

This Preliminary Official Statement and information contained herein are subject to completion or amendment without notice. These securities may not be sold nor an offer to buy be accepted prior to the time the 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.

PRELIMINARY OFFICIAL STATEMENT DATED JULY 15, 2026

REFUNDING ISSUE – Book Entry Only

Program Rating: S&P Global Ratings “AA+”

Underlying Rating: S&P Global Ratings “A”

See “Ratings” herein

In the opinion of Bose McKinney & Evans LLP, Indianapolis, Indiana (“Bond Counsel”), under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed certain on corporations. Such exclusion is conditioned on continuing compliance with the Tax Covenants (as hereinafter defined). In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana for all purposes except for the franchise tax imposed upon financial institutions pursuant to Indiana Code 6-5.5, as amended. See “TAX MATTERS” herein.

\$20,125,000*

Hobart Bldg. Corp.

(Lake County, Indiana)

Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026

Dated: Date of Delivery

Maturity: January 15 and July 15, as shown on the inside front cover

The Hobart Bldg. Corp., Lake County, Indiana (the “Building Corporation”), is issuing \$20,125,000* of Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026 (the “Bonds”) for the purpose of paying all or a portion of the costs of (i) the current refunding of the Building Corporation’s outstanding Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2016 (the “2016 Refunding Bonds”), and Ad Valorem Property Tax First Mortgage Bonds, Series 2016 (the “2016 Project Bonds,” and together with the 2016 Refunding Bonds, the “2016 Bonds”) and (ii) necessary and incidental costs of issuance of the Bonds.

Interest on the Bonds will be payable semi-annually on January 15 and July 15 of each year commencing January 15, 2027. Principal of, premium, if any, and interest on the Bonds will be payable at the designated office of The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana, as trustee, registrar and paying agent (the “Trustee”). The Bonds are issuable 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 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 Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interests in the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, principal of, premium, if any, and interest on the Bonds will be paid directly to DTC by the Trustee, as paying agent. Disbursements of such payments to the Beneficial Owners of the Bonds will be the responsibility of DTC, the DTC Participants and the Indirect Participants, all as defined and more fully described herein. The Bonds are scheduled to mature on January 15 and July 15 in the years and amounts as shown on the inside cover.

The Bonds are subject to optional redemption prior to maturity as described herein. The Bonds may be subject to mandatory sinking fund redemption prior to maturity as described herein. See “REDEMPTION” herein.

The Bonds are issued pursuant to the Trust Indenture (defined herein). The Bonds constitute valid and legally binding obligations of the Building Corporation and are payable solely from certain sources of income of the Building Corporation which have been specifically pledged for the payment thereof including lease rental payments received from School City of Hobart (the “School Corporation”) under the terms of the Lease (defined herein), each between the Building Corporation and the School Corporation, which rental payments are payable from ad valorem taxes to be levied and collected on all taxable property within the School Corporation; subject, however, to the tax credits authorized by Indiana Code Section 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, and which rental payments will be paid directly to the Trustee. The levy of ad valorem taxes by the School Corporation to pay the rent due and payable under the Lease is mandatory and not subject to annual appropriation. The Bonds will rank on parity with the Building Corporation’s Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2020, Ad Valorem Property Tax First Mortgage Bonds, Series 2021, Ad Valorem Property Tax First Mortgage Bonds, Series 2025A, and Taxable Ad Valorem Property Tax First Mortgage Bonds, Series 2025B. The Bonds shall not constitute an indebtedness of the School Corporation within the meaning of the provisions and limitations of the constitution of the State of Indiana. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “CIRCUIT BREAKER TAX CREDIT” herein.

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of Bose McKinney & Evans LLP, Indianapolis, Indiana, Bond Counsel, substantially in the form set forth in APPENDIX C. Certain legal matters will be passed upon by William Longer, Esquire, Hobart, Indiana, as counsel for the School Corporation and the Building Corporation. Certain legal matters will be passed on for Stifel, Nicolaus & Company, Incorporated, as the underwriter (the “Underwriter”) by its counsel, Taft Stettinius & Hollister LLP, Indianapolis, Indiana, as its special counsel.

It is expected that the Bonds will be available for delivery through the facilities of DTC on or about _____, 2026.

STIFEL

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

* Preliminary, subject to change

\$20,125,000*
Hobart Bldg. Corp.
(Lake County, Indiana)
Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026
(Base CUSIP† 433747)

<u>MATURITY*</u>	<u>PRINCIPAL AMOUNT*</u>	<u>COUPON</u>	<u>PRICE</u>	<u>CUSIP</u>
7/15/2029	\$			
1/15/2030				
7/15/2030				
1/15/2031				
7/15/2031				
1/15/2032				
7/15/2032				
1/15/2033				
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1/15/2036				
7/15/2036				
1/15/2037				
7/15/2037				
1/15/2038				
7/15/2038				
1/15/2039				

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

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**HOBART BLDG. CORP.
BOARD OF DIRECTORS**

Chad Kollross, *President*
Martha Rivas-Ramos, *Vice President*
Lisa Winstead, *Secretary*
Nancy Andrews, *Member*
Tim O'Brien, *Member*

**SCHOOL CITY OF HOBART
BOARD OF SCHOOL TRUSTEES**

Rikki Guthrie, *President*
Sandra J. Hillan, *Vice President*
Frank Porras, *Secretary*
Donald H. Rogers, *Member*
Stuart B. Schultz, *Member*
Bradley Keehn, *Member*
David Kostbade, *Member*

SCHOOL ADMINISTRATION

Dr. Peggy Buffington, *Superintendent*
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\$20,125,000*
Hobart Bldg. Corp.
(Lake County, Indiana)
Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026

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* Preliminary, subject to change.

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SUMMARY STATEMENT

\$20,125,000*
Hobart Bldg. Corp.
(Lake County, Indiana)
Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026

(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.)

Issuer	Hobart Bldg. Corp., Lake County, Indiana (the "Building Corporation").
Securities Offered	\$20,125,000* Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026 (the "Bonds").
Debt Presently Outstanding	See page A-13 in APPENDIX A for a listing of outstanding debt.
Security	The Bonds will be payable as to principal and interest from: (i) a first mortgage lien on and security interest in the Mortgaged Property as described in the Trust Indenture (defined herein); and (ii) lease rental payments to be paid by the School City of Hobart (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 Section 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 Bonds. The Bonds are issued on a parity basis with the Building Corporation's Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2020, Ad Valorem Property Tax First Mortgage Bonds, Series 2021, Ad Valorem Property Tax First Mortgage Bonds, Series 2025A, and

* Preliminary, subject to change.

Taxable Ad Valorem Property Tax First Mortgage Bonds, Series 2025B. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "CIRCUIT BREAKER TAX CREDIT" herein.

Rating	Program Rating: "AA+", Underlying Rating: "A". See "RATINGS" herein.
Anticipated Closing Date	_____, 2026.
Dated Date	Date of Delivery.
Interest Payment Dates	Semi-annually each January 15 and July 15, commencing January 15, 2027.
Maturity Dates	The Bonds will mature semi-annually each January 15 and July 15, from July 15, 2029, through January 15, 2039, inclusive, unless issued as term bonds as set forth herein.
Optional Redemption	The Bonds maturing on and after _____, 20__, are subject to optional redemption prior to maturity at the option of the Building Corporation, in whole or in part, on any date on or after _____, 20__, at the price of par plus interest accrued to the date of redemption.
Mandatory Sinking Fund Redemption .	The Bonds maturing on _____, 20__, are subject to mandatory sinking fund redemption on the dates and in the amounts as set forth herein.
Use of Proceeds	Proceeds from the Bonds will be used for the purpose of paying all or a portion of the costs of (i) the current refunding of the Building Corporation's outstanding Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2016 (the "2016 Refunding Bonds"), and Ad Valorem Property Tax First Mortgage Bonds, Series 2016 (the 2016 Project Bonds and together with the 2016 Refunding Bonds, the "2016 Bonds") and (ii) necessary and incidental costs of issuance of the Bonds.
Other Terms and Conditions	The Bonds will be issued in fully registered form in \$5,000 denominations or integral multiples thereof. The 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 interest will be made in book-entry-only form. The trustee, registrar and paying agent for the Bonds will be The Bank of New York Mellon Trust Company, N.A..

Continuing Disclosure

Pursuant to the Continuing Disclosure Undertaking Agreement 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 Bonds. See "CONTINUING DISCLOSURE" herein.

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PRELIMINARY OFFICIAL STATEMENT

\$20,125,000*
Hobart Bldg. Corp.
(Lake County, Indiana)
Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026

INTRODUCTION

The purpose of this Official Statement, is to provide information relating to the Hobart Bldg. Corp. (Lake County, Indiana) \$20,125,000* Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026 (the “Bonds”). The Bonds will be issued under the provisions of the Indiana Code, Title 20, Article 47, Chapter 3, Title 5, Article 1, Chapter 5 and in accordance with the terms of a Trust Indenture and Mortgage dated as of April 1, 2006, as supplemented by a Supplemental Indenture dated as of December 1, 2009, a Second Supplemental Trust Indenture dated as of June 1, 2016, a Third Supplemental Trust Indenture dated as of November 1, 2016, a Fourth Supplemental Trust Indenture dated as of July 1, 2020, and a Fifth Supplemental Trust Indenture dated as of September 1, 2021, a Sixth Supplemental Trust Indenture dated as of October 1, 2025, and a Seventh Supplemental Trust Indenture dated as of August 1, 2026 (as supplemented, the “Indenture”), between 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 the School City of Hobart (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.

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

PURPOSE OF THE ISSUE

Proceeds from the Bonds will be used for the purpose of paying all or a portion of the costs of (i) the current refunding of the Building Corporation’s outstanding Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2016 (the “2016 Refunding Bonds”), and Ad Valorem

** Preliminary, subject to change.*

Property Tax First Mortgage Bonds, Series 2016 (the “2016 Project Bonds,” and together with the 2016 Refunding Bonds, the “2016 Bonds”), as described under “THE REFUNDING PROGRAM” below, and (ii) necessary and incidental costs of issuance of the Bonds. The 2016 Bonds were issued for the purpose of financing and refinancing the construction of certain improvements to Hobart Middle School, including renovations and improvements to the cafeteria facilities of the school, along with improvements to the Hobart High School, and the costs of issuance of the 2016 Bonds.

The refunding of the 2016 Bonds is authorized pursuant to recently enacted Indiana Code 5-1-5-2.6 (the “Statute”) which enables an “eligible school corporation” to refund outstanding obligations and utilize the “increment” to offset losses in the operations fund due to the credits granted under Indiana Code 6-1.1-20.6 against the school corporation’s levy for its operations fund. In accordance with the Statute, the School Corporation has been certified by the Indiana Department of Local Government Finance as an “eligible school corporation” and is therefore authorized to proceed with the refunding of the 2016 Bonds to generate “increment” to offset losses to the School Corporation’s operations fund to the credits granted under Indiana Code 6-1.1-20.6 against the School Corporation’s levy for its operations fund.

The Building Corporation will neither make nor permit the use of, and has directed the Trustee to make no use of, any of the proceeds of the Bonds which would cause said Bonds to be regarded as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986 and such regulations adopted from time to time under said Section 148. The Building Corporation will comply throughout the term of the Bonds with the requirements of said Section 103 and 148 and any such applicable regulations.

THE REFUNDING PROGRAM

Pursuant to the terms of the Escrow and Defeasance Agreement (the “Escrow Agreement”), dated the date of delivery of the Bonds, entered into among the Building Corporation, the Trustee, and The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana (the “Escrow Trustee”), the refunding program (the “Refunding”) will be accomplished by (a) creating an irrevocable escrow account (the “Escrow Account”), to be held by the Escrow Trustee and (b) depositing therein a sum of cash from which the Escrow Trustee will acquire United States Treasury and Local Government Series Securities (“SLGS”) for the benefit of the holders of the 2016 Bonds to: (i) make full and timely payment of all principal and interest due with respect to the 2016 Bonds from and after the date of delivery of the Bonds to and including _____, 2026, and (ii) redeem on _____, 2026, upon the payment of the redemption price of 100%, all of the 2016 Bonds which mature from January 15, 2027, through and including January 15, 2030. All moneys and SLGS on deposit with the Escrow Trustee are pledged solely and irrevocable for the benefit of the holders of the 2016 Bonds. The Escrow Account will contain separate subaccounts for each series of the 2016 Bonds. This refunding program will result in the defeasance of the 2016 Bonds and will release the lien thereof under the Indenture. Upon such release occurring, the Building Corporation will pledge such property to the lien of the Indenture as security for the Bonds. The moneys and SLGS deposited to the Escrow Account will be funded from proceeds of the Bonds and funds held under the Indenture.

VERIFICATION

The arithmetical accuracy of certain computations including in the schedules provided by the Underwriter related to a computation of amounts deposited in the Escrow Accounts, the anticipated interest earnings from the investment of those amounts in the SLGS, and the forecasted payments of principal and interest on the 2016 Refunding Bonds and the 2016 Project Bonds was examined by Causey Public Finance, LLC, independent certified public accountants (the "Verification Agent"). The Verification Agent has restricted its procedures to examining of arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcome.

THE LEASED PREMISES

The School Corporation currently leases the buildings and real estate at Hobart High School, 2211 East 10th Street, Hobart, Hobart Middle School, 36 East 8th Street, Hobart, Joan Martin Elementary School, 301 East 10th Street, Hobart, and George Earle Elementary School, 400 N. Wilson Street, Hobart, pursuant to a Lease dated August 10, 2005, as amended by a First Amendment to Lease dated September 3, 2009, a Second Amendment to Lease dated June 28, 2016, a Third Amendment to Lease dated September 1, 2016, a Fourth Amendment to Lease dated July 23, 2020, a Fifth Amendment to Lease dated June 23, 2021, the Sixth Amendment to Lease dated as of May 8, 2025 and the Seventh Amendment to Lease dated as of _____, 2026 (as amended, the "Lease"). Pursuant to the terms of the Lease, the term of the Lease as to the Leased Premises has been renewed and extended as described herein. The real estate and facilities leased pursuant to the Lease shall be referred to herein as the "Leased Premises."

The School Corporation has full use of, and currently occupies, the Leased Premises, and the rentals under the Lease have commenced.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds related to the issuance of the Bonds and the payment of all or a portion of the costs necessary and incidental to the sale and delivery of the Bonds are shown below:

Sources of Funds

Bond Proceeds	\$ 20,125,000*
Original Issue Premium	_____

Total Sources of Funds	\$ _____
------------------------	----------

Uses of Funds

Refunding Escrow Deposit for the 2016 Refunding Bonds	\$
Refunding Escrow Deposit for the 2016 Project Bonds	\$
Costs of Issuance	
Underwriter's Discount	_____

* Preliminary, subject to change.

Total Uses of Funds

\$

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SCHEDULE OF SEMI-ANNUAL DEBT SERVICE REQUIREMENTS AND LEASE PAYMENTS

<u>Payment Date</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Lease Payment**</u>	<u>Estimated Increment***</u>
7/15/2027	\$	\$			
1/15/2028					
7/15/2028					
1/15/2029					
7/15/2029					
1/15/2030					
7/15/2030					
1/15/2031					
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1/15/2036					
7/15/2036					
1/15/2037					
7/15/2037					
1/15/2038					
7/15/2038					
1/15/2039					

* Preliminary, subject to change.

** Each lease payment attributable to the Bonds is due on the January 5 and July 5 prior to the corresponding payment date on the Bonds.

*** Indiana Code 5-1-5-2.6 enables an "eligible school corporation" to refund outstanding obligations and utilize the "increment" to offset losses in the operations fund due to the credits granted under Indiana Code 6-1.1-20.6 against the school corporation's levy for its operations fund.

THE BONDS

General Description

The Bonds will be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof, will be dated as of the date of delivery and mature on January 15 and July 15 in the years and amounts and bear interest at the rates set forth on the inside cover page of this Official Statement.

Interest on the Bonds shall be payable semi-annually on January 15 and July 15 in each year beginning on January 15, 2027. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months from the interest payment date next preceding the date of authentication to which interest has been paid unless the Bond is authenticated on or before the last day of the month immediately preceding the first interest payment date, in which case interest shall be paid from the original date, or unless the Bond is authenticated after the last day of the month immediately preceding an interest payment date and on or before such interest payment date, in which case interest shall be paid from such interest payment date.

The interest on the Bonds shall be payable by check mailed one business day prior to the interest payment date to registered owners or by wire transfer of immediately available funds on the interest payment date to the depositories shown as registered owners. Payment shall be made to the person or depository in whose name each Bond is registered on the fifteenth day preceding such interest payment date. The principal of, and premium on, the Bonds shall be payable by check upon presentation of the bonds at the designated corporate trust office of the Trustee, or by wire transfer of immediately available funds to depositories who present the bonds to the Trustee at least two business days prior to the payment date.

So long as DTC or its nominee is the registered owner of the Bonds, principal of, premium, if any, and interest on the Bonds will be paid directly to DTC by the Trustee, as paying agent. (The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants, all as defined and more fully described herein.)

Book-Entry-Only System

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's

participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Building Corporation as issuer (the "Issuer") 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Building Corporation or the Trustee, as paying agent, on the 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 securities 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 Trustee, as paying agent, or the Building Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Building Corporation or the Trustee, as 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 Bonds at any time by giving reasonable notice to the Building Corporation or the Trustee, as registrar. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

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

Discontinuation of Book-Entry System

In the event that the book-entry system for the Bonds is discontinued, the Trustee, as registrar, would provide for the registration of the Bonds in the name of the Beneficial Owners thereof. The Building Corporation and the Trustee, as registrar, would, in such event, treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other

purposes, and neither the Building Corporation nor the Trustee, as registrar, would be bound by any notice or knowledge to the contrary.

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

Optional Redemption of Bonds

The Bonds maturing on and after _____, 20__, 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 _____, 20__, at face value, plus accrued interest to the date fixed for redemption.

Mandatory Redemption

The Bonds maturing on _____, 20__ (the "Term Bonds"), are subject to mandatory sinking fund redemption on the dates and in the amounts listed below, by lot in such manner as the Trustee may determine at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption.

Term Bonds due _____, 20__	Term Bonds due _____, 20__	Term Bonds due _____, 20__
___/___/20__ \$	___/___/20__ \$	___/___/20__ \$
___/___/20__(1)	___/___/20__(1)	___/___/20__(1)

(1) Denotes final maturity.

The Trustee, as paying agent, shall credit against the mandatory sinking fund requirement for any Term Bonds and corresponding mandatory redemption obligation, in the order determined by the Building Corporation, any Term Bonds maturing on the same date which have been previously redeemed (other than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Term Bond so delivered or canceled shall be credited by the Trustee, as paying agent, at 100% of the principal amount thereof against the mandatory sinking fund obligation of such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of that Term Bond to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the

Trustee shall only credit such Term Bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

Notice and Effect of Redemption

Notice of redemption shall be given by the Trustee, as paying agent, by mailing a copy of the redemption notice by registered or certified mail, at least thirty days (30) and not more than sixty (60) days prior to the redemption date to the owners of the Bonds to be redeemed as the names and addresses of the owners appear on the registration record as of the date of mailing the notice. No failure or defect in that notice with respect to any Bonds shall affect the validity of the proceedings for the redemption of any other 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 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 Bonds will cease to accrue, and the owners of the Bonds shall have no rights in respect thereof, except to receive payment of the redemption price including unpaid interest accrued to the redemption date.

Registration of Bonds, Transfer or Exchange

The Trustee, as registrar and paying agent, will keep at its principal office a record for the registration of all Bonds issued under the Trust Indenture which shall, at all reasonable times, be open for inspection by the Building Corporation. Each Bond is transferable or exchangeable only on such record at the principal office of the Trustee, as registrar, 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 Trustee, as registrar and paying agent, duly executed by the registered owner or his/her duly authorized attorney. Thereupon a new fully registered Bond or 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 Trustee, as registrar and paying agent, may deem and treat the person in whose name any Bond is registered as the absolute owner of such Bond for all other purposes whatsoever.

Mutilated, Destroyed, Stolen or Lost Bonds

In the event any Bond issued under the Trust Indenture is mutilated, lost, stolen or destroyed, the Building Corporation may execute and the Trustee, as registrar and paying agent, may authenticate a new Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new Bond shall be marked in a manner to distinguish it from the Bond for which it was issued, provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, as registrar and paying agent, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the Trustee, as registrar and paying agent, evidence of such loss, theft or destruction satisfactory to the Building Corporation and the Trustee, as registrar and paying agent, together with indemnity satisfactory to them. In the event

any such Bond shall have matured, instead of issuing a duplicate Bond, the Building Corporation and the Trustee, as registrar and paying agent, may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The Building Corporation and the Trustee, as registrar, may charge the owner of such Bond with their reasonable fees and expenses in this connection.

ADDITIONAL BONDS

The Building Corporation may issue Additional Bonds ("Additional Bonds") on parity with the Bonds and with the Building Corporation's Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2020, Ad Valorem Property Tax First Mortgage Bonds, Series 2021, Ad Valorem Property Tax First Mortgage Bonds, Series 2025A, and Taxable Ad Valorem Property Tax First Mortgage Bonds, Series 2025B (the "Parity 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 Bonds, from lease rentals paid by the School Corporation pursuant to the Lease. The lease rental pursuant to the Lease and Parity Bonds 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 Trust Indenture. All of the Bonds and the Parity Bonds, together with any Additional Bonds as may be issued on parity therewith under the Trust Indenture, are all to be equally and ratably secured and entitled to the protection given under the Trust Indenture including, but not limited to, payments under the Lease (as hereinafter defined).

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds are secured by semi-annual lease rental payments to be paid by the School Corporation directly to the Trustee ("Rent") pursuant to the terms of the Lease. By each rent payment date, the School Corporation is to pay the installment of rent due under the Lease. Each installment of rent is payable in advance for the following six-month period on January 5 and July 5.

The semi-annual rentals required to be paid by the School Corporation through the final maturity of the Bonds are in such amounts as are sufficient to pay the principal of and interest on all bonds outstanding under the Trust Indenture. The semi-annual rentals are payable from ad valorem taxes to be levied and collected on all taxable property within the School Corporation and which rental payments will be paid directly to the Trustee; subject, however, to the tax credits authorized by Indiana Code Section 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 levy of ad valorem taxes by the School Corporation to pay the rent due and payable under the Lease is mandatory and not subject to annual appropriation.

As described in the Trust Indenture, the Bonds are additionally secured by a lien on the Leased Premises on a parity basis with the Parity Bonds and any property acquired with proceeds of the Bonds.

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

Under the Lease, if for any reason the Leased Premises are partially or totally destroyed or unfit for occupancy, the rental payments shall be proportionately abated. In accordance with the Lease, the School Corporation is required to maintain rental value insurance insuring rental payments in connection with the loss of use of the facilities due to casualty for a period of two years. In addition, the School Corporation is required to insure the Leased Premises against physical damage, however caused, in an amount equal to the replacement cost thereof, with such exceptions ordinarily required by insurers. The proceeds of any property or casualty insurance would be used either to repair and reconstruct the Leased Premises or to retire obligations issued to finance the Leased Premises.

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 expected.

The Bonds are issued on a parity with the Building Corporation's Parity Bonds under the Trust Indenture.

For more detailed discussion of the provisions of the Lease and the proposed lease rental payments, see "SUMMARY OF THE LEASE" and "SCHEDULE OF SEMI-ANNUAL DEBT SERVICE REQUIREMENTS AND LEASE PAYMENTS" in this Official Statement.

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LEGISLATION AFFECTING OBLIGATIONS OF INDIANA SCHOOL CORPORATIONS

Indiana Code Title 20, Article 48, Chapter 1, Section 11, as amended (the "Intercept Act"), provides that the Department of Local Government Finance (the "DLGF") shall review levies and appropriations of school corporations for general obligation bonds and lease rental purposes. In the event a school corporation fails to levy and appropriate sufficient funds for such purpose, the DLGF shall establish levies and appropriations which are sufficient to pay such obligations.

The Intercept Act further provides that upon failure of any school corporation to make general obligation bond and lease rental payments when due and upon notice and claim, the Treasurer of the State of Indiana shall make such payments from the funds of the State to be paid to such school corporation (the "State Intercept Program"). Such payments are limited to the amounts appropriated by the General Assembly for distribution to the school corporation from State funds in the calendar year. Such general obligation bond and lease rental payments made by the State Treasurer would then be deducted from monthly state distributions being made to the school corporation. The estimated State distributions for 2026 and resulting debt service coverage levels are as follows:

2026 Estimated State Grants:	\$35,111,508
Estimated Combined Maximum Annual Debt Service ^{*(1)}	10,754,000
State distributions required to provide one and one-half times coverage ⁽¹⁾	16,131,000
State distributions above one and one-half times coverage amount ⁽¹⁾	18,980,508

* Based upon the estimated total debt service for 2031.

⁽¹⁾ Preliminary, subject to change.

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PROPOSED LEGISLATION

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

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

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

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

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

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

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

PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

The lease rental payments are payable from ad valorem property taxes required by law to be levied by or on behalf of the School Corporation in an amount sufficient to pay debt service as it becomes due and payable, subject to the Circuit Breaker Tax Credit described herein. Article 10, Section 1 of the Constitution of the State of Indiana ("Constitutional Provision") provides that, for

property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer's property tax liability to a specified percentage of the gross assessed value of the taxpayer's real and personal property. The Indiana General Assembly enacted legislation (Indiana Code Title 6, Article 1.1, Chapter 20.6, as amended), which implements the Constitutional Provision and provides taxpayers with a tax credit for all property taxes in an amount that exceeds a certain percentage of the gross assessed value of eligible property. See "CIRCUIT BREAKER TAX CREDIT" herein for further details on the levy and collection of property taxes.

Real and personal property in the State is assessed each year as of January 1. Before August 1 of each year, the county auditor must submit a certified statement of the assessed value of each taxing unit for the ensuing year to the Department of Local Government Finance ("DLGF"). The DLGF shall make the certified statement available on its gateway website located at <https://gateway.ifionline.org/> ("Gateway"). The county auditor may submit an amended certified statement at any time before the preceding year, the date by which the DLGF must certify the taxing units' budgets.

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

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

The budget, tax levy and tax rate of each taxing unit are subject to review by the DLGF, and the DLGF shall certify the tax rates and tax levies for all funds of taxing units subject to the DLGF's review. The DLGF may not increase a taxing district's budget by fund, tax rate or tax levy to an

amount which exceeds the amount originally fixed by the taxing unit unless the taxing unit meets all of the following: (i) the increase is requested in writing by the taxing unit; (ii) the requested increase is published on the DLGF's advertising internet website; (iii) notice is given to the county fiscal body of the DLGF's correction; (iv) the request includes the corrected budget, tax rate, or levy, as applicable, and the time and place of the public meeting; and (v) the political subdivision adopts the needed changes to its budget, tax levy, or rate in a public meeting of the governing body.

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

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

On or before March 15, the county auditor prepares the tax duplicate, which is a roll of property taxes payable in that year. The county auditor publishes a notice of the tax rate in accordance with Indiana statutes. The county treasurer mails tax statements at least 15 days prior to the date that the first installment is due (due dates may be delayed due to a general reassessment or other factors). Property taxes are due and payable to the county treasurer in two installments on May 10 and November 10 unless the mailing of tax bills is delayed or a later due date is established by order of the DLGF. If an installment of property taxes is not completely paid on or before the due date, a penalty of 10% of the amount delinquent is added to the amount due; unless the installment is completely paid within thirty (30) days of the due date and the taxpayer is not liable for delinquent property taxes first due and payable in a previous year for the same parcel, the amount of the penalty is five percent (5%) of the amount of the delinquent taxes. On May 11 and November 11 of each year after one year of delinquency, an additional penalty equal to 10% of any taxes remaining unpaid is added. The penalties are imposed only on the principal amount of the delinquency. Property becomes subject to tax sale procedures after 15 months of delinquency. The county auditor distributes property tax collections to the various taxing units on or about June 30 after the May 10 payment date and on or about December 31 after the November 10 payment date.

Personal property values are assessed January 1 of every year and are self-reported by property owners to county assessors using prescribed forms. The completed personal property return must be filed with the county assessors no later than May 15. Pursuant to State law, personal property is assessed at its actual historical cost less depreciation, in accordance with 50 IAC 4.2, the DLGF's Rules for the Assessment of Tangible Personal Property. Pursuant to 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 assessment dates before 2026, and (ii) two million dollars (\$2,000,000) for the 2026 assessment date and each assessment date thereafter.

Pursuant to State law, real property is valued for assessment purposes at its "true tax value" as defined in the Real Property Assessment Rule, 50 IAC 2.4, the 2021 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4 and the 2021 Real Property Assessment Guidelines ("Guidelines"), as published by the DLGF. In the case of agricultural land, true tax value shall be the value determined in accordance with the Guidelines and Indiana Code § 6-1.1-4-13, as amended, which shall mean the "market value-in-use" of a property for its current use, as reflected by the utility received by the owner or by a similar user from the property. Except for agricultural land, and rental residential property with rental periods longer than thirty (30) days, the Manual permits assessing officials in each county to choose one of three standard approaches to determine market value-in-use, which are the cost approach, the sales comparison approach or the income approach. The Guidelines provide each of the approaches to determine "market value-in-use and the reconciliation of these approaches shall be applied in accordance with generally recognized appraisal principals." In accordance with Indiana Code § 6-1.1-4-4.2(a), as amended, the county assessor is required to submit a reassessment plan to the DLGF before May 1 every four (4) years, and the DLGF has to approve the reassessment plan before January 1 the following year. The reassessment plan must divide all parcels of real property in the county into four (4) different groups of parcels. Each group of parcels must contain approximately twenty-five percent (25%) of the parcels within each class of real property in the county. All real property in each group of parcels shall be reassessed under a county's reassessment plan once during each four (4) year cycle. The reassessment of a group of parcels in a particular class of real property shall begin on May 1 of a year and must be completed on or before January 1 of the year after the year in which the reassessment of the group of parcels begins. All real property assessments are revalued annually to reflect market value based upon comparable sales ("Trending"). "Net Assessed Value" or "Taxable Value" represents the "Gross Assessed Value" less certain deductions for mortgages, veterans, the aged, the blind, economic revitalization areas, resource recovery systems, rehabilitated residential property, solar energy systems, wind power devices, hydroelectric systems, geothermal devices and tax-exempt property. The "Net Assessed Value" or "Taxable Value" is the assessed value used to determine tax rates.

Changes in assessed values of real property occur periodically as a result of general reassessments, as well as when changes occur in the property value due to new construction or demolition of improvements. When a change in assessed value occurs, a written notification is sent to the affected property owner. If the owner wishes to appeal this action, the owner may file a petition requesting a review of the action. This petition must be filed with the county assessor in which the property is located by June 15 of the assessment year if the written notification is provided to the taxpayer before May 1 of that year, or June 15 of the year in which the tax bill is mailed by the county treasurer if the notice is provided on or after May 1 of the assessment year, whichever is earlier. While the appeal is pending, the taxpayer may pay taxes based on the current year's tax rate and the previous or current year's assessed value. For all appeals except an appeal on the assessed value of the property, the taxpayer may appeal not later than three years after the taxes were first due.

Over the past few years, the Indiana General Assembly has proposed legislation containing numerous provisions related to property taxation and local income taxation, which could adversely affect political subdivisions in the State in a variety of ways. SEA 1 includes provisions that increase the homestead deduction for real property owners and new assessed value deductions to real property owners of non-homestead residential property, agricultural property

and long-term care facilities, all of which phase in through taxes payable year 2031. Some of the changes in SEA 1 may result in a decrease in assessed valuation, which may require an increase in property tax rates. It is uncertain at this time what impact, if any, SEA 1 or any future legislation may have on the property assessment process or the amount of ad valorem property taxes and local income taxes to be received by local government entities in future years. Neither the Building Corporation, the School Corporation nor their advisors assume any responsibility for assessing the potential risk of any such legislation that may impact the Bonds or the operations of the School Corporation. The purchasers of the Bonds should consult their own advisors regarding risks associated with SEA 1 or future legislation.

CIRCUIT BREAKER TAX CREDIT

Description of Circuit Breaker

Article 10, Section 1 of the Constitution of the State of Indiana (the “Constitutional Provision”) provides that, for property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer’s property tax liability to a specified percentage of the gross assessed value of the taxpayer’s real and personal property. Indiana Code § 6-1.1-20.6, 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% of the gross assessed value of the homestead. Property taxes attributable to the gross assessed value of other residential property, agricultural property, and long-term care facilities are limited to 2% of the gross assessed value, property taxes attributable to other non-residential real property and personal property are limited to 3% of the gross assessed value. The Statute and other additional Indiana laws provide additional property tax credits, deductions, or exemptions, as applicable, for property taxes paid by homesteads or certain real property owners based on certain demographic categories or property uses.

If applicable, the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. School corporations are authorized to impose a referendum tax levy, if approved by voters, to replace property tax revenue that the school corporation will not receive due to the application of the Circuit Breaker Tax Credit. Otherwise, school corporations and other political subdivisions may not increase their property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

The Constitutional Provision excludes from the application of the Circuit Breaker Tax Credit property taxes first due and payable in 2012, and thereafter, that are imposed after being approved by the voters in a referendum. The Statute codifies this exception, providing that, with respect to property taxes first due and payable in 2012 and thereafter, property taxes imposed after being approved by the voters in a referendum will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute. 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 or on bonds issued or leases entered into after June 30, 2008, to refund those bonds or leases, 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 (herein defined); however, application of the State Intercept Program will result in a shortfall in distributions to a school corporation's education fund and school corporations are encouraged by the DLGF to fund any shortfall directly from the school corporation's other legally available funds to avoid the application of the State Intercept Program. Upon: (i) the failure of a political subdivision to pay any of its Debt Service Obligations; and (ii) notification of that event to the treasurer of the State by a claimant; the treasurer of State is required to pay the unpaid Debt Service Obligations from money in the possession of the State that would otherwise be available to the political subdivision under any other law. A deduction must be made from any other undistributed funds of the political subdivision in possession of the State.

Pursuant to Indiana Code § 6-1.1-20.6-9.9, as amended, if a school corporation has sufficient Circuit Breaker Tax Credit losses and meets certain requirements in any year from 2014 through 2026, and has approval from the DLGF, it will be an eligible school corporation for such year that it submitted the request for a determination (an "Eligible School Corporation"). An Eligible School Corporation may allocate a portion of its Circuit Breaker Tax Credit loss to its non-exempt debt service fund(s), and is exempt from the protected taxes requirement described below.

For Circuit Breaker Tax Credit losses allocated after December 31, 2023, if a school corporation after July 1, 2023, 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: (i) to refinance or renew prior bond or lease rental obligations existing before January 1, 2024 (but only if the refinancing or renewal is for a lower interest rate); or (ii) for indebtedness that is approved in a local public question or referendum under Indiana Code § 6-1.1-20 or any other law, then the school corporation will not be eligible to allocate its Circuit Breaker Tax Credit loss proportionately. The School Corporation did not qualify for this exemption in 2026.][NTD: School to confirm.

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

If the allocation of property tax reductions to funds receiving only unprotected taxes is insufficient to offset the amount of the Circuit Breaker Tax Credit or if there is not a fund receiving only unprotected taxes from which to distribute revenue, the revenue for a fund receiving protected taxes will also be reduced. If a fund receiving protected taxes is reduced, the Statute provides that a political subdivision may transfer money from any other available source in order to meet its Debt Service Obligations. The amount of this transfer is limited to the amount by which the protected taxes are insufficient to meet Debt Service Obligations.

The allocation of property tax reductions to funds may impact the ability of political subdivisions to provide existing levels of service, and in extreme cases, the ability to make debt service or lease rental payments.

The School Corporation cannot predict the timing, likelihood or impact on property tax collections of any future actions taken, amendments to the Constitution of the State 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

According to the DLGF, the Circuit Breaker Tax Credit allocable to the School Corporation for budget years 2022 through 2026⁽¹⁾ are as follows:

BUDGET <u>YEAR</u>	CIRCUIT BREAKER <u>CREDIT AMOUNT⁽¹⁾</u>
2022	\$2,538,676
2023	3,463,336
2024	3,591,991
2025	3,174,880
2026	4,354,195

(1) *These estimates do not include estimated debt service on Bonds or lease rentals on Lease securing the Bonds.*

Beginning in 2020, debt service and lease rental payments for bonds and leases issued or entered into before July 1, 2008 for political subdivisions in Lake County and St. Joseph County, will be included in the calculation for purposes of calculating the limits to property tax liability under provisions of the Statute. The School Corporation has bonds or leases dated prior to July 1, 2008 as set forth herein. While the School Corporation has not received any official estimates from the State of the impact on the circuit breaker tax credits beginning in 2020, the amount of the circuit breaker credits is anticipated to increase and such potential increases could be material.

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

increase effective property tax rates and the amount of the lost revenue due to the Circuit Breaker Tax Credit, and the resulting increase could be material.

Pursuant to SEA 1, the local income tax authorized pursuant to Indiana Code § 6-3.6-5 that is utilized for property tax relief expires beginning in 2029, which may increase circuit breaker tax credits in 2029 and thereafter.

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 Business Corporation Act, as amended, for not-for-profit purposes including the erecting and leasing of school buildings to the School Corporation. During its existence, the Building Corporation will operate entirely without profit to the Building Corporation, its officers and directors. The officers and directors of the Building Corporation serve without compensation.

LEGAL MATTERS

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

will be passed on by William Longer, Esquire, Hobart, Indiana, counsel for the Building Corporation and the School Corporation. Certain legal matters will be passed upon for the Underwriter by its counsel Taft Stettinius & Hollister LLP, Indianapolis, Indiana.

The engagement of Bose McKinney & Evans LLP as Bond Counsel is limited generally to the examination of the documents contained in the transcript of proceedings, and examination of such transcript of proceedings and the law incident to rendering the approving legal opinion referred to above, and the rendering of such approving legal opinion. In its capacity as Bond Counsel, said firm has reviewed those portions of this Official Statement under the captions: "THE BONDS (except "Book-Entry-Only System" and "Discontinuation of Book-Entry System" therein)," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "TAX MATTERS," "ORIGINAL ISSUE DISCOUNT," "AMORTIZABLE BOND PREMIUM," "LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES," "APPENDIX C - FORM OF OPINION OF BOND COUNSEL," "APPENDIX D - CONTINUING DISCLOSURE UNDERTAKING," "APPENDIX F - SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE," and "APPENDIX G - SUMMARY OF CERTAIN PROVISIONS OF THE LEASE." Bond Counsel has not been retained to pass upon any other information in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information that may be prepared or made available by the Building Corporation, the School Corporation, the Trustee, the Underwriter, the prospective purchasers of the Bonds or others.

LITIGATION

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

TAX MATTERS

In the opinion of Bose McKinney & Evans LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. This opinion relates only to the exclusion from gross income of interest on the Series Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by the Building Corporation with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Series Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue.

In the opinion of Bose McKinney & Evans LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana (the "State"), except for the State financial institutions tax. This opinion relates only to the exemption of interest on the Bonds for State income tax purposes. See APPENDIX C for the form of opinion of Bond Counsel.

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

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

Although Bond Counsel will render an opinion in the form attached as APPENDIX C hereto, the accrual or receipt of interest on the Bonds may otherwise affect a bondholder's federal income tax or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond

Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Bonds.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Bonds maturing on _____ (collectively, the “Discount Bonds”) is less than the principal amount payable at maturity. As a result the Discount Bonds will be considered to be issued with original issue discount. 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.” A taxpayer who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and who holds such Discount Bond to maturity may treat the full amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending on January 15 and July 15 (with straight line interpolation between compounding dates).

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner’s tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

As described above in “TAX MATTERS,” the original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the 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 accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

AMORTIZABLE BOND PREMIUM

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

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

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

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

The remedies available to the bondholders upon a default under the Trust Indenture, or to the Building Corporation under the Lease, are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Trust Indenture and the Lease may not be readily available or may be limited. Under federal and State environmental laws certain liens may be imposed on property of the Building Corporation from time to time, but the Building Corporation

has no reason to believe, under existing law, that any such lien would have priority over the lien on the property taxes pledged to the owners of the Bonds.

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

These exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the School Corporation) in a manner consistent with the public health and welfare. Enforceability of the Trust Indenture and the Lease in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

CONTINUING DISCLOSURE

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

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

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

The School Corporation may, at its sole discretion, utilize an agent in connection with the dissemination of any annual financial information required to be provided by the School Corporation pursuant to the terms of the Undertaking.

The purpose of the Undertaking is to enable the Underwriter to purchase the Bonds by providing for an undertaking by the School Corporation in satisfaction of the SEC Rule. The Undertaking is solely for the benefit of the owners of the Bonds and creates no new contractual or other rights for the SEC, underwriters, brokers, dealers, municipal securities dealers, potential

customers, other obligated persons or any other third party. The sole remedy against the School Corporation for any failure to carry out any provision of the Undertaking shall be for specific performance of the School Corporation's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or any other remedy. The School Corporation's failure to honor its covenants under the Undertaking shall not constitute a breach or default of the Bonds, the Resolution or any other agreement.

In order to assist the Underwriter in complying with the Underwriter's obligations pursuant to SEC Rule, the School Corporation represents that in the previous five years it has not fully complied with its previous undertakings including, but not limited to, the following instances: operating data for year ending June 30, 2023, annual Form 9 information for year ending June 30, 2024 were not timely filed. The School Corporation makes no representation as to any potential materiality of such prior instances, as materiality is dependent upon individual facts and circumstances. The School Corporation has conducted a review of compliance of its previous undertakings, and the list above represents any instances of non-compliance of which the School Corporation is aware.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of \$_____ (which represents the par amount of the Bonds plus original issue premium of \$_____ and less Underwriter's Discount of \$_____). The Underwriter will purchase all of the Bonds. The initial offering prices may be changed from time to time by the Underwriter.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the offering prices set forth on the inside cover page hereof.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the 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, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the School Corporation (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the School Corporation.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that

they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the School Corporation

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), has assigned a rating of "AA+" to the Bonds based upon the Indiana State Intercept Program (see "LEGISLATION AFFECTING OBLIGATIONS OF INDIANA SCHOOL CORPORATIONS" above). Standard & Poor's has assigned an issuer credit rating of "AA+". Such rating reflects only the view of S&P and any explanation of the significance of such rating may be obtained from S&P. This rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that the rating will remain in effect for any given period of time or that the rating will not be lowered or withdrawn entirely by S&P if, in their judgment, circumstances so warrant.

The Underwriter has undertaken no responsibility to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such proposed revision or withdrawal. The Building Corporation or the School Corporation has agreed to provide notice of any rating change as described in the Undertaking. Any such downward revision or withdrawal of rating may have an adverse effect on the market price or marketability of the Bonds. No other ratings have been applied for by the Building Corporation or the School Corporation in connection with the Bonds.

PUBLIC HEALTH EMERGENCIES COULD NEGATIVELY AFFECT THE ISSUER'S OPERATIONS

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

Neither this Official Statement, nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of any of the Bonds. Any statements in this Official Statement involving matters of opinion whether or not expressly so stated, are intended as such and not as representations of fact. 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 or 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 and approved by the Building Corporation and the School Corporation. The Building Corporation will provide the Underwriter with sufficient copies of the Final Official Statement in a timely manner to be distributed to the purchasers of the Bonds.

HOBART BLDG. CORP., INDIANA

Dated: _____, 2026

By: _____
President, Board of Directors

SCHOOL CITY OF HOBART, INDIANA

Dated: _____, 2026

By: _____
President, Board of School Trustees

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APPENDIX A
SCHOOL CITY OF HOBART

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APPENDIX A
SCHOOL CITY OF HOBART
General

The School City of Hobart, Lake County, Indiana (the "School Corporation") is organized under the provisions of I.C. 20-23. The School Corporation is comprised of a portion of the City of Hobart, located entirely within Lake County, Indiana. Total land area is approximately 15.5 square miles and makes up 2.5% of the land area of Lake County.

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

School Board

	<u>Term Expiration</u>
Rikki Guthrie, President	12/31/2026
Sandra J. Hillan, Vice President	12/31/2026
Frank Porras, Secretary	12/31/2028
Bradley Keehn, Member	12/31/2028
David Kostbade, Member	12/31/2028
Donald H. Rogers, Member	12/31/2026
Stuart B. Schultz, Member	12/31/2026

Source: School City of Hobart

Administration

<u>Name</u>	<u>Title</u>	<u>Years of Service</u>
Dr. Peggy Buffington	Superintendent	30
Robert Glover, Jr.	Business Manager	5
Brooke Paschen	Director of Early College & Careers	5
Sara Gutierrez	Director of Early Learning & Education	18
Lori Anderson	Director of Elementary Curriculum	14
Patrick Ryba	Director of Food Service	1
Jonathan Mock	Director of H.R. & Compliance	11
Russell Mellon	Director of I.T. Services	28
Greg Bialata	Director of Safety & Operations	11
Danielle Adams	Director of School Counselors	9
Dr. Timothy Krieg	Director of Secondary Curriculum	9
Deborah Matthys	Director of Social Emotional Learning	20
Matthew Whiteman	Director of Student Services	10
Ryan Snedecor	Director of Facilities	1
Chris King	Director of Technology	26
Rebecca Rosenbaum	Director of Transportation	1

Source: School City of Hobart

Personnel

The School Corporation, as of July 1, 2026, had a total staff of 444 personnel, 303 full time and 141 part-time, allocated in categories as follows:

<u>Staffing Category</u>	<u>Full-Time</u>	<u>Part-Time</u>
Administration	32	--
Teachers	173	--
Counselors	11	--
Librarians	1	--
Social Workers	--	--
Secretarial/Clerical/Computer Technicians	31	--
Nurses	4	--
Maintenance/Custodial	36	--
Food Service/Cafeteria	10	39
Aides	0	54
Bus Drivers	--	48
Computer Technicians	5	--
Totals	303	141

Source: School City of Hobart

Employment Relations

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

<u>Organization</u>	<u>Represents</u>	<u>Expiration Date</u>
Hobart Teachers Association	Teachers	6/30/2026
SEIU Local 208	Custodians	6/30/2015 ¹

Source: School City of Hobart

¹ The School Corporation and SEIU Local 208 are operating under the status quo while negotiating a new contract.

Facilities

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

<u>Building Name</u>	<u>Grades</u>	<u>Original Construction</u>	<u>Last Additions/ Renovations</u>
Hobart High	9-12	2008	2020
Hobart Middle	6-8	1957	2016
Liberty Elementary	1-5	1949	2009
Joan Martin Elementary	1-5	1994	2009
Ridge View Elementary	1-5	1955	2009
George Earle Early Learning	Pre-K	1962	2009
Veterans Elementary	1-5	2020	--

Source: School City of Hobart

Enrollments

The average daily membership enrollments are as follows and the projected enrollments are based on school demographics study and enrollment trends.

<u>Academic Year</u>	<u>Actual Enrollment</u>	<u>Academic Year</u>	<u>Projected Enrollment</u>
2021-22	4,035	2026-27	3,925
2022-23	3,970	2027-28	3,925
2023-24	4,003	2028-29	3,925
2024-25	3,978	2029-30	3,925
2025-26	3,919	2030-31	3,925

Source: School City of Hobart

Net Assessed Valuation

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

Tax Payment <u>Year</u>	Net Assessed <u>Valuation</u>	Tax Payment <u>Year</u>	Net Assessed <u>Valuation</u>
2017	\$704,564,267	2022	\$863,547,493
2018	714,678,558	2023	983,613,999
2019	732,542,305	2024	1,034,311,070
2020	774,094,008	2025	1,094,887,698
2021	822,588,558	2026	1,190,984,593

Source: Indiana Department of Local Government Finance

Gross Assessed Valuation

Annual gross assessed valuation totals of the School Corporation are shown below. In Indiana, statutory provisions for assessment of land, improvements, and personal property specify true tax value as assessed valuation. Criteria for determination of true tax value are established by the Indiana Department of Local Government Finance.

Tax Payment <u>Year</u>	Gross Assessed <u>Valuation</u>	Tax Payment <u>Year</u>	Gross Assessed <u>Valuation</u>
2017	\$1,333,300,386	2022	\$1,667,334,990
2018	1,365,552,724	2023	1,866,586,600
2019	1,456,772,920	2024	2,005,420,150
2020	1,520,501,600	2025	2,081,345,070
2021	1,597,094,080	2026	2,301,188,200

Source: Lake County Auditor

Largest Taxpayers

The largest taxpayers for the year 2025 pay 2026 in the School Corporation account for approximately 8.47% of the 2026 Net Assessed Valuation of the School Corporation and are listed below:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>
Lake In The Woods - Apartments	Multi-Family Apartments	19,456,026
NIPSCO - Electric/Gas Utility	Electric/Gas Utility	19,407,750
ALFA Group Hobart - Apartments	Multi-Family Apartments	14,600,016
Hampshire Park Apartments - Apartments	Multi-Family Apartments	10,988,976
GAHC3 Hobart IN ALF - Assisted Living	Assisted Living Facility	10,311,860
Ardena 37 - Commercial Property	Commercial	5,872,770
Frog Creek Real Estate - Commercial Property	Real Estate	5,638,124
2901 West 37th Avenue LLC - Nursing Home	Assisted Living Facility	4,968,898
Luke Land	Commercial	4,853,760
Ardena Pavilion - Commercial Property	Medical Offices	4,744,650
		\$100,842,830

Source: Lake County Auditor

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 Indiana Department of Local Government Finance. Many of the taxpayers listed in such records, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included.

School Tax Rates

The following tax rates (per \$100 of assessed valuation), as reported for the School Corporation, are gross rates.

<u>Fund</u>	<u>Tax Rate</u>				
	2022 ⁽¹⁾	2023	2024	2025	2026
General Fund Referendum	\$0.2460	\$0.2460	\$0.2404	\$0.2403	\$0.2460
Referendum Debt Fund	0.1966	0.1684	0.164	0.1519	0.1445
Debt Service	0.9178	1.0111	1.0258	0.7999	0.9089
Operations	0.4570	0.4213	0.4166	0.4093	0.3913
Total	\$1.8174	\$1.8468	\$1.8468	\$1.6014	\$1.6907

Source: Indiana Department of Local Government Finance

(1) Beginning in 2019, the School Corporation replaced the General Fund with the Education Fund and combined the Transportation, Bus Replacement Fund and Capital Project Fund to make the Operations Fund. The Education Fund is state-funded.

Taxes Levied and Collected

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

Collection <u>Year</u>	Taxes <u>Levied</u>	Circuit Breaker <u>Credits</u>	Net Taxes <u>Levied</u>	Taxes <u>Collected</u>	Percent <u>Collected</u>
2021	14,818,588	2,060,224	12,758,364	12,584,903	98.64%
2022	15,860,072	2,538,676	13,321,396	13,154,864	98.75%
2023	18,330,765	3,463,336	14,867,429	14,885,779	100.12%
2024	19,281,486	3,591,991	15,689,495	15,523,532	98.94%
2025	17,724,843	3,174,880	14,549,963	14,362,357	98.71%
2026	20,329,272	4,354,195	15,975,077	In Process	

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

Collections are shown on an accrual basis and 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.

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 Guidelines Manual for Indiana Public School Corporations" (2010 Revised Edition). Annual Financial Reports (Form 9) are filed with the Indiana Department of Education. The most recent audit by the State Board of Accounts was filed March 21, 2025 for the period July 1, 2022 to June 30, 2024. The audit for the period from July 1, 2024 through June 30, 2026 is not yet available.

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, the Art Association Fund, the Historical Society Fund, the Playground 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 B 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 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 City of Hobart
Unaudited Compilation of Receipts and Disbursements

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>	<u>2025</u> <u>Actual</u>
GENERAL/EDUCATION FUND					
Jan. 1 Balance	\$ 3,669,696	\$ 3,355,741	\$ 3,815,559	\$ 4,181,843	\$ 4,195,040
Receipts					
Property Taxes	-	-	-	-	-
Fin. Inst., Excise Taxes	-	-	-	-	-
Local Option Prop. Tax Replacement	-	-	-	-	-
Other Local Sources	572,880	632,288	461,399	564,940	465,418
County & Intermediate	-	-	-	-	65,849
State Aid	29,051,855	30,722,428	32,327,029	33,456,514	34,165,582
Adjustments & Refunds	2,000	-	-	-	-
Interim Loans & Transfers	<u>6,304</u>	<u>-</u>	<u>41,640</u>	<u>158,190</u>	<u>86,653</u>
Total Receipts	29,633,039	31,354,716	32,830,068	34,179,645	34,783,502
Expenditures	25,605,995	26,214,898	27,546,784	29,056,447	30,715,387
Loan Repayments	<u>4,341,000</u>	<u>4,680,000</u>	<u>4,917,000</u>	<u>5,110,000</u>	<u>5,195,000</u>
Dec. 31 Balance	\$ 3,355,741	\$ 3,815,559	\$ 4,181,843	\$ 4,195,040	\$ 3,068,156
DEBT SERVICE FUND					
Jan. 1 Balance	\$ 916,174	\$ 1,296,348	\$ 1,688,596	\$ 701,081	\$ 315,121
Receipts					
Property Taxes	7,021,805	7,607,120	9,601,444	10,093,028	8,302,090
Fin. Inst., Excise Taxes	620,928	597,889	607,744	572,450	404,276
Local Option Prop. Tax Replacement	-	-	-	-	-
Other Local Sources	7,073	1,250	-	-	-
Adjustments & Refunds	-	-	-	-	-
Interim Loans & Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	7,649,806	8,206,259	10,209,187	10,665,478	8,706,366
Expenditures	6,992,916	7,502,436	8,686,848	10,851,438	8,773,822
Loan Repayments & Transfers	<u>276,715</u>	<u>311,576</u>	<u>2,509,855</u>	<u>200,000</u>	<u>-</u>
Dec. 31 Balance	\$ 1,296,348	\$ 1,688,596	\$ 701,081	\$ 315,121	\$ 247,664
OPERATIONS FUND					
Jan. 1 Balance	\$ 2,135,501	\$ 1,639,662	\$ 1,466,590	\$ 2,727,844	\$ 2,116,419
Receipts					
Property Taxes	1,969,486	1,719,747	1,143,056	1,249,919	1,779,628
Fin. Inst., Excise Taxes	320,641	297,707	253,231	546,008	261,256
Other Local Sources	567,186	691,909	1,100,465	391,861	639,825
County & Intermediate	401,212	363,988	406,114	411,469	413,042
Adjustments & Refunds	54,151	201,643	22,841	379,475	456,096
Interim Loans & Transfers	<u>4,348,083</u>	<u>4,680,000</u>	<u>7,164,043</u>	<u>5,310,000</u>	<u>5,195,000</u>
Total Receipts	7,660,759	7,954,995	10,089,752	8,288,733	8,744,847
Expenditures	8,156,598	8,128,067	8,828,498	8,900,158	8,840,990
Loan Repayments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Dec. 31 Balance	\$ 1,639,662	\$ 1,466,590	\$ 2,727,844	\$ 2,116,419	\$ 2,020,276

Source: School Corporation Biannual Financial Reports (Form 9)

School City of Hobart
Unaudited Compilation of Receipts and Disbursements Continued

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>	<u>2025</u> <u>Actual</u>
REFERENDUM EXEMPT DEBT					
Jan. 1 Balance	\$ -	\$ 104,275	\$ 151,735	\$ 154,797	\$ 160,994
Receipts					
Property Taxes	1,545,640	1,700,388	1,682,841	1,695,677	1,657,590
Fin. Inst., Excise Taxes	129,372	128,073	101,220	91,521	74,364
Local Option Prop. Tax Replacement	-	-	-	-	-
State Aid	-	-	-	-	-
Adjustments & Refunds	-	-	-	-	-
Interim Loans	<u>210,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	1,885,275	1,828,461	1,784,062	1,787,197	1,731,955
Expenditures	1,781,000	1,781,000	1,781,000	1,781,000	1,781,000
Loan Repayments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 104,275</u>	<u>\$ 151,735</u>	<u>\$ 154,797</u>	<u>\$ 160,994</u>	<u>\$ 111,949</u>
REFERENDUM EXEMPT OPERATING					
Jan. 1 Balance	\$ 212,839	\$ 234,589	\$ 133,379	\$ 147,996	\$ 280,371
Receipts					
Property Taxes	2,047,972	2,127,609	2,458,437	2,484,908	2,623,049
Fin. Inst., Excise Taxes	171,473	160,254	147,864	134,156	123,857
Local Option Prop. Tax Replacement	23,180	13,634	16,149	-	-
State Aid	-	-	-	-	-
Adjustments & Refunds	2,135	40,608	1,897	17,985	22,920
Interim Loans	<u>743,566</u>	<u>696,603</u>	<u>1,019,750</u>	<u>1,116,500</u>	<u>991,936</u>
Total Receipts	2,988,326	3,038,707	3,644,096	3,753,549	3,761,762
Expenditures	2,223,011	2,443,313	2,609,730	2,504,675	2,678,374
Loan Repayments	<u>743,566</u>	<u>696,603</u>	<u>1,019,750</u>	<u>1,116,500</u>	<u>991,936</u>
	<u>\$ 234,589</u>	<u>\$ 133,379</u>	<u>\$ 147,996</u>	<u>\$ 280,371</u>	<u>\$ 371,822</u>

Source: School Corporation Biannual Financial Reports (Form 9)

Cash Balances by Funds

<u>Dec. 31</u>	<u>Education</u>	<u>Debt Service</u>	<u>Operations</u>	<u>Other</u>	<u>Total</u>
2021 ⁽¹⁾	3,355,741	1,296,348	1,639,662	3,919,299	10,211,050
2022 ⁽¹⁾	3,815,559	1,688,596	1,466,590	4,713,437	11,684,182
2023 ⁽¹⁾	4,181,843	701,081	2,727,844	9,252,917	16,863,685
2024 ⁽¹⁾	4,195,040	315,121	2,116,419	4,483,536	11,110,116
2025 ⁽¹⁾	3,068,156	247,664	2,020,276	3,915,927	9,252,023

(1) Beginning in 2019, the School Corporation replaced the General Fund with the Education Fund and combined the Transportation, Bus Replacement Fund and Capital Project Fund to make the Operations Fund. The Education Fund is state-funded.

Source: School Corporation Biannual Financial Reports (Form 9)

Anticipated Receipts & Disbursements Calendar Year 2026 Budget

	<u>General Fund Referendum</u>	<u>Debt Service Fund</u>	<u>Referendum Debt Service</u>	<u>Education Fund</u>	<u>Operations Fund</u>	
Receipts						
Property Tax	\$3,051,591	\$10,824,859	\$1,792,499	----	\$410,323	(1)
Bank & Excise	\$129,326	\$363,767	\$62,456	----	\$261,325	
State Grants	----	----	----	\$35,111,508	----	
Miscellaneous	----	----	----	\$722,707	\$7,466,561	
Totals	\$3,180,917	\$11,188,626	\$1,854,955	\$35,834,215	\$8,138,209	
Disbursements	\$3,004,733	\$9,378,275	\$1,782,375	\$37,275,260	\$8,979,087	

(1) Includes \$4,250,000 in property tax cap impacts.

Source: School City of Hobart

Beginning in 2019, the School Corporation replaced the General Fund with the Education Fund and combined the Transportation, Bus Replacement Fund and Capital Project Fund to make the Operations Fund.

State of Indiana Payments

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

<u>Year</u>	<u>Total</u>
2022	31,428,156
2023	33,548,117
2024	34,621,990
2025	34,414,472
2026 est.	35,448,940

Source: School Corporation Biannual Financial Reports (Form 9) and Dep't. of Local Government Finance

Indebtedness

The bond and lease indebtedness of the School Corporation and the underlying and overlapping taxing units associated with the School Corporation are summarized below as of July 15, 2026, assuming issuance of the Bonds.

		<u>Per Capita</u>	<u>Percent of Assessed Valuation</u>
Net Assessed Value (2026)	\$1,190,984,593	\$49,577	----
Direct Debt	56,740,000	2,362	4.76%
Direct & Underlying Debt	77,996,306	3,247	6.55%
2024 Population	24,023		

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

<u>Direct Debt</u>	<u>Dated Date</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
Lease Obligations				
First Mortgage Refunding Bonds, Series 2026*	___/___/___	\$19,955,000	1/15/2039	\$19,955,000
First Mortgage Bonds, Series 2025A	10/30/2025	8,045,000	1/15/2037	8,045,000
First Mortgage Bonds, Series 2025B	10/30/2025	410,000	7/15/2029	410,000
First Mortgage Bonds, Series 2021	09/01/21	5,010,000	01/15/39	5,010,000
First Mortgage Refunding Bonds, Series 2020	07/23/20	2,920,000	07/15/28	910,000
Unlimited First Mortgage Bonds, Series 2018	08/23/18	39,640,000	01/15/37	39,640,000
General Obligations				
General Obligation Bonds, Series 2023	06/29/23	5,550,000	01/15/28	1,725,000
General Obligation Bonds, Series 2020	11/24/20	1,000,000	07/15/28	1,000,000
Total Direct Debt		62,575,000		56,740,000
		<u>Applicable</u>		
<u>Underlying and Overlapping Tax Supported Debt</u>		<u>Outstanding Amount</u>	<u>Percent</u>	<u>Amount</u>
City of Hobart		\$32,655,000	62.29%	\$20,340,267
Lake County		26,925,000	3.40%	916,039
				21,256,306

**This Issue, Preliminary, Subject to Change*

Sources: Direct Debt from School Corporation; other from Indiana Department of Local Government Finance "Gateway".

The schedule presented above is based on information furnished by the obligors or other sources and is deemed reliable. The Underwriter makes no representations or warranty as to its accuracy or completeness.

Combined Debt Service Requirements

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

								(This Issue)	Total
	2018	2020	2020	2021	2023	2025A	2025B Taxable	2026	Debt
<u>Year</u>	<u>Bonds</u>	<u>Bonds</u>	<u>GO Bonds</u>	<u>Bonds</u>	<u>GO Bonds</u>	<u>FMB Bonds</u>	<u>FMB Bonds</u>	<u>FMRB Bonds*</u>	<u>Service*</u>
2026	1,781,000	473,000	20,000	152,000	917,125	492,000	25,000	500,000	\$4,360,125
2027	1,781,000	473,000	20,000	152,000	1,360,125	408,000	22,000	1,000,000	5,216,125
2028	1,781,000	237,000	1,020,000	152,000		408,000	398,000	1,000,000	4,996,000
2029	3,756,000			152,000		769,000	33,500	2,220,000	6,930,500
2030	6,273,000			152,000		1,318,000		3,005,000	10,748,000
2031	6,277,000			152,000		1,320,000		3,005,000	10,754,000
2032	6,275,000			152,000		1,320,000		3,005,000	10,752,000
2033	6,275,000			152,000		1,322,000		3,005,000	10,754,000
2034	6,273,000			152,000		1,317,000		3,005,000	10,747,000
2035	6,276,000			152,000		1,319,000		2,000,000	9,747,000
2036	6,275,000			152,000		1,318,000		2,000,000	9,745,000
2037				2,602,000				2,050,000	4,652,000
2038				2,598,000				2,000,000	4,598,000

Source: School City of Hobart

* Preliminary, subject to change.

Future Financing

The School Corporation has previously authorized financing in the amount of \$19,810,000 of which \$10,490,000 remains. The School Corporation anticipates issuing the balance of the authorization in the next two years. The School Corporation presently has no additional long-term capital borrowing plans in the next 12 months other than the Bonds. In addition, the School Corporation continues to monitor needs within the School Corporation and may consider future long-term borrowings when deemed appropriate.

Debt Payment History

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

Pension and Post Employment Obligations

All employees of the School Corporation are covered under the federal Social Security Act. The School Corporation's employer contribution for employees from the Education Fund was \$1,281,023.32, \$1,460,780.58 and \$1,456,867.86 in calendar years 2023, 2024 and 2025. The School Corporation's estimated employer contribution is \$1,416,124 for calendar year 2026.

Teachers' Retirement Fund

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

The Pre-1996 Account is a cost-sharing multiple-employer defined benefit plan with the State being the lone non-employer contributing entity. The State is responsible for 100% of the contributions to the Pre-1996 Account. Based on census data as of June 30, 2025, there were 4,728 active Pre-1996 accounts state-wide. The 1996 Account is a cost-sharing multiple-employer defined benefit plan with no non-employer contributing entities. The employers (i.e., the school corporations) are responsible for 100% of the contributions to the 1996 Account. Based on census data as of June 30, 2025, there were 61,850 active 1996 accounts state-wide.

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

The defined benefits payable from the 1996 Account are funded by contributions from the individual employers. The Indiana Public Retirement System ("INPRS") Board of Trustees establishes a contribution rate, based on several factors including the annual actuarial valuation. Each employer is then contractually required to pay that contribution rate. For the fiscal year ended June 30, 2025, employers were required to contribute 6.5% of their active participant payroll to the defined benefit plan with an increased rate to 7.1% effective January 1, 2026. Additionally, members of the 1996 Account are required to contribute 3% of their annual wages to fund the defined contribution portion of the 1996 Account. Employers may choose to make this contribution on behalf of its employees, and the School Corporation does so.

The School Corporation's total contributions to the Fund for the years ended June 30, 2023, 2024 and 2025 were \$1,338,521.29, \$1,560,161.85 and \$1,583,531.22, respectively. The estimated contribution for 2026 is \$1,577,007.

According to the latest actuarial valuation, as of June 30, 2025, the actuarial accrued liability for

the Pre-1996 Account was \$12,782 million and the actuarial value of assets was \$9,686 million, resulting in an unfunded accrued liability of \$3,096 million and a funded ratio of 75.8%. As of June 30, 2025, the actuarial accrued liability for the 1996 Account was \$10,834 million and the actuarial value of assets was \$9,313 million, resulting in an unfunded accrued liability of \$1,521 million and a funded ratio of 86.0%.

Public Employees Retirement Fund

Except custodial positions, all full-time non-certified employees of the School Corporation are covered under the Public Employees Retirement Fund of Indiana ("PERF"). PERF is a cost-sharing multiple-employer defined benefit pension plan. PERF consists of two plans: (i) the Hybrid plan, and (ii) the ASA Only plan. As of July 1, 2025, there were approximately 122,322 total PERF active members statewide making contributions.

The INPRS Board sets, at its discretion, the applicable employer contribution rates upon considering their results of the actuarial valuation and other analysis as appropriate. The School Corporation currently contributes at a rate of 11.2% of earned salary or compensation. Employees are required to contribute 3% of their compensation to an Annuity Savings Account. Employers may "pick up" the employee contributions. The School Corporation does not make the 3% contribution on behalf of its employees.

The School Corporation's total contributions to PERF for the years ended June 30, 2023, 2024 and 2025 were \$718,546.72, \$756,335.33 and \$749,522.36, respectively. The estimated contribution for 2026 is \$788,376.

According to the latest actuarial valuation, as of June 30, 2025, the actuarial accrued liability for PERF was \$20,274 million and the actuarial value of assets was \$16,970 million, resulting in an unfunded accrued liability of \$3,304 million and a funded ratio of 83.7%.

Governance

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

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

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

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

Other Retirement Benefits

The School Corporation has fully funded and entered into agreements with teachers who retire, after meeting certain eligibility requirements, with the balances of 401(a) accounts and VEBA accounts. These accounts are for the benefit of the employees and are funded through School Corporation contributions as needed. Teachers are not entitled to any post-retirement benefits from the School Corporation beyond their vested balances in the various retirement accounts. Retired administrators are eligible to continue to receive medical benefits until age 65 or until eligible for Medicare. The School Corporation sponsors a 403(B) program and makes it available to all employees for employee funding. This program includes an annual \$300 matching provision for members of the bargaining unit.

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APPENDIX B

GENERAL INFORMATION ABOUT THE COMMUNITY

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**Hobart Bldg. Corp.
(Lake County, Indiana)**

GENERAL INFORMATION ABOUT THE COMMUNITY

Location

School City of Hobart (the "School Corporation") is located in Lake County, Indiana (the "County"), in northwestern Indiana, approximately 40 miles southeast of the City of Chicago, Illinois, and approximately 150 miles northwest of the City of Indianapolis, Indiana. The School Corporation is comprised of portions of Hobart Township, the Town of New Chicago, and the City of Hobart.

Population

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

	<u>2000</u>	<u>2010</u>	<u>2020</u>
School Corporation	22,080	23,679	24,122
Lake County	484,564	496,005	498,700
Percentage of County	4.6%	4.8%	4.8%

Source: U.S. Census Bureau

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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Hobart Township	\$3.5896	\$3.5917	\$3.3577	\$3.4238	\$3.4134
Hobart Corp.	\$3.9180	\$3.8935	\$4.0823	\$3.9441	\$3.7247
New Chicago	\$4.5764	\$4.5667	\$4.3001	\$4.3117	\$4.2940

Source: Stats Indiana

Employment Statistics and Patterns

Below is a list of the ten largest employers in Lake County.

<u>Employer</u>	<u>Business or Product</u>
Franciscan Health Dyer	Healthcare
Community Hospital	Healthcare
Alverno Clinical Labs LLC	Healthcare
Franciscan Health Crown Point	Healthcare
Methodist Hospital Southlake	Healthcare
Purdue University Northwest	Education
US Steel Corp	Iron & Steel Mill Producer
St. Catherine Hospital	Healthcare
Ni Source Inc.	Power Utility
Majestic Care of St. Anthony	Senior Care

Source: Hoosiers by the Numbers

Jobs and Wages

Total Covered Employment for the 4th quarter of 2025 was 192,785. Employment patterns for Lake 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	\$2,684,867	300	0.2%
Mining	--	--	--
Utilities	--	--	--
Construction	\$365,265,781	13,065	6.8%
Manufacturing	\$577,469,753	22,146	11.5%
Wholesale Trade	\$145,745,705	6,483	3.4%
Retail Trade	\$216,097,165	22,548	11.7%
Transportation & Warehousing	\$178,413,375	11,067	5.7%
Information	\$21,506,744	1,189	0.6%
Finance and Insurance	\$97,631,925	4,722	2.4%
Real Estate and Rental and Leasing	\$33,132,310	1,955	1.0%
Professional, Scientific, and Technical Services	\$164,389,906	7,820	4.1%
Management of Companies and Enterprises	\$62,357,080	2,305	1.2%
Admin. & Support & Waste Mgt. & Rem. Services	\$137,299,833	9,496	4.9%
Educational Services	\$185,211,052	15,803	8.2%
Health Care and Social Services	\$538,630,035	32,662	16.9%
Arts, Entertainment, and Recreation	\$27,935,545	3,194	1.7%
Accommodation and Food Services	\$128,060,304	20,511	10.6%
Other Services (Except Public Administration)	\$99,201,611	8,125	4.2%
Public Administration	\$120,720,277	7,669	4.0%
Total	\$3,150,938,127	192,785	

Source: STATS Indiana with Indiana Department of Workforce Development data aggregated by Indiana Business Research Center

Unemployment

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

<u>Lake County</u>	<u>Annual Averages</u>				
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 (Apr.)</u>
Labor Force	233,739	237,179	240,745	243,484	240,692
Unemployed	10,767	11,914	13,224	12,399	10,059
Rate of Unemployment	4.6%	5.0%	5.5%	5.1%	4.2%
State of Indiana	3.1%	3.4%	4.0%	3.7%	2.8%
United States	3.6%	3.6%	4.0%	4.3%	4.0%

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

Transportation

Highways serving Lake County are Interstates 65, 80, 90 and 94, U.S. Highways 12, 20, 41, 30, 231 and State Highways 53, 55, 130, 312, and 910. Rail service is provided by Norfolk Southern Railroad, Canadian National Railway Company, Chicago, Southshore, & South Bend Railroad, CSX Railroad, and Indiana Harbor Belt. Air service is provided regionally by O'Hare International Airport and Midway International Airport in the City of Chicago, Illinois and by the South Bend International Airport in the City of South Bend, Indiana.

Higher Education

Within Lake County, Indiana, are a variety of institutions providing opportunities for technical education and fully accredited college degree programs, including the following institutions: Indiana University Northwest, Hyles-Anderson College, University of Saint Francis Crown Point, Purdue University Northwest, American Conservatory of Music, Ivy Tech Community College, Lil Lou's Beauty & Barber College, and Calumet College of St. Joseph.

Financial Institutions

The following is a list of financial institutions which have locations in the City of Hobart, Lake County, Indiana.

Centier Bank
Peoples Bank
JPMorgan Chase Bank, National Association
First Financial Bank

Source: FDIC, BankFind Suite

Utilities

The following public utilities provide service within Lake County:

Telephone	Frontier
Electric	Northern Indiana Public Service Co. (NIPSCO)
	Wabash Valley
Natural Gas	Northern Indiana Public Service Co. (NIPSCO)
	Vectren
Water/Sewer	Hobart Sanitary and Stormwater Management District
	Indiana-American Water

Source: Indiana Office of Energy Development Interactive Energy Map; Utility Websites

Hospitals

The following hospitals are located in Lake County, Indiana:

Community Hospital	Pinnacle Hospital
Franciscan Health Crown Point	Powers Health Rehabilitation Center
Franciscan Health Dyer	Regency Hospital of Northwest Indiana
Franciscan Health Munster	Regional Mental Health Center
Methodist Hospitals Inc.	St. Catherine Hospital Inc.
Neuro Behavioral Hospital	St. Mary Medical Center Inc.
NW Indiana ER & Hospital	UChicago Medicine Northwest Indiana
NW Indiana-AMG Specialty Hospital	

Source: State of Indiana Department of Health, Hospital Directory

Educational Attainment

The educational background of area residents ages 18 and over living in the School Corporation; Lake County, Indiana; and the State of Indiana are set forth in the following table.

<u>Educational Level Attained</u>	<u>School Corporation</u>	<u>Lake County</u>	<u>Indiana</u>
Less than 9th grade	1.1%	3.5%	3.5%
9th to 12th grade, no diploma	4.2%	6.7%	6.6%
High school graduate (excludes equivalency)	41.8%	35.2%	33.3%
Some college, no degree	23.3%	22.1%	20.9%
Associate's degree	9.4%	8.5%	8.4%
Bachelor's degree	14.9%	16.3%	17.7%
Graduate or professional degree	5.3%	7.7%	9.5%
Percent high school graduate or higher	94.7%	89.8%	89.9%
Percent Bachelor's degree or higher	20.2%	24.0%	27.3%

Source: U.S. Census Bureau, 2024 American Community Survey, 1-Year Estimates

Household Income

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

<u>Income Level</u>	<u>School Corporation</u>	<u>Lake County</u>	<u>Indiana</u>
Less than \$10,000	2.7%	6.3%	4.9%
\$10,000 to \$14,999	4.4%	3.7%	3.4%
\$15,000 to \$24,999	6.3%	7.1%	6.8%
\$25,000 to \$34,999	5.5%	7.0%	7.5%
\$35,000 to \$49,999	13.8%	11.5%	11.8%
\$50,000 to \$74,999	18.9%	16.6%	17.7%
\$75,000 to \$99,999	13.0%	13.1%	13.9%
\$100,000 to \$149,999	23.0%	17.4%	17.5%
\$150,000 to \$199,999	8.6%	9.0%	8.3%
\$200,000 or more	3.8%	8.3%	8.2%
Median Income (dollars)	\$72,406	\$71,493	\$71,957

Source: U.S. Census Bureau, 2024 American Community Survey, 1-Year Estimates

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>
Lake County	\$48,126	\$52,680	\$53,708	\$56,172	\$58,423
Indiana	\$51,716	\$57,254	\$58,867	\$61,083	\$64,077

Source: Stats Indiana

Housing Values

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

<u>Value of Owner-occupied Housing Units</u>	<u>School Corporation</u>	<u>Lake County</u>	<u>Indiana</u>
Less than \$50,000	2.4%	5.9%	6.0%
\$50,000 to \$99,999	4.5%	7.9%	10.1%
\$100,000 to \$149,999	14.8%	10.7%	12.7%
\$150,000 to \$199,999	25.3%	15.2%	15.8%
\$200,000 to \$299,999	34.8%	28.8%	25.1%
\$300,000 to \$499,999	17.2%	24.2%	21.8%
\$500,000 or more	1.0%	7.3%	8.5%

Source: U.S. Census Bureau, 2024 American Community Survey, 1-Year Estimates

Building Permits

The following table sets forth the residential building permits and values for Lake County, Indiana, for the past five years.

<u>Year</u>	<u>Number of Permits</u>	<u>Value of Permits</u>	<u>Average Value</u>
2021	1,755	\$496,149,000	\$282,706
2022	1,300	\$369,982,000	\$284,602
2023	1,286	\$350,630,000	\$272,652
2024	1,649	\$491,872,000	\$298,285
2025	1,262	\$453,800,000	\$359,588

Source: U.S. Census Bureau

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APPENDIX C
FORM OF OPINION OF BOND COUNSEL

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FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Bonds in definitive form, Bose McKinney & Evans LLP, Bond Counsel, proposes to render the following opinion with respect to the Bonds in substantially the following form.

_____, 2026

Hobart Bldg. Corp.
Hobart, Indiana

School City of Hobart
Hobart, Indiana

Stifel, Nicolaus & Company, Incorporated
Fort Wayne, Indiana

The Bank of New York Mellon Trust Company, N.A., as trustee
Indianapolis, Indiana

Re: Hobart Bldg. Corp.
Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026

Ladies and Gentlemen:

We have acted as bond counsel to Hobart Bldg. Corp. (the “Building Corporation”) in connection with the issuance of its Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026 (the “Bonds”) in the aggregate principal amount of \$_____, dated as of _____, 2026. In our capacity as bond counsel, we have examined the law, including constitutions, statutes, regulations, published rulings and judicial decisions existing on the date of this opinion, the certified transcript of the proceedings relating to the issuance of the Bonds (the “Transcript”) and such other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to Indiana Code 20-47-3, as amended, on a parity with the Building Corporation’s Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2020, dated July 23, 2020 (the “2020 Bonds”), Ad Valorem Property Tax First Mortgage Bonds, Series 2021, dated September 1, 2021 (the “2021 Bonds”), Ad Valorem Property Tax First Mortgage Bonds, Series 2025A, dated October 30, 2025 (the “2025A Bonds”) and Taxable Ad Valorem Property Tax First Mortgage Bonds, Series 2025B (the “2025B Bonds”, together with the 2020 Bonds, the 2021 Bonds and the 2025A Bonds, the “Outstanding Bonds”), under a Trust Indenture and Mortgage dated as of April 1, 2006, between the Building Corporation and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), as supplemented by a Supplemental Indenture dated as of December 1, 2009, a Second Supplemental Trust Indenture dated as of June 1, 2016, a

Third Supplemental Trust Indenture dated as of November 1, 2016, a Fourth Supplemental Trust Indenture dated as of July 1, 2020, a Fifth Supplemental Trust Indenture dated as of September 1, 2021, a Sixth Supplemental Trust Indenture dated as of October 1, 2025 and a Seventh Supplemental Trust Indenture dated as of _____ 1, 2026 (collectively, the “Indenture”). The Bonds will be secured, in part, by a Lease dated as of August 10, 2005, as amended by a First Amendment to Lease dated as of September 3, 2009, a Second Amendment to Lease dated as of June 28, 2016, a Third Amendment to Lease dated as of September 1, 2016, a Fourth Amendment to Lease dated as of July 23, 2020, a Fifth Amendment to Lease dated as of June 23, 2021, a Sixth Amendment to Lease dated as of May 8, 2025 and a Seventh Amendment to Lease dated as of _____, 2026 (collectively, the “Lease”), each between the Building Corporation and the School City of Hobart (the “Lessee”). Under the Lease, the Lessee has agreed to make certain payments, including semiannual rental payments (the “Annual Rent”), to the Building Corporation, which payments, together with other available funds, will be used to pay when due the principal of, premium, if any, and interest on the Outstanding Bonds and the Bonds. Such payments and other revenues under the Lease and the Indenture (collectively, the “Revenues”), the rights of the Building Corporation under the Lease, and the real estate (the “Real Estate”) and personal property described therein are pledged and assigned by the Building Corporation as security for the Outstanding Bonds and the Bonds.

As to questions of fact material to our opinion, we have relied upon the Transcript and other certifications furnished to us, including tax covenants and representations of the Building Corporation and the Lessee, without undertaking to verify the same by independent investigation.

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

1. The Building Corporation has been duly incorporated and is validly existing as a corporation under the laws of the State of Indiana (the “State”). The Building Corporation has the power to execute and deliver the Lease and the Indenture, perform the agreements on its part contained therein and issue the Bonds.
2. The Lease and the Indenture have been duly authorized, executed and delivered by the Building Corporation and constitute valid and binding obligations of the Building Corporation, enforceable in accordance with their respective terms upon the Building Corporation. The issuance of the Bonds is permitted under the Indenture.
3. The Lease has been duly authorized, executed and delivered by the Lessee and constitutes a valid and binding obligation of the Lessee, enforceable in accordance with its terms upon the Lessee.
4. The Bonds have been duly authorized, executed and delivered by the Building Corporation

and are valid and binding limited obligations of the Building Corporation, payable solely from the Revenues and other funds provided therefor in the Indenture, on a parity with the Outstanding Bonds. Those Revenues and other funds include the Annual Rent required to be paid by the Lessee pursuant to the terms of the Lease. All taxable property in the territory of the Lessee is subject to ad valorem taxation to pay, when due, the Annual Rent under the Lease. The Lessee is required by law to include in its annual tax levy the Annual Rent coming due to the extent the necessary funds are not provided from other sources.

5. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Building Corporation and the Lessee comply with all requirements of the Internal Revenue Code of 1986, as amended, which 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. The Building Corporation and the Lessee have covenanted to comply with all 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 retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.
6. The interest on the Bonds is exempt from taxation in the State for all purposes except for the Indiana Financial Institutions Tax imposed upon financial institutions pursuant to Indiana Code 6-5.5, as amended.
7. The issuance of the Bonds will not adversely affect the income tax status of interest on the Outstanding Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability of any document or instrument referred to or described in this opinion, including the Bonds, may be limited: (i) by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general principles of equity, whether considered at law or in equity; and (ii) by the valid exercise of the constitutional powers of the United States of America or the State.

We were not engaged to and have not undertaken to review the accuracy, adequacy or completeness of the Official Statement or other offering material, if any, related to the Bonds, and we express no opinion relating thereto.

Hobart Bldg. Corp.
School City of Hobart
Stifel, Nicolaus & Company, Incorporated
The Bank of New York Mellon Trust Company, N.A., as trustee
_____, 2026
Page 4

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

Very truly yours,

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APPENDIX D
CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This CONTINUING DISCLOSURE UNDERTAKING AGREEMENT (the “Agreement”) is executed and delivered by SCHOOL CITY OF HOBART (the “Obligor”), in connection with the issuance by the HOBART BLDG. CORP. (the “Issuer”) of its Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2026, in the aggregate principal amount of \$_____ (the “Bonds”). The Bonds are being issued pursuant to the Trust Indenture and Mortgage dated as of April 1, 2006, as amended by a Supplemental Indenture dated as of December 1, 2009, a Second Supplemental Trust Indenture dated as of June 1, 2016, a Third Supplemental Trust Indenture dated as of November 1, 2016, a Fourth Supplemental Trust Indenture dated as of July 1, 2020, a Fifth Supplemental Trust Indenture dated as of September 1, 2021, a Sixth Supplemental Trust Indenture dated as of October 1, 2025 and a Seventh Supplemental Trust Indenture dated as of _____, 2026 (collectively, the “Indenture”), each between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Bonds will be secured, in part, by a Lease dated as of August 10, 2005, as amended by a First Amendment to Lease dated as of September 3, 2009, a Second Amendment to Lease dated as of June 28, 2016, a Third Amendment to Lease dated as of September 1, 2016, a Fourth Amendment to Lease dated as of July 23, 2020, a Fifth Amendment to Lease dated as of June 23, 2021, a Sixth Amendment to Lease dated as of May 8, 2025 and a Seventh Amendment to Lease dated as of _____, 2026 (collectively, the “Lease”), each between the Issuer and the Obligor. The Obligor covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement.

(a) This Disclosure Agreement is being executed and delivered by the Obligor for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriter in complying with the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Agreement shall be deemed to be and shall constitute a contract between the Obligor and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Obligor shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

(c) The Obligor hereby determines that it will be an obligated person with respect to more than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds and excluding municipal securities that were offered in a transaction exempt pursuant to subsection (d)(1) of the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Indenture and the Lease, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the Obligor, or any successor Dissemination Agent appointed in writing by the Obligor and which has filed with the Obligor a written acceptance of such appointment.

“EMMA” means an Internet based electronic filing system called the “Electronic Municipal Market Access” system as described in 1934 Act Release No. 59062 created and operated by the MSRB at www.emma.msrb.org.

“Financial Obligation” means (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 1934 Act) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“GAAP” shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Governmental Accounting Standards Board and in effect from time to time.

“Listed Events” shall mean any of the events listed in Section 5(a) and (b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the 1934 Act which is the sole central repository through the operation of EMMA which is the sole central repository through the operation of EMMA.

“1934 Act” shall mean the Securities Exchange Act of 1934, as amended.

“Official Statement” shall mean the Official Statement for the Bonds dated _____, 2026.

“Participating Underwriter” shall mean Stifel, Nicolaus & Company, Incorporated.

“Rule” shall mean Rule 15c2-12 (17 CFR Part 240, §240.15c2-12) promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

“SEC” shall mean the United States Securities and Exchange Commission.

“Securities Counsel” shall mean legal counsel expert in federal securities law.

“State” shall mean the State of Indiana.

Section 3. Provision of Financial Information.

(a) The Obligor hereby undertakes to provide the following financial information:

- (1) To the MSRB through EMMA, when and if available, the audited financial statements of the Obligor for each fiscal year, as prepared and examined by the State Board of Accounts for each twelve (12)-month period ending June 30 (or as prepared biennially, as applicable), beginning with the twelve (12)-month period ending June 30, 2026, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the State Board of Accounts; and
- (2) To the MSRB through EMMA, within one hundred eighty (180) days of each December 31, beginning December 31, 2026, unaudited annual financial information for the Obligor for such calendar year including operating data (excluding any demographic information or forecast) of the general type included under the following headings in Appendix A to the Final Official Statement (collectively, the “Annual Information”):

APPENDIX A

- Enrollments
- School Corporation Receipts and Disbursements
- Cash Balances by Fund
- State of Indiana Payments
- Net Assessed Valuation
- Taxes Levied and Collected
- School Tax Rates
- Largest Taxpayers
- Indebtedness (Excluding Overlapping and Underlying Debt)

(b) To the extent the Annual Information or audited financial statements relating to the Obligor referred to in paragraph (a) of this Section 3 is included in a final official statement (as that term is defined in paragraph (f)(3) of the Rule) dated within one hundred twenty (120) days prior to the due date for such information for any fiscal year and filed with the MSRB, and in accordance with 3(f) below, the Obligor shall have been deemed to have provided that information as of the due date for the immediately preceding fiscal year as required by paragraphs (a)(1) and (2) of this Section 3.

(c) If any Annual Information or audited financial statements relating to the Obligor referred to in paragraph (a) of this Section 3 no longer can be generated because the operations to

which they related have been materially changed or discontinued, a statement to that effect, provided by the Obligor to the MSRB, along with any other Annual Information or audited financial statements required to be provided under this Agreement, shall satisfy the undertaking to provide such Annual Information or audited financial statements. To the extent available, the Obligor shall cause to be filed along with the other Annual Information or audited financial statements operating data similar to that which can no longer be provided.

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

(e) The disclosure of the Annual Information shall be accompanied by a certificate of an authorized representative of the Obligor in the form of **Exhibit A** attached hereto.

(f) Annual Information or audited financial statements required to be provided pursuant to this Section 3 may be provided by a specific reference to such Annual Information or audited financial statements already prepared and previously provided to the MSRB, or filed with the SEC; however, if such document is a final official statement, it must also be available from the MSRB.

(g) Except as provided in (c) above in this Section 3, if the Obligor fails to provide the audited financial statements or Annual Information as required by this Disclosure Agreement, the Obligor shall provide notice of such failure in a timely manner to the MSRB through EMMA in the form of **Exhibit B** attached hereto.

(h) The Obligor and any Dissemination Agent (as described in Section 7) appointed by the Obligor, must file all filings under this Disclosure Agreement with the MSRB through EMMA in an electronic format in the form of a word searchable portable document format (PDF).

Section 4. Accounting Principles. The financial information will be prepared on a cash basis as prescribed by the State Board of Accounts, as in effect from time to time, as described in the auditors' report and notes accompanying the audited financial statements of the Obligor or those mandated by state law from time to time. The audited financial statements of the Obligor, as described in Section 3(a)(1) hereof, will be prepared in accordance with GAAP.

Section 5. Reporting of Listed Events.

(a) The Obligor shall disclose the following events to the MSRB through EMMA, within 10 business days of the occurrence of any of the following events, if material (which determination of materiality shall be made by the Obligor in accordance with the standards established by federal securities laws):

- (1) non-payment related defaults;

- (2) modifications to rights of Bondholders;
- (3) bond calls;
- (4) release, substitution or sale of property securing repayment of the Bonds;
- (5) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing;
- (6) appointment of a successor or additional trustee or the change of name of a trustee; and
- (7) Incurrence of a Financial Obligation 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.

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

(b) The Obligor shall disclose the following events to the MSRB through EMMA, within ten (10) business days of the occurrence of any of the following events, regardless of materiality:

- (1) principal and interest payment delinquencies;
- (2) unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) substitution of credit or liquidity providers, or their failure to perform;
- (5) defeasances;
- (6) rating changes;
- (7) adverse tax opinions or events affecting the status of the Bonds, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events, notices or determinations with respect to the tax status of the Bonds;
- (8) tender offers;
- (9) bankruptcy, insolvency, receivership or similar event of the obligated person; and
- (10) default, event of acceleration, termination event, modification of terms or

other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

(c) If the Obligor determines that the occurrence of a Listed Event must be filed as set forth above, the Obligor shall promptly cause a notice of such occurrence to be filed with the MSRB through EMMA. In connection with providing a notice of the occurrence of a Listed Event described above in subsection (b)(5), the Obligor shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the Obligor), solely in its capacity as such, is not obligated or responsible under this Disclosure Agreement to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

(e) The Obligor acknowledges that the “rating changes” referred to above in subsection (b)(6) may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Obligor is liable.

(f) The Obligor acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Obligor or the Issuer does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

Section 6. Termination of Reporting Obligation.

(a) The Obligor’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, the prior redemption or the payment in full of all of the Bonds. If the Obligor’s obligation to pay the principal of and interest on the Bonds is assumed in full by some other entity, such entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Obligor, and the Obligor shall have no further responsibility hereunder.

(b) This Disclosure Agreement, or any provision hereof, shall be null and void in the event that the Obligor (i) receives an opinion of Securities Counsel, addressed to the Obligor, to the effect that those portions of the Rule, which require such provisions of this Disclosure Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the MSRB through EMMA.

Section 7. Dissemination Agent. The Obligor, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Except as otherwise provided in this Disclosure Agreement, the Dissemination Agent (if other than Obligor) shall not be responsible in any manner for the content of any notice or report prepared by the Obligor pursuant to this Disclosure Agreement.

Section 8. Amendment; Waiver.

(a) Notwithstanding any other provisions of this Disclosure Agreement, this Disclosure Agreement may be amended, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(1) if the amendment or waiver relates to a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Obligor, or type of business conducted by the Obligor or in connection with the refunding referred to in the Official Statement;

(2) this Disclosure Agreement, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment or waiver either (A) is approved by the Bondholders in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Bondholders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Agreement, the Obligor shall describe such amendment or waiver in the next Annual Information and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the financial information required to be included in the Annual Information pursuant to Section 3 of this Disclosure Agreement, the first Annual Information that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Information can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Information that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 3 of this Disclosure Agreement, the Annual Information for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a

qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be sent by the Obligor, or the Dissemination Agent (if other than the Obligor) at the written direction of the Obligor, to the MSRB through EMMA.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Obligor from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any audited financial statements, Annual Information or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Obligor chooses to include any information in any audited financial statements, Annual Information or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Obligor shall have no obligation under this Disclosure Agreement to update such information or include it in any future audited financial statements, Annual Information or notice of occurrence of a Listed Event.

Section 10. Failure to Comply. In the event of a failure of the Obligor or the Dissemination Agent (if other than the Obligor) to comply with any provision of this Disclosure Agreement, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Obligor or the Dissemination Agent (if other than the Obligor) under this Disclosure Agreement, but no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Disclosure Agreement shall not constitute a default with respect to the Bonds or under the Indenture. Notwithstanding the foregoing, if the alleged failure of the Obligor to comply with this Disclosure Agreement is the inadequacy of the information disclosed pursuant hereto, then the Bondholders and the Beneficial Owners (on whose behalf a Bondholder has not acted with respect to this alleged failure) of not less than twenty percent (20%) of the aggregate principal amount of the then outstanding Bonds must take the actions described above before the Obligor shall be compelled to perform with respect to the adequacy of such information disclosed pursuant to this Disclosure Agreement.

Section 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Obligor, the Dissemination Agent, the Participating Underwriter, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

Section 13. Transmission of Information and Notices. Unless otherwise required by law or this Disclosure Agreement, and, in the sole determination of the Obligor or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the Obligor or the Dissemination Agent, as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of such information and notices.

Section 14. Additional Disclosure Obligations. The Obligor acknowledges and understands that other State and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the Obligor, and that under some circumstances, compliance with this Disclosure Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Obligor under such laws.

Section 15. Prior Undertakings. Except as otherwise disclosed in the Official Statement, in the previous five years, the Obligor has not failed to comply, in all material respects, with any previous undertakings.

Section 16. Governing Law. This Disclosure Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Disclosure Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

Section 17. Severability. If any portion of this Disclosure Agreement is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability or enforceability of the remaining portions of this Disclosure Agreement shall not be affected, and this Disclosure Agreement shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

Signature Page to Continuing Disclosure Undertaking Agreement

SCHOOL CITY OF HOBART

By: _____
Ricki Guthrie, President

Dated: _____, 2026

EXHIBIT A

CERTIFICATE RE: ANNUAL FINANCIAL INFORMATION DISCLOSURE

Name of Issuer: Hobart Bldg. Corp.

Name of Obligor: School City of Hobart

Name of Bond Issue: Hobart Bldg. Corp. Ad Valorem Property Tax First Mortgage
Refunding Bonds, Series 2026

Date of Bonds: _____, 2026

The undersigned, on behalf of the above referenced Obligor, as the Obligor under the Continuing Disclosure Undertaking Agreement, dated _____, 2026 (the "Disclosure Agreement"), hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Disclosure Agreement) which is required to be provided pursuant to Section 3(a) of the Disclosure Agreement.

SCHOOL CITY OF HOBART

By _____

Its _____

Dated: _____

EXHIBIT B

NOTICE OF FAILURE TO FILE INFORMATION

Name of Issuer: Hobart Bldg. Corp.

Name of Obligor: School City of Hobart

Name of Bond Issue: Hobart Bldg. Corp. Ad Valorem Property Tax First Mortgage
Refunding Bonds, Series 2026

Date of Bonds: _____, 2026

NOTICE IS HEREBY GIVEN that the Obligor has not provided the [audited financial statements] [Annual Information] as required by Section 3(a) of the Continuing Disclosure Undertaking Agreement of the Obligor, dated _____, 2026.

SCHOOL CITY OF HOBART

By _____

Its _____

Dated: _____

EXHIBIT C

CERTIFICATE RE: EVENT DISCLOSURE

• The undersigned, on behalf of the School City of Hobart, as Obligor under the Continuing Disclosure Undertaking Agreement, dated _____, 2026 (the “Disclosure Agreement”), hereby certifies that the information enclosed herewith constitutes notice of the occurrence of an event which is required to be provided pursuant to Section 5 of the Disclosure Agreement.

• Dated: _____
•

SCHOOL CITY OF HOBART

By: _____

Name: _____

Title: _____

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APPENDIX E

AUDIT OF THE SCHOOL CORPORATION AS OF JUNE 30, 2024

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

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

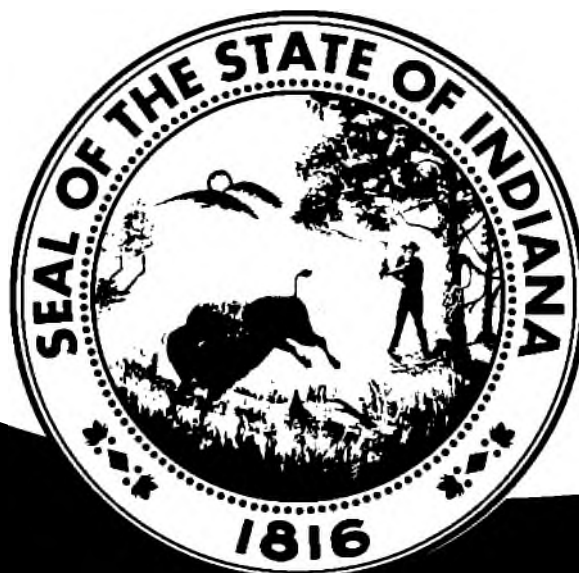
FINANCIAL STATEMENT AUDIT REPORT

OF

SCHOOL CITY OF HOBART

LAKE COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/21/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dawn Powers Tracy Brumley	07-01-22 to 06-30-24 07-01-24 to 06-30-25
Business Manager	Robert Glover, Jr.	07-01-22 to 06-30-25
Superintendent of Schools	Peggy Buffington	07-01-22 to 06-30-25
President of the School Board	Terry Butler Rikki Guthrie	07-01-22 to 12-31-24 01-01-25 to 06-30-25



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET

ROOM E418

INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513

Fax: (317) 232-4711

www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SCHOOL CITY OF HOBART, LAKE COUNTY, INDIANA

Report on the Audit of the Financial Statement

Adverse and Unmodified Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates and related disclosures made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation's ability to continue as a going concern for a reasonable period of time.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

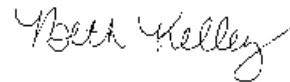
Other Information

Management is responsible for the other information included in the Annual Financial Report. The other information comprises the Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, but does not include the basic financial statement and our auditor's report thereon. Our opinions on the basic financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2025, on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 13, 2025

FINANCIAL STATEMENT AND ACCOMPANYING NOTES AND OTHER INFORMATION

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

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: [IDOE Finance Dashboard](#). This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

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

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

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

Fund	Cash and Investments 07-01-22	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-23	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-24
Education	\$ 3,429,059	\$ 31,792,524	\$ 27,454,563	\$ (5,052,360)	\$ 2,714,660	\$ 34,159,424	\$ 28,657,170	\$ (4,908,000)	\$ 3,308,914
Referendum Operating	876,719	3,521,184	3,165,322	-	1,232,581	3,750,737	3,851,751	-	1,131,567
Debt Service	1,811,892	9,196,052	8,594,282	-	2,413,662	10,493,925	9,258,115	(2,509,855)	1,139,617
Referendum Debt - Post 2009	231,525	1,783,624	1,781,000	-	234,149	1,789,770	1,781,000	-	242,919
Operations	1,510,184	2,501,379	8,702,516	5,108,411	417,458	3,423,674	8,744,962	7,198,376	2,294,546
Local Rainy Day	300,000	-	-	-	300,000	-	-	-	300,000
Retirement/Severance Bond	44,628	31	-	-	44,659	-	-	-	44,659
Construction 0700	(41,320)	1,072,022	1,440,569	5,719,448	5,309,581	409,868	401,251	-	5,318,198
Construction 0701	7,376	-	215,804	1,000,000	791,572	-	791,571	-	1
Construction Projects	1,993,541	1,082	155,637	-	1,838,986	-	1,253,648	-	585,338
School Lunch	527,133	3,107,496	2,669,552	-	965,077	2,426,762	2,437,810	-	954,029
Curricular Materials	36,490	578,388	882,383	3,750	(263,755)	684,013	869,864	262,812	(186,794)
Self-Insurance	946,648	6,270,231	5,809,909	-	1,406,970	6,296,523	6,942,344	-	761,149
Early Intervention Grant	(5,344)	-	(5,344)	-	-	-	-	-	-
Donations Gifts And Trusts	328,237	118,103	112,533	-	333,807	70,106	137,830	-	266,083
Mindful Parent Connect Program	2,072	9,619	17,741	-	(6,050)	6,786	35,418	-	(34,682)
Formative Assessment Grant	13,752	49,080	62,831	-	1	41,040	35,856	-	5,185
Literacy Achievement Grant	-	-	-	-	-	23,915	23,915	-	-
Drug Free Communities	15,630	39,286	53,055	-	1,861	27,801	28,585	-	1,077
Medicaid Reimbursement	14,463	27,177	-	(41,640)	-	56,505	-	-	56,505
Secured School Grant	-	100,000	100,000	-	-	100,000	100,000	-	-
Sciencetechnologyengineeringmath	-	-	-	-	-	43,461	43,461	-	-
Partnership For Success Initiative	2,000	-	-	-	2,000	-	-	-	2,000
Alternative Education	-	37,500	37,500	-	-	24,081	24,081	-	-
In Literacy Early Intervention Gran	5,344	-	5,344	-	-	-	-	-	-
EIG Early Intervention Grant	-	11,187	11,453	-	(266)	-	(266)	-	-
Indiana Literacy Cadre Cell	-	848	34,343	-	(33,495)	39,787	6,293	-	(1)
NESP Non-English Speaking Program	-	-	23,425	-	4,516	-	4,516	-	-
Career And Technical Performance Gr	14,849	1,045	-	-	15,894	755	16,649	-	-
Teacher Appreciation	(13)	148,318	139,579	-	8,726	149,786	158,512	-	-
Indiana School Academic Improvement	-	-	-	-	-	61,140	61,140	-	-
High Ability Program	(6,144)	36,993	(6,144)	-	36,993	31,089	58,869	-	9,213

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

Fund	Cash and Investments 07-01-22	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-23	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-24
State Connectivity Grant	12,760	4,080	-	-	16,840	6,852	4,065	-	19,627
Title I Part A	(103,681)	179,198	75,516	-	1	-	-	-	1
Title I Part A FY 2022	-	568,682	588,108	-	(19,426)	132,259	112,831	-	2
Title I Part A	-	-	-	-	-	407,134	548,863	-	(141,729)
Safe & Drug Free 2009-2010	-	435	434	-	1	-	-	-	1
Title IV Part A Student Support	(434)	-	(434)	-	-	-	-	-	-
Title IV Part A	(7,310)	32,908	25,597	-	1	-	-	-	1
Title IV Part A FY 2023	-	-	-	-	-	47,759	51,442	-	(3,683)
Title IV Part A	-	-	-	-	-	17,125	29,140	-	(12,015)
Title IV ICAP Grant	-	-	-	-	-	-	9,100	-	(9,100)
Medicaid Reimbursement - Federal	48,188	68,773	116,961	-	-	114,352	29,225	-	85,127
Department Of Natural Resources	(33,297)	87,795	177,936	-	(123,438)	123,438	-	-	-
Title II Part A	(22,487)	34,322	11,835	-	-	-	-	-	-
Title II Part A 22/23	-	-	121,868	-	(121,868)	-	-	-	-
Title II Part A 13/15	-	-	-	-	-	124,118	2,250	-	-
Explore Engage Experience	-	-	-	-	-	85,914	95,275	-	(9,361)
ESSER III	(189,056)	1,866,419	2,065,225	-	-	224,025	341,819	-	(117,794)
ESSER II	(238,165)	478,894	240,729	-	(387,862)	2,236,716	2,070,498	-	(221,644)
18003 Educ Stabilization Relief	(13,076)	22,239	9,165	-	(2)	-	-	-	(2)
Urban College Acceleration Network	-	-	61,082	-	(61,082)	-	-	-	-
FEMA Dr - 4515	-	239,308	239,309	-	(1)	-	-	-	(1)
Clearing Accounts	49,110	5,765,635	5,768,053	-	46,692	6,774,956	6,759,477	-	62,171
Clearing/Anthem Self-Insurance	58,448	1,001,624	1,005,213	-	54,859	802,168	856,226	-	801
Clearing/Flexible Benefits	28,615	-	-	-	28,615	-	-	-	28,615
Clearing/Flexible Benefits Af	19,115	501,093	497,936	-	22,272	-	-	-	22,272
Prepaid Food	10,620	-	-	(11,996)	(1,376)	-	-	(7,410)	(8,786)
Totals	\$ 11,678,071	\$ 71,282,515	\$ 72,462,386	\$ 6,725,613	\$ 17,223,813	\$ 75,207,764	\$ 76,573,474	\$ 35,923	\$ 15,894,026

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

SCHOOL CITY OF HOBART
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

SCHOOL CITY OF HOBART
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

SCHOOL CITY OF HOBART
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by 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.

SCHOOL CITY OF HOBART
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

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

SCHOOL CITY OF HOBART
NOTES TO FINANCIAL STATEMENT
(Continued)

Financial Report

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

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

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

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

SCHOOL CITY OF HOBART
NOTES TO FINANCIAL STATEMENT
(Continued)

Financial Report

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

The School Corporation contributes the employer's share to Teachers' 1996 for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. These contributions are determined by INPRS Board based on actuarial valuation. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995 (Teachers' Pre-1996 DB) is considered to be an obligation of, and is paid by, the State of Indiana.

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

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

Note 7. Negative Disbursements

The financial statement contains disbursements which appear as negative entries. This is a result of transfers between grant funds to zero out the grants that have closed.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. The Curricular Materials fund is negative due to insufficient collections, the Prepaid Food account is negative due to reconciling issues. The remaining funds are the result of reimbursable grants whose reimbursements for expenditures made by the School Corporation were not received by June 30, 2023 and 2024.

SCHOOL CITY OF HOBART
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Holding Corporation*

The School Corporation has entered into capital leases with the Hobart Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the fiscal years 2022-2023 and 2023-2024 totaled \$9,315,000 and \$9,466,000, respectively.

Note 10. *Other Postemployment Benefits*

The School Corporation provides to eligible retirees and their spouses the following benefits: medical, dental, and vision insurance. Non-Administrative Retirees pay 100 percent of the premium; therefore, it does not pose a liability to the School Corporation. Administrator Retirees pay 5 percent of premium up to age 65 posing a limited liability to the School Corporation. All classes of retirees are removed from the group medical plan when they attain Medicare age. All retirees can retain dental and vision insurance by paying 100 percent of the premium. Information regarding these benefits can be obtained by contacting the School Corporation.

OTHER INFORMATION

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

	Education	Referendum Operating	Debt Service	Referendum Debt - Post 2009	Operations	Local Rainy Day	Retirement/Severance Bond
Cash and investments - beginning	\$ 3,429,059	\$ 876,719	\$ 1,811,892	\$ 231,525	\$ 1,510,184	\$ 300,000	\$ 44,628
Receipts:							
Local sources	519,009	2,458,929	9,196,052	1,783,624	2,082,433	-	31
Intermediate sources	150	-	-	-	381,829	-	-
State sources	31,273,365	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	1,019,750	-	-	-	-	-
Other receipts	-	42,505	-	-	37,117	-	-
Total receipts	31,792,524	3,521,184	9,196,052	1,783,624	2,501,379	-	31
Disbursements:							
Instruction	20,175,498	-	-	-	-	-	-
Support services	7,109,602	2,454,272	-	-	8,235,014	-	-
Noninstructional services	169,463	-	-	-	54,070	-	-
Facilities acquisition and construction	-	-	-	-	413,432	-	-
Debt services	-	711,050	8,594,282	1,781,000	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	27,454,563	3,165,322	8,594,282	1,781,000	8,702,516	-	-
Excess (deficiency) of receipts over (under) disbursements	4,337,961	355,862	601,770	2,624	(6,201,137)	-	31
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	14,411	-	-
Transfers in	41,640	-	-	-	5,094,000	-	-
Transfers out	(5,094,000)	-	-	-	-	-	-
Total other financing sources (uses)	(5,052,360)	-	-	-	5,108,411	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(714,399)	355,862	601,770	2,624	(1,092,726)	-	31
Cash and investments - ending	\$ 2,714,660	\$ 1,232,581	\$ 2,413,662	\$ 234,149	\$ 417,458	\$ 300,000	\$ 44,659

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

	Construction 0700	Construction 0701	Construction Projects	School Lunch	Curricular Materials	Self-Insurance	Early Intervention Grant	Donations Gifts And Trusts
Cash and investments - beginning	\$ (41,320)	\$ 7,376	\$ 1,993,541	\$ 527,133	\$ 36,490	\$ 946,648	\$ (5,344)	\$ 328,237
Receipts:								
Local sources	1,072,022	-	1,082	819,889	418,194	6,270,231	-	118,103
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	18,911	160,194	-	-	-
Federal sources	-	-	-	2,268,347	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	349	-	-	-	-
Total receipts	1,072,022	-	1,082	3,107,496	578,388	6,270,231	-	118,103
Disbursements:								
Instruction	-	18,498	72,205	-	-	-	-	56,711
Support services	1,426,619	197,306	33,466	41,275	882,383	33,351	(5,344)	15,984
Noninstructional services	-	-	-	2,513,930	-	-	-	39,765
Facilities acquisition and construction	13,950	-	49,966	114,347	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	5,776,558	-	73
Total disbursements	1,440,569	215,804	155,637	2,669,552	882,383	5,809,909	(5,344)	112,533
Excess (deficiency) of receipts over (under) disbursements	(368,547)	(215,804)	(154,555)	437,944	(303,995)	460,322	5,344	5,570
Other financing sources (uses):								
Proceeds of long-term debt	5,719,448	1,000,000	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	3,750	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	5,719,448	1,000,000	-	-	3,750	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	5,350,901	784,196	(154,555)	437,944	(300,245)	460,322	5,344	5,570
Cash and investments - ending	\$ 5,309,581	\$ 791,572	\$ 1,838,986	\$ 965,077	\$ (263,755)	\$ 1,406,970	\$ -	\$ 333,807

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

	Mindful Parent Connect Program	Formative Assessment Grant	Literacy Achievement Grant	Drug Free Communities	Medical Reimbursement	Secured School Grant	Sciencetechnologyengineeringmath
Cash and investments - beginning	\$ 2,072	\$ 13,752	\$ -	\$ 15,630	\$ 14,463	\$ -	\$ -
Receipts:							
Local sources	9,619	-	-	6,750	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	49,080	-	32,536	27,177	100,000	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	9,619	49,080	-	39,286	27,177	100,000	-
Disbursements:							
Instruction	-	62,831	-	7,316	-	-	-
Support services	-	-	-	45,216	-	100,000	-
Noninstructional services	17,741	-	-	523	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	17,741	62,831	-	53,055	-	100,000	-
Excess (deficiency) of receipts over (under) disbursements	(8,122)	(13,751)	-	(13,769)	27,177	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(41,640)	-	-
Total other financing sources (uses)	-	-	-	-	(41,640)	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(8,122)	(13,751)	-	(13,769)	(14,463)	-	-
Cash and investments - ending	\$ (6,050)	\$ 1	\$ -	\$ 1,861	\$ -	\$ -	\$ -

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

	Partnership For Success Initiative	Alternative Education	In Literacy Early Intervention Grant	EIG Early Intervention Grant	Indiana Literacy Cadre Cell	NESP Non- English Speaking Program	Career And Technical Performance Gr	Teacher Appreciation
Cash and investments - beginning	\$ 2,000	\$ -	\$ 5,344	\$ -	\$ -	\$ -	\$ 14,849	\$ (13)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	98	-	-	-
State sources	-	37,500	-	11,187	750	27,941	1,045	148,318
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	37,500	-	11,187	848	27,941	1,045	148,318
Disbursements:								
Instruction	-	37,500	-	7,088	33,173	23,425	-	139,579
Support services	-	-	5,344	4,365	1,170	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	37,500	5,344	11,453	34,343	23,425	-	139,579
Excess (deficiency) of receipts over (under) disbursements	-	-	(5,344)	(266)	(33,495)	4,516	1,045	8,739
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 (under) disbursements and other financing uses	-	-	(5,344)	(266)	(33,495)	4,516	1,045	8,739
Cash and investments - ending	\$ 2,000	\$ -	\$ -	\$ (266)	\$ (33,495)	\$ 4,516	\$ 15,894	\$ 8,726

SCHOOL CITY OF HOBART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2023

	Indiana School Academic Improvement	High Ability Program	State Connectivity Grant	Title I Part A	Title I Part A FY 2022	Title I Part A	Safe & Drug Free 2009-2010	Title IV Part A Student Support
Cash and investments - beginning	\$ -	\$ (6,144)	\$ 12,760	\$ (103,681)	\$ -	\$ -	\$ -	\$ (434)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	36,993	4,080	-	-	-	-	-
Federal sources	-	-	-	179,198	568,682	-	435	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	36,993	4,080	179,198	568,682	-	435	-
Disbursements:								
Instruction	-	(6,144)	-	65,902	380,777	-	434	(434)
Support services	-	-	-	9,614	200,900	-	-	-
Noninstructional services	-	-	-	-	6,431	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	(6,144)	-	75,516	588,108	-	434	(434)
Excess (deficiency) of receipts over (under) disbursements	-	43,137	4,080	103,682	(19,426)	-	1	434
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 (under) disbursements and other financing uses	-	43,137	4,080	103,682	(19,426)	-	1	434
Cash and investments - ending	\$ -	\$ 36,993	\$ 16,840	\$ 1	\$ (19,426)	\$ -	\$ 1	\$ -

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

	Title IV Part A FY 2023	Title IV Part A	Title IV ICAP Grant	Medicaid Reimbursement - Federal	Department Of Natural Resources	Title II Part A	Title II Part A 22/23
Cash and investments - beginning	\$ (7,310)	\$ -	\$ -	\$ 48,188	\$ (33,297)	\$ (22,487)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	32,908	-	-	68,773	87,795	34,322	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	32,908	-	-	68,773	87,795	34,322	-
Disbursements:							
Instruction	(313)	-	-	116,961	-	5,224	-
Support services	25,910	-	-	-	177,936	6,611	121,868
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	25,597	-	-	116,961	177,936	11,835	121,868
Excess (deficiency) of receipts over (under) disbursements	7,311	-	-	(48,188)	(90,141)	22,487	(121,868)
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 (under) disbursements and other financing uses	7,311	-	-	(48,188)	(90,141)	22,487	(121,868)
Cash and investments - ending	1	\$ -	\$ -	\$ -	\$ (123,438)	\$ -	\$ (121,868)

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

	Title II Part A 13/15	Explore Engage Experience	ESSER III	ESSER II	18003 Educ Stabilization Relief	Urban College Acceleration Network	FEMA Dr - 4515
Cash and investments - beginning	\$ -	\$ -	\$ (189,056)	\$ (238,165)	\$ (13,076)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	1,866,419	478,894	22,239	-	239,308
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	1,866,419	478,894	22,239	-	239,308
Disbursements:							
Instruction	-	-	1,412,370	103,739	-	55,351	-
Support services	-	-	652,855	136,990	9,165	5,731	239,309
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	2,065,225	240,729	9,165	61,082	239,309
Excess (deficiency) of receipts over (under) disbursements	-	-	(198,806)	238,165	13,074	(61,082)	(1)
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 (under) disbursements and other financing uses	-	-	(198,806)	238,165	13,074	(61,082)	(1)
Cash and investments - ending	\$ -	\$ -	\$ (387,862)	\$ -	\$ (2)	\$ (61,082)	\$ (1)

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

	Clearing Accounts	Clearing/Anthem Self-Insurance	Clearing/Flexible Benefits	Clearing/Flexible Benefits Af	Prepaid Food	Totals
Cash and investments - beginning	\$ 49,110	\$ 58,448	\$ 28,615	\$ 19,115	\$ 10,620	\$ 11,678,071
Receipts:						
Local sources	-	-	-	242	-	24,756,308
Intermediate sources	-	-	-	-	-	381,979
State sources	-	-	-	-	-	31,929,077
Federal sources	-	-	-	-	-	5,847,320
Temporary loans	-	-	-	-	-	1,019,750
Other receipts	5,765,635	1,001,624	-	500,851	-	7,348,081
Total receipts	5,765,635	1,001,624	-	501,093	-	71,282,515
Disbursements:						
Instruction	-	-	-	-	-	22,767,691
Support services	19,361	-	-	-	-	22,186,273
Noninstructional services	-	-	-	-	-	2,801,923
Facilities acquisition and construction	-	-	-	-	-	591,695
Debt services	-	-	-	-	-	11,086,332
Nonprogrammed charges	5,748,692	1,005,213	-	497,936	-	13,028,472
Total disbursements	5,768,053	1,005,213	-	497,936	-	72,462,386
Excess (deficiency) of receipts over (under) disbursements	(2,418)	(3,589)	-	3,157	-	(1,179,871)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	6,719,448
Sale of capital assets	-	-	-	-	-	18,161
Transfers in	-	-	-	-	738,108	5,873,748
Transfers out	-	-	-	-	(750,104)	(5,885,744)
Total other financing sources (uses)	-	-	-	-	(11,996)	6,725,613
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(2,418)	(3,589)	-	3,157	(11,996)	5,545,742
Cash and investments - ending	\$ 46,692	\$ 54,859	\$ 28,615	\$ 22,272	\$ (1,376)	\$ 17,223,813

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OTHER FINANCING SOURCES (USES), AND CASH AND
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For the Year Ended June 30, 2024

	Education	Referendum Operating	Debt Service	Referendum Debt - Post 2009	Operations	Local Rainy Day	Retirement/Severance Bond	Construction 0700
Cash and investments - beginning	\$ 2,714,660	\$ 1,232,581	\$ 2,413,662	\$ 234,149	\$ 417,458	\$ 300,000	\$ 44,659	\$ 5,309,581
Receipts:								
Local sources	500,275	2,633,737	10,493,925	1,789,770	3,016,112	-	-	409,868
Intermediate sources	188	-	-	-	388,854	-	-	-
State sources	33,658,961	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	1,116,500	-	-	-	-	-	-
Other receipts	-	500	-	-	18,708	-	-	-
Total receipts	34,159,424	3,750,737	10,493,925	1,789,770	3,423,674	-	-	409,868
Disbursements:								
Instruction	20,639,293	-	-	-	-	-	-	8,800
Support services	7,808,716	2,725,510	-	-	8,643,591	-	-	327,506
Noninstructional services	209,161	-	-	-	8,480	-	-	-
Facilities acquisition and construction	-	-	-	-	92,891	-	-	64,945
Debt services	-	1,126,241	9,258,115	1,781,000	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	28,657,170	3,851,751	9,258,115	1,781,000	8,744,962	-	-	401,251
Excess (deficiency) of receipts over (under) disbursements	5,502,254	(101,014)	1,235,810	8,770	(5,321,288)	-	-	8,617
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	43,333	-	-	-
Transfers in	-	-	-	-	7,155,043	-	-	-
Transfers out	(4,908,000)	-	(2,509,855)	-	-	-	-	-
Total other financing sources (uses)	(4,908,000)	-	(2,509,855)	-	7,198,376	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	594,254	(101,014)	(1,274,045)	8,770	1,877,088	-	-	8,617
Cash and investments - ending	\$ 3,308,914	\$ 1,131,567	\$ 1,139,617	\$ 242,919	\$ 2,294,546	\$ 300,000	\$ 44,659	\$ 5,318,198

SCHOOL CITY OF HOBART
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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For the Year Ended June 30, 2024

	Construction 0701	Construction Projects	School Lunch	Curricular Materials	Self-Insurance	Early Intervention Grant	Donations Gifts And Trusts	Mindful Parent Connect Program
Cash and investments - beginning	\$ 791,572	\$ 1,838,986	\$ 965,077	\$ (263,755)	\$ 1,406,970	\$ -	\$ 333,807	\$ (6,050)
Receipts:								
Local sources	-	-	881,075	50,430	6,296,523	-	70,106	6,786
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	19,747	633,333	-	-	-	-
Federal sources	-	-	1,525,520	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	420	250	-	-	-	-
Total receipts	-	-	2,426,762	684,013	6,296,523	-	70,106	6,786
Disbursements:								
Instruction	9,523	-	-	63,867	-	-	24,876	-
Support services	776,761	1,237,351	47,316	805,997	33,882	-	49,559	-
Noninstructional services	-	-	2,390,494	-	-	-	42,743	35,418
Facilities acquisition and construction	5,287	16,297	-	-	-	-	18,533	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	6,908,462	-	2,119	-
Total disbursements	791,571	1,253,648	2,437,810	869,864	6,942,344	-	137,830	35,418
Excess (deficiency) of receipts over (under) disbursements	(791,571)	(1,253,648)	(11,048)	(185,851)	(645,821)	-	(67,724)	(28,632)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	262,812	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	262,812	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(791,571)	(1,253,648)	(11,048)	76,961	(645,821)	-	(67,724)	(28,632)
Cash and investments - ending	\$ 1	\$ 585,338	\$ 954,029	\$ (186,794)	\$ 761,149	\$ -	\$ 266,083	\$ (34,682)

SCHOOL CITY OF HOBART
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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	Formative Assessment Grant	Literacy Achievement Grant	Drug Free Communities	Medicaid Reimbursement	Secured School Grant	Sciencetechnologyengineeringmath
Cash and investments - beginning	\$ 1	\$ -	\$ 1,861	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	-	8,301	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	41,040	23,915	19,500	56,505	100,000	43,461
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	41,040	23,915	27,801	56,505	100,000	43,461
Disbursements:						
Instruction	35,856	23,915	5,065	-	-	43,401
Support services	-	-	23,520	-	100,000	60
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	35,856	23,915	28,585	-	100,000	43,461
Excess (deficiency) of receipts over (under) disbursements	5,184	-	(784)	56,505	-	-
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 (under) disbursements and other financing uses	5,184	-	(784)	56,505	-	-
Cash and investments - ending	\$ 5,185	\$ -	\$ 1,077	\$ 56,505	\$ -	\$ -

SCHOOL CITY OF HOBART
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	Partnership For Success Initiative	Alternative Education	In Literacy Early Intervention Gran	EIG Early Intervention Grant	Indiana Literacy Cadre Cell	NESP Non- English Speaking Program	Career And Technical Performance Gr	Teacher Appreciation
Cash and investments - beginning	\$ 2,000	\$ -	\$ -	\$ (266)	\$ (33,495)	\$ 4,516	\$ 15,894	\$ 8,726
Receipts:								
Local sources	-	-	-	-	39,787	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	24,081	-	-	-	-	755	149,786
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	24,081	-	-	39,787	-	755	149,786
Disbursements:								
Instruction	-	24,081	-	-	6,293	4,516	16,649	149,791
Support services	-	-	-	(266)	-	-	-	8,721
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	24,081	-	(266)	6,293	4,516	16,649	158,512
Excess (deficiency) of receipts over (under) disbursements	-	-	-	266	33,494	(4,516)	(15,894)	(8,726)
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 (under) disbursements and other financing uses	-	-	-	266	33,494	(4,516)	(15,894)	(8,726)
Cash and investments - ending	\$ 2,000	\$ -	\$ -	\$ -	\$ (1)	\$ -	\$ -	\$ -

SCHOOL CITY OF HOBART
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
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For the Year Ended June 30, 2024

	Indiana School Academic Improvement	High Ability Program	State Connectivity Grant	Title I Part A	Title I Part A FY 2022	Title I Part A	Safe & Drug Free 2009-2010	Title IV Part A Student Support
Cash and investments - beginning	\$ -	\$ 36,993	\$ 16,840	\$ 1	\$ (19,426)	\$ -	\$ 1	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	61,140	31,089	6,852	-	-	-	-	-
Federal sources	-	-	-	-	132,259	407,134	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	61,140	31,089	6,852	-	132,259	407,134	-	-
Disbursements:								
Instruction	-	58,869	4,065	-	103,124	489,468	-	-
Support services	61,140	-	-	-	9,122	53,549	-	-
Noninstructional services	-	-	-	-	585	5,846	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	61,140	58,869	4,065	-	112,831	548,863	-	-
Excess (deficiency) of receipts over (under) disbursements	-	(27,780)	2,787	-	19,428	(141,729)	-	-
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 (under) disbursements and other financing uses	-	(27,780)	2,787	-	19,428	(141,729)	-	-
Cash and investments - ending	-	\$ 9,213	\$ 19,627	\$ 1	\$ 2	\$ (141,729)	\$ 1	\$ -

SCHOOL CITY OF HOBART
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
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For the Year Ended June 30, 2024

	Title IV Part A FY 2023	Title IV Part A	Title IV ICAP Grant	Medicaid Reimbursement - Federal	Department Of Natural Resources	Title II Part A 22/23
	Title IV Part A	Title IV Part A	Title IV Part A	Title IV Part A	Title II Part A	Title II Part A
	1	\$	\$	\$	\$	\$
Cash and investments - beginning						(121,868)
Receipts:						
Local sources	-	-	-	-	123,438	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	47,759	17,125	114,352	-	124,118
Temporary loans	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	47,759	17,125	114,352	123,438	124,118
Disbursements:						
Instruction	-	-	-	29,225	-	-
Support services	-	51,442	29,140	-	-	2,250
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	51,442	29,140	29,225	-	2,250
Excess (deficiency) of receipts over (under) disbursements	-	(3,683)	(12,015)	85,127	123,438	121,868
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 (under) disbursements and other financing uses	-	(3,683)	(12,015)	85,127	123,438	121,868
Cash and investments - ending	1	(3,683)	(12,015)	85,127	-	-

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

	Title II Part A 13/15	Explore Engage Experience	ESSER III	ESSER II	18003 Educ Stabilization Relief	Urban College Acceleration Network	FEMA Dr - 4515
Cash and investments - beginning	\$ -	\$ -	\$ (387,862)	\$ -	(2)	\$ (61,082)	\$ (1)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	85,914	224,025	2,236,716	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	85,914	224,025	2,236,716	-	-	-	-
Disbursements:							
Instruction	1,428	341,819	1,642,110	-	-	(55,351)	-
Support services	93,847	-	428,388	-	-	(5,731)	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	95,275	341,819	2,070,498	-	-	(61,082)	-
Excess (deficiency) of receipts over (under) disbursements	(9,361)	(117,794)	166,218	-	-	61,082	-
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 (under) disbursements and other financing uses	(9,361)	(117,794)	166,218	-	-	61,082	-
Cash and investments - ending	(9,361)	(117,794)	(221,644)	\$ -	(2)	\$ -	(1)

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

	Clearing Accounts	Clearing/Anthem Self-Insurance	Clearing/Flexible Benefits	Clearing/Flexible Benefits Af	Prepaid Food	Totals
Cash and investments - beginning	\$ 46,692	\$ 54,859	\$ 28,615	\$ 22,272	\$ (1,376)	\$ 17,223,813
Receipts:						
Local sources	493	-	-	-	-	26,320,626
Intermediate sources	-	-	-	-	-	389,042
State sources	-	-	-	-	-	34,870,165
Federal sources	-	-	-	-	-	4,914,922
Temporary loans	-	-	-	-	-	1,116,500
Other receipts	6,774,463	802,168	-	-	-	7,596,509
Total receipts	6,774,956	802,168	-	-	-	75,207,764
Disbursements:						
Instruction	-	-	-	-	-	23,679,783
Support services	26,775	-	-	-	-	23,338,146
Noninstructional services	-	-	-	-	-	2,692,727
Facilities acquisition and construction	-	-	-	-	-	197,953
Debt services	-	-	-	-	-	12,165,356
Nonprogrammed charges	6,732,702	856,226	-	-	-	14,499,509
Total disbursements	6,759,477	856,226	-	-	-	76,573,474
Excess (deficiency) of receipts over (under) disbursements	15,479	(54,058)	-	-	-	(1,365,710)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	43,333
Transfers in	-	-	-	-	749,954	8,167,809
Transfers out	-	-	-	-	(757,364)	(8,175,219)
Total other financing sources (uses)	-	-	-	-	(7,410)	35,923
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	15,479	(54,058)	-	-	(7,410)	(1,329,787)
Cash and investments - ending	\$ 62,171	\$ 801	\$ 28,615	\$ 22,272	\$ (8,786)	\$ 15,894,026

SCHOOL CITY OF HOBART
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2024

	Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities		\$ 359,844	\$ 141,728

SCHOOL CITY OF HOBART
SCHEDULE OF LEASES AND DEBT
June 30, 2024

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Hobart Building Corp	Series 2020 Ref Bonds	\$ 469,800	01/01/20	06/30/28
Hobart Building Corp BNY	Series 2021	150,300	09/01/21	12/31/38
Hobart Building Corp BNY	Refinance Bonds (2016)	6,994,375	01/01/16	12/31/28
Hobart Building Corp BNY	Series 2018	1,779,000	01/01/18	12/31/36
Hobart Building Corp BNY	Series 2016	161,350	01/01/16	12/31/29
Providence Capital	Chromebook Lease	130,120	03/01/24	03/01/27
Providence Capital Network	Chromebooks	99,921	04/08/22	03/01/26
US Bank	13 Xerox Copiers	4,173	09/06/19	09/06/24
Xerox Corporation	Printers 1-50	12,828	07/17/23	06/17/28
Xerox Corporation	Printers 151-200	12,828	07/17/24	06/17/28
Xerox Corporation	Printers 201-250	12,828	07/17/24	06/17/28
Xerox Corporation	Printers 51-100	12,828	07/17/24	06/17/28
Xerox Corporation	Printers 101-150	12,828	07/17/24	06/17/28
Xerox Corporation	MRC Printers	63,865	07/11/23	06/11/28
Xerox Corporation	Printers 251-300	12,828	07/17/24	06/17/28
Total governmental activities		9,929,872		
Total of annual lease payments		\$ 9,929,872		
Type	Description of Debt	Ending Principal Balance	Principal Due Within One Year	
Governmental activities:				
General Obligation Bonds	2020 G.O. Bond - District Wide Improvements	\$ 1,000,000	\$ -	
General Obligation Bonds	2023 G.O. Bond - Improvements to School Buildings and Grounds	4,320,000	1,795,000	
Total governmental activities		5,320,000	1,795,000	
Totals		\$ 5,320,000	\$ 1,795,000	

SCHOOL CITY OF HOBART
SCHEDULE OF CAPITAL ASSETS
June 30, 2024

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

	Ending Balance
Governmental activities:	
Land	\$ 4,997,000
Buildings	127,637,757
Improvements other than buildings	6,770,516
Machinery, equipment, and vehicles	8,798,971
Total governmental activities	148,204,244
Total capital assets	\$ 148,204,244

OTHER REPORTS

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

APPENDIX F

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

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SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

The following is a brief summary of certain provisions of the Trust Indenture and Mortgage dated as of April 1, 2006, between the Hobard Bldg. Corp. (the “Building Corporation”) and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), as supplemented by a Supplemental Indenture dated as of December 1, 2009, a Second Supplemental Trust Indenture dated as of June 1, 2016, a Third Supplemental Trust Indenture dated as of November 1, 2016, a Fourth Supplemental Trust Indenture dated as of July 1, 2020, a Fifth Supplemental Trust Indenture dated as of September 1, 2021, a Sixth Supplemental Trust Indenture dated as of October 1, 2025 and a Seventh Supplemental Trust Indenture dated as of _____ 1, 2026 (collectively, the “Trust Indenture”) and does not purport to comprehensively describe that document in its entirety.

The following summary does not purport to be a complete description of the Trust Indenture. Reference should be made to the Trust Indenture for a full and complete statement of its provisions.

Trust Indenture as Contract with Bondholders

The provisions of the Trust Indenture constitute a contract among the Building Corporation, the Trustee, and the holders from time to time of all bonds issued pursuant to the Trust Indenture. The pledges made in the Trust Indenture and the agreements to be performed by the Building Corporation and the Trustee are for the equal benefit, protection and security of the holders of any and all such bonds.

Establishment of Accounts

The Trust Indenture establishes the following Accounts, all of which are to be held and maintained by the Trustee in accordance with the provisions of the Trust Indenture:

- (a) Construction Account;
- (b) Revenue Account; and
- (c) Rebate Account;

The Building Corporation or Trustee may establish such sub accounts of the above Accounts as they determine to be appropriate to comply with the provisions of the Trust Indenture. Moneys in all accounts are to be invested until needed in Investment Securities. In connection with the Seventh Supplemental Trust Indenture the Trustee shall establish a 2026 Costs of Issuance Subaccount of the Construction Account.

Construction Account

The following amounts are to be deposited in the Construction Account:

- (a) \$ _____ from the proceeds of the Bonds to the 2026 Cost of Issuance Subaccount;

(b) any other proceeds of Bonds or other amounts required to be deposited therein pursuant to the Trust Indenture; and

(c) any other amounts determined by the Building Corporation to be deposited therein. Moneys in the Construction Account are to be disbursed by the Trustee to pay the costs of constructing the Project, including any reimbursements thereof, and issuing the Bonds. In addition, at any time that there is a deficiency in the Revenue Account, a sufficient amount of funds to correct the deficiency may be transferred from the Construction Account to the Revenue Account. Any moneys remaining in the 2026 Cost of Issuance Subaccount of the Construction Account six months after the issuance of the Bonds are to be transferred to the Revenue Account.

Escrow Account

Contemporaneously with the execution of the Seventh Supplemental Indenture, the Building Corporation, The Bank of New York Mellon Trust Company, N.A. as Escrow Agent (the “Escrow Agent”) and as Trustee under the Trust Indenture, will execute the Escrow and Defeasance Agreement dated as of _____, 2026 (the “Escrow Agreement”). \$_____, funded from proceeds of the Bonds in the amount of \$_____ and funds held under the Indenture for the Ad Valorem Property Tax First Mortgage Refunding Bonds, Series 2016 (the “2016 Refunding Bonds”) in the amount of \$_____, shall be deposited in the Escrow Account created by the Escrow Agreement and utilized to refund the 2016 Refunding Bonds as set forth in the Escrow Agreement. \$_____, funded from proceeds of the Bonds in the amount of \$_____ and funds held under the Indenture for the Ad Valorem Property Tax First Mortgage Bonds, Series 2016 (the “2016 Project Bonds”) in the amount of \$_____, shall be deposited in the Escrow Account created by the Escrow Agreement and utilized to refund the 2016 Project Bonds.

Revenue Account

The Revenue Account is to be funded by deposit therein of all Revenues and any other funds the corporation determines necessary and proper for deposit therein. Funds in the Revenue Account are to be disbursed by the Trustee (i) on each Interest Payment Date for the purpose of paying principal of, premium, if any, and interest on bonds as the same come due, or in advance as permitted in the Indenture and as directed by the Building Corporation, (ii) on any Redemption Date the amounts required for payment of principal of, premium, if any, and interest on bonds to redeem bonds, (iii) to the extent the Trustee receives Additional Rental Payments (as defined in the Trust Indenture) from the Building Corporation designated as Trustee fees or payments for taxes, maintenance or insurance, amounts equal to such Additional Rental Payments may be disbursed for such purposes, (iv) to the extent there are moneys in the Revenue Account in excess of those needed to pay all principal and interest on bonds prior to any completion date an amount equal to such excess may be transferred to any other Account, and (v) at any time to the Rebate Account for the purpose of complying with the tax covenants set out in the Indenture. Any funds remaining after all bonds have been redeemed or defeased, pursuant to the terms of the Indenture, are to be deposited in the Rebate Account if the funds therein are not sufficient for its purposes. Any funds not so deposited are to be paid to the Building Corporation free and clear of the lien of the Indenture.

Rebate Account

There is to be deposited in the Rebate Account no less frequently than required by law all sums required by the Rebate Certificate. Upon the Building Corporation's written direction, an amount is to be deposited in the Rebate Account by the Trustee from deposits by the Building Corporation or from available investment earnings on amounts held in the Revenue Account, if and to the extent required, in order that the amount on deposit therein shall be equal to the Rebate Amount. Computations of the Rebate Amount are to be furnished by or on behalf of the Building Corporation in accordance with the Rebate Certificate. The Trustee is to invest all amounts held in the Rebate Account in Investment Securities, subject to the restrictions set forth in the Rebate Certificate.

Money at any time deposited in the Rebate Account is to be held by the Trustee in trust, to the extent required to satisfy the Rebate Amount for payment to the federal government of the United States of America, and neither the Building Corporation, the Lessee, nor the owner of any bonds is to have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Account are to be governed by the Trust Indenture and by the Rebate Certificate. The Trustee is not required to take any actions thereunder in the absence of written directions from the Building Corporation and has no liability or responsibility to enforce compliance by the Building Corporation with the terms of the Rebate Certificate. Upon receipt of the Building Corporation's written directions, the Trustee is to remit part or all of the balances in the Rebate Account to the United States, as so directed. Any funds remaining in the Rebate Account after redemption and payment of all bonds and payment and satisfaction of any Rebate Amount are to be remitted to the Building Corporation.

Notwithstanding any other provisions of the Indenture, the obligation to remit the Rebate Amount to the United States and to comply with all other requirements of the Trust Indenture and the Rebate Certificate shall survive the defeasance or payment in full of the bonds.

Investment Securities

Subject to the right of the Building Corporation to direct the investment or deposit of funds under the terms of the Indenture, moneys in any Account are to be continuously invested and reinvested or deposited or redeposited by the Trustee in direct obligations of or obligations, the principal of and interest on which are guaranteed by the United States, obligations backed by the full faith and credit of the United States, and certain other obligations described in the Indenture ("Investment Securities").

Investment Securities purchased as an investment of moneys in any Account held by the Trustee under the provisions of the Indenture are deemed at all times to be a part of such Account. After any completion date, the income or interest earned and gains realized in excess of losses suffered by an Account due to the investment thereof are to be deposited in or credited to the Revenue Account, except that income or interest earned and gains realized in excess of losses suffered by the investment of moneys held in the Rebate Account are to remain in the Rebate Account.

Property Taxes and Insurance

The Trust Indenture requires the Building Corporation to pay or cause to be paid all taxes and assessments which may lawfully be levied against the Leased Premises. Under the Lease, the Building Corporation has required the Lessee to make all such payments of taxes and assessments.

The Building Corporation is required to procure or cause other persons to procure insurance on the Leased Premises, including public liability, builder's risk property and rental value insurance, of the types, amounts and with companies as required by the terms of the Lease. In each insurance policy, the Lessee is to be an insured and the Building Corporation and the Trustee are each to be an additional insured.

The Trustee will disburse insurance proceeds for the repair, replacement or reconstruction of damaged or destroyed property upon showings satisfactory to the Trustee that repairs have been made.

Condemnation

In the event that all or a portion of the Leased Premises or the use thereof is taken under the exercise of the power of eminent domain, and if such condemnation shall result in damage to the Leased Premises, the net proceeds received from any condemnation award will be disbursed by the Trustee for any necessary restoration or rebuilding upon showings satisfactory to the Trustee. Any balance after such restoration or rebuilding will be deposited in the Revenue Account.

Tax Covenants

The Building Corporation agrees that it will not take nor fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Internal Revenue Code. The Building Corporation further covenants that it will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds.

The Building Corporation agrees that there is to be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Internal Revenue Code and any temporary or final Treasury Regulations as may be applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds.

Powers of the Building Corporation

The Building Corporation is authorized under all applicable laws to authorize and issue the Bonds and to enter into, execute and deliver the Trust Indenture and to pledge the assets and Revenues purported to be pledged under the granting clauses of the Trust Indenture in the manner and to the extent provided in the Trust Indenture.

Compensation of Trustee

The Building Corporation is required to pay to the Trustee reasonable compensation for all services rendered under the Indenture and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture, and the Trustee will have a lien therefore on any and all funds at any time held by the Trustee under the Trust Indenture. The Building Corporation will indemnify the Trustee against liabilities incurred in the exercise of its powers and duties under the Indenture, absent gross negligence or willful misconduct.

Removal of Trustee

The Trustee will be removed if so requested by the holders of a majority in principal amount of bonds then outstanding, excluding any bonds held by or for the account of the Building Corporation. The Building Corporation may remove the Trustee at any time, except during the existence of an Event of Default, for such cause as is determined in the sole discretion of the Building Corporation. Any successor Trustee must be a trust company or bank having the powers of a trust company within or outside the State of Indiana, having retained earnings and shareholders' equity at least equal to that of the predecessor Trustee but not less than \$50,000,000, if there be such a trust company or bank willing and able to accept the office and authorized by law to perform all the duties imposed upon it by the Trust Indenture, otherwise, any trust company or bank having powers within or outside the State of Indiana acceptable to the Building Corporation.

Powers of Trustee Under the Lease

The Building Corporation covenants that the Trustee will have the power to exercise any of the rights, powers or privileges of the Building Corporation under the Lease, including but not limited to the right (a) to grant consents, approvals or permissions, (b) to declare a default, (c) to exercise any and all remedies provided for therein, (d) to exercise any and all rights of entry, and (e) to perform the Building Corporation's covenants.

Events of Default

The happening of one or more of the following events constitutes an "Event of Default" under the Trust Indenture:

- (a) if default is made in the due and punctual payment of the principal of, or interest or premium, if any, or interest on any bond when and as the same becomes due and payable;
- (b) failure by the Building Corporation to observe and perform any covenant, condition or agreement to be observed or performed under the Indenture, other than as referred to in paragraph (a) above, for a period of 30 days after notice of such failure requesting such failure to be remedied, given to the Building Corporation by the Trustee, or to the Building Corporation and the Trustee by the holders of not less than 25% in aggregate principal amount of the Outstanding bonds;

- (c) if the Building Corporation admits its inability to pay its debts, files a petition in bankruptcy, makes an assignment for the benefit of creditors, consents to the appointment of a receiver or is adjudicated a bankrupt;
- (d) if the Building Corporation files a petition seeking reorganization or an order is entered against the Building Corporation in the bankruptcy court appointing a receiver of the corporation or approving a petition seeking reorganization of the Building Corporation, and such order is not stayed or set aside within 60 days of the date of entry, or if, under the provisions of any other law, a court shall assume custody or control of the Building Corporation or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control.

Default in Lease Rental Payments

In the event of a payment default under the Lease, the Trustee must immediately notify the Building Corporation, and if payment is not received five days prior to the next Interest Payment Date, must notify both the Building Corporation and the Treasurer of the State of Indiana, requesting payment under I.C. 20-48-1-11. If payment is not received by the Interest Payment Date, the Trustee must again notify the Building Corporation and the Treasurer requesting payment. The Trustee must also file a request with the DLGF to increase the Lessee's tax levy sufficiently to raise funds to pay any such defaulted payments, and the annual rent due under the Lease, and will bring suit against the Lessee to mandate the levy of taxes and the appropriate of amounts sufficient to pay such defaulted amounts.

Remedies

Upon the occurrence of an Event of Default, the Trustee may accelerate bonds and is required to accelerate on written request of the holders of not less than 25% in principal amount of the Outstanding bonds. However, if the Building Corporation deposits with the Trustee sufficient funds to pay all principal of the bonds matured prior to the date of acceleration, together with overdue premium and interest, the holders of at least 66-2/3% in principal amount of the Outstanding bonds may rescind the declaration of acceleration. In addition, the Trustee is permitted to pursue any available remedy by suit at law or in equity, to enforce any obligations of the Building Corporation under the Trust Indenture.

In the event of default, the Trustee shall immediately notify the Treasurer of the State of Indiana and make a claim for payment pursuant to I.C. 20-48-1-11, and may, and upon written request of the holders of not less than 50% of the principal amount of bonds then outstanding, and upon being indemnified to its satisfaction, shall exercise any or all of the following remedies:

- (a) The Trustee may enter and take possession of the pledged property, collect all earnings and income, and apply Revenues as set forth in the Indenture.
- (b) The Trustee may protect and enforce its rights and the rights of the holders of the bonds by suit at law or in equity to enforce any covenant, for the foreclosure of the Trust Indenture, or for any other remedy.

- (c) The Trustee may sell the pledged property and deliver all necessary deeds and bills of sale.
- (d) The Trustee may initiate a suit to foreclose, and may have a receiver appointed of all the pledged property.

In the event the Trustee declares the entire unpaid principal and interest accrued to be due and payable, all moneys received by the Trustee, pursuant to any right given or action taken under the Default and Remedies provisions of the Trust Indenture, are to be deposited in the Revenue Account, and all moneys in the Revenue Account are to be applied as follows:

- (a) to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and the reasonable compensation of the Trustee, its agents and counsel, and of all proper expenses, liabilities and advances incurred or made under the Trust Indenture by the Trustee or by any holder or holders of bonds, and of all taxes, assessments or liens superior to the lien of the Indenture, except any taxes, assessments or other superior liens subject to which said sale may have been made; then
- (b) to the payment of the whole amount then owing or unpaid upon bonds for principal, premium, if any, and interest and to the extent permitted by law, interest on overdue principal, premium, and interest, at the rate of interest borne by bonds and in case such proceeds shall be insufficient to pay the whole amount so due and unpaid on bonds, then to the payment of such principal, premium, if any, and interest, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, ratably, in proportion to the aggregate of such principal and accrued and unpaid interest; and then
- (c) to the payment of the surplus, if any, to the Building Corporation, its successors and assigns, or to whomsoever is lawfully entitled to receive the same.

Limitation on Rights of Bondholders

No Bondholder will have any right to institute or prosecute any suit or proceeding at law or in equity or for the foreclosure of the Indenture, for the appointment of a receiver of the Building Corporation, for the enforcement of any of the provisions of or of any remedies under the Indenture, in respect to the pledged property unless the Trustee, after a request in writing by the holders of 25% in aggregate principal amount of the Outstanding bonds, and after the Trustee has been assured such reasonable indemnity as it may require, has neglected for 60 days to take such action. However, the right of any holder of any bond to receive payment of principal and/or interest on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment, will not be impaired or affected without the consent of such holder.

Supplemental Indentures

The Building Corporation and the Trustee are permitted to enter into supplemental indentures for one or more of the following purposes:

- (a) To add to the covenants and agreements of the Building Corporation under the Trust Indenture, or to surrender any right or power reserved by or conferred upon the Building Corporation.
- (b) To make provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained in the Trust Indenture, as the Building Corporation deems necessary or desirable and not inconsistent with the Trust Indenture and which will not adversely affect the interests of the holders of the bonds;
- (c) To subject, describe or redescribe any property subjected or to be subjected to the security interest created by the Trust Indenture;
- (d) To modify, amend or supplement the Trust Indenture or any supplemental indenture in such manner as to permit their qualification under the Trust Indenture Act of 1939 or any similar federal statute and, for the purpose of such qualification, to add to the Trust Indenture or any supplemental indenture such other terms, conditions and provisions as may be required by the Trust Indenture Act of 1939 or similar federal statute.
- (e) To provide for the issuance of Additional Bonds for the purposes set forth in the Trust Indenture.

Any supplemental indenture authorized by the Indenture as described in (a) through (e) above may be executed by the Building Corporation and the Trustee without the consent of the holders of any Outstanding bonds.

With the consent of the holders of not less than 51% in aggregate principal amount of the Outstanding bonds, the Building Corporation and the Trustee are permitted to enter into a supplemental indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture. However, no supplemental indenture may:

- (a) extend the maturity of any bond or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each bond so affected;
- (b) reduce the percentage of holders of bonds required to approve any supplemental indenture; or
- (c) permit the creation of any lien on the pledged properties prior to or on a parity with the lien created by the Indenture, or deprive the holders of the bonds of the lien created by the Indenture without the consent of the holders of all the Outstanding bonds.

Defeasance

The covenants, liens and pledges entered into, created or imposed pursuant to the Indenture are to be fully discharged and satisfied with respect to the bonds when any of the following occurs:

- (a) the payment of all of the principal, premium, if any, and interest, when the same become due and payable; or
- (b) the deposit with the Trustee, at or before the date or dates of maturity or redemption, of money in the necessary amount to pay or redeem all of the bonds and the premium, if any, and interest thereon accrued to the date of payment; or
- (c) the deposit with the Trustee, at or before the dates of maturity or redemption, of Investment Securities in an amount sufficient to pay or redeem all the bonds and the interest thereon accrued to the date of payment; or
- (d) the delivery to the Trustee, for cancellation by it, of all unpaid bonds.

In each case, payment must also be made by the Building Corporation of all other sums payable under the Trust Indenture.

Defined Terms

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the forepart of the Preliminary Official Statement and the Trust Indenture.

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APPENDIX G
SUMMARY OF CERTAIN PROVISIONS OF THE LEASE

SUMMARY OF THE LEASE

The following is a summary of certain provisions of the Lease between the Building Corporation, as lessor, and the School Corporation, as lessee, and does not purport to be a complete description of the Lease. Reference should be made to the Lease for a full and complete statement of its provisions.

Leased Premises

The Leased Premises consists of Hobart High School, Hobart Middle School, Joan Martin Elementary School, George Earle Elementary School, the sites thereof (collectively, the “Real Estate”) and all equipment furnished by the Building Corporation to the School Corporation. On the earlier of the date bonds are no longer outstanding under the Indenture or the date the Lease is prepaid in full and the Leased Premises are purchased as provided in the Lease, the Lease will expire and the Leased Premises will then become the sole and exclusive property of the School Corporation.

Lease Term and Rental Payments

The Lease extends to January 5, 2051. The Lease will terminate on the earlier of the date bonds are no longer outstanding under the Indenture or the date the Lease is prepaid in full and the Leased Premises are purchased as provided in the Lease (the “Lease Term”). The Lease provides for semiannual rental payments, in advance, made directly to the Trustee on each January 5 and July 5 of each year, commencing with the First Payment Date, during the Lease Term (each a “Rental Payment Date”). The lease payments have commenced.

The School Corporation agrees to make the following payments as Additional Rental to the Building Corporation under the Lease:

- (a) Reimbursement of any and all costs, expenses and liabilities paid by the Building Corporation in satisfaction of any obligation of the School Corporation under the Lease not performed in accordance with the terms of the Lease by the School Corporation.
- (b) Reimbursement or prepayment of expenses paid or to be paid by the Building Corporation and requested by the School Corporation or required by the Lease and not otherwise required to be paid by the School Corporation under the Lease.
- (c) Any payment required to be made by the Building Corporation pursuant to the terms of the Indenture, which may be required to maintain the exclusion from gross income of interest paid on the bonds.
- (d) All taxes and assessments levied against or because of the lease of the Leased Premises.
- (e) All insurance premiums for the insurance required by the Lease.
- (f) The cost and expense of all maintenance required by the Lease.

- (g) Any other expense of the Building Corporation associated with the Lease and which, if paid by the Building Corporation, would result in a reduction of the amount of Annual Rent available to pay principal of and interest on the bonds as scheduled.
- (h) Reimbursement of the Building Corporation's annual operating expenses not to exceed \$1,000 per annum.
- (i) Any cost associated with compliance with Securities Exchange Commission rules regarding continuing disclosure.
- (j) Reimbursement of all Trustee and Registrar and Paying Agent fees and expenses incurred by the Building Corporation under the terms and provisions of the Indenture.

The amounts required as described in clauses (c) through and including (i) above may be paid directly to the appropriate creditor or as an Additional Rental payment.

There is expressly reserved to the School Corporation the right, and the School Corporation is authorized and permitted, at any time on and after the date six years after the date of issuance of bonds to prepay all or any part of the Annual Rent, or any Additional Rental payments, and the Building Corporation agrees to accept such prepayment. Any Annual Rent or Additional Rental payments so prepaid shall be credited to the Annual Rent or Additional Rental payments, as the case may be, in the order in which they are payable.

Bond Lease Rental Payments

The refunding of the 2016 Bonds is authorized pursuant to recently enacted Indiana Code 5-1-5-2.6 (the "Statute") which enables an "eligible school corporation" to refund outstanding obligations and utilize the "increment" to offset losses in the operations fund due to the credits granted under Indiana Code 6-1.1-20.6 against the school corporation's levy for its operations fund. In accordance with the Statute, the School Corporation has been certified by the Indiana Department of Local Government Finance as an "eligible school corporation" and is therefore authorized to proceed with the refunding of the 2016 Bonds to generate "increment" to offset losses to the School Corporations operations fund to the credits granted under Indiana Code 6-1.1-20.6 against the school corporation's levy for its operations fund.

In the Addendum to the Lease delivered by the School Corporation and the Building Corporation a portion of the final Annual Rent set forth therein with respect to the Bonds will be designated as "increment" and retained by the School Corporation in connection with the Statute. The non-"increment" portion of the Annual Rent will be sized sufficiently to make payment on the Bonds as the same become due.

Maintenance and Modification of Leased Premises

The School Corporation during the Lease Term shall keep and maintain the Leased Premises in good repair and operating condition at its own cost, and upon the expiration or termination of the Lease shall, unless it shall have purchased or become the owner of the Leased

Premises pursuant to the terms of the Lease, surrender the Leased Premises to the Building Corporation in as good condition as prevailed at the time the School Corporation was put in full possession thereof, loss by fire or other casualty covered by insurance, ordinary wear and tear, obsolescence and acts of God excepted. Notwithstanding the provision described in the preceding sentence, the School Corporation shall have the privilege of remodeling the Leased Premises or making additions, modifications and improvements thereto, from time to time as it, in its discretion, may deem to be desirable for its uses and purposes, the cost of which remodeling, additions, modifications and improvements shall be paid by the School Corporation and the same shall be the property of the Building Corporation and be included under the terms of the Lease as part of the Leased Premises.

Removal of Portions of the Leased Premises

The School Corporation shall not be under any obligation to renew, repair or replace any inadequate, obsolete, valueless, unsuitable, undesirable or unnecessary portions of the Leased Premises. The School Corporation shall have the privilege from time to time of substituting personal property or fixtures located in or on the Leased Premises. Personal property or fixtures so substituted shall not impair the character or significance of the Leased Premises. Any such substituted personal property or fixtures shall become the property of the Building Corporation and shall be included under the terms of the Lease. The School Corporation shall also have the privilege of removing any portions of the Leased Premises, without substitutions therefore; provided that the School Corporation pays to the Building Corporation a sum equal to the then fair market value of the removed portions of the Leased Premises.

Insurance

The School Corporation is required to procure insurance on the Leased Premises, including, without limitation, casualty, public liability and rental interruption insurance, of the types, in the amounts and with companies as required by the terms of the Lease. In each insurance policy, except public liability insurance policies and those relating to worker's compensation and worker's occupational diseases, the Trustee is to be an insured and the Building Corporation and the School Corporation are to be additional insureds, as their interests may appear. In the case of public liability insurance policies, the School Corporation shall be an insured and the Trustee and the Building Corporation shall be additional insureds, as their interests may appear.

Each insurance policy provided for in the Lease shall, to the extent such provisions are obtainable, contain a provision to the effect that the insurance company shall not cancel or substantially modify the same without first giving written notice thereof to the Building Corporation, the School Corporation and the Trustee at least sixty (60) days in advance of such cancellation or substantial modification. The policies of insurance may provide for such a deductible amount as is then customary and acceptable to the Building Corporation and the School Corporation. The School Corporation shall deliver to the Trustee and the Building Corporation evidence of the insurance procured under the Lease by the School Corporation and agrees to keep such evidence up to date. Such insurance policies shall be countersigned by an agent of the insurer who is a resident of the State, and such policies, together with a certificate of the Commissioner of the Indiana Department of Insurance certifying that the persons countersigning such policies are duly qualified in the State as resident agents of the insurers on whose behalf they have signed (or

a certificate of insurance and proof of payment of premium satisfactory to the Building Corporation), shall be deposited with the Building Corporation and the Trustee.

In the event that such insurance policies are not, in the judgment of the School Corporation, reasonably available, then the School Corporation shall provide either: (i) such insurance with such limits or amounts or other provisions as are then reasonably obtainable and customary for the Building; or (ii) a plan, in compliance with the law of the State and reasonably satisfactory to the Building Corporation, which provides protection similar to the protection required in the Lease against the inability of the School Corporation to meet its liabilities under the Lease. In the case of either clause (i) or (ii) of the preceding sentence, the limits, amounts and other provisions of such insurance or plan as described therein shall be such as are recommended by a recognized qualified independent insurance consultant satisfactory to the Trustee, the Building Corporation and the School Corporation and who shall annually, or for such longer interval specified by the Trustee, review such policy or plan and advise the Building Corporation and the Trustee of changes required therein in order to adequately protect the financial position of the Building Corporation, and the Building Corporation shall be entitled to rely upon such advice to make its determination as to what is customary and reasonably obtainable or most nearly provides protection similar to that required in the Lease.

Damage and Destruction

If the Leased Premises shall be damaged or partially or totally destroyed by fire, flood, windstorm or other casualty at any time during the Lease Term: (i) the portion of the Leased Premises damaged or destroyed shall be promptly repaired, replaced, rebuilt or restored with such changes, alterations and modifications (including the substitution and addition of other property) as may be designated by the School Corporation and as shall not impair the character of the Leased Premises; and (ii) there shall be applied for such purpose so much as may be necessary of any net proceeds of insurance policies resulting from claims for such losses as well as any additional moneys of the School Corporation necessary therefore. In the event that such net proceeds of insurance are insufficient to pay in full the costs of such repair, replacement, rebuilding or restoration, the School Corporation will complete such repair, replacement, rebuilding or restoration and will provide for payment of the costs of such completion from its own moneys. Any balance of such net proceeds remaining in the insurance loss account after the payment of all costs of such repair, replacement, rebuilding or restoration shall be paid to the School Corporation, upon delivery to the Building Corporation of a certificate signed by an officer of the School Corporation certifying that such repair, replacement, rebuilding or restoration have been paid in full and directing the transfer of the remaining moneys to the School Corporation.

Eminent Domain

If title to or the temporary use of the Leased Premises, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, any net proceeds received from any award made in such eminent domain proceedings (after payment of expenses incurred in such collection) shall be paid to and held by the Trustee. Such proceeds are to be applied in one or more of the following ways:

- (a) The restoration of the Leased Premises to substantially the same condition as it existed prior to the exercise of such power of eminent domain, or
- (b) The acquisition, by construction or otherwise, of other improvements suitable for the School Corporation's operation of the Leased Premises (which improvements shall be deemed a part of the Leased Premises and available for use and occupancy by the School Corporation without the payment of any Annual Rent other than as provided in the Lease, to the same extent as if such other improvements were specifically described therein and demised thereby.)

Option to Purchase

The School Corporation has an option to purchase the Leased Premises [on January 5, 2026, and on any date thereafter], provided the School Corporation is not in any default under any provision of the Lease. In the event that the School Corporation exercises such option to purchase, the purchase price shall be an amount equal to the principal amount of the bonds Outstanding as of the date the School Corporation exercises its option, together with (i) any interest coming due or to accrue during the period from the School Corporation's exercise date to the first date sixty-five (65) days or more thereafter on which the bonds may be redeemed (or such shorter period as may be approved in writing by the Building Corporation and the Trustee), (ii) the redemption premium, if any, required on such redemption date, and (iii) any expenses relating to the redemption of bonds. The purchase price shall also include the amount necessary to dissolve the Building Corporation, together with all costs and expenses, including legal fees associated with the prepayment of bonds. The purchase price shall be reduced by the amounts already on deposit on the School Corporation's exercise date in the Revenue Account established pursuant to the Trust Indenture, to the extent such amounts are available to pay the principal of, redemption premium, if any, and interest on bonds.

Events of Default

The following are "Events of Default" under the Lease:

- (a) Failure by the School Corporation to pay the Annual Rent required to be paid hereunder on or prior to each Rental Payment Date.
- (b) Failure by the School Corporation to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Lease, other than as referred to in clause (a) above, for a period of sixty (60) days after notice of such failure requesting such failure to be remedied, given to the School Corporation by the Building Corporation, unless the Building Corporation shall agree in writing to an extension of such time prior to its expiration; provided, however, that if and so long as the School Corporation is proceeding with due diligence to cure the default, such period shall be extended sufficiently to permit the School Corporation to proceed with due diligence to cure such default.

Remedies on Default

Whenever an Event of Default has occurred as described in clause (a) under the caption “Events of Default” above, the Building Corporation shall immediately make or cause to be made written demand for payment upon the Treasurer of the State pursuant to I.C. 20-48-1-11, as amended. The Building Corporation may also take the following actions:

- (a) The Building Corporation may at its option declare all installments of Annual Rent payable under the Lease for the remainder of the Lease Term to be immediately due and payable, whereupon the same shall become immediately due and payable.
- (b) The Building Corporation may reenter and take possession of the Leased Premises without terminating the Lease, sublease the Leased Premises for the account of the School Corporation, holding the School Corporation liable for costs, if any, not reimbursed to the Building Corporation from the difference between the rent and other amounts payable by such sublessee in such subleasing and the Annual Rent, Additional Rental payments and other amounts payable by the School Corporation thereunder.
- (c) The Building Corporation may terminate the Lease, exclude the School Corporation from possession of the Leased Premises, and lease the Leased Premises to another, but holding the School Corporation liable for costs, if any, not reimbursed to the Building Corporation from the proceeds of all Annual Rent, Additional Rental payments and other payments due up to the effective date of such leasing.
- (d) The Building Corporation may take whatever action at law or in equity may appear necessary or desirable to collect the Annual Rent and Additional Rental payments then due and thereafter to become due, or to enforce the performance and observance of any obligation, agreement or covenant of the School Corporation under the Lease.

Defined Terms

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the forepart of the Preliminary Official Statement and the Lease.

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