Question: Is it true that the debt balance is $95 million, and it grew from $50 million? and why?

Answer: Our corporation physical plant was made up of 3 properties: The Jr. Sr. High School / parts of which we built in 1948 with improvements in 1994, Happy Hollow Elementary and Cumberland Elementary which were both built in the early 1960's. We also have 2 Athletic Complexes / Fields. Prior to any of our projects coming online we gathered a group of 47 interested patrons, constituents, parents, teachers, administrators, and school board members to examine our current properties, determine priorities and form recommendations to our larger community. Through 3 "Community Town-Hall-Meetings" it was determined that we as a corporation should pursue 6 different projects. At the time our rough / ballpark estimates expressed the cost at $50MM with the caveat that this number was only an estimate. Final costs would be subject to hard bids and might change by the time we began our projects. The recommended projects were as follows:

1.) Jr./ Sr. High Pool additions and renovations.
2.) Jr. / Sr. High School Cafeteria Expansion and Renovation.
3.) Jr. / Sr. High School James R. Guy New Science Wing
4.) Bob Kelley Performing Arts Center.
5.) New Elementary School to replace Happy Hollow.
6.) Renovation and addition of a new Cafeteria of Cumberland.

In addition, we invested over $3.0M in other projects that needed to be addressed throughout our footprint. As an example: we had a narrow stairwell in the Jr. Sr High School built in 1948 that presented a serious safety hazard during passing periods. We tore out and replaced that stairway at just under $1,000,000.

When our bids came back collectively the cost was near $84,000,000 with the caveat that costs could increase over time since we had to phase our construction in order to maintain the instruction of our students without interruption. It was also communicated that we could incur additional costs as older construction was revealed during the demolition process.

Our Financial Advisor along with Bond Counsel, our Superintendent, our CFO, and our Board worked to develop a plan to fund our construction costs while maintaining our current tax rate. We were also able to create a reserve in the process. This approach would allow the Corporation to fund these costs with no increase in the tax rate to our community. Below is a brief summary of our source and use of funds. If needed, we can provide this data in granular detail. We should note, Bond premiums are offered by investors when interest rates are lower than when the bonds were offered. The investor will offer a premium (paying above par) for the bonds and the premium is returned through the rate. I believe we may have patrons adding the premium to the principal issued which is the $95MM figure you may have heard previously. It's important to note that the corporation has readily funded all required payments and we've also demonstrated that the corporation will exceed debt service in 2024 with no reserve / external funding required (this is presented in our 10/10/22 Board approved budget)

Source of funds		**Use of Funds:**	
Bond Issues 17, '18, '19, '20	**$83,900,000**	**Bond Issuance / Interest / Fees**	**$2,566,219**
Bond Premiums	**$11,299,519**	**Construction Costs**	**$85,113,827**
Underwriting Discount	**($212,557)**	***Funds Available**	**$8,945,071**
Interest Income	**$1,638,155**		
Total Source of Funds:	**$96,625,117**	**Total Use of Funds**	**$96,625,117**
		***Funds Available**	**8,945,071**
		Debt Service Reserve	**($2,511,077)**
		Remaining for Construction	**$6,433,994**
		Construction Costs to Complete	**($1,777,673)**
		***Excess Cash**	**$4,656,321**

Below is our Form 9 which is filed with the Indiana Department of Education and effective 6/30/22 which details our current balance including our common school fund loans. Our total balance is $79,143,628.00 rather than the $95,000,000 you may have been hearing about.

FORM 9 FINANCIAL REPORT
Statement of Obligations

Bonds and other Indebtness	Account	Beginning Principal Outstanding (901)	Adjustment to Beginning Principal	Principal Created (902)	Principal Paid (904)	Ending Principal Outstanding (905)	Interest Debt (906)
	7/1/2021 - 6/30/2022	7/1/2021 - 6/30/2022	7/1/2021 - 6/30/2022	7/1/2021 - 6/30/2022	7/1/2021 - 6/30/2022	7/1/2021 - 6/30/2022	7/1/2021 - 6/30/2022
Holding Company - Public and Private	96005	$80,640,000.00	$0.00	$0.00	$2,170,000.00	$78,470,000.00	$1,762,000.00
Common School Loans	96007	$945,453.32	$0.00	$0.00	$271,825.32	$673,628.00	$5,081.88
Total		**$81,585,453.32**		**$0.00**	**$2,441,825.32**	**$79,143,628.00**	**$1,767,081.88**

At our Work Session on September 21st, our Financial Consultant presented a summary of all of our funds. Our debt fund has maintained a positive cash balance since we incurred our new debt load. We have utilized a combination of cash reserves and building lease payments. Beginning in 2024 our Assessed Value along with our Levy of $.53 / $100.00 of Assessed Value will adequately meet our required payments going forward, even if the "Circuit Breaker" is legislatively renewed. We ran these forecasts when we made the decision to issue our bonds beginning in 2017. At that time, we had a window of opportunity to address the building needs of our corporation without any impact to the tax rate. We chose to move forward. Had we waited, our costs would have dramatically increased, and we would be borrowing at appreciably higher rates.