 1/15/2033        | 315,000                      |               |              |              |
| 7/15/2033        | 320,000                      |               |              |              |
| 1/15/2034        | 330,000                      |               |              |              |
| 7/15/2034        | 340,000                      |               |              |              |
| 1/15/2035        | 345,000                      |               |              |              |
| 7/15/2035        | 355,000                      |               |              |              |
| 1/15/2036        | 365,000                      |               |              |              |
| 7/15/2036        | 375,000                      |               |              |              |
| 1/15/2037        | 385,000                      |               |              |              |
| 7/15/2037        | 390,000                      |               |              |              |
| 1/15/2038        | 400,000                      |               |              |              |
| 7/15/2038        | 410,000                      |               |              |              |
| 1/15/2039        | 420,000                      |               |              |              |
| 7/15/2039        | 430,000                      |               |              |              |
| 1/15/2040        | 445,000                      |               |              |              |
| 7/15/2040        | 455,000                      |               |              |              |
| 1/15/2041        | 465,000                      |               |              |              |
| 7/15/2041        | 475,000                      |               |              |              |
| 1/15/2042        | 490,000                      |               |              |              |
| 7/15/2042        | 500,000                      |               |              |              |
| 1/15/2043        | 515,000                      |               |              |              |
| 7/15/2043        | 525,000                      |               |              |              |
| 1/15/2044        | 540,000                      |               |              |              |
| 7/15/2044        | 555,000                      |               |              |              |
| 1/15/2045        | 565,000                      |               |              |              |

\* Preliminary, subject to change.

## NOTICE TO PROSPECTIVE PURCHASERS

This Official Statement does not constitute an offering of any security, other than the original offering of the 2025 Bonds. No dealer, broker, salesman, or other person has been authorized by the Building Corporation or the School Corporation to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Building Corporation or the School Corporation. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy and there shall not be any sale of the 2025 Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information and expressions of opinion set forth herein are subject to change without notice and neither the delivery of this Official Statement nor the sale of any of the 2025 Bonds shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

Information set forth herein has been provided by the Building Corporation, the School Corporation and other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. References in this Official Statement to laws, regulations, reports and documents do not purport to be comprehensive or definitive and all references herein to such laws, regulations, reports and documents are qualified in their entirety by reference to the full text thereof.

Upon issuance, the 2025 Bonds will not be registered under the Securities Act of 1933, as amended, the Securities and Exchange Act of 1934, as amended, or any state securities law and will not be listed on any stock or other securities exchange. This Official Statement includes the front cover page and inside cover page hereof, the Summary Statement herein and the Appendices attached hereto. This Official Statement has been prepared and delivered in connection with the original sale and delivery of the 2025 Bonds and may not be reproduced or used, in whole or in part, for any other purpose.

**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2025 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

This Official Statement contains statements that are “forward-looking statements” as that term is defined in the Securities Act of 1933, as amended, and 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 in this Official Statement, 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.

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, the Final 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 Continuing Disclosure Undertaking. For a description of the Continuing Disclosure Undertaking see “CONTINUING DISCLOSURE” and APPENDIX D.

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**KNIGHTSTOWN HIGH SCHOOL BUILDING CORPORATION**

**BOARD OF DIRECTORS**

Larry Selvidge, President  
Cindy Huffman, Secretary Treasurer  
Jeff Weiland, Member  
Debi Ware, Member  
Adrian Darling, Member  
Janet Brown, Member

**CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION**

**BOARD OF SCHOOL TRUSTEES**

Wade Beatty, President  
Tom Schaetzle, Vice President  
Melissa Toth, Secretary  
Gerald Leonard, Member  
Cynthia Neal, Member  
Graham Richardson, Member  
Monica Van Hoy, Member

**SCHOOL ADMINISTRATION**

Jediah Behny, Superintendent  
Stephanie Madison, Director of Business

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Knightstown, IN 46148  
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**\$15,000,000\***  
**KNIGHTSTOWN HIGH SCHOOL BUILDING CORPORATION**  
**(Henry and Rush Counties, Indiana)**  
**AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2025**

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\* Preliminary, subject to change.

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## SUMMARY STATEMENT

### KNIGHTSTOWN HIGH SCHOOL BUILDING CORPORATION (Henry and Rush Counties, Indiana)

#### \$15,000,000\* AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2025

(This Summary Statement contains certain information which has been summarized for quick reference only and does not purport to represent the significant matters contained in the documents described and exhibited elsewhere herein. Prospective investors should read the complete Official Statement including the Appendices.)

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issuer .....</b>                     | Knightstown High School Building Corporation (the “Building Corporation”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Securities Offered.....</b>          | \$15,000,000* Ad Valorem Property Tax First Mortgage Bonds, Series 2025 (the “2025 Bonds”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Debt Presently Outstanding .....</b> | See APPENDIX A for a listing of outstanding debt.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Security .....</b>                   | The principal and interest 2025 Bonds, together with the Building Corporation’s Ad Valorem Property Tax First Mortgage Bonds, Series 2022 (the “2022 Bonds”) and all additional bonds issued under the Indenture on a parity with the 2025 Bonds and the 2022 Bonds (collectively, the “Additional Bonds”) (the 2025 Bonds, the 2022 Bonds and all Additional Bonds, collectively, the “Bonds”), are payable solely from and secured exclusively by a first mortgage lien on and security interest in the Mortgaged Property (defined herein), which includes the lease rental payments to be paid to the Building Corporation by the Charles A. Beard Memorial School Corporation, Henry/Rush Counties, Indiana (the “School Corporation”), pursuant to the Lease (defined herein) between the Building Corporation and the School Corporation. Rental payments by the School Corporation are payable from ad valorem taxes to be levied by the School Corporation on all taxable property located within the boundaries of the School Corporation; subject, however, to the tax credits authorized by Indiana Code 6-1.1-20.6 which provide taxpayers with tax credits 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 annually to levy and appropriate funds sufficient to pay debt service on the 2025 Bonds. See “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS” and “CIRCUIT BREAKER TAX CREDIT.” |

\* Preliminary, subject to change.

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Rating</b> .....                           | Program Rating: “AA+ (Stable Outlook)”, Underlying Rating: “A- (Negative Outlook)”. See “RATINGS” herein.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Anticipated Closing Date</b> .....         | [ _____ ], 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Dated Date</b> .....                       | Date of Delivery.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Interest Payment Dates</b> .....           | January 10 and July 10 commencing July 10, 2026.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Maturity Dates*</b> .....                  | The 2025 Bonds will mature semi-annually on January 10 and July 10 beginning July 10, 2026*. See “THE 2025 BONDS” herein.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Optional Redemption</b> .....              | The 2025 Bonds due on and after _____, may be redeemed prior to maturity, at the option of the Building Corporation, in whole or in part, in such order of maturity as determined by the Building Corporation, and by lot within maturities, on any date not earlier than _____, at face value, plus in each case accrued interest to the date fixed for redemption.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Mandatory Sinking Fund Redemption</b> .... | The 2025 Bonds maturing on _____, 20__, are subject to mandatory sinking fund redemption on the dates and in the amounts as set forth herein.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Use of Proceeds</b> .....                  | Proceeds from the 2025 Bonds will be used by the Building Corporation to make an initial payment to the School Corporation for an extension of the ownership of the Leased Premises (as hereinafter defined) and as partial reimbursement for improvements made to the Leased Premises by the School Corporation since it has been owned by the Building Corporation, and (b) pay all or a portion of the costs of issuance of the 2025 Bonds (clauses (a) and (b), collectively, the “2025 Building Corporation Project”). The School Corporation will use the proceeds it receives from the Building Corporation and the interest earnings thereon to (a) pay a portion of the costs of the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project (as defined herein), and (b) pay the cost of issuance of the 2025 Bonds not paid by the Building Corporation (clauses (a) and (b), collectively, the “2025 School Corporation Project”) (the 2025 Building Corporation Project and the 2025 School Corporation Project, collectively, the “2025 Project”). |
| <b>Other Terms and Conditions</b> .....       | The 2025 Bonds will be issued in fully registered form in \$5,000 denominations or integral multiples thereof. The 2025 Bonds, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York. Purchases of beneficial                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

\* Preliminary, subject to change.

interest will be made in book-entry-only form. The Registrar and Paying Agent for the 2025 Bonds will be The Bank of New York Mellon Trust Company, N. A., Indianapolis, Indiana.

**Continuing Disclosure .....**

Pursuant to the Continuing Disclosure Contract, executed by the School Corporation, as the obligated person and promisor, the School Corporation has covenanted to comply with the Securities and Exchange Commission Rule 15c2-12 as in effect on the date of delivery of the 2025 Bonds. (See “CONTINUING DISCLOSURE” herein.)

## **OFFICIAL STATEMENT**

### **KNIGHTSTOWN HIGH SCHOOL BUILDING CORPORATION (Henry and Rush Counties, Indiana)**

### **\$15,000,000\* AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2025**

#### **INTRODUCTORY STATEMENT**

The purpose of this Official Statement, is to provide information relating to the \$15,000,000\* Knightstown High School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2025 (the “2025 Bonds”). The 2025 Bonds will be issued pursuant to Indiana Code 20-47-3, and in accordance with the terms of a Trust Indenture, dated as of October 1, 2001, as supplemented and amended by a First Supplemental Trust Indenture, dated as of July 1, 2009 (the “First Supplemental Indenture”), a Second Supplemental Trust Indenture, dated as of December 1, 2009 (the “Second Supplemental Indenture”), a Third Supplemental Trust Indenture, dated as of September 1, 2022 (the “Third Supplemental Indenture”), and as a Fourth Supplemental Trust Indenture dated as of \_\_\_\_\_, 2025 (the “Fourth Supplemental Indenture”) (the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture, the “Indenture”), each of which is by and between the Knightstown High School Building Corporation (the “Building Corporation”), and The Bank of New York Mellon Trust Company, N.A., as trustee, registrar and paying agent (the “Trustee”).

The Building Corporation was organized for the purpose of providing funds to be applied to the cost of acquiring real estate and constructing, renovating and expanding school facilities and leasing such facilities to Charles A. Beard Memorial School Corporation (the “School Corporation”). Other powers of the Building Corporation include the authority to refinance previously incurred indebtedness.

All financial and other information presented in this Official Statement has been provided by the Building Corporation or the School Corporation from their records, except for information expressly attributed to other sources. The presentation of information concerning the School Corporation, including financial information and tax tables, 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. References to provisions of Indiana law or of the Indiana Constitution are references to current provisions which may be amended, repealed or supplemented.

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 OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

\* Preliminary, subject to change.

## PURPOSE OF ISSUE

The 2025 Bonds are being issued to provide the Building Corporation with funds to make an initial payment to the School Corporation for an extension of the ownership of the Leased Premises (as hereinafter defined) and as partial reimbursement for improvements made to the Leased Premises by the School Corporation since it has been owned by the Building Corporation, and (b) pay all or a portion of the costs of issuance of the 2025 Bonds (clauses (a) and (b), collectively, the “2025 Building Corporation Project”). The School Corporation will use the proceeds it receives from the Building Corporation and the interest earnings thereon to (a) pay a portion of the costs of (i) certain additions to, and updates of, the existing Knightstown Community High School, which is operated by the School Corporation and upon completion will serve all of the School Corporation’s students in grades K-12, (ii) certain renovations to, and updates of, the existing Knightstown Elementary School, which is operated by the School Corporation and upon completion will serve as an early childhood learning center for the School Corporation, (iii) certain equipment update projects in one or more buildings operated by the School Corporation, (iv) the acquisition and/or installation of loose equipment and furnishings throughout all or any portion of any of the facilities operated by the School Corporation, (v) miscellaneous facility improvement and/or equipping projects at one or more facilities operated by the School Corporation, and (vi) all projects related to any of the foregoing (clauses (a) (i) through and including (a)(vi), collectively, the “2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project”), and (b) pay the cost of issuance of the 2025 Bonds not paid by the Building Corporation (clauses (a) and (b), collectively, the “2025 School Corporation Project”) (the 2025 Building Corporation Project and the 2025 School Corporation Project, collectively, the “2025 Project”).

On February 1, 2023, the Board of School Trustees of the School Corporation (the “School Board”) approved the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project and the related financing in an original aggregate principal amount not to exceed \$37,250,000. Pursuant to Indiana Code 6-1.1-20, as amended, subject to certain exceptions, when property taxes are pledged to the repayment of bonds or leases to finance a project, a determination must be made as to whether the project is a “controlled project.” Projects that are considered controlled projects are subject to certain additional public approval procedures. The 2025 Project, including the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project, is considered a controlled project and was subject to a referendum process, if requested by the community. However, the referendum process was not initiated by real property owners or registered voters within the thirty (30) days after the notice of preliminary determination was published in 2023. Therefore, the issuance of the 2025 Bonds, the execution and delivery of the Fifth Amendment to Lease (as hereinafter defined) and the imposition of the levy to pay the Increased Rent (as defined herein), which will be used to pay principal and interest on the 2025 Bonds, was able to continue without any additional approval procedures by the community.

Construction bids for all of the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project are currently anticipated to be received by the School Corporation and Meyer Najem Construction, LLC (“Meyer Najem”), as the construction manager as constructor pursuant to Indiana Code Title 5, Article 32, as amended, on December 4, 2025, and it is currently anticipated that the School Board will approve the guaranteed maximum price for the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project submitted by Meyer Najem based on those bids by the end of this year. Construction of the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project is currently expected to begin on March 1, 2026, and is expected to be substantially complete by September, 2027. It is currently anticipated that the Building Corporation will issue Additional Bonds (as hereinafter

defined) within the next year in an amount anticipated not to exceed \$21,150,000\* to fund the remaining portions of the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project not paid with the proceeds and interest earnings of the 2025 Bonds. Because the Building Corporation is making an initial payment to the School Corporation for an extension of the ownership of the Leased Premises and as partial reimbursement for improvements made to the Leased Premises by the School Corporation since it has been owned by the Building Corporation, all of which will be usable and occupied by the School Corporation during the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project, the obligation of the School Corporation to pay the Increased Rent (as hereinafter defined) is not dependent on the completion of the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project.

### **THE LEASED PREMISES**

The property subject to the Lease Agreement, dated as of July 19, 2001 (the “Original Lease”), as supplemented and amended an Amendment to Lease Agreement, dated as of October 1, 2001 (the “First Amendment to Lease”), a Second Amendment to Lease Agreement, dated as of June 2, 2009 (the “Second Amendment to Lease”), an Addendum to Lease Agreement, dated as of July 1, 2009 (the “Addendum to Lease”), a Third Amendment to Lease Agreement, dated as of November 18, 2009 (the “Third Amendment to Lease”), a Fourth Amendment to Lease Agreement, dated as of June 21, 2022 (the “Fourth Amendment to Lease”), an Addendum to Fourth Amendment to Lease Agreement, dated as of September 1, 2022 (the “Addendum to Fourth Amendment to Lease”), a Fifth Amendment to Lease Agreement, dated as of June 20, 2023 (the “Fifth Amendment to Lease”), and a First Addendum to Fifth Amendment to Lease Agreement, dated as of \_\_\_\_\_, 2025 (the “First Addendum to Fifth Amendment to Lease”) (the Original Lease, as supplemented and amended by the First Amendment to Lease, the Second Amendment to Lease, the Addendum to Lease, the Third Amendment to Lease, the Fourth Amendment to Lease, the Addendum to Fourth Amendment to Lease, the Fifth Amendment to Lease and the First Addendum to Fifth Amendment to Lease, the “Lease”), each of which is by and between the Building Corporation, as lessor, and the School Corporation, as lessee, includes the existing Knightstown Intermediate School, the existing Knightstown High School and each of their related outdoor facilities as they currently exist and as renovated and expanded (the “Leased Premises” or the “Premises”).

### **ESTIMATED SOURCES AND USES OF FUNDS\***

The estimated sources and uses of funds, related to the issuance of the 2025 Bonds and the payment of the costs incidental to the sale and delivery of the 2025 Bonds, are shown below:

| SOURCES OF FUNDS        |               |
|-------------------------|---------------|
| 2025 Bond Proceeds      | \$15,000,000* |
| [Net][Premium/Discount] |               |
| Total Sources of Funds  | \$            |
| USES OF FUNDS           |               |
| The 2025 Project        | \$            |
| Underwriter’s Discount  |               |
| Costs of Issuance       |               |
| Total Uses of Funds     | \$            |

\* Preliminary, subject to change.

**SCHEDULE OF SEMI-ANNUAL DEBT SERVICE REQUIREMENTS  
AND LEASE PAYMENTS\***

| <u>PAYMENT<br/>DATE*(1)</u> | <u>PRINCIPAL*</u> | <u>INTEREST</u> | <u>TOTAL<br/>DEBT SERVICE<br/>PAYMENT</u> | <u>SEMI-ANNUAL<br/>LEASE<br/>PAYMENT(1)(2)</u> |
|-----------------------------|-------------------|-----------------|-------------------------------------------|------------------------------------------------|
| 7/15/2026                   | \$615,000         |                 |                                           |                                                |
| 1/15/2027                   | 690,000           |                 |                                           |                                                |
| 7/15/2027                   | 240,000           |                 |                                           |                                                |
| 1/15/2028                   | 245,000           |                 |                                           |                                                |
| 7/15/2028                   | 250,000           |                 |                                           |                                                |
| 1/15/2029                   | 260,000           |                 |                                           |                                                |
| 7/15/2029                   | 265,000           |                 |                                           |                                                |
| 1/15/2030                   | 270,000           |                 |                                           |                                                |
| 7/15/2030                   | 275,000           |                 |                                           |                                                |
| 1/15/2031                   | 285,000           |                 |                                           |                                                |
| 7/15/2031                   | 290,000           |                 |                                           |                                                |
| 1/15/2032                   | 300,000           |                 |                                           |                                                |
| 7/15/2032                   | 305,000           |                 |                                           |                                                |
| 1/15/2033                   | 315,000           |                 |                                           |                                                |
| 7/15/2033                   | 320,000           |                 |                                           |                                                |
| 1/15/2034                   | 330,000           |                 |                                           |                                                |
| 7/15/2034                   | 340,000           |                 |                                           |                                                |
| 1/15/2035                   | 345,000           |                 |                                           |                                                |
| 7/15/2035                   | 355,000           |                 |                                           |                                                |
| 1/15/2036                   | 365,000           |                 |                                           |                                                |
| 7/15/2036                   | 375,000           |                 |                                           |                                                |
| 1/15/2037                   | 385,000           |                 |                                           |                                                |
| 7/15/2037                   | 390,000           |                 |                                           |                                                |
| 1/15/2038                   | 400,000           |                 |                                           |                                                |
| 7/15/2038                   | 410,000           |                 |                                           |                                                |
| 1/15/2039                   | 420,000           |                 |                                           |                                                |
| 7/15/2039                   | 430,000           |                 |                                           |                                                |
| 1/15/2040                   | 445,000           |                 |                                           |                                                |
| 7/15/2040                   | 455,000           |                 |                                           |                                                |
| 1/15/2041                   | 465,000           |                 |                                           |                                                |
| 7/15/2041                   | 475,000           |                 |                                           |                                                |
| 1/15/2042                   | 490,000           |                 |                                           |                                                |
| 7/15/2042                   | 500,000           |                 |                                           |                                                |
| 1/15/2043                   | 515,000           |                 |                                           |                                                |
| 7/15/2043                   | 525,000           |                 |                                           |                                                |
| 1/15/2044                   | 540,000           |                 |                                           |                                                |
| 7/15/2044                   | 555,000           |                 |                                           |                                                |
| 1/15/2045                   | 565,000           |                 |                                           |                                                |

- (1) Lease Payments due each June 30 and December 31 prior to corresponding debt service on the 2025 Bonds.
- (2) Lease payments attributable to the 2025 Bonds. The 2025 Bonds are issued on parity with the Building Corporation's Ad Valorem Property Tax First Mortgage Bonds, Series 2022.

\* Preliminary, subject to change.

## **THE 2025 BONDS**

### **General Description**

The 2025 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 10 and July 10 in the years and amounts and bear interest at the rates set forth on the inside front cover of this Official Statement.

### **Principal and Interest**

Interest on the 2025 Bonds payable on January 10 and July 10, commencing on July 10, 2026, 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 2025 Bonds, principal of and interest on the 2025 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 2025 Bond is registered on the first day of the month of each interest payment date. (The final disbursement of such payments to the Beneficial Owners of the 2025 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, New York, will act as depository for the 2025 Bonds. The 2025 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 the 2025 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](http://www.dtcc.com).

Purchases of 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2025 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 2025 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 the 2025 Bonds, except in the event that use of the book-entry system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 2025 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 2025 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 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 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 the 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2025 Bonds, such as redemptions, defaults and proposed amendments to the Bond Resolution. For example, Beneficial Owners of the 2025 Bonds may wish to ascertain that the nominee holding the 2025 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 2025 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 the 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Building Corporation or 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 the 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal payments and interest payments on the 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Building Corporation, 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 2025 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 Building Corporation, 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 proceeds, principal, payments 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 Building Corporation, 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.

DTC may discontinue providing its services as depository with respect to the 2025 Bonds at any time by giving reasonable notice to the Building Corporation or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2025 Bond certificates are required to be printed and delivered.

The Building Corporation or 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 Building Corporation and School Corporation believe to be reliable, but the neither the Building Corporation nor School Corporation take any responsibility for the accuracy thereof.

#### **Revision of Book-Entry-Only System**

In the event that either (1) the Building Corporation receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the 2025 Bonds or (2) the Building Corporation or the School Corporation elects to discontinue its use of DTC as a clearing agency for the 2025 Bonds, then the Building Corporation and the School Corporation will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the 2025 Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the 2025 Bonds and to transfer the ownership of each of the 2025 Bonds to such person or persons, including any other clearing agency, as the holder of such 2025 Bonds may direct. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the 2025 Bonds will be paid by the Building Corporation.

#### **Optional Redemption**

The 2025 Bonds due on and after [\_\_\_\_], may be redeemed prior to maturity, at the option of the Building Corporation, in whole or in part, in such order of maturity as determined by the Building Corporation, and by lot within maturities, on any date not earlier than [\_\_\_\_], at face value, plus in each case accrued interest to the date fixed for redemption.

## **Mandatory Redemption**

The 2025 Bonds maturing on \_\_\_\_\_, 20\_\_ (the “Term Bonds”), shall be subject to mandatory sinking fund redemption on the dates indicated below, by lot in such manner as the School Corporation may determine at par plus accrued interest to the date of redemption.

Term Bonds Due \_\_\_\_\_, 20\_\_

Date

Amount

\*Final Maturity

## **Notice and Effect of Redemption**

Notice of redemption shall be given by the Trustee by mailing a copy of the redemption notice, by first class mail, not more than sixty (60) days nor less than thirty (30) days prior to the redemption date to the owners of the 2025 Bonds to be redeemed as the names appear as of the date of mailing the notice. No failure or defect in that notice with respect to any 2025 Bonds shall affect the validity of the proceedings for the redemption of any other 2025 Bonds for which notice has been properly given.

If notice of redemption has been given and provisions for payment of the redemption price, and accrued interest has been made, the 2025 Bonds to be redeemed shall be due and payable on the redemption date at the redemption price, and from and after the redemption date interest on the 2025 Bonds will cease to accrue, and the owners of the 2025 Bonds shall have no rights in respect thereof, except to receive payment of the redemption price including unpaid interest accrued to the redemption date.

With respect to any optional redemption of the 2025 Bonds, unless moneys sufficient to pay the principal of, and premium, if any, and interest on the 2025 Bonds to be redeemed has been received by the Trustee prior to the giving of such notice of redemption, such notice will state that said redemption is conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received by the redemption date, such notice will be of no force and effect, the Trustee will not redeem such 2025 Bonds, the redemption price will not be due and payable and the Trustee will give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such 2025 Bonds will not be redeemed and that the failure to redeem such 2025 Bonds will not constitute an Event of Default under the Indenture. Moneys need not be on deposit with the Trustee prior to the mailing of the notice of redemption of the 2025 Bonds pursuant to the Indenture.

## **Registration of Bonds, Transfer or Exchange**

The Registrar and Paying Agent will keep, at its principal office, a record for the registration of all 2025 Bonds issued under the Indenture which shall, at all reasonable times, be open for inspection by the Building Corporation. Each 2025 Bond is transferable or exchangeable only on such record at the principal office of the Registrar and Paying Agent, at the written request of the registered owner thereof or his/her attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar and Paying Agent, duly executed by the registered owner or his/her duly authorized attorney. Thereupon a new fully registered 2025 Bond or 2025 Bonds in the same aggregate principal amount and of the same maturity will be executed and delivered in the name of the transferee or

the registered owner in exchange therefor. The costs of such transfer or exchange will be paid by the Building Corporation, except for any tax or governmental charge required to be paid in connection therewith which will be payable by the person requesting such transfer or exchange. The Building Corporation and the Registrar and Paying Agent may deem and treat the person in whose name any 2025 Bond is registered as the absolute owner of such 2025 Bond for all other purposes whatsoever.

While the 2025 Bonds are held by DTC, Beneficial Owners may transfer their ownership on the books of Direct Participants and not with the Trustee. See “THE 2025 BONDS – Book Entry Only System.”

### **Mutilated, Destroyed, Stolen or Lost Bonds**

In the event any 2025 Bond issued under the Indenture is mutilated, lost, stolen or destroyed, the Building Corporation may execute and the Registrar and Paying Agent may authenticate a new 2025 Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new 2025 Bond shall be marked in a manner to distinguish it from the 2025 Bond for which it was issued, provided that, in the case of any mutilated 2025 Bond, such mutilated 2025 Bond shall first be surrendered to the Registrar and Paying Agent, and in the case of any lost, stolen or destroyed 2025 Bond there shall be first furnished to the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Building Corporation and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event any such 2025 Bond shall have matured, instead of issuing a duplicate 2025 Bond, the Building Corporation and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The Building Corporation and the Registrar and Paying Agent may charge the owner of such 2025 Bond with their reasonable fees and expenses in this connection.

### **ADDITIONAL BONDS**

The Building Corporation may issue additional bonds under the Indenture on parity with the 2025 Bonds and the Building Corporation’s Ad Valorem Property Tax First Mortgage Bonds, Series 2022 (the “2022 Bonds”) (collectively, the “Additional Bonds”) (the 2025 Bonds, the 2022 Bonds and all Additional Bonds, collectively the “Bonds”). Additional Bonds may be issued to provide for the refunding of outstanding Bonds, to pay the costs of improvements and for certain other limited purposes. Any improvements or other property purchased from Additional Bonds shall be limited to amounts which can be repaid, along with the original bond, from lease rentals paid by the School Corporation pursuant to the Lease. The lease rental pursuant to the Lease is limited as stated therein.

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 Indenture. All Additional Bonds, together with the 2022 Bonds and the 2025 Bonds, are all to be equally and ratably secured and entitled to the protection given under the Indenture including, but not limited to, payments under the Lease (as hereinafter defined).

### **SOURCES OF PAYMENT AND SECURITY FOR THE BONDS**

The Bonds are obligations of the Building Corporation payable solely from and secured exclusively by a first mortgage lien on and security interest in the Mortgaged Property (as hereinafter defined), which includes, but is not limited to, the Rent or Annual Rent (each, as hereinafter defined) to be paid by the School Corporation directly to the Trustee as instructed by the Building Corporation under the Lease. The “Mortgaged Property” consists of (i) the Leased Premises, (ii) all right, title and interest of the Building Corporation in the Lease and any other leases entered into by the Building Corporation and the School Corporation and pledged to the Trustee as a part of the Mortgaged Property, including the Rent, (iii) all of

the right, title and interest in and to the proceeds from the sale of all or any property subject to the lien of the Indenture, (iv) all proceeds of the Bonds and certain other cash and securities now or hereafter held in certain funds and accounts created and established by the Trust Indenture (except the Rebate Fund, as hereafter defined).

The Bonds are not obligations of the School Corporation or any other political subdivision of the State of Indiana and do not pledge the full faith and credit of the School Corporation or any other political subdivision of the State of Indiana is not pledged to the Bonds. The Bonds, when and if issued, are obligations of the Building Corporation payable solely from and secured exclusively by a first mortgage lien on and security interest in the Mortgaged Property, which includes, but is not limited to, the Rent to be paid by the School Corporation directly to the Trustee as instructed by the Building Corporation under the Leases.

The payments of the Rent by the School Corporation under the Lease during its occupancy of the Leased Premises will be the primary source of repayment of the principal and interest on the Bonds. Other revenues, such as interest earnings and insurance proceeds, are also available for such payments under the Indenture, but such other revenue sources cannot be reasonably anticipated to constitute significant sources of payment for future debt service on the Bonds. Pursuant to the Lease, the current Rent to be paid by the School Corporation (the "Existing Rent") on an annual basis is sufficient to pay the principal of, and the interest on, the 2022 Bonds, as it comes due. In addition and pursuant to the Lease, the increased Rent to be paid by the School Corporation (the "Increased Rent") (the Existing Rent and the Increased Rent, collectively, the "Rent" or "Annual Rent") on an annual basis commencing on June 30, 2026, will be sufficient to pay the principal of, and interest on, the 2025 Bonds as it comes due. Because the Building Corporation is making an initial payment to the School Corporation for an extension of the ownership of the Leased Premises and as partial reimbursement for improvements made to the Leased Premises by the School Corporation since it has been owned by the Building Corporation, all of which will be usable and occupied by the School Corporation during the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project, the obligation of the School Corporation to pay the Increased Rent is not dependent on the completion of the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project

The Rent payable by the School Corporation pursuant to the Lease is payable from ad valorem taxes to be levied by the School Corporation on all of the taxable property within the School Corporation but not including any allocation areas located therein. The levy of taxes by the School Corporation to pay the Rent due and payable under the Lease is mandatory and not subject to annual appropriation. However, the School Corporation's collection of the levy used to pay the Rent may be limited by operation of Indiana Code 6-1.1-20.6, as amended, 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. See "CIRCUIT BREAKER TAX CREDIT" herein.

Pursuant to Indiana Code 6-1.1-20, as amended, subject to certain exceptions, when property taxes are pledged to the repayment of bonds or leases to finance a project, a determination must be made as to whether the project is a "controlled project." Projects that are considered controlled projects are subject to certain additional public approval procedures. For preliminary determination resolutions adopted in connection with projects on or after January 1, 2023, through and including June 30, 2023, a controlled project is one that is financed by a bond or lease, is payable by property taxes and costs more than the lesser of (a) \$6,106,217 or (b) 1% of gross assessed value (if that amount is at least \$1,000,000). The 2025 Project, including the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project, is considered a controlled project and was subject to a referendum process, if requested by the community. However, the referendum process was not initiated by

real property owners or registered voters within the thirty (30) days after the notice of preliminary determination was published in 2023. Therefore, the issuance of the 2025 Bonds and the imposition of the levy to pay the principal and interest on the 2025 Bonds was able to continue without any additional approval procedures by the community.

The Lease provides that, in the event the Leased Premises are partially or totally destroyed, whether by fire or any other casualty, so as to render the same unfit, in whole or part, for use by the School Corporation: (i) it will then be the obligation of the Building Corporation to restore and rebuild the Leased Premises as promptly as may be done, unavoidable strikes and other causes beyond the control of the Building Corporation excepted; provided, the Building Corporation will not be obligated to expend on such restoration or rebuilding more than the amount of the proceeds received by the Building Corporation from the insurance provided for in the Leases, and provided further, the Building Corporation will not be required to rebuild or restore the Leased Premises if the School Corporation instructs the Building Corporation not to undertake such work because the School Corporation anticipates that either the cost of such work exceeds the amount of insurance proceeds and other amounts available for such purpose, or the work cannot be completed within the period covered by rental value insurance (See “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE – Covenants of the Building Corporation – Use of Proceeds from Insurance” in APPENDIX F of this Official Statement); and (ii) so long as rental interruption is in existence at the time of such damage or destruction, the Rent will be abated, for the period during which the Leased Premises or any part thereof is unfit for use by the School Corporation, in proportion to the percentage of the area of the Leased Premises which is unfit for use by the School Corporation.

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 Leased Premises 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 replacement cost thereof, with such exceptions ordinarily required by insurers.

During the term of the Lease, the School Corporation assumes all responsibility for the maintenance, repair, and alterations to the Leased Premises. At the end of the term 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 excepted.

For more detailed discussion of the provisions of the Lease, see “SUMMARY OF CERTAIN PROVISIONS OF THE LEASE” in APPENDIX G of this Official Statement.

## **INTERCEPT PROGRAM**

Indiana Code Title 20, Article 48, Chapter 1, Section 11, as amended (the “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 2025 and resulting debt service coverage levels are as follows:

|                                                                  |                |
|------------------------------------------------------------------|----------------|
| 2025 Estimated State Grants:                                     | \$8,701,108.00 |
| * Estimated Combined Maximum Annual Debt Service (See page A-10) | \$3,518,928.00 |
| State distributions required to provide 1.5 times coverage       | \$5,278,392.00 |
| State distributions above 1.5 times coverage amount              | \$3,422,716.00 |
| Total coverage                                                   | 2.47X          |

\* Based upon the estimated total debt service for 2026.

Pursuant to the Indenture, the Trustee is to immediately notify and demand payment from the State Treasurer if the School Corporation should default in its payment obligation under the Lease. 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 TAX ASSESSMENT, TAX LEVY AND COLLECTION**

The Rent is payable from ad valorem property taxes required by law to be levied by or on behalf of the School Corporation. The Indiana General Assembly enacted legislation (IC 6-1.1-20.6. as amended), which provides taxpayers with 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. 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. On or before August 1<sup>st</sup> each year, the County Auditor must submit to each underlying taxing unit a statement of (i) the estimated assessed value of the taxing unit as of March 1<sup>st</sup> of that year, and (ii) an estimate of the taxes to be distributed to the taxing unit during the last six months of the current budget year. The estimated value is based on property tax lists delivered to the

Auditor by the Township Assessors in Marion County and the County Assessor in all other counties on or before July 1.

The estimated 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. By statute, the budget, tax rate and levy must be established no later than November 1. The budget, tax levy and tax rate are subject to review and revision by the DLGF which, under certain circumstances, may revise, reduce or increase the budget, tax rate, or levy of a taxing unit. The DLGF may increase the tax rate and levy if the tax rate and levy proposed by the School Corporation is not sufficient to make its general obligation bonds and lease rental payments. The DLGF must complete its actions on or before February 15; however, taxing units have until December 31 of the calendar year immediately preceding the ensuing calendar year to file a shortfall appeal.

On or before March 15, the County Auditor prepares and delivers the tax duplicate, which is a roll of property taxes payable in that year, to the County Treasurer. Beginning in 2015, the County Auditor, upon receipt of the tax duplicate, is required to publish 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 a later due date is established by order of the DLGF. If an installment of 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; provided, that, so long as 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 10 and November 10 of each year thereafter, 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 taxes collections to the various taxing units on or about June 30 after the May 10 payment date and 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 Indiana Code § 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 the 2025 assessment, 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 2.3, the 2011 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.3, and the 2011 Real Property Assessment Guidelines, Version A ("Guidelines"), as adopted by the DLGF. The Manual defines "true tax value" as "the market value-in-use of property with the exception of agricultural land for its current use, as reflected by the utility received by the owner or a similar user, from the property." 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. The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal method, although the Manual makes it clear that assessing officials are free to select from any

number of appraisal methods, provided that they produce accurate and uniform values throughout the jurisdiction and across all classes of property. The Manual specifies the standards for accuracy and validation that the DLGF uses to determine the acceptability of any alternative appraisal method.

“Net Assessed Value” or “Taxable Value” represents the “Gross Assessed Value” less certain deductions for mortgages, veterans, the aged, the blind, economic revitalization areas, resource recovery systems, rehabilitated residential property, solar energy systems, wind power devices, coal conservation systems, hydroelectric systems, geothermal devices, inventory in enterprise zone 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 scheduled by the State legislature, as well as when changes occur in the property value due to new construction or demolition of improvements. Before July 1, 2013, and before July 1 of every fourth year thereafter, the county assessor will prepare and submit to the DLGF a reassessment plan for each county. The DLGF must complete its review and approval of the reassessment plan before March 1 of the year following the year in which the reassessment plan is submitted by the county. The reassessment plan must divide all parcels of real property in the county into four (4) different groups of parcels. Each group of parcels must contain approximately twenty-five percent (25%) of the parcels within each class of real property in the county. All real property in each group of parcels shall be reassessed under the county’s reassessment plan once during each four (4) year cycle. The reassessment of a group of parcels in a particular class of real property shall begin on July 1 of a year, and must be completed on or before March 1 of the year after the year in which the reassessment of the group of parcels begins. For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be completed. The county may submit a reassessment plan that provides for reassessing more than twenty-five percent (25%) of all parcels of real property in the county in a particular year. A plan may provide that all parcels are to be reassessed in one (1) year. However, a plan must cover a four (4) year period. All real property in each group of parcels shall be reassessed under the county’s reassessment plan once during each reassessment cycle. Effective with the tax year payable 2007, all real property assessments are revalued annually to reflect market value based on comparable sales data (“Trending”). When a change in assessed value occurs, a written notification is sent to the affected property owner. If the owner wishes to appeal this action, the owner may file a petition requesting a review of the action. This petition must be filed with the county assessor in which the property is located within 45 days after the written notification is given to the taxpayer or May 10 of that year, whichever is later. While the appeal is pending, the taxpayer may pay taxes based on the current year’s tax rate and the previous or current year’s assessed value.

Over the past few years of the Indiana General Assembly sessions, including the recently completed session, proposed legislation has been introduced and/or passed out of committee and at least one chamber that has contained numerous provisions related to property taxation and local income taxation, which if enacted into law, could adversely affect political subdivisions in the State in a variety of ways, including, but not limited to, impacting the amount of ad valorem property taxes to be collected, and the amount of local income taxes to be received, by local governmental entities in future years. For example, Senate Enrolled Act No. 1 (2025) (“SEA 1”) was recently adopted by the General Assembly and signed into law which provides for increases in the homestead deduction for real property owners and provides a new deduction for real property owners of non-homestead residential property, agricultural property, and long-term care facilities, all of which are phased in over the next five years, commencing in 2026. While it is currently anticipated that some of the changes in SEA 1 will result in a decreased in assessed valuation, which may require an increase in property tax rate, it is uncertain at this time what impact, if any, SEA 1 or any legislation enacted in any future session may have on the property assessment process or the amount of ad valorem property taxes to be collected, or local income taxes to be received, by local governmental entities in future years. Neither the Building Corporation, the School Corporation nor their advisors assume

any responsibility for assessing the potential risk of any such legislation that may impact the 2025 Bonds or the operations of the School Corporation. The purchasers of the 2025 Bonds should consult their own advisors regarding risks associated with such proposed current 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, as amended (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 1.0% 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 2.0% of the gross assessed value, property taxes attributable to other non-residential real property and personal property are limited to 3.0% of the gross assessed value. The Statute and other additional Indiana laws provide additional property tax credits, limits and deductions for property taxes paid by homesteads and certain real property owners based on certain demographic categories.

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 2025 Bonds were not approved via a referendum, and, therefore, the Increased Rent to be paid with respect to the 2025 Bonds is subject to the Circuit Breaker Tax Credit. In accordance with the Constitutional Provision, the General Assembly has, in the Statute, designated Lake County and St. Joseph County as “eligible counties” and has provided that property taxes imposed in these eligible counties to pay debt service and make lease rental payments for bonds or leases issued or entered into before July 1, 2008, will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute, through and including December 31, 2019.

The Statute requires political subdivisions to fully fund the payment of outstanding debt service or lease rental obligations payable from property taxes (“Debt Service Obligations”), regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. For school corporations, any shortfall could also be funded through the State Intercept Program; however, application of the State Intercept Program will result in a shortfall in distributions to the school corporation’s general fund so schools are encouraged by the DLGF to fund any shortfall directly from the school corporation’s general fund and 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: (i) first, from distributions of county adjusted gross, option, or economic development income taxes that would otherwise be distributed to the county; and (ii) second, from any other undistributed funds of the political subdivision in possession of the State.

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 Credit caused a reduction in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

If the allocation of property tax reductions to funds receiving only unprotected taxes is insufficient to offset the amount of the Circuit Breaker Tax Credit, the revenue for a fund receiving protected taxes will also be reduced. If a fund receiving protected taxes is reduced, the Statute provides that a School Corporation 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 Statute also provides that if a school corporation has sufficient annual Circuit Breaker Tax Credit losses in any of 2014 through and including 2026 and has such annual losses timely certified by the DLGF, it will be an eligible school corporation for such year under I.C. §6-1.1-20.6-9.9, as amended (an “Eligible School Corporation”). However, in 2017 through 2023, if a school corporation: (i) issues new bonds or enters into a new lease rental agreement for which the school corporation is imposing or will impose a debt service levy other than: (A) to refinance or renew prior bond or lease rental obligations existing before January 1, 2017; or (B) for indebtedness that is approved in a local public question or referendum under I.C. 6-1.1-20, as amended, or any other law; and (ii) the school corporation’s total debt service levy and rate is greater than the school corporation’s debt service levy and rate in 2016, the school corporation will not be an Eligible School Corporation for such year even if it would otherwise qualify. After 2023, if a school corporation issues new bonds or enters into a new lease rental agreement on or after July 1, 2023, for which the school corporation is imposing or will impose a debt service levy other than: (i) to refinance or renew prior bond or lease rental obligations existing before January 1, 2024; or (ii) 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 eligible to allocate its Circuit Breaker Tax Credit loss proportionately. For the applicable year or years, an Eligible School Corporation may allocate its Circuit Breaker Tax Credit losses for that year proportionately across all of its property tax supported funds, including its debt service fund, thereby being exempted from the protected taxes requirement as described above. The School Corporation no longer qualifies for this exception.

The School Corporation cannot predict the timing, likelihood or impact on property tax collections of any future actions taken, amendments to the Constitution of the State of Indiana or legislation enacted, regulations or rulings promulgated or issued to implement any such regulations, statutes or the Constitutional Provision described above or of future property tax reform in general. There has been no judicial interpretation of this legislation. In addition, there can be no assurance as to future events or legislation that may affect the Circuit Breaker Tax Credit or the collection of property taxes by the School Corporation.

## **Estimated Circuit Breaker Tax Credit for the School Corporation**

Circuit Breaker Tax Credits are determined for each taxing unit, including the School Corporation when county officials prepare property tax invoices for local taxpayers. In Henry and Rush Counties, the value of Circuit Breaker Tax Credits has been available during the month of April for the coming year. Circuit Breaker credits for the School Corporation aggregated \$551,861 in 2023, \$502,149 in 2024, and \$482,603 in 2025. No estimate is being made of the size of the Circuit Breaker Tax Credits for the School Corporation in future years.

The foregoing amounts 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 State General Assembly in the future. The effects of such changes could affect the Circuit Breaker Tax Credits 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 of local option income taxes applied to property tax relief could increase effective property tax rates and the amount of 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, as amended, 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 lease agreements and a mortgage. The Building Corporation also has the power to issue bonds to refund its outstanding bonds and to execute amended lease agreements with the School Corporation based on terms of the refinancing.

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 2025 Bonds and with regard to the tax status of the interest thereon will be passed upon by Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel (“Bond Counsel”). A signed copy of that opinion, dated and premised on facts and laws existing as of the date of original delivery of the 2025 Bonds, will be delivered to the Underwriter and the Trustee at the time of that original delivery. A copy of the opinion proposed to be delivered by Bond Counsel for the 2025 Bonds is attached as APPENDIX E. Certain legal matters will be passed upon for the Underwriter by its counsel Bose McKinney & Evans LLP, Indianapolis, Indiana.

The engagement of 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, said firm has reviewed those portions of this Official Statement under the captions: “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS,” “THE 2025 BONDS (except “Book-Entry Only System” and “Revision of Book-Entry Only System” therein),” “TAX MATTERS,” “LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES,” “APPENDIX F - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” and “APPENDIX G - SUMMARY OF THE LEASE.” Bond Counsel has not been retained to review 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 Building Corporation, the Trustee, the Underwriter, the prospective purchasers of the 2025 Bonds or others. Bond Counsel expresses no opinion as to the accuracy or completeness of this Official Statement.

## **TAX MATTERS**

In the opinion of Bond Counsel, under existing laws, interest on the 2025 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the 2025 Bonds (the “Code”). The opinion of Bond Counsel is based on certain certifications, covenants and representations of the Building Corporation and the School Corporation and is conditioned on continuing compliance therewith. In the opinion of Bond Counsel under existing laws, interest on the 2025 Bonds is exempt from income taxation in the State of Indiana for all purposes except the State financial institutions tax. See APPENDIX E for the form of opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the 2025 Bonds as a condition to the exclusion from gross income of interest on the 2025 Bonds for federal income tax purposes (collectively, the “Tax Covenants”). Noncompliance with such requirements may cause interest on the 2025 Bonds to be included in the gross income for federal tax purposes retroactive to the date of issue,

regardless of the date on which noncompliance occurs. Should the 2025 Bonds bear interest that is not excluded from gross income for federal income tax purposes, the market value of the 2025 Bonds would be materially and adversely affected. It is not an event of default if interest on the 2025 Bonds is not excludable from gross income for federal tax purposes pursuant to any provision of the Code which is not in effect on the date of issuance of the 2025 Bonds.

The interest on the 2025 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. However, such interest is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax.

Indiana Code 6-5.5, as amended, imposes a franchise tax on certain taxpayers (as defined in Indiana Code 6-5.5, as amended) which, in general, include all corporations which are transacting the business of a financial institution in Indiana. The franchise tax is 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.

Although Bond Counsel will render an opinion that interest on the 2025 Bonds is excluded from gross income for federal tax purposes and exempt from State income tax, the accrual or receipt of interest on the 2025 Bonds may otherwise affect an owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner’s particular tax status and an owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the 2025 Bonds should consult their own tax advisors with regard to the other tax consequences of owning the 2025 Bonds.

Under existing laws, judicial decisions, regulations and rulings, the 2025 Bonds have been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the exception from the 100% disallowance of the deduction for interest expense allocable to interest on tax-exempt obligations acquired by financial institutions. The designation is conditioned on continuing compliance with the Tax Covenants.

The foregoing does not purport to be a comprehensive description of all of the tax consequences of owning the 2025 Bonds. Prospective purchasers of the 2025 Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the 2025 Bonds.

## **ORIGINAL ISSUE DISCOUNT**

The initial public offering prices of the 2025 Bonds maturing on \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_, \_\_\_\_\_ (collectively the “Discount Bonds”), are less than the principal amount payable at maturity. As a result the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the Discount Bonds, as set forth on the cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the “Issue Price” for such maturity), and the amount payable at maturity of the Discount Bonds will be treated as “original issue discount.” The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount 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 10 and July 10 (with straight line interpolation between compounding dates). An owner who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity will treat the accrued 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.

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.

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 Issue Price for such maturity should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes 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 offering price of the 2025 Bonds maturing on \_\_\_\_\_ 10, 20\_\_ (collectively, the "Premium Bonds"), is greater than the principal amount payable at maturity. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the "Bond Premium"). An owner who acquires a Premium Bond in the initial public offering of the 2025 Bonds will be required to adjust the owner's basis in the Premium Bond downward as a result of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Premium Bonds, including sale, redemption or payment at maturity. The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning Premium Bonds. Owners of the Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

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

## **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 Building Corporation and the School Corporation, threatened concerning the issuance, validity and delivery of the 2025 Bonds or the authorization of the 2025 Bonds. Certificates to such effect will be delivered at the time of the original delivery of the 2025 Bonds.

## **LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES**

The various legal opinions to be delivered concurrently with the delivery of the 2025 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 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 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 2025 Bonds.

The various legal opinions to be delivered concurrently with the delivery of the 2025 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Indiana and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

These exceptions would encompass any exercise of federal, State or local police powers in a manner consistent with the public health and welfare. Enforceability of the 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 in Securities and Exchange Commission Rule 15c2-12, as amended (the “Rule”), the School Corporation will enter into a Continuing Disclosure Contract (the “Contract”). The form of the Contract is set forth as APPENDIX D. No person, other than the School Corporation, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the 2025 Bonds.

In order to assist the Underwriter in complying with the Underwriter’s obligations pursuant to the Rule, the School Corporation represents that it has conducted or caused to be conducted what it believes to

be a reasonable review of the School Corporation's compliance with its existing continuing disclosure obligations. Based upon such review, the School Corporation represents that annual operating data for the year ended December 31, 2022 was not posted on a timely basis as required by the applicable continuing disclosure agreements. Such annual operating data has now been filed, together with a Notice of Failure to Timely File Information. The School Corporation is not aware of any other instances in the previous five years in which the School Corporation has failed to comply with any material respects with its previous undertaking agreements. The School Corporation utilizes Baker Tilly Municipal Advisors, LLC as dissemination agent.

## **UNDERWRITER**

The 2025 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the 2025 Bonds at a price of at an aggregate amount of \$ \_\_\_\_\_ which includes an Underwriter's discount of \$ \_\_\_\_\_ and net original issue discount/premium of \$ \_\_\_\_\_.

The Underwriter may offer and sell the 2025 Bonds to certain dealers (including dealers depositing the 2025 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 cover page. The initial public offering prices of the 2025 Bonds may be changed, from time to time, by the Underwriter.

The Underwriter 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. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the School Corporation and to persons and entities with relationships with the School Corporation, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter 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 School Corporation (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the School Corporation.

The Underwriter 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 School Corporation.

## **RATINGS**

S&P Global Ratings ("S&P") has assigned a rating of "AA+ (Stable Outlook)" to the 2025 Bonds based upon the Indiana State Intercept Program (see "INTERCEPT PROGRAM" above). S&P has also assigned an Issuer Credit rating to the 2025 Bonds of "A- (Negative Outlook)." 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 2025 Bonds. No other ratings have been applied for by the School Corporation or the Building Corporation.

Such ratings are not to be construed as a recommendation of the rating agency to buy, sell or hold the 2025 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” none of the Building Corporation, the School Corporation or the Underwriter undertakes responsibility to bring to the attention of the owners of the 2025 Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

Neither the Building Corporation nor the School Corporation has applied for any other rating or to any other rating service for a rating on the 2025 Bonds.

### **POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS, SUCH AS THE NOVEL CORONAVIRUS (COVID-19)**

Regional, national or global epidemics or pandemics, such as the outbreak of the novel coronavirus (“COVID-19”), could have materially adverse local, regional, national or global economic and social impacts. The State’s finances may be materially adversely affected by epidemics and pandemics which could affect the amount appropriated and timing of the distribution of State aid to school districts, thereby potentially impacting the amount of revenue in the School Corporation’s Education Fund and Operations Fund. In addition, State school districts, including the School Corporation, depend on local property tax collections and other local revenues to fund many of its operational costs, including, but not limited to, payment of debt service on any of the bonds issued by the school districts or their local building corporations. Therefore, if the collection of property taxes is delayed or reduced, the School Corporation may have difficulty in paying the principal and interest on the Bonds and funding the portion of the School Corporation’s Operations Fund not funded from State aid. In addition, the School Corporation cannot predict the amount of increased costs, if any, that may be incurred by the School Corporation associated with operating during any epidemic or pandemic, like COVID-19, including, but not limited to, the amount of (1) costs to clean, sanitize and maintain its facilities, (2) costs to hire substitute certificated or classified employees, or (3) costs to operate remotely and support students, faculty, and staff. Accordingly, the School Corporation cannot predict the effect any epidemic or pandemic will have on its finances or operations, including, but not limited to, the payment of the debt service on the 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 recently 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.

### **CONCLUDING STATEMENT**

The foregoing summaries and statements 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 2025 Bonds offered by this Official Statement are referred to the Indenture for the details of all terms and conditions thereof relating to the 2025 Bonds.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and are not presented as unqualified statements of fact. The information contained herein has been carefully compiled from sources deemed reliable and, to the best knowledge and belief of the Building Corporation and the School Corporation, there are no untrue statements nor omissions of material facts in the Official Statement which would make the statements and representations therein misleading.

Certain supplemental information concerning the financial condition of the Building Corporation and the School Corporation which is exhibited hereafter is considered part of this Official Statement.

The presentation of historical tax and other financial data exhibited elsewhere herein is intended to show recent trends and conditions. There is no intention to represent by such data that such trends will continue in the future, nor that any pending improvement or diminution of local conditions is indicated thereby.

The execution of this Official Statement has been duly authorized by the Building Corporation and the School Corporation.

KNIGHTSTOWN HIGH SCHOOL BUILDING CORPORATION

By: \_\_\_\_\_  
*President*

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION

By: \_\_\_\_\_  
*President, Board of School Trustees*

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## APPENDIX A

### CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION

#### SYSTEM OVERVIEW

The Charles A. Beard Memorial School Corporation, Henry/Rush Counties, Indiana (the “School Corporation”), is located in eastern Henry and Rush Counties. It includes Greensboro Township and Wayne Township, as well as the towns of Greensboro, Knightstown, Kennard and a portion of Shirley in Henry County and Ripley Township and the Town of Carthage in Rush County. The School Corporation is comprised of one elementary school, one intermediate school and one high school.

#### FACILITIES

The School Corporation presently operates the following schools:

| <u>Building Name</u>            | <u>Grades</u> | <u>Year<br/>Opened</u> | <u>Last Additions/ Renovations</u>             |
|---------------------------------|---------------|------------------------|------------------------------------------------|
| Knightstown Elementary School   | K-3           | 1987                   | 1997, 2010, 2014, 2016, 2019                   |
| Knightstown Intermediate School | 4-8           | 1966                   | 1993, 1994, 1995, 1996, 1999, 2010, 2014, 2016 |
| Knightstown High School         | 9-12          | 2003                   | 2010, 2012, 2014, 2016, 2018                   |

Source: School Corporation

#### SERVICES

The School Corporation provides a complete academic curriculum in grades kindergarten through twelve as well as various extra-curricular activities. The School Corporation provides special education services through the New Castle Area Program for Exceptional Children. Knightstown High School offers a range of curriculum opportunities including dual-credit and Advance Placement (AP) courses. New Castle Career Center offers 17 career programs for high school juniors and seniors.

#### ENROLLMENT

The average daily membership enrollments are as follows and the projected enrollments are based on internal analysis, kindergarten enrollment and past history.

| <u>School</u>                   | <u>2020/<br/>2021</u> | <u>2021/<br/>2022</u> | <u>2022/<br/>2023</u> | <u>2023/<br/>2024</u> | <u>2024/<br/>2025</u> | <u>2025/<br/>2026</u> |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Knightstown Elementary School   | 311                   | 331                   | 328                   | 325                   | 308                   | 298                   |
| Knightstown Intermediate School | 382                   | 390                   | 375                   | 385                   | 393                   | 386                   |
| Knightstown High School         | 360                   | 335                   | 335                   | 319                   | 320                   | 332                   |
| Totals                          | 1,053                 | 1,056                 | 1,038                 | 1,029                 | 1,021                 | 1,016                 |

Source: School Corporation

Presented below are total projected enrollment figures as provided by the School Corporation.

| <u>Academic</u> |                             |
|-----------------|-----------------------------|
| <u>Year</u>     | <u>Projected Enrollment</u> |
| 2026/2027       | 1,016                       |
| 2027/2028       | 1,016                       |
| 2028/2029       | 1,016                       |
| 2029/2030       | 1,016                       |
| 2030/2031       | 1,016                       |

### PERSONNEL

The School Corporation, as of October 28, 2025, employed a total staff of 167 personnel, 113 full time and 54 part time, allocated in categories as follows:

| <u>Staffing Category</u> | <u>Full Time</u> | <u>Part Time</u> |
|--------------------------|------------------|------------------|
| Administration           | 12               | 0                |
| Teachers                 | 64               | 1                |
| Teachers' Aides          | 1                | 24               |
| Library Aides            | 2                | 0                |
| Clerical                 | 18               | 0                |
| Nurses                   | 1                | 0                |
| Custodial                | 7                | 3                |
| Cafeteria                | 1                | 13               |
| School Bus Drive         | 0                | 13               |
| Nurse Aide               | 3                | 0                |
| Technology Specialists   | 2                | 0                |
| Maintenance              | <u>2</u>         | <u>0</u>         |
| Total                    | 113              | 54               |

Source: The School Corporation

### BOARD OF SCHOOL TRUSTEES

|                               | <u>Current</u> | <u>Current Term</u> |
|-------------------------------|----------------|---------------------|
|                               | <u>Term</u>    |                     |
|                               | <u>Begins</u>  | <u>Ends</u>         |
| Wade Beatty, President        | 01/01/23       | 12/31/26            |
| Tom Schaetzle, Vice President | 01/01/23       | 12/31/26            |
| Melissa Toth, Secretary       | 01/01/22       | 12/31/25            |
| Cynthia Neal                  | 01/01/23       | 12/31/26            |
| Gerald Leonard                | 01/01/25       | 12/31/28            |
| Graham Richardson             | 01/01/25       | 12/31/28            |
| Monica Van Hoy                | 01/01/22       | 12/31/25            |

## ADMINISTRATION AND STAFF

The School Corporation is under the direction of a seven-member elected Board of School Trustees who serve four-year terms. The Superintendent, appointed by the Board of School Trustees, directs a certified staff of 75 and a non-certified staff of 92 with union representation as follows:

| <u>Union Name</u>               | <u>Union Representation</u> | <u>Number of Members</u> | <u>Contract Expiration Date</u> |
|---------------------------------|-----------------------------|--------------------------|---------------------------------|
| CAB Teachers Association (ISTA) | Teachers                    | 41                       | 06/30/2026                      |

## PENSION OBLIGATIONS

### Public Employees' Retirement Fund

#### Plan Description

The Indiana Public Employees' Retirement Fund ("PERF") is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State of Indiana (the "State") statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System ("INPRS") Board of Trustees, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of members' contributions, set by state statute at 3 percent compensation, plus the interest credited to the members' account. The employer may elect to make the contribution on behalf of the member. INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Indiana Public Retirement System  
One North Capitol Avenue, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

#### Funding Policy and Annual Pension Cost

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

Employer contributions for the year 2024 were \$129,762.13.

### Teachers' Retirement Fund

#### Plan Description

The Indiana Teachers' Retirement Fund ("TRF") is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the INPRS Board of Trustees, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member. INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
One North Capitol Avenue, Suite 001

Indianapolis, IN 46204  
Ph. (888) 526-1687

#### Funding Policy and Annual Pension Cost

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

Employer contributions for the year 2024 were \$444,736.57.

#### Additional Benefits

Upon termination or retirement, the School Corporation compensates employees for \$72.50 per day in 2024 for accrued paid time off up to 184 days. Employer contributions for the year 2024 were \$22,293.75.

### **GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION**

#### **LOCATION**

The School Corporation is located in Henry and Rush Counties in east central Indiana. The School Corporation is approximately 16 miles from New Castle and approximately 39 miles east of Indianapolis.

#### **GENERAL CHARACTERISTICS**

Residents of the School Corporation have a variety of cultural amenities available to them in Henry County including the Guyer Opera House, the Henry County Historical Society Museum and the Wilbur Wright Birthplace and Museum. School Corporation residents are served by the New Castle-Henry County Public Library which provides programs for children, teens, and adults. The School Corporation's proximity to Indianapolis, Muncie and Richmond provides additional educational and employment opportunities, as well as professional sports, recreational, and cultural attractions.

#### **HIGHER EDUCATION**

The residents of the School Corporation are within commuting distance to Indiana University East, Indiana University Indianapolis, Purdue University Indianapolis, Anderson University, Earlham College, Ball State University, Ivy Tech Community College, and the University of Indianapolis.

### **GENERAL ECONOMIC AND FINANCIAL INFORMATION**

#### **COMMERCE AND INDUSTRY**

Henry and Rush Counties have a very diverse business base community with a major focus on industries including manufacturing, alternative energy production, logistics, and agribusiness operations. Henry County, the Town of Knightstown, and the City of New Castle are joint-finalists for the 2019 Stellar Community designation.

The largest employer in Henry County is the Henry County Hospital (the "Hospital") which was established in 1930. The Hospital has multiple facilities within Henry County and offers Advanced Wound Center, Birth Care Center, Cardiology, Emergency Care, Hospice, Home Care, Imaging, Intensive Critical Care (ICCU), Occupational Therapy, Orthopedics, Physical Therapy, Rehabilitation, a Sleep Center, Sports Medicine and a Surgery Center. In August 2017, the Hospital opened a \$12 million primary care campus. The new facility is designed for patient convenience with three physician offices, a lab draw area, a neighborhood pharmacy and classrooms for health education programs. The

Hospital employs approximately 850 according to the New Castle-Henry County Economic Development Corporation (the "NCHCEDC").

Draper, Inc. was founded in 1902 in Spiceland, Indiana and has been an integral part of Henry County's economy. The company manufactures window shades, projection screens, and gymnasium equipment. According to the NCHCEDC, there are 700 employees.

The New Castle Correctional Facility is approximately 325 acres with 775,300 square feet of building space and is comprised of an administration building, program services building, recreation building, and 13 buildings/units with individual housing in each building. The correctional facility has one of the largest multi-purpose buildings in the State. A \$23 million high-security annex was completed in 2012 which increased the capacity by 512 beds. According to the NCHCEDC, the correctional facility has 542 employees.

T.S. Tech Indiana LLC, a manufacturer of auto seats for Honda Manufacturing, began operations in New Castle in 2007. Per the NCHCEDC, the company currently has 490 employees and employment levels are expected to remain steady.

Grede Foundry is a subsidiary of Metaldyne Performance Group. Metaldyne Performance Group was acquired by American Axle and Manufacturing on April 6, 2017. The foundry is a manufacturer of ductile iron castings and began operations in New Castle in 1989. The company has 329 employees according to the NCHCEDC.

Bethany Cares Home Health Agency ("Bethany") is a home health care service organization in New Castle. Bethany provides skilled nursing services, physical and occupational therapy, speech pathology and other medical social services. Bethany currently employs 310 employees, including both full-time and part-time, according to the NCHCEDC.

Boar's Head, a provider of meats and cheeses, completed a new 150,000 square foot manufacturing and research facility in New Castle. In May 2016, Boar's Head announced that they are building a 39,200 square foot distribution center. The facility currently employs 375 employees in the food processing area and 101 employees in the distribution facility according to the NCHCEDC.

In May 2017, Micronutrient, an agribusiness that produces animal feed additives announced plans to establish a new facility in New Castle. The company is expected to invest \$30 million to construct a new 164,000 square foot manufacturing plant and warehouse in New Castle. The facility is expected to be completed in 2020 and hire 50 workers.

The stainless-steel mill in New Castle, previously owned by Finland-based Outokumpu, returned to American ownership in January 2017. The new company name is New Castle Stainless Plate. New Castle Stainless Plate can create the longest, widest, and thickest stainless-steel plates in this part of the world. The company has 100 employees according to the NCHCEDC.

Crown Equipment, a manufacturer of forklifts, also represents a significant amount of employment in New Castle and is very involved with the New Castle Career Center. They have over with 300 employees according to Indiana Economic Digest.

The New Castle Career Center works with local school corporations in order to provide development opportunities and career exploration for high school juniors and seniors. According to the NCHCEDC, Henry County's Redevelopment Commission has entered a three-year agreement in which they will contribute \$30,000 annually to the New Castle Career Center. The investment is anticipated to strengthen New Castle's future workforce by helping fund the costs of equipment. This will allow students to train on up to date equipment, so they are ready to fill the open positions in the community.

According to the NCHCEDC, Beacon Industries is expanding into a vacant factory in New Castle. Beacon Industries is refurbishing the facility and equipment with hopes of adding 30 new jobs by 2022.

American Keeper Corporation manufactures bellows, precision rubber parts and oil seals. The company is expanding its current operation in New Castle with a \$7.75 million investment for a new 24,000 square-foot building. According to the NCHCEDC, the expansion is expected to increase the company's workforce to 74 employees, doubling the current workforce of 35 employees.

In 2016, the City of Rushville in Rush County was designated a Stellar Community by the Lt. Governor of Indiana. As a Stellar Community, the City of Rushville obtains funding priority to complete transformative community projects. Projects for Rushville include several revitalization and rehabilitation projects downtown and in the historic district. The projects also include outdoor improvements such as a trailhead, bike hub, and the construction of the Riverside Park Gateway Plaza.

According to Inside Indiana Business, Eastern Indiana's Rush to Work Training Center (the "Training Center") opened in February 2019 in Rushville. The 6,600 square foot Training Center will allow job seekers to learn skills through Ivy Tech Community College and then be connected to employers through Eastern Indiana Works. The building features a classroom, computer lab and conference area.

According to Inside Indiana Business, a \$5.25 million dollar development is being planned in Rushville which will include four new apartment buildings. A total of 32 villas will be built. Rushville is also planning to begin building 40-acre park in the fall of 2019. The park will be adjacent to the Villas apartments.

The City of Rushville has begun creating a comprehensive City Center that will house the City Hall, Princess Theatre, and a satellite campus of Ivy Tech Community College. The Princess Theatre opened in December 2018 through a collaborative effort between the City of Rushville and Wolf Theatres to provide additional local entertainment by showing first-run movies. The Council Chambers opened in the City Center in July 2019. This allows multiple city departments to consolidate into a single location and will increase efficiency. Ivy Tech Community College will open a satellite campus in the City Center in the fall of 2019, which will provide additional opportunities for post-secondary education for residents in the surrounding area. The total cost of the City Center project will be approximately \$3.8 million, according to the City of Rushville.

In September 2019, the approximately \$6 million Campaign Quarters Apartments will have a grand opening in Rushville. The complex has nineteen units available for residents age 55 and older to occupy.

Cormo USA, a manufacturer of technological products from corn stalks, has chosen Rushville to be its headquarters in the United States. This investment was approximately \$29.5 million. According to the City of Rushville, the groundbreaking is expected to happen in August 2019 and the company expects to ramp up to full scale production by 2024.

Rush County is constructing a \$24 million new Criminal Justice Center, which will house the Sheriff's Department, jail and offices. According to the City of Rushville, the Criminal Justice Center is expected to be completed in January 2020.

## EMPLOYMENT

### Employment Rate

| <u>Year</u> | <u>Henry<br/>County</u> | <u>Rush<br/>County</u> | <u>Indiana</u> |
|-------------|-------------------------|------------------------|----------------|
| 2019        | 3.2%                    | 2.6%                   | 3.3%           |
| 2020        | 6.6%                    | 6.3%                   | 7.2%           |
| 2021        | 3.2%                    | 2.8%                   | 3.6%           |
| 2022        | 3.2%                    | 2.5%                   | 3.0%           |
| 2023        | 3.4%                    | 2.7%                   | 3.4%           |
| Dec. 2024   | 3.8%                    | 3.2%                   | 4.2%           |

Source: Stats Indiana

## POPULATION

| <u>Year</u> | <u>School Corporation</u> |                          | <u>Henry County</u> |                          | <u>Rush County</u> |                          |
|-------------|---------------------------|--------------------------|---------------------|--------------------------|--------------------|--------------------------|
|             | <u>Population</u>         | <u>Percent of Change</u> | <u>Population</u>   | <u>Percent of Change</u> | <u>Population</u>  | <u>Percent of Change</u> |
| 1980        | 7,616                     | -2.82%                   | 53,336              | 1.39%                    | 19,604             | -3.68%                   |
| 1990        | 7,235                     | -5.00%                   | 48,139              | -9.74%                   | 18,129             | -7.52%                   |
| 2000        | 7,856                     | 8.58%                    | 48,508              | 0.77%                    | 18,261             | 0.73%                    |
| 2010        | 8,100                     | 3.11%                    | 49,462              | 1.97%                    | 17,392             | -4.76%                   |
| 2020        | 7,761                     | -4.19%                   | 48,914              | -1.11%                   | 16,752             | -3.68%                   |

Source: U.S. Census Bureau.

## AGE STATISTICS

|                   | <u>School Corporation</u> | <u>Henry County</u> | <u>Rush County</u> |
|-------------------|---------------------------|---------------------|--------------------|
| Under 5 years     | 522                       | 2,438               | 937                |
| 5 to 9 years      | 474                       | 2,905               | 993                |
| 10 to 14 years    | 576                       | 2,733               | 1,045              |
| 15 to 19 years    | 789                       | 2,863               | 1,130              |
| 20 to 24 years    | 354                       | 2,974               | 851                |
| 25 to 34 years    | 718                       | 6,092               | 1,931              |
| 35 to 44 years    | 1,110                     | 5,960               | 2,014              |
| 45 to 54 years    | 974                       | 6,561               | 2,089              |
| 55 to 59 years    | 567                       | 3,358               | 1,272              |
| 60 to 64 years    | 521                       | 3,619               | 1,302              |
| 65 to 74 years    | 856                       | 5,473               | 1,811              |
| 75 to 84 years    | 371                       | 3,011               | 954                |
| 85 years and over | 165                       | 909                 | 405                |
| Totals            | 7,997                     | 48,896              | 16,734             |

Source: U.S. Census Bureau, 2018-2023 American Community Survey 5-Year Estimates.

## EDUCATIONAL ATTAINMENT

| Years of School Completed       | Persons 25 and Over |              |             |
|---------------------------------|---------------------|--------------|-------------|
|                                 | School Corporation  | Henry County | Rush County |
| Less than 9th grade             | 1.50%               | 3.10%        | 3.20%       |
| 9th to 12th grade, no diploma   | 5.90%               | 6.30%        | 6.00%       |
| High school graduate            | 45.20%              | 42.90%       | 44.80%      |
| Some college, no degree         | 22.10%              | 22.20%       | 19.50%      |
| Associate's degree              | 7.10%               | 8.80%        | 9.80%       |
| Bachelor's degree               | 13.80%              | 10.80%       | 10.90%      |
| Graduate or professional degree | 4.40%               | 5.90%        | 5.90%       |
| High school graduate or higher  | 92.60%              | 90.60%       | 90.80%      |
| Bachelor's degree or higher     | 18.20%              | 16.70%       | 16.80%      |

Source: U.S. Census Bureau's 2018-2023 American Community Survey 5-Year Estimates.

## INDEBTEDNESS

The following tabulation, prepared as of October 27, 2025, reflects the long-term indebtedness of the School Corporation including issuance of the 2025 Bonds.

|                           |               | Per Capita | Percent of<br>Assessed<br>Valuation |
|---------------------------|---------------|------------|-------------------------------------|
| Net Assessed Value (2025) | \$430,538,469 | \$53,837   | ----                                |
| Direct Debt               | 40,947,800    | 5,120      | 9.51%                               |
| Direct & Underlying Debt  | 52,906,092    | 6,616      | 12.29%                              |
| 2023 Population           | 7,997         |            |                                     |

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

| Direct Debt                   | Dated Date | Original<br>Amount | Final Maturity | Amount<br>Outstanding |
|-------------------------------|------------|--------------------|----------------|-----------------------|
| Lease Obligations             |            |                    |                |                       |
| 2022 First Mortgage Bonds     | 09/28/22   | \$4,665,000        | 01/01/31       | \$2,280,000           |
| 2025 First Mortgage Bonds **  | ___/___/25 | 15,000,000         | 01/15/45       | 15,000,000            |
| General Obligations           |            |                    |                |                       |
| 2023 General Bonds            | 10/10/23   | 1,100,000          | 01/15/27       | 675,000               |
| 2024 General Obligation Bonds | 10/17/24   | 2,025,000          | 01/15/26       | 1,040,000             |
| Common School Fund Loans      |            | 6,690,000          |                | 802,800               |
| Total Direct Debt             |            | 14,480,000         |                | 4,797,800             |

| Underlying and Overlapping Tax Supported Debt | Outstanding<br>Amount | Applicable |             |
|-----------------------------------------------|-----------------------|------------|-------------|
|                                               |                       | Percent    | Amount      |
| Henry County                                  | \$25,620,518          | 19.02%     | \$4,872,844 |
| Rush County                                   | 14,965,000            | 29.62%     | 4,432,751   |
| New Castle-Henry County Library               | 9,995,000             | 27.08%     | 2,706,495   |
| Wayne Township                                | 140,846               | 100.00%    | 140,846     |
|                                               |                       |            | 12,152,936  |

\*\*This issue, preliminary and subject to change

## Future Financing

The School Corporation has received approval on June 17, 2025, for the issuance of one or more series of bonds over two or more years by either the School Corporation or the Building Corporation to fund additional renovations and capital improvements at one or more of the existing facilities operated by the School Corporation and/or the acquisition and/or installation of equipment, buses or other vehicles for use in the School Corporation's operations (collectively, the "2026 and Beyond Capital Maintenance, Equipping and Bus/Vehicle Acquisition and Reimbursement Project"). The maximum principal amount of the bonds to fund all or a portion of the costs of the 2026 and Beyond Capital Maintenance, Equipping and Bus/Vehicle Acquisition and Reimbursement Project will not exceed \$10,000,000. It is currently contemplated that a portion of the bonds in an original aggregate principal amount currently anticipated to be between \$1,500,000 and \$2,500,000 will be issued sometime in 2026 to provide funding for a portion of

the costs of the 2026 and Beyond Capital Maintenance, Equipping and Bus/Vehicle Acquisition and Reimbursement Project.

In addition and in connection with the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project, the School Corporation received approval on February 21, 2023, for the issuance of two or more series of bonds over two or more years by either the School Corporation or the Building Corporation to fund the costs of the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project in the maximum principal amount not to exceed \$37,250,000. As of the date of this Official Statement, the School Corporation has issued one series of its general obligation bonds in an aggregate principal amount equal to \$1,100,000 to fund a portion of the costs of the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project. Accordingly, after the issuance of the 2025 Bonds, the remaining maximum principal amount of bonds to be issued by the School Corporation and/or the Building Corporation to fund the remaining costs of the 2023-2024 Charles A. Beard Memorial School Corporation Building Reconfiguration/Expansion/Update Project will be \$31,150,000\*, all of which bonds are currently anticipated to be issued in one or more series over the next year.

The School Corporation continues to monitor needs within the School Corporation and may consider future borrowings when deemed appropriate.

\*Preliminary, subject to change.

#### **SHORT TERM BORROWING**

The School Corporation does not have any short-term debt outstanding.

#### **DEBT PAYMENT HISTORY**

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

### COMBINED DEBT SERVICE PAYMENTS

The tabulation below sets forth the combined annual debt service requirements for all loans, leases and other obligations of the School Corporation as of October 27, 2025, including issuance of the 2025 Bonds.

| <u>Year</u> | <u>Common School<br/>Fund Loans</u> | <u>2022<br/>Bonds</u> | <u>2023 GO<br/>Bonds</u> | <u>2024 GO<br/>Bonds</u> | <u>2025<br/>Bonds<sup>(1)</sup></u> | <u>Total<sup>(2)</sup></u> |
|-------------|-------------------------------------|-----------------------|--------------------------|--------------------------|-------------------------------------|----------------------------|
| 2025        | \$307,440                           | \$996,000             | \$30,780                 | \$2,136,513              |                                     | \$3,470,733                |
| 2026        | 297,036                             | 423,000               | 698,892                  |                          | \$2,100,000                         | 3,518,928                  |
| 2027        | 286,332                             | 424,000               |                          |                          | 1,165,000                           | 1,875,332                  |
| 2028        | 275,628                             | 422,000               |                          |                          | 1,165,000                           | 1,862,628                  |
| 2029        |                                     | 423,000               |                          |                          | 1,165,000                           | 1,588,000                  |
| 2030        |                                     | 424,000               |                          |                          | 1,165,000                           | 1,589,000                  |
| 2031        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |
| 2032        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |
| 2033        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |
| 2034        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |
| 2035        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |
| 2036        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |
| 2037        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |
| 2038        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |
| 2039        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |
| 2040        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |
| 2041        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |
| 2042        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |
| 2043        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |
| 2044        |                                     |                       |                          |                          | 1,165,000                           | 1,165,000                  |

(1) This issue. Preliminary, subject to change

(2) Preliminary, subject to change

### SCHEDULE OF HISTORICAL NET ASSESSED VALUATION

| <u>Tax Payment</u> | <u>Net Assessed</u> |
|--------------------|---------------------|
| <u>Year</u>        | <u>Valuation</u>    |
| 2021               | \$288,077,059       |
| 2022               | 294,429,318         |
| 2023               | 357,566,413         |
| 2024               | 387,791,416         |
| 2025               | 437,629,824         |

Source: Indiana Department of Local Government Finance

### PROPERTY TAXES LEVIED AND COLLECTED

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

| Less:             |               |                |                  |                  |                  |
|-------------------|---------------|----------------|------------------|------------------|------------------|
| <u>Collection</u> | <u>Taxes</u>  | <u>Circuit</u> | <u>Net Taxes</u> | <u>Taxes</u>     | <u>Percent</u>   |
| <u>Year</u>       | <u>Levied</u> | <u>Breaker</u> | <u>Levied</u>    | <u>Collected</u> | <u>Collected</u> |
| 2020              | \$3,858,444   | \$398,296      | \$3,460,148      | \$3,504,351      | 101.28%          |
| 2021              | 3,916,408     | 428,051        | 3,488,357        | 3,487,292        | 99.97%           |
| 2022              | 4,077,551     | 485,758        | 3,591,793        | 3,675,830        | 102.34%          |
| 2023              | 5,059,206     | 551,861        | 4,507,345        | 4,457,045        | 98.88%           |
| 2024              | 5,486,860     | 502,149        | 4,984,711        | 5,008,044        | 100.47%          |
| 2025 (est.)       | 6,030,539     | 540,000        | 5,490,539        | [In Process..... | .....]           |

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

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

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

## LARGE TAXPAYERS

The ten largest taxpayers in the School Corporation, comprising approximately 8.64% of the 2025 Net Assessed Valuation, are as follows:

| <u>Name</u>                            | <u>Type of Business</u>        | <u>Assessed<br/>Valuation<br/>2024-2025 (1)</u> |
|----------------------------------------|--------------------------------|-------------------------------------------------|
| Tomz Corporation                       | Manufacturer                   | \$7,378,150                                     |
| Loves Travel Stops County Stores, Inc. | Gas Station                    | 6,202,950                                       |
| ANR Pipeline Company                   | Natural Gas Services           | 3,755,000                                       |
| KDC Investments Inc.                   | Apartments                     | 3,328,700                                       |
| Stoten, Donald Jr Und 1/2 Int & Shanon | Residential                    | 3,052,438                                       |
| Haase Family Farms LLC                 | Agriculture                    | 2,999,905                                       |
| Hy-Flex Corporation/Hy-Flex Realty LLC | Mfg. Pumps, Mixers, & Sprayers | 2,997,480                                       |
| Reddick Farms Inc                      | Agriculture                    | 2,865,200                                       |
| J And D Masters Farms                  | Agriculture                    | 2,801,000                                       |
| Wencs Farms, LLP                       | Agriculture                    | 2,415,100                                       |
| Total                                  |                                | <u>\$37,795,923</u>                             |

Source: Henry County and Rush County Auditor's Office

The net assessed valuation for the School Corporation is \$437,629,824 for taxes payable in 2025 according to Indiana Department of Local Government Finance.

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 Henry and Rush Counties Auditor's office. 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.

## SCHOOL TAX RATES

The following tax rates (per \$100 of assessed valuation) are gross rates which do not reflect the 20% property tax replacement credit from state collected sales taxes.

|              | <u>Year Payable</u> |             |             |             |             |
|--------------|---------------------|-------------|-------------|-------------|-------------|
| Fund         | <u>2021</u>         | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| Debt Service | \$0.6181            | \$0.6283    | \$0.7608    | \$0.7876    | \$0.7999    |
| Education    | --                  | --          | --          | --          | --          |
| Operation    | 0.7414              | 0.7566      | 0.6541      | 0.6273      | 0.5781      |
| Totals       | \$1.3595            | \$1.3849    | \$1.4149    | \$1.4149    | \$1.3780    |

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 Board of Accounts in the "Accounting and Uniform Compliance Manual for Public School Corporation" (2010 Revised Edition). Annual Financial Reports (Form 9) are filed with the Indiana Department of Public Instruction. The most recent audit by the State Board of Accounts was filed on March 26, 2025 for the period July 1, 2022 to June 30, 2024. The current audit period runs July 1, 2024 to June 30, 2026.

The School Corporation maintains three principal funds: the Education, the Debt Service Fund, and the Operations Fund.

The Education Fund is used for the operation and maintenance of the School Corporation and for any other lawful expenses payable from the Education Fund. The Debt Service Fund is used for the payment of all debt, including lease rental obligations and other obligations to repay funds borrowed or advanced for the purchase or construction of, or addition to, school buildings. The Operations Fund is used for land acquisition, site improvement, construction or purchase of school buildings and equipment, and remodeling or repairing school buildings, all for school classroom purposes. The Operations Fund is also to be used for the payment of costs of transporting students and purchasing school buses.

The Indiana General Assembly enacted P.L. 244-2017 that impacts school corporation funds effective January 1, 2019. The General Fund for school corporations was eliminated in January 2019 and has been replaced, in part, by an Education Fund for expenditures related to student instruction and learning. Additionally, an Operations Fund has been created to replace, in part, the General Fund and, in whole, the Capital Projects Fund, the Transportation Fund, and the Bus Replacement Fund, which were repealed effective January 1, 2019. The Operations Fund is used to pay for expenditures not directly related to student instruction and learning, including all of the expenditures of the previously existing funds and the portions of the operational expenses not paid for by the Education Fund. A property tax levy to support the Operations Fund has replaced all other school property tax levies, except for the debt service levies or a levy approved by a referendum. Additionally, school corporations may maintain separate Rainy Day Funds. School corporations have the authority to transfer between the Education Fund and Operations Fund, which the School Corporation expects will provide flexibility to manage its cash position by fund.

A copy of the School Corporation's Audit Report for the period July 1, 2022 to June 30, 2024, is included as Appendix C 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 State Board of Accounts, to the extent and for the periods indicated thereon. The School Corporation has not requested the State Board of Accounts 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 State Board of Accounts 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 2025 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.

## SCHOOL CORPORATION RECEIPTS AND DISBURSEMENTS

|                            | <u>2020</u>  | <u>2021</u>  | <u>2022</u>  | <u>2023</u>  | <u>2024</u>      |
|----------------------------|--------------|--------------|--------------|--------------|------------------|
| <b>EDUCATION FUND</b>      |              |              |              |              |                  |
| Property Tax               | \$0          | \$0          | \$0          | \$0          | \$0              |
| Financial Institution Tax  | 0            | 0            | 0            | 0            | 0                |
| Vehicle Excise Taxes       | 0            | 0            | 0            | 0            | 0                |
| State of Indiana Grants    | 6,461,003    | 7,120,601    | 7,506,924    | 8,269,274    | 8,700,596        |
| Other/Transfers            | 1,618,886    | 1,402,014    | 748,424      | 305,134      | <u>351,481</u>   |
| Total                      | \$8,079,889  | \$8,522,616  | \$8,255,348  | \$8,574,407  | \$9,052,077      |
| <b>DEBT SERVICE FUND</b>   |              |              |              |              |                  |
| Property Tax               | \$1,823,116  | \$1,851,525  | \$1,881,656  | \$2,673,350  | \$3,052,174      |
| Financial Institution Tax  | 30,355       | 27,003       | 41,768       | 42,579       | 36,431           |
| Vehicle Excise Taxes       | 161,090      | 166,105      | 159,083      | 189,715      | 196,160          |
| State of Indiana Grants    | 0            | 0            | 0            | 0            | 0                |
| Other                      | 7,554        | 828          | 426          | 0            | <u>78,000</u>    |
| Total                      | \$2,022,115  | \$2,045,461  | \$2,082,933  | \$2,905,644  | \$3,362,765      |
| <b>OPERATIONS FUND</b>     |              |              |              |              |                  |
| Property Tax               | \$1,681,235  | \$1,759,043  | \$1,794,174  | \$1,783,695  | \$1,955,870      |
| Financial Institution Tax  | 34,396       | 31,481       | 54,029       | 36,608       | 29,016           |
| Vehicle Excise Taxes       | 182,534      | 193,346      | 187,580      | 163,108      | 156,236          |
| State of Indiana Grants    | 0            | 0            | 0            | 0            | 0                |
| Other                      | 1,257,367    | 1,791,165    | 1,441,332    | 1,351,338    | <u>1,977,137</u> |
| Total                      | \$3,155,533  | \$3,775,035  | \$3,477,116  | \$3,334,749  | \$4,118,258      |
| <b>ALL OTHER FUNDS</b>     | \$1,049,265  | \$1,873,349  | \$7,963,709  | \$2,947,177  | \$4,596,862      |
| <b>TOTAL RECEIPTS</b>      | \$14,306,801 | \$16,216,460 | \$21,779,106 | \$17,761,977 | \$21,129,962     |
| <b>DISBURSEMENTS</b>       |              |              |              |              |                  |
| Education Fund             | \$7,739,707  | \$8,466,539  | \$8,323,023  | \$8,681,366  | \$9,340,329      |
| Debt Service Fund          | 2,402,721    | 1,964,466    | 1,838,171    | 3,294,714    | 3,683,264        |
| Operations Fund            | 3,510,681    | 4,157,091    | 3,413,933    | 3,431,733    | 3,956,726        |
| All Other Funds            | 1,895,648    | 2,990,120    | 4,040,398    | 3,756,898    | <u>3,082,938</u> |
| <b>TOTAL DISBURSEMENTS</b> | \$15,548,755 | \$17,578,216 | \$17,615,525 | \$19,164,711 | \$20,063,256     |

Source: School Corporation Biannual Financial Reports (Form 9) prepared by school officials for the Division of School Finance, computer printouts and journal records.

**ANTICIPATED RECIEPTS AND DISBURSEMENTS**  
**Calendar Year 2025 Budget**

|                          | <u>Education</u> | <u>Debt Service</u> | <u>Rainy Day</u> | <u>Operations</u> |
|--------------------------|------------------|---------------------|------------------|-------------------|
| <u>Receipts:</u>         |                  |                     |                  |                   |
| Property Taxes           | \$0              | \$3,500,601         | \$0              | \$2,089,982       |
| Bank & Excise            | 0                | 214,165             | 0                | 154,781           |
| State Grants             | 8,761,163        | 0                   | 0                | 0                 |
| Miscellaneous            | 200,000          | 0                   | 0                | 750,012           |
| Total                    | \$8,961,163      | \$3,714,766         | \$0              | \$2,994,775       |
| <br><u>Disbursements</u> | <br>\$8,741,368  | <br>\$3,471,783     | <br>\$250,000    | <br>\$3,362,694   |

Source: 1782 2025 Budget

**CASH BALANCES BY FUND**

Set forth in the following tabulation are the balances in the various funds of the School Corporation as of December 31 of the years indicated.

| <u>As of</u>   |                  | <u>Debt</u>    |                   | <u>All</u>   |              |
|----------------|------------------|----------------|-------------------|--------------|--------------|
| <u>Dec. 31</u> | <u>Education</u> | <u>Service</u> | <u>Operations</u> | <u>Other</u> | <u>Total</u> |
| 2020           | \$780,541        | \$472,867      | \$270,137         | \$1,505,757  | \$3,029,302  |
| 2021           | 756,392          | 494,601        | 252,120           | 164,432      | 1,667,545    |
| 2022           | 688,718          | 739,362        | 315,304           | 4,087,743    | 5,831,126    |
| 2023           | 581,759          | 350,293        | 218,319           | 3,278,021    | 4,428,392    |
| 2024           | 293,507          | 29,794         | 379,852           | 4,791,945    | 5,495,099    |

Source: Biannual Financial Reports (Form 9).

**STATE OF INDIANA PAYMENTS**

|             | <u>Basic</u>      |              |              |
|-------------|-------------------|--------------|--------------|
| <u>Year</u> | <u>Grants (1)</u> | <u>Other</u> | <u>Total</u> |
| 2020        | \$6,415,612       | \$143,486    | \$6,559,098  |
| 2021        | 7,075,211         | 347,358      | 7,422,569    |
| 2022        | 7,506,924         | 131,767      | 7,638,691    |
| 2023        | 8,088,636         | 120,000      | 8,208,636    |
| 2024        | 8,514,587         | 438,929      | 8,953,516    |
| 2025 (est)  | 8,379,368         | 381,795      | 8,761,163    |

The basic grant is for regular, handicapped and vocational instruction.

Source: School Corporation Biannual Financial Reports (Form 9) and Department of Local Government Finance (2025)

## APPENDIX B

### GENERAL INFORMATION ABOUT THE COMMUNITY

#### TOTAL TAX RATES

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

| <u>District Name</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Greensboro Township  | \$2.4325    | \$2.4580    | \$2.3940    | \$2.3208    | \$2.2351    |
| Shirley Town         | 4.6547      | 4.8961      | 4.5115      | 4.2459      | 3.9525      |
| Greensboro Corp      | 3.0749      | 3.1381      | 3.0208      | 2.9803      | 2.7454      |
| Kennard Town         | 3.2726      | 3.2694      | 3.0925      | 3.0446      | 2.9091      |
| Wayne Town           | 2.5276      | 2.5574      | 2.4777      | 2.4916      | 2.3641      |
| Knightstown Town     | 3.5528      | 3.6720      | 3.5510      | 3.5173      | 3.2222      |
| Ripley Township      | 2.1444      | 2.2005      | 2.1433      | 2.0915      | 1.9962      |
| Carthage Town        | 3.5073      | 2.5739      | 3.3140      | 3.1977      | 3.0554      |

*Source: Stats Indiana*

#### EMPLOYMENT STATISTICS AND PATTERNS

Total Covered Employment for the 1<sup>st</sup> quarter of 2025 was 13,707. Employment patterns for Henry County were:

| <u>Employment Category</u>                       | <u>Quarterly Wages</u> | <u>Number of Employees</u> | <u>% of Total Employment</u> |
|--------------------------------------------------|------------------------|----------------------------|------------------------------|
| Agriculture, Forestry, Fishing and Hunting       | \$1,328,624            | 118                        | 0.86%                        |
| Mining                                           | -                      | 0                          | 0.00%                        |
| Utilities                                        | 1,802,700              | 61                         | 0.45%                        |
| Construction                                     | 7,299,704              | 541                        | 3.95%                        |
| Manufacturing                                    | 48,948,037             | 3,230                      | 23.56%                       |
| Wholesale Trade                                  | 4,978,169              | 348                        | 2.54%                        |
| Retail Trade                                     | 14,293,461             | 1,702                      | 12.42%                       |
| Transportation & Warehousing                     | 4,526,903              | 298                        | 2.17%                        |
| Information                                      | 1,440,850              | 117                        | 0.85%                        |
| Finance and Insurance                            | 4,190,421              | 206                        | 1.50%                        |
| Real Estate and Rental and Leasing               | 1,120,409              | 121                        | 0.88%                        |
| Professional, Scientific, and Technical Services | 2,421,589              | 190                        | 1.39%                        |
| Management of Companies and Enterprises          | -                      | 0                          | 0.00%                        |
| Admin. & Support & Waste Mgt. & Rem. Services    | 8,770,236              | 638                        | 4.65%                        |
| Educational Services                             | 13,442,780             | 1,284                      | 9.37%                        |
| Health Care and Social Services                  | 36,823,634             | 2,467                      | 18.00%                       |
| Arts, Entertainment, and Recreation              | \$390,833              | 72                         | 0.53%                        |
| Accommodation and Food Services                  | 6,037,820              | 1,162                      | 8.48%                        |
| Other Services (Except Public Administration)    | 3,481,024              | 446                        | 3.25%                        |
| Public Administration                            | 8,619,962              | 706                        | 5.15%                        |
| Total                                            | \$169,917,156          | 13,707                     | 100.00%                      |

*Source: STATS Indiana*

Total Covered Employment for the 1<sup>st</sup> quarter of 2025 was 4,433. Employment patterns for Rush County were:

| <u>Employment Category</u>                       | <u>Quarterly Wages</u> | <u>Number of Employees</u> | <u>% of Total Employment</u> |
|--------------------------------------------------|------------------------|----------------------------|------------------------------|
| Agriculture, Forestry, Fishing and Hunting       | \$1,361,268            | 99                         | 2.23%                        |
| Mining                                           | -                      | 0                          | 0.00%                        |
| Utilities                                        | -                      | 0                          | 0.00%                        |
| Construction                                     | 4,367,542              | 279                        | 6.29%                        |
| Manufacturing                                    | 16,257,399             | 1,010                      | 22.78%                       |
| Wholesale Trade                                  | 3,228,049              | 202                        | 4.56%                        |
| Retail Trade                                     | 4,466,984              | 608                        | 13.72%                       |
| Transportation & Warehousing                     | 6,389,089              | 432                        | 9.75%                        |
| Information                                      | 984,173                | 67                         | 1.51%                        |
| Finance and Insurance                            | 2,043,222              | 83                         | 1.87%                        |
| Real Estate and Rental and Leasing               | 205,268                | 15                         | 0.34%                        |
| Professional, Scientific, and Technical Services | 1,617,436              | 124                        | 2.80%                        |
| Management of Companies and Enterprises          | 576,836                | 35                         | 0.79%                        |
| Admin. & Support & Waste Mgt. & Rem. Services    | 885,174                | 100                        | 2.26%                        |
| Educational Services                             | -                      | 0                          | 0.00%                        |
| Health Care and Social Services                  | 9,456,816              | 623                        | 14.05%                       |
| Arts, Entertainment, and Recreation              | 51,131                 | 8                          | 0.18%                        |
| Accommodation and Food Services                  | 1,403,123              | 280                        | 6.32%                        |
| Other Services (Except Public Administration)    | 1,170,018              | 134                        | 3.02%                        |
| Public Administration                            | 3,822,169              | 334                        | 7.53%                        |
| Total                                            | \$58,285,697           | 4,433                      | 100.00%                      |

Source: STATS Indiana

The following table shows the level of employment for Henry and Rush County, in comparison to the State of Indiana and the United States, each as reported by the Indiana Department of Workforce Development:

|                      | <u>Annual Averages</u> |             |             |             |                 |
|----------------------|------------------------|-------------|-------------|-------------|-----------------|
| <u>Henry County</u>  | <u>2021</u>            | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>Aug 2025</u> |
| Labor Force          | 20,868                 | 21,170      | 21,374      | 22,055      | 22,538          |
| Unemployed           | 781                    | 713         | 778         | 919         | 850             |
| Rate of Unemployment | 3.7%                   | 3.4%        | 3.6%        | 4.2%        | 3.8%            |
| <u>Rush County</u>   |                        |             |             |             |                 |
| Labor Force          | 7,950                  | 8,026       | 8,145       | 8,288       | 8,461           |
| Unemployed           | 267                    | 222         | 254         | 314         | 306             |
| Rate of Unemployment | 3.4%                   | 2.8%        | 3.1%        | 3.8%        | 3.6%            |
| State of Indiana     | 3.9%                   | 3.1%        | 3.3%        | 4.2%        | 3.8%            |
| United States        | 5.3%                   | 3.6%        | 3.6%        | 4.0%        | 4.5%            |

Source: Stats Indiana - U.S. Bureau of Labor Statistics

## TRANSPORATION

The interstates serving the School Corporation include Interstates 70, 465 and 65. Highways serving the School Corporation include 40, 52, 36, 234 and 9.

## FINANCIAL INSTITUTIONS

The following is a list of financial institutions which have locations in the School Corporation.

Citizens State Bank  
First Merchants bank  
Indiana Members Credit Union  
First Financial Bank  
STAR Financial Bank  
Woodforest National Bank

*Source: FDIC, BankFind Suite*

## UTILITIES

The following public utilities provide service within Henry and Rush County, Indiana:

|             |                                                                                         |
|-------------|-----------------------------------------------------------------------------------------|
| Telephone   | AT&T                                                                                    |
| Electric    | Duke Energy<br>Henry County REMC<br>Indiana Municipal Power Agency<br>RushShelby Energy |
| Natural Gas | VECTREN<br>Indiana Gas Company                                                          |
| Water/Sewer | City of New Castle<br>South Henry Regional Waste District                               |

## 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>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|--------------|-------------|-------------|-------------|-------------|-------------|
| Henry County | \$42,488    | \$46,170    | \$47,137    | \$48,320    | N/A         |
| Rush County  | 48,792      | 55,344      | 55,582      | 58,058      | N/A         |
| Indiana      | 51,716      | 56,931      | 58,329      | 61,083      | 63,802      |

*Source: Stats Indiana*

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**APPENDIX C**

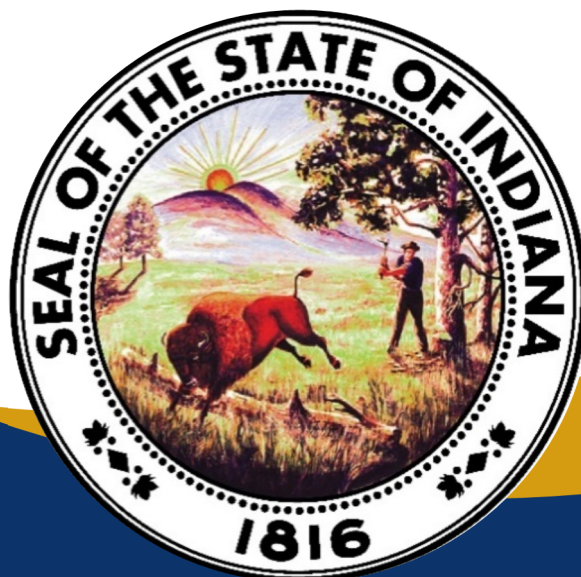
**AUDIT REPORT OF CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
AS OF JUNE 30, 2024**

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

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

FINANCIAL STATEMENT AND  
FEDERAL COMPLIANCE AUDIT REPORT  
OF

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
HENRY COUNTY, INDIANA  
July 1, 2022 to June 30, 2024



**FILED**

03/26/2025





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](http://www.in.gov/sboa)

March 26, 2025

To: The Officials of Charles A. Beard Memorial School Corporation  
Charles A. Beard Memorial School Corporation  
Henry County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Charles A. Beard Memorial School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) 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.

We call your attention to the findings included in the report on pages 34 through 37. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 38 and 39.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a supplemental report of Charles A. Beard Memorial School Corporation was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA  
Deputy State Examiner

**CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION**  
Henry County, Indiana

**FINANCIAL STATEMENT**  
As of June 30, 2024, and for the  
period of July 1, 2022 through June 30, 2024

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
Henry County, Indiana

FINANCIAL STATEMENT  
As of June 30, 2024, and for the  
period of July 1, 2022 through June 30, 2024

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CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
SCHEDULE OF OFFICIALS (Unaudited)  
For the period of July 1, 2022 through June 30, 2024

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| <u>Office</u>                 | <u>Official</u>                  | <u>Term</u>                                  |
|-------------------------------|----------------------------------|----------------------------------------------|
| Treasurer                     | Bryce Welsh<br>Stephanie Madison | 07-01-22 to 02-29-24<br>03-01-24 to 06-30-24 |
| Superintendent of Schools     | Jediah T. Behny                  | 07-01-22 to 06-30-24                         |
| President of the School Board | Wade Beatty                      | 01-01-20 to 12-31-24                         |

## INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance  
Charles A. Beard Memorial School Corporation  
Henry County, Indiana

**Report on the Audit of the Financial Statement*****Opinions***

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the Charles A. Beard Memorial School Corporation (the School Corporation) as of June 30, 2024, and for the period of July 1, 2022 through June 30, 2024, and the related notes to the financial statement.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 through June 30, 2024 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School Corporation as of June 30, 2024, or changes in net position for the period of July 1, 2022 through June 30, 2024.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits 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 opinion.

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

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

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(Continued)

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 and pervasive.

### ***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) as described in Note 1, and 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 opinion. 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 made by 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 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statement.

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(Continued)

The Schedule of Expenditures of Federal Awards 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 themselves, 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.

### ***Other Information***

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Other Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, but does not include the financial statement and our auditor's report thereon. Our opinion on the financial statement does 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 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 conclude 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 February 27 2025, 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 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.

  
Crowe LLP

Indianapolis, Indiana  
February 27, 2025

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2024, and for the period of July 1, 2022 through June 30, 2024

| <u>Fund</u>                      | <u>Cash and<br/>Investments<br/>07-01-2022</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Other<br/>Financing<br/>Sources (Uses)</u> | <u>Cash and<br/>Investments<br/>06-30-2023</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Other<br/>Financing<br/>Sources (Uses)</u> | <u>Cash and<br/>Investments<br/>06-30-2024</u> |
|----------------------------------|------------------------------------------------|-----------------|----------------------|-----------------------------------------------|------------------------------------------------|-----------------|----------------------|-----------------------------------------------|------------------------------------------------|
| Education Fund                   | \$ 708,236                                     | \$ 8,209,278    | \$ 7,352,683         | \$ (1,220,000)                                | \$ 344,831                                     | \$ 8,943,931    | \$ 8,069,249         | \$ (1,180,672)                                | \$ 38,841                                      |
| Debt Service                     | 815,928                                        | 2,528,651       | 2,467,831            | -                                             | 876,748                                        | 3,119,040       | 3,563,099            | -                                             | 432,689                                        |
| Operations Fund                  | 334,931                                        | 2,112,570       | 3,420,543            | 1,160,000                                     | 186,958                                        | 2,399,542       | 3,644,212            | 1,087,500                                     | 29,788                                         |
| Rainy Day                        | 319,276                                        | -               | -                    | 60,000                                        | 379,276                                        | -               | -                    | -                                             | 379,276                                        |
| Common School Fund (Const.)      | 23                                             | -               | -                    | -                                             | 23                                             | -               | -                    | -                                             | 23                                             |
| 2019 Go Bond                     | 285,765                                        | 286             | 311,127              | 17,278                                        | (7,798)                                        | -               | -                    | 7,798                                         | -                                              |
| 2022 Bonds                       | -                                              | 96,063          | 763,795              | 4,885,462                                     | 4,217,730                                      | 63,134          | 1,545,121            | (7,798)                                       | 2,727,945                                      |
| 2023 Bond                        | -                                              | -               | -                    | -                                             | -                                              | 8,199           | 276,089              | 1,100,000                                     | 832,110                                        |
| Food Service Fund                | 138,608                                        | 719,991         | 676,367              | -                                             | 182,232                                        | 697,764         | 800,745              | -                                             | 79,251                                         |
| Textbook Rental                  | 79,729                                         | 41,338          | 175,224              | -                                             | (54,157)                                       | 89,216          | 45,812               | -                                             | (10,753)                                       |
| Levy Excess                      | 2,188                                          | -               | -                    | -                                             | 2,188                                          | -               | -                    | -                                             | 2,188                                          |
| HCCF FAACS Grant                 | 4                                              | -               | -                    | -                                             | 4                                              | -               | -                    | -                                             | 4                                              |
| Music Grant                      | 1,057                                          | -               | 600                  | -                                             | 457                                            | -               | -                    | -                                             | 457                                            |
| Stacy's Closet                   | 4,633                                          | -               | 1,047                | -                                             | 3,586                                          | -               | -                    | -                                             | 3,586                                          |
| FFA Garden Grant                 | -                                              | 3,000           | 2,412                | -                                             | 588                                            | -               | -                    | -                                             | 588                                            |
| Educational License Plate Fee    | 413                                            | -               | -                    | -                                             | 413                                            | 19              | -                    | -                                             | 432                                            |
| 2017 Lilly Comp Counseling Ini   | -                                              | 1,232           | -                    | -                                             | 1,232                                          | -               | -                    | -                                             | 1,232                                          |
| Preschool Grant                  | 4,379                                          | -               | -                    | -                                             | 4,379                                          | -               | -                    | -                                             | 4,379                                          |
| Scripps Howard Spanish Grant     | 1,196                                          | -               | 1,196                | -                                             | -                                              | 1,242           | 882                  | -                                             | 360                                            |
| Negative Lunch Account Donations | 1,347                                          | 1,071           | 3,870                | 2,496                                         | 1,044                                          | -               | -                    | -                                             | 1,044                                          |
| Van Hoy Scholarship Fund         | -                                              | 2,000           | -                    | -                                             | 2,000                                          | 2,000           | 4,000                | -                                             | -                                              |
| Geo Group Foundation Scholarship | -                                              | 4,000           | -                    | -                                             | 4,000                                          | -               | -                    | -                                             | 4,000                                          |
| Gifts Donations                  | 5,323                                          | -               | -                    | -                                             | 5,323                                          | -               | -                    | -                                             | 5,323                                          |
| HCCF Canine Grant                | 242                                            | -               | -                    | -                                             | 242                                            | 1,000           | -                    | -                                             | 1,242                                          |
| United Way Summer Learning Grant | 3,633                                          | -               | -                    | -                                             | 3,633                                          | -               | -                    | -                                             | 3,633                                          |
| General Donations                | -                                              | 8,200           | 5,000                | -                                             | 3,200                                          | -               | -                    | -                                             | 3,200                                          |
| Golf Outing Fund                 | 4,054                                          | 9,527           | 3,999                | (2,496)                                       | 7,086                                          | 6,526           | 8,155                | -                                             | 5,457                                          |
| Scholarships And Awards          | 2,458                                          | 10,125          | -                    | -                                             | 12,583                                         | 11,750          | 14,232               | -                                             | 10,101                                         |
| Pioneer Case Scholarship         | 10,456                                         | 1,000           | 1,000                | -                                             | 10,456                                         | -               | 3,000                | -                                             | 7,456                                          |

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2024, and for the period of July 1, 2022 through June 30, 2024

| <u>Fund</u>                      | <u>Cash and<br/>Investments<br/>07-01-2022</u> | <u>Receipts</u>      | <u>Disbursements</u> | <u>Other<br/>Financing<br/>Sources (Uses)</u> | <u>Cash and<br/>Investments<br/>06-30-2023</u> | <u>Receipts</u>      | <u>Disbursements</u> | <u>Other<br/>Financing<br/>Sources (Uses)</u> | <u>Cash and<br/>Investments<br/>06-30-2024</u> |
|----------------------------------|------------------------------------------------|----------------------|----------------------|-----------------------------------------------|------------------------------------------------|----------------------|----------------------|-----------------------------------------------|------------------------------------------------|
| Formative Assessment Fund        | \$ 2,787                                       | \$ 458               | \$ 12,813            | \$ -                                          | \$ (9,568)                                     | \$ -                 | \$ 13,138            | \$ 12,126                                     | \$ (10,580)                                    |
| Early Literacy Achievement Grant | -                                              | -                    | -                    | -                                             | -                                              | -                    | 14,801               | 14,801                                        | -                                              |
| Robotics Grant                   | -                                              | -                    | -                    | -                                             | -                                              | 16,024               | 13,139               | -                                             | 2,885                                          |
| Career & Tech Innovation & Adv   | 12,126                                         | -                    | -                    | -                                             | 12,126                                         | -                    | -                    | (12,126)                                      | -                                              |
| Performance Based Awards 13/14   | 604                                            | 38,747               | 37,672               | -                                             | 1,679                                          | 38,434               | 37,872               | -                                             | 2,241                                          |
| High Ability                     | 1,753                                          | 24,699               | 11,670               | -                                             | 14,782                                         | 33,307               | 30,454               | (11,839)                                      | 5,796                                          |
| State Connectivity Grant         | 34,914                                         | 7,320                | 12,769               | -                                             | 29,465                                         | 24,780               | 7,175                | (1,629)                                       | 45,441                                         |
| Title I 2018-2019                | (48,035)                                       | 176,889              | 181,669              | -                                             | (52,815)                                       | 234,292              | 272,569              | 9,923                                         | (81,169)                                       |
| Title I 17/18                    | (1,916)                                        | -                    | -                    | -                                             | (1,916)                                        | -                    | -                    | 1,916                                         | -                                              |
| Title IV                         | (14,887)                                       | -                    | -                    | -                                             | (14,887)                                       | -                    | 27,437               | -                                             | (42,324)                                       |
| Title II FY16                    | -                                              | -                    | -                    | -                                             | -                                              | -                    | (52)                 | -                                             | 52                                             |
| Title II                         | (37,366)                                       | 46,872               | 36,117               | -                                             | (26,611)                                       | 52,684               | 47,502               | -                                             | (21,429)                                       |
| Education Excellence Grant       | -                                              | 255,000              | 316,475              | -                                             | (61,475)                                       | 244,999              | 189,751              | -                                             | (6,227)                                        |
| CARES Act                        | -                                              | 10,210               | 10,325               | -                                             | (115)                                          | -                    | -                    | -                                             | (115)                                          |
| ESSER II                         | (20,865)                                       | 33,504               | 52,961               | -                                             | (40,322)                                       | 11,464               | 4,900                | -                                             | (33,758)                                       |
| ESSER III                        | (122,658)                                      | 384,975              | 757,651              | -                                             | (495,334)                                      | 260,354              | 48,032               | 80,000                                        | (203,012)                                      |
| Prepaid Lunch Fund               | 5,144                                          | (3,238)              | 2,053                | -                                             | (147)                                          | 6,666                | 10,573               | -                                             | (4,054)                                        |
| Payroll Clearing Funds           | 159,090                                        | 2,023,985            | 1,970,389            | -                                             | 212,686                                        | 2,053,768            | 2,187,334            | -                                             | 79,120                                         |
| Totals                           | <u>\$ 2,694,570</u>                            | <u>\$ 16,747,753</u> | <u>\$ 18,589,258</u> | <u>\$ 4,902,740</u>                           | <u>\$ 5,755,805</u>                            | <u>\$ 18,320,135</u> | <u>\$ 20,879,221</u> | <u>\$ 1,100,000</u>                           | <u>\$ 4,296,719</u>                            |

See notes to financial statement.

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

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 basis of accounting also requires presentation of certain information as Other Information.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), 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. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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.

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

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

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

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

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

*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.

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(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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.

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.

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

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

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

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

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

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(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 School Corporation 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.

**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 Depositary 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.

The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School Corporation did not hold investments for the period under audit.

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(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**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.

The School Corporation has purchased insurance to address the risks described above.

**NOTE 6 - CASH BALANCE DEFICITS**

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2023, and 2024. The deficits in the Textbook Rental and Prepaid Lunch funds are the result of disbursements exceeding receipts due to under-estimating current requirements for those funds. These deficits will be repaid from future receipts.

**NOTE 7 - HOLDING CORPORATIONS**

The School Corporation has entered into a series of capital leases with the Knightstown High School 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 for the period July 1, 2022 through June 30, 2023 totaled \$763,500. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$1,360,500.

**NOTE 8 - PENSION PLANS**

**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.

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(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 8 - PENSION PLANS** (Continued)

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.

*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.

**Teachers' Retirement Fund**

*Plan Descriptions*

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.

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(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 8 - PENSION PLANS** (Continued)

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.

*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 DB 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 the 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 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 9 - SUBSEQUENT EVENT**

In October 2024, the School Corporation issued General Obligation Bonds in the amount of \$2,025,000 to finance capital improvements to school facilities and bus purchases.

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**OTHER INFORMATION (Unaudited)**

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended June 30, 2023

|                                                                                                         | Education<br>Fund | Debt Service | Operations<br>Fund | Rainy Day  | Common<br>School Fund<br>(Const.) | 2019 Go Bond | 2022 Bonds   | 2023 Bond | Food Service<br>Fund | Textbook<br>Rental | Levy Excess | HCCF FAACS<br>Grant |
|---------------------------------------------------------------------------------------------------------|-------------------|--------------|--------------------|------------|-----------------------------------|--------------|--------------|-----------|----------------------|--------------------|-------------|---------------------|
| Cash and investments - beginning                                                                        | \$ 708,236        | \$ 815,928   | \$ 334,931         | \$ 319,276 | \$ 23                             | \$ 285,765   | \$ -         | \$ -      | \$ 138,608           | \$ 79,729          | \$ 2,188    | \$ 4                |
| Receipts:                                                                                               |                   |              |                    |            |                                   |              |              |           |                      |                    |             |                     |
| Local sources                                                                                           | 2,111             | 2,528,651    | 2,051,924          | -          | -                                 | 286          | 96,063       | -         | 168,298              | 1,200              | -           | -                   |
| Intermediate sources                                                                                    | 51                | -            | -                  | -          | -                                 | -            | -            | -         | -                    | -                  | -           | -                   |
| State sources                                                                                           | 8,020,775         | -            | -                  | -          | -                                 | -            | -            | -         | 5,114                | 40,066             | -           | -                   |
| Federal sources                                                                                         | -                 | -            | -                  | -          | -                                 | -            | -            | -         | 512,372              | -                  | -           | -                   |
| Temporary loans                                                                                         | -                 | -            | -                  | -          | -                                 | -            | -            | -         | -                    | -                  | -           | -                   |
| Interfund loans                                                                                         | -                 | -            | -                  | -          | -                                 | -            | -            | -         | -                    | -                  | -           | -                   |
| Other receipts                                                                                          | 186,341           | -            | 60,646             | -          | -                                 | -            | -            | -         | 34,207               | 72                 | -           | -                   |
| Total receipts                                                                                          | 8,209,278         | 2,528,651    | 2,112,570          | -          | -                                 | 286          | 96,063       | -         | 719,991              | 41,338             | -           | -                   |
| Disbursements:                                                                                          |                   |              |                    |            |                                   |              |              |           |                      |                    |             |                     |
| Instruction                                                                                             | 5,514,212         | -            | -                  | -          | -                                 | -            | -            | -         | -                    | -                  | -           | -                   |
| Support services                                                                                        | 1,441,450         | -            | 3,225,956          | -          | -                                 | -            | 145,372      | -         | -                    | 175,224            | -           | -                   |
| Noninstructional services                                                                               | 397,021           | -            | 61,653             | -          | -                                 | -            | -            | -         | 676,367              | -                  | -           | -                   |
| Facilities acquisition and construction                                                                 | -                 | -            | 132,934            | -          | -                                 | 311,127      | 618,423      | -         | -                    | -                  | -           | -                   |
| Debt services                                                                                           | -                 | 2,467,831    | -                  | -          | -                                 | -            | -            | -         | -                    | -                  | -           | -                   |
| Nonprogrammed charges                                                                                   | -                 | -            | -                  | -          | -                                 | -            | -            | -         | -                    | -                  | -           | -                   |
| Interfund loans                                                                                         | -                 | -            | -                  | -          | -                                 | -            | -            | -         | -                    | -                  | -           | -                   |
| Total disbursements                                                                                     | 7,352,683         | 2,467,831    | 3,420,543          | -          | -                                 | 311,127      | 763,795      | -         | 676,367              | 175,224            | -           | -                   |
| Excess (deficiency) of receipts over disbursements                                                      | 856,595           | 60,820       | (1,307,973)        | -          | -                                 | (310,841)    | (667,732)    | -         | 43,624               | (133,886)          | -           | -                   |
| Other financing sources (uses):                                                                         |                   |              |                    |            |                                   |              |              |           |                      |                    |             |                     |
| Proceeds of long-term debt                                                                              | -                 | -            | -                  | -          | -                                 | -            | 4,902,740    | -         | -                    | -                  | -           | -                   |
| Sale of capital assets                                                                                  | -                 | -            | -                  | -          | -                                 | -            | -            | -         | -                    | -                  | -           | -                   |
| Transfers in                                                                                            | 100,000           | -            | 1,260,000          | 120,000    | -                                 | 17,278       | -            | -         | -                    | -                  | -           | -                   |
| Transfers out                                                                                           | (1,320,000)       | -            | (100,000)          | (60,000)   | -                                 | -            | (17,278)     | -         | -                    | -                  | -           | -                   |
| Total other financing sources (uses)                                                                    | (1,220,000)       | -            | 1,160,000          | 60,000     | -                                 | 17,278       | 4,885,462    | -         | -                    | -                  | -           | -                   |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (363,405)         | 60,820       | (147,973)          | 60,000     | -                                 | (293,563)    | 4,217,730    | -         | 43,624               | (133,886)          | -           | -                   |
| Cash and investments - ending                                                                           | \$ 344,831        | \$ 876,748   | \$ 186,958         | \$ 379,276 | \$ 23                             | \$ (7,798)   | \$ 4,217,730 | \$ -      | \$ 182,232           | \$ (54,157)        | \$ 2,188    | \$ 4                |

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended June 30, 2023

|                                                                                                         | Music Grant | Stacy's Closet | FFA Garden Grant | Educational License Plate Fee | 2017 Lilly Comp Counseling Ini | Preschool Grant | Scripps Howard Spanish Grant | Negative Lunch Account Donations | Van Hoy Scholarship Fund | Geo Group Foundation Scholarship | Gifts Donations | HCCF Canine Grant |
|---------------------------------------------------------------------------------------------------------|-------------|----------------|------------------|-------------------------------|--------------------------------|-----------------|------------------------------|----------------------------------|--------------------------|----------------------------------|-----------------|-------------------|
| Cash and investments - beginning                                                                        | \$ 1,057    | \$ 4,633       | \$ -             | \$ 413                        | \$ -                           | \$ 4,379        | \$ 1,196                     | \$ 1,347                         | \$ -                     | \$ -                             | \$ 5,323        | \$ 242            |
| Receipts:                                                                                               |             |                |                  |                               |                                |                 |                              |                                  |                          |                                  |                 |                   |
| Local sources                                                                                           | -           | -              | 3,000            | -                             | 1,232                          | -               | -                            | 1,071                            | 2,000                    | -                                | -               | -                 |
| Intermediate sources                                                                                    | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| State sources                                                                                           | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | 4,000                            | -               | -                 |
| Federal sources                                                                                         | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Temporary loans                                                                                         | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Interfund loans                                                                                         | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Other receipts                                                                                          | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Total receipts                                                                                          | -           | -              | 3,000            | -                             | 1,232                          | -               | -                            | 1,071                            | 2,000                    | 4,000                            | -               | -                 |
| Disbursements:                                                                                          |             |                |                  |                               |                                |                 |                              |                                  |                          |                                  |                 |                   |
| Instruction                                                                                             | 600         | -              | 2,412            | -                             | -                              | -               | 1,196                        | -                                | -                        | -                                | -               | -                 |
| Support services                                                                                        | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Noninstructional services                                                                               | -           | 1,047          | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Facilities acquisition and construction                                                                 | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Debt services                                                                                           | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Nonprogrammed charges                                                                                   | -           | -              | -                | -                             | -                              | -               | -                            | 3,870                            | -                        | -                                | -               | -                 |
| Interfund loans                                                                                         | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Total disbursements                                                                                     | 600         | 1,047          | 2,412            | -                             | -                              | -               | 1,196                        | 3,870                            | -                        | -                                | -               | -                 |
| Excess (deficiency) of receipts over disbursements                                                      | (600)       | (1,047)        | 588              | -                             | 1,232                          | -               | (1,196)                      | (2,799)                          | 2,000                    | 4,000                            | -               | -                 |
| Other financing sources (uses):                                                                         |             |                |                  |                               |                                |                 |                              |                                  |                          |                                  |                 |                   |
| Proceeds of long-term debt                                                                              | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Sale of capital assets                                                                                  | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Transfers in                                                                                            | -           | -              | -                | -                             | -                              | -               | -                            | 3,870                            | -                        | -                                | -               | -                 |
| Transfers out                                                                                           | -           | -              | -                | -                             | -                              | -               | -                            | (1,374)                          | -                        | -                                | -               | -                 |
| Total other financing sources (uses)                                                                    | -           | -              | -                | -                             | -                              | -               | -                            | 2,496                            | -                        | -                                | -               | -                 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (600)       | (1,047)        | 588              | -                             | 1,232                          | -               | (1,196)                      | (303)                            | 2,000                    | 4,000                            | -               | -                 |
| Cash and investments - ending                                                                           | \$ 457      | \$ 3,586       | \$ 588           | \$ 413                        | \$ 1,232                       | \$ 4,379        | \$ -                         | \$ 1,044                         | \$ 2,000                 | \$ 4,000                         | \$ 5,323        | \$ 242            |

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended June 30, 2023

|                                                                                                         | United Way<br>Summer Learning<br>Grant | General<br>Donations | Golf Outing<br>Fund | Scholarships<br>And Awards | Pioneer Case<br>Scholarship | Formative<br>Assessment<br>Fund | Early Literacy<br>Achievement<br>Grant | Robotics<br>Grant | Career & Tech<br>Innovation &<br>Adv | Performance<br>Based Awards<br>13/14 | High Ability | State<br>Connectivity<br>Grant |
|---------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------|---------------------|----------------------------|-----------------------------|---------------------------------|----------------------------------------|-------------------|--------------------------------------|--------------------------------------|--------------|--------------------------------|
| Cash and investments - beginning                                                                        | \$ 3,633                               | \$ -                 | \$ 4,054            | \$ 2,458                   | \$ 10,456                   | \$ 2,787                        | \$ -                                   | \$ -              | \$ 12,126                            | \$ 604                               | \$ 1,753     | \$ 34,914                      |
| Receipts:                                                                                               |                                        |                      |                     |                            |                             |                                 |                                        |                   |                                      |                                      |              |                                |
| Local sources                                                                                           | -                                      | -                    | -                   | 10,125                     | 1,000                       | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Intermediate sources                                                                                    | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| State sources                                                                                           | -                                      | 8,200                | -                   | -                          | -                           | 458                             | -                                      | -                 | -                                    | 38,747                               | 24,699       | 7,320                          |
| Federal sources                                                                                         | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Temporary loans                                                                                         | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Interfund loans                                                                                         | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Other receipts                                                                                          | -                                      | -                    | 9,527               | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Total receipts                                                                                          | -                                      | 8,200                | 9,527               | 10,125                     | 1,000                       | 458                             | -                                      | -                 | -                                    | 38,747                               | 24,699       | 7,320                          |
| Disbursements:                                                                                          |                                        |                      |                     |                            |                             |                                 |                                        |                   |                                      |                                      |              |                                |
| Instruction                                                                                             | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | 37,672                               | 11,670       | -                              |
| Support services                                                                                        | -                                      | -                    | -                   | -                          | -                           | 12,813                          | -                                      | -                 | -                                    | -                                    | -            | 12,769                         |
| Noninstructional services                                                                               | -                                      | 5,000                | 3,999               | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Facilities acquisition and construction                                                                 | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Debt services                                                                                           | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Nonprogrammed charges                                                                                   | -                                      | -                    | -                   | -                          | 1,000                       | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Interfund loans                                                                                         | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Total disbursements                                                                                     | -                                      | 5,000                | 3,999               | -                          | 1,000                       | 12,813                          | -                                      | -                 | -                                    | 37,672                               | 11,670       | 12,769                         |
| Excess (deficiency) of receipts over disbursements                                                      | -                                      | 3,200                | 5,528               | 10,125                     | -                           | (12,355)                        | -                                      | -                 | -                                    | 1,075                                | 13,029       | (5,449)                        |
| Other financing sources (uses):                                                                         |                                        |                      |                     |                            |                             |                                 |                                        |                   |                                      |                                      |              |                                |
| Proceeds of long-term debt                                                                              | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Sale of capital assets                                                                                  | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Transfers in                                                                                            | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Transfers out                                                                                           | -                                      | -                    | (2,496)             | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Total other financing sources (uses)                                                                    | -                                      | -                    | (2,496)             | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -                                      | 3,200                | 3,032               | 10,125                     | -                           | (12,355)                        | -                                      | -                 | -                                    | 1,075                                | 13,029       | (5,449)                        |
| Cash and investments - ending                                                                           | \$ 3,633                               | \$ 3,200             | \$ 7,086            | \$ 12,583                  | \$ 10,456                   | \$ (9,568)                      | \$ -                                   | \$ -              | \$ 12,126                            | \$ 1,679                             | \$ 14,782    | \$ 29,465                      |

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended June 30, 2023

|                                                                                                         | Title I 2018-<br>2019 | Title I 17/18 | Title IV    | Title II FY16 | Title II    | Education<br>Excellence<br>Grant | CARES Act | ESSER II    | ESSER III    | Prepaid Lunch<br>Fund | Payroll Clearing<br>Funds | Totals       |
|---------------------------------------------------------------------------------------------------------|-----------------------|---------------|-------------|---------------|-------------|----------------------------------|-----------|-------------|--------------|-----------------------|---------------------------|--------------|
| Cash and investments - beginning                                                                        | \$ (48,035)           | \$ (1,916)    | \$ (14,887) | \$ -          | \$ (37,366) | \$ -                             | \$ -      | \$ (20,865) | \$ (122,658) | \$ 5,144              | \$ 159,090                | \$ 2,694,570 |
| Receipts:                                                                                               |                       |               |             |               |             |                                  |           |             |              |                       |                           |              |
| Local sources                                                                                           | -                     | -             | -           | -             | -           | -                                | -         | -           | -            | -                     | -                         | 4,866,961    |
| Intermediate sources                                                                                    | -                     | -             | -           | -             | -           | -                                | -         | -           | -            | -                     | -                         | 51           |
| State sources                                                                                           | -                     | -             | -           | -             | -           | -                                | -         | -           | -            | -                     | -                         | 8,149,379    |
| Federal sources                                                                                         | 176,889               | -             | -           | -             | 46,872      | 255,000                          | 10,210    | 33,504      | 384,975      | -                     | -                         | 1,419,822    |
| Temporary loans                                                                                         | -                     | -             | -           | -             | -           | -                                | -         | -           | -            | -                     | -                         | -            |
| Interfund loans                                                                                         | -                     | -             | -           | -             | -           | -                                | -         | -           | -            | -                     | -                         | -            |
| Other receipts                                                                                          | -                     | -             | -           | -             | -           | -                                | -         | -           | -            | (3,238)               | 2,023,985                 | 2,311,540    |
| Total receipts                                                                                          | 176,889               | -             | -           | -             | 46,872      | 255,000                          | 10,210    | 33,504      | 384,975      | (3,238)               | 2,023,985                 | 16,747,753   |
| Disbursements:                                                                                          |                       |               |             |               |             |                                  |           |             |              |                       |                           |              |
| Instruction                                                                                             | 176,551               | -             | -           | -             | -           | 243,000                          | 10,325    | -           | 344,901      | -                     | -                         | 6,342,539    |
| Support services                                                                                        | 4,000                 | -             | -           | -             | 36,117      | 73,475                           | -         | 26,425      | 358,944      | -                     | -                         | 5,512,545    |
| Noninstructional services                                                                               | 1,118                 | -             | -           | -             | -           | -                                | -         | -           | -            | -                     | -                         | 1,146,205    |
| Facilities acquisition and construction                                                                 | -                     | -             | -           | -             | -           | -                                | -         | 26,536      | 53,806       | -                     | -                         | 1,142,826    |
| Debt services                                                                                           | -                     | -             | -           | -             | -           | -                                | -         | -           | -            | -                     | -                         | 2,467,831    |
| Nonprogrammed charges                                                                                   | -                     | -             | -           | -             | -           | -                                | -         | -           | -            | -                     | -                         | 4,870        |
| Interfund loans                                                                                         | -                     | -             | -           | -             | -           | -                                | -         | -           | -            | 2,053                 | 1,970,389                 | 1,972,442    |
| Total disbursements                                                                                     | 181,669               | -             | -           | -             | 36,117      | 316,475                          | 10,325    | 52,961      | 757,651      | 2,053                 | 1,970,389                 | 18,589,258   |
| Excess (deficiency) of receipts over disbursements                                                      | (4,780)               | -             | -           | -             | 10,755      | (61,475)                         | (115)     | (19,457)    | (372,676)    | (5,291)               | 53,596                    | (1,841,505)  |
| Other financing sources (uses):                                                                         |                       |               |             |               |             |                                  |           |             |              |                       |                           |              |
| Proceeds of long-term debt                                                                              | -                     | -             | -           | -             | -           | -                                | -         | -           | -            | -                     | -                         | 4,902,740    |
| Sale of capital assets                                                                                  | -                     | -             | -           | -             | -           | -                                | -         | -           | -            | -                     | -                         | -            |
| Transfers in                                                                                            | 190,363               | -             | -           | -             | -           | -                                | -         | -           | -            | -                     | -                         | 1,691,511    |
| Transfers out                                                                                           | (190,363)             | -             | -           | -             | -           | -                                | -         | -           | -            | -                     | -                         | (1,691,511)  |
| Total other financing sources (uses)                                                                    | -                     | -             | -           | -             | -           | -                                | -         | -           | -            | -                     | -                         | 4,902,740    |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (4,780)               | -             | -           | -             | 10,755      | (61,475)                         | (115)     | (19,457)    | (372,676)    | (5,291)               | 53,596                    | 3,061,235    |
| Cash and investments - ending                                                                           | \$ (52,815)           | \$ (1,916)    | \$ (14,887) | \$ -          | \$ (26,611) | \$ (61,475)                      | \$ (115)  | \$ (40,322) | \$ (495,334) | \$ (147)              | \$ 212,686                | \$ 5,755,805 |

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2024

|                                                                                                         | Education<br>Fund | Debt Service | Operations<br>Fund | Rainy Day  | Common<br>School Fund<br>(Const.) | 2019 Go Bond | 2022 Bonds   | 2023 Bond  | Food Service<br>Fund | Textbook Rental | Levy Excess | HCCF FAACS<br>Grant |
|---------------------------------------------------------------------------------------------------------|-------------------|--------------|--------------------|------------|-----------------------------------|--------------|--------------|------------|----------------------|-----------------|-------------|---------------------|
| Cash and investments - beginning                                                                        | \$ 344,831        | \$ 876,748   | \$ 186,958         | \$ 379,276 | \$ 23                             | \$ (7,798)   | \$ 4,217,730 | \$ -       | \$ 182,232           | \$ (54,157)     | \$ 2,188    | \$ 4                |
| Receipts:                                                                                               |                   |              |                    |            |                                   |              |              |            |                      |                 |             |                     |
| Local sources                                                                                           | 12,616            | 3,119,040    | 2,265,804          | -          | -                                 | -            | 63,134       | 8,199      | 12,317               | 636             | -           | -                   |
| Intermediate sources                                                                                    | 101               | -            | -                  | -          | -                                 | -            | -            | -          | -                    | -               | -           | -                   |
| State sources                                                                                           | 8,594,847         | -            | -                  | -          | -                                 | -            | -            | -          | -                    | 88,580          | -           | -                   |
| Federal sources                                                                                         | -                 | -            | -                  | -          | -                                 | -            | -            | -          | 668,199              | -               | -           | -                   |
| Temporary loans                                                                                         | -                 | -            | -                  | -          | -                                 | -            | -            | -          | -                    | -               | -           | -                   |
| Interfund loans                                                                                         | -                 | -            | -                  | -          | -                                 | -            | -            | -          | -                    | -               | -           | -                   |
| Other receipts                                                                                          | 336,367           | -            | 133,738            | -          | -                                 | -            | -            | -          | 17,248               | -               | -           | -                   |
| Total receipts                                                                                          | 8,943,931         | 3,119,040    | 2,399,542          | -          | -                                 | -            | 63,134       | 8,199      | 697,764              | 89,216          | -           | -                   |
| Disbursements:                                                                                          |                   |              |                    |            |                                   |              |              |            |                      |                 |             |                     |
| Instruction                                                                                             | 5,980,995         | -            | -                  | -          | -                                 | -            | -            | -          | -                    | -               | -           | -                   |
| Support services                                                                                        | 1,638,284         | -            | 3,422,515          | -          | -                                 | -            | 323,100      | -          | -                    | 45,812          | -           | -                   |
| Noninstructional services                                                                               | 449,970           | -            | 60,132             | -          | -                                 | -            | -            | -          | 800,745              | -               | -           | -                   |
| Facilities acquisition and construction                                                                 | -                 | -            | 63,555             | -          | -                                 | -            | 1,222,021    | 276,089    | -                    | -               | -           | -                   |
| Debt services                                                                                           | -                 | 3,563,099    | 98,010             | -          | -                                 | -            | -            | -          | -                    | -               | -           | -                   |
| Nonprogrammed charges                                                                                   | -                 | -            | -                  | -          | -                                 | -            | -            | -          | -                    | -               | -           | -                   |
| Interfund loans                                                                                         | -                 | -            | -                  | -          | -                                 | -            | -            | -          | -                    | -               | -           | -                   |
| Total disbursements                                                                                     | 8,069,249         | 3,563,099    | 3,644,212          | -          | -                                 | -            | 1,545,121    | 276,089    | 800,745              | 45,812          | -           | -                   |
| Excess (deficiency) of receipts over disbursements                                                      | 874,682           | (444,059)    | (1,244,670)        | -          | -                                 | -            | (1,481,987)  | (267,890)  | (102,981)            | 43,404          | -           | -                   |
| Other financing sources (uses):                                                                         |                   |              |                    |            |                                   |              |              |            |                      |                 |             |                     |
| Proceeds of long-term debt                                                                              | -                 | -            | -                  | -          | -                                 | -            | -            | 1,100,000  | -                    | -               | -           | -                   |
| Sale of capital assets                                                                                  | -                 | -            | -                  | -          | -                                 | -            | -            | -          | -                    | -               | -           | -                   |
| Transfers in                                                                                            | 1,629             | -            | 1,165,500          | -          | -                                 | 7,798        | -            | -          | -                    | -               | -           | -                   |
| Transfers out                                                                                           | (1,182,301)       | -            | (78,000)           | -          | -                                 | -            | (7,798)      | -          | -                    | -               | -           | -                   |
| Total other financing sources (uses)                                                                    | (1,180,672)       | -            | 1,087,500          | -          | -                                 | 7,798        | (7,798)      | 1,100,000  | -                    | -               | -           | -                   |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (305,990)         | (444,059)    | (157,170)          | -          | -                                 | 7,798        | (1,489,785)  | 832,110    | (102,981)            | 43,404          | -           | -                   |
| Cash and investments - ending                                                                           | \$ 38,841         | \$ 432,689   | \$ 29,788          | \$ 379,276 | \$ 23                             | \$ -         | \$ 2,727,945 | \$ 832,110 | \$ 79,251            | \$ (10,753)     | \$ 2,188    | \$ 4                |

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended June 30, 2024

|                                                                                                         | Music Grant | Stacy's Closet | FFA Garden Grant | Educational License Plate Fee | 2017 Lilly Comp Counseling Ini | Preschool Grant | Scripps Howard Spanish Grant | Negative Lunch Account Donations | Van Hoy Scholarship Fund | Geo Group Foundation Scholarship | Gifts Donations | HCCF Canine Grant |
|---------------------------------------------------------------------------------------------------------|-------------|----------------|------------------|-------------------------------|--------------------------------|-----------------|------------------------------|----------------------------------|--------------------------|----------------------------------|-----------------|-------------------|
| Cash and investments - beginning                                                                        | \$ 457      | \$ 3,586       | \$ 588           | \$ 413                        | \$ 1,232                       | \$ 4,379        | \$ -                         | \$ 1,044                         | \$ 2,000                 | \$ 4,000                         | \$ 5,323        | \$ 242            |
| Receipts:                                                                                               |             |                |                  |                               |                                |                 |                              |                                  |                          |                                  |                 |                   |
| Local sources                                                                                           | -           | -              | -                | -                             | -                              | -               | 1,242                        | -                                | 2,000                    | -                                | -               | 1,000             |
| Intermediate sources                                                                                    | -           | -              | -                | 19                            | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| State sources                                                                                           | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Federal sources                                                                                         | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Temporary loans                                                                                         | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Interfund loans                                                                                         | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Other receipts                                                                                          | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Total receipts                                                                                          | -           | -              | -                | 19                            | -                              | -               | 1,242                        | -                                | 2,000                    | -                                | -               | 1,000             |
| Disbursements:                                                                                          |             |                |                  |                               |                                |                 |                              |                                  |                          |                                  |                 |                   |
| Instruction                                                                                             | -           | -              | -                | -                             | -                              | -               | 882                          | -                                | -                        | -                                | -               | -                 |
| Support services                                                                                        | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Noninstructional services                                                                               | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Facilities acquisition and construction                                                                 | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Debt services                                                                                           | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Nonprogrammed charges                                                                                   | -           | -              | -                | -                             | -                              | -               | -                            | -                                | 4,000                    | -                                | -               | -                 |
| Interfund loans                                                                                         | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Total disbursements                                                                                     | -           | -              | -                | -                             | -                              | -               | 882                          | -                                | 4,000                    | -                                | -               | -                 |
| Excess (deficiency) of receipts over disbursements                                                      | -           | -              | -                | 19                            | -                              | -               | 360                          | -                                | (2,000)                  | -                                | -               | 1,000             |
| Other financing sources (uses):                                                                         |             |                |                  |                               |                                |                 |                              |                                  |                          |                                  |                 |                   |
| Proceeds of long-term debt                                                                              | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Sale of capital assets                                                                                  | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Transfers in                                                                                            | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Transfers out                                                                                           | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Total other financing sources (uses)                                                                    | -           | -              | -                | -                             | -                              | -               | -                            | -                                | -                        | -                                | -               | -                 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -           | -              | -                | 19                            | -                              | -               | 360                          | -                                | (2,000)                  | -                                | -               | 1,000             |
| Cash and investments - ending                                                                           | \$ 457      | \$ 3,586       | \$ 588           | \$ 432                        | \$ 1,232                       | \$ 4,379        | \$ 360                       | \$ 1,044                         | \$ -                     | \$ 4,000                         | \$ 5,323        | \$ 1,242          |

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended June 30, 2024

|                                                                                                         | United Way<br>Summer Learning<br>Grant | General<br>Donations | Golf Outing<br>Fund | Scholarships<br>And Awards | Pioneer Case<br>Scholarship | Formative<br>Assessment<br>Fund | Early Literacy<br>Achievement<br>Grant | Robotics<br>Grant | Career & Tech<br>Innovation &<br>Adv | Performance<br>Based Awards<br>13/14 | High Ability | State<br>Connectivity<br>Grant |
|---------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------|---------------------|----------------------------|-----------------------------|---------------------------------|----------------------------------------|-------------------|--------------------------------------|--------------------------------------|--------------|--------------------------------|
| Cash and investments - beginning                                                                        | \$ 3,633                               | \$ 3,200             | \$ 7,086            | \$ 12,583                  | \$ 10,456                   | \$ (9,568)                      | \$ -                                   | \$ -              | \$ 12,126                            | \$ 1,679                             | \$ 14,782    | \$ 29,465                      |
| Receipts:                                                                                               |                                        |                      |                     |                            |                             |                                 |                                        |                   |                                      |                                      |              |                                |
| Local sources                                                                                           | -                                      | -                    | -                   | 11,750                     | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Intermediate sources                                                                                    | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| State sources                                                                                           | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | 16,024            | -                                    | 38,434                               | 33,307       | 24,780                         |
| Federal sources                                                                                         | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Temporary loans                                                                                         | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Interfund loans                                                                                         | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Other receipts                                                                                          | -                                      | -                    | 6,526               | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Total receipts                                                                                          | -                                      | -                    | 6,526               | 11,750                     | -                           | -                               | -                                      | 16,024            | -                                    | 38,434                               | 33,307       | 24,780                         |
| Disbursements:                                                                                          |                                        |                      |                     |                            |                             |                                 |                                        |                   |                                      |                                      |              |                                |
| Instruction                                                                                             | -                                      | -                    | -                   | -                          | -                           | -                               | 14,728                                 | 13,139            | -                                    | 37,872                               | 30,454       | -                              |
| Support services                                                                                        | -                                      | -                    | -                   | -                          | -                           | 13,138                          | 73                                     | -                 | -                                    | -                                    | -            | 7,175                          |
| Noninstructional services                                                                               | -                                      | -                    | 8,155               | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Facilities acquisition and construction                                                                 | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Debt services                                                                                           | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Nonprogrammed charges                                                                                   | -                                      | -                    | -                   | 14,232                     | 3,000                       | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Interfund loans                                                                                         | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Total disbursements                                                                                     | -                                      | -                    | 8,155               | 14,232                     | 3,000                       | 13,138                          | 14,801                                 | 13,139            | -                                    | 37,872                               | 30,454       | 7,175                          |
| Excess (deficiency) of receipts over disbursements                                                      | -                                      | -                    | (1,629)             | (2,482)                    | (3,000)                     | (13,138)                        | (14,801)                               | 2,885             | -                                    | 562                                  | 2,853        | 17,605                         |
| Other financing sources (uses):                                                                         |                                        |                      |                     |                            |                             |                                 |                                        |                   |                                      |                                      |              |                                |
| Proceeds of long-term debt                                                                              | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Sale of capital assets                                                                                  | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | -                                    | -                                    | -            | -                              |
| Transfers in                                                                                            | -                                      | -                    | -                   | -                          | -                           | 12,126                          | 14,801                                 | -                 | -                                    | -                                    | 25,892       | -                              |
| Transfers out                                                                                           | -                                      | -                    | -                   | -                          | -                           | -                               | -                                      | -                 | (12,126)                             | -                                    | (37,731)     | (1,629)                        |
| Total other financing sources (uses)                                                                    | -                                      | -                    | -                   | -                          | -                           | 12,126                          | 14,801                                 | -                 | (12,126)                             | -                                    | (11,839)     | (1,629)                        |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | -                                      | -                    | (1,629)             | (2,482)                    | (3,000)                     | (1,012)                         | -                                      | 2,885             | (12,126)                             | 562                                  | (8,986)      | 15,976                         |
| Cash and investments - ending                                                                           | \$ 3,633                               | \$ 3,200             | \$ 5,457            | \$ 10,101                  | \$ 7,456                    | \$ (10,580)                     | \$ -                                   | \$ 2,885          | \$ -                                 | \$ 2,241                             | \$ 5,796     | \$ 45,441                      |

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
(USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended June 30, 2024

|                                                                                                         | Title I 2018-2019 | Title I 17/18 | Title IV    | Title II FY16 | Title II    | Education<br>Excellence Grant | CARES Act | ESSER II    | ESSER III    | Prepaid Lunch<br>Fund | Payroll Clearing<br>Funds | Totals       |
|---------------------------------------------------------------------------------------------------------|-------------------|---------------|-------------|---------------|-------------|-------------------------------|-----------|-------------|--------------|-----------------------|---------------------------|--------------|
| Cash and investments - beginning                                                                        | \$ (52,815)       | \$ (1,916)    | \$ (14,887) | \$ -          | \$ (26,611) | \$ (61,475)                   | \$ (115)  | \$ (40,322) | \$ (495,334) | \$ (147)              | \$ 212,686                | \$ 5,755,805 |
| Receipts:                                                                                               |                   |               |             |               |             |                               |           |             |              |                       |                           |              |
| Local sources                                                                                           | -                 | -             | -           | -             | -           | -                             | -         | -           | -            | -                     | -                         | 5,497,738    |
| Intermediate sources                                                                                    | -                 | -             | -           | -             | -           | -                             | -         | -           | -            | -                     | -                         | 120          |
| State sources                                                                                           | -                 | -             | -           | -             | -           | -                             | -         | -           | -            | -                     | -                         | 8,795,972    |
| Federal sources                                                                                         | 234,292           | -             | -           | -             | 52,684      | 244,999                       | -         | 11,464      | 260,354      | -                     | -                         | 1,471,992    |
| Temporary loans                                                                                         | -                 | -             | -           | -             | -           | -                             | -         | -           | -            | -                     | -                         | -            |
| Interfund loans                                                                                         | -                 | -             | -           | -             | -           | -                             | -         | -           | -            | -                     | -                         | -            |
| Other receipts                                                                                          | -                 | -             | -           | -             | -           | -                             | -         | -           | -            | 6,666                 | 2,053,768                 | 2,554,313    |
| Total receipts                                                                                          | 234,292           | -             | -           | -             | 52,684      | 244,999                       | -         | 11,464      | 260,354      | 6,666                 | 2,053,768                 | 18,320,135   |
| Disbursements:                                                                                          |                   |               |             |               |             |                               |           |             |              |                       |                           |              |
| Instruction                                                                                             | 257,929           | -             | 27,437      | -             | -           | 69,000                        | -         | -           | 135,760      | -                     | -                         | 6,568,196    |
| Support services                                                                                        | 10,000            | -             | -           | (52)          | 47,502      | 120,751                       | -         | 4,900       | (7,532)      | -                     | -                         | 5,625,666    |
| Noninstructional services                                                                               | 4,640             | -             | -           | -             | -           | -                             | -         | -           | -            | -                     | -                         | 1,323,642    |
| Facilities acquisition and construction                                                                 | -                 | -             | -           | -             | -           | -                             | -         | -           | (80,196)     | -                     | -                         | 1,481,469    |
| Debt services                                                                                           | -                 | -             | -           | -             | -           | -                             | -         | -           | -            | -                     | -                         | 3,661,109    |
| Nonprogrammed charges                                                                                   | -                 | -             | -           | -             | -           | -                             | -         | -           | -            | -                     | -                         | 21,232       |
| Interfund loans                                                                                         | -                 | -             | -           | -             | -           | -                             | -         | -           | -            | 10,573                | 2,187,334                 | 2,197,907    |
| Total disbursements                                                                                     | 272,569           | -             | 27,437      | (52)          | 47,502      | 189,751                       | -         | 4,900       | 48,032       | 10,573                | 2,187,334                 | 20,879,221   |
| Excess (deficiency) of receipts over disbursements                                                      | (38,277)          | -             | (27,437)    | 52            | 5,182       | 55,248                        | -         | 6,564       | 212,322      | (3,907)               | (133,566)                 | (2,559,086)  |
| Other financing sources (uses):                                                                         |                   |               |             |               |             |                               |           |             |              |                       |                           |              |
| Proceeds of long-term debt                                                                              | -                 | -             | -           | -             | -           | -                             | -         | -           | -            | -                     | -                         | 1,100,000    |
| Sale of capital assets                                                                                  | -                 | -             | -           | -             | -           | -                             | -         | -           | -            | -                     | -                         | -            |
| Transfers in                                                                                            | 55,286            | 1,916         | -           | -             | 22,678      | -                             | -         | -           | 80,000       | -                     | -                         | 1,387,626    |
| Transfers out                                                                                           | (45,363)          | -             | -           | -             | (22,678)    | -                             | -         | -           | -            | -                     | -                         | (1,387,626)  |
| Total other financing sources (uses)                                                                    | 9,923             | 1,916         | -           | -             | -           | -                             | -         | -           | 80,000       | -                     | -                         | 1,100,000    |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (28,354)          | 1,916         | (27,437)    | 52            | 5,182       | 55,248                        | -         | 6,564       | 292,322      | (3,907)               | (133,566)                 | (1,459,086)  |
| Cash and investments - ending                                                                           | \$ (81,169)       | \$ -          | \$ (42,324) | \$ 52         | \$ (21,429) | \$ (6,227)                    | \$ (115)  | \$ (33,758) | \$ (203,012) | \$ (4,054)            | \$ 79,120                 | \$ 4,296,719 |

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2024

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| <u>Government or Enterprise</u> | <u>Accounts<br/>Payable</u> | <u>Accounts<br/>Receivable</u> |
|---------------------------------|-----------------------------|--------------------------------|
| Governmental activities         | \$ <u>228,645</u>           | \$ <u>14,063</u>               |

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2024

| <u>Lessor</u>                         | <u>Purpose</u>        | <u>Annual<br/>Lease<br/>Payment</u> | <u>Lease<br/>Beginning<br/>Date</u> | <u>Lease<br/>Ending<br/>Date</u> |
|---------------------------------------|-----------------------|-------------------------------------|-------------------------------------|----------------------------------|
| Governmental activities:              |                       |                                     |                                     |                                  |
| Knightstown High School Bldg Corp     | High School 2009 QSCB | \$ 163,125                          | 12/30/2009                          | 1/1/2025                         |
| Knightstown High School Building Corp | 2022 Bond Series      | <u>1,096,000</u>                    | 9/28/2022                           | 1/10/2031                        |
| Total governmental activities         |                       | <u>1,259,125</u>                    |                                     |                                  |
| Total of annual lease payments        |                       | <u>\$ 1,259,125</u>                 |                                     |                                  |

| <u>Description of Debt</u>    |                               | <u>Ending<br/>Principal<br/>Balance</u> | <u>Principal Due<br/>Within One<br/>Year</u> |
|-------------------------------|-------------------------------|-----------------------------------------|----------------------------------------------|
| <u>Type</u>                   | <u>Purpose</u>                |                                         |                                              |
| Governmental activities:      |                               |                                         |                                              |
| General Obligation Bonds      | 2019 General Obligation Bonds | \$ 645,000                              | \$ 645,000                                   |
| General Obligation Bonds      | 2023 General Obligation Bonds | 895,000                                 | 220,000                                      |
| Notes and Loans Payable       | CSF A0471                     | 1,204,200                               | 267,600                                      |
| Notes and Loans Payable       | CSF A0488                     | -                                       | -                                            |
| Notes and Loans Payable       | CSF A0501                     | <u>-</u>                                | <u>-</u>                                     |
| Total governmental activities |                               | <u>2,744,200</u>                        | <u>1,132,600</u>                             |
| Totals                        |                               | <u>\$ 2,744,200</u>                     | <u>\$ 1,132,600</u>                          |

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2024

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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.

|                                    | <u>Ending<br/>Balance</u>       |
|------------------------------------|---------------------------------|
| Governmental activities:           |                                 |
| Land                               | \$ 436,350                      |
| Infrastructure                     | 929,926                         |
| Buildings                          | 25,537,525                      |
| Improvements other than buildings  | 1,131,199                       |
| Machinery, equipment, and vehicles | 3,590,381                       |
| Construction in progress           | <u>266,000</u>                  |
| <br>Total governmental activities  | <br><u>31,891,381</u>           |
| <br>Total capital assets           | <br><u><u>\$ 31,891,381</u></u> |

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
STATE REPORTING INFORMATION  
July 1, 2022 - June 30, 2024

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*Financial Statement and Accompanying Notes:*

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

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/>.

*Indiana Department of Education Reporting:*

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

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

The other information on the IDOE website and on the Indiana Gateway for Government Units presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

| <u>Federal Grantor Agency</u><br><u>Cluster Title/Program Title/Project Title</u> | <u>Pass-Through Entity or Direct Grant</u> | <u>Assistance Listing Number</u> | <u>Pass-Through Entity (or Other) Identifying Number</u> | <u>Total Federal Awards Expended 06-30-23</u> | <u>Total Federal Awards Expended 06-30-24</u> | <u>Total Federal Awards Expended 7-01-2022 to 06-30-24</u> |
|-----------------------------------------------------------------------------------|--------------------------------------------|----------------------------------|----------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|------------------------------------------------------------|
| <u>Department of Agriculture</u>                                                  |                                            |                                  |                                                          |                                               |                                               |                                                            |
| Child Nutrition Cluster                                                           | Indiana Department of Education            |                                  |                                                          |                                               |                                               |                                                            |
| School Breakfast Program                                                          |                                            | 10.553                           | FY2023, FY2024                                           | \$ 101,699                                    | \$ 133,686                                    | \$ 235,385                                                 |
| National School Lunch Program                                                     |                                            | 10.555                           | FY2023, FY2024                                           | 423,088                                       | 496,229                                       | 919,317                                                    |
| Commodities                                                                       |                                            | 10.555                           | FY2023, FY2024                                           | 42,287                                        | 52,006                                        | 94,293                                                     |
| Fresh Fruit and Vegetable Program                                                 |                                            | 10.582                           | FY2024                                                   | -                                             | 36,804                                        | 36,804                                                     |
| Total - Child Nutrition Cluster                                                   |                                            |                                  |                                                          | 567,074                                       | 718,725                                       | 1,285,799                                                  |
| Pandemic EBT Administrative Costs                                                 | Indiana Department of Education            |                                  |                                                          |                                               |                                               |                                                            |
| P-EBT Administrative Cost Grant                                                   |                                            | 10.649                           | FY2023                                                   | 628                                           | -                                             | 628                                                        |
| Total - Department of Agriculture                                                 |                                            |                                  |                                                          | 567,702                                       | 718,725                                       | 1,286,427                                                  |
| <u>Department of Education</u>                                                    |                                            |                                  |                                                          |                                               |                                               |                                                            |
| Special Education Cluster (IDEA)                                                  |                                            |                                  |                                                          |                                               |                                               |                                                            |
| Special Education Grants to States                                                | Indiana Department of Education            |                                  |                                                          |                                               |                                               |                                                            |
| IDEA, Part B                                                                      |                                            | 84.027                           | 22611-040-PN01                                           | 134,377                                       | -                                             | 134,377                                                    |
| COVID-19 - Supplemental Funding - IDEA, Part B                                    |                                            | 84.027X                          | 22611-040-ARP                                            | 27,539                                        | 10,053                                        | 37,592                                                     |
| IDEA, Part B                                                                      |                                            | 84.027                           | 23611-040-PN01                                           | 132,794                                       | 187,553                                       | 320,347                                                    |
| IDEA, Part B                                                                      |                                            | 84.027                           | 24611-040-PN01                                           | -                                             | 124,567                                       | 124,567                                                    |
| Total - Special Education Grants to States                                        |                                            |                                  |                                                          | 294,710                                       | 322,173                                       | 616,883                                                    |
| Special Education Preschool Grants                                                | Indiana Department of Education            |                                  |                                                          |                                               |                                               |                                                            |
| IDEA, Preschool                                                                   |                                            | 84.173                           | 22619-040-PN01                                           | 6,186                                         | -                                             | 6,186                                                      |
| COVID-19 - Supplemental Funding - IDEA, Preschool                                 |                                            | 84.173X                          | 22619-040-ARP                                            | 361                                           | -                                             | 361                                                        |
| IDEA, Preschool                                                                   |                                            | 84.173                           | 23619-040-PN01                                           | 10,689                                        | 9,075                                         | 19,764                                                     |
| IDEA, Preschool                                                                   |                                            | 84.173                           | 24619-040-PN01                                           | -                                             | 12,859                                        | 12,859                                                     |
| Total - Special Education Preschool Grants                                        |                                            |                                  |                                                          | 17,236                                        | 21,934                                        | 39,170                                                     |
| Total - Special Education Cluster (IDEA)                                          |                                            |                                  |                                                          | 311,946                                       | 344,107                                       | 656,053                                                    |

(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

| Federal Grantor Agency<br>Cluster Title/Program Title/Project Title                        | Pass-Through Entity or Direct Grant | Assistance<br>Listing<br>Number | Pass-Through<br>Entity (or Other)<br>Identifying<br>Number | Total<br>Federal Awards<br>Expended<br>06-30-23 | Total<br>Federal Awards<br>Expended<br>06-30-24 | Total<br>Federal Awards<br>Expended<br>7-01-2022 to<br>06-30-24 |
|--------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------|------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------|
| Title I Grants to Local Educational Agencies                                               | Indiana Department of Education     |                                 |                                                            |                                                 |                                                 |                                                                 |
| Title I, Part A                                                                            |                                     | 84.010A                         | S010A210014                                                | \$ 97,159                                       | \$ -                                            | \$ 97,159                                                       |
| Title I, Part A                                                                            |                                     | 84.010A                         | S010A220014                                                | 79,731                                          | 101,908                                         | 181,639                                                         |
| Title I, Part A                                                                            |                                     | 84.010A                         | S010A230014                                                | -                                               | 132,384                                         | 132,384                                                         |
| Total - Title I Grants to Local Educational Agencies                                       |                                     |                                 |                                                            | 176,890                                         | 234,292                                         | 411,182                                                         |
| Supporting Effective Instruction State Grants                                              | Indiana Department of Education     |                                 |                                                            |                                                 |                                                 |                                                                 |
| Title II, Part A                                                                           |                                     | 84.367A                         | S367A220013                                                | -                                               | 4,422                                           | 4,422                                                           |
| Title II, Part A                                                                           |                                     | 84.367A                         | S367A190013                                                | 24,344                                          | -                                               | 24,344                                                          |
| Title II, Part A                                                                           |                                     | 84.367A                         | S367A210013                                                | 22,528                                          | 11,795                                          | 34,323                                                          |
| Title II, Part A                                                                           |                                     | 84.367A                         | S367A200013                                                | -                                               | 36,467                                          | 36,467                                                          |
| Total - Supporting Effective Instruction State Grants                                      |                                     |                                 |                                                            | 46,872                                          | 52,684                                          | 99,556                                                          |
| COVID-19 - Education Stabilization Fund                                                    | Indiana Department of Education     |                                 |                                                            |                                                 |                                                 |                                                                 |
| Elementary and Secondary School Emergency Relief (ESSER I) Fund                            |                                     | 84.425D                         | S425D200013                                                | 10,210                                          | -                                               | 10,210                                                          |
| Elementary and Secondary School Emergency Relief (ESSER II) Fund                           |                                     | 84.425D                         | S425D210013                                                | 33,504                                          | 11,464                                          | 44,968                                                          |
| American Rescue Plan Elementary and Secondary School<br>Elementary Relief (ARP ESSER) Fund |                                     | 84.425U                         | S425U210013                                                | 376,898                                         | 260,354                                         | 637,252                                                         |
| Educational Excellence                                                                     |                                     | 84.425U                         | S425U210013                                                | 255,000                                         | 244,999                                         | 499,999                                                         |
| Total - COVID-19 - Education Stabilization Fund                                            |                                     |                                 |                                                            | 675,612                                         | 516,817                                         | 1,192,429                                                       |
| Total - Department of Education                                                            |                                     |                                 |                                                            | 1,211,320                                       | 1,147,900                                       | 2,359,220                                                       |
| Total federal awards expended                                                              |                                     |                                 |                                                            | \$ 1,779,022                                    | \$ 1,866,625                                    | \$ 3,645,647                                                    |

See accompanying notes to the schedule of expenditure of federal awards.

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

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**NOTE 1 - BASIS OF PRESENTATION**

*A. Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the period of July 1, 2022 through June 30, 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 nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

*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 Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

**NOTE 2 - INDIRECT COST RATE**

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

**NOTE 3 - OTHER INFORMATION**

The School Corporation did not have any subrecipient activity for the period of July 1, 2022 through June 30, 2024.

**NOTE 4 - NON-CASH PROGRAMS (COMMODITIES)**

Commodities donated to the School Corporation by the U.S. Department of Agriculture (USDA) of \$94,293 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).

**NOTE 5 - SPECIAL EDUCATION COOPERATIVE**

The School Corporation is a member of the New Castle Area Special Services (Cooperative), which operates the special education program for the School Corporation. 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. That activity is reported on the financial statement of the Cooperative.

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

Those Charged with Governance  
Charles A. Beard Memorial School Corporation  
Henry County, Indiana

We have audited, in accordance with the 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 Charles A. Beard Memorial School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through 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 February 27, 2025.

**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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from 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 financial statement. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## School Corporation's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's response to the finding identified in our audit and 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 the financial statements and, accordingly, we express no opinion on the response.

## 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Indianapolis, Indiana  
February 27, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE

Those Charged with Governance  
Charles A. Beard Memorial School Corporation  
Henry County, Indiana

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Charles A. Beard Memorial School Corporation's (School Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the School Corporation's major federal programs for the period of July 1, 2022 through June 30, 2024. The School Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2022 through June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

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.

***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.

### **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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a material weakness.

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(Continued)

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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* requires the auditor to perform limited procedures on the School Corporation's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The School Corporation is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The School Corporation's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

  
Crowe LLP

Indianapolis, Indiana  
February 27, 2025

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section I – Summary of Auditor's Results**

***Financial Statement***

Type of auditor's report issued: Adverse as to GAAP, Unmodified  
as to regulatory basis

Internal control over financial reporting:

|                                                                                  |                   |                            |
|----------------------------------------------------------------------------------|-------------------|----------------------------|
| Material weakness(es) identified?                                                | <u>  X  </u> Yes  | <u>      </u> No           |
| Significant deficiencies identified not<br>considered to be material weaknesses? | <u>      </u> Yes | <u>  X  </u> None Reported |

|                                                         |                   |                 |
|---------------------------------------------------------|-------------------|-----------------|
| Noncompliance material to financial statement<br>noted? | <u>      </u> Yes | <u>  X  </u> No |
|---------------------------------------------------------|-------------------|-----------------|

***Federal Awards***

Internal control over major programs:

|                                                                                  |                   |                            |
|----------------------------------------------------------------------------------|-------------------|----------------------------|
| Material weakness(es) identified?                                                | <u>  X  </u> Yes  | <u>      </u> No           |
| Significant deficiencies identified not<br>considered to be material weaknesses? | <u>      </u> Yes | <u>  X  </u> None Reported |

Type of auditor's report issued on compliance for  
major programs: Unmodified

|                                                                                                         |                  |                  |
|---------------------------------------------------------------------------------------------------------|------------------|------------------|
| Any audit findings disclosed that are required to<br>be reported in accordance with<br>2CFR 200.516(a)? | <u>  X  </u> Yes | <u>      </u> No |
|---------------------------------------------------------------------------------------------------------|------------------|------------------|

Identification of major programs:

|                                  |                                           |
|----------------------------------|-------------------------------------------|
| <u>Assistance Listing Number</u> | <u>Name of Federal Program or Cluster</u> |
| 10.553, 10.555, 10.582           | Child Nutrition Cluster                   |
| 84.425D, 84.425U                 | COVID-19 - Education Stabilization Fund   |

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

|                                        |                   |                 |
|----------------------------------------|-------------------|-----------------|
| Auditee qualified as low-risk auditee? | <u>      </u> Yes | <u>  X  </u> No |
|----------------------------------------|-------------------|-----------------|

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(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section II – Financial Statement Findings**

**FINDING 2024-001**

Subject: Preparation of the Annual Financial Report  
Audit Findings: Material Weakness

**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. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduce here for reference purposes:  
...

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, ..."

**Condition:** The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

**Cause:** Management had not established a system of internal control that would have ensured proper reporting of the AFR.

**Context:** The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

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(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section II – Financial Statement Findings** (Continued)

**FINDING 2024-001** (Continued)

For the period of July 1, 2022 to June 30, 2023, the receipt and disbursement, amounts were understated by \$2,020,774 and \$1,976,312 respectively. The beginning July 1, 2022 balance was understated by \$164,234. The net impact on the ending June 30, 2023 cash balance was an understatement of \$44,462.

For the period of July 1, 2023 to June 30, 2024, the receipt and disbursement, amounts were understated by \$2,060,434 and \$2,197,907 respectively. The beginning July 1, 2023 balance was understated by \$44,462. The net impact on the ending June 30, 2024 cash balance was and overstatement of \$93,011.

The adjustments were related to the Prepaid Lunch Fund and Payroll Clearing funds which were improperly excluded from the AFR. Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement to correct the issues noted above.

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

**Identification as a repeat finding, if applicable:** No.

**Recommendation:** We recommended that the School Corporation's management establish a formal review over the AFR financial statement submission to ensure amounts reported are accurate and agree to underlying fund ledgers. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the financial statement agree to the supporting fund ledger detail.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

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(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section III – Federal Award Findings and Questioned Costs**

**FINDING 2024-002**

**Information on the federal program:**

Subject: COVID-19 – Education Stabilization Fund – Reporting  
Federal Agency: Department of Education  
Federal Program: COVID-19 – Education Stabilization Fund  
Assistance Listing Number: 84.425D, 84.425U  
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425D210013, S425U210013  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Finding: Material Weakness

**Criteria:** 2 CFR section 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 awards 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 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 Financial reporting . . . ."

34 CFR 76.722 states:

"A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

**Condition:** An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirements.

**Cause:** The School District's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

**Effect:** The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. Internal controls were not adequate to detect and prevent errors in annual data submitted to the Indiana Department of Education.

**Questioned Costs:** There were no questioned costs identified.

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(Continued)

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section III – Federal Award Findings and Questioned Costs** (Continued)

**FINDING 2024-002** (Continued)

**Context:** The School Corporation had not designed nor implemented a system of internal control to ensure that the annual Elementary and Secondary School Emergency Relief (ESSER) annual Data Collection reports (Reports) were complete and accurately submitted. The reports were prepared and submitted in JotForm, the online application used by the Indiana Department of Education to collect information, without an oversight or secondary review process in place to prevent or detect and correct errors.

During the testing of the annual data reports, variances were noted in the amounts expended reported on the Year 4 annual data report for the ESSER I and the Year 3 annual data reports for ESSER II and ESSER III grant awards when compared to underlying disbursement detail for the grant funds covering the period of July 1, 2022 through June 30, 2023. The amounts reported as expended in the annual data reports were underreported by \$504,240 compared to underlying funds ledger detail.

**Identification as a repeat finding, if applicable:** No.

**Recommendation:** We recommend someone other than the preparer of the report perform a documented, secondary review of the report information prior to submission to validate the accuracy and completeness of the data submitted.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

# **Charles A. Beard Memorial School Corporation**

8139 W US Hwy 40  
Knightstown, Indiana 46148

## School Board

Wade Beatty, President  
Tom Schaetzle, Vice President  
Melissa Toth, Secretary  
Gerald Leonard  
Cynthia Neal  
Graham Richardson  
Monica Van Hoy



Jediah Behny  
Superintendent

Voice: 765-345-5101  
Fax: 765-345-5103

## **CORRECTIVE ACTION PLAN**

### ***FINDING 2024-001***

Contact Person Responsible for Corrective Action: Stephanie Madison  
Contact Phone Number: 765-345-5101

Views of Responsible Official:  
We concur with the finding.

### **Description of Corrective Action Plan:**

The Treasurer will prepare the Annual Financial report, and provide the draft report along with all supporting documentation to the Superintendent for review and approval. His/her approval will be documented before submission of the report.

Anticipated Completion Date: 2/21/2025

# **Charles A. Beard Memorial School Corporation**

8139 W US Hwy 40  
Knightstown, Indiana 46148

## School Board

Wade Beatty, President  
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Jediah Behny  
Superintendent

Voice: 765-345-5101  
Fax: 765-345-5103

## **CORRECTIVE ACTION PLAN**

### ***FINDING 2024-002***

Contact Person Responsible for Corrective Action: Stephanie Madison  
Contact Phone Number: 765-345-5101

Views of Responsible Official:  
We concur with the finding.

### **Description of Corrective Action Plan:**

This is isolated to FY23 reporting. Internal controls over ESSER reporting were not implemented by previous business office personnel. Corrective action involves the Treasurer preparing the reporting, reviewing the reports with the Superintendent, and confirming accuracy before submitting to the Department of Education. The approval is documented. This was implemented for Year 4 reporting submitted April 23, 2024.

Completion Date: 4/23/2024

# Charles A. Beard Memorial School Corporation

8139 W US Hwy 40  
Knights town, Indiana 46148

## School Board

Wade Beatty, President  
Tom Schaetzle, Vice President  
Melissa Toth, Secretary  
Gerald Leonard  
Cynthia Neal  
Monica Van Hoy  
Graham Richardson



Jediah Behny  
Superintendent

Voice: 765-345-5101  
Fax: 765-345-5103

## **SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

### **FINDING 2022-001**

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

**Condition:** 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).

**Context:** 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.

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

1. The Title I Grants to Local Educational Agencies expenditures were overstated by \$11,716 for fiscal year 2020-2021, and understated by \$123,850 for 2021-2022.
2. The National School Lunch Program commodities were overstated by \$15,160 for 2020-2021 and omitted for 2021-2022, which understated expenditures by \$63,165.
3. The School Breakfast Program expenditures were understated by \$7,944 and \$121,307 for 2020-2021 and 2021-2022, respectively.
4. The National School Lunch Program expenditures were overstated by \$347,849, and the Summer Food Service Program for Children expenditures were understated by \$347,849 due to reporting the incorrect program. In addition, the National School Lunch Program expenditures were understated by \$50,452 for 2020-2021, and overstated by \$88,538 for 2021-2022.
5. The Special Education Grants to States expenditures were understated by \$167,593 and \$127,108 for 2020-2021 and 2021-2022, respectively.
6. The Special Education Preschool Grants expenditures were overstated by \$167,597 and \$127,108 for 2020-2021 and 2021-2022, respectively.
7. The Supporting Effective Instruction State Grants expenditures were overstated by \$2,726 and \$10,128 for 2020-2021 and 2021-2022, respectively.
8. The COVID-19 - Educational Stabilization Fund expenditures were overstated by \$512,108 for 2020-2021, and understated by \$512,000 for 2021-2022.
9. Other errors included incorrect program names and award numbers. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

**Status:** Resolved.

## **FINDING 2022-002**

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program, COVID-19 - National School Lunch Program

Assistance Listings Numbers: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 21-22

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

**Condition:** An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Federal regulations allow for informal procurement methods when the value of the procurement for property or services does not exceed the simplified acquisition threshold, which is set at \$250,000. However, Indiana Code 5-22-8 has a more restrictive threshold of \$150,000. This informal process allows for methods other than the formal bid process. The informal process is divided between two methods based on thresholds. Micro-purchases, typically for those purchases \$10,000 or under, and small purchase procedures for those purchases above the micro-purchase threshold, but below the simplified acquisition threshold. Micro-purchases may be awarded without soliciting competitive price rate quotations. If small purchase procedures are used, then price or rate quotations must be obtained from an adequate number of qualified sources.

**Context:** The School Corporation did not properly procure one of seven vendors tested that were less than the simplified acquisition threshold of \$150,000, but exceeded the \$10,000 micro-purchase threshold. The vendor was paid \$72,780; however, a contract was not awarded as specified by Indiana code. As such, the School Corporation did not verify that the vendor was not excluded or disqualified from participation in federal assistance programs or activities. The lack of effective internal controls and noncompliance were isolated to the vendor noted above during fiscal year 2021-2022.

**Status:** Resolved.

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## APPENDIX D

### CONTINUING DISCLOSURE CONTRACT

This Continuing Disclosure Contract (this “Contract”) is made this \_\_\_ day of September, 2025, from the Charles A. Beard Memorial School Corporation, Henry/Rush Counties, Indiana (the “Promisor”), to each registered owner or holder of any Bond (as hereinafter defined) (each, a “Promisee”);

WITNESSETH THAT:

WHEREAS, the Knightstown High School Building Corporation, an Indiana nonprofit corporation (the “Issuer”), is issuing its Ad Valorem Property Tax First Mortgage Bonds, Series 2025, issued on the date hereof (the “Bonds”), pursuant to a Trust Indenture, dated as of October 1, 2001 (the “Original Indenture”), as supplemented and amended by a First Supplemental Trust Indenture, dated as of July 1, 2009 (the “First Supplemental Indenture”), a Second Supplemental Trust Indenture, dated as of December 1, 2009 (the “Second Supplemental Indenture”), a Third Supplemental Trust Indenture, dated as of September 1, 2022 (the “Third Supplemental Indenture”), and a Fourth Supplemental Trust Indenture, dated as of \_\_\_\_\_, 2025 (the “Fourth Supplemental Indenture”) (the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture, the “Indenture”), each of which is by and between the Issuer and The Bank of New York Mellon Trust Company, N.A. (successor to Bank One Trust Company, National Association), as trustee (the “Trustee”); and

WHEREAS, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) is, in connection with an offering of the Bonds directly or indirectly by or on behalf of the Issuer, purchasing the Bonds from the Issuer and selling the Bonds to certain purchasers; and

WHEREAS, Rule 15c2-12 (the “Rule”), promulgated by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Act”), provides that, except as otherwise provided in the Rule, a participating underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an offering (as defined in the Rule) unless the participating underwriter has reasonably determined that an issuer of municipal securities (as defined in the Rule) or an obligated person (as defined in the Rule) for whom financial or operating data is presented in the final official statement (as defined in the Rule) has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide certain information; and

WHEREAS, the Promisor desires to enter into this Contract in order to assist the Underwriter in complying with subsection (b)(5) of the Rule; and

WHEREAS, any registered owner or holder of any Bond shall, by its payment for and acceptance of such Bond, accept and assent to this Contract and the exchange of (i) such payment and acceptance for (ii) the promises of the Promisor contained herein;

NOW, THEREFORE, in consideration of the Underwriter’s and any Promisee’s payment for and acceptance of the Bonds, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Promisor hereby promises to each Promisee as follows:

Section 1. Definitions. The terms defined herein, including the terms defined above and in this Section 1, shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Any terms defined in the Rule, but not otherwise defined herein, shall have the meanings specified in the Rule unless the context or use clearly indicates another or different meaning or intent.

- (a) “Bond” shall mean any of the Bonds.

- (b) “Bondholder” shall mean any registered or beneficial owner or holder of any Bond.
- (c) Final Official Statement” shall mean the Official Statement, dated \_\_\_\_\_, 2025, relating to the Bonds, including any document included therein by specific reference which is available to the public on the MSRB’s Internet Web site or filed with the Commission.
- (d) “Financial Obligation” shall mean (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of either clause (i) or (ii); provided, however, “Financial Obligation” shall not include any municipal securities (as defined in the Act) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.
- (e) “Fiscal Year” of any person shall mean any period from time to time adopted by such person as its fiscal year for accounting purposes, which as of the date of this Contract for this Contract and all prior undertakings shall be July 1 through and including the immediately following June 30.
- (f) “MSRB” shall mean the Municipal Securities Rulemaking Board.
- (g) “Obligated Person” shall mean any person who is either generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Bonds (other than any providers of municipal bond insurance, letters of credit or liquidity facilities), for whom financial information or operating data is presented in the Final Official Statement.
- (h) “State” shall mean the State of Indiana.

Section 2. Term. The term of this Contract shall commence on the date of delivery of the Bonds by the Issuer to the Underwriter and shall expire on the earlier of (a) the date of payment in full of principal of and premium, if any, and interest on the Bonds, whether upon scheduled maturity, redemption, acceleration or otherwise, or (b) the date of defeasance of the Bonds in accordance with the terms of the Indenture.

Section 3. Obligated Person(s). The Promisor hereby represents and warrants that, as of the date hereof:

The only Obligated Person with respect to the Bonds is the Promisor; and

During the previous five years, the Obligated Person has not failed to comply, in all material respects, with one or more of its previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12.

Section 4. Undertaking to Provide Information.

- (a) The Promisor hereby undertakes to provide the following to the MSRB in an electronic format as prescribed by the MSRB, either directly or indirectly through a registrar or designated agent, for the Promisor:

- (i) Annual Financial Information. No later than June 30, as long as the Fiscal Year of such Obligated Person ends on December 31, or within six months after the close of each Fiscal Year of such Obligated Person if the Fiscal Year ends on a date other than December 31, beginning with the Fiscal Year ending in the year in which the Bonds are issued, the unaudited financial statements of such Obligated Person for such Fiscal Year (except to the extent the audited financial statements for such Fiscal Year are available) and financial information and operating data of the Obligated Person of the type provided under the following headings in Appendix A of the Final Official Statement, as applicable:
  - (A) “Enrollment;”
  - (B) “Schedule of Historical Net Assessed Valuation;”
  - (C) “School Tax Rates;”
  - (D) “Property Taxes Levied and Collected;”
  - (E) “Large Taxpayers;”
  - (F) “Cash Balances by Fund;”
  - (G) “State of Indiana Payments”

(the financial information and operating data set forth in Section 4(a)(i) hereof, collectively, the “Annual Financial Information”);
- (ii) If not submitted as part of the Annual Financial Information, then when and if available, audited financial statements for such Obligated Person;
- (iii) Within 10 business days of the occurrence of any of the following events with respect to the Bonds, if material (which determination of materiality shall be made by the Promisor in accordance with the standards established by federal securities laws):
  - 1. Non-payment related defaults;
  - 2. Modifications to rights of Bondholders;
  - 3. Bond calls (other than mandatory, scheduled redemptions, not otherwise contingent upon the occurrence of an event, the terms of which redemptions are set forth in detail in the Final Official Statement);
  - 4. Release, substitution or sale of property securing repayment of the Bonds;
  - 5. The consummation of a merger, consolidation, or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary

course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

6. Appointment of a successor or additional trustee or the change of name of a trustee; and
  7. Incurrence of a Financial Obligation of the Obligated Person or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Obligated Person, any of which affect Bondholders;
- (iv) Within 10 business days of the occurrence of any of the following events with respect to the Bonds, regardless of materiality:
- Principal and interest payment delinquencies;
8. Unscheduled draws on debt service reserves reflecting financial difficulties;
  9. Unscheduled draws on credit enhancements reflecting financial difficulties;
  10. Substitution of credit or liquidity providers, or their failure to perform;
  11. Defeasances;
  12. Rating changes;
  13. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
  14. Tender offers;
  15. Bankruptcy, insolvency, receivership or similar events of the Obligated Person; and
  16. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties; and
- (v) In a timely manner, notice of a failure of such Obligated Person to provide required Annual Financial Information or audited financial statements, on or before the date specified in this Contract.

- (b) Any financial statements of any Obligated Person provided pursuant to subsection (a)(i) of this Section 4 shall be prepared in accordance with any accounting principles mandated by the laws of the State, as in effect from time to time, or any other consistent accounting principles that enable market participants to evaluate results and perform year to year comparisons, but need not be audited.
- (c) Any Annual Financial Information or audited financial statements may be set forth in a document or set of documents, or may be included by specific reference to a document or set of documents available to the public on the MRSB's Internet Web site or filed with the Commission.
- (d) If any Annual Financial Information otherwise required by subsection (a)(i) of this Section 4 no longer can be generated because the operations to which it relates have been materially changed or discontinued, a statement to that effect shall be deemed to satisfy the requirements of such subsection.
- (e) All documents provided to the MSRB under this Contract shall be accompanied by identifying information as prescribed by the MSRB.

Section 5. Termination of Obligation. The obligation to provide Annual Financial Information, audited financial statements and notices of events under Section 4(a) hereof shall terminate with respect to any Obligated Person, if and when such Obligated Person no longer remains an obligated person (as defined in the Rule) with respect to the Bonds.

Section 6. Bondholders. Each Bondholder is an intended beneficiary of the obligations of the Promisor under this Contract, such obligations create a duty in the Promisor to each Bondholder to perform such obligations, and each Bondholder shall have the right to enforce such duty.

Section 7. Limitation of Rights. Nothing expressed or implied in this Contract is intended to give, or shall give, to the Issuer, the Underwriter, the Commission or any Obligated Person, or any underwriters, brokers or dealers, or any other person, other than the Promisor, each Promisee and each Bondholder, any legal or equitable right, remedy or claim under or with respect to this Contract or any rights or obligations hereunder. This Contract and the rights and obligations hereunder are intended to be, and shall be, for the sole and exclusive benefit of the Promisor, each Promisee and each Bondholder.

Section 8. Remedies.

- (a) The sole and exclusive remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Contract shall be the remedy of specific performance by the Promisor of such obligation. Neither any Promisee nor any Bondholder shall have any right to monetary damages or any other remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Contract, except the remedy of specific performance by the Promisor of such obligation.
- (b) No breach or violation by the Promisor of any obligation of the Promisor under this Contract shall constitute a breach or violation of or default under the Bonds or the Indenture.

- (c) Any action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Contract shall be instituted, prosecuted and maintained only in a court of competent jurisdiction in Henry County, Indiana.
- (d) No action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Contract shall be instituted, prosecuted or maintained by any Promisee or any Bondholder unless, prior to instituting such action, suit or other proceeding: (i) such Promisee or such Bondholder has given the Promisor notice of such breach or violation and demand for performance; and (ii) the Promisor has failed to cure such breach or violation within sixty (60) days after such notice.

Section 9. Waiver. Any failure by any Promisee or any Bondholder to institute any suit, action or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Contract, within three hundred sixty (360) days after the date such Promisee or such Bondholder first has knowledge of such breach or violation, shall constitute a waiver by such Promisee or such Bondholder of such breach or violation and, after such waiver, no remedy shall be available to such Promisee or such Bondholder for such breach or violation.

Section 10. Annual Appropriations. This Contract and the obligations of the Promisor hereunder are subject to annual appropriation by the fiscal body of the Promisor.

Section 11. Limitation of Liability. The obligations of the Promisor under this Contract are special and limited obligations of the Promisor, payable solely from the trust estate under the Indenture. The obligations of the Promisor under this Contract are not and shall never constitute a general obligation, debt or liability of the Promisor or the State, or any political subdivision thereof, within the meaning of any constitutional limitation or provision, or a pledge of the faith, credit or taxing power of the Promisor or the State, or any political subdivision thereof, and do not and shall never constitute or give rise to any pecuniary liability or charge against the general credit or taxing power of the Promisor or the State, or any political subdivision thereof.

Section 12. Immunity of Officers, Directors, Members, Employees and Agents. No recourse shall be had for any claim based upon any obligation in this Contract against any past, present or future officer, director, member, employee or agent of the Promisor, as such, either directly or through the Promisor, under any rule of law or equity, statute or constitution.

Section 13. Amendment of Obligations. The Promisor may, from time to time, amend any obligation of the Promisor under this Contract, without notice to or consent from any Promisee or any Bondholder, if: (a)(i) such amendment 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 any Obligated Person, or type of business conducted, (ii) this Contract, after giving effect to such amendment, would have complied with the requirements of the Rule on the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment does not materially impair the interests of any Bondholders, as determined either by (A) any person selected by the Promisor that is unaffiliated with the Promisor, the Issuer or any Obligated Person (such as any trustee under the Indenture) or (B) an approving vote of the Bondholders pursuant to the terms of the Indenture at the time of such amendment; or (b) such amendment is otherwise permitted by the Rule.

Section 14. Assignment and Delegation. Neither any Promisee nor any Bondholder may, without the prior written consent of the Promisor, assign any of its rights under this Contract to any other person. The Promisor may not assign any of its rights or delegate any of its obligations under this Contract to any

other person, except that the Promisor may assign any of its rights or delegate any of such obligations to any entity (a) into which the Promisor merges, with which the Promisor consolidates or to which the Promisor transfers all or substantially all of its assets or (b) which agrees in writing for the benefit of Bondholders to assume such rights or obligations.

Section 15. Communications. Any information, datum, statement, notice, certificate or other communication required or permitted to be provided, delivered or otherwise given hereunder by any person to any other person shall be in writing and, if such other person is the Promisor, shall be provided, delivered or otherwise given to the Promisor at the following address:

Charles A. Beard Memorial School Corporation  
8139 West US 40  
Knightstown, Indiana 46148  
Attention: Superintendent

**(or at such other address as the Promisor may, by notice to the MSRB, provide), or, if such other person is not the Promisor, shall be provided, delivered or otherwise given to such other person at any address that the person providing, delivering or otherwise giving such information, datum, statement, notice, certificate or other communication believes, in good faith but without any investigation, to be an address for receipt by such other person of such information, datum, statement, notice, certificate or other communication. For purposes of this Contract, any such information, datum, statement, notice, certificate or other communication shall be deemed to be provided, delivered or otherwise given on the date that such information, datum, notice, certificate or other communication is (a) delivered by hand to such other person, (b) deposited with the United States Postal Service for mailing by registered or certified mail, (c) deposited with Express Mail, Federal Express or any other courier service for delivery on the following business day, or (d) sent by facsimile transmission, telecopy or telegram.**

Section 16. Knowledge. For purposes of this Contract, each Promisee and each Bondholder shall be deemed to have knowledge of the provision and content of any information, datum, statement or notice provided by the Promisor to the MSRB on the date such information, datum, statement or notice is so provided, regardless of whether such Promisee or such Bondholder was a registered or beneficial owner or holder of any Bond at the time such information, datum, statement or notice was so provided.

Section 17. Performance Due on other than Business Days. If the last day for taking any action under this Contract is a day other than a business day, such action may be taken on the next succeeding business day and, if so taken, shall have the same effect as if taken on the day required by this Contract.

Section 18. Waiver of Assent. Notice of acceptance of or other assent to this Contract is hereby waived.

Section 19. Governing Law. This Contract and the rights and obligations hereunder shall be governed by and construed and enforced in accordance with the internal laws of the State, without reference to any choice of law principles.

Section 20. Severability. If any portion of this Contract is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability and enforceability of the remaining portions of this Contract shall not be affected, and this Contract shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

Section 21. Rule. This Contract is intended to be an agreement or contract in which the Promisor has undertaken to provide that which is required by paragraph (b)(5) of the Rule. If and to the extent this

Contract is not such an agreement or contract, this Contract shall be deemed to include such terms not otherwise included herein, and to exclude such terms not otherwise excluded herefrom, as are necessary to cause this Contract to be such an agreement or contract.

Section 22. Interpretation. The use herein of the singular shall be construed to include the plural, and vice versa, and the use herein of the neuter shall be construed to include the masculine and feminine. Unless otherwise indicated, the words "hereof," "herein," "hereby" and "hereunder," or words of similar import, refer to this Contract as a whole and not to any particular section, subsection, clause or other portion of this Contract.

Section 23. Captions. The captions appearing in this Contract are included herein for convenience of reference only, and shall not be deemed to define, limit or extend the scope or intent of any rights or obligations under this Contract.

IN WITNESS WHEREOF, the Promisor has caused this Contract to be executed on the date first above written.

CHARLES A. BEARD MEMORIAL SCHOOL  
CORPORATION, HENRY/RUSH COUNTIES,  
INDIANA

\_\_\_\_\_  
Wade Beatty, President of the Board of  
School Trustees

## APPENDIX E

### FORM OF OPINION OF BOND COUNSEL

\_\_\_\_\_, 2025

Knightstown High School Building Corporation  
Knightstown, Indiana

Re: Knightstown High School Building Corporation Ad Valorem Property Tax First Mortgage  
Bonds, Series 2025

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Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Knightstown High School Building Corporation, an Indiana corporation (the “Issuer”) of \$\_\_\_\_\_ aggregate principal amount of its Ad Valorem Property Tax First Mortgage Bonds, Series 2025, dated as of the date hereof (the “Bonds”), pursuant to Indiana Code 20-47-3, as amended, Indiana Code 20-47-4, as amended, and a Trust Indenture, dated as of October 1, 2001 (the “Original Indenture”), as supplemented and amended by a First Supplemental Trust Indenture, dated as of July 1, 2009 (the “First Supplemental Indenture”), a Second Supplemental Trust Indenture, dated as of December 1, 2009 (the “Second Supplemental Indenture”), a Third Supplemental Trust Indenture, dated as of September 1, 2022 (the “Third Supplemental Indenture”), and a Fourth Supplemental Trust Indenture, dated as of \_\_\_\_\_, 2025 (the “Fourth Supplemental Indenture”) (the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture, the “Indenture”), each of which is by and between the Issuer and The Bank of New York Mellon Trust Company, N.A. (successor to Bank One Trust Company, National Association), as trustee. We have examined the law and such certified proceedings and such other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the Charles A. Beard Memorial School Corporation, Henry/Rush Counties, Indiana (the “School Corporation”), contained in the Indenture, the Lease (as defined in the Indenture), the certified proceedings and other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Issuer, the School Corporation and others, including without limitation certifications contained in the tax and arbitrage certificate of the Issuer and the School Corporation dated the date hereof, without undertaking to verify the same by independent investigation. In addition, we have relied upon the lease sufficiency report of Stifel, Nicolaus & Company, Incorporated, Indianapolis, Indiana, as the underwriter to the School Corporation and the Issuer with respect to the Bonds, dated the date hereof, as to the matters stated therein.

Based upon the foregoing, we are of the opinion that, under existing law:

(A) The Issuer is a corporation validly existing under the laws of the State of Indiana, with the corporate power to enter into the Indenture and perform its obligations thereunder and to issue the Bonds.

(B) The Bonds have been duly authorized, executed and delivered, and are valid and binding limited obligations of the Issuer, enforceable in accordance with their terms. The Bonds are payable solely from the Mortgaged Property (as defined in the Indenture) on a parity with the Issuer’s Ad Valorem Property Tax First Mortgage Bonds, Series 2022.

(C) The Indenture has been duly authorized, executed and delivered by the Issuer, and is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

(D) The Lease has been duly authorized, executed and delivered by the Issuer and the School Corporation, and is a valid and binding obligation of the Issuer and the School Corporation, enforceable against the Issuer and the School Corporation in accordance with its terms. The obligations of the School Corporation under the Lease are payable solely from *ad valorem* taxes to be levied and collected on all taxable property in the territory of the School Corporation.

(E) Under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the “Code”), the interest on the Bonds is excludable from gross income for federal income tax purposes. The opinion set forth in this paragraph is subject to the condition that each of the Issuer and the School Corporation complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Each of the Issuer and the School Corporation has covenanted or represented that it will comply with such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

(F) Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, such interest is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax.

(G) Interest on the Bonds is exempt from income taxation in the State of Indiana (the “State”) for all purposes except the State financial institutions tax.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Final Official Statement dated \_\_\_\_\_, 2025, or any other offering material relating to the Bonds, and we express no opinion relating thereto.

We express no opinion regarding any tax consequences arising with respect to the Bonds, other than as expressly set forth herein.

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors’ rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that in our opinion the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

This opinion is given only as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

## **APPENDIX F**

### **SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

**THE FOLLOWING IS A SUMMARY OF CERTAIN PROVISIONS CONTAINED IN THE INDENTURE. THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE INDENTURE. CAPITALIZED TERMS NOT DEFINED IN THIS SUMMARY WILL HAVE THE MEANINGS SET FORTH ELSEWHERE IN THIS OFFICIAL STATEMENT.**

#### **Creation of Funds and Accounts**

The Indenture establishes the following funds and accounts to be held by the Trustee:

- (i) Construction Fund (including a 2025 Reimbursement/Lease Extension Account);
- (ii) Sinking Fund;
- (iii) Rebate Fund; and
- (iv) Operation Fund.

#### **Operation of Funds and Accounts**

Construction Fund. As of the date that the 2025 Bonds are issued, the Construction Fund will consist of a 2025 Reimbursement/Lease Extension Account. All of the proceeds of the 2025 Bonds received by the Building Corporation will be deposited by the Trustee into the 2025 Reimbursement/Lease Extension Account on the date of the issuance of the 2025 Bonds and immediately transferred to the School Corporation as initial payment for the extension of the Building Corporation's ownership interest of the Mortgaged Property and partial reimbursement for improvements at the Mortgaged Property made by the School Corporation since the Mortgaged Property has been owned by the Building Corporation. Immediately after making such transfer, the 2025 Reimbursement/Lease Extension Account will be closed.

Sinking Fund. The Trustee will deposit in the Sinking Fund from each rental payment received by the Trustee pursuant to the Lease, and from proceeds of rental value insurance which represents lease rental payments under the Lease, all of such rental payment or if less an amount which, when added to the amount in the Sinking Fund on the deposit date, equals the sum of (i) principal due on the Bonds on the next principal payment date or sinking fund redemption date and (ii) interest on the Bonds due within twenty (20) days after the date such rental payment becomes due. Any portion of a rental payment remaining after such deposit will be deposited by the Trustee in the Operation and Reserve Fund. The Trustee will pay from the Sinking Fund the principal of the Bonds at maturity or upon mandatory sinking fund redemption and the interest on the Bonds as the same falls due. Investment earnings may be used for deposits in the Rebate Fund.

Rebate Fund. If in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the Building Corporation determines upon the advice of counsel that it is required to cause to be calculated amounts to be rebated to the United States government, the Building Corporation will cause to be computed the amount required to be rebated, or if the Building Corporation determines upon the advice of counsel to pay a penalty in lieu of rebate, the Building Corporation will cause to be computed the amount of the penalty to be paid. The Trustee will deposit such amounts, at the direction of the Building

Corporation, in the Rebate Fund from the Construction Fund, the Operation Fund or investment earnings on the Sinking Fund. The Trustee will pay required amounts from the Rebate Fund as directed by the Building Corporation and as required by Section 148 of the Code.

Operation Fund. The Operation Fund will be used only for the payment of necessary incidental expenses of the Building Corporation, such as Trustee's, Registrar's and Paying Agent's fees, expenses incurred in connection with any continuing disclosure obligations, the payment of any rebate or penalties to the United States government, to transfer funds to the Redemption Fund if so directed by the Building Corporation, the payment of principal of and premium, if any, and interest on the Bonds upon redemption or the purchase price of Bonds purchased as provided in the Indenture, and if the amount in the Sinking Fund at any time is less than the required amount, the Trustee will transfer funds from the Operation and Reserve Fund to the Sinking Fund in an amount sufficient to raise the amount in the Sinking Fund to the required amount. Incidental expenses will be paid by the Trustee upon the presentation of an affidavit (except in the case of amounts owing to the Trustee, which may be withdrawn from the Fund when due without presentation of an affidavit) stating the character of the expenditure, the amount thereof and to whom due.

Notwithstanding anything herein to the contrary, upon receipt by the Trustee of a Request for Release of Funds, as defined below, the Trustee will as soon thereafter as practical release to the School Corporation funds in the Operation Fund in accord with such Request. For these purposes, a "Request for Release of Funds" means a written request made by the School Corporation which (i) is signed by an appropriate representative of the School Corporation, (ii) sets forth the amount requested to be released from the Operation Fund to the School Corporation, and (iii) includes a statement, accompanied by supporting schedules prepared by an accountant or firm of accountants which verify the statement, that the balance to be held in the Operation Fund immediately after such amount is released to the School Corporation is expected to be sufficient to meet the known and anticipated payments and transfers to be satisfied from the Operation Fund in the succeeding eighteen months. The supporting schedules will identify with particularity the anticipated sources and applications of funds. The statement and supporting schedules required by clause (iii) above will not include anticipated investment earnings based on assumptions about reinvestment rates, but may include known investment earnings scheduled to be received on then current investments, and will include any known or anticipated gain or loss from the disposition of investments. Notwithstanding the foregoing provisions of this paragraph, the Trustee will not so release funds from the Operation Fund to the School Corporation during any time that there exists an uncured or unwaived event of default under the Indenture, or an event which with notice or lapse of time or both would become such an event of default, or if the Trustee determines that the information set forth in the Request for Release of Funds (including the supporting schedules) is not reasonably consistent with the books and records of the Trustee or is otherwise not accurate or appropriate.

Investment of Funds. All funds will be invested by the Trustee in Qualified Investments, as defined in the Indenture. Except as otherwise provided in the Indenture, investment earnings will be allocated to the fund or account to which the earnings are allocable. Funds invested for the Sinking Fund and Rebate Fund will mature prior to the time the funds invested will be needed for payment of principal of and interest on the Bonds or rebate to the United States government. The Trustee is authorized to sell any securities so acquired from time to time in order to make required payments from a particular fund or account.

Redemption of Bonds. Whenever the amounts contained in the Sinking Fund and Operation Fund are sufficient, together with any other funds deposited with the Trustee by the Building Corporation (other than amounts deposited into the Rebate Fund), to redeem, upon the next redemption date, all Bonds then outstanding under the Indenture, after accounting for the intervening uses of such amounts, the Trustee will apply the amounts in such funds to the redemption of the Bonds.

Purchase of Bonds. At the request of the Building Corporation, the Trustee will remove funds from the Operation Fund to be used for the redemption of the Bonds or for the purchase of the Bonds.

### **Additional Bonds**

Additional Bonds may be issued under the Indenture on a parity with the 2025 Bonds, the Building Corporation's Ad Valorem Property Tax First Mortgage Bonds, Series 2022 and all other Bonds issued under the Indenture. Additional Bonds will be limited to amounts which can be repaid, along with all outstanding Bonds, from lease rentals paid by the School Corporation pursuant to the Lease.

### **Covenants of the Building Corporation**

In the Indenture, the Building Corporation makes certain covenants to the Trustee for the benefit of Bondholders, including but not limited to the following.

Title to Mortgaged Property. The Building Corporation covenants that it will preserve good and indefeasible title to the Mortgaged Property. The Building Corporation also covenants that it will not suffer any lien or charge equal or prior to the lien created by the Indenture to be enforced or to exist against the Mortgaged Property or any part thereof, except the lien of current taxes not yet due.

Corporate Existence. The Building Corporation covenants that it will maintain its corporate existence. Nothing in the Indenture prevents any consolidation or merger of the Building Corporation with or into, or any conveyance or transfer subject to the Indenture of all the Mortgaged Property as an entirety to, any other Building Corporation; provided, however, that such consolidation, merger, conveyance or transfer must not impair the lien of the Indenture or any of the rights or powers of the Trustee or the registered owners under the Indenture; and provided, further, that upon any such consolidation, merger, conveyance or transfer, the due and punctual payment of the principal of and interest on all Bonds, and the performance and observance of all terms and covenants and conditions of the Indenture and of the Lease to be kept or performed by the Building Corporation, must be assumed by the Building Corporation formed by such consolidation or into which such merger has been made, or to which the Mortgaged Property has been so conveyed and transferred.

Books of Record and Account. The Building Corporation covenants that proper books of record and account will be kept in which full, true and correct entries will be made of all dealings or transactions of or in relation to the properties, business and affairs of the Building Corporation. The Building Corporation will from time to time furnish the Trustee such information as to the property of the Building Corporation as the Trustee reasonably requests and such other information and reports as the Indenture requires.

Incurring Indebtedness. The Building Corporation covenants that it will not incur any indebtedness other than the Bonds as permitted by the Indenture or indebtedness payable from income of the Building Corporation from some source other than the rental payments under the Lease pledged under the Indenture as long as any Bonds are outstanding under the Indenture.

Tax Covenants. In order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, the Building Corporation represents, covenants and agrees that, among other things, it will not take any action or 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, nor will the Building Corporation act in any other manner which would adversely affect such exclusion. The Building Corporation is not required to comply with one or more of these tax covenants to the extent the Building Corporation receives an opinion of nationally recognized

bond counsel to the effect that any tax covenant is unnecessary to preserve the exclusion of interest on the Bonds from gross income under federal income tax law.

## **Insurance**

Insurance Required During Construction, Renovation, Expansion and Equipping. During the construction, renovation, expansion and equipping of the Premises, the Building Corporation is required to carry or cause other persons to carry for its benefit builder's risk insurance in the cumulative amount of one hundred percent (100%) of the insurable value of the structures located on the Premises, physical loss or damage thereto, and bodily injury and property damage insurance. All contracts for the construction, renovation, expansion and equipping of the Structures will or do, require the contractor to carry such insurance as will protect the contractor from liability under Indiana Worker's Compensation and Worker's Occupations Diseases Acts.

Insurance Required After Completion of the Structures. In the Lease, the School Corporation has agreed to carry (i) insurance on the Mortgaged Property against physical loss or damage; (ii) rent or rental value insurance; and (iii) combined bodily injury insurance, including accidental death and property damage with references to the Mortgaged Property in an amount not less than Three Million Dollars (\$3,000,000) CSL on account of each occurrence. See "SUMMARY OF CERTAIN PROVISIONS OF THE LEASE - Insurance" in APPENDIX G of this Official Statement.

Use of Proceeds from Insurance. Subject to the terms of the Lease, the proceeds of such insurance (other than rental value insurance which represents lease rental payments) received by the Trustee will be applied to the repair, replacement or reconstruction of the damaged or destroyed property. In the event the Building Corporation does not commence to repair, replace or reconstruct the Mortgaged Property within ninety (90) days after damage or destruction, or the Building Corporation abandons or fails diligently to pursue the same, the Trustee may make or complete such repairs, replacements or reconstructions, unless the School Corporation instructs the Building Corporation not to undertake such work in accordance with the Lease (which may occur if, for example, the School Corporation anticipates that the cost of such repair, replacement or reconstruction exceeds the amount of insurance proceeds and other amounts available for such purpose, or that the repair, replacement or reconstruction cannot be completed within the period covered by rental value insurance). If the Building Corporation does not proceed in good faith with repair, replacement or reconstruction for one hundred twenty (120) days or if the School Corporation instructs the Building Corporation not to undertake such work in accordance with the Lease, the Trustee, upon receipt of the insurance moneys, must (unless the Trustee proceeds to make such repairs, replacements or reconstructions) apply the proceeds in the following manner: (i) if the proceeds are sufficient to redeem all the Bonds then outstanding under the Indenture, the Trustee will apply the proceeds to the redemption of such Bonds in an extraordinary prepayment in the manner provided in the Indenture as if redemption had been at the option of the Building Corporation, but without premium or penalty, and (ii) if the proceeds are not sufficient to redeem all the Bonds then outstanding under the Indenture, the Trustee will apply the proceeds to the partial redemption of outstanding Bonds in an extraordinary prepayment, without premium or penalty, in the manner provided by the Indenture in the case of proceeds from the sale of the Mortgaged Property, as described below under the heading "Events of Default and Remedies--Application of Proceeds from Sale of Mortgaged Property" in this Appendix F. Furthermore, if at any time the Mortgaged Property is totally or substantially destroyed and the amount of insurance money is sufficient to redeem all the Bonds then outstanding and such Bonds are then subject to redemption, the Building Corporation, at the written request of the School Corporation, will direct the Trustee to use said moneys for the purpose of redeeming all such Bonds outstanding at the then current redemption price. See "SUMMARY OF CERTAIN PROVISIONS OF THE LEASE - Damage and Destruction of Premises" in APPENDIX G of this Official Statement.

## **Mortgaged Property**

Unless an event of default under the Indenture has occurred and continues beyond any applicable grace period, the Building Corporation may remain in full possession, enjoyment and control of all of the Mortgaged Property. While in possession of the Mortgaged Property and not in default under the Indenture, the Building Corporation may alter, change, add to, repair or replace any of the Mortgaged Property, provided that the Building Corporation maintains and preserves the value of the Mortgaged Property from substantial impairment or reduction so that the security of the Bonds outstanding under the Indenture is not thereby substantially impaired or reduced.

The Trustee has full power and authority to release from the lien of the Indenture, in the manner and subject to the conditions as the Trustee deems proper, such portion of the Mortgaged Property that has become unfit or unnecessary for use. The proceeds from all sales of such Mortgaged Property which, within ninety (90) days after receipt, are not invested in other property which becomes subject to the lien of the Indenture will be deposited in the Operation Fund.

## **Events of Default and Remedies**

Events of Default. The following are each an “event of default” under the Indenture:

- (i) Default in the payment on the due date of the interest on any Bond outstanding under the Indenture;
- (ii) Default in the payment on the due date of the principal of or premium on any such Bond, whether at the stated maturity thereof, or upon proceedings for the redemption thereof, or upon the maturity thereof by declaration;
- (iii) Default in the performance or observance of any other of the covenants or agreements of the Building Corporation in the Indenture or in the Bonds, and the continuance thereof for a period of sixty (60) days after written notice thereof to the Building Corporation by the Trustee;
- (iv) The Building Corporation: (a) admits in writing its inability to pay its debts generally as they become due, (b) files a petition in bankruptcy, (c) makes an assignment for the benefit of its creditors, or (d) consents to or fails to contest the appointment of a receiver or trustee for itself or of the whole or any substantial part of the Mortgaged Property;
- (v) (a) The Building Corporation is adjudged insolvent by a court of competent jurisdiction; (b) the Building Corporation, on a petition in bankruptcy filed against the Building Corporation, is adjudged a bankrupt; or (c) an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Building Corporation, a receiver or trustee of the Building Corporation or of the whole or any substantial part of the Mortgaged Property, and any of the aforesaid adjudications, orders, judgments or decrees is not vacated, set aside or stayed within sixty (60) days from the date of entry thereof;
- (vi) Any judgment is recovered against the Building Corporation or any attachment or other court process issues that becomes or creates a lien upon any of its property, and such judgment, attachment or court process is not discharged or effectually secured within sixty (60) days;

- (vii) The Building Corporation files a petition under the provisions of the United States Bankruptcy Code, or files an answer seeking the relief provided in said Bankruptcy Code;
- (viii) A court of competent jurisdiction enters an order, judgment or decree approving a petition filed against the Building Corporation under the provisions of said Bankruptcy Code, and such judgment, order or decree is not vacated, set aside or stayed within one hundred twenty (120) days from the date of the entry thereof;
- (ix) Under the provisions of any other law now or hereafter existing for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Building Corporation or of the whole or any substantial part of the Mortgaged Property, and such custody or control is not terminated within one hundred twenty (120) days from the date of assumption of such custody or control;
- (x) Failure of the Building Corporation to bring suit to mandate the School Corporation to levy a tax to pay the rental provided in the Lease, or such other action to enforce the Lease as is reasonably requested by the Trustee, if such rental is more than sixty (60) days in default; o
- (xi) Any default occurs under the Lease.

Remedies. In the case of the happening and continuance of any of the events of default, the Trustee, by notice in writing mailed to the Building Corporation, may, and upon written request of the registered owners of twenty-five percent (25%) in principal amount of the Bonds then outstanding under the Indenture must, declare the principal of all such Bonds, and the interest accrued thereon, immediately due and payable. However, the registered owners of a majority in principal amount of all outstanding Bonds, by written notice to the Building Corporation and to the Trustee, may annul each declaration and destroy its effect at any time before any sale under the Indenture if all agreements with respect to which default has been made are fully performed and all such defaults are cured, and all arrears of interest upon all Bonds outstanding and the reasonable expenses and charges of the Trustee, the Registrar and Paying Agent, its agents and attorneys, and all other indebtedness secured by the Indenture, except the principal of any Bonds not then due by their terms and interest accrued thereon since the then last Interest Payment Date, are paid or the amount thereof is paid to the Trustee for the benefit of those entitled thereto. Interest shall be payable on overdue principal at the rate of interest set forth in each Bond.

Upon the occurrence of one or more events of default, the Building Corporation, upon demand of the Trustee, must surrender to the Trustee the actual possession of all the Mortgaged Property. In such event, the Trustee may, but is under no obligation to: (i) hold, operate and manage the same, and from time to time to make all needed repairs and such extensions, additions or improvements as the Trustee deems wise; (ii) receive the rents, revenues, issues, earnings, income, profits and proceeds thereof and out of the same pay all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, any charges of the Trustee, the Registrar and Paying Agent under the Indenture, any taxes and assessments and other charges prior to the lien of the Indenture which the Trustee may deem it wise to pay, and all expenses in connection therewith; and (iii) apply the remainder of the moneys so received by the Trustee, first, to the payment of the installments of interest which are due and unpaid in the order of their maturity, and next, if the principal of the Bonds is due, to the payment of the principal thereof and the accrued interest thereon pro rata, without any preference or priority whatsoever except as aforesaid. Whenever all that is due upon the Bonds outstanding under the Indenture

and installments of interest and under any of the terms of the Indenture have been paid, and all defaults made good, the Trustee will surrender possession to the Building Corporation, its successors or assigns.

Upon the occurrence of any one or more events of default, the Trustee may, if at the time such action is lawful, sell all the Mortgaged Property as an entirety, or in such parts or parcels as the registered owners of a majority in principal amount of the Bonds outstanding under the Indenture may in writing request, or in the absence of such request as the Trustee may determine, at public auction.

In case of the happening and continuance of any event of default, the Trustee may, and will upon the written request of the registered owners of at least twenty-five percent (25%) in principal amount of the Bonds then outstanding under the Indenture and upon being indemnified to its reasonable satisfaction, proceed to protect and enforce its rights and the rights of the registered owners of the Bonds by suit or suits in equity or at law, in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained in the Indenture or in aid of any power granted in the Indenture, or for any foreclosure of or under the Indenture, or for the enforcement of any other appropriate legal or equitable remedy. Notwithstanding anything contained in the Indenture to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Trustee to liability under any law, statute, regulation or similar requirement relating to the environment, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action.

Application of Proceeds from Sale of Mortgaged Property. The proceeds of any sale, together with any other amounts of cash which may then be held by the Trustee as a part of the Mortgaged Property, will be applied as follows:

- (i) to the payment of all costs and expenses of sale, and of all costs of the suit or suits wherein such sale may have been ordered and to the creation of a reserve for anticipated fees, costs and expenses;
- (ii) to the payment of all other expenses of the trust created by the Indenture, with interest thereon at the highest rate of interest on any of the Bonds issued under the Indenture when sold, whether or not then outstanding;
- (iii) to the payment of all the principal and accumulated and unpaid interest on the Bonds then outstanding under the Indenture in full, if said proceeds are sufficient, but if not sufficient, then to the payment thereof ratably without preference or priority of any one Bond over any other or of interest over principal, or of principal over interest, or of any installment of interest over any other installment of interest; and
- (iv) any surplus thereof remaining, to the Building Corporation, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

Limitation on Rights of Bondholders. No owner of any Bond outstanding under the Indenture has the right to institute any proceeding at law or in equity for the foreclosure of the Indenture, or for the appointment of a receiver, or for any other remedy under the Indenture, without first giving notice in writing to the Trustee of the occurrence and continuance of an event of default, and unless the registered owners of at least twenty-five percent (25%) in principal amount of the then outstanding Bonds have made written request to the Trustee and have offered it reasonable opportunity either to proceed to exercise the powers

granted under the Indenture or to institute such action, suit or proceeding in its own name, and without also having offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred by the Trustee; and such notice, request and offer of indemnity may be required by the Trustee as conditions precedent to the execution of the powers and trusts of the Indenture or to the institution of any suit, action or proceeding at law or in equity for the foreclosure thereof, for the appointment of a receiver, or for any other remedy under the Indenture, or otherwise, in case of any such default. No one or more registered owners of the Bonds outstanding under the Indenture has any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by such owner's or owners' action, or to enforce any right thereunder except in the manner therein provided, and all proceedings at law or in equity must be instituted, had and maintained in the manner therein provided, and for the equal benefit of all registered owners of outstanding Bonds. However, the right of any registered owner of any Bond outstanding under the Indenture to receive payment of the principal of and interest on such Bond on or after the respective due dates therein expressed, or to institute suit for the recovery of any such payment on or after such respective dates, will not be impaired or affected without the consent of such registered owner.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Bond secured thereby, or because of the creation of any indebtedness thereby secured, may be had against any incorporator, member, officer, director, employee, or agent, present or future, of the Building Corporation or of any successor Building Corporation, either directly or through the Building Corporation, by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any statute or otherwise.

### **Supplemental Indentures**

The Building Corporation, Trustee, and the Registrar and Paying Agent may, without notice to or consent of any Bondholder, enter into supplemental indentures:

- (i) to cure any ambiguity or formal defect or omission in the Indenture, or in any supplemental indenture; or
- (ii) to grant to or confer upon the Trustee, for the benefit of the registered owners, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the registered owners or the Trustee; or
- (iii) to provide for the issuance of Additional Bonds as provided in the Indenture, or
- (iv) to procure a rating on the Bonds from a nationally recognized securities rating agency designated in such supplemental indenture, if such supplemental indenture will not adversely affect the owners of the Bonds; or
- (v) to secure or maintain bond insurance with respect to the Bonds; or
- (vi) to provide for the refunding or advance refunding of the Bonds; or
- (vii) to evidence the appointment of a separate or co-trustee or the succession of a new Trustee or Paying Agent; or
- (viii) to make any other change which, in the determination of the Building Corporation and the School Corporation in their sole discretion, is not to the prejudice of the owners of the Bonds.

In addition, the registered owners of not less than 66-2/3% in aggregate principal amount of the Bonds then outstanding under the Indenture may consent to and approve supplemental indentures as are deemed necessary or desirable by the Building Corporation for the purpose of modifying or amending in any particular any of the terms or provisions contained in the Indenture or in any supplemental indenture; provided, however, that such supplemental indenture does not effect:

- (i) an extension of the maturity of the principal of or interest or premium, if any, on any Bond, or an advancement of the earliest redemption date on any Bond, without the consent of the holder of each Bond so affected; or
- (ii) a reduction in the principal amount of any Bond or the rate of interest thereon or the premium payable upon redemption thereof, or a change in the monetary medium in which such amounts are payable, without the consent of the holder of each Bond so affected; or
- (iii) the creation of a lien upon the Mortgaged Property ranking prior to or on a parity with the lien created by the Indenture, without the consent of the holders of all Bonds then outstanding; or
- (iv) a preference or priority of any Bond over any other Bond, without the consent of the holders of all Bonds then outstanding; or
- (v) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, without the consent of the holders of all Bonds then outstanding.

Notwithstanding the foregoing, the rights, duties and obligations of the Building Corporation and of the registered owners of the Bonds, and the terms and provisions of the Bonds and the Indenture, or any supplemental indenture, may be modified or amended in any respect with the consent of the Building Corporation and the consent of the registered owners of all the Bonds then outstanding under the Indenture.

### **Defeasance**

If, when the Bonds outstanding under the Indenture or a portion thereof have become due and payable in accordance with their terms or have been duly called for redemption or irrevocable instructions to call such Bonds or any portion thereof for redemption have been given by the Building Corporation to the Trustee, and the whole amount of the principal, premium, if any, and the interest so due and payable upon such Bonds or any portion thereof then outstanding are paid or (i) sufficient money, or (ii) noncallable Government Obligations, the principal of and the interest on which when due, without reinvestment, will provide sufficient money, or (iii) a combination thereof, are held for such purpose under the provisions of the Indenture, and provision is also made for paying all Trustee's and Paying Agents' fees and expenses and other sums payable under the Indenture by the Building Corporation, the Building Corporation shall be released from all liability on such Bonds or portion thereof and such Bonds shall no longer be deemed to be outstanding under the Indenture. In the event the foregoing applies to all Bonds secured by the Indenture, the right, title and interest of the Trustee will thereupon cease, determine and become void.

Upon any such termination of the Trustee's title, on demand of the Building Corporation, the Trustee will turn over to the Building Corporation or to such officer, board or body as may then be entitled by law to receive the same, any surplus in the Sinking Fund and in the Operation and Reserve Fund and all balances remaining in any other funds or accounts, other than moneys and obligations held for the redemption or payment of the Bonds.

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## **APPENDIX G**

**THE FOLLOWING IS A BRIEF SUMMARY OF CERTAIN PROVISIONS CONTAINED IN THE LEASE. THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE LEASE. CAPITALIZED TERMS NOT DEFINED IN THIS SUMMARY WILL HAVE THE MEANINGS SET FORTH ELSEWHERE IN THIS OFFICIAL STATEMENT.**

### **General, Term and Rent**

In the Lease, the Building Corporation leases to the School Corporation real estate in Henry County, Indiana (the "Real Estate"), and the buildings, structure and improvements and related outdoor facilities located on the Real Estate, including the existing Knightstown Intermediate School, the existing Knightstown High School and each of their related outdoor facilities as they currently exist and as renovated and expanded (the "Structures")(the Real Estate, the Structures, collectively, the "Premises" or "Leased Premises"). Except upon the occurrence and continuation of an event of default under the Lease, the term of the Lease will end on December 31, 20\_\_\_. The School Corporation may renew for a further like or lesser term upon the same or like conditions established in the Lease.

Under the Lease, the School Corporation agrees to pay the Building Corporation lease rental at the rate per year during the term of the Lease in amounts sufficient to pay the principal of, and interest on the Bonds issued and outstanding under the Indenture (the "Rent" or "Annual Rent"). Each rental installment is payable in advance in semi-annual installments on June 30 and December 31 of each year, with the next rental installment due on December 31, 2025. All Annual Rent payable under the terms of the Lease are paid by the School Corporation to the Trustee.

The Lease provides that the School Corporation will pay as further rental for the Leased Premises all taxes and assessments levied against or on account of the Leased Premises or the receipt of lease rental payments, and amounts required to be paid, after taking into account other available money, to the United States government to prevent the Bonds from becoming arbitrage bonds under Section 148 of the Code.

### **Operation, Maintenance and Repair of Leased Premises**

The Lease provides that the School Corporation will operate, maintain and repair the Leased Premises in good repair, working order and condition at its own expense. At the end of the term of the Lease, the School Corporation will deliver the Leased Premises subject to the Lease to the Building Corporation in as good condition as at the beginning of the term of this Lease, reasonable wear and tear excepted.

The School Corporation may, at its own expense, install on any of the Leased Premises personal property which is not an addition or improvement to, modification of or substitution for the facilities comprising the Leased Premises, which will be the sole property of the School Corporation and in which the Building Corporation will have no interest. This additional property of the School Corporation may be modified or removed at any time if the School Corporation is not in default under the Lease.

### **Insurance**

The School Corporation, at its own expense, will keep the Leased Premises insured against physical loss or damage in an amount at least equal to one hundred percent (100%) of the full replacement cost of the Leased Premises, with such exceptions as are ordinarily required by insurers of similar facilities. During the full term of the Lease, the School Corporation will also, at its own expense, carry combined bodily

injury insurance, including accidental death, and property damage with references to the Leased Premises in an amount not less than Three Million Dollars (\$3,000,000) CSL on account of each occurrence. The School Corporation will also, at its own expense, maintain rent or rental value insurance in an amount equal to the full rental value of the Leased Premises for a period of two (2) years against physical loss or damage.

### **Damage and Destruction of Leased Premises; Abatement of Rent**

The Lease provides that, in the event the Leased Premises are partially or totally destroyed, whether by fire or any other casualty, so as to render the same unfit, in whole or part, for use by the School Corporation: (i) it will then be the obligation of the Building Corporation to restore and rebuild the Leased Premises as promptly as may be done, unavoidable strikes and other causes beyond the control of the Building Corporation excepted; provided, the Building Corporation will not be obligated to expend on such restoration or rebuilding more than the amount of the proceeds received by the Building Corporation from the insurance provided for in the Lease, and provided further, the Building Corporation will not be required to rebuild or restore the Leased Premises if the School Corporation instructs the Building Corporation not to undertake such work because the School Corporation anticipates that either the cost of such work exceeds the amount of insurance proceeds and other amounts available for such purpose, or the work cannot be completed within the period covered by rental value insurance; and (ii) if there is in force on the date of partial or total destruction or taking the property damage insurance and rental value insurance as described in the immediately preceding paragraph, then the Rent will be abated, for the period during which the Leased Premises or any part thereof is unfit for use by the School Corporation, in proportion to the percentage of the area of the Leased Premises which is unfit for use by the School Corporation as it relates to the entire Leased Premises. If the School Corporation so instructs the Building Corporation not to undertake such work, the School Corporation will use the insurance proceeds and other amounts available to exercise its option to purchase under the Lease. (See "Option to Purchase Leased Premises" below)

In certain circumstances, proceeds of insurance may be used for redemption of Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE--Insurance--Use of Proceeds from Insurance" in APPENDIX F of this Official Statement.

### **Option to Purchase Leased Premises**

The School Corporation has the right and option, on any date prior to the expiration of the Lease, to purchase the Leased Premises subject to the Lease at a price equal to the amount required to enable the Building Corporation to pay or defease all indebtedness related to the Leased Premises, including the Bonds as determined by the Building Corporation and the Trustee, and to enable the Building Corporation to liquidate, if the Building Corporation is to be liquidated, by paying the expense and charges of liquidation, and to pay the cost of transferring the Leased Premises.

### **Transfer of Ownership to School Corporation**

In the event the School Corporation has not exercised its option to purchase all of the Leased Premises, or its option to renew the Lease, then upon expiration of the Lease and full performance by the School Corporation of its obligations under the Lease, the Leased Premises subject thereto will become the absolute property of the School Corporation.

### **Defaults**

The Lease provides that if the School Corporation defaults (i) in the payment of any rentals or other sums payable to the Building Corporation under the Lease, or (ii) in the observance of any other covenant, agreement or condition thereof and such default continues for ninety (90) days after written notice to correct

the same, the Building Corporation may protect and enforce its rights by suit in equity or at law in any court of competent jurisdiction, or may authorize or delegate the authority to file a suit, or the Building Corporation at its option and without further notice, may terminate the estate and interest of the School Corporation thereunder, and the Building Corporation may resume possession of the Leased Premises. The exercise by the Building Corporation of its right to terminate the Lease will not release the School Corporation from the performance of any obligation under the Lease maturing prior to actual entry into possession by the Building Corporation.

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