

NEW ISSUE – BOOK-ENTRY ONLY
BANK QUALIFIED

Program Rating: S&P Global Ratings “AA+”
Underlying Rating: S&P Global Ratings “A+”
See “RATINGS” herein

In the opinion of Ice Miller LLP, Indianapolis, Indiana (“Bond Counsel”) under existing laws, regulations, judicial decisions and rulings, interest on the Bonds 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; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. 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. The Bonds have been designated qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code. See “TAX MATTERS” herein.

\$4,285,000*

ARGOS COMMUNITY SCHOOLS BUILDING CORPORATION

Marshall County, Indiana

AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2022B

Dated: As of Delivery

Due: As shown on the inside front cover

The Argos Community Schools Building Corporation (the “Issuer”) Ad Valorem Property Tax First Mortgage Bonds, Series 2022B (the “Bonds”) will be dated as of delivery with interest payable on January 15 and July 15 of each year, commencing July 15, 2023. The Bonds will be issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). Purchases of beneficial interests in the Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiples thereof. Purchasers of beneficial interest in the Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interest in the Bonds. Principal and semi-annual interest will be disbursed on behalf of the Issuer by Regions Bank, Indianapolis, Indiana, as trustee (the “Trustee,” “Registrar” and “Paying Agent”). The principal of and premium, if any, and interest on the Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the Bonds. The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See “THE BONDS – Book-Entry-Only System.” The Bonds are subject to optional redemption and may be subject to mandatory sinking fund redemption prior to maturity as described herein.

The Bonds are issued pursuant to Indiana Code 20-47-3 and a Trust Indenture dated as of November 1, 1998, as supplemented by a First Supplemental Trust Indenture dated as of May 15, 2006, a Second Supplemental Trust Indenture dated as of April 1, 2008, a Third Supplemental Trust Indenture dated as of August 1, 2011, a Fourth Supplemental Trust Indenture dated as of July 1, 2017; a Fifth Supplemental Trust Indenture dated as of August 1, 2019, a Sixth Supplemental Trust Indenture dated as of May 1, 2022, 2022 and as further supplemented by a Seventh Supplemental Trust Indenture dated as of November 1, 2022 (collectively, the “Trust Indenture”) between the Issuer and the Trustee. The Bonds constitute valid and legally binding obligations of the Issuer and are payable from certain sources of income of the Issuer which have been specifically pledged for the payment thereof including lease rental payments to be received from Argos Community Schools, Marshall County, Indiana (the “School Corporation”) under the terms of a Lease Agreement between the Issuer, as lessor, and the School Corporation, as lessee, on November 20, 1995 (the “Original Lease”), as amended by a First Amendment to Lease dated as of April 1, 1996 (the “First Amendment”), a Second Amendment to Lease dated as of November 1, 1998 (the “Second Amendment”), a Third Amendment to Lease dated as of April 20, 2006 (the “Third Amendment”), a Fourth Amendment to Lease dated as of March 1, 2008 (the “Fourth Amendment”), a Fifth Amendment to Lease dated as of August 1, 2011 (the “Fifth Amendment”) a Sixth Amendment to Lease dated as of June 19, 2017 (the “Sixth Amendment”), a Seventh Amendment to Lease dated as of August 21, 2019 (the “Seventh Amendment”), an Eighth Amendment to Lease dated as of April 18, 2022 (the “Eighth Amendment”) and a Ninth Amendment to Lease dated as of October 24, 2022 (the “Ninth Amendment,” which with the Original Lease, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Seventh Amendment and Eighth Amendment shall collectively be referred to as the “Lease”), which rental payments are payable from ad valorem property taxes to be levied and collected on all taxable property within the School Corporation and which rental payments will be paid directly to the Trustee. The levy of ad valorem property taxes by the School Corporation to pay rent due and payable under the Lease is mandatory and not subject to annual appropriation; however see “CIRCUIT BREAKER TAX CREDIT” herein. (See also “APPENDIX F – Summary of the Lease” herein.) The Bonds are on parity with the Taxable Ad Valorem Property Tax First Mortgage Bonds, Series 2017, dated July 27, 2017, the Ad Valorem Property Tax First Mortgage Bonds, Series 2019, dated October 3, 2019, and the Ad Valorem Property Tax First Mortgage Bonds, Series 2022, dated July 15, 2022.

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

The Bonds are offered when, as and if issued by the Issuer and received by the Underwriter, subject to prior sale, the withdrawal or modification of the offer without notice, and to the unqualified approval as to the legality of the Bonds by Ice Miller LLP, Indianapolis, Indiana. It is expected that the Bonds will be delivered through The Depository Trust Company in New York, New York on or about November __, 2022.

RAYMOND JAMES

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

*Preliminary, subject to change

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

\$4,285,000*
ARGOS COMMUNITY SCHOOLS BUILDING CORPORATION
Marshall County, Indiana
AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2022B

MATURITY SCHEDULE*
 (Base CUSIP 040204)†

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
1/15/2024	\$135,000			
* * *	***			
7/15/2028	110,000			
1/15/2029	115,000			
7/15/2029	115,000			
1/15/2030	120,000			
7/15/2030	120,000			
1/15/2031	125,000			
7/15/2031	125,000			
1/15/2032	130,000			
7/15/2032	135,000			
1/15/2033	135,000			
7/15/2033	140,000			
1/15/2034	145,000			
7/15/2034	145,000			
1/15/2035	150,000			
7/15/2035	155,000			
1/15/2036	160,000			
7/15/2036	165,000			
1/15/2037	165,000			
7/15/2037	325,000			
1/15/2038	330,000			
7/15/2038	340,000			
1/15/2039	345,000			
7/15/2039	355,000			

\$ _____ Term Bonds Due _____ 15, 20__; Price: _____%; CUSIP: _____%

† The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the Building Corporation, the School Corporation or the Underwriter, and are included solely for the convenience of the holders of the Bonds. The Issuer, the School Corporation nor the Underwriter are responsible for the selection or uses of such CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturities.

*Preliminary, subject to change

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Michael Heckaman, Member
Kenny Nifong, Member
Monty Peden, Member

ARGOS COMMUNITY SCHOOLS

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Jennifer Hurford, Secretary
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REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the Issuer, the School Corporation or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the Issuer and the School Corporation and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the School Corporation since the date hereof.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of that information.

In connection with this offering, the Underwriter may overallocate or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or under any state securities or “blue sky” laws. The Bonds are offered pursuant to an exemption from registration with the Securities and Exchange Commission.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included in or incorporated by reference in this Official Statement that are not purely historical are “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, and reflect the Issuer’s or School Corporation’s current expectations, hopes, intentions, or strategies regarding the future. Such statements may be identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENTS WILL PROVE TO BE ACCURATE.

REFERENCES TO WEB SITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEB SITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF THIS FINAL OFFICIAL STATEMENT FOR THE PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SEC RULE 15C2-12.

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OFFICIAL STATEMENT

\$4,285,000*

ARGOS COMMUNITY SCHOOLS BUILDING CORPORATION
Marshall County, Indiana
AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2022B

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided to set forth certain information concerning the sale and delivery by the Argos Community Schools Building Corporation (the “Issuer”) of its Ad Valorem Property Tax First Mortgage Bonds, Series 2022B (the “Bonds”), in the aggregate principal amount of \$4,285,000*. The Bonds are issued pursuant to Indiana Code 20-47-3 and a Trust Indenture dated as of November 1, 1998, as supplemented by a First Supplemental Trust Indenture dated as of May 15, 2006, a Second Supplemental Trust Indenture dated as of April 1, 2008, a Third Supplemental Trust Indenture dated as of August 1, 2011, a Fourth Supplemental Trust Indenture dated as of July 1, 2017; a Fifth Supplemental Trust Indenture dated as of August 1, 2019, a Sixth Supplemental Trust Indenture dated as of May 1, 2022, and as further supplemented by a Seventh Supplemental Trust Indenture dated as of November 1, 2022 (collectively, the “Trust Indenture”) between the Issuer and Regions Bank, as trustee (the “Trustee”).

The Issuer was organized for the purpose of providing funds to be applied to the cost of acquiring real estate and constructing and equipping certain school facilities thereon and leasing such facilities to the Argos Community Schools, Marshall County, Indiana (the “School Corporation”). Other powers of the Issuer include the authority to refinance previously incurred indebtedness and to execute lease agreements with the School Corporation based on terms of the refinancing agreement. See “THE ISSUER” herein.

Pursuant to pertinent provisions of the Indiana Code, projects that are considered controlled projects are subject to certain additional public approval procedures. A controlled project is one that is financed by a bond or lease, is payable by property taxes and with respect to projects approved by resolutions adopted by the School Corporation on or after January 1, 2022, and on or before December 31, 2022, costs more than the lesser of (a) \$5,815,445 or (b) 1% of gross assessed value, if that amount is at least \$1 million, of the property located within the School Corporation. The exceptions for a controlled project are (a) when property taxes are used only as a back-up to enhance credit, (b) when a project is being refinanced to generate taxpayer savings, (c) when the project is mandated by federal law, and (d) when the project is in response to a natural disaster, emergency or accident that makes a building or facility unavailable for its intended use and the project is approved by the Board of School Trustees of the School Corporation.

This Project (as defined herein) was subject to the controlled project procedures, however, neither the petition remonstrance process nor the referenda process was initiated by real property owners or registered voters. Therefore the issuance of the Bonds was able to continue without additional public approval procedures.

The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. Terms not defined in this Official Statement shall have the meaning set forth in the respective documents.

PURPOSE OF ISSUE

The proceeds from the sale of the Bonds will be applied (1) for the renovation of and improvements to Argos Elementary School, including construction of an art/music class addition; (ii) exterior improvements to Argos Community Schools K-12 campus, including site and athletics improvements; (iii) renovation of and improvements to Argos Community Schools K-12 campus, including installation of rooftop HVAC units and related improvements (the “Project”); (2) to pay capitalized interest through July 15, 2023; and (3) to pay costs incurred with the issuance of the Bonds. Construction will begin in December of 2022 and is expected to be substantially completed by Fall of 2023.

THE LEASED PREMISES

The Leased Premises consists of portions of (i) Argos Elementary School building located at 500 Yearick Street, Argos, Indiana and (ii) a portion of Argos Jr./Sr. High School building located at 500 Yearick Street, Argos, Indiana, both within the School Corporation.

*Preliminary, subject to change

SOURCES AND USES OF FUNDS

The sources and uses of funds, related to the Project and to pay costs incidental to the sale and delivery of the Bonds are shown below:

Sources of Funds

Par Amount of Bonds
Net Reoffering Premium
Total Sources

Uses of Funds

Art/Music Class Addition
Site and Athletics Improvements
Installation of Rooftop HVAC Units
2022 Bond Interest Account⁽¹⁾
Costs of Issuance, Underwriter's Discount and Miscellaneous
Total Uses

(1) Capitalized interest through and including July 15, 2023

(Balance of page intentionally left blank.)

SCHEDULE OF SEMI-ANNUAL DEBT SERVICE REQUIREMENTS AND LEASE PAYMENTS

<u>Payment Date</u>	<u>Principal</u>	<u>Interest⁽¹⁾</u>	<u>Total Debt Service</u>	<u>Lease Payment⁽²⁾</u>
7/15/2023	---			
1/15/2024	\$135,000			
7/15/2024	---			
1/15/2025	---			
7/15/2025	---			
1/15/2026	---			
7/15/2026	---			
1/15/2027	---			
7/15/2027	---			
1/15/2028	---			
7/15/2028	110,000			
1/15/2029	115,000			
7/15/2029	115,000			
1/15/2030	120,000			
7/15/2030	120,000			
1/15/2031	125,000			
7/15/2031	125,000			
1/15/2032	130,000			
7/15/2032	135,000			
1/15/2033	135,000			
7/15/2033	140,000			
1/15/2034	145,000			
7/15/2034	145,000			
1/15/2035	150,000			
7/15/2035	155,000			
1/15/2036	160,000			
7/15/2036	165,000			
1/15/2037	165,000			
7/15/2037	325,000			
1/15/2038	330,000			
7/15/2038	340,000			
1/15/2039	345,000			
7/15/2039	355,000			

(1) Capitalized interest through and including July 15, 2023

(2) The semi-annual lease payments are due each preceding June 30 and December 31.

THE BONDS

General

The Bonds will be issued in fully registered form in the denomination of \$5,000 or any integral multiple of that amount, will be dated as of delivery, and mature on January 15 and July 15 on the dates and amounts and bear interest at the rates set forth on the inside cover of this Official Statement. Interest on the Bonds, payable on January 15 and July 15, commencing July 15, 2023, is 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 depositories shown as registered owners. Principal of the bond is payable by check upon presentation at the corporate trust operations office of Regions Bank, Indianapolis, Indiana, 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.

*Preliminary, subject to change

So long as DTC or its nominee is the registered owner of the Bonds, principal of and interest on the Bonds will be paid directly to DTC by the Paying Agent. Interest will be paid on the basis of a 360-day year consisting of twelve 30-day months. Payment shall be made to the depository in whose name the Bond is registered on the fifteenth day preceding an interest payment date. (The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants, all as defined and more fully described herein.)

Book-Entry-Only System

1. The Depository Trust Company (“DTC”), New York, New York, will act as Bonds depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each issue of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. 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 (the “SEC”). More information about DTC can be found at www.dtcc.com.

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

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

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the

Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

8. Redemption proceeds, distributions, and dividend 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 Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or 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.

9. A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to Tender/Remarketing Agent's DTC account.

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

11. Issuer 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.

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

Revision of Book-Entry-Only System

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

Optional Redemption

The Bonds due on and after January 15, 2032 may be redeemed prior to maturity, at the option of the Issuer, in whole or in part, in such order of maturity as determined by the Issuer, and by lot within maturities, on any date not earlier than July 15, 2031, at face value, plus in each case accrued interest to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The Bonds maturing on _____ through and including _____ (collectively, the "Term Bonds"), are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest on January 15 and July 15 in accordance with the following schedules:

Term Bonds Due _____			
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
Term Bonds Due _____			
<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>

Registration, Transfer and Exchange

The Bonds will be registered at and are transferable by the registered owners at the principal corporate trust office of the Registrar, upon surrender and cancellation and on presentation of a duly executed written instrument of transfer. A new bond or bonds of the same aggregate principal amount and maturity and in authorized denominations will be issued to the transferee or transferees in exchange therefor.

If any Bond is mutilated, lost, stolen or destroyed, the Registrar may execute, subject to the provisions of the Trust Indenture, a replacement bond or bonds of the same date, maturity and denomination. In the case of a mutilated bond, the Registrar may require that the mutilated bond be presented and surrendered as a condition to executing a replacement. In the case of loss, theft or destruction, the Registrar may require evidence of the destruction or indemnity satisfactory to the Registrar in its discretion. The Registrar may charge the owner for reasonable fees and expenses in connection with replacements.

ADDITIONAL BONDS

The Issuer may issue additional bonds on a parity with the Taxable Ad Valorem Property Tax First Mortgage Bonds, Series 2017, dated July 27, 2017; the Ad Valorem Property Tax First Mortgage Bonds, Series 2019, dated October 3, 2019; the Ad Valorem Property Tax First Mortgage Bonds, Series 2022, dated July 15, 2022 and the Bonds (the "Additional Bonds") from time to time to provide for the partial or full refunding of the Bonds and for additional improvements to the Leased Premises. 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 or the Lease. The Bonds, together with any Additional Bonds as may be issued on a parity therewith under the Trust Indenture, are to be equally and ratably secured and entitled to the protection given under the Trust Indenture.

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

The Bonds being issued by the Issuer are secured by semi-annual Lease rental payments to be paid by the School Corporation directly to the Trustee (for the account of the Issuer) ("Rent") pursuant to the terms of a Lease Agreement between the Issuer, as lessor, and the School Corporation, as lessee, on November 20, 1995 (the "Original Lease"), as amended by a First Amendment to Lease dated as of April 1, 1996 (the "First Amendment"), a Second Amendment to Lease dated as of November 1, 1998 (the "Second Amendment"), a Third Amendment to Lease dated as of April 20, 2006 (the "Third Amendment"), a Fourth Amendment to Lease dated as of March 1, 2008 (the "Fourth Amendment"), a Fifth Amendment to Lease dated as August 1, 2011 (the Fifth Amendment") a Sixth Amendment to Lease dated as of June 19, 2017 (the Sixth Amendment"), a Seventh Amendment to Lease dated as of August 21, 2019 (the "Seventh

Amendment"), an Eighth Amendment to Lease dated as of April 18, 2022 (the "Eighth Amendment") and a Ninth Amendment to Lease dated as of October 24, 2022 (the "Ninth Amendment," which with the Original Lease, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Seventh Amendment and Eighth Amendment shall collectively be referred to as the "Lease"). The Rent payable by the School Corporation under the Lease is payable from ad valorem property taxes to be levied by the School Corporation on all of the taxable property within the School Corporation. The levy of property taxes by the School Corporation to pay rent due and payable under the Lease is mandatory and not subject to annual appropriation (however, see "APPENDIX F – Summary of the Lease – Lease Term and Rental" and "CIRCUIT BREAKER TAX CREDIT").

The term of the Lease has been extended to June 30, 2041. By each rent payment date, the School Corporation is to pay the installment of rent due under the Lease. Each installment of increased rent is payable in advance for the following six-month period on June 30 and December 31, commencing on December 31, 2023, or on the date the Leased Premises are completed and ready for occupancy, whichever is later. The maximum annual rent is being increased by a maximum of \$750,000 per year, payable in equal semiannual installments. Completion of the Leased Premises is to be certified to the School Corporation by a representative of the Building Corporation pursuant to the Lease. The semi-annual rentals, under the Lease, which are required to be paid by the School Corporation through the final maturity of the Bonds are in such amounts sufficient to pay the principal of and interest on the Bonds.

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

Under the Lease, if for any reason the Leased Premises is partially or totally destroyed or unfit for occupancy, the Rent payments shall be proportionally abated. In accordance with the Lease, the School Corporation is required to maintain rental value insurance insuring Rent payments in connection with the loss of use of the facilities due to casualty for a period of two years. In addition, the School Corporation is required to insure the Leased Premises against physical damage, however caused, in an amount equal to the lesser of (i) the replacement cost thereof, with such exceptions ordinarily required by insurers, or (ii) the redemption price of the outstanding Bonds.

For a more detailed description of the provisions of the Lease, see "APPENDIX F – Summary of the Lease" herein.

INTERCEPT PROGRAM

Indiana Code Title 20, Article 48, Chapter 1, Section 11, as amended by Public Law 167-2017 (the "Act"), requires the Department of Local Government Finance (the "DLGF") to review levies and appropriations of school corporations for debt service on general obligation bonds or lease rental payments that are payable, including payments to a school corporation's designated paying agent under a written agreement entered into in connection with the issuance of obligations (the "Debt Service Obligations"). If a school corporation fails to levy and appropriate sufficient funds for such purpose for the next succeeding calendar year, the DLGF shall establish levies and appropriations which are sufficient to pay such obligations for the next succeeding calendar year.

The Act further provides upon the failure of a school corporation to pay any Debt Service Obligation when due and upon notice and claim being filed with the Treasurer of the State of Indiana (the "State Treasurer"), the State Treasurer shall pay, within five (5) days of receiving such notice (excluding Saturdays, Sundays and legal holidays), the unpaid Debt Service Obligations of the school corporation that are due from the funds of the State in an amount equal to the amount of the unpaid Debt Service Obligations due to the person or entity filing the claim (the "Claimant"), but only to the extent that Available Funds (as hereinafter defined) are available to the State Treasurer in accordance with the following procedures: (a) upon notice and claim being filed with the State Treasurer, the State Treasurer shall immediately contact the school corporation and the person or entity filing the claim to confirm whether the school corporation is unable to make the required payment on the due date; (b) if confirmed, the State Treasurer must notify the Budget Director (the "State Budget Director") of the State of Indiana (the "State"), the Auditor of the State (the "State Auditor") and any department or agency of the State responsible for distributing funds (the "Distributors") appropriated by the State General Assembly (the "General Assembly") for distribution to the school corporation from State funds; (c) within three (3) days of receiving the notice, excluding Saturdays, Sundays and legal holidays, from the State Treasurer, the State Budget Director, the State Auditor and any Distributors must provide the State Treasurer with available funds in order for the State Treasurer to fulfill his/her obligations under the Act; and (d) the State

Treasurer must make such payment to the Claimant from such funds within five (5) days, excluding Saturdays, Sundays and legal holidays of the claim being filed with the State Treasurer (clauses (a) through and including (d), collectively, the “State Intercept Program”). The funds to make such payment will be from the following sources, in the following amount and in the following order of priority: (i) first, from amounts appropriated by the General Assembly for distribution to the school corporation from State funds in the current fiscal year of the State (the “Current Year School Distribution”), which begins on July 1 and ends on the immediately following June 30 (the “State Fiscal Year”); (ii) second, to the extent the amounts described in clause (i) are insufficient, from any remaining amounts appropriated by the General Assembly for distribution for tuition support in the current State Fiscal Year which are in excess of the aggregate amount of tuition support needed for distribution to all school corporations during the current State Fiscal Year; and (iii) third, to the extent the amounts described in clauses (i) and (ii) are insufficient and the General Assembly has adopted a biennial budget appropriating amounts in the immediately succeeding State Fiscal Year for distribution to the school corporation from State funds, then from such fund or account, as determined by the State Budget Director in an amount equal to the lesser of the unpaid Debt Service Obligation or the amount to be distributed to the school corporation in the immediately succeeding State Fiscal Year (clauses (i) through and including (iii), collectively, the “Available Funds”).

If any such payment is made by the State Treasurer pursuant to the State Intercept Program, then the State will recover such amounts by: (i) deducting such amount from the future State distributions to be made to the school corporation from State funds appropriated by the General Assembly, first from all funds of the school corporation except State tuition support and second from State tuition support; and (ii) transferring any amount deducted to the State Treasurer to reimburse the fund or account from which the transfer was made. Pursuant to the Trust Indenture, the Trustee is to notify and demand payment immediately from the State Treasurer if the School Corporation should default in its obligation under the Lease to pay the Lease Rentals to the Trustee. The estimated State distributions for State fiscal year 2020 and resulting debt service coverage levels are as follows:

Fiscal Year 2022 Basic Grant Distribution (all funds) ⁽¹⁾	\$4,700,000
Combined Maximum Annual Debt Service (2025)	1,194,000*
State Distributions Required to Provide 1.5 Times Coverage	1,791,000*
State Distributions Above/(Below) 1.5 Times Coverage Amount	2,909,000*

(1) Per the Indiana Department of Education estimate, net of adjustments

While the above description is based upon the Act, the General Assembly may make amendments to, or repeal, such statutes, and therefore, there is no assurance of future events.

PROCEDURES FOR PROPERTY TAX 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), 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.

*Preliminary, subject to change.

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), and 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 end after taking into account all payments for debt service obligations that are to be made by the taxing unit during the ensuing year. Before August 1 of each year, the DLGF shall provide to each taxing unit, an estimate of the amount by which the taxing unit's distribution of property taxes will be reduced.

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

The budget, tax levy and tax rate of each taxing unit are subject to review by the DLGF, and the DLGF shall certify the tax rates and tax levies for all funds of taxing units subject to the DLGF's review. The DLGF may not increase a taxing district's budget by fund, tax rate or tax levy to an amount which exceeds the amount originally fixed by the taxing unit unless the taxing unit meets all of the following: (i) the increase is requested in writing by the taxing unit; (ii) the requested increase is published on the DLGF's advertising internet website; (iii) notice is given to the county fiscal body of the DLGF's correction; (iv) the request includes the corrected budget, tax rate, or levy, as applicable, and the time and place of the public meeting; and (v) the political subdivision adopts the needed changes to its budget, tax levy, or rate in a public meeting of the governing body.

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

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

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

Personal property values are assessed January 1 of every year and are self-reported by property owners to county assessors using prescribed forms. The completed personal property return must be filed with the county assessors no later than May 15. Pursuant to State law, personal property is assessed at its actual historical cost less depreciation, in accordance with 50 IAC 4.2, the DLGF's Rules for the Assessment of Tangible Personal Property. Pursuant to IC 6-1.1-3-7.2, 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 forty thousand dollars (\$40,000) for that assessment date prior to January 1, 2022 and less than eighty thousand dollars (\$80,000) for assessment dates after January 1, 2022.

Pursuant to State law, real property is valued for assessment purposes at its "true tax value" as defined in the Real Property Assessment Rule, 50 IAC 2.4, the 2021 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4 and the 2021 Real Property Assessment Guidelines ("Guidelines"), as published by the DLGF. In the case of agricultural land, true tax value shall be the value determined in accordance with the Guidelines and IC 6-1.1-4-13, 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, as discussed below, the Manual permits assessing officials in each county to choose one of three standard approaches to determine market value-in-use, which are the cost approach, the sales comparison approach or the income approach. The Guidelines provide each of the approaches to determine "market value-in-use and the reconciliation of these approaches shall be applied in accordance with generally recognized appraisal principals." In accordance with IC 6-1.1-4-4.2(a) for the cyclical reassessment (2022-2026), the county assessor was required to submit the reassessment plan to the DLGF before May 1, 2021, and the DLGF will revise and approve the reassessment plan before January 1, 2022. 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 within 45 days after the written notification is given to the taxpayer or May 10 of that year, whichever is later. While the appeal is pending, the taxpayer may pay taxes based on the current year's tax rate and the previous or current year's assessed value.

CIRCUIT BREAKER TAX CREDIT

Description of Circuit Breaker

Article 10, Section 1 of the Constitution of the State of Indiana (the "Constitutional Provision") provides that, for property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer's property tax liability to a specified percentage of the gross assessed value of the taxpayer's real and personal property. Indiana Code § 6-1.1-20.6 (the "Statute") authorizes such limits in the form of a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit (the "Circuit Breaker Tax Credit"). For property assessed as a homestead (as defined in Indiana Code § 6-1.1-12-37), 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 provides additional property tax limits for property taxes paid by certain senior citizens.

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

The Constitutional Provision excludes from the application of the Circuit Breaker Tax Credit property taxes first due and payable in 2012, and thereafter, that are imposed after being approved by the voters in a referendum. The Statute codifies this exception, providing that, with respect to property taxes first due and payable in 2012 and thereafter, property taxes imposed after being approved by the voters in a referendum will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute.

The Statute requires political subdivisions to fully fund the payment of 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 the school corporation's general fund and school corporations are encouraged by the DLGF to fund any shortfall directly from the school corporation's general fund to avoid the application of the State Intercept Program. Upon: (i) the failure of a political subdivision to pay any of its Debt Service Obligations; and (ii) notification of that event to the treasurer of the State by a claimant; the treasurer of State is required to pay the unpaid Debt Service Obligations from money in the possession of the State that would otherwise be available to the political subdivision under any other law. A deduction must be made from any other undistributed funds of the political subdivision in possession of the State.

Pursuant to IC 6-1.1-20.6-9.9, if a school corporation has sufficient Circuit Breaker Tax Credit losses in any year from 2019 through 2023, and has such annual losses timely certified by 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 its Circuit Breaker Tax Credit loss proportionately across all school corporation property tax funds, including the debt service fund, and is exempt from the protected taxes requirement described below. **The School Corporation did qualify for this exemption in 2022, but did not use the exemption in 2022. As of the date of this Official Statement, the School Corporation does not know whether it will qualify for this exemption in 2023.**

After 2016, if a school corporation: (i) issues new bonds or enters into a new lease rental agreement for which the school corporation is imposing or will impose a debt service levy other than: (A) to refinance or renew prior bond or lease rental obligations existing before January 1, 2017; or (B) for indebtedness that is approved in a local public question or referendum under IC 6-1.1-20 or any other law; and (ii) the school corporation's total debt service levy and total debt service tax rate is greater than the school corporation's total debt service levy and total debt service tax rate in 2016, the school corporation will not be eligible to allocate its Circuit Breaker Tax Credit loss proportionately.

Except for an Eligible School Corporation, the Statute categorizes property taxes levied to pay Debt Service Obligations as "protected taxes," regardless of whether the property taxes were approved at a referendum, and all other property taxes as "unprotected taxes." The total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined without applying the Circuit Breaker Tax Credit. The application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund. The School Corporation may allocate the reduction by using a combination of unprotected taxes of the 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, 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 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.

For example, in March, 2016, the Indiana General Assembly passed legislation which revises the factors used to calculate the assessed value of agricultural land. This legislation is retroactive to the January 1, 2016, assessment date and applies to each assessment date thereafter. The revised factors enacted in the legislation may reduce the total assessed value of agricultural land, which could shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land may result in a reduction of the total assessed value of a school corporation. A lower assessed value of a school corporation may result in higher tax rates in order for such school corporation to receive its approved property tax levy. See "PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION" herein.

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 2020, 2021 and 2022 are \$105,766, \$123,607 and \$145,376, respectively. These estimates do not include the estimated debt service on the Bonds and lease rentals on the Lease securing the Bonds.

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

School Corporation Fiscal Indicators

Public Law 213-2018(ss) was enacted by the Indiana General Assembly in 2018 (the "DUAB Law"). The DUAB Law required the Distressed Unit Appeal Board, an entity previously established pursuant to Indiana Code 6-1.1-20.3-4 (the "DUAB") to establish a Fiscal and Qualitative Indicators Committee (the "Committee"), and for such Committee to select from a prescribed list the fiscal and qualitative indicators with which the DUAB would evaluate the financial conditions of Indiana public school corporations.

Further, pursuant to the DUAB Law, starting in June, 2019, the DUAB has been charged with making a determination of whether a corrective action plan is necessary for any school corporations, based upon a process of initial identification by the DUAB's executive director pursuant to such fiscal and qualitative indicators, and a contact and assessment of each such school corporation by the DUAB's executive director.

The DUAB will place a school corporation on its watch list under certain circumstances, if such school corporation fails to properly submit a corrective action plan, or if such school corporation is not compliant with its corrective action plan. Upon the state budget committee review of the school corporation's placement on the watch list, such placement will become public. Until such time, all reports, correspondence and other related records are not subject to public disclosure laws under Indiana state law. See Indiana Code 20-19-7-18.

A graphic summary of such fiscal and qualitative indicators, searchable for any specific Indiana public school corporation, can be found at: <https://www.in.gov/duab/2386.htm>. (Some of such data may be less current than the data found in APPENDIX A hereto.)

THE ISSUER

The Issuer was organized pursuant to the Indiana Code, Title 23, Article 17, Chapter 1-30, for the sole purpose of acquiring land and constructing, renovating and improving school facilities to be leased to the School Corporation. In order to provide the funds necessary to undertake projects, the Issuer has issued bonds secured by lease agreements and a mortgage. The Issuer also has the power to issue bonds to refund its outstanding bonds.

During its existence, the Issuer will operate entirely without profit to the Issuer, its officers, directors and members.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Bonds and with regard to the tax status of the interest thereon (see “TAX MATTERS”) will be passed upon by Ice Miller LLP, Indianapolis, Indiana (“Bond Counsel”). A signed copy of that opinion, dated and premised on facts and laws existing as of the date of original delivery of the Bonds will be delivered to Raymond James & Associates, Inc. (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.

The engagement of Ice Miller LLP as Bond Counsel is limited generally to the examination of the documents contained in the transcript of proceedings, and examination of such transcript of proceedings and the law incident to rendering the approving legal opinion referred to above, and the rendering of such approving legal opinion. In its capacity as Bond Counsel, said firm has reviewed those portions of this Official Statement under the captions: “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS,” “THE BONDS” (except for information under the subheading “Book-Entry-Only System” and “Revision of Book-Entry-Only System”), “APPENDIX E – Summary of Certain Provisions of the Trust Indenture,” “APPENDIX F – Summary of the Lease,” “TAX MATTERS,” “ORIGINAL ISSUE DISCOUNT,” “AMORTIZABLE BOND PREMIUM” and “LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES.” Bond Counsel has not been retained to pass upon any information in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information that may be prepared or made available by the School Corporation, the Trustee, the Underwriter or others to the prospective purchasers of the Bonds or to others.

LITIGATION

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

PROPOSED LEGISLATION

Current and future 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.

The Issuer 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 School Corporation.

TAX MATTERS

In the opinion of Ice Miller LLP, Indianapolis, Indiana ("Bond Counsel") under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. This opinion is conditioned on continuing compliance by the Issuer with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana (the "State"). This opinion relates only to the exemption of interest on the Bonds for State income tax purposes. See APPENDIX 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 Issuer will covenant not to take any action, within its power and control, nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code (collectively, the "Tax Covenants"). The Trust Indenture and certain certificates and agreements to be delivered on the date of delivery of the Bonds establish procedures under which compliance with the requirements of the Code can be met. It is not an event of default under the Trust Indenture if interest on the Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the issue date of the Bonds.

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, individuals, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Bonds.

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

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the Bonds maturing on _____ (collectively the "Discount Bonds") is less than the principal amount payable at maturity. As a result the Discount Bonds will be considered to be issued with original issue discount. A taxpayer who purchases a Discount Bond in the initial public offering at the price listed on the cover page hereof (assuming a substantial amount of such Discount Bond was sold at such price) and who holds such Discount Bond to maturity may treat the full amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity. The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or

shorter period from the date of the original issue) ending on January 15 and July 15 (with straight line interpolation between compounding dates).

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

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

Owners who purchase Discount Bonds in the initial public offering but at a price different from the prices listed on the cover page hereof should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

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

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes that accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

AMORTIZABLE BOND PREMIUM

The initial public offering price of the Bonds maturing on _____ (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 Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Premium Bonds, including sale, redemption or payment at maturity or call date. The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning Premium Bonds. Owners of the Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of 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 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 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 Corporation from time to time, but the Corporation has no reason to believe, under existing law, that any such lien would have priority over the lien on the property taxes pledged to owners of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Indiana and the United States of America and bankruptcy, reorganization, insolvency 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 Master Continuing Disclosure Undertaking (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 B.

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 failed to comply with its previous undertakings, including the late filings of the 2018 and 2020 biennial audited financial statements. Failure to file notices were not posted when the audited financial statements were not available by the due date. The 2020 biennial audited financial statement was not filed on one series of bonds that are no longer outstanding. The 2019 financial and operating data for one series

of bonds was not filed timely. The School Corporation is aware of these delinquencies and has hired Raymond James as its dissemination agent. The School Corporation makes no representation as to any potential materiality of such prior instances, as materiality is dependent upon individual facts and circumstances.

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

General

Regional, national or global epidemics or pandemics, such as the present outbreak of the novel coronavirus (“COVID-19”), could have materially adverse local, regional, national or global economic and social impacts. The present outbreak of COVID-19 is adversely impacting local, state, national and global economies, as governments, businesses and citizens react to, plan for, and try to prevent or slow further transmission of COVID-19. On March 6, 2020, Indiana Governor Eric Holcomb issued Executive Order 20-02 (“EO 20-02”), which declared the COVID-19 outbreak in the State to be a public health emergency. On March 11, 2020, the World Health Organization proclaimed the COVID-19 outbreak to be a pandemic, and on March 13, 2020, the President of the United States declared a national emergency in connection with COVID-19. The declaration of a public health emergency set forth in EO 20-02 has been renewed 23 times by separate Executive Orders, the most recent of which is Executive Order 22-01, which Governor Holcomb issued on February 1, 2022. Such declaration was set to expire on March 5, 2022, but instead, it was rescinded on March 3, 2022, in accordance with Executive Order 22-09, which was issued by Governor Holcomb on March 3, 2022.

State’s Steps to Contain COVID-19

On June 30, 2021, the Governor issued Executive Order 21-17 (“EO 21-17”), which rescinded all of the Executive Orders related to the State’s efforts to contain COVID-19 issued prior to June 30, 2021, and thereby eliminated any restrictions or limitations as well as any reporting actions or requirements established in any of those Executive Orders. The limited directives set forth in EO 21-17 have been renewed eight times by separate Executive Orders, the most recent of which is Executive Order 22-02 (“EO 22-02”), which the Governor issued on February 1, 2022.

In particular, EO 22-02 requires: (1) individuals who test positive to isolate according to Indiana Department of Health (“IDOH”) guidelines; (2) fully vaccinated individuals who are close contacts of a person who tests positive for COVID-19 to wear a mask at all times in public for 10 days and are encouraged to obtain a COVID-19 test five days after exposure; and (3) unvaccinated individuals who are close contacts of a COVID-19 infected person to quarantine, if required, according to IDOH guidelines. It states that the IDOH has issued measures requiring institutions and congregate care facilities, including K-12 educational facilities, post-secondary facilities, long-term care facilities, jails, prisons, childcare facilities and other congregate settings to report all known COVID-19 cases, to investigate and engage in contact tracing and to appropriately isolate those who test positive for COVID-19 and quarantine close contacts. EO 22-02 was set to expire on March 5, 2022, but instead, it was rescinded on March 3, 2022, in accordance with Executive Order 22-09, which was issued by Governor Holcomb on March 3, 2022.

General Effect on the School Corporation’s Finances

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

Response of the School Corporation

In response to COVID-19, the School Corporation has applied, and as of the date of this Official Statement received, State and federal assistance to offset the financial impact of the pandemic in the aggregate amount of approximately \$1,300,000. The School Corporation does not plan to issue short-term indebtedness for the purpose of covering an anticipated operating deficit due to tax distribution delays during the time such indebtedness is outstanding.

UNDERWRITING

The Bonds are being purchased, subject to certain conditions, by the Underwriter. The Underwriter has agreed to purchase all, but not less than all, of the Bonds at an aggregate amount of \$ _____ which includes the par amount of \$ _____ plus net original issue premium of \$ _____ and an underwriter's discount of \$ _____.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the inside cover page. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriter.

RATINGS

S&P Global Ratings ("S&P") has assigned a rating of "AA+" to the Bonds based upon the State Intercept Program (see "INTERCEPT PROGRAM" above). S&P has assigned an issuer credit rating of "A+". Such ratings reflect only the view of S&P and any explanation of the significance of such ratings may be obtained from S&P.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. No other ratings have been applied for.

Such ratings are not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by any rating agency should be evaluated independently. Except as may be required by the undertaking described under the heading "CONTINUING DISCLOSURE" none of the Issuer, the School Corporation or the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

STATEMENT OF ISSUER

The information and descriptions of documents included in this Official Statement do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. Prospective purchasers of the Bonds are referred to the documents for details of all terms and conditions thereof relating to the Projects and the Bonds.

Neither this Official Statement, nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of any of the Bonds. Any statements in this Official Statement involving matters of opinion whether or not expressly so stated, are intended as such and not as representations of fact.

This Official Statement has been authorized and approved by the School Corporation and is deemed to be nearly final in form. The School 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.

ARGOS COMMUNITY SCHOOLS BUILDING CORPORATION

By: /s/ _____
President

APPENDIX A

GENERAL INFORMATION CONCERNING THE SCHOOL CORPORATION

Location and Size

Argos Community Schools (the “School Corporation”) was formally organized in 1955 and is comprised of Green and Walnut Townships including the Town of Argos (the “Town”). The corporate limit of the School Corporation encompasses approximately 70 square miles and is located in south central Marshall County (the “County”). The School Corporation is approximately 8 miles south of Plymouth, 30 miles south of South Bend and 100 miles north of Indianapolis.

Organization and Government

A five-member Board of School Trustees (the “Board”), elected to four-year staggered terms, governs the School Corporation. The current members of the Board are as follows:

Board Members

Angela Smith, President
Chris O’Dell, Vice President
Jennifer Hurford, Secretary
Karra Duff, Member
Patricia Rensberger, Member

The Board appoints the Superintendent of Schools, who is the chief administrative officer of the School Corporation. A central office staff complements the leadership of the superintendent. The following is a list of certain members of the administrative staff and their titles:

<u>Name</u>	<u>Title</u>
Ned Speicher	Superintendent
Kelli VanDerWeele	Director of Business Services

The Superintendent directs a certified staff of 45 and classified staff of 42 with union representation as follows:

<u>Union Name</u>	<u>Union Representation</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Classroom Teachers’ Association	Teachers	27	6/30/2023

Facilities

The School Corporation presently operates the following schools.

<u>School</u>	<u>Grades</u>	<u>Year Opened</u>	<u>Additions/ Renovations</u>
Argos Elementary School	PK-6	1956	1965, 1968, 1975, 1996, 2015, 2017
Argos Junior/Senior High School	7-12	1956	1965, 1968, 1975, 1980, 1996, 2015, 2017

Source: School Corporation

Historic and Projected Enrollment

Shown below are the total enrollments in grades K-12 for the past five years and a projection of such enrollments for the next five years:

<u>Academic Year</u>	<u>Actual Enrollment</u>	<u>Academic Year</u>	<u>Projected Enrollment</u>
2018-19	614	2023-24	600
2019-20	600	2024-25	600
2020-21	580	2025-26	600
2021-22	622	2026-27	600
2022-23	659	2027-28	600

Source: School Corporation

Pension Obligations

Public Employees' Retirement Fund

The Indiana Public Employees' Retirement Fund (PERF) is a defined pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make contributions on behalf of the member.

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

Indiana Public Retirement System
1 North Capitol Avenue, Suite 001
Indianapolis, IN 46204
888.526.1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS. The total contributions made to PERF by the School Corporation for the years 2019, 2020 and 2021 were \$89,544, \$97,160 and \$101,911, respectively.

Teachers' Retirement Fund

The Indiana Teachers' Retirement Fund (TRF) is a defined pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of the members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

Effective, July 1, 2019, newly hired TRF-eligible staff members have 60 days to choose from two (2) retirement plans. The first plan is the TRF Hybrid, which is a combination defined contribution account and defined benefit account. The second plan is the My Choice, which is only a defined contribution account. Any employee that does not make a selection within the 60-day required period will default to the TRF Hybrid plan.

INPRS issues a publicly available financial report that includes 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
1 North Capitol Avenue, Suite 001
Indianapolis, IN 46204
888.526.1687

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share of TRF for certified employees 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 its contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

The total contributions made to TRF by the School Corporation for the years 2019, 2020 and 2021 were \$182,188, \$152,157 and \$160,821, respectively.

Additional Benefits

The School Corporation contributes 1.5% of each teacher's salary into a 401 (a) account each year. The employer contributions for the years 2019, 2020 and 2021 were \$43,125, \$45,768 and \$42,388, respectively.

The School Corporation contributes to VEBA accounts based on the schedule below:

- For teachers with 0-10 years of continuous service as of 2002-2003 – 1.0%
- For teachers with 11-20 years of continuous service as of 2002-2003 – 1.5%
- For teachers with 21+ years of continuous service as of 2002-2003 – 2.0%
- For teachers newly hired for the 2005-2006 school year and beyond – 1.0%

The employer contributions for this benefit to VEBA accounts for the years 2019, 2020 and 2021 were \$29,268, \$40,579 and \$28,977, respectively.

Other Postemployment Benefits

Upon retirement, sick and vacation days are paid out for the classified staff. Vacation days are paid out a daily rate and unused sick days are paid out based on the schedule below:

- For classified staff with 10-19 years of service 50% of daily rate
- For classified staff with 20-24 years of service 75% of daily rate
- For classified staff with 25+ years of service 100% of daily rate

For certified staff, sick days are transferred to the sick leave bank and unused vacation and personal days are paid out on a daily rate.

The employer contributions for classified staff vacation days in for the years 2019, 2020 and 2021 were \$5,041, \$4,955 and \$7,954, respectively. The employer contributions for certified and classified staff for unused personal days in for the years 2019, 2020 and 2021 were \$13,268, \$14,812 and \$11,458, respectively.

ECONOMIC INFORMATION CONCERNING THE SCHOOL CORPORATION

Location

The Town of Argos is an agriculturally oriented residential community with a few industrial and commercial establishments available for employment of local residents. Located between the cities of Plymouth and Rochester, the Town also benefits from the employment and retail opportunities of both larger communities as well as the South Bend/ Mishawaka area to the north.

Major Employers

Below is a list of some of the largest employers in the County.

<u>Name</u>	<u>City/Town</u>	<u>Type of Business</u>	<u>Employees</u>
Southwire Company	Bremen	Wire products manufacturer	600
Nishikawa Cooper LLC	Bremen	Millwork manufacturer	450
Walmart Supercenter	Plymouth	Retail store	410
Aker Plastics Company, Inc.	Plymouth	Plastics, raw materials/powder manufacturer	350
Ancilla Domini Sisters Inc.	Plymouth	Non-profit organization	300
Universal Bearings Inc.	Bremen	Bearings wholesaler	280
Swan Lake Resort	Plymouth	Resort	250
Bremen Castings	Bremen	Steel foundry manufacturer	225
Pregis Corporation	Plymouth	Packaging materials manufacturer	200
Catherine Kasper Life Center	Plymouth	Nursing and convalescent home	200

Source: Hoosiers by the Numbers

Employment Statistics and Patterns

The figures below, which were furnished by the Indiana Employment Security Division, reflect employment statistics and patterns with respect to the work force in the County, the State and the United States. Employment data is not maintained separately for the School Corporation.

<u>Marshall County</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022⁽¹⁾</u>
Labor Force	23,394	23,375	22,685	22,445	22,910
Unemployed	732	713	1,473	595	576
Unemployment Rate	3.1%	3.1%	6.5%	2.7%	2.5%
State of Indiana	3.4%	3.3%	7.2%	3.6%	3.1%
United States	3.9%	3.7%	8.1%	5.3%	3.8%

(1) Rates as of August 2022

Source: Indiana Employment Security Division

Employment by Occupation

The following table categorizes occupations for the School Corporation residents 16 years of age and older living in the County and the State.

<u>Occupational Category</u>	<u>Marshall County</u>	<u>State of Indiana</u>
Management, Business, Science and Arts	25.5%	35.1%
Service Occupations	13.4%	16.1%
Sales and Office Occupations	18.8%	20.6%
Natural Resources, Construction and Maintenance	11.3%	8.7%
Production, Transportation and Material Moving	31.0%	19.5%

Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

Employment by Category

Employment patterns for the County and the State are set forth in the following table:

<u>Employment Category</u>	<u>Marshall County</u>	<u>State of Indiana</u>
Agriculture, Forestry, Fishing, Hunting and Mining	1.9%	1.2%
Construction	6.8%	6.2%
Manufacturing	33.7%	18.7%
Wholesale Trade	2.0%	2.5%
Retail Trade	8.5%	10.8%
Transportation, Warehousing and Utilities	5.0%	5.7%
Information	1.1%	1.4%
Finance, Insurance, Real Estate, Rental and Leasing	3.3%	5.2%
Professional, Scientific, Management, Administration and Waste Management	5.2%	8.5%
Educational Services, Health Care and Social Assistance	19.1%	23.3%
Arts, Entertainment, Recreation, Accommodation and Food Services	6.5%	8.6%
Other Services, Except Public Administration	4.8%	4.6%
Public Administration	2.2%	3.5%

Note: May not sum due to rounding

Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

Population

<u>Year</u>	<u>School Corporation⁽¹⁾</u>	<u>Town of Argos</u>	<u>Marshall County</u>
2010	3,850	1,687	47,051
2015	3,787	1,651	46,746
2020	3,919	1,777	46,095

(1) The School Corporation population represents Green and Walnut Townships.

Source: Stats Indiana

Educational Attainment

The educational background of area residents over 25 years of age living in the County and the State are set forth in the following table:

<u>Educational Level Attained</u>	<u>Marshall County</u>	<u>State of Indiana</u>
Less than 9 th grade	5.5%	3.6%
9 th to 12 th grade, no diploma	9.4%	7.1%
High school graduate (includes equivalency)	38.4%	33.2%
Some college, no degree	19.3%	20.1%
Associate's degree	7.7%	8.9%
Bachelor's degree	12.5%	17.3%
Graduate or professional degree	7.3%	9.9%
Percent high school graduate or higher	85.2%	89.3%
Percent Bachelor's degree or higher	19.7%	27.2%

Note: May not sum due to rounding

Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

Household Income

The following table sets forth the distribution of household and per capita income for the County and the State.

<u>Household Income Level</u>	<u>Marshall County</u>	<u>State of Indiana</u>
Less than \$10,000	5.6%	5.9%
\$10,000 to \$14,999	3.8%	4.1%
\$15,000 to \$24,999	9.3%	9.5%
\$25,000 to \$34,999	10.9%	9.9%
\$35,000 to \$49,999	15.6%	13.6%
\$50,000 to \$74,999	19.9%	19.2%
\$75,000 to \$99,999	14.8%	13.5%
\$100,000 to \$149,999	14.5%	14.7%
\$150,000 to \$199,999	3.6%	5.2%
\$200,000 or more	2.0%	4.5%
Median Household Income	\$54,207	\$58,235
Mean Household Income	68,643	76,984
Per Capita Income	\$26,590	\$30,693

Note: May not sum due to rounding

Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

Housing Values

The following table sets forth the distribution of home values for owner-occupied units for the County and the State.

<u>Value of Owner-Occupied Units</u>	<u>Marshall County</u>	<u>State of Indiana</u>
Less than \$50,000	761	143,367
\$50,000 to \$99,999	2,785	376,943
\$100,000 to \$149,999	3,363	392,295
\$150,000 to \$199,999	2,456	329,221
\$200,000 to \$299,999	2,025	314,994
\$300,000 to \$499,999	1,358	185,803
\$500,000 to \$999,999	159	55,100
\$1,000,000 or more	154	10,570
Median (dollars)	\$144,400	\$148,900

Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

DEBT STRUCTURE CONCERNING THE SCHOOL CORPORATION

Current Indebtedness

The following tabulation, prepared as of as of the closing of the Bonds, reflects the long term indebtedness of the School Corporation.

		<u>Per Capita</u>	<u>Percent of True Tax Value</u>
True Tax Value of Property	\$205,780,876	\$52,509	---
Direct Debt*	10,920,000	2,786	5.31%
Direct and Overlapping Debt*	11,204,719	2,859	5.44%
2020 Population (Decennial Census)	3,919		

The following tabulation itemizes the outstanding and expected principal amount of long term direct and overlapping indebtedness of the School Corporation payable from property taxes, including the issuance of the Bonds:

<u>Direct Debt:</u>	<u>Issued Amount</u>	<u>Final Maturity Date</u>	<u>Amount Outstanding</u>
Lease Obligations:			
2017 First Mortgage Bonds	\$1,990,000	1/15/2026	\$1,625,000
2019 First Mortgage Bonds	2,795,000	1/15/2028	2,310,000
2022 First Mortgage Bonds	2,700,000	1/15/2037	2,700,000
2022B Bonds (this issue)	4,285,000*	7/15/2039	<u>4,285,000*</u>
Total Direct Debt			\$10,920,000
<u>Overlapping Debt:</u>	<u>Outstanding Amount</u>	<u>Applicable Percent</u>	<u>Applicable Amount</u>
Marshall County	\$4,570,000	6.23%	<u>\$284,719</u>
Total Overlapping Debt			\$284,719
Total Direct and Overlapping Debt			\$11,204,719*

Source: Indiana Gateway for Government Units

*Preliminary, subject to change

Combined Debt Service Requirements

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

<u>Budget Year</u>	<u>2017 Bonds</u>	<u>2019 Bonds</u>	<u>2022 Bonds⁽¹⁾</u>	<u>2022B Bonds^{(2)*}</u>	<u>Total*</u>
2022	\$498,000	\$371,000	---	---	\$869,000
2023	499,000	370,000	---	\$235,000	1,104,000
2024	500,000	369,000	---	200,000	1,069,000
2025	496,000	373,000	\$125,000	200,000	1,194,000
2026	---	586,000	154,000	200,000	940,000
2027	---	586,000	157,000	200,000	943,000
2028	---	---	356,000	415,000	771,000
2029	---	---	356,000	415,000	771,000
2030	---	---	356,000	415,000	771,000
2031	---	---	356,000	415,000	771,000
2032	---	---	356,000	415,000	771,000
2033	---	---	356,000	415,000	771,000
2034	---	---	356,000	415,000	771,000
2035	---	---	356,000	415,000	771,000
2036	---	---	356,000	415,000	771,000
2037	---	---	---	725,000	725,000
2038	---	---	---	725,000	725,000
2039	---	---	---	365,000	365,000
	<u>\$1,993,000</u>	<u>\$2,655,000</u>	<u>\$3,640,000</u>	<u>\$6,585,000</u>	<u>\$14,873,000</u>

(1) Does not include capitalized interest through January 15, 2025 paid from bond proceeds

(2) Does not include capitalized interest through July 15, 2023 paid from bond proceeds

Future Financing

The School Corporation has no plans to issue additional debt in the next twelve months.

Short-Term Debt

The School Corporation does not currently anticipate issuing short-term debt in the next twelve months.

Debt Payment History

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

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FINANCIAL INFORMATION CONCERNING THE SCHOOL CORPORATION

Net Assessed Valuation

Net assessed valuation totals of the School Corporation real estate and personal property are shown below. In Indiana, constitutional provisions for assessment of land, improvements, and personal property specify one-third of true value. Criteria for determination of true value are established by the Indiana State Board of Tax Commissioners. Assessed valuation is reduced by various exemptions.

<u>Tax Payment Year</u>	<u>Net Assessed Valuation</u>
2019	\$156,462,852
2020	168,986,824
2021	166,680,157
2022	171,430,433
2023	205,780,876

Note: Net assessed valuations represent the assessed value less certain deductions for mortgages, veterans, the aged and the blind, as well as tax-exempt property.

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 2011 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4, and the 2011 Real Property Assessment Guidelines ("Guidelines"), as adopted by the DLGF. In the case of agricultural land, true tax value is

*Preliminary, subject to change

the value determined in accordance with the Guidelines adopted by the DLGF and IC 6-1.1-4-13. In the case of all other real property, true tax value is defined as "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."

P.L. 180-2016 revises the factors used to calculate the assessed value of agricultural land. This legislation is retroactive to the January 1, 2016 assessment date and applies to each assessment date thereafter. The revised factors enacted in the legislation may reduce the total assessed value of agricultural land, which could shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land may result in a reduction of the total assessed value of a School Corporation. Lower assessed values of a School Corporation may result in higher tax rates in order for a School Corporation to receive its approved property tax levy.

Real property assessments are annually adjusted to market value based on sales data. The process of adjusting real property assessments to reflect market values has been termed "trending" by the DLGF.

The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal method, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they produce accurate and uniform values throughout the jurisdiction and across all classes of property. The Manual specifies the standards for accuracy and validation that the DLGF uses to determine the acceptability of any alternative appraisal method.

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Largest Taxpayers

The ten largest taxpayers located within the School Corporation for taxes payable in 2021-2022, are as follows:

<u>Name of Business</u>	<u>Type of Business</u>	<u>Assessed Value⁽¹⁾</u>
Windmill Holdings LLC/Sequel Wire	Wire and cable production	\$13,075,050
Indiana Tool & Manufacturing	Tool and die	9,314,620
Consolidated Container Co.	Container production	5,355,920
Hayn, Merl J.	Farming	1,776,520
Norfolk Southern Combined	Railroad	1,157,790
Northern Indiana Public Service Company	Utilities	1,240,260
Allied Waste Industries	Garbage disposal	989,300
Co Alliance LLP	Natural gas distributor	1,858,900
Heckaman, Michael & Jan LLC	Farming	906,990
Prochno, Carl & Brenda	Farming	<u>757,980</u>
		\$36,433,330

Percent of 2022 Assessed Valuation (\$171,430,433).....21.25%

- (1) 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 Marshall County Auditor’s office. Many of the taxpayers listed in such records, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included.

Source: Marshall County Auditor

Taxes Levied and Collected

Total property tax levies for the School Corporation and collections against those levies are:

<u>Collection Year</u>	<u>Taxes Levied</u>	<u>Circuit Breaker Tax Credit⁽¹⁾</u>	<u>Net Taxes Levied</u>	<u>Taxes Collected</u>	<u>Percent of Gross Taxes Levied</u>	<u>Percent of Net Taxes Levied</u>
2017	\$1,728,271	(\$76,664)	\$1,651,607	\$1,695,613	98.11%	102.66%
2018	1,723,432	(82,598)	1,640,834	1,684,217	97.72%	102.64%
2019	1,468,404	(64,648)	1,403,756	1,422,999	96.91%	101.37%
2020	1,848,885	(105,766)	1,743,119	1,777,003	96.11%	101.94%
2021	1,890,154	(123,607)	1,766,547	1,792,641	94.84%	101.48%
2022	2,024,250	(145,376)	1,878,514	1,086,303 ⁽²⁾	53.66% ⁽²⁾	57.83% ⁽²⁾

- (1) Circuit Breaker Tax Credits allocable to the School Corporation per the DLGF.
 (2) In process of collection, amount shown is as of October 2022.

Indiana Code 6-1.1-20.6 (the “Statute”) provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit (“Circuit Breaker Tax Credit”).

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

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 political subdivision in those taxing districts in which the Circuit Breaker Tax Credit caused a reduction in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

Source: State of Indiana Department of Local Government Finance

School Tax Rates

Certified tax rates (per \$100 of assessed valuation) are:

<u>Fund</u>	<u>Year Payable</u>				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Service	\$0.4999	\$0.3120	\$0.4937	\$0.4997	\$0.5376
School Pension	0.0256	0.0239	0.0220	0.0220	0.0059
Operations ⁽¹⁾	---	0.6026	0.5784	0.6123	0.6373
Capital Projects ⁽¹⁾	0.2996	---	---	---	---
Transportation ⁽¹⁾	0.2130	---	---	---	---
Bus Replacement ⁽¹⁾	<u>0.0439</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total	\$1.0820	\$0.9385	\$1.0941	\$1.1340	\$1.1808

- (1) The 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 by the Indiana General Assembly 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. The Education Fund replaced, in part, the General Fund effective January 1, 2019 and is used for expenditures related to student instruction and learning. 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.

Source: School Corporation

Total Tax Rates

The highest overlapping total tax rates (per \$100 of assessed valuation) of the taxing units in the School Corporation have been:

<u>Fund</u>	<u>Year Payable</u>				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Marshall County	\$0.3553	\$0.3708	\$0.3716	\$0.3833	\$0.3790
Walnut Township	0.0328	0.0214	0.0172	0.0098	0.0470
Town of Argos	2.0230	1.9911	2.0446	2.0369	1.8968
School Corporation	1.0820	0.9385	1.0941	1.1340	1.1808
Argos Public Library	0.0805	0.0783	0.0751	0.0793	0.0804
Marshall County Solid					
Waste District	<u>0.0120</u>	<u>0.0130</u>	<u>0.0131</u>	<u>0.0134</u>	<u>0.0133</u>
Total	\$3.5856	\$3.4131	\$3.6157	\$3.6567	\$3.5973

Source: Department of Local Government Finance

Financial Statements

The School Corporation is audited biennially by the Indiana State Board of Accounts. The School Corporation maintains its system of accounts on a cash basis as prescribed by the SBA (“SBA”) in the “Accounting and Uniform Compliance Manual for Indiana Public School Corporations” (2010 Revised Edition). Bi-annual Financial Reports (Form 9) are filed with the Indiana Department of Public Instruction. The most recent federal audit by the SBA was filed on March 1, 2022 for the period July 1, 2018 to June 30, 2020. The School Corporation does not control the timing of the review or release of the audit report by the SBA.

Prior to December 31, 2018, the School Corporation maintained six (6) principal funds: the General Fund, the Debt Service Fund, the Pension Bond Repayment Debt Service Fund, the Capital Projects Fund, the Transportation Operating Fund and the Transportation Bus Replacement Fund.

The General Fund was used for the operation and maintenance of the School Corporation and for any other lawful expenses payable from the General Fund. The Debt Service Fund was used for the payment of all debt, including lease rental obligations and other obligations to repay funds borrowed or advanced for the purchase or construction of, or addition to, school buildings. The Pension Bond Repayment Fund was used for the payment of all debt incurred to satisfy the School Corporation's unfunded pension liabilities. The Capital Projects Fund was used for land acquisition, site improvement, construction or purchase of school buildings and equipment, and remodeling or repairing school buildings, all for school classroom purposes. The Transportation Operating and Bus Replacement Funds were used exclusively for the payment of costs of transporting students and purchase school buses.

The Indiana General Assembly enacted P.L. 244-2017 that impacts school corporation funds effective January 1, 2019. The General Fund for school corporations was eliminated in January 2019 and has been replaced, in part, by an Education Fund for expenditures related to student instruction and learning. Additionally, an Operations Fund has been created to replace, in part, the General Fund and, in whole, the Capital Projects Fund, the Transportation Fund, 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 nonfederal Audit Report for the period July 1, 2018 to June 30, 2020 is included as APPENDIX D to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the School Corporation's financial position. Such financial statements have been audited by the SBA, to the extent and for the periods indicated thereon. The School Corporation has not requested the SBA to perform any additional examination, assessment or evaluation with respect to such financial statements since the date thereof, nor has the School Corporation requested that the SBA consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial information in this Official Statement is not intended to demonstrate the fiscal condition of the School Corporation since the date of such financial information, in connection with the issuance of the Bonds, the School Corporation represents that there has been no material adverse change in the financial position or results of operations of the School Corporation, nor has the School Corporation incurred any material liabilities, which would make such financial information misleading.

School Corporation Receipts and Disbursements

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>GENERAL FUND⁽¹⁾</u>				
January 1 Balance	\$846,364	\$1,263,407	---	---
Revenues				
State of Indiana Grants	\$3,999,922	---		
Other	311,860	---	---	---
Total	\$4,311,782	---	---	---
Expenditures	3,907,028	---	---	---
Transfers In/(Out)	12,289	(1,263,407)	---	---
December 31 Balance	\$1,263,407	\$0	---	---
<u>DEBT SERVICE FUND</u>				
January 1 Balance	\$389,690	\$367,990	\$34,869	\$51,932
Revenues				
Local Property Tax	816,516	\$493,906	\$846,252	\$838,702
License Excise Taxes	62,847	43,616	63,119	67,690
Other	5,408	4,738	6,115	7,553
Total	\$884,772	\$542,260	\$915,485	\$913,945
Expenditures	889,222	860,381	863,423	875,190
Transfers In/(Out)	(17,250)	(15,000)	(35,000)	(31,000)
December 31 Balance	\$367,990	\$34,869	\$51,932	\$59,688
<u>PENSION DEBT SERVICE FUND</u>				
January 1 Balance	\$26,690	\$25,343	\$22,730	\$21,880
Revenues				
Local Property Tax	\$41,811	\$37,850	\$37,711	\$36,922
License Excise Taxes	3,218	363	2,813	2,980
Other	277	3,341	273	269
Total	\$45,306	\$41,554	\$40,796	\$40,171
Expenditures	46,653	44,167	41,646	48,946
December 31 Balance	\$25,343	\$22,730	\$21,880	\$13,105

Note: May not sum due to rounding

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>CAPITAL PROJECTS FUND⁽¹⁾</u>				
January 1 Balance	\$227,801	\$239,131	---	---
Revenues				
Local Property Tax	\$444,641	---	---	---
License Excise Taxes	37,666	---	---	---
Other	80,483	---	---	---
Total	\$562,790	---	---	---
Expenditures	521,460	---	---	---
Transfers In/(Out)	(30,000)	(239,131)	---	---
December 31 Balance	\$239,131	\$0	---	---
<u>TRANSPORTATION FUND⁽¹⁾</u>				
January 1 Balance	\$243,224	\$202,721	---	---
Revenues				
Local Property Tax	\$316,109	---	---	---
License Excise Taxes	26,778	---	---	---
Other	10,610	---	---	---
Total	\$353,497	---	---	---
Expenditures	324,000	---	---	---
Transfers In/(Out)	(70,000)	(202,721)	---	---
December 31 Balance	\$202,721	\$0	---	---
<u>EDUCATION FUND⁽¹⁾</u>				
January 1 Balance	---	\$0	\$1,528,037	\$1,561,392
Revenues				
State of Indiana Grants	---	\$3,958,965	\$3,943,135	\$4,435,806
Other	---	314,708	232,037	206,060
Total	---	\$4,273,673	\$4,175,172	\$4,641,866
Expenditures	---	3,371,166	3,354,663	3,400,527
Transfers In/(Out)	---	625,530	(787,155)	(689,037)
December 31 Balance	---	\$1,528,037	\$1,561,392	\$2,113,695
<u>OPERATIONS FUND⁽¹⁾</u>				
January 1 Balance	---	\$0	\$535,780	\$632,382
Revenues				
Local Property Tax	---	\$891,244	\$893,040	\$917,016
License Excise Taxes	---	84,241	73,947	82,943
Other	---	202,632	81,605	108,671
Total	---	\$1,178,118	\$1,048,592	\$1,108,630
Expenditures	---	1,599,967	1,291,989	1,527,991
Transfers In/(Out)	---	957,629	340,000	245,000
December 31 Balance	---	\$535,780	\$632,383	\$458,022
<u>RAINY DAY FUND</u>				
January 1 Balance	\$621,314	\$721,314	\$864,083	\$1,314,083
Revenues	---	---	---	---
Expenditures	---	---	---	---
Transfers In/(Out)	100,000	142,769	450,000	450,000
December 31 Balance	\$721,314	\$864,083	\$1,314,083	\$1,764,083
<u>ALL OTHER FUNDS</u>				
January 1 Balance	\$936,376	\$177,792	\$115,282	\$36,043
Revenues	820,446	807,280	736,958	1,638,589
Expenditures	1,583,990	865,982	848,351	1,522,034
Transfers In/(Out)	4,961	(3,808)	32,155	25,037
December 31 Balance	\$177,792	\$115,282	\$36,043	\$177,635

Note: May not sum due to rounding

Cash Balances by Funds as of December 31

<u>December 31</u>	<u>General⁽¹⁾</u>	<u>Debt Service</u>	<u>Retirement/Severance</u>	<u>Capital Projects⁽¹⁾</u>	<u>Transportation⁽¹⁾</u>
2018	\$1,263,407	\$367,990	\$25,343	\$239,131	\$202,721
2019	---	34,869	22,730	---	---
2020	---	51,932	21,880	---	---
2021	---	59,688	13,105	---	---

<u>December 31</u>	<u>Education⁽¹⁾</u>	<u>Operations⁽¹⁾</u>	<u>Rainy Day</u>	<u>All Others</u>	<u>Total</u>
2018	---	---	\$721,314	\$177,792	\$2,997,698
2019	\$1,528,037	\$535,780	864,083	115,282	3,100,781
2020	1,561,392	632,383	1,314,083	36,043	3,617,713
2021	2,113,695	458,022	1,764,083	177,635	4,586,227

Note: May not sum due to rounding

- (1) Public Law 244-2017 was enacted by the Indiana General Assembly in 2017 (the “Fund Law”). The Fund Law modified, repealed and created certain school corporation funds. Effective January 1, 2019, the Fund Law eliminated the General Fund and replaced the General Fund, in part, with an Education Fund. The Education Fund is to be used for expenditures related to student instruction and learning. Additionally, the Fund Law created an Operations Fund to replace, in part, the General Fund and, in whole, the Capital Projects Fund, the Transportation Fund, the Art Association Fund, the Historical Society Fund, the Public Playground Fund, the Bus Replacement Fund and the Racial Balance Fund. The Operations Fund is used to pay the expenditures of the aforementioned previously existing funds and the portions of operational expenses not paid for by the Education Fund. Under the Fund Law, a school corporation's property tax levy for its Operations Fund replaces the authority of the school corporation to impose all other property tax levies, except for debt services levies or levies approved by referendum.

Source: School Corporation Annual Financial Reports (Form 9) prepared by school officials for the Indiana Department of Education, Division of School Finance

Anticipated Receipts and Disbursements by Fund - Calendar Year 2022 Budget

	<u>Education</u>	<u>Debt Service</u>	<u>School Pension</u>	<u>Operations</u>
Receipts:				
Property Tax	---	\$921,610	\$10,114	\$963,056
License Excise	---	58,088	637	68,861
State Grants	\$4,700,000	---	---	---
Miscellaneous	186,500	6,314	69	64,598
Total	\$4,886,500	\$986,012	\$10,820	\$1,096,515
Disbursements	\$4,473,925	\$902,986	\$23,266	\$1,576,045
Transfers In/(Out)	(\$495,000)	---	---	\$495,000

Source: School Corporation

State of Indiana Payments

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

<u>Year</u>	<u>Basic Grant⁽¹⁾</u>	<u>Other Grants⁽²⁾</u>	<u>Total</u>
2017	\$3,815,652	\$151,565	\$3,967,217
2018	3,986,029	115,619	4,101,648
2019	3,938,551	166,938	4,105,489
2020	3,931,060	105,362	4,036,422
2021	4,418,904	155,358	4,574,262
2022 ⁽³⁾	4,700,000	N/A	

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

(2) Other grants include summer school, Primetime and other special state programs.

(3) Estimated

Source: School Corporation Annual Financial Reports (Form 9) prepared by school officials for the Indiana Department of Education, Division of School Finance

APPENDIX B

MASTER CONTINUING DISCLOSURE UNDERTAKING

This MASTER CONTINUING DISCLOSURE UNDERTAKING dated as of August, 2022 (the "Master Undertaking") is executed and delivered by Argos Community Schools (the "Obligor") for the purpose of permitting various Underwriters (as hereinafter defined) of the Obligations (as hereinafter defined) issued by or on behalf of the Obligor from time to time to purchase such Obligations in compliance with the Securities and Exchange Commission ("SEC") Rule 15c2-12, as amended (the "SEC Rule");

WITNESSETH THAT:

Section 1. Definitions. The words and terms defined in this Master Undertaking shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar do not otherwise require capitalization, shall have the meanings assigned to them in the SEC Rule.

- (1) "Holder" or any similar term, when used with reference to any Obligation or Obligations, means any person who shall be the registered owner of any outstanding Obligation, or the owner of a beneficial interest in such Obligation.
- (2) "EMMA" is Electronic Municipal Market Access System established by the MSRB.
- (3) "Financial Obligation" means a debt obligation; derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or a guarantee of either a debt obligation or a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, but does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the SEC Rule.
- (4) "Final Official Statement" means, with respect to any Obligations, the final Official Statement relating to such Obligations, including any document or set of documents included by specific reference to such document or documents available to the public on EMMA.
- (5) "MSRB" means the Municipal Securities Rulemaking Board.
- (6) "Obligated Person" means any person, including the Obligor, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or a part of the obligations on the Obligations (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). All Obligated Persons with respect to Obligations currently are identified in Section 3 below.
- (7) "Obligations" means the various obligations issued by or on behalf of the Obligor, as listed on Exhibit A, as the same shall be amended or supplemented from time to time.
- (8) "Underwriter" or "Underwriters" means, with respect to any Obligations, the underwriter or underwriters of such Obligations pursuant to the applicable purchase agreement for such Obligations.

Section 2. Obligations; Term. (a) This Master Undertaking applies to the Obligations.

(b) The term of this Master Undertaking extends from the date of delivery of the Master Undertaking by the Obligor to the earlier of: (i) the date of the last payment of principal or redemption price, if any, of, and interest to accrue on, all Obligations; or (ii) the date all Obligations are defeased under the respective trust indentures or respective resolutions.

Section 3. Obligated Persons. The Obligor hereby represents and warrants as of the date hereof that the only Obligated Person with respect to the Obligations is the Obligor. If any such person is no longer committed by contract or other arrangement to support payment of the Obligations, such person shall no longer be considered an Obligated Person

within the meaning of the SEC Rule and the continuing obligation under this Master Undertaking to provide annual financial information and notices of events shall terminate with respect to such person.

Section 4. Provision of Financial Information. (a) The Obligor hereby undertakes to provide, with respect to the Obligations, the following financial information, in each case in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB:

- (1) To the MSRB, the audited financial statements of the Obligor as prepared and examined by the Indiana State Board of Accounts on a biennial basis for each period of two fiscal years, together with the opinion of such auditors and all notes thereto (collectively, the "Audited Information"), by June 30 immediately following each biennial period. Such disclosure of Audited Information shall first begin by June 30, 2023 and shall be made by June 30 of every other year thereafter if the Audited Information is delivered to the Obligor by June 30 of each biennial period. If, however, the Obligor has not received the Audited Information by such June 30 biennial date, the Obligor agrees to (i) post a voluntary notice to the MSRB by June 30 of such biennial period that the Audited Information has not been received, and (ii) post the Audited Information within 60 days of the Obligor's receipt thereof; and
- (2) To the MSRB, no later than June 30 of each year beginning June 30, 2023, the most recent unaudited annual financial information for the Obligor including (i) unaudited financial statements of the Obligor, and (ii) operating data (excluding any demographic information or forecast) of the general type provided under the general categories of headings as described below (collectively, the "Annual Information"), which Annual Information may be provided in such format and under such headings as the School Corporation deems appropriate:

APPENDIX A

ARGOS COMMUNITY SCHOOLS

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

(b) If any Annual Information or Audited Information relating to the Obligor referred to in paragraph (a) of this Section 4 no longer can be provided because the operations to which they relate 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 Information required to be provided under this Master Undertaking, shall satisfy the undertaking to provide such Annual Information or Audited Information. To the extent available, the Obligor shall cause to be filed along with the other Annual Information or Audited Information operating data similar to that which can no longer be provided.

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

(d) The Obligor agrees to make a good faith effort to obtain Annual Information and Audited Information. However, failure to provide any component of Annual Information and Audited Information, because it is not available to the Obligor on the date by which Annual Information is required to be provided hereunder, shall not be deemed to be a breach of this Master Undertaking. The Obligor further agrees to supplement the Annual Information or Audited Information filing when such data is available.

(e) Annual Information or Audited Information required to be provided pursuant to this Section 4 may be provided by a specific reference to such Annual Information or Audited Information already prepared and previously provided to the MSRB. Any information included by reference shall also be (i) available to the public on EMMA at www.emma.msrb.org, or (ii) filed with the SEC.

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

Section 5. Accounting Principles. The Annual 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 Information of the Obligor, as described in Section 4(a)(1) hereof, will be prepared in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Section 6. Reportable Events. The Obligor undertakes to disclose the following events within 10 business days of the occurrence of any of the following events, if material (which determination of materiality shall be made by the Obligor in accordance with the standards established by federal securities laws), to the MSRB, in each case (i) in an electronic format as prescribed by the MSRB and (ii) accompanied by identifying information as prescribed by the MSRB:

- (1) non-payment related defaults;
- (2) modifications to rights of Holders;
- (3) bond calls;
- (4) release, substitution or sale of property securing repayment of the Obligations;
- (5) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the Obligor, or entry into or termination of a definitive agreement relating to the foregoing;
- (6) appointment of a successor or additional trustee or the change of name of a trustee; and
- (7) incurrence of a Financial Obligation of the Obligor, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligor, any of which affect security holders.

The Obligor undertakes to disclose the following events, within 10 business days of the occurrence of any of the following events, regardless of materiality, to the MSRB, in each case (i) in an electronic format as prescribed by the MSRB and (ii) accompanied by identifying information as prescribed by the MSRB:

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

(10) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligor, any of which reflect financial difficulties.

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

Section 7. Use of Agent. The Obligor may, at its sole discretion, utilize an agent (the "Dissemination Agent") in connection with the dissemination of any information required to be provided by the Obligor pursuant to the SEC Rule and the terms of this Master Undertaking.

Further, the Obligor may, at its sole discretion, retain counsel or others with expertise in securities matters for the purpose of assisting the Obligor in making judgments with respect to the scope of its obligations hereunder and compliance therewith, all in order to further the purposes of this Master Undertaking.

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

Section 9. Remedies. (a) The purpose of this Master Undertaking is to enable the Underwriters to purchase the Obligations by providing for an undertaking by the Obligor in satisfaction of the SEC Rule. This Master Undertaking is solely for the benefit of (i) the Underwriters, and (ii) the Holders, and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other Obligated Persons or any other third party. The sole remedy against the Obligor for any failure to carry out any provision of this Master Undertaking shall be for specific performance of the Obligor's disclosure obligations hereunder and not for money damages of any kind or in any amount or for any other remedy. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Obligations or any other agreement to which the Obligor is a party and shall not give rise to any other rights or remedies.

(b) Subject to paragraph (e) of this Section 9, in the event the Obligor fails to provide any information required of it by the terms of this Master Undertaking, any holder of Obligations may pursue the remedy set forth in the preceding paragraph in any court of competent jurisdiction in the State of Indiana. An affidavit to the effect that such person is a holder of Obligations supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue this remedy.

(c) Subject to paragraph (e) of this Section 9, any challenge to the adequacy of the information provided by the Obligor by the terms of this Master Undertaking may be pursued only by holders of not less than 25% in principal amount of Obligations then outstanding in any court of competent jurisdiction in the State of Indiana. An affidavit to the effect that such persons are holders of Obligations supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue the remedy set forth in the preceding paragraph.

(d) If specific performance is granted by any such court, the party seeking such remedy shall be entitled to payment of costs by the Obligor and to reimbursement by the Obligor of reasonable fees and expenses of attorneys incurred in the pursuit of such claim. If specific performance is not granted by any such court, the Obligor shall be entitled to payment of costs by the party seeking such remedy and to reimbursement by such party of reasonable fees and expenses of attorneys incurred in the pursuit of such claim.

(e) Prior to pursuing any remedy for any breach of any obligation under this Master Undertaking, a holder of Obligations shall give notice to the Obligor and the respective issuer of each obligation, by registered or certified mail, of such breach and its intent to pursue such remedy. Thirty (30) days after the receipt of such notice, upon earlier response from the Obligor to this notice indicating continued noncompliance, such remedy may be pursued under this Master Undertaking if and to the extent the Obligor has failed to cure such breach.

Section 10. Additional Information. Nothing in this Master Undertaking shall be deemed to prevent the Obligor from disseminating any other information, using the means of dissemination set forth in this Master Undertaking or any other means of communication, or including any other information in any Annual Information or notice of occurrence of a reportable event, in addition to that which is required by this Master Undertaking.

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

Section 12. Interpretation Under Indiana Law. It is the intention of the parties hereto that this Master Undertaking and the rights and obligations of the parties hereunder shall be governed by, and construed and enforced in accordance with, the law of the State of Indiana.

Section 13. Severability Clause. In case any provision in this Master Undertaking shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 14. Successors and Assigns. All covenants and agreements in this Master Undertaking made by the Obligor shall bind its successors, whether so expressed or not.

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

ARGOS COMMUNITY SCHOOLS, as Obligor

By: _____
President, Board of School Trustees

Secretary, Board of School Trustees

EXHIBIT A

OBLIGATIONS

<u>Full Name of Bond Issue</u>	<u>Base CUSIP</u>	<u>Final Maturity</u>
Argos Community Schools Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2022B*	040204	7/15/2039

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

EXHIBIT B

CERTIFICATE RE: [ANNUAL INFORMATION][AUDITED INFORMATION] DISCLOSURE

The undersigned, on behalf of the Argos Community Schools, as the Obligor under the Master Continuing Disclosure Undertaking, dated as of _____, (the "Master Agreement"), hereby certifies that the information enclosed herewith constitutes the [Annual Information][Audited Information] (as defined in the Master Agreement) which is required to be provided pursuant to Section 4(a) of the Master Agreement.

Dated: _____.

ARGOS COMMUNITY SCHOOLS

DO NOT EXECUTE – FOR FUTURE USE ONLY

EXHIBIT C

CERTIFICATE RE: REPORTABLE EVENT DISCLOSURE

The undersigned, on behalf of the Argos Community Schools, as Obligor under the Master Continuing Disclosure Undertaking, dated as of _____, 2022 (the "Master Agreement"), hereby certifies that the information enclosed herewith constitutes notice of the occurrence of a reportable event which is required to be provided pursuant to Section 6 of the Master Agreement.

Dated: _____.

ARGOS COMMUNITY SCHOOLS

DO NOT EXECUTE – FOR FUTURE USE ONLY

EXHIBIT D

NOTICE TO MSRB OF FAILURE TO FILE INFORMATION

Notice is hereby given that the Argos Community Schools (the "Obligor") did not timely file its [Annual Information][Audited Information] as required by Section 4(a) of the Master Continuing Disclosure Undertaking, dated as of _____, 2022.

Dated: _____

ARGOS COMMUNITY SCHOOLS

DO NOT EXECUTE – FOR FUTURE USE ONLY

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

(Letterhead of Ice Miller)

November ___, 2022

Raymond James & Associates, Inc.
Indianapolis, Indiana

Re: Argos Community Schools Building Corporation
Ad Valorem Property Tax First Mortgage Bonds, Series 2022B
Total Issue: \$4,285,000
Original Date: November ___, 2022

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Argos Community Schools Building Corporation (the "Issuer") of \$4,285,000 of Ad Valorem Property Tax First Mortgage Bonds, Series 2022B dated as of November ___, 2022 (the "Bonds"), pursuant to Indiana Code § 20-47-3 (the "Act") and a Trust Indenture dated as of November 1, 1998, as supplemented by a First Supplemental Trust Indenture dated as of May 15, 2006, a Second Supplemental Trust Indenture dated as of April 1, 2008, a Third Supplemental Trust Indenture dated as of August 1, 2011, a Fourth Supplemental Trust Indenture dated as of July 1, 2017, a Fifth Supplemental Trust Indenture dated as of October 3, 2019, a Sixth Supplemental Trust Indenture dated as of May 1, 2022 and a Seventh Supplemental Trust Indenture dated as of November 1, 2022 (as supplemented, the "Indenture") between the Issuer and Regions Bank, as successor to Lake City Bank, as successor trustee (the "Trustee"). We have examined the law and the certified transcript of proceedings of the Issuer and the Argos Community Schools (the "School Corporation") relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render these opinions. We have relied upon the certified transcript of proceedings and certificates of public officials, including the Issuer's and the School Corporation's tax covenants and representations ("Tax Representations"), and we have not undertaken to verify any facts by independent investigation.

We have also relied upon a commitment for title insurance as to title to the real estate described in the Indenture.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Preliminary Official Statement dated November ___, 2022 or the Final Official Statement dated November ___, 2022 (collectively, the "Official Statement") or any other offering material relating to the Bonds, and we express no opinion relating thereto.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Lease Agreement dated as of November 20, 1995, as amended by a First Amendment to Lease dated as of April 1, 1996, a Second Amendment to Lease dated as of November 1, 1998, a Third Amendment to Lease dated as of April 20, 2006, a Fourth Amendment to Lease dated as of April 1, 2008, a Fifth Amendment to Lease dated as of August 1, 2010, a Sixth Amendment to Lease dated as of June 19, 2017, a Seventh Amendment to Lease dated as of August 19, 2019, an Eighth Amendment to Lease dated as of April 18, 2022 and a Ninth Amendment to Lease dated as of October 24, 2022 (as amended, the "Lease") between the Issuer, as lessor, and the School Corporation, as lessee, which Lease extends through December 31, 2042, has been duly entered into in accordance with the provisions of the Act, and is a valid and binding Lease. All taxable property in the School Corporation is subject to ad valorem taxation to pay the Lease rentals; however, the School Corporation's collection of the levy may be limited by operation of Indiana Code § 6-1.1-20.6, which provides taxpayers with tax credits for property taxes attributable to different classes of property in an amount that exceeds certain percentages of the gross assessed value of that property. The School Corporation is required by law to fully fund the payment of its Lease rentals in an amount sufficient to pay the Lease rentals, regardless of any reduction in property tax collections due to the application of such tax credits. Pursuant to the Lease, the School Corporation is required by law annually to pay the increased Lease rentals which commence with the later of completion of renovation and improvements to the school buildings or December 31, 2023.

2. The Issuer has duly authorized, sold, executed and delivered the Bonds and has duly authorized and executed the Indenture securing the same, and the Indenture has been duly recorded. The Bonds are the valid and binding obligations of the Issuer secured, on a parity basis with Issuer's Taxable Ad Valorem Property Tax First Mortgage Bonds, Series 2017, Ad Valorem Property Tax First Mortgage Bonds, Series 2019, and Ad Valorem Property Tax First Mortgage Bonds, Series 2022, by a mortgage on the property described in the Indenture. Any foreclosure of the mortgage would, if the School Corporation is not in default in the payment of rentals as provided in the Lease, be subject to the rights of the School Corporation under the Lease.

3. Under statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is exempt from income taxation in the State of Indiana (the "State"). This opinion relates only to the exemption of interest on the Bonds from State income taxation.

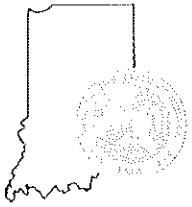
4. Under federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income of the owners for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code") and is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. This opinion is conditioned upon compliance by the Issuer and the School Corporation subsequent to the date hereof with the Tax Representations. Failure to comply with the Tax Representations could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to their date of issuance.

It is to be understood that the rights of the registered owners of the Bonds and the enforceability of the Bonds and the Indenture, as well as the rights of the Issuer, the School Corporation and the Trustee and the enforceability of the Lease may be subject to (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of law and equity; and (ii) the valid exercise of the constitutional powers of the State and the United States of America.

Very truly yours,

APPENDIX D

STATE BOARD OF ACCOUNTS AUDIT FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

March 1, 2022

To: The Officials of Argos Community Schools
Argos Community Schools
410 N 1st St
Argos, IN 46501

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Argos Community Schools. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2018 to June 30, 2020. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2019 and 2020, and its cash receipts, disbursements, and other financing sources (uses) for the years then ended in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

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

In addition to the report presented herein, a Supplemental Report for Argos Community Schools was prepared in accordance with the guidelines established by the State Board of Accounts.

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

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

ARGOS COMMUNITY SCHOOLS
Marshall County, Indiana

FINANCIAL STATEMENTS
June 30, 2019 and 2020

ARGOS COMMUNITY SCHOOLS
Marshall County, Indiana

FINANCIAL STATEMENTS
June 30, 2019 and 2020

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ARGOS COMMUNITY SCHOOLS
SCHEDULE OF OFFICIALS (Unaudited)
June 30, 2019 and 2020

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jennifer L. Lee	07-01-18 to 06-30-20
Superintendent of Schools	Ned Speicher	07-01-18 to 06-30-20
President of the School Board	Monty Peden	07-01-18 to 06-30-20



Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Argos Community Schools
Marshall County, Indiana

Report on the Financial Statement

We have audited the accompanying statements of receipts, disbursements, other financing sources (uses), and cash and investment balances of the Argos Community Schools (the School Corporation) as of and for the years ended June 30, 2019 and 2020, and the related notes (the financial statements).

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6) as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

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

As discussed in Note 1 to the financial statements, the School Corporation prepares its financial statements 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 statements 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School Corporation as of June 30, 2019 and 2020, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2019 and 2020, and its cash receipts, disbursements, other financing sources (uses) for the years then ended in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Officials and Supplementary Information Schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
February 9, 2022

FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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

ARGOS COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2019 and 2020

Fund	Cash and Investments 07-01-18	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-19	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-20
General	\$ 964,704	\$ 2,200,444	\$ 1,908,110	\$ (1,257,038)	\$ -	\$ -	\$ -	\$ -	\$ -
Education	-	2,210,912	1,684,229	971,816	1,498,499	4,107,410	3,256,373	(609,857)	1,739,679
Debt Service	426,821	703,585	862,803	(17,250)	250,353	918,438	858,960	(15,000)	294,831
Retirement/Severance Bond Debt Service	28,196	43,901	45,415	-	26,682	50,689	42,909	-	34,462
Operations	-	621,619	832,830	750,398	539,187	1,355,594	1,439,966	477,231	932,046
Capital Projects	231,369	254,566	216,806	(269,131)	-	-	-	-	-
School Transportation	282,521	157,794	167,594	(272,721)	-	-	-	-	-
School Bus Replacement	49,666	31,649	72,769	(8,546)	-	-	-	-	-
Local Rainy Day	621,314	-	-	100,000	721,314	-	-	142,769	864,083
2017 Bond Issue	846,532	-	835,034	-	11,498	-	11,498	-	-
School Lunch	33,939	248,024	248,061	-	33,902	243,011	254,189	-	22,724
Curricular Materials Rental	1,027	88,206	23,992	17,250	82,491	75,281	110,130	15,000	62,642
Child Care Program	(728)	5,387	4,659	-	-	3,263	3,263	-	-
Miscellaneous Programs	377	-	345	-	32	929	678	(283)	-
Community Donations	4,380	-	-	(4,380)	-	-	-	-	-
Formative Assessment	-	6,123	6,123	-	-	6,543	9,883	-	(3,340)
High Ability Grant 2017-2018	7,400	-	7,400	-	-	-	-	-	-
Drug Free Communities 2017-2018	515	-	515	-	-	-	-	-	-
Drug Free Grant 18-19	-	2,423	1,934	-	489	-	489	-	-
Drug Free Communities 19-20	-	-	-	-	-	1,946	1,817	-	129
Early Education Matching Grant	-	3,429	3,342	-	87	17,151	17,238	-	-
Medicaid Reimbursement	-	10,098	-	(10,098)	-	11,167	-	(11,167)	-
Secured Schools Safety Grant	-	35,000	35,000	-	-	12,320	30,000	-	(17,680)
School Technology	2,952	-	2,952	-	-	-	-	-	-
Career and Technical Performance Grant	2,100	2,566	2,100	-	2,566	-	-	-	2,566
Teacher Appreciation Grant	-	18,110	18,110	-	-	20,390	20,390	-	-
High Ability Students	-	27,880	18,997	-	8,883	26,886	22,492	-	13,277
State Connectivity Grant	-	5,358	-	-	5,358	9,889	8,023	-	7,224
Title I Grant 2017-2018	(29,009)	58,301	29,292	-	-	-	-	-	-
Title I 18/19	-	106,972	124,408	-	(17,436)	27,448	10,012	-	-
Title I 2019-2020	-	-	-	-	-	109,151	113,252	-	(4,101)
Sp Ed Part B 611 2019-2020	-	-	-	-	-	90,674	102,950	-	(12,276)
Sp Ed Part B 619 2019-220	-	-	-	-	-	7,964	7,964	-	-
Sp Ed Part B 611 Grant 18/19	-	-	-	-	-	35,409	18,675	(16,734)	-
IDEA 611 Spec Ed Grant 2017-2018	(23,199)	72,078	48,879	-	-	-	-	-	-
IDEA 619 Spec Ed Grant 2017-2018	(1,628)	1,628	-	-	-	-	-	-	-
Sp Ed Part B 611 Grant 18/19	-	80,221	90,710	-	(10,489)	35,833	42,078	16,734	-
Sp Ed Part B 619 Grant 18/19	-	5,766	6,286	-	(522)	2,044	1,522	-	-
Title IV 18/19	-	7,301	8,435	-	(1,134)	2,923	1,789	-	-
Title IV 2019-2020	-	-	-	-	-	8,751	9,646	-	(895)
Medicaid Reimbursement - Federal	45,655	17,922	1,708	-	61,869	23,356	32,396	1,024	53,853
Title II, Part A, Supporting Effective Instruction	-	13,887	15,577	-	(1,690)	4,892	3,202	-	-
Title II FFY 2019	-	-	-	-	-	17,732	19,639	-	(1,907)

(Continued)

ARGOS COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2019 and 2020

<u>Fund</u>	Cash and Investments <u>07-01-18</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing <u>Sources (Uses)</u>	Cash and Investments <u>06-30-19</u>	<u>Receipts</u>	<u>Disbursements</u>	Other Financing <u>Sources (Uses)</u>	Cash and Investments <u>06-30-20</u>
TITLE II 2016-2017	-	9,874	9,874	-	-	-	-	-	-
Title II Grant 2017-2018	(2,542)	2,984	442	-	-	-	-	-	-
Rural Schools Grant FY13	300	-	-	(300)	-	-	-	-	-
Technology Literacy Challenge, Title III	1,648	-	1,648	-	-	-	-	-	-
Ed Stabilization Relief/CARES	-	-	-	-	-	-	14,965	-	(14,965)
Payroll Withholding and Clearing Fund	73,727	1,894,980	1,907,318	-	61,389	1,875,966	1,871,121	-	66,234
Prepaid Food	511	26,253	11,235	-	15,529	82,367	79,951	-	17,945
Totals	\$ 3,568,548	\$ 8,975,243	\$ 9,254,934	\$ -	\$ 3,288,857	\$ 9,185,417	\$ 8,417,460	\$ (283)	\$ 4,056,531

See notes to financial statements.

ARGOS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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

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

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

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

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

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

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.

(Continued)

ARGOS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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:

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.

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

(Continued)

ARGOS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2020

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 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 February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after June 30, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund (PDIF). 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. Given the limited investment parameters applicable under state statute, certain risks, such as credit, custodial, concentration, and interest rate are not deemed significant.

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

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

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

(Continued)

ARGOS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2020

NOTE 6 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

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

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

Financial Report

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

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

Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. TRF is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 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 fund.

TRF is composed of two accounts: Teachers' Pre-1996 and Teachers' 1996. All legally qualified and regularly employed licensed teachers serving in State of Indiana public schools are eligible to participate in Teachers' 1996. Membership in Teachers' Pre-1996 is closed to new entrants. Generally, members hired before 1996 participate in this account and members hired after 1995 participate in Teachers' 1996. Both accounts have two components: the employer-funded defined benefit component and a defined contribution account.

(Continued)

ARGOS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2020

NOTE 6 - PENSION PLANS (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) is considered to be an obligation of, and is paid by, the State of Indiana.

NOTE 7 - CASH BALANCE DEFICITS

The Title I 18/19, Sp Ed part B 611 Grant 18/19, Spec Ed Part B 619 Grant 18/19, Title IV 18/19, and Title II, Part A, Supporting Effective Instruction deficits are a result of the funds being set up for reimbursable grant for the year end June 30, 2019.

The financial statements contain the Formative Assessment fund with cash deficit due to rounding for the year end June 30, 2020. The Secured Schools Safety Grant, Title I 2019-2020, Sp Ed Part B 611 2019-2020, Title IV 2019-2020, Title II FFY 2019, and Ed Stabilization Relief/CARES deficits are a result of the funds being set up for reimbursable grant.

NOTE 8 - HOLDING CORPORATION

The School Corporation has entered into several capital leases with Argos Community Schools Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the fiscal years ended 2019 and 2020 totaled \$355,051 and \$732,308, respectively.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

The School Corporation provides to eligible retirees and their spouses the following benefits: health, dental, and vision insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

(Continued)

ARGOS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2020

NOTE 10 - ESTABLISHMENT OF THE EDUCATION FUND AND OPERATIONS FUND

State statute (IC 20-40-2-2) required the establishment of an Education Fund to be used to pay expenses allocated to student instruction and learning. The balance in the School Corporation's General Fund as of December 31, 2018, was required to be transferred to the Education Fund on January 1, 2019 (IC 20-40-2-7).

In addition, an Operations Fund was required to be established under state statute (IC 20-40-18-1). The fund may be used to carry out capital project plans; pay transportation costs attributable to the transportation of school children; carry out a school bus replacement plan; pay expenses that are allocated to overhead and operational expenditures; provide funds to an art association or a historical society; and establish, maintain, and equip a public playground. The Indiana Codes establishing the Capital Projects Fund (IC 20-40-8-6); School Transportation (IC 20-40-6-4); School Bus Replacement (IC 20-40-7-5); Historical Fund; Playground Fund; and Art Fund were repealed effective January 1, 2019. Guidance was provided by the Indiana Department of Education to transfer the balances remaining in these funds as of December 31, 2018, to the Operations Fund.

The Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, issued by the Indiana State Board of Accounts, includes the chart of accounts used by school corporations which coincides with the State Board of Education's determined categories in accordance with state statute (IC 20-42.5-3-7).

SUPPLEMENTAL INFORMATION (Unaudited)

ARGOS COMMUNITY SCHOOLS
OTHER INFORMATION
June 30, 2020

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

Differences may be noted between the financial information presented in the financial statements 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 statements 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.

ARGOS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	General	Education	Debt Service	Retirement/ Severance Bond Debt Service	Operations	Capital Projects	School Transportation	School Bus Replacement	Local Rainy Day	2,017 Bond Issue	School Lunch	Curricular Materials Rental	Child Care Program	Miscellaneous Programs
Cash and investments - beginning	\$ 964,704	\$ -	\$ 426,821	\$ 28,196	\$ -	\$ 231,369	\$ 282,521	\$ 49,666	\$ 621,314	\$ 846,532	\$ 33,939	\$ 1,027	\$ (728)	\$ 377
Receipts:														
Local sources	143,864	174,392	703,585	43,901	605,421	253,607	153,578	31,649	-	-	93,204	64,410	5,387	-
Intermediate sources	19	38	-	-	528	-	-	-	-	-	-	-	-	-
State sources	2,047,577	2,031,738	-	-	4,928	-	-	-	-	-	3,002	23,796	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	149,376	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	8,984	4,744	-	-	10,742	961	4,216	-	-	-	2,442	-	-	-
Total receipts	2,200,444	2,210,912	703,585	43,901	621,619	254,568	157,794	31,649	-	-	248,024	88,206	5,387	-
Disbursements:														
Instruction	1,246,064	1,212,754	-	-	-	-	-	-	-	-	-	-	4,659	-
Support services	593,049	434,588	-	-	788,552	170,860	163,894	72,769	-	-	-	23,992	-	345
Noninstructional services	68,997	36,887	-	-	-	-	-	-	-	-	248,061	-	-	-
Facilities acquisition and construction	-	-	-	-	44,278	45,946	3,700	-	-	835,034	-	-	-	-
Debt services	-	-	862,803	45,415	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,908,110	1,684,229	862,803	45,415	832,830	216,806	167,594	72,769	-	835,034	248,061	23,992	4,659	345
Excess (deficiency) of receipts over disbursements	292,334	526,683	(159,218)	(1,514)	(211,211)	37,762	(9,800)	(41,120)	-	(835,034)	(37)	64,214	728	(345)
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	8,369	1,271,816	-	-	750,398	-	-	-	100,000	-	-	17,250	-	-
Transfers out	(1,265,407)	(300,000)	(17,250)	-	-	(269,131)	(272,721)	(8,546)	-	-	-	-	-	-
Total other financing sources (uses)	(1,257,038)	971,816	(17,250)	-	750,398	(269,131)	(272,721)	(8,546)	100,000	-	-	17,250	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(964,704)	1,498,499	(176,468)	(1,514)	539,187	(231,369)	(282,521)	(49,666)	100,000	(835,034)	(37)	81,464	728	(345)
Cash and investments - ending	\$ -	\$ 1,498,499	\$ 250,353	\$ 26,682	\$ 539,187	\$ -	\$ -	\$ -	\$ 721,314	\$ 11,498	\$ 33,902	\$ 82,491	\$ -	\$ 32

(Continued)

ARGOS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	Community Donations	Formative Assessment	High Ability Grant 2017-2018	Drug Free Communities 2017-2018	Drug Free Grant 18-19	Early Educational Matching Grant	Medicaid Reimbursement	Secured Schools Safety Grant	School Technology	Career and Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Title I Grant 2017-2018
Cash and investments - beginning	\$ 4,380	\$ -	\$ 7,400	\$ 515	\$ -	\$ -	\$ -	\$ -	\$ 2,952	\$ 2,100	\$ -	\$ -	\$ -	\$ (29,009)
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	-	-	645	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	6,123	-	-	2,423	3,429	10,098	35,000	-	2,566	18,110	27,235	5,358	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	58,301
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	6,123	-	-	2,423	3,429	10,098	35,000	-	2,566	18,110	27,880	5,358	58,301
Disbursements:														
Instruction	-	6,123	7,400	515	1,934	3,342	-	-	-	2,100	18,110	18,997	-	28,552
Support services	-	-	-	-	-	-	-	35,000	2,952	-	-	-	-	740
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	6,123	7,400	515	1,934	3,342	-	35,000	2,952	2,100	18,110	18,997	-	29,292
Excess (deficiency) of receipts over disbursements	-	-	(7,400)	(515)	489	87	10,098	-	(2,952)	466	-	8,883	5,358	29,009
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(4,380)	-	-	-	-	-	(10,098)	-	-	-	-	-	-	-
Total other financing sources (uses)	(4,380)	-	-	-	-	-	(10,098)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,380)	-	(7,400)	(515)	489	87	-	-	(2,952)	466	-	8,883	5,358	29,009
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 489	\$ 87	\$ -	\$ -	\$ -	\$ 2,566	\$ -	\$ 8,883	\$ 5,358	\$ -

(Continued)

ARGOS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2019

	Title I 18/19	IDEA 611 Spec Ed Grant 2017-2018	IDEA 619 Spec Ed Grant 2017-2018	Sp Ed Part B 611 Grant 18/19	Sp Ed Part B 619 Grant 18/19	Title IV 18/19	Medicaid Reimbursement - Federal	Title II, Part A, Supporting Effective Instruction	Title II 2016-2017	Title II Grant 2017-2018	Rural Schools Grant FY13	Technology Literacy Challenge Title III	Payroll Withholding and Clearing Fund	Prepaid Food	Totals
Cash and investments - beginning	\$ -	\$ (23,199)	\$ (1,628)	\$ -	\$ -	\$ -	\$ 45,655	\$ -	\$ -	\$ (2,542)	\$ 300	\$ 1,648	\$ 73,727	\$ 511	\$ 3,568,548
Receipts:															
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,273,643
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	585
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,221,383
Federal sources	106,972	72,078	1,628	80,221	5,766	7,301	17,912	13,887	9,874	2,984	-	-	-	-	526,300
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	10	-	-	-	-	-	1,894,980	26,253	1,953,332
Total receipts	106,972	72,078	1,628	80,221	5,766	7,301	17,922	13,887	9,874	2,984	-	-	1,894,980	26,253	8,975,243
Disbursements:															
Instruction	121,777	47,227	-	90,294	6,288	-	1,708	15,577	9,874	442	-	1,648	-	-	2,845,385
Support services	2,631	1,652	-	416	-	8,435	-	-	-	-	-	-	-	-	2,299,875
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	353,945
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	928,958
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	908,218
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	1,907,318	11,235	1,918,553
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	124,408	48,879	-	90,710	6,288	8,435	1,708	15,577	9,874	442	-	1,648	1,907,318	11,235	9,254,934
Excess (deficiency) of receipts over disbursements	(17,436)	23,199	1,628	(10,489)	(522)	(1,134)	16,214	(1,690)	-	2,542	-	(1,648)	(12,338)	15,018	(279,691)
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,147,833
Transfers out	-	-	-	-	-	-	-	-	-	-	(300)	-	-	-	(2,147,833)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	(300)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,436)	23,199	1,628	(10,489)	(522)	(1,134)	16,214	(1,690)	-	2,542	(300)	(1,648)	(12,338)	15,018	(279,691)
Cash and investments - ending	\$ (17,436)	\$ -	\$ -	\$ (10,489)	\$ (522)	\$ (1,134)	\$ 61,869	\$ (1,690)	\$ -	\$ -	\$ -	\$ -	\$ 61,389	\$ 15,529	\$ 3,288,857

ARGOS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2020

	Education	Debt Service	Retirement/ Severance Bond Debt Service	Operations	Local Rainy Day	2,017 Bond Issue	School Lunch	Curricular Materials Rental	Child Care Program	Miscellaneous Programs	Formative Assessment	High Ability Grant 2017-2018	Drug Free Grant 18-19	Drug Free Communities 19-20
Cash and investments - beginning	\$ 1,498,499	\$ 250,353	\$ 26,682	\$ 539,187	\$ 721,314	\$ 11,498	\$ 33,902	\$ 82,491	\$ -	\$ 32	\$ -	\$ -	\$ 489	\$ -
Receipts:														
Local sources	263,888	673,569	37,471	979,116	-	-	81,247	75,281	3,263	929	-	-	-	-
Intermediate sources	75	-	-	70	-	-	-	-	-	-	-	-	-	-
State sources	3,828,267	-	-	-	-	-	2,946	-	-	-	6,543	-	-	1,946
Federal sources	-	-	-	-	-	-	158,255	-	-	-	-	-	-	-
Temporary loans	-	244,869	13,218	279,036	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	15,180	-	-	97,372	-	-	563	-	-	-	-	-	-	-
Total receipts	4,107,410	918,438	50,689	1,355,594	-	-	243,011	75,281	3,263	929	6,543	-	-	1,946
Disbursements:														
Instruction	2,486,860	-	-	-	-	-	-	-	3,263	-	9,883	-	489	1,817
Support services	688,249	-	-	1,330,979	-	-	-	110,130	-	678	-	-	-	-
Noninstructional services	81,264	-	-	-	-	-	254,189	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	108,987	-	11,498	-	-	-	-	-	-	-	-
Debt services	-	858,960	42,909	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,256,373	858,960	42,909	1,439,966	-	11,498	254,189	110,130	3,263	678	9,883	-	489	1,817
Excess (deficiency) of receipts over disbursements	851,037	59,478	7,780	(84,372)	-	(11,498)	(11,178)	(34,849)	-	251	(3,340)	-	(489)	129
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	11,167	-	-	520,000	142,769	-	-	15,000	-	-	-	-	-	-
Transfers out	(621,024)	(15,000)	-	(42,769)	-	-	-	-	-	(283)	-	-	-	-
Total other financing sources (uses)	(609,857)	(15,000)	-	477,231	142,769	-	-	15,000	-	(283)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	241,180	44,478	7,780	392,859	142,769	(11,498)	(11,178)	(19,849)	-	(32)	(3,340)	-	(489)	129
Cash and investments - ending	\$ 1,739,679	\$ 294,831	\$ 34,462	\$ 932,046	\$ 864,083	\$ -	\$ 22,724	\$ 62,642	\$ -	\$ -	\$ (3,340)	\$ -	\$ -	\$ 129

(Continued)

ARGOS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2020

	Early Educational Matching Grant	Medicaid Reimbursement	Secured Schools Safety Grant	Career and Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Title I Grant 2017-2018	Title I 18/19	Title I 2019-2020	Sp Ed Part B 611 2019-2020	Sp Ed Part B 619 2019-2020	Sp Ed Part B 619 18/19	Sp Ed Part B 611 Grant 18/19
Cash and investments - beginning	\$ 87	\$ -	\$ -	\$ 2,566	\$ -	\$ 8,883	\$ 5,358	\$ -	\$ (17,436)	\$ -	\$ -	\$ -	\$ -	\$ (10,489)
Receipts:														
Local sources	-	-	-	-	-	99	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	17,151	11,167	12,320	-	20,390	26,787	9,889	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	27,448	109,151	90,674	7,964	35,409	35,833	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	17,151	11,167	12,320	-	20,390	26,886	9,889	27,448	109,151	90,674	7,964	35,409	35,833	
Disbursements:														
Instruction	17,238	-	-	-	20,390	22,492	-	7,089	111,099	100,147	7,964	18,675	42,078	-
Support services	-	-	30,000	-	-	-	8,023	2,464	2,153	2,803	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	459	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	17,238	-	30,000	-	20,390	22,492	8,023	10,012	113,252	102,950	7,964	18,675	42,078	
Excess (deficiency) of receipts over disbursements	(87)	11,167	(17,680)	-	-	4,394	1,866	17,436	(4,101)	(12,276)	-	16,734	(6,245)	
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	16,734	-
Transfers out	-	(11,167)	-	-	-	-	-	-	-	-	-	(16,734)	-	-
Total other financing sources (uses)	-	(11,167)	-	-	-	-	-	-	-	-	-	(16,734)	16,734	
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(87)	-	(17,680)	-	-	4,394	1,866	17,436	(4,101)	(12,276)	-	-	10,489	
Cash and investments - ending	\$ -	\$ -	\$ (17,680)	\$ 2,566	\$ -	\$ 13,277	\$ 7,224	\$ -	\$ -	\$ (4,101)	\$ (12,276)	\$ -	\$ -	\$ -

(Continued)

ARGOS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2020

	Sp Ed Part B 619 Grant 18/19	Title IV 18/19	Title IV 2019-2020	Medicaid Reimbursement - Federal	Title II, Part A, Supporting Effective Instruction	Title II FFY 2019	Title II 2016-2017	Title II Grant 2017-2018	Ed Stabilization Relief/ CARES	Payroll Withholding and Clearing Fund	Prepaid Food	Totals
Cash and investments - beginning	\$ (522)	\$ (1,134)	\$ -	\$ 61,869	\$ (1,690)	\$ -	\$ -	\$ -	\$ -	\$ 61,389	\$ 15,529	\$ 3,288,857
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	2,114,863
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	145
State sources	-	-	-	-	-	-	-	-	-	-	-	3,937,406
Federal sources	2,044	2,923	8,751	23,356	4,892	17,732	-	-	-	-	-	524,432
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	537,123
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	1,875,966	82,367	2,071,448
Total receipts	2,044	2,923	8,751	23,356	4,892	17,732	-	-	-	1,875,966	82,367	9,185,417
Disbursements:												
Instruction	1,522	-	-	21,375	3,202	19,639	-	-	9,000	-	-	2,904,222
Support services	-	1,789	9,646	11,021	-	-	-	-	5,772	-	-	2,203,707
Noninstructional services	-	-	-	-	-	-	-	-	193	-	-	336,105
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	120,485
Debt services	-	-	-	-	-	-	-	-	-	-	-	901,869
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	1,871,121	79,951	1,951,072
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,522	1,789	9,646	32,396	3,202	19,639	-	-	14,965	1,871,121	79,951	8,417,460
Excess (deficiency) of receipts over disbursements	522	1,134	(895)	(9,040)	1,690	(1,907)	-	-	(14,965)	4,845	2,416	767,957
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	1,024	-	-	-	-	-	-	-	706,694
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(706,977)
Total other financing sources (uses)	-	-	-	1,024	-	-	-	-	-	-	-	(283)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	522	1,134	(895)	(8,016)	1,690	(1,907)	-	-	(14,965)	4,845	2,416	767,674
Cash and investments - ending	\$ -	\$ -	\$ (895)	\$ 53,853	\$ -	\$ (1,907)	\$ -	\$ -	\$ (14,965)	\$ 66,234	\$ 17,945	\$ 4,056,531

ARGOS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2020

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 547,293</u>	<u>\$ 45,819</u>

ARGOS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2020

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Argos Community Schools Building Corporation	HVAC/Technology-2011	\$ 299,000	6/30/2012	12/31/2020
Argos Community Schools Building Corporation	Building Improvement-2017	137,000	6/30/2018	12/31/2025
Argos Community Schools Building Corporation	Roof/Solar/Building Improvement-2019	187,000	6/30/2021	12/31/2027
U.S. Bank	Copier Lease-2018	3,238	9/1/2018	9/1/2023
U.S. Bank	Student Computer Lease-2018	<u>58,487</u>	6/5/2018	1/5/2021
Total governmental activities		<u>684,725</u>		
Total of annual lease payments		<u>\$ 684,725</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General obligation bonds	Pension Bond	\$ 135,000	\$ 45,378
General obligation bonds	General Obligation		
General obligation bonds	Bonds Series 2014	<u>505,000</u>	<u>251,358</u>
Total governmental activities		<u>640,000</u>	<u>296,736</u>
Totals		<u>\$ 640,000</u>	<u>\$ 296,736</u>

ARGOS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2020

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 6,170
Infrastructure	73,200
Buildings	12,232,633
Improvements other than buildings	3,449,305
Machinery, equipment, and vehicles	1,941,807
Books and other	<u>1,350,997</u>
 Total governmental activities	 <u>19,054,112</u>
 Total capital assets	 <u>\$ 19,054,112</u>

ARGOS COMMUNITY SCHOOLS
OTHER REPORT
June 30, 2019 and 2020

The reports presented herein were prepared in addition to another official report prepared for the School Corporation as listed below:

Indiana State Board of Accounts Compliance Examination of the Argos Community Schools.

The above report contains the results of the compliance examination as required by the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations*.

ARGOS COMMUNITY SCHOOLS
EXIT CONFERENCE
July 1, 2018 to June 30, 2020

The contents of this report were discussed on December 14, 2021 with Angela Smith, School Board President, Ned Speicher, Superintendent, and Jennifer Lee, Director of Business Services.

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

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

Application of Bond Proceeds

Proceeds in an amount equal to interest on the Bonds through _____ shall be deposited in the 2022B Bond Interest Account of the Construction Fund. Proceeds in an amount equal to costs of issuance shall be deposited in the 2022B Bond Issuance Expense Account of the Construction Fund. The remaining proceeds of the Bonds shall be deposited in the 2022B Construction Account of the Construction Fund and used to pay costs of construction.

Construction Fund, Sinking Fund, Operation and Reserve Fund and Rebate Fund

There are created under the Trust Indenture the following funds: (1) the Argos Community Schools Building Corporation Construction Fund (the "Construction Fund"), (2) the Argos Community Schools Building Corporation Sinking Fund (the "Sinking Fund"), (3) the Argos Community Schools Building Corporation Operation and Reserve Fund (the "Operation and Reserve Fund"), and (4) the Argos Community Schools Building Corporation Rebate Fund (the "Rebate Fund").

The Construction Fund will be used to finance the (i) renovation of and improvements to Argos Elementary School, including construction of an art/music class addition; (ii) exterior improvements to Argos Community Schools K-12 campus, including site and athletics improvements; (iii) renovation of and improvements to Argos Community Schools K-12 campus, including installation of rooftop HVAC units and related improvements (collectively, the "Project"), to pay costs of issuance of the Bonds, and to pay interest on the Bonds during construction. Any moneys remaining in the Construction Fund one year after completion of the Project will be transferred to the Operation and Reserve Fund.

The Trustee shall deposit in the Sinking Fund created pursuant to the Trust Indenture, from each rental payment received, the lesser of (1) all of such payment or (2) an amount which, when added to the amount already on deposit, equals the unpaid interest on the Bonds due within fifteen (15) days after the due date of such rental payment and the unpaid principal and mandatory sinking fund redemption payment of the Bonds due within twenty (20) days after the due date of such rental payment. Any portion of a rental payment remaining after such deposit shall be deposited by the Trustee in the Operation and Reserve Fund. The Trustee shall from time to time pay from the Sinking Fund the principal of the Bonds at maturity or upon mandatory sinking fund redemption and the interest as it falls due.

The Operation and Reserve Fund shall be used only (a) to pay necessary incidental expenses of the Building Corporation, including Trustee's fees, (b) if the amount in the Sinking Fund at any time is less than the required amount, to transfer funds to the Sinking Fund in an amount sufficient to raise the amount in the Sinking Fund to the required amount, (c) if the Bonds are called for redemption, to pay the principal, interest, and redemption premium, if any, on the Bonds, (d) to purchase Bonds in the open market, and (e) if the amount in the Rebate Fund is less than the rebate amount, to transfer funds to the Rebate Fund. The incidental expenses may be paid by the Trustee upon the presentation of an affidavit executed by any officer of the Building Corporation or the Lessor Representative together with the creditor's statement as to the amount owing.

The Rebate Fund shall be used to make any rebate to the United States of America required to prevent the Bonds from becoming "arbitrage bonds" under the Code. If an exception to rebate is not met, the Building Corporation shall be required to calculate or cause to be calculated at the five year anniversary the amount of such rebate (the "Rebate Amount"). In the alternative, the Building Corporation may elect to pay the penalty required by Section 148(f)(4)(C)(vii) of the Code, as amended. In that event, the Building Corporation shall compute or cause to be computed each six months, the amount of such penalty and provide the Trustee a copy of such calculation. In either event, the Trustee is to deposit the amount so calculated to the credit of the Rebate Fund from any available funds (other than moneys in the Sinking Fund). The Trustee is further required to pay the Rebate Amount or penalties in lieu of rebate together with all investment earnings thereon to the United States of America, in the amount and at

such times as shall be advised by the Building Corporation or nationally recognized bond counsel as required by the Code or applicable regulations.

Whenever the amounts contained in the Sinking Fund and the Operation and Reserve Fund are sufficient together with all other funds deposited with the Trustee by the Building Corporation (other than deposits to the Rebate Fund), to redeem, upon the next redemption date, all the Bonds secured by the Trust Indenture then outstanding, the Trustee shall apply the amounts in such Funds to the redemption of such Bonds pursuant to the Trust Indenture.

Investment of Funds

The Trustee shall invest the moneys in funds created in the Trust Indenture in (i) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, (iv) Federal Housing Administration debentures, (v) Federal Home Loan Mortgage Corporation participation certificates and senior debt obligations (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts), (vi) Farm Credit Bank consolidated system wide bonds and notes, (vii) Federal Home Loan Banks consolidated debt obligations, (viii) Federal National Mortgage Association senior debt obligations and mortgage backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts), (ix) unsecured certificates of deposit, time deposits and bankers' acceptances of any bank (including the Trustee and its affiliates) the short term obligations of which are rated "A 1" or better by S&P Global Ratings having an original maturity of not more than 360 days, (x) commercial paper (having original maturities of not more than 270 days) rated "A 1+" by S&P Global Ratings and "Prime 1" by Moody's at the time of purchase, (xi) evidence of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated, (xii) deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), including CDARS, (xiii) State and Municipal Obligations, which means (a) direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated in the two highest rating categories by S&P Global Ratings or Moody's at the time of purchase, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated, (b) direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P Global Ratings or "MIG-1" by Moody's at the time of purchase, (c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated in the two highest rating categories by S&P Global Ratings or Moody's at the time of purchase, (xiv) money market funds, which funds may be funds of the Trustee or its affiliates, including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise, and which funds are rated "AAAm" or "AAAm-G" by S&P Global Ratings, (xv) repurchase and reverse repurchase agreements collateralized with Government Securities, including those of the Trustee or any of its affiliates, (xvi) investment deposit agreements constituting an obligation of a bank (including the Trustee and its affiliates), whose outstanding unsecured long term debt is rated at the time of such agreement in any of the two highest rating categories by S&P global Ratings or Moody's, or (xvii) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic banks whose short term certificates of deposit are rated on the date of the purchase in any of the two highest rating categories by any S&P Global Ratings or Moody's and maturing no more than 360 days after the date of the purchase. Any income or interest realized upon any such investment shall be credited and any loss shall be charged to the Fund or Account from which the moneys were invested. Securities purchased with moneys from the Sinking Fund or the Rebate Fund shall mature prior to the time the moneys invested will be needed to pay the amounts which must be paid from such funds. Moneys in the Sinking Fund and Rebate Fund shall be invested without restriction as to yield during an applicable temporary period pending their use. Moneys in the Construction Fund after one (1) year of the date of issuance of the Bonds and the Operation and Reserve Fund after 30 days of the date of deposit shall be invested at a yield not exceeding the yield on the Bonds.

Covenants

The Building Corporation covenants, among other things that:

- (a) it has entered into a valid and binding lease of the mortgaged property to the School Corporation, and that a full, true and correct copy of the Lease is on file with the Trustee; that construction will begin promptly upon receipt by the Trustee of bond proceeds and that it will complete such construction with all expedition practicable in accordance with the plans and specifications referred to in the Lease;
- (b) it will faithfully perform all provisions contained in each Bond and the Trust Indenture and will punctually pay the principal of, premium, if any, and interest on the Bonds;
- (c) it is duly authorized under the laws of the State of Indiana to create and issue the Bonds, to execute and deliver the Trust Indenture, and to mortgage and pledge the real estate and rentals and other income of the mortgaged property as provided in the Trust Indenture;
- (d) it will promptly make, execute, and deliver all indentures supplemental to the Trust Indenture and to take all action deemed advisable and necessary by the Trustee for the better securing of the Bonds;
- (e) it now has and will preserve good title to the property;
- (f) it will maintain the priority of the lien created under the Trust Indenture, that it will not permit any waste of said property, and that it will at all times maintain the property in good working condition;
- (g) it will maintain proper books and records and: (i) furnish statements showing earnings, expenses and financial condition of the Building Corporation and such information as the Trustee may reasonably request, (ii) within 90 days of each calendar year, file with the Trustee, a certificate signed by officers of the Building Corporation stating that all insurance premiums required under the Trust Indenture have been paid by the Building Corporation and that all taxes then due have been paid, subject to permissible contests, (iii) upon the request of any bondholder, will request from the Lessee the current financial statements of the Lessee for review by the bondholder;
- (h) it will not incur any indebtedness payable from the Lease other than the Bonds permitted by the Trust Indenture, and Additional Bonds, as long as the Bonds are outstanding;
- (i) it will, upon any default in payment of lease rentals, file a claim with the Treasurer of the State of Indiana, bring suits to mandate the appropriate officers of the School Corporation to levy the necessary tax to pay rents under the Lease or to take such other appropriate action necessary to enforce and collect the rentals due;
- (j) the proceeds of the Bonds, any moneys received from lease rentals payable according to the Lease, amounts received from the investment of the proceeds of the Bonds or other amounts received shall not be invested in such manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code; and
- (k) in order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, no proceeds thereof will be loaned to any entity or person, nor will they be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of such proceeds. Furthermore, the Building Corporation will, to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, rebate all required arbitrage profits on such proceeds or other moneys treated as such proceeds to the United States Government and will set aside such moneys in the Rebate Fund to be held by the Trustee in trust for such purposes. Additionally, the Building Corporation

covenants that it will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code.

Insurance

The Building Corporation covenants that during construction of the Project it will carry or cause the School Corporation to carry the following kinds of risks insurance (a) builders risk insurance in the amount of 100% of the insurable value of the mortgaged property against physical loss or damage, and (b) bodily injury and property damage insurance for damages for bodily injury, including accidental death, as well as claims for property damages which may arise from such construction.

The Building Corporation further covenants that all contracts for the construction of the Project will or do require the contractor to carry such insurance as will protect the contractor from liability under the Indiana Worker's Compensation and Worker's Occupational Disease Act.

The Building Corporation covenants to carry or cause the School Corporation to carry the following kinds of insurance after completion of construction: (a) physical loss or damage insurance on the mortgaged property in the amount of the full replacement cost of the property; (b) business income coverage or other similar insurance providing "rental value" coverage and naming the Lessor as an additional insured. Such "rental value" coverage shall include limits in an amount at least sufficient to meet the payments for two (2) years of the net rent, impositions and other charges provided for in the Lease, and (c) bodily injury and property damage insurance naming the Corporation as an insured against claims for damages for bodily injury, including accidental death, as well as claims for property damages with reference to the Leased Premises in an amount not less than Three Million Dollars (\$3,000,000) on account of each occurrence.

The proceeds of any insurance shall be applied by the Building Corporation to the repair, replacement or reconstruction of any damaged or destroyed property, if the cost of such repair, replacement or reconstruction does not exceed the proceeds of insurance. In addition, the Trustee may repair, replace, or reconstruct the mortgaged property if the Building Corporation fails to do so. If, at any time, the mortgaged property is totally or substantially destroyed, and the amount of insurance moneys received on account thereof by the Trustee is sufficient to redeem all of the outstanding Bonds, the Building Corporation with the written approval of the School Corporation may direct the Trustee to use said money for the purpose of calling for redemption all of the Bonds issued and then outstanding under the Trust Indenture at the then current redemption price.

Events of Default and Remedies

Events of default under the Trust Indenture include: failure to pay the principal of, or the redemption premiums, if any, on any of the Bonds; failure to pay interest on the Bonds as it becomes due and payable; occurrence of certain events of bankruptcy or insolvency of the Building Corporation; default in the performance or observance of any other of the covenants, agreements or conditions by the Building Corporation under the Trust Indenture and the continuance of such default for sixty (60) days after written notice; failure of the Building Corporation to bring suit to mandate the appropriate officials of the School Corporation to levy a tax to pay the rentals provided under the Lease; and nonpayment of the lease rental within 90 days of when due as provided under the Lease.

Upon the happening and continuance of any event of default, the Trustee may, and upon written request of the holders of twenty-five percent (25%) in principal amount of the Bonds then outstanding and upon being indemnified to its reasonable satisfaction shall, declare the principal amount of and interest accrued on all outstanding Bonds immediately due and payable; subject, however, to the rights of the holders of the majority in principal amount of all the outstanding Bonds to annul such declaration if all such events have been cured, all arrears of interest have been paid and all other indebtedness secured by the Trust Indenture except the principal and interest not then due has also been paid.

Upon the occurrence of one or more events of default, the Building Corporation, upon demand of the Trustee, shall forthwith surrender the possession of the property and the Trustee may take possession of all the mortgaged property and hold, operate and manage the same for the purpose of insuring payments on the Bonds until the event of default has been cured.

Upon the occurrence of one or more events of default, the Trustee may, and shall upon written request of the holders of at least twenty-five percent (25%) in principal amount of the Bonds then outstanding and upon being indemnified to its reasonable satisfaction, pursue any available remedy by suit at law or in equity, whether for specific performance of any covenant or agreement contained in the Trust Indenture or in aid of any power granted therein, or for any foreclosure of the Trust Indenture including, to the extent permitted by law, the appointment of a receiver.

Any sale made either under the Trust Indenture, to the extent permitted by law, or by judgment or decree in any judicial proceeding for foreclosure shall be conducted as required by the Trust Indenture. The proceeds of any such sale shall be applied to pay the costs and expenses of the sale or judicial proceedings pursuant to the sale, the expenses of the Trustee and the holders of the Bonds, with interest at the highest rate of interest on any of the Bonds when sold, and the payment of the installments of interest which are due and unpaid in the order of their maturity, next, if the principal of the Bonds is due, to the payment of the principal thereof and the accrued interest thereon pro rata. No holder of all of the Bonds shall have the right to institute any proceeding in law or in equity for the foreclosure of the Trust Indenture, the appointment of a receiver, or for any other remedy under the Trust Indenture without complying with the provisions of the Trust Indenture.

Supplemental Indentures

The Building Corporation and the Trustee may, without obtaining the approval of the holders of the Bonds, enter into supplemental indentures to cure any ambiguity or formal defect or omission in the Trust Indenture; or to grant to the Trustee for the benefit of such holders any additional rights, remedies, powers, authority or security that may be lawfully granted; or to provide for the issuance of additional parity bonds to finance (i) the payment of claims of contractors, subcontractors, materialmen or laborers or fees; (ii) the completion of construction; (iii) the payment of costs of improvements to the mortgaged property; and (iv) a partial refunding of the Bonds.

The holders of not less than 66-2/3% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time except when contrary to the Trust Indenture, to approve the execution by the Building Corporation and the Trustee of such supplemental indentures, except no supplemental indenture shall permit:

- (a) An extension of the maturity of the principal of or interest on any Bond;
- (b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest;
- (c) The creation of a lien upon the mortgaged property taking priority or on a parity with the lien created by the Trust Indenture;
- (d) A preference or priority of any Bond or Bonds over any other Bond or Bonds; or
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to supplemental indentures.

If the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the bonds outstanding at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as provided in the Trust Indenture, no owner of any bond shall have any right to object to the execution of such supplemental indenture or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Building Corporation from executing the same, or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplemental indenture pursuant to the provisions of the Trust Indenture, the Trust Indenture shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Trust Indenture of the Building Corporation, the Trustee, and all owners of bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Possession Until Default, Defeasance, Payment, Release

Subject to the rights of the Trustee and the holders of the Bonds in the event of the occurrence and continuance of an event of default, the Building Corporation shall have the right of full possession, enjoyment and control of all the mortgaged property. While in possession of the mortgaged property, and while not in default under the Trust Indenture, the Building Corporation shall have the right at all times to alter, change, add to, repair, or replace any of the property constituting a part of the mortgaged property so long as the value of the mortgaged property and the security of the Bonds shall not be substantially impaired or reduced. The Trustee may release any mortgaged property which has become unfit or unnecessary for use pursuant to the Trust Indenture. If new property is purchased or acquired in substitution for the mortgaged property so released, the new property shall become subject to the lien and the operation of the Trust Indenture. If no new property is purchased with the proceeds of any sale or mortgaged property within ninety (90) days after the receipt of the proceeds, the proceeds shall be deposited in the Operation and Reserve Fund.

The Building Corporation may pay and discharge the entire indebtedness on all Bonds outstanding:

- (a) by paying the whole amount of the principal and interest and the premium if any, due and payable upon all of the Bonds then outstanding; or
- (b) by depositing with the Trustee (i) sufficient money, (ii) direct obligations of the United States of America (the "Government Securities") or (iii) time certificates of deposit of a bank or banks secured as to both principal and interest by Government Securities in amounts sufficient to pay or redeem all Bonds outstanding.

If the whole amount of the principal, premium, if any, and interest so due and payable upon all of the Bonds then outstanding shall be paid or provision made for payment, then the right, title and interest of the Trustee shall thereupon cease, terminate and become void. Upon termination of the Trustee's title, the Trustee shall release the Trust Indenture and return to the Building Corporation any surplus in the Sinking Fund and Operation and Reserve Fund and any other funds other than moneys held for redemption or payment of Bonds.

APPENDIX F

SUMMARY OF THE LEASE

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

Acquisition and Construction of the Lease Premises

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

Lease Term and Rental

The Lease is extended to June 30, 2041. By each rent payment date, the School Corporation is to pay the installment of rent due under the Lease. Each installment of increased rent is payable in advance for the following six-month period on June 30 and December 31, commencing on December 31, 2023, or on the date the renovations at the Leased Premises are completed and ready for occupancy, whichever is later. The annual rent to be paid will be increased by a maximum of \$750,000 per year, payable in equal semiannual installments. Completion of the Leased Premises is to be certified to the School Corporation by a representative of the Building Corporation pursuant to the Lease. The date the renovations are substantially completed and ready for occupancy shall be endorsed on the end of the Lease by the parties thereto as soon as can be done after the completion of the construction. The endorsement shall be recorded as an addendum to the Lease. The lease rental shall be reduced following the sale of the Building Corporation's Bonds to an amount not less than the multiple of \$1,000 next higher than the highest sum of principal and interest due on such bonds in each bond year ending on a bond maturity date plus \$5,000, payable in equal semiannual installments. Such amount of reduced annual rental shall be endorsed at the end of the Lease by the parties thereto as soon as can be done after the sale of the bonds. The endorsement shall be recorded as an addendum to the Lease.

Maintenance and Modification

During the term of the Lease, the School Corporation is required to keep the Leased Premises in good repair and in good operating condition, ordinary wear and tear excepted. The School Corporation may, at its own expense and as part of the Leased Premises, make modifications of, additions and improvements to and substitutions for the Leased Premises, all of which become the property of the Building Corporation and are included as part of the Leased Premises under the terms of the Lease.

The School Corporation may, at its own expense, replace worn out or obsolete property and may install on the property on which the Leased Premises are situated personal property which is not an addition or improvement to, modification of or substitution for the Leased Premises, which will be the sole property of the School Corporation and in which the Building Corporation shall have no interest. The School Corporation may discard worn out or obsolete property and need not replace it. Equipment or other personal property which becomes worn out or obsolete may be discarded or sold by Lessee. The proceeds of the sale of any personal property shall be paid to the Trustee. Lessee may trade in any obsolete or worn out personal property or replacement property which replacement property will belong to Lessee upon payment to the Trustee of an amount equal to the trade-in value of such property. Lessee need not replace worn out or obsolete personal property, but may replace such property at its own expense, and the replacement property shall belong to Lessee.

Property and Liability Insurance

The School Corporation is required to carry at its own expense, property insurance on the Leased Premises against physical loss or damage to the Leased Premises, however caused, with such exceptions only as are ordinarily required by insurers of buildings or facilities of a similar type, in an amount equal to one hundred percent (100%) of the full replacement cost of the mortgaged property. Any property insurance policy shall be so written or endorsed as to make any losses payable to the Building Corporation or to such other person or persons as the Building Corporation under the Lease may designate.

During the full term of the Lease, the School Corporation is required to maintain rent or rental value insurance in an amount equal to the full rental value of the Leased Premises for a period of two years. The insurance will protect against physical losses or damages similar to those covered under the property insurance policy held by the School Corporation.

Damage or Destruction

If the Leased Premises are damaged or destroyed (in whole or in part) by fire, windstorm or other casualty at any time during the term of the Lease, the Building Corporation is to promptly repair, rebuild or restore the portion of the Leased Premises damaged or destroyed with such changes, alterations and modifications (including substitutions and additions) as may be designated by the School Corporation for administration and operation of the Leased Premises and as shall not impair the character and significance of the Leased Premises as furthering the purposes of the Code.

If the Leased Premises are totally or substantially destroyed and the amount of insurance money received is sufficient to redeem all of the outstanding Bonds and all such Bonds are then subject to redemption, the Building Corporation, with the written approval of the School Corporation, may direct the Trustee to use net proceeds of insurance to call for redemption all of the Bonds then outstanding at the then current redemption price.

Rent Abatement and Rental Value Insurance

If the Leased Premises or a portion thereof are damaged or destroyed or is taken under the exercise of the power of eminent domain, the rent payable by the School Corporation shall be abated or reduced, provided there is rental value insurance in force as required by the Lease. The rent shall be totally abated during that portion of the Lease terms that the Leased Premises is totally unfit for use or occupancy. It shall be partially abated for the period and to the extent that the Leased Premises are partially unfit for use or occupancy in the same proportion that the floor area of the Leased Premises so unfit for use or occupancy bears to the total floor area of the Leased Premises.

Taxes and Utility Charges

The School Corporation is to pay, as further rent, taxes and assessments lawfully assessed or levied against or with respect to the Leased Premises or any personal property or fixtures installed or brought in or on the Leased Premises, and all utility and other charges for or incurred in connection with the Leased Premises. The School Corporation may, at its own expense, in good faith contest any such taxes and assessments. The School Corporation shall also pay as additional rent, any amount required by the Building Corporation to rebate to the United States Government to prevent the Building Corporation's bonds from becoming arbitrage bonds.

Events of Default

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

- (a) Failure to pay any rentals or other sums payable to the Building Corporation under the Lease, or failure to pay any other sum therein required to be paid to the Building Corporation; or
- (b) Failure to observe any other covenant, agreement or condition under the Lease, and such default shall continue for sixty (60) days after written notice to correct the same.

Remedies

On the occurrence of an event of default under the Lease, the Trustee may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance or any covenant or agreement contained therein, or for the enforcement of any other appropriate legal or equitable remedy; file a claim with the Treasurer of the State of Indiana for an amount equal to an amount in default, and may authorize or delegate the authority to file such claim; or the Building Corporation, at its option, without further notice, may terminate the estate and interest of the School Corporation thereunder, and it shall be lawful for the Building Corporation forthwith to resume possession of the Leased Premises and the School Corporation covenants to surrender the same forthwith upon demand. The exercise by the Building Corporation of the right to terminate the Lease shall not release the School Corporation from the performance of any obligation thereof maturing prior to the Building Corporation's actual entry into possession. No waiver by the Building Corporation of any right to terminate the Leases upon any default shall operate to waive such right upon the same or other default subsequently occurring.

The School Corporation may not assign the Lease or sublet the Leased Premises without the written consent of the Building Corporation. In the Lease, the School Corporation has covenanted to use and maintain the Leased Premises in accordance with the laws and ordinances of the United States of America, the State of Indiana, and all other proper governmental authorities. The School Corporation has also covenanted that it will not enter into any lease, management contract or other contractual arrangement which would allow the use of the Leased Premises by a nongovernmental person which would have the effect of making the Building Corporation's bonds private activity bonds under Section 141 of the Internal Revenue Code of 1986.

Option to Purchase

The School Corporation has the option to purchase the Leased Premises on any rental payment date at a price which is sufficient to allow the Building Corporation to liquidate by paying or providing for the payment in full of the then outstanding bonds pursuant to the redemption provisions.

Option to Renew

The School Corporation has an option to renew the Lease for a further like or lesser term upon the same terms and conditions provided in the Lease.