

NEW MONEY ISSUE – BOOK ENTRY ONLY

Program Rating: S&P: “AA+” (Stable Outlook)

Underlying Rating: S&P: “A+” (Negative Outlook)

See “RATING” herein.

In the opinion of Ice Miller LLP, Indianapolis, Indiana ("Bond Counsel") under existing laws, regulations, judicial decisions and rulings, interest on the 2025 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 an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the 2025 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Such exclusion is conditioned on continuing compliance with the Tax Covenants (as hereinafter defined). In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the 2025 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.

\$6,600,000*

**NORTHWESTERN CONSOLIDATED SCHOOL BUILDING CORPORATION
SHELBY COUNTY, INDIANA
AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2025**

Dated: Date of Delivery

Due: As Shown on Inside Front Cover

The Ad Valorem Property Tax First Mortgage Bonds, Series 2025 (the “2025 Bonds”) will pay interest semi-annually on January 15 and July 15 of each year commencing January 15, 2027. The 2025 Bonds will be issued only as fully registered bonds and, when issued, may be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). Purchases of beneficial interests in the 2025 Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiples thereof, and purchasers of the 2025 Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interest in the 2025 Bonds. Principal and semi-annual interest will be disbursed on behalf of the Northwestern Consolidated School Building Corporation (the “Building Corporation”), by The Bank of New York Mellon Trust Company, N.A., as trustee, registrar and paying agent (the “Trustee,” “Registrar” and “Paying Agent”). The principal and premium, if any, and interest on the 2025 Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the 2025 Bonds. The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See “The 2025 Bonds - Book-Entry-Only System.” **The 2025 Bonds may be subject to subject to mandatory sinking fund redemption and optional redemption prior to final maturity as described herein.**

The 2025 Bonds are issued pursuant to a Trust Indenture dated as of March 1, 2012, as supplemented by a First Supplemental Trust Indenture dated as of May 1, 2015 and as supplemented by a Second Supplemental Trust Indenture dated as of November 1, 2025 (as supplemented the “Trust Indenture”) entered into between the Building Corporation and the Trustee and a Lease Agreement between the Building Corporation, as lessor, and Triton Central Schools (formerly known as Northwestern Consolidated School District) (the “School Corporation”), as lessee, executed as of February 8, 2012, as amended by an Amendment to Lease dated as of April 8, 2015 and a Second Amendment to Lease dated as of October 13, 2025 (as amended, the “Lease”).

The 2025 Bonds will be issued on a parity with the Building Corporation's Ad Valorem Property Tax First Mortgage Bonds, Series 2015 (the “2015 Bonds”) outstanding in the principal amount of \$1,060,000 (the 2015 Bonds, the 2025 Bonds and all Additional Bonds, as hereinafter defined, collectively the “Bonds”) which are secured exclusively by and under the provisions of the Trust Indenture and are issued in accordance with the Trust Indenture and the provisions of Indiana Code, Title 20, Article 47, Chapter 3 (the “Act”). The 2025 Bonds constitute valid and legally binding obligations of the Building Corporation and are payable from certain sources of income of the Building Corporation which have been specifically pledged for the payment thereof. The 2025 Bonds are secured on a parity basis with the 2015 Bonds by a mortgage on, and security interest in, the leased premises, and the rent to be received from the School Corporation under the Lease, which rent shall be paid directly to the Trustee and applied in accordance with the Trust Indenture. The rent paid by the School Corporation under the Lease is payable from ad valorem taxes to be levied by the School Corporation. The levy of taxes by the School Corporation to pay the rent due and payable under the Lease is mandatory and not subject to annual appropriation. (See “SUMMARY OF THE LEASE” herein and “CIRCUIT BREAKER TAX CREDIT” herein).

The proceeds of the 2025 Bonds will be used to (a) fund the renovation of and improvements to school facilities owned and operated by the School Corporation, including HVAC improvements, interior renovations, site and athletics improvements, deferred maintenance improvements, and the purchase of equipment, technology and vehicles (the “Projects”); and (b) pay for the costs of issuing the 2025 Bonds.

The 2025 Bonds will mature on the dates and in the amounts as detailed on the inside of the front cover page.

The 2025 Bonds are offered when, as and if issued by the Building Corporation and received by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) subject to prior sale, the withdrawal or modification of the offer without notice, and to the unqualified approval as to the legality of the 2025 Bonds by Ice Miller LLP, Indianapolis, Indiana, as bond counsel and disclosure counsel. Certain legal matters for the Building Corporation will be passed upon by Church, Church Hittle & Antrim, Noblesville, Indiana. It is expected that the 2025 Bonds will be delivered in New York, New York, via the facilities of DTC on or about _____, 2025.

STIFEL

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

* Preliminary; subject to change

\$6,600,000*
NORTHWESTERN CONSOLIDATED SCHOOL BUILDING CORPORATION
(Shelby County, Indiana)
AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2025

(Base CUSIP _____[†])

2025 Bonds

<u>Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u>
1/15/2027					
7/15/2027					
1/15/2028					
7/15/2028					
1/15/2029					
7/15/2029					
1/15/2030					
7/15/2030					
1/15/2031					
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1/15/2042					
7/15/2042					
1/15/2043					
7/15/2043					
1/15/2044					
7/15/2044					
1/15/2045					

[†] The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the School Corporation or the Underwriter, and are included solely for the convenience of the holders of the 2025 Bonds. None of the School Corporation or the Underwriter is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to their correctness on the 2025 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2025 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturities. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc.

*Preliminary, subject to change.

**NORTHWESTERN CONSOLIDATED SCHOOL BUILDING CORPORATION
BOARD OF DIRECTORS**

Robbie J. Stonebraker, President
R. Todd Larkey, Vice President
Vince Sanders, Secretary/Treasurer

**TRION CENTRAL SCHOOLS
BOARD OF SCHOOL TRUSTEES**

Brooke Lockett, President
Travis Hensler, Vice President
David Ploog, Secretary
Sam Allen, Member
Karen Humphreys, Member
Shay Tranchant, Member
Wilson Turner, Member

SCHOOL ADMINISTRATION

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317-773-2190

UNDERWRITER

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201 N Illinois Street, Suite 350
Indianapolis, IN 46204
317-634-4400

This Official Statement is being distributed in connection with the sale of the 2025 Bonds referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesman or other person is authorized to make any representations concerning the 2025 Bonds other than those contained in this Official Statement, and if given or made, such other information or representations may not be relied upon as statements of the Northwestern Consolidated School Building Corporation, Shelby County, Indiana (the "Building Corporation") or Triton Central Schools, Shelby County, Indiana (the "School Corporation"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2025 Bonds by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Building Corporation and School Corporation, from time to time (collectively, the "Official Statement"), may be treated as a final Official Statement with respect to the 2025 Bonds described herein that is deemed final by the Building Corporation and School Corporation as of the date hereof (or of any such supplemental or amendment).

Unless otherwise indicated, the Building Corporation and the School Corporation are the sources of the information contained in this Official Statement. Certain information in this Official Statement has been obtained by the Building Corporation and the School Corporation or on their behalf from The Depository Trust Company and other non-Building Corporation or School Corporation sources that the Building Corporation and the School Corporation believe to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. Nothing contained in this Official Statement is a promise of or representation by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the Building Corporation and the School Corporation or other information in this Official Statement, since the date of this Official Statement.

This Official Statement contains statements that are "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Official Statement, the words "estimate," "intend," "project" or "projection," "expect" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Official Statement.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The 2025 Bonds will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity shall have passed upon the accuracy or adequacy of this Official Statement.

In connection with the offering of the 2025 Bonds, the Underwriter may or may not overallocate or effect transactions that stabilize or maintain the market prices of the 2025 Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time without notice. The prices and other terms respecting the offering and sale of the 2025 Bonds may be changed from time to time by the Underwriter after the 2025 Bonds are released for sale and the 2025 Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the 2025 Bonds into investment accounts.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, SEC Rule 15(c)2-12.

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PRELIMINARY OFFICIAL STATEMENT

NORTHWESTERN CONSOLIDATED SCHOOL BUILDING CORPORATION SHELBY COUNTY, INDIANA

\$6,600,000*

AD VALOREM PROPERTY TAX FIRST MORTGAGE BONDS, SERIES 2025

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided to set forth certain information concerning the sale and delivery by the Northwestern Consolidated School Building Corporation (the "Building Corporation") of its Ad Valorem Property Tax First Mortgage Bonds, Series 2025 (the "2025 Bonds"), in the aggregate principal amount of \$6,600,000*. The 2025 Bonds will be issued under the provisions of Indiana Code, Title 20, Article 47, Chapter 3 (the "Act") and in accordance with the terms of (i) a Trust Indenture between the Building Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee, registrar and paying agent (the "Trustee," "Registrar" and "Paying Agent"), dated as of March 1, 2012, as supplemented by a First Supplemental Trust Indenture dated as of May 1, 2015 and as supplemented by a Second Supplemental Trust Indenture dated as of November 1, 2025 (as supplemented, the "Trust Indenture"), and (ii) a Lease Agreement between the Building Corporation, as lessor, and Triton Central Schools (formerly known as Northwestern Consolidated School District) (the "School Corporation"), as lessee, executed as of February 8, 2012, as amended by an Amendment to Lease dated as of April 8, 2015 and a Second Amendment to Lease dated as of October 13, 2025 (as amended, the "Lease").

The 2025 Bonds will be issued on parity with the Building Corporation's Ad Valorem Property Tax First Mortgage Bonds, Series 2015 (the "2015 Bonds") currently outstanding in the principal amount of \$1,060,000. The 2025 Bonds, the 2015 Bonds and all other additional bonds hereafter issued on a parity with the Bonds (the "Additional Bonds") (the 2025 Bonds, 2015 Bonds and all Additional Bonds, collectively the "Bonds") are secured exclusively by under the provisions of the Trust Indenture and are issued in accordance with the Trust Indenture and the Act.

The Building Corporation 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 School Corporation, Shelby County, Indiana. Other powers of the Building Corporation include the authority to refinance previously incurred indebtedness and to execute amended lease agreements with the School Corporation based on terms of a refinancing agreement. See "THE BUILDING CORPORATION" herein.

Pursuant to pertinent provisions of the Indiana Code, projects that are considered controlled projects are subject to certain additional public approval procedures. A controlled project is one that is financed by a bond or lease, is payable by property taxes, and

(1) Costs more than the lesser of:

- a. An amount equal to the assessed value growth quotient (as determined by the DLGF) multiplied by the amount determined under such provision for the preceding calendar year; or

* Preliminary, subject to change.

b. An amount equal to:

(i) At least 1% of gross assessed value, if that total gross assessed value is more than \$100 Million; or

(ii) \$1 Million if the gross assessed value is not more than \$100 Million; or

(2) Regardless of threshold amounts, is financed by a school corporation whose total debt service tax rate is more than forty cents (\$0.40) per one hundred dollars (\$100) of assessed value unless a public hearing for such project was conducted under IC 20-26-7-37 before July 1, 2025.

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

Controlled projects are subject to either a petition and remonstrance process or a referendum process if either such process is requested by taxpayers and voters. A political subdivision planning to finance and construct a controlled project must hold a public hearing to inform taxpayers and voters of certain information about the project and the potential impact on property taxes. After taxpayers and voters are notified, they have the option to initiate the petition and remonstrance process or the referendum process. This is accomplished when the lesser of (a) 500 registered voters or real property owners or (b) 5% of the registered voters in the political subdivision, sign a petition to initiate the process and the signatures are certified by the county voter registration office. The political subdivision may also elect to pursue a referendum for controlled projects if not requested by its taxpayers or registered voters.

Under the petition and remonstrance process, taxpayers and voters may sign a petition in favor of the project (petitioners) or against the project (remonstrators). At the end of the signature gathering period, the county voter registration office determines if the petitioners or remonstrators have the most signatures. If the petitioners have more, the project may proceed, but if the remonstrators have more, the project may not proceed. If a project is defeated it cannot be reconsidered for one year.

Controlled projects are subject to the referendum process if the project: (1) consists of an elementary, middle or high school building or other school building for academic instruction which will cost more than the lesser of (i) an amount equal to the result of the assessed value growth quotient for the year multiplied by the threshold amount for the preceding calendar year; (ii) 1% of the total gross assessed value if the total gross assessed value is more than \$1 billion; or (iii) \$10 million; or (2) is any other controlled project which costs the lesser of: (i) an amount equal to the result of the assessed value growth quotient for the year multiplied by the threshold amount for the preceding calendar year; (ii) 1% of the total gross assessed value of property with the political subdivision on the last assessment date (if the total gross assessed value was at least \$100 million); or (iii) \$1 million. In addition, as of July 1, 2025, a school corporation with a debt service fund tax rate of \$0.70 or more, is required to have all projects funded with debt approved by a referendum election, regardless of the amount of the project.

Once the referenda process is initiated and the signatures on the petition are certified by the county voter registration office, the public question regarding the controlled project must be approved by the Department of Local Government Finance before it may be placed on the ballot at the next general, municipal or primary election. If no election will be held within six months of the date of the voter registration office certification,

a special election, if requested by the political subdivision, will be held. The results of the election will be certified by the circuit court clerk and if the majority of voters approve of the project, the project may proceed, but if the project is defeated, the project cannot be revisited for at least one year from the date of the election. Payments due on bonds or leases which have been approved by the referenda process are outside the Circuit Breaker Tax Credit calculations.

Even if a project is considered a non-controlled project, a hearing may be required under a different statute if the project is \$1,000,000 or more (i.e., 1028 Hearing) and the project and bond issuance may proceed without additional approval procedures. Additionally, if the petition and remonstrance process or referenda process is not initiated, the project and bond issuance may proceed without additional approval procedures.

The Projects (as hereinafter defined) to be funded by the 2025 Bonds were not subject to the controlled project procedures and therefore, the issuance of the 2025 Bonds was able to continue without additional approval procedures. Because the Projects were not approved through the referendum process, the ad valorem property tax to be levied by the School Corporation to pay the lease rentals securing payment of the 2025 Bonds will be included in the Circuit Breaker Tax Credit calculation. See "PURPOSE OF ISSUE." All authorization and approval processes relating to the Lease (defined herein) and the 2025 Bonds are complete.

For more information on the School Corporation and the area of the School Corporation, see "APPENDIX A – Triton Central Schools," "APPENDIX B – General Information about the Area," and "APPENDIX E – Audit Report as of June 30, 2023" included herein. All financial and other information presented in this Official Statement has been provided by the School Corporation from its records, except for information expressly attributed to other sources. The presentation of information concerning the School Corporation, including financial information, is intended to show recent historic information and is not intended to indicate or project future or continuing trends in the financial position or other affairs of the School Corporation. No representation is made or implied hereby that any past experience, as might be shown by the financial and other information, will necessarily continue in the future.

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

PURPOSE OF ISSUE

The proceeds of the 2025 Bonds will be used to (a) fund the Renovation of and improvements to school facilities owned and operated by the School Corporation, including HVAC improvements, interior renovations, site and athletics improvements, deferred maintenance improvements, and the purchase of equipment, technology and vehicles (the "Projects"); and (b) pay for the costs of issuing the 2025 Bonds.

THE LEASED PREMISES

The Leased Premises consists of a portion of Triton Central Middle School (the "Leased Premises") located within the boundaries of the School Corporation. The Project will begin in December, 2025 and will be substantially completed by Summer, 2026. Increased lease rental payments under the Lease will begin on the later of December 31, 2026, or the day of completion of the renovation of and improvements to the Leased Premises.

The rent payments under the Lease secures the repayment of the 2025 Bonds (see "SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS" herein).

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds:

Principal Amount of 2025 Bonds*	\$6,600,000
Original Issue [Premium/(Discount)]	
Total	\$

Uses of Funds:

Project Costs ⁽¹⁾	\$
Costs of Issuance	
Underwriter's Discount	
Total	\$

⁽¹⁾ Up to \$3,500,000 of proceeds of the 2025 Bonds may be spent on facilities which are not a part of the Leased Premises or subject to the mortgage of the Trust Indenture.

* Preliminary, subject to change.

**SCHEDULE OF SEMI-ANNUAL DEBT SERVICE REQUIREMENTS AND LEASE PAYMENTS FOR THE
2025 BONDS AND 2015 BONDS**

Payment Date	Principal*	2025 Bonds Interest	Debt Service	2015 Bonds Debt Service	Total Aggregate Debt Service	Total Aggregate Semi-annual Lease Payment (2)*
1/15/2027						
7/15/2027						
1/15/2028						
7/15/2028						
1/15/2029						
7/15/2029						
1/15/2030						
7/15/2030						
1/15/2031						
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7/15/2043						
1/15/2044						
7/15/2044						
1/15/2045						

(1) For the period of _____, 2025 to January 15, 2027.

(2) The semi-annual Lease payments are due on the preceding June 30 and December 31.

* Preliminary, subject to change.

THE 2025 BONDS

General

The 2025 Bonds will be issued in fully registered form in the denomination of \$5,000 or any integral multiple of that amount, will be dated as of delivery, and mature on January 15 and July 15 in the years and amounts and bear interest at the rates set forth on the inside cover of this Official Statement. Interest on the 2025 Bonds, payable on January 15 and July 15, commencing January 15, 2027, will be paid by wire transfer of immediately available funds on the interest payment date to depositories shown as registered owners or by check mailed on the interest payment date to the registered owners. Principal on the 2025 Bonds, payable on January 15 and July 15, commencing January 15, 2027 will be paid by check at the designated corporate trust office of the Trustee or by wire transfer of immediately available funds to depositories provided that the payment at maturity shall only be paid upon presentation at the designated corporate trust office of the Trustee.

So long as DTC or its nominee is the registered owner of the 2025 Bonds, principal of and interest on the 2025 Bonds will be paid directly to DTC by the Paying Agent. Interest will be paid on the basis of a 360-day year consisting of twelve 30-day months. Payment shall be made to the depository in whose name the 2025 Bond is registered on the fifteenth day preceding an interest payment date. (The final disbursement of such payments to the Beneficial Owners of the 2025 Bonds will be the responsibility of the DTC Participants and Indirect Participants, all as defined and more fully described herein).

Redemption

Optional Redemption

The 2025 Bonds maturing on or after _____, are subject to optional redemption prior to maturity on any date on or after _____, at the price of par plus interest accrued to the date of redemption.

Mandatory Sinking Fund Redemption

The 2025 Bonds maturing on _____ 15 in the years 20__, are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount thereof plus accrued interest on the dates and in the amounts in accordance with the following schedules:

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

If such 2025 Bonds are subject to mandatory sinking fund redemption, the Registrar and Paying Agent will credit against the mandatory sinking fund requirement for any term bonds and corresponding mandatory redemption obligation, in the order determined by the Building Corporation, any term bonds maturing on the same date which have been redeemed previously (other than as a result of a previous mandatory redemption requirement) or delivered to the Registrar or Paying Agent for cancellation or purchased for cancellation by the Registrar or Paying Agent and not applied theretofore as a credit against any redemption obligation. Each term bond so delivered or canceled will be credited by the Registrar and Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory obligations and the principal amount of that term bond to be redeemed by operation of the mandatory sinking fund requirement shall be reduced accordingly; provided, however, the Registrar and Paying Agent

* Denotes Final Maturity

will credit only such term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

Notice of any redemption will be mailed by first class mail by the Trustee not less than thirty (30) days prior to the date selected for redemption to the registered owners of all bonds to be redeemed at the address shown on the registration books of the Registrar and Paying Agent; provided, however, that failure to give such notice by mailing or a defect in the notice of the mailing as to the bonds will not affect the validity of any proceedings for redemption as to any other bonds for which adequate notice is given. Notice having been mailed, the bonds designated for redemption, on the date specified in such notice, will become due and payable at the then applicable redemption price.

On presentation and surrender of such 2025 Bonds in accordance with such notice at the place at which the same are expressed in such notice to be redeemable, such 2025 Bonds will be redeemed by the Registrar and Paying Agent for that purpose. From and after the date of redemption so designated, interest on such 2025 Bonds designated for redemption will cease and the owners of the 2025 Bonds shall have no rights in respect thereof, except to receive payment of the redemption price including unpaid interest accrued to the redemption date.

In the event of partial redemption, the 2025 Bonds shall be redeemed in such order of maturity as the Building Corporation shall direct and by lot within a maturity in such manner as the Registrar shall determine. If some 2025 Bonds are to be redeemed by optional redemption and mandatory sinking redemption on the same date, the Trustee shall select by lot the 2025 Bonds for optional redemption before selecting 2025 Bonds by lot for the mandatory sinking fund redemption.

Registration, Transfer and Exchange

The 2025 Bonds will be registered at and are transferable by the registered owners at the designated 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 2025 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.

Book-Entry-Only System

The Depository Trust Company (“DTC”), New York, NY, will act as depository for the 2025 Bonds. The 2025 Bonds will be issued as fully-registered 2025 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 2025 Bond certificate will be issued for each maturity of each series of the 2025 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2025 Bonds, except in the event that use of the book-entry system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2025 Bond documents. For example, Beneficial Owners of 2025 Bonds may wish to ascertain that the nominee holding the 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2025 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its

usual procedures, DTC mails an Omnibus Proxy to Building Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Building Corporation 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 2025 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Building Corporation, 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 Building Corporation 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.

A Beneficial Owner shall give notice to elect to have its 2025 Bonds purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such 2025 Bonds by causing the Direct Participant to transfer the Participant's interest in the 2025 Bonds, on DTC's records, to Tender/Remarketing Agent. The requirement for physical delivery of 2025 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2025 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2025 Bonds to Tender/Remarketing Agent's DTC account.

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

The Building Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2025 Bond certificates will be printed and delivered to DTC.

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

Revision of Book-Entry-Only System

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

ADDITIONAL BONDS

The Building Corporation may issue Additional Bonds on a parity with the Bonds from time to time to provide for the partial or full refunding of the Bonds, the additional construction and renovation to the Leased Premises under the Lease and for certain other limited purposes. Any series of Additional Bonds shall have maturities, interest rates, interest payment dates, denominations and other terms as provided in the supplemental indenture entered into in connection with the issuance of such Additional Bonds, provided that such terms and provisions shall not be otherwise inconsistent with the Trust Indenture. The Bonds, together with any Additional Bonds as may be issued on a parity basis therewith under the Trust Indenture, are to be equally and ratably secured and entitled to the protection given under the Trust Indenture.

SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS

The 2025 Bonds are valid and binding obligations secured by (i) a lien on and security interest in certain property described in the Indenture, including the Leased Premises on a parity basis with the 2015 Bonds and (ii) semi-annual Lease rental payments to be paid by the School Corporation directly to the Trustee (for the account of the Building Corporation) ("Rent") pursuant to the terms of the Lease. The Lease term has been extended for a period of twenty-two years, or the final maturity of the 2025 Bonds, whichever is the first to occur. 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. (See "SUMMARY OF THE LEASE – Lease Term and Rental," "PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION," and "CIRCUIT BREAKER TAX CREDIT" herein).

The Rent under the Lease secures the repayment of the 2025 Bonds and the 2015 Bonds.

The semi-annual rentals, under the Lease, which are required to be paid by the School Corporation through the final maturity of the 2025 Bonds are in such amounts sufficient to pay the principal of and interest on the 2025 Bonds. Pursuant to the terms of the Lease, rent is payable in advance for the following six-month period on December 31 and June 30.

Indiana law does not permit school corporations to pay full increased lease rental payments on a building or structure which the school corporation leases until the renovations at such building or structure are complete and ready for occupancy. The Lease provides for a rental payment increased annually by \$2,000,000 beginning on the day that the Leased Premises is completed and ready for occupancy or December 31, 2026. The School Corporation anticipates that substantial completion of the Project, will occur by December 31, 2026. If there are excessive delays in the Project and the Project is not completed by December 31, 2026 then sufficient funds may not be available to meet all of the principal and interest payments due on the 2025 Bonds on and after such dates.

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

Under the Lease, if for any reason the Leased Premises is partially or totally destroyed or unfit for occupancy, the Rent payments shall be proportionally abated. In accordance with the Lease, the School Corporation is required to maintain rental value insurance insuring Rent payments in connection with the loss of use of the Leased Premises due to casualty for a period of two years. In addition, the School Corporation is required to insure the Leased Premises against physical damage, however caused, in an

amount equal to the lesser of (i) the replacement cost thereof, with such exceptions ordinarily required by insurers, or (ii) the redemption price of the outstanding bonds under the Indenture.

INTERCEPT PROGRAM

Indiana Code Title 20, Article 48, Chapter 1, Section 11, as amended (the “Act”), requires the Department of Local Government Finance (the “DLGF”) to review levies and appropriations of school corporations for debt service or lease rental payments that are payable in the succeeding calendar year. In the event a school corporation fails to levy and appropriate sufficient funds for such purpose for the next succeeding calendar year, the DLGF must establish levies and appropriations which are sufficient to pay such obligations.

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

Pursuant to the 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 Rent to the Trustee. There can, however, be no assurance as to the levels or amounts that may from time to time be appropriated by the Indiana General Assembly for school purposes or that this provision of the Indiana Code will not be repealed. Furthermore, there may be a delay in payment of debt service due to the procedural steps required for the Trustee or other claimants to draw on the State Intercept Program.

The estimated State distributions for 2025 and resulting debt service coverage levels are as follows:

2025 Estimated State Grants ⁽¹⁾ :	\$ 10,755,162
* Estimated Combined Maximum Annual Debt Service (See page A-10)	3,681,000
State distributions required to provide 1.5x coverage	<u>5,521,500</u>
State distributions above 1.5x coverage amount	\$ 5,233,662

⁽¹⁾ Basic State Grant per Form 1782.

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

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, as amended), which implements the Constitutional Provision and provides taxpayers with a tax credit for all property taxes in an amount that exceeds a certain percentage of the gross assessed value of eligible property. See "CIRCUIT BREAKER TAX CREDIT" herein for further details on the levy and collection of property taxes.

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

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

The taxing unit must submit the following information to the DLGF via Gateway: (i) its estimated budget; (ii) the estimated maximum permissible tax levy, as determined by the DLGF; (iii) the current and proposed tax levies of each fund; (iv) the percentage change between the current and proposed tax levies of each fund; (v) the estimated amount, determined by the DLGF, by which the taxing unit's property taxes may be reduced by the Circuit Breaker Tax Credit; (vi) the amounts of excess levy appeals to be requested, if any; (vii) the time and place at which the taxing unit will conduct a public hearing related to the information submitted to Gateway; (viii) the time and place at which the taxing unit or appropriate fiscal body will meet to fix the budget, tax rate and levy of the taxing unit; and (ix) the date, time, and place of the final adoption of the budget, tax rate, and levy. The taxing unit must submit the information listed in (i) – (ix) above on

Gateway at least ten days prior to the date of the public hearing. The public hearing must be completed at least ten days before the taxing unit meets to fix the budget, tax rate and tax levy which by statute must each be established no later than November 1. The taxing unit must file the adopted budget with the DLGF within five days after adoption.

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

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

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

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

Personal property values are assessed January 1 of every year and are self-reported by property owners to county assessors using prescribed forms. The completed personal property return must be filed with the county assessors no later than May 15. Pursuant to State law, personal property is assessed at its actual historical cost less depreciation, in accordance with 50 IAC 4.2, the DLGF's Rules for the Assessment of Tangible Personal Property. Pursuant to IC 6-1.1-3-7.2, as amended, State law automatically exempts from property taxation the acquisition cost of a taxpayer's total business personal property in a county if the total business personal property is less than (i) eighty thousand dollars (\$80,000) for assessment dates before 2026, and (ii) two million dollars (\$2,000,000) for the 2026 assessment date and each assessment date thereafter.

Pursuant to State law, real property is valued for assessment purposes at its "true tax value" as defined in the Real Property Assessment Rule, 50 IAC 2.4, the 2021 Real Property Assessment Manual ("Manual"),

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

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

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

FUTURE CHANGES IN LAW

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2025 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 2025 Bonds. Prospective purchasers of the 2025 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the Bonds. It is possible that legislation enacted after the date of issuance of the 2025 Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the 2025 Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the 2025 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 2025 Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the 2025 Bonds.

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

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

The Issuer and School Corporation cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the 2025 Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

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

CIRCUIT BREAKER TAX CREDIT

Description of Circuit Breaker

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

agricultural property, and long-term care facilities are limited to 2% of the gross assessed value, property taxes attributable to other non-residential real property and personal property are limited to 3% of the gross assessed value. The Statute and other additional Indiana laws provide additional property tax credits, deductions, or exemptions, as applicable, for property taxes paid by homesteads or certain real property owners based on certain demographic categories or property uses.

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

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

The Statute requires political subdivisions to fully fund the payment of Debt Service Obligations, regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. For school corporations, any shortfall could also be funded through the State Intercept Program (See "State Intercept Program" herein); however, application of the State Intercept Program will result in a shortfall in distributions to the school corporation's education fund and school corporations are encouraged by the DLGF to fund any shortfall directly from the school corporation's other legally available funds to avoid the application of the State Intercept Program. Upon: (i) the failure of a political subdivision to pay any of its Debt Service Obligations; and (ii) notification of that event to the treasurer of the State by a claimant; the treasurer of State is required to pay the unpaid Debt Service Obligations from money in the possession of the State that would otherwise be available to the political subdivision under any other law. A deduction must be made from any other undistributed funds of the political subdivision in possession of the State.

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

After December, 31, 2023, if a school corporation issues new bonds or enters into a new lease rental agreement after July 1, 2023, for which the school corporation is imposing or will impose a debt service levy other than: (A) to refinance or renew prior bond or lease rental obligations existing before January 1, 2024, but only if the refinancing or renewal is for a lower interest rate; or (B) for indebtedness that is approved in a local public question or referendum under IC 6-1.1-20 or any other law, the school corporation will not be an Eligible School Corporation.

The School Corporation did not qualify for this exemption in 2025.

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

Tax Credit. The application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund. The School Corporation may allocate the reduction by using a combination of unprotected taxes of the political subdivision in those taxing districts in which the Circuit Breaker Tax Credit caused a reduction in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

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

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

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

Estimated Circuit Breaker Tax Credit for the School Corporation

According to the DLGF, the Circuit Breaker Tax Credit allocable to the School Corporation for budget years 2023, 2024 and 2025 are \$23,672, \$20,891 and \$25,978, respectively. These estimates do not include the estimated debt service on the 2025 Bonds and lease rentals on the Lease securing the 2025 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.

Pursuant to SEA 1, the local income tax authorized pursuant to Indiana Code § 6-3.6-5 that is utilized for property tax relief expires beginning in 2028, which may increase circuit breaker tax credits in 2028 and thereafter.

SCHOOL CORPORATION FISCAL INDICATORS

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

Further, pursuant to the DUAB Law, starting in June, 2019, the DUAB has been charged with making a determination of whether a corrective action plan is necessary for any school corporations, based upon a

process of initial identification by the DUAB's executive director pursuant to such fiscal and qualitative indicators, and a contact and assessment of each such school corporation by the DUAB's executive director.

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

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

THE BUILDING CORPORATION

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

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

LEGAL MATTERS

Certain legal matters incident to the issuance of the 2025 Bonds and with regard to the tax status of the interest thereon (see "TAX MATTERS") will be passed upon by Ice Miller LLP ("Bond Counsel"). A signed copy of the opinion for the 2025 Bonds, dated and premised on facts and laws existing as of the date of original delivery of the 2025 Bonds will be delivered to dated and premised on facts and laws existing as of the date of original delivery of the 2025 Bonds will be delivered to the Underwriter at the time of that original delivery. A copy of the opinion proposed to be delivered by Bond Counsel for the 2025 Bonds is attached as Appendix C. Certain legal matters will be passed on by Church, Church, Hittle & Antrim, Noblesville, Indiana, counsel for the Building Corporation and the School Corporation.

The engagement of Ice Miller LLP as Bond Counsel is limited generally to the examination of the documents contained in the transcript of proceedings, and examination of such transcript of proceedings and the law incident to rendering the approving legal opinion referred to above, and the rendering of such approving legal opinion. In its capacity as Bond Counsel, Ice Miller LLP has reviewed those portions of this Official Statement under the captions: "SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS", "THE 2025 BONDS" (except for the Sections entitled "BOOK – ENTRY-ONLY SYSTEM" AND "REVISION OF BOOK-ENTRY-ONLY SYSTEM"), "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE", "SUMMARY OF THE LEASE", "TAX MATTERS," "LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES," "AMORTIZABLE BOND PREMIUM," "ORIGINAL ISSUE DISCOUNT," and "CONTINUING DISCLOSURE." 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 Building Corporation, the Trustee, or the Underwriter.

LITIGATION

No litigation or administrative action or proceeding is pending or, to the knowledge of the Building Corporation and the School Corporation, threatened restraining or enjoining, or seeking to restrain or enjoin, the levy and collection of taxes to pay the Rent to be paid under the Lease, or contesting or questioning the proceedings or authority under which the Lease was authorized, or the validity of the Lease. No litigation or administrative action or proceeding is pending or, to the knowledge of the School Corporation and the Building Corporation, threatened concerning the issuance, validity and delivery of the 2025 Bonds. Certificates to such effect will be delivered at the time of the original delivery of the 2025 Bonds.

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

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

Application of Bond Proceeds

Proceeds in an amount equal to costs of issuance shall be deposited in the 2025 Bond Issuance Expense Account of the Construction Fund. The remaining proceeds of the Bonds shall be deposited in the 2025 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 Northwestern Consolidated School Building Corporation Construction Fund (the "Construction Fund"), (2) the Northwestern Consolidated School Building Corporation Sinking Fund (the "Sinking Fund"), (3) the Northwestern Consolidated School Building Corporation Operation and Reserve Fund (the "Operation and Reserve Fund"), and (4) the Northwestern Consolidated School Building Corporation Rebate Fund (the "Rebate Fund").

The Construction Fund will be used to finance the renovation of and improvements to school facilities owned and operated by the School Corporation, including HVAC improvements, interior renovations, site and athletics improvements, deferred maintenance improvements, and the purchase of equipment, technology and vehicles (collectively, the "Project"), to pay costs of issuance of the Bonds and to pay interest on the Bonds during construction, if necessary. 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 2025 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 2025 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 2025 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 2025 Bonds are called for redemption, to pay the principal, interest, and redemption premium, if any, on the 2025 Bonds, (d) to purchase 2025 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 2025 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 2025 Bonds secured by the Trust Indenture then outstanding, the Trustee shall apply the amounts in such Funds to the redemption of such 2025 Bonds pursuant to the Trust Indenture.

Investment of Funds

The Trustee shall invest the moneys in funds created in the Trust Indenture in (i) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, (iv) Federal Housing Administration debentures, (v) Federal Home Loan Mortgage Corporation participation certificates and senior debt obligations (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts), (vi) Farm Credit Bank consolidated system wide bonds and notes, (vii) Federal Home Loan Banks consolidated debt obligations, (viii) Federal National Mortgage Association senior debt obligations and mortgage backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts), (ix) unsecured certificates of deposit, time deposits and bankers' acceptances of any bank (including the Trustee and its affiliates) the short term obligations of which are rated "A 1" or better by S&P Global Ratings having an original maturity of not more than 360 days, (x) commercial paper (having original maturities of not more than 270 days) rated "A 1+" by S&P Global Ratings and "Prime 1" by Moody's at the time of purchase, (xi) evidence of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated, (xii) deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), including CDARS, (xiii) State and Municipal Obligations, which means (a) direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated in the two highest rating categories by S&P Global Ratings or Moody's at the time of purchase, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated, (b) direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P Global

Ratings or "MIG-1" by Moody's at the time of purchase, (c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated in the two highest rating categories by S&P Global Ratings or Moody's at the time of purchase, (xiv) money market funds, which funds may be funds of the Trustee or its affiliates, including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise, and which funds are rated "AAAm" or "AAAm-G" by S&P Global Ratings, (xv) repurchase and reverse repurchase agreements collateralized with Government Securities, including those of the Trustee of any of its affiliates, (xvi) investment deposit agreements constituting an obligation of a bank (including the Trustee and its affiliates), whose outstanding unsecured long term debt is rated at the time of such agreement in any of the two highest rating categories by S&P global Ratings or Moody's, or (xvii) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic banks whose short term certificates of deposit are rated on the date of the purchase in any of the two highest rating categories by any S&P Global Ratings or Moody's and maturing no more than 360 days after the date of the purchase. Any income or interest realized upon any such investment shall be credited and any loss shall be charged to the Fund or Account from which the moneys were invested. Securities purchased with moneys from the Sinking Fund or the Rebate Fund shall mature prior to the time the moneys invested will be needed to pay the amounts which must be paid from such funds. Moneys in the Sinking Fund and Rebate Fund shall be invested without restriction as to yield during an applicable temporary period pending their use. Moneys in the Construction Fund after one (1) year of the date of issuance of the 2025 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 2025 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 2025 Bonds;
- (c) it is duly authorized under the laws of the State of Indiana to create and issue the 2025 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 2025 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 2025 Bonds permitted by the Trust Indenture, and Additional Bonds, as long as the 2025 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 2025 Bonds, any moneys received from lease rentals payable according to the Lease, amounts received from the investment of the proceeds of the 2025 Bonds or other amounts received shall not be invested in such manner which would cause the 2025 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 2025 Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the 2025 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 2025 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 2025 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 2025 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, (b) business income coverage or other similar insurance providing "rental value" coverage and naming the Lessor as an additional insured, which 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 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 2025 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 2025 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 2025 Bonds; failure to pay interest on the 2025 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 2025 Bonds then outstanding and upon being indemnified to its reasonable satisfaction shall, declare the principal amount of and interest accrued on all outstanding 2025 Bonds immediately due and payable; subject, however, to the rights of the holders of the majority in principal amount of all the outstanding 2025 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 2025 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 2025 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 2025 Bonds, with interest at the highest rate of interest on any of the 2025 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 2025 Bonds is due, to the payment of the principal thereof and the accrued interest thereon pro rata. No holder of all of the 2025 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 2025 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 2025 Bonds.

The holders of not less than 66-2/3% in aggregate principal amount of the 2025 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 2025 Bond;
- (b) A reduction in the principal amount of any 2025 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 2025 Bond or 2025 Bonds over any other 2025 Bond or 2025 Bonds; or
- (e) A reduction in the aggregate principal amount of the 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Bonds outstanding.

If the whole amount of the principal, premium, if any, and interest so due and payable upon all of the 2025 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 2025 Bonds.

SUMMARY OF THE LEASE

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

Acquisition and Construction of the Leased Premises

The 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 being extended for a term of twenty-two (22) years. By each rent payment date, the School Corporation is to pay the installment of rent due under the Lease. Each installment of rent is payable in advance for the following six-month period on June 30 and December 31, commencing on December 31, 2026, or on the date the Leased Premises are completed and ready for occupancy, whichever is later. The

annual rent to be paid is \$2,000,000 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 building is 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 2025 Bonds and all such 2025 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 2025 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.

TAX MATTERS

In the opinion of Ice Miller LLP, Indianapolis, Indiana ("Bond Counsel") under existing laws, regulations, judicial decisions and rulings, interest on the 2025 Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the 2025 Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. This opinion is conditioned on continuing compliance by the Issuer with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the 2025 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 2025 Bonds is exempt from income taxation in the State of Indiana (the "State"). This opinion relates only to the exemption of interest on the 2025 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 2025 Bonds as a condition to the exclusion from gross income of interest on the 2025 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 2025 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 2025 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 2025 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 2025 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 2025 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 2025 Bonds.

Although Bond Counsel will render an opinion in the form attached as Appendix C hereto, the accrual or receipt of interest on the 2025 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 2025 Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the 2025 Bonds should consult their own tax advisors with regard to the other tax consequences of owning the 2025 Bonds.

Under existing laws, judicial decisions, regulations and rulings, the 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 2025 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 2025 Bonds maturing on _____ (collectively, the "Premium Bonds"), is greater than the principal amount payable at maturity. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the "Bond Premium"). An owner who acquires a Premium Bond in the initial public offering of the 2025 Bonds will be required to adjust the owner's basis in the Premium Bond downward as a result of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Premium Bonds, including sale, redemption or payment at maturity. The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning Premium Bonds. Owners of the 2025 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.

PUBLIC HEALTH EMERGENCIES

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus ("COVID-19" or the "Pandemic"), could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession. The Issuer cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the Issuer associated with operating during any public health emergencies, including, but not limited to, the amount

of (1) costs to clean, sanitize and maintain its facilities, (2) costs to hire substitute employees, (3) costs to acquire supporting goods and services, or (4) costs to operate remotely and support the employees of the Issuer. Accordingly, the Issuer cannot predict the effect any public health emergencies will have on the finances or operations of the Issuer or whether any such effects will have a material adverse effect on the ability to support payment of debt service on the 2025 Bonds.

The School Corporation has applied for available state and federal assistance in the form of CARES Act, FEMA Funds and ESSER Funds and has received state and federal dollars for costs related to the Pandemic.

CYBERSECURITY

School districts, like other governmental and business entities, face significant risks relating to the use and application of computer software and hardware for educational and operational and management purposes. The School Corporation also collects, processes and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors and contractors. As the custodian of such information, the School Corporation may face cybersecurity threats from time to time. Given the importance of cybersecurity for school districts, federal lawmakers recently approved the K-12 Cybersecurity Act of 2021 to study cybersecurity risks that school districts face and develop recommended guidelines and an online training toolkit for school district officials to address such cybersecurity risks. No assurances can be given that the School Corporation's cybersecurity control measures will be successful in guarding against any and each cyber threat and attack. The results of any attack on the School Corporation's computer and information technology systems could impact its operations and damage the School Corporation's digital networks and systems, and the costs of remedying any such damage could be substantial.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the 2025 Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available to the bondholders upon a default under the 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 the owners of the 2025 Bonds.

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

These exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the School Corporation), in a manner consistent with the public health and welfare.

Enforceability of the Trust Indenture and the Lease in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission ("SEC") in SEC Rule 15c2-12, as amended (the "SEC Rule"), the School Corporation has entered into a Master Continuing Disclosure Undertaking dated June 1, 2016, as previously amended and supplemented (collectively, the "Original Undertaking"). In connection with the issuance of the Bonds, the School Corporation will enter into a Fourth Supplement to the Original Undertaking (the "Supplement" and together with the Original Undertaking, the "Undertaking").

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

The School Corporation may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the 2025 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 2025 Bonds, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the 2025 Bonds pursuant to the terms of the 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 2025 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 2025 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 2025 Bonds or any other agreement.

In order to assist the Underwriter in complying with the Underwriter's obligations pursuant to the SEC Rule, the School Corporation represents that it has conducted or caused to be conducted what it believes to be a reasonable review of the School Corporation's compliance with its existing continuing disclosure obligations. Based upon such review, the School Corporation is not aware of any instances in the previous five (5) years in which the School Corporation has failed to comply in any material respects with its previous undertaking agreements. The School Corporation has contracted with Ice Miller LLP as the dissemination agent to assist with future compliance filings.

UNDERWRITING

The 2025 Bonds are being purchased, subject to certain conditions, by Stifel, Nicolaus & Company, Incorporated (the "Underwriter" or "Stifel"). The Underwriter has agreed to purchase all, but not less than all, of the 2025 Bonds at an aggregate amount of \$_____, which includes the par amount of the 2025 Bonds, less an Underwriter's discount of \$_____, plus original issue premium of \$_____.

The Underwriter may offer and sell the 2025 Bonds to certain dealers (including dealers depositing the 2025 Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the inside cover page. The initial public offering prices of the 2025 Bonds may be changed, from time to time, by the Underwriter.

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

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

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

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, New York, New York ("S&P"), has assigned a rating of "AA+" (Stable Outlook) to the 2025 Bonds based upon the Indiana State Intercept Program (see "INTERCEPT PROGRAM" above) (the "Programmatic Rating Program"). Standard & Poor's has assigned an Issuer Credit rating of "A+" (Negative Outlook). Such ratings reflect only the view of Standard & Poor's and any explanation of the significance of such ratings may be obtained from Standard & Poor's.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the 2025 Bonds. No other ratings have been applied for.

Such ratings are not to be construed as a recommendation of the rating agency to buy, sell or hold the 2025 Bonds, and the rating assigned by any rating agency should be evaluated independently. Except as may be required by the undertaking described under the heading "CONTINUING DISCLOSURE," the form of which is attached hereto as Appendix D, none of the Building Corporation, the School Corporation or the

Underwriter undertakes responsibility to bring to the attention of the owners of the 2025 Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

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. The Underwriter has referred to the documents for details of all terms and conditions thereof relating to the Leased Premises and the 2025 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 2025 Bonds. Any statements in this Official Statement involving matters of opinion whether or not expressly so stated, are intended as such and not as representations of fact.

During the initial offering period for the 2025 Bonds, copies of the forms of the Lease and Trust Indenture can be obtained from the Public Finance Department of the Underwriter, 201 N. Illinois Street, Suite 350, Indianapolis, Indiana 46204, upon request.

This Official Statement has been authorized and approved by the Building Corporation and is deemed to be nearly final in form. The Building Corporation will provide the Underwriter with sufficient copies of the Official Statement in a timely manner.

**NORTHWESTERN CONSOLIDATED
SCHOOL BUILDING CORPORATION**

By: /s/
President, Board of Directors

TRITON CENTRAL SCHOOLS

By: /s/
President, Board of Trustees

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APPENDIX A

TRITON CENTRAL SCHOOLS

General

Triton Central Schools, formerly known as Northwestern Consolidated School District, Shelby County, Indiana (the "School Corporation") is organized under the provisions of Indiana Code 20-23. The School Corporation is comprised of Brandywine, Moral and Sugar Creek Townships and a portion of the City of Shelbyville. Total land area for the School Corporation is approximately 83 square miles and makes up 20% of the land area of Shelby County.

A seven member board of school trustees (the "Board"), elected to four year staggered terms, governs the School Corporation. Administrative functions are carried out by a superintendent of schools, appointed by the Board. A central office staff complements the leadership of the superintendent. The central office facilities are located near the Town of Fairland.

School Board

<u>Name and Position</u>	<u>Expiration of Term</u>
Brooke Lockett, President	12/31/2026
Travis Hensler, Vice President	12/31/2026
David Ploog, Secretary	12/31/2026
Sam Allen, Member	12/31/2028
Karen Humphreys, Member	12/31/2026
Shay Tranchant, Member	12/31/2028
Wilson Turner, Member	12/31/2028

Source: School Corporation

Administration

<u>Name</u>	<u>Title</u>	<u>Years of Service</u>
Christopher Hoke	Superintendent	10
Tammy Achenbach	Corporation Treasurer	7
Chuck Miller	Director of Maintenance	19
Josh Landis	Director of Technology	13
Susie Childress	Director of Transportation	17

Personnel

The School Corporation, as of October 22, 2025, had a total staff of 173 personnel, 138 full time and 35 part-time, allocated in categories as

<u>Staffing Category</u>	<u>Full Time</u>	<u>Part Time</u>
Administration	15	0
Teachers	79	1
Counselors	3	0
Librarians	0	1
Social Workers	1	2
Secretarial/Clerical	12	1
Nurses	1	1
Maintenance/Custodial	11	2
Food Service/Cafeteria	0	0
Aides	11	15
Bus Drivers	5	12
Total	138	35

Source: School Corporation

Facilities

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

<u>Name of School</u>	<u>Grades Accommodated</u>	<u>Dates of Construction</u>	
		<u>Original</u>	<u>Last Addition/ Renovation</u>
Triton Central High	9-12	1964	2025
Triton Central Middle	5-8	1985	2019
Triton Central Elementary	Pre K-4	1969	2016

Source: School Corporation

Employment Relations

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

<u>Organization</u>	<u>Represents</u>	<u>Expiration Date</u>
Triton Central Teacher's Association	Teachers	6/30/2025

Note: Contract with the Triton Central Teacher's Association is currently in status quo per Indiana state law. Renegotiation period has begun and will be ratified no later than November 15, 2025.

Source: School Corporation

Enrollments

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>
2021-22	1,397	2026-27	1,284
2022-23	1,398	2027-28	1,247
2023-24	1,355	2028-29	1,243
2024-25	1,329	2029-30	1,231
2025-26	1,332	2030-31	1,241

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

Source: School Corporation

Net Assessed Valuation

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

<u>Tax Payment Year</u>	<u>Net Assessed Valuation</u>	<u>Tax Payment Year</u>	<u>Net Assessed Valuation</u>
2017	\$436,856,828	2022	\$454,530,466
2018	401,278,451	2023	537,216,637
2019	407,252,707	2024	584,331,505
2020	425,876,108	2025	623,529,817
2021	442,017,309	2026	597,730,115

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

The Gross Assessed Valuation of the School Corporation for the property assessed in 2024 and taxes paid in 2025 is \$1,310,781,150.

Source: Indiana Department of Local Government Finance

Largest Taxpayers

The largest taxpayers in the School Corporation are listed below:

<u>Taxpayer</u>	<u>Type of Business</u>	2024 Pay 2025 <u>Assessed Valuation</u>
Centaur Acquisition	Casino	\$126,183,420
Kroger	Retail/Grocery	31,422,530
Bowen Engineering Corporation	General Contractor	13,505,120
Beaty Construction, Inc.	Highway Construction	10,614,330
Jupiter Aluminum	Aluminum Recycling	8,115,670
HIS Constructors, Inc./BRC Land Holdings, LLC	Construction Services	9,589,960
Poet Biorefining	Biofuel Processing	4,290,200
Five Below Inc.	Retail	3,690,700
Pilot Travel Centers	Truck Stop/Gas Station	3,272,400
Velocity 74 Building	Real Estate	2,682,000

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

Source: Shelby County Auditor

Taxes Levied and Collected

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

<u>Collection Year</u>	<u>Taxes Levied</u>	<u>Circuit Breaker</u>	<u>Net Taxes Levied</u>	<u>Taxes Collected</u>	<u>Percent Taxes Collected</u>
2020	\$3,821,386	\$13,032	\$3,808,354	\$3,800,978	99.8%
2021	3,811,073	14,642	3,796,431	3,985,871	105.0%
2022	3,907,598	11,955	3,895,643	3,963,590	101.7%
2023	4,634,030	23,672	4,610,358	4,649,286	100.8%
2024	5,040,444	20,890	5,019,554	5,098,439	101.57%
2025 (est)	5,195,251	(25,978)	5,169,274	[...In Progress...]	

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

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

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

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

School Tax Rates

The following tax rates (per \$100 of assessed valuation) are gross rates.

<u>Fund</u>	Tax Rate					
	2020	2021	2022	2023	2024	2025
Debt Service	\$0.3832	\$0.3461	\$0.3362	\$0.3976	\$0.4180	\$0.3999
Operations	0.5141	0.5161	0.5235	0.4650	0.4446	0.4333
Total	\$0.8973	\$0.8622	\$0.8597	\$0.8626	\$0.8626	\$0.8332

Source: Indiana Department of Local Government Finance

Financial Statements

The School Corporation is audited biennially by the Indiana State Board of Accounts. The School Corporation maintains its system of accounts on a cash basis as prescribed by the SBA ("SBA") "Accounting and Uniform Compliance Manual for Indiana Public School Corporations" (2010 Revised Edition). Bi-annual Financial Reports (Form 9) are filed with the Indiana Department of Public Instruction. The most recent federal audit by the SBA was filed on March 12, 2024 for the period July 1, 2021 to June 30, 2023. The School Corporation does not control the timing of the review or release of the audit report by the SBA.

The School Corporation maintains three principal funds: the Education Fund, the Debt Service Fund and the Operations Fund. A Rainy Day Fund and other funds are used for specific purposes, such as federal grants and donations.

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

A copy of the School Corporation's Audit Report for the period July 1, 2021 to June 30, 2023, is included as Appendix E to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the School Corporation's financial position. Such financial statements have been audited by the SBA, to the extent and for the periods indicated thereon. The School Corporation has not requested the SBA to perform any additional examination, assessment or evaluation with respect to such financial statements since the date thereof, nor has the School Corporation requested that the SBA consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial information in this Official Statement is not intended to demonstrate the fiscal condition of the School Corporation since the date of such financial information, in connection with the issuance of the 2025 Bonds, the School Corporation represents that there has been no material adverse change in the financial position or results of operations of the School Corporation, nor has the School Corporation incurred any material liabilities, which would make such financial information misleading.

School Corporation Receipts and Disbursements

	<u>2020</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
DEBT SERVICE FUND					
Jan. 1 Balance	\$901,283	\$704,317	\$1,204,812	\$1,157,103	\$1,740,420
Receipts					
Property Taxes	1,639,175	1,601,756	1,550,501	2,155,610	2,488,653
Fin. Inst., Excise Taxes	221,930	213,455	207,686	233,186	248,796
Local Option Prop. Tax	0	0	0	0	0
Replacement					
Other Local Sources	0	583,174	0	0	0
Adjustments & Refunds	0	0	0	0	0
Interim Loans	0	0	0	0	0
Total Receipts	\$1,861,105	\$2,398,384	\$1,758,187	\$2,388,896	\$2,737,450
Expenditures	2,058,071	1,897,889	1,805,896	1,805,580	2,987,000
Dec. 31 Balance	\$704,317	\$1,204,812	\$1,157,103	\$1,740,420	\$1,490,870
EDUCATION FUND					
Jan. 1 Balance	\$1,623,607	\$1,577,993	\$1,594,682	\$1,419,418	\$1,286,966
Receipts					
Local Sources	177,286	182,134	158,718	256,971	388,561
Intermediate Sources	27	51	50	49	48
State Sources	9,899,609	9,892,256	10,008,162	10,372,625	10,764,298
Other Sources	0	0	15	0	0
Transfers from other Funds	0	0	0	0	499,815
Total Receipts	\$10,076,922	\$10,074,441	\$10,166,945	\$10,629,645	\$11,152,997
Expenditures	8,877,314	9,057,752	9,142,209	9,612,097	10,088,601
Transfers to other Funds	1,245,222	1,000,000	1,200,000	1,150,000	1,100,000
Dec. 31 Balance	\$1,577,993	\$1,594,682	\$1,419,418	\$1,286,966	\$1,751,177
OPERATIONS FUND					
Jan. 1 Balance	\$1,849,689	\$2,245,099	\$1,563,354	\$1,805,331	\$1,331,331
Receipts					
Local Property Taxes	2,161,803	2,384,115	2,413,089	2,493,676	2,609,785
Fin. Inst. Tax	31,850	41,108	46,908	18,100	29,738
License Excise Tax	265,891	258,614	255,797	221,287	220,642
Other Local Sources	38,867	71,855	133,523	156,863	116,172
Intermediate Sources	0	0	0	0	0
State Sources	0	0	0	0	0
Other Sources	20,097	7,818	16,689	7,982	34,990
Transfers from other Funds	1,245,222	1,000,000	1,200,000	1,150,000	1,100,000
Total Receipts	\$3,763,730	\$3,763,510	\$4,066,006	\$4,047,808	\$4,114,327
Expenditures	3,368,320	4,445,255	3,824,029	4,521,808	4,333,260
Dec. 31 Balance	\$2,245,099	\$1,563,354	\$1,805,331	\$1,331,331	\$1,112,398

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

Cash Balances by Funds

<u>Dec.</u> <u>31</u>	<u>Debt</u> <u>Service</u>	<u>Education</u>	<u>Operations</u>	<u>Other</u>	<u>Total</u>
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2020	\$704,317	\$1,577,993	\$2,245,099	\$1,193,737	\$5,721,147
2021	1,204,812	1,594,682	1,563,354	1,393,008	5,755,856
2022	1,157,103	1,419,418	1,805,331	1,675,062	6,056,914
2023	1,740,420	1,286,966	1,331,331	1,704,635	6,063,352
2024	1,490,870	1,751,177	1,112,398	1,123,192	5,477,637

Source: School Corporation Annual Financial Reports (Form 9)

Anticipated Receipts & Disbursements - Calendar Year 2025 Budget

<u>Receipts</u>	<u>Education Fund</u>	<u>Debt Service Fund</u>	<u>Operations Fund</u>
Property Tax	-	\$2,493,496	\$2,690,208
Bank & Excise	-	212,500	230,249
State Grants	10,768,162	-	-
Miscellaneous	<u>302,000</u>	<u>-</u>	<u>1,346,546</u>
Totals	\$11,070,162	\$2,705,996	\$4,267,003
Disbursements	\$10,855,763	\$3,399,912	\$4,570,967

⁽¹⁾ Includes Property Tax Cap Impact of (\$11,547).

Source: Form 1782 Notice

State of Indiana Payments

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

<u>Year</u>	<u>Total</u>
2020	\$10,010,187
2021	10,054,942
2022	10,169,313
2023	10,363,085
2024	10,738,966
2025 (est). ⁽¹⁾	10,755,162

(1) Includes Basic Grant only.

Sources: School Corporation Annual Financial Reports (Form 9); School Corporation Form 1782 Notice

Indebtedness

The following tabulation, as October 21, 2025, has been adjusted to reflect the issuance of the 2025 Bonds.

		<u>Per Capita</u>	<u>Percent of Assessed Valuation</u>
Net Assessed Value (2026)	\$597,730,115	\$75,111	--
Direct Debt	\$30,580,000	3,843	5.12%
Direct & Underlying/Overlapping Debt	\$61,777,028	7,763	10.34%

2021 Estimated Population: 7,958

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

<u>Direct Debt</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
Lease Obligations				
Ad Valorem Property Tax First Mortgage Bonds, Series 2025 (This Issue)*	__/__/25	\$6,600,000		\$6,600,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2023	10/18/23	5,960,000	2027	4,685,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2019	12/19/19	3,015,000	2033	2,460,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2017	5/18/17	1,820,000	2032	1,820,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2016	6/21/16	1,890,000	2030	1,890,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2015	6/30/15	1,855,000	2028	1,060,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2014	5/29/14	1,895,000	2034	1,150,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2013	6/6/13	1,900,000	2033	915,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2010 (QSCB)	6/10/10	10,000,000	2027	<u>10,000,000</u>
Total Direct Debt				\$30,580,000

*Preliminary; subject to change.

The School Corporation has an equipment lease with an approximately outstanding balance of approximately \$168,966.

<u>Underlying and Overlapping Tax Supported Debt ⁽¹⁾</u>	<u>Applicable</u>	
	<u>Outstanding Amount</u>	<u>Percent Amount</u>
Shelby County	\$16,600,000	18.66%
City of Shelbyville	54,984,527	49.24%
Shelby County Public Library	2,405,000	18.66%
Shelby County Recycling District	3,080,000	18.66%
Total Underlying/Overlapping Debt		\$31,197,028

⁽¹⁾ Includes debt obligations in which property tax is pledged as a primary and secondary source.

Sources: Direct Debt from School Corporation Records; Other Debt from Indiana Department of Local Government Finance "Gateway" website; Population from 2017-2021 American Community Survey

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

Combined Debt Service Requirements

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

Year	2010 QSCB	2013 FMB	2014 FMB	2015 FMB	2016 FMB	2017 FMB	2019 FMB	2023 FMB	2025 FMB*	Total
2025	1,503,912	142,000	156,000	94,000	58,000	74,000	272,000	1,100,000		3,399,912
2026	1,566,000	142,000	154,000	54,000	58,000	74,000	270,000	998,000	365,000	3,681,000
2027		140,000	152,000	1,058,000	58,000	74,000	308,000	997,000	450,000	3,237,000
2028		144,000	156,000		984,000	74,000	432,000	358,000	550,000	2,698,000
2029		140,000	156,000		983,000	74,000	432,000	361,000	550,000	2,696,000
2030		146,000	156,000			956,000	528,000	363,000	550,000	2,699,000
2031		140,000	156,000			960,000	528,000	360,000	550,000	2,694,000
2032		146,000	156,000				286,000	361,000	550,000	1,499,000
2033			154,000					361,000	550,000	1,065,000
2034			80,000					358,000	550,000	988,000
2035								360,000	615,000	975,000
2036								362,000	615,000	977,000
2037								360,000	615,000	975,000
2038								360,000	615,000	975,000
2039									615,000	615,000
2040									615,000	615,000
2041									615,000	615,000
2042									615,000	615,000
2043									615,000	615,000
2044									615,000	615,000

*This Issue; Preliminary, subject to change.

Source: School Corporation

Future Financing

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

Debt Payment History

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

Sources: Indiana Gateway; School Corporation

Pension and Post Employment Obligations

Public Employees' Retirement Fund Plan Description

All full-time non-certified employees of the School Corporation are covered under the Public Employees Retirement Fund of Indiana ("PERF"). PERF consists of: (i) a defined benefit contribution plan, and (ii) a defined contribution plan. Based on census data as of June 30, 2023, there were approximately 121,200 total PERF active members statewide making contributions.

The INPRS Board sets, at its discretion, the applicable employer contribution rates upon considering their results of the actuarial valuation and other analysis as appropriate. The School Corporation currently contributes at a rate of 11.2% of earned salary or compensation. Additionally, employees are required to contribute 3% of their compensation to wages to fund the defined contribution portion of the PERF; however employers may "pick up" the employee contributions. The School Corporation does not make the 3% contribution on behalf of its employees.

The School Corporation's total contributions to PERF for the fiscal years ended June 30, 2024 and 2025 were \$186,791.78 and \$195,164.38, respectively. The anticipated contribution for the year ending June 30, 2026 is \$203,664.38.

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

Teachers' Retirement Fund Plan Description

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

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

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

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

contribution portion of the 1996 Account. Employers may choose to make this contribution on behalf of its employees, and the School Corporation does so.

The School Corporation's total contributions to the Fund for the fiscal years ended June 30, 2024 and 2025 were \$477,561.55 and \$505,781.50, respectively. The anticipated contribution for the year ending June 30, 2026 is \$534,001.45.

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

Governance

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

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

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

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

Other Postemployment Benefits

The School Corporation offers defined benefit plans by contributing 2.5% of an eligible employee's salary in both 401(a) and VEBA accounts, the balances of which may be paid out upon meeting certain eligibility requirements. In the fiscal years ending June 30, 2024 and 2025, the School Corporation paid \$66,419.94 and \$61,620.17 from the Education Fund for this benefit and the estimated contribution for the fiscal year ended June 30, 2026 is \$62,000.00. The School Corporation also offers a \$65 payout per year of service. And lastly, retirees are eligible to remain on the School Corporation's health insurance until Medicare eligibility but are responsible to pay the full cost of the benefit.

Source: School Corporation

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APPENDIX B

GENERAL INFORMATION ABOUT THE AREA

Location

Triton Central Schools, formerly known as Northwestern Consolidated School District, (the "School Corporation") is located in southeast central Indiana, approximately 30 miles southeast of Indianapolis, Indiana and 40 miles north of Columbus, Indiana.

Population

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

	<u>2000</u>	<u>2010</u>	<u>2021</u>
School Corporation	7,878	7,678	7,958
Shelby County	43,445	44,436	44,825
Percentage of County	18.1%	17.3%	17.8%

Sources: U.S. Census Bureau, 2000 American Community Survey 5-Year Estimates; U.S. Census Bureau, 2010 American Community Survey 5-Year Estimates; and U.S. Census Bureau 2021 American Community Survey 5-Year Estimates.

Total Tax Rates

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

<u>Civil Unit</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Townships:					
Brandywine	\$1.3814	\$1.3976	\$1.4063	\$1.3936	\$1.5359
Moral	1.3817	1.3933	1.3862	1.3693	1.3067
Sugar Creek	1.3693	1.3808	1.3757	1.3597	1.5257
Shelbyville-Brandywine	2.6523	2.7009	2.6490	2.6034	2.5437
City & Towns:					
Town of Fairland	2.0645	1.9386	1.9113	1.8520	2.0078

Source: Indiana Department of Local Government Finance

Largest Employers

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

<u>Name</u>	<u>Type of Business</u>	<u>Employees</u>
Penske Logistics	Cold Storage/ Distribution	1,000
Ryobi Die Casting USA, Inc.	Die Cast Products	977
Horseshoe Indianapolis	Entertainment/Recreation	917
Knauf Insulation	Insulation Products	731
Freudenberg NOK	Sealing Technologies	498
NSG Group	Auto Parts Supplier	375
PK USA	Steel and Plastic Automotive Parts	285
Bunge	Soybean Processing	175
PMC Smart Solutions	Hyper-Precision Molding & Contract Assembly	144
Klosterman Baking Company	Commercial Baking	108

Source: Shelby County Development Corporation

Total Covered Employment for the 1st Quarter of 2025 was 18,540. Employment patterns for Shelby County were:

<u>Employment Category</u>	<u>Number of Employees</u>	<u>% of Total Employment</u>
Manufacturing	4,956	28.04%
Health Care and Social Services	2,719	15.38%
Retail Trade	1,440	8.15%
Transportation & Warehousing	1,404	7.94%
Accommodation and Food Services	1,313	7.43%
Educational Services	1,241	7.02%
Admin. & Support & Waste Mgt. & Rem. Services	1,013	5.73%
Construction	994	5.62%
Public Administration	654	3.70%
Wholesale Trade	533	3.02%
Other Services (Except Public Administration)	428	2.42%
Professional, Scientific, and Technical Services	284	1.61%
Finance and Insurance	188	1.06%
Agriculture, Forestry, Fishing and Hunting	153	0.87%
Real Estate and Rental and Leasing	141	0.80%
Mining	83	0.47%
Information	79	0.45%
Utilities	51	0.29%
Management of Companies and Enterprises	D	--
Arts, Entertainment, and Recreation	D	--
Total	17,674	100.00%

D = This item is not available due to non-disclosure requirements.

Source: County Employment Patterns – STATS Indiana

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

<u>Shelby County</u>	<u>Annual Averages</u>				<u>2025</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>(July)</u>
Labor Force	23,253	23,800	22,849	23,330	23,851
Unemployed	767	590	680	870	805
Rate of Unemployment	3.3%	2.5%	3.0%	3.7%	3.4%
State of Indiana	3.9%	3.1%	3.4%	4.2%	3.8%
United States	5.3%	3.6%	3.6%	4.0%	4.5%

Source: County Employment Patterns – STATS Indiana

Transportation

Major transportation routes located in the School Corporation area include Interstate 74, U.S. Highway 421 and State Roads 9 and 44. Rail freight service to the area is provided by Central Railroad Co. of Indiana and CSX Transportation Inc. Freight and charter air services are provided at the Shelbyville Municipal Airport, Shelbyville, Indiana. Commercial flights are available at Indianapolis International Airport, Indianapolis, Indiana.

Higher Education

Colleges and Universities in the area include:

<u>Institution</u>	<u>Location</u>
Butler University	Indianapolis
Indiana University at Indianapolis	Indianapolis
Anderson University	Anderson
University of Indianapolis	Indianapolis
Marian University	Indianapolis
Ivy Tech Community College	Indianapolis
Ball State University	Muncie
Indiana Wesleyan University	Marion
Rose-Hulman Institute of Technology	Terre Haute

Educational Attainment

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

<u>Educational Level Attained for Persons Age 25 Years and Over</u>	<u>School Corporation</u>	<u>Shelby County</u>	<u>Indiana</u>
Less than 9 th grade			1.2%
9 th to 12 grade, no diploma			4.4
High School Graduate (includes equivalency)			42.6
Some College, no degree			23.5
Associate's Degree			12.0
Bachelor's Degree			12.3
Graduate or Professional Degree			3.9
Percent High School Graduate or higher			94.4
Percent Bachelor's Degree or higher			16.3

Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-year estimates

Household Income

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

<u>Educational Level Attained</u>	<u>School Corporation</u>	<u>Shelby County</u>	<u>Indiana</u>
Population 25 Years and over			
Less than 9 th grade	2.7%	3.0%	3.5%
9 th to 12 grade, no diploma	9.8	7.9	6.7
High School Graduate (includes equivalency)	35.1	44.0	33.0
Some College, no degree	17.9	18.3	19.9
Associate's Degree	9.4	8.1	9.0
Bachelor's Degree	18.7	13.1	17.7
Graduate or Professional Degree	6.3	5.6	10.1
Percent High School Graduate or higher	87.5	89.1	89.8
Percent Bachelor's Degree or higher	25.1	18.7	27.8

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-year estimate

Per Capita Income

Per Capita Income statistics are provided by Stats Indiana, a service of the Kelley School of Business at Indiana University. No statistics are available specifically for the School Corporation.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Shelby County	\$44,467	\$47,828	\$52,065	\$53,589	\$55,484
Indiana	48,749	52,194	56,435	58,867	61,083

Source: Stats Indiana

Housing Values

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

<u>Value of Owner-occupied Housing Units</u>	<u>School Corporation</u>	<u>Shelby County</u>	<u>Indiana</u>
Less than \$50,000	2.9%	6.5%	7.0%
\$50,000 to \$99,999	8.0	23.9	13.8
\$100,000 to \$149,999	20.7	22.4	16.5
\$150,000 to \$199,999	20.7	15.5	18.3
\$200,000 to \$299,999	25.4	19.0	22.7
\$300,000 to \$499,999	17.4	10.4	16.3
\$500,000 to \$999,999	8.8	2.3	4.7
\$1,000,000 or more	0.0	0.0	0.8
Median Home Value	\$193,200	\$143,300	\$182,400

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-year estimate

Building Permits

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

<u>Year</u>	<u>Number of Permits</u>	<u>Value of Permits</u>
2020	82	\$19,944,867
2021	125	32,552,780
2022	134	72,598,135
2023	81	29,658,626
2024	140	64,542,186

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

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APPENDIX C

FORM OF BOND COUNSEL OPINION

_____, 2025

Stifel, Nicolaus & Company, Incorporated
Indianapolis, Indiana

Re: Northwestern Consolidated School Building Corporation
Ad Valorem Property Tax First Mortgage Bonds, Series 2025
Total Issue: \$6,600,000
Original Date: _____, 2025

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Northwestern Consolidated School Building Corporation (the "Issuer") of \$6,600,000 of Ad Valorem Property Tax First Mortgage Bonds, Series 2025 dated as of _____, 2025 (the "Bonds"), pursuant to Indiana Code § 20-47-3 (the "Act") and a Trust Indenture dated as of March 1, 2012, as supplemented by a First Supplemental Trust Indenture dated as of May 1, 2015, and a Second Supplemental Trust Indenture dated as of November 1, 2025 (as supplemented, the "Indenture") between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). We have examined the law and the certified transcript of proceedings of the Issuer and Triton Central 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 _____, 2025, or the Final Official Statement dated _____, 2025 (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:

The Lease Agreement dated as of February 8, 2012, as amended by an Amendment to Lease dated as of April 8, 2015 and a Second Amendment to Lease dated as of October 13, 2025 (as amended, the "Lease") between the Issuer, as lessor, and the School Corporation, as lessee, and with an extended term of twenty-two (22) years, 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 Lease rentals which commence with the later of completion of renovation and improvements to the school building or December 31, 2026.

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 Ad Valorem Property Tax First Mortgage Bonds, Series 2015, 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.

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.

Under federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income of the owners for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. This opinion is conditioned upon compliance by the Issuer and the School Corporation subsequent to the date hereof with 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

MASTER CONTINUING DISCLOSURE UNDERTAKING

This MASTER CONTINUING DISCLOSURE UNDERTAKING dated as of June 1, 2016 (the "Master Undertaking") is executed and delivered by NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT (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 (the "SEC Rule") as amended;

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.

- (i) "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.
- (ii) "EMMA" is Electronic Municipal Market Access System established by the MSRB.
- (iii) "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.
- (iv) "MSRB" means the Municipal Securities Rulemaking Board.
- (v) "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.
- (vi) "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.
- (vii) "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. (i) This Master Undertaking applies to the Obligations.

(ii) 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. (i) The Obligor hereby undertakes to provide, with respect to the Obligations, the following financial information, in each case (i) in an electronic format as prescribed by the MSRB and (ii) accompanied by identifying information as prescribed by the MSRB:

- (i) 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 the reviewers thereof and all notes thereto (collectively, the "Audited Information"), by the June 30 immediately following each biennial period. The Audited Information for the biannual period ending June 30, 2015 shall be posted within sixty (60) days of receipt thereof. Thereafter, such disclosure of Audited Information shall first occur by June 30, 2018, and shall be made by June 30 every two years 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
- (ii) To the MSRB, no later than June 30 of each year beginning June 30, 2017, 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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT

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

- (ii) 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 Agreement, 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.
- (iii) The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit B attached hereto.
- (iv) 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.
- (v) 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.
- (vi) 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 in MSRB:

- (i) non-payment related defaults;
- (ii) modifications to rights of Holders;
- (iii) bond calls;
- (iv) release, substitution or sale of property securing repayment of the Obligations;
- (v) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing; and
- (vi) appointment of a successor or additional trustee or the change of name of a trustee.

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

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers, or their failure to perform;
- (iii) defeasances;
- (iv) rating changes;
- (v) 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;
- (vi) tender offers; and
- (vii) bankruptcy, insolvency, receivership or similar event of the obligated person.

The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit 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. If a Dissemination Agent is selected for these purposes, the Obligor shall provide prior written notice thereof (as well as notice of replacement or dismissal of such agent) to EMMA, and the MSRB.

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

- (iv) 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.
- (v) 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.
- (vi) 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.

- (vii) 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 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 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 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 Undertaking made by the Obligor shall bind its successors, whether so expressed or not.

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

NORTHWESTERN CONSOLIDATED
SCHOOL DISTRICT, as Obligor

By: _____
Ken Polston, President
Board of School Trustees

Wendy Gearlds, Secretary
Board of School Trustees

EXHIBIT A
OBLIGATIONS

<u>Name of Issue</u>	<u>Base CUSIP</u>	<u>Final Maturity</u>
Ad Valorem Property Tax First Mortgage Bonds, Series 2016	668068	January 15, 2030

EXHIBIT B

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

The undersigned, on behalf of the NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT, as the Obligor under the Master Continuing Disclosure Undertaking, dated as of June 1, 2016 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes the [Annual Information][Audited Information] (as defined in the Agreement) which is required to be provided pursuant to Section 4(a) of the Agreement.

Dated: _____.

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT

DO NOT EXECUTE – FOR FUTURE USE ONLY

EXHIBIT C

CERTIFICATE RE: REPORTABLE EVENT DISCLOSURE

The undersigned, on behalf of the NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT, as Obligor under the Master Continuing Disclosure Undertaking, dated as of June 1, 2016 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes notice of the occurrence of a reportable event which is required to be provided pursuant to Section 6 of the Agreement.

Dated: _____.

NORTHWESTERN CONSOLIDATED SCHOOL
DISTRICT

DO NOT EXECUTE – FOR FUTURE USE ONLY

EXHIBIT D

NOTICE TO MSRB OF FAILURE TO FILE INFORMATION

Notice is hereby given that the NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT (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 June 1, 2016.

Dated: _____

NORTHWESTERN CONSOLIDATED SCHOOL
DISTRICT

DO NOT EXECUTE – FOR FUTURE USE ONLY

**FIRST SUPPLEMENT TO
MASTER CONTINUING DISCLOSURE UNDERTAKING**

This First Supplement, dated as of May 2, 2017, to the Master Continuing Disclosure Undertaking originally dated as of June 1, 2016 (as supplemented to the date hereof, the "Master Undertaking"), of Northwestern Consolidated School District (the "Obligor"), is entered into for the benefit of Stifel, Nicolaus & Company, Incorporated, as underwriter of the \$1,820,000 Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2017 (the "2017 Bonds").

Section 1. The terms of the Master Agreement, as supplemented hereby, are hereby made applicable in all respects to the 2017 Bonds.

Section 2. There are no other obligated persons other than the Obligor with respect to the 2017 Bonds.

Section 3. Exhibit A of the Master Undertaking is supplemented to include the 2017 Bonds, as attached hereto.

[Remainder of Page Intentionally Left Blank]

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

NORTHWESTERN CONSOLIDATED
SCHOOL DISTRICT, as Obligor

By: _____
Ken Polston, President
Board of School Trustees

Wendy Gearlds, Secretary
Board of School Trustees

EXHIBIT A
OBLIGATIONS

Proforma after Issuance of 2017 Bonds

General Obligations	Base CUSIP	Final Maturity
None		

Lease Obligations

Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2016	668068	January 15, 2030
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Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2017	668068	January 15, 2032
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**FIRST AMENDMENT TO
MASTER CONTINUING DISCLOSURE UNDERTAKING**

This FIRST AMENDMENT TO MASTER CONTINUING DISCLOSURE UNDERTAKING, dated as of December 3, 2019 (the "Amendment") amends the Master Continuing Disclosure Undertaking dated as of June 1, 2016, as previously supplemented by a First Supplement to Master Continuing Disclosure Undertaking (the "Original Undertaking"). The Amendment is being entered into by the Northwestern Consolidated School District (the "Obligor") for the purpose of incorporating changes to the Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "SEC Rule") as described in the 2018 Amendments (as hereinafter defined). The Original Undertaking, as amended by the Amendment, is referred to herein as the "Master Undertaking."

WITNESSETH THAT:

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

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

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

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

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

NOW, THEREFORE, in consideration of the payment for and acceptance of the Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2019 (the "2019 Bonds") and any Obligations issued after the date of this Amendment, the Original Undertaking is hereby amended as follows:

SECTION 15. Definitions. In this Amendment, words and terms not defined shall have the meaning prescribed in the Original Undertaking unless the context otherwise dictates.

"Financial Obligation" means a debt obligation; derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or a guarantee of either a debt obligation or a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, but does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the SEC Rule.

SECTION 16. Solely as to the 2019 Bonds and any Obligations issued after the date of this Amendment, Section 6 of the Original Undertaking is hereby replaced and shall read as follows:

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

- (iii) non-payment related defaults;
- (iv) modifications to rights of Holders;
- (v) bond calls;
- (vi) release, substitution or sale of property securing repayment of the Obligations;
- (vii) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing;
- (viii) appointment of a successor or additional trustee or the change of name of a trustee; and
- (ix) solely as to the 2019 Bonds and any Obligations issued after the date of this Amendment, 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;

- (x) unscheduled draws on debt service reserves reflecting financial difficulties;
- (xi) unscheduled draws on credit enhancements reflecting financial difficulties;
- (xii) substitution of credit or liquidity providers, or their failure to perform;
- (xiii) defeasances;
- (xiv) rating changes;
- (xv) 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;
- (xvi) tender offers;
- (xvii) bankruptcy, insolvency, receivership or similar event of the obligated person; and
- (xviii) solely as to the 2019 Bonds and any Obligations issued after the date of this Amendment, default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligor, any of which reflect financial difficulties."

SECTION 17. Obligations. This Amendment only applies to the 2019 Bonds and Obligations issued after the date of this Amendment.

[Remainder of page intentionally left blank]

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

NORTHWESTERN CONSOLIDATED
SCHOOL DISTRICT, as Obligor

By: _____
President, Board of School Trustees

Secretary, Board of School Trustees

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

SECOND SUPPLEMENT TO MASTER CONTINUING DISCLOSURE UNDERTAKING

This Second Supplement to Master Continuing Disclosure Undertaking, dated as of December 3, 2019 (the "Second Supplement"), to the Master Continuing Disclosure Undertaking dated as of June 1, 2016, as previously supplemented by a First Supplement to Master Continuing Disclosure Undertaking and as previously amended by a First Amendment to Master Continuing Disclosure Undertaking dated as of December 3, 2019 (as supplemented and amended, the "Original Undertaking"), of the Northwestern Consolidated School District (the "Obligor"), is entered into for the benefit of Stifel, Nicolaus & Company, Incorporated, as underwriter of the \$3,015,000 Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2019 (the "2019 Bonds"). The Original Undertaking as supplemented by this Second Supplement will be referred to herein as the "Master Undertaking."

Section 1. The terms of the Master Undertaking, as supplemented by this Second Supplement, are hereby made applicable in all respects to the 2019 Bonds. As of the date of this Second Supplement, for clarification purposes only:

(i) the Audited Information referred to in Section 4(1) of the Master Undertaking shall first occur on the 2019 Bonds by June 30, 2020; and

(ii) the Annual Information referred to in Section 4(2) of the Master Undertaking shall first occur on the 2019 Bonds beginning June 30, 2020.

Section 2. There are no other obligated persons other than the Obligor with respect to the 2019 Bonds.

Section 3. Exhibit A of the Master Undertaking is supplemented to include the 2019 Bonds, as attached hereto.

[Remainder of page intentionally left blank]

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

NORTHWESTERN CONSOLIDATED
SCHOOL DISTRICT, as Obligor

By: _____
Vince Sanders
President, Board of School Trustees

Wendy Gearlds
Secretary, Board of School Trustees

[Signature Page to Second Supplement to Master Continuing Disclosure Undertaking]

EXHIBIT A
OBLIGATIONS

Proforma after Issuance of 2019 Bonds

General Obligations	Base CUSIP	Final Maturity
None		
Lease Obligations		
Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2016	668068	January 15, 2030
Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2017	668068	January 15, 2032
Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2019*	668068	January 15, 2033

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

THIRD SUPPLEMENT TO MASTER CONTINUING DISCLOSURE UNDERTAKING

This Third Supplement to Master Continuing Disclosure Undertaking, dated as of September 27, 2023 (the "Third Supplement"), to the Master Continuing Disclosure Undertaking dated as of June 1, 2016, as previously supplemented by a First Supplement to Master Continuing Disclosure Undertaking and a Second Supplement to Master Continuing Disclosure Undertaking, and as previously amended by a First Amendment to Master Continuing Disclosure Undertaking dated as of December 3, 2019 (as supplemented and amended, the "Original Undertaking"), of the Northwestern Consolidated School District (the "Obligor"), is entered into for the benefit of Stifel, Nicolaus & Company, Incorporated, as underwriter of the \$5,960,000 Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2023 (the "2023 Bonds"). The Original Undertaking as supplemented by this Third Supplement will be referred to herein as the "Master Undertaking."

Section 1. The terms of the Master Undertaking are hereby made applicable in all respects to the 2023 Bonds. As of the date of this Third Supplement, for clarification purposes only:

(i) the Audited Information referred to in Section 4(a)(1) of the Master Undertaking shall first occur on the 2023 Bonds by June 30, 2024;

(ii) the Annual Information referred to in Section 4(a)(2) of the Master Undertaking shall first occur on the 2023 Bonds beginning June 30, 2024.

Section 2. There are no other obligated persons other than the Obligor with respect to the 2023 Bonds.

Section 3. Exhibit A of the Master Undertaking is supplemented to include the 2023 Bonds, as attached hereto.

[Remainder of page intentionally left blank]

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

NORTHWESTERN CONSOLIDATED
SCHOOL DISTRICT, as Obligor

By: _____
President, Board of School Trustees

Secretary, Board of School Trustees

[Signature Page to Third Supplement to Master Continuing Disclosure Undertaking]

EXHIBIT A
OBLIGATIONS

Proforma after Issuance of 2023 Bonds

Full Name of Bond Issue	Base CUSIP	Final Maturity
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General Obligation Bonds

None

Lease Obligations

Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2016	668068	January 15, 2030
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Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2017	668068	January 15, 2032
---	--------	------------------

Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2019*	668068	January 15, 2033
--	--------	------------------

Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2023*	668068	January 15, 2037
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*Issued after February 27, 2019 and subject to the 2018 Amendments, as defined in the Master Undertaking.

FOURTH SUPPLEMENT TO MASTER CONTINUING DISCLOSURE UNDERTAKING

This Fourth Supplement to Master Continuing Disclosure Undertaking, dated as of _____, 2025 (the "Fourth Supplement"), to the Master Continuing Disclosure Undertaking dated as of June 1, 2016, as previously amended by a First Amendment to Master Continuing Disclosure Undertaking dated as of December 3, 2019, and as previously supplemented by a First Supplement to Master Continuing Disclosure Undertaking, a Second Supplement to Master Continuing Disclosure Undertaking, and a Third Supplement to Master Continuing Disclosure Undertaking (as supplemented and amended, the "Original Undertaking"), of the Triton Central Schools formerly known as Northwestern Consolidated School District (the "Obligor"), is entered into for the benefit of Stifel, Nicolaus & Company, Incorporated, as underwriter of the \$6,600,000 Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2025 (the "2025 Bonds"). The Original Undertaking, as supplemented by this Fourth Supplement, will be referred to herein as the "Master Undertaking."

Section 1. The terms of the Master Undertaking are hereby made applicable in all respects to the 2025 Bonds. As of the date of this Fourth Supplement, for clarification purposes only:

(i) the Audited Information referred to in Section 4(a)(1) of the Master Undertaking shall first occur on the 2025 Bonds by June 30, 2026;

(ii) the Annual Information referred to in Section 4(a)(2) of the Master Undertaking shall first occur on the 2025 Bonds beginning June 30, 2026.

Section 2. There are no other obligated persons other than the Obligor with respect to the 2025 Bonds.

Section 3. Exhibit A of the Master Undertaking is supplemented to include the 2025 Bonds, as attached hereto.

[Remainder of page intentionally left blank]

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

TRITON CENTRAL SCHOOLS, as Obligor

By: _____
President, Board of School Trustees

Secretary, Board of School Trustees

[Signature Page to Fourth Supplement to Master Continuing Disclosure Undertaking]

EXHIBIT A

OBLIGATIONS

Proforma after Issuance of 2025 Bonds

Full Name of Bond Issue	Base CUSIP	Final Maturity
General Obligation Bonds		
None		
Lease Obligations		
Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2016	668068	January 15, 2030
Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2017	668068	January 15, 2032
Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2019*	668068	January 15, 2033
Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2023*	668068	January 15, 2037
Northwestern Consolidated School Building Corporation Ad Valorem Property Tax First Mortgage Bonds, Series 2025*		

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

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APPENDIX E

AUDIT REPORT AS OF JUNE 30, 2023

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

**FINANCIAL STATEMENT AUDIT REPORT
OF**

**NORTHWESTERN CONSOLIDATED
SCHOOL DISTRICT OF SHELBY COUNTY
SHELBY COUNTY, INDIANA**

July 1, 2021 to June 30, 2023



FILED
03/19/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tammy Achenbach	07-01-21 to 06-30-24
Superintendent of Schools	Chris Hoke	07-01-21 to 06-30-24
President of the School Board	Todd Brandman David Ploog	07-01-21 to 12-31-21 01-01-22 to 06-30-24



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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NORTHWESTERN CONSOLIDATED SCHOOL
DISTRICT OF SHELBY COUNTY, SHELBY COUNTY, INDIANA

Report on the Audit of the Financial Statement

Adverse and Unmodified Opinions

We have audited the accompanying financial statement of the Northwestern Consolidated School District of Shelby County (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2021 to June 30, 2023, and the related notes to the financial statement as listed in the Table of Contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse and Unmodified Opinions* section of our report, the financial statement referred to above does not present fairly, the financial position and results of operations of the School Corporation for the period of July 1, 2021 to June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the respective financial position and results of operations of the School Corporation, for the period of July 1, 2021 to June 30, 2023, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Basis for Adverse and Unmodified Opinions

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

INDEPENDENT AUDITOR'S REPORT (Continued)

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

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

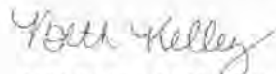
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2024, on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 7, 2024

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES AND OTHER INFORMATION

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

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

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

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2022 and 2023

Fund	Cash and Investments 07-01-21	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-22	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-23
Education	\$ 1,552,259	\$ 10,194,327	\$ 9,094,933	\$ (1,100,000)	\$ 1,551,653	\$ 10,258,855	\$ 9,265,755	\$ (1,200,000)	\$ 1,344,753
Debt Service	1,341,209	1,796,286	1,808,396	-	1,329,099	2,137,959	1,784,500	-	1,682,558
Operations	2,150,891	2,826,941	4,140,373	1,107,818	1,945,277	2,869,009	4,262,296	1,200,000	1,751,990
Local Rainy Day	720,965	41,440	-	-	762,405	77,530	-	-	839,935
Retirement/Severance Bond	-	-	18,320	-	(18,320)	-	2,960	-	(21,280)
2017 Bond	-	6,731	6,731	-	-	-	-	-	-
2019 Bond	-	10,864	10,864	-	-	-	-	-	-
School Lunch	206,803	807,249	787,701	-	226,351	866,888	822,286	-	270,953
Curricular Materials Rental	305,394	155,183	173,298	-	287,279	140,641	43,075	-	384,845
Hoosier Heartland Trust (Lea)	33,567	-	-	-	33,567	-	-	-	33,567
Childcare	67,269	55,162	51,628	-	70,803	72,200	37,849	-	105,154
Preschool	106,285	119,833	132,922	-	93,196	149,700	135,152	-	107,744
Paths To Quality	3,129	-	-	-	3,129	-	-	-	3,129
Tms Shelby Co Drug Free Grant	2,420	-	-	-	2,420	-	-	-	2,420
Pepsi Clearing Account	-	6,300	6,300	-	-	-	-	-	-
Tes Book Fair	1,780	1,050	2,030	-	800	1,000	516	-	1,284
Tms Book Fair	4	-	-	-	4	-	-	-	4
Educational License Plates	593	94	-	-	687	113	-	-	800
Early Intervention Grant	-	3,982	-	-	3,982	-	3,982	-	-
Mendenhall Field	1,256	-	-	-	1,256	-	-	-	1,256
Donation/Robotics	-	25,000	-	-	25,000	290	18,372	-	6,918
Gloria Haycock Hs Library	-	-	-	-	-	-	-	-	-
Charles Davies Memorial Science	100	-	-	-	100	-	-	-	100
Pto Donation	1,411	17,330	-	-	18,741	-	17,330	-	1,411
Crossroads Cluster Lmc Lunch	576	-	-	-	576	-	-	-	576
Brf-Scuffy-Tees-P.E.-Donation	209	-	-	-	209	-	-	-	209
Trifon Central Schools	1,999	880	1,183	-	1,696	460	966	-	1,190
Mac Grant	167	-	-	-	167	-	-	-	167
Blue River Beaty Tech Grant/Hs	3,000	-	-	-	3,000	1,000	-	-	4,000
Walmart Community Grant/Tchs	124	-	101	-	23	-	-	-	23
Walmart Community Gmt/Tms	500	-	-	-	500	-	-	-	500
Clsd-Pths To Quality Prschlgrt	1,625	-	-	-	1,625	-	-	-	1,625
Arc Of Shelby Co Spec Ed Dontr	2,350	837	409	-	2,778	2,017	578	-	4,217
Blue River Fdn Athletic Grant	2,000	-	-	-	2,000	5,000	3,047	-	3,953
Todd Welty Ffa Memorial Grant	1,969	750	-	-	2,719	780	-	-	3,499
Sales Force - Tchs G/Sports	10,000	2,999	11,804	-	1,095	-	-	-	1,095
Iasp Mini Grant/Tms	242	-	-	-	242	-	-	-	242
Blue River Fdn Grants/Tms	430	(430)	-	-	-	-	-	-	-
Blue River Mini Gmt-Tchs	-	-	-	-	-	4,970	2,774	-	2,196
Alexander Memorial-Historyclub	168	-	-	-	168	100	-	-	268
Wellness Initiative	-	-	-	-	-	2,350	566	-	1,684
Generation On Grant	69	-	-	-	69	-	-	-	69
Compass Group Scholarship	1,000	-	-	-	1,000	-	-	-	1,000
Formative Assessment	(13,513)	15,774	18,936	-	(16,675)	15,300	-	-	(1,375)
State Medicaid Reimb	2,533	45,825	4,598	-	43,760	1,284	12,261	-	32,783

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2022 and 2023

Fund	Cash and Investments 07-01-21	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-22	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-23
Performance Based Grant	-	52,132	-	-	52,132	-	-	(51,856)	276
Early Intervention Grant 22-23	-	-	-	-	-	3,418	1,617	-	1,801
Non English Speak Grant	636	-	-	-	636	-	-	-	636
Career And Technical Performance Grant	9,547	-	8,300	-	1,247	1,118	950	-	1,415
Teacher Appreciation Grant	-	-	51,856	-	(51,856)	49,913	48,854	51,856	1,059
High Ability Students	-	28,495	20,072	-	8,423	26,238	30,317	-	4,344
Title I Fy 2021 20/21	(8,769)	35,446	26,677	-	-	-	-	-	-
Title I Fy 2022 21/22	-	84,766	119,788	-	(35,022)	114,986	79,984	-	-
Title I Fy 2023 22/23	-	-	-	-	-	131,944	138,478	-	(6,534)
Spec Ed Partb 611 Fy21	(24,427)	122,219	97,906	-	(114)	1,634	1,520	-	-
Spec Ed Partb 619 Preschool Fy21	(2,208)	1,926	(282)	-	-	440	440	-	-
Spec Ed Partb611 Fy 2022	-	259,425	267,316	-	(7,891)	66,166	69,214	-	(10,939)
Spec Ed Partb 619 Preschool Fy 2022	-	13,303	13,831	-	(528)	1,226	698	-	-
Spec Ed Partb 611 Fy 2023	-	-	-	-	-	175,075	185,688	-	(10,613)
Spec Ed Partb 619 Preschool Fy 2023	-	-	-	-	-	14,650	14,773	-	(123)
Title IV Part A Fy20 20-22	(5,120)	6,690	2,501	-	(931)	8,505	7,574	-	-
Title IV Part A Fy21 21-23	-	-	-	-	-	10,143	10,143	-	-
Title IV Part A Fy22 22-24	-	-	-	-	-	10,543	11,367	-	(824)
Federal Medicaid Reimb	14,756	9,278	5,339	-	18,695	8,454	21,857	-	5,292
Title II Fy2020 20/22	(3,568)	3,375	(191)	-	-	-	-	-	-
Title II Fy21 21-22	-	-	-	-	-	31,879	16,594	-	15,285
Title II A Fy22 2022-2024	-	-	-	-	-	23,527	23,528	-	(1)
Spec Ed Fy 2022 Arp 611	-	10,591	18,790	-	(8,199)	57,042	48,909	-	(66)
Spec Ed Fy 2022 Arp 619	-	1,704	1,704	-	-	162	162	-	-
Esser III	(10,060)	1,040,397	1,045,645	-	(15,308)	265,358	322,284	-	(72,234)
Esser II	(14,128)	311,196	298,732	-	(1,664)	172,905	171,481	-	(240)
Federal Stimulus - 18003 Educ. Stab Reli	(8,836)	15,264	6,428	-	-	-	-	-	-
Prepaid School Lunch Accounts	(9,045)	68,759	70,125	-	(10,411)	311,896	329,736	-	(28,251)
Federal With Tax	-	635,860	635,860	-	-	640,213	640,213	-	-
Social Security	-	581,430	581,430	-	-	608,740	608,740	-	-
State Tax	(7,812)	242,397	224,272	-	10,313	252,465	252,887	-	9,891
Co Adj Tax	7,728	122,383	113,269	-	16,842	129,347	129,251	-	16,938
Perf	112	33,358	33,358	-	112	35,685	35,685	-	112
Insurance	(14,205)	485,161	497,199	-	(26,243)	498,453	517,185	-	(44,975)
Post Tax Insurance Afa	121	21,733	21,733	-	121	27,895	27,928	-	88
Annuities	-	277,556	277,906	-	(350)	304,034	303,734	-	-
Garnishment Of Wages	569	13,427	13,427	-	569	14,933	14,933	-	569
Sculfy Deductions	-	120	120	-	-	120	120	-	-
Bank Card Clearing Account	-	108,504	-	(108,504)	-	198,182	160,403	-	37,779
Totals	\$ 6,436,076	\$ 20,721,302	\$ 20,723,738	\$ (100,686)	\$ 6,332,954	\$ 20,804,785	\$ 20,641,592	\$ -	\$ 6,496,147

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the School Corporation is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

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

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Contributions

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

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

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

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

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Contributions

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

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

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of reimbursable grants not being reimbursed prior to June 30, 2022, and June 30, 2023. Additionally, some other funds have a cash balance deficit due to disbursements exceeding receipts due to under-estimating current requirements for some funds during the school year.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with the Northwestern Consolidated School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years June 30, 2022 and 2023, totaled \$1,320,976 and \$1,618,586, respectively.

Note 9. Subsequent Events

On September 11, 2023, the School Corporation issued \$5,960,000 in General Obligations Bonds, for renovation of and improvements to facilities throughout the School Corporation. The Northwestern Consolidated School Building Corporation - General Obligation Bonds of 2023, payments commence on July 15, 2024, and end on January 15, 2037.

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OTHER INFORMATION

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Education	Debt Service	Operations	Local Rainy Day	Retirement/Severance Bond	2017 Bond	2019 Bond	School Lunch	Curricular Materials Rental	Hoosier Heartland Trust (Lea)
Cash and investments - beginning	\$ 1,552,259	\$ 1,341,209	\$ 2,150,891	\$ 720,965	\$ -	\$ -	\$ -	\$ 206,803	\$ 305,394	\$ 33,567
Receipts:										
Local sources	156,984	1,796,286	2,826,941	41,440	-	-	-	69,895	115,164	-
Intermediate sources	50	-	-	-	-	-	-	-	-	-
State sources	10,037,278	-	-	-	-	-	-	-	40,019	-
Federal sources	-	-	-	-	-	-	-	737,154	-	-
Other receipts	15	-	-	-	-	6,731	10,864	200	-	-
Total receipts	10,194,327	1,796,286	2,826,941	41,440	-	6,731	10,864	807,249	155,183	-
Disbursements:										
Instruction	6,630,392	-	-	-	18,320	-	-	-	-	-
Support services	2,245,699	20,896	3,189,888	-	-	-	-	200	173,298	-
Noninstructional services	218,842	-	-	-	-	-	-	787,501	-	-
Facilities acquisition and construction	-	-	950,485	-	-	6,731	10,864	-	-	-
Debt services	-	1,787,500	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,094,933	1,808,396	4,140,373	-	18,320	6,731	10,864	787,701	173,298	-
Excess (deficiency) of receipts over disbursements	1,099,394	(12,110)	(1,313,432)	41,440	(18,320)	-	-	19,548	(18,115)	-
Other financing sources (uses):										
Sale of capital assets	-	-	7,818	-	-	-	-	-	-	-
Transfers in	-	-	1,100,000	-	-	-	-	-	-	-
Transfers out	(1,100,000)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,100,000)	-	1,107,818	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(606)	(12,110)	(205,614)	41,440	(18,320)	-	-	19,548	(18,115)	-
Cash and investments - ending	\$ 1,551,653	\$ 1,329,099	\$ 1,945,277	\$ 762,405	\$ (18,320)	\$ -	\$ -	\$ 226,351	\$ 287,279	\$ 33,567

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Childcare	Preschool	Paths To Quality	Tms Shelby Co Drug Free Grant	Pepsi Clearing Account	Tes Book Fair	Tms Book Fair	Educational License Plates	Early Intervention Grant	Mendenhall Field
Cash and investments - beginning	\$ 67,269	\$ 106,285	\$ 3,129	\$ 2,420	\$ -	\$ 1,780	\$ 4	\$ 593	\$ -	\$ 1,256
Receipts:										
Local sources	55,162	119,833	-	-	6,300	1,050	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	94	-	-
State sources	-	-	-	-	-	-	-	-	3,982	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	55,162	119,833	-	-	6,300	1,050	-	94	3,982	-
Disbursements:										
Instruction	-	132,922	-	-	-	-	-	-	-	-
Support services	-	-	-	-	6,300	2,030	-	-	-	-
Noninstructional services	51,628	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	51,628	132,922	-	-	6,300	2,030	-	-	-	-
Excess (deficiency) of receipts over disbursements	3,534	(13,089)	-	-	-	(980)	-	94	3,982	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,534	(13,089)	-	-	-	(980)	-	94	3,982	-
Cash and investments - ending	\$ 70,803	\$ 93,196	\$ 3,129	\$ 2,420	\$ -	\$ 800	\$ 4	\$ 687	\$ 3,982	\$ 1,256

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Donation/Robotics	Gloria Haycock Hs Library	Charles Davies Memorial Science	Pto Donation	Crossroads Cluster Umc Lunch	Brf-Scuffy-Tees- P.E.-Donation	Triton Central Schools	Mac Grant	Blue River Beatty Tech Grant/Hs	Walmart Community Grant/Tchs
Cash and investments - beginning	\$ -	\$ -	\$ 100	\$ 1,411	\$ 576	\$ 209	\$ 1,999	\$ 167	\$ 3,000	\$ 124
Receipts:										
Local sources	25,000	-	-	17,330	-	-	880	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	25,000	-	-	17,330	-	-	880	-	-	-
Disbursements:										
Instruction	-	-	-	-	-	-	1,183	-	-	-
Support services	-	-	-	-	-	-	-	-	-	101
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	1,183	-	-	101
Excess (deficiency) of receipts over disbursements	25,000	-	-	17,330	-	-	(303)	-	-	(101)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	25,000	-	-	17,330	-	-	(303)	-	-	(101)
Cash and investments - ending	\$ 25,000	\$ -	\$ 100	\$ 18,741	\$ 576	\$ 209	\$ 1,696	\$ 167	\$ 3,000	\$ 23

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Walmart Community Grnt/Tms	Cisd-Pths To Quality Prschlgrt	Arc Of Shelby Co Spec Ed Dontrn	Blue River Fdn Athletic Grant	Todd Welty Fla Memorial Grant	Sales Force - Tchs G/Sports	Iasp Mini Grant/Tms	Blue River Fdn Grants/Tms	Blue River Mini Grnt-Tchs	Alexander Memorial- Historyclub
Cash and investments - beginning	\$ 500	\$ 1,625	\$ 2,350	\$ 2,000	\$ 1,969	\$ 10,000	\$ 242	\$ 430	\$ -	\$ 168
Receipts:										
Local sources	-	-	837	-	750	2,999	-	(430)	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	837	-	750	2,999	-	(430)	-	-
Disbursements:										
Instruction	-	-	409	-	-	11,904	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	409	-	-	11,904	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	428	-	750	(8,905)	-	(430)	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	428	-	750	(8,905)	-	(430)	-	-
Cash and investments - ending	\$ 500	\$ 1,625	\$ 2,778	\$ 2,000	\$ 2,719	\$ 1,095	\$ 242	\$ -	\$ -	\$ 168

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Wellness Initiative	Generation On Grant	Compass Group Scholarship	Formative Assessment	State Medicaid Reimb	Performance Based Grant	Early Intervention Grant 22-23	Non English Speak Grant	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students
Cash and investments - beginning	\$ -	\$ 69	\$ 1,000	\$ (13,513)	\$ 2,533	\$ -	\$ -	\$ 636	\$ 9,547	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	15,774	45,825	52,132	-	-	-	-	28,495
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	15,774	45,825	52,132	-	-	-	-	28,495
Disbursements:											
Instruction	-	-	-	18,936	4,598	-	-	-	8,300	51,856	20,072
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	18,936	4,598	-	-	-	8,300	51,856	20,072
Excess (deficiency) of receipts over disbursements	-	-	-	(3,162)	41,227	52,132	-	-	(8,300)	(51,856)	8,423
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(3,162)	41,227	52,132	-	-	(8,300)	(51,856)	8,423
Cash and investments - ending	\$ -	\$ 69	\$ 1,000	\$ (16,675)	\$ 43,760	\$ 52,132	\$ -	\$ 636	\$ 1,247	\$ (51,856)	\$ 8,423

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2022

	Title I Fy 2021 20/21	Title I Fy 2022 21/22	Title I Fy 2023 22/23	Spec Ed Partb 611 Fy21	Spec Ed Partb 619 Preschool Fy21	Spec Ed Partb611 Fy 2022	Spec Ed Partb 619 Preschool Fy 2022	Spec Ed Partb 611 Fy 2023	Spec Ed Partb 619 Preschool Fy 2023	Title IV Part A Ffy20 20-22
Cash and investments - beginning	\$ (8,769)	\$ -	\$ -	\$ (24,427)	\$ (2,208)	\$ -	\$ -	\$ -	\$ -	\$ (5,120)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	35,446	84,766	-	122,219	1,926	259,425	13,303	-	-	6,690
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	35,446	84,766	-	122,219	1,926	259,425	13,303	-	-	6,690
Disbursements:										
Instruction	26,677	119,617	-	58,887	(282)	93,556	13,831	-	-	2,501
Support services	-	171	-	39,019	-	173,760	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	26,677	119,788	-	97,906	(282)	267,316	13,831	-	-	2,501
Excess (deficiency) of receipts over disbursements	8,769	(35,022)	-	24,313	2,208	(7,891)	(528)	-	-	4,189
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,769	(35,022)	-	24,313	2,208	(7,891)	(528)	-	-	4,189
Cash and investments - ending	\$ -	\$ (35,022)	\$ -	\$ (114)	\$ -	\$ (7,891)	\$ (528)	\$ -	\$ -	\$ (931)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2022

	Title IV Part A Ffy21 21-23	Title IV Part A Ffy22 22-24	Federal Medicaid Reimb	Title II Ffy2020 20/22	Title II Ffy21 21- 22	Title II A Ffy22 2022-2024	Spec Ed Fy 2022 Arp 611	Spec Ed Fy 2022 Arp 619	Esser III	Esser II
Cash and investments - beginning	\$ -	\$ -	\$ 14,756	\$ (3,566)	\$ -	\$ -	\$ -	\$ -	\$ (10,060)	\$ (14,128)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	9,278	3,375	-	-	10,591	1,704	1,040,397	311,196
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	9,278	3,375	-	-	10,591	1,704	1,040,397	311,196
Disbursements:										
Instruction	-	-	330	(191)	-	-	14,026	1,704	787,989	191,846
Support services	-	-	5,009	-	-	-	4,764	-	247,596	74,531
Noninstructional services	-	-	-	-	-	-	-	-	10,060	6,168
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	26,187
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	5,339	(191)	-	-	18,790	1,704	1,045,645	298,732
Excess (deficiency) of receipts over disbursements	-	-	3,939	3,566	-	-	(8,199)	-	(5,248)	12,464
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	3,939	3,566	-	-	(8,199)	-	(5,248)	12,464
Cash and investments - ending	\$ -	\$ -	\$ 18,695	\$ -	\$ -	\$ -	\$ (8,199)	\$ -	\$ (15,308)	\$ (1,664)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Federal Stimulus - 18003 Educ. Stab Rel	Prepaid School Lunch Accounts	Federal With Tax	Social Security	State Tax	Co Adj Tax	Perf
Cash and investments - beginning	\$ (8,836)	\$ (9,045)	\$ -	\$ -	\$ (7,812)	\$ 7,728	\$ 112
Receipts:							
Local sources	-	68,759	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	15,264	-	-	-	-	-	-
Other receipts	-	-	635,860	581,430	242,397	122,383	33,358
Total receipts	15,264	68,759	635,860	581,430	242,397	122,383	33,358
Disbursements:							
Instruction	1,381	-	-	-	-	-	-
Support services	5,041	-	-	-	-	-	-
Noninstructional services	-	70,125	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	635,860	581,430	224,272	113,269	33,358
Total disbursements	6,428	70,125	635,860	581,430	224,272	113,269	33,358
Excess (deficiency) of receipts over disbursements	8,836	(1,366)	-	-	18,125	9,114	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,836	(1,366)	-	-	18,125	9,114	-
Cash and investments - ending	\$ -	\$ (10,411)	\$ -	\$ -	\$ 10,313	\$ 16,842	\$ 112

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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 For the Year Ended June 30, 2022

	Insurance	Post Tax Insurance Afa	Annuities	Garnishment Of Wages	Scuffy Deductions	Bank Card Clearing Account	Totals
Cash and investments - beginning	\$ (14,205)	\$ 121	\$ -	\$ 569	\$ -	\$ -	\$ 6,436,076
Receipts:							
Local sources	-	-	-	-	-	-	5,305,180
Intermediate sources	-	-	-	-	-	-	144
State sources	-	-	-	-	-	-	10,223,505
Federal sources	-	-	-	-	-	-	2,652,734
Other receipts	485,161	21,733	277,556	13,427	120	108,504	2,539,739
Total receipts	485,161	21,733	277,556	13,427	120	108,504	20,721,302
Disbursements:							
Instruction	-	-	-	-	-	-	8,210,764
Support services	-	-	-	-	-	-	6,188,309
Noninstructional services	-	-	-	-	-	-	1,144,324
Facilities acquisition and construction	-	-	-	-	-	-	994,267
Debt services	-	-	-	-	-	-	1,787,500
Nonprogrammed charges	497,199	21,733	277,906	13,427	120	-	2,398,574
Total disbursements	497,199	21,733	277,906	13,427	120	-	20,723,738
Excess (deficiency) of receipts over disbursements	(12,038)	-	(350)	-	-	108,504	(2,436)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	7,818
Transfers in	-	-	-	-	-	-	1,100,000
Transfers out	-	-	-	-	-	(108,504)	(1,208,504)
Total other financing sources (uses)	-	-	-	-	-	(108,504)	(100,686)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,038)	-	(350)	-	-	-	(103,122)
Cash and investments - ending	\$ (26,243)	\$ 121	\$ (350)	\$ 569	\$ -	\$ -	\$ 6,332,954

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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	Education	Debt Service	Operations	Local Rainy Day	Retirement/Severance Bond	2017 Bond	2019 Bond	School Lunch	Curricular Materials Rental	Hoosier Heartland Trust (Lea)
Cash and investments - beginning	\$ 1,551,653	\$ 1,329,099	\$ 1,945,277	\$ 762,405	\$ (18,320)	\$ -	\$ -	\$ 226,351	\$ 287,279	\$ 33,567
Receipts:										
Local sources	192,039	2,137,959	2,852,001	77,530	-	-	-	783,948	100,886	-
Intermediate sources	49	-	-	-	-	-	-	-	-	-
State sources	10,066,767	-	-	-	-	-	-	-	39,755	-
Federal sources	-	-	-	-	-	-	-	82,940	-	-
Other receipts	-	-	17,008	-	-	-	-	-	-	-
Total receipts	10,258,855	2,137,959	2,869,009	77,530	-	-	-	866,888	140,641	-
Disbursements:										
Instruction	6,937,971	-	-	-	2,960	-	-	-	-	-
Support services	2,100,971	-	3,689,784	-	-	-	-	-	43,075	-
Noninstructional services	226,813	-	-	-	-	-	-	822,286	-	-
Facilities acquisition and construction	-	-	572,512	-	-	-	-	-	-	-
Debt services	-	1,784,500	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,265,755	1,784,500	4,262,296	-	2,960	-	-	822,286	43,075	-
Excess (deficiency) of receipts over disbursements	993,100	353,459	(1,393,287)	77,530	(2,960)	-	-	44,602	97,566	-
Other financing sources (uses):										
Transfers in	-	-	1,200,000	-	-	-	-	-	-	-
Transfers out	(1,200,000)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,200,000)	-	1,200,000	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(206,900)	353,459	(193,287)	77,530	(2,960)	-	-	44,602	97,566	-
Cash and investments - ending	\$ 1,344,753	\$ 1,682,558	\$ 1,751,990	\$ 839,935	\$ (21,280)	\$ -	\$ -	\$ 270,953	\$ 384,845	\$ 33,567

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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	Childcare	Preschool	Paths To Quality	Tms Shelby Co Drug Free Grant	Pepsi Clearing Account	Tes Book Fair	Tms Book Fair	Educational License Plates	Early Intervention Grant	Mendenhall Field
Cash and investments - beginning	\$ 70,803	\$ 93,196	\$ 3,129	\$ 2,420	\$ -	\$ 800	\$ 4	\$ 687	\$ 3,982	\$ 1,256
Receipts:										
Local sources	72,200	149,700	-	-	-	1,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	113	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	72,200	149,700	-	-	-	1,000	-	113	-	-
Disbursements:										
Instruction	-	135,152	-	-	-	-	-	-	3,982	-
Support services	-	-	-	-	-	516	-	-	-	-
Noninstructional services	37,849	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	37,849	135,152	-	-	-	516	-	-	3,982	-
Excess (deficiency) of receipts over disbursements	34,351	14,548	-	-	-	484	-	113	(3,982)	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	34,351	14,548	-	-	-	484	-	113	(3,982)	-
Cash and investments - ending	\$ 105,154	\$ 107,744	\$ 3,129	\$ 2,420	\$ -	\$ 1,284	\$ 4	\$ 800	\$ -	\$ 1,256

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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	Donation/Robotics	Gloria Haycock Hs Library	Charles Davies Memorial Science	Pto Donation	Crossroads Cluster Umc Lunch	Brf-Scuffy-Tces- P.E.-Donation	Triton Central Schools	Mac Grant	Blue River Beaty Tech Grant/Hs	Walmart Community Grant/Tchs
Cash and investments - beginning	\$ 25,000	\$ -	\$ 100	\$ 18,741	\$ 576	\$ 209	\$ 1,696	\$ 167	\$ 3,000	\$ 23
Receipts:										
Local sources	290	-	-	-	-	-	460	-	1,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	290	-	-	-	-	-	460	-	1,000	-
Disbursements:										
Instruction	18,372	-	-	17,330	-	-	966	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	18,372	-	-	17,330	-	-	966	-	-	-
Excess (deficiency) of receipts over disbursements	(18,082)	-	-	(17,330)	-	-	(506)	-	1,000	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(18,082)	-	-	(17,330)	-	-	(506)	-	1,000	-
Cash and investments - ending	\$ 6,918	\$ -	\$ 100	\$ 1,411	\$ 576	\$ 209	\$ 1,190	\$ 167	\$ 4,000	\$ 23

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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	Walmart Community Grnt/Tms	Cisd-Pths To Quality Prschlgrt	Arc Of Shelby Co Spec Ed Dontrn	Blue River Fdn Athletic Grant	Todd Welty Fla Memorial Grant	Sales Force - Tchs G/Sports	Iasp Mini Grant/Tms	Blue River Fdn Grants/Tms	Blue River Mini Grnt-Tchs	Alexander Memorial- Historyclub
Cash and investments - beginning	\$ 500	\$ 1,625	\$ 2,778	\$ 2,000	\$ 2,719	\$ 1,095	\$ 242	\$ -	\$ -	\$ 168
Receipts:										
Local sources	-	-	2,017	5,000	780	-	-	-	4,970	100
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	2,017	5,000	780	-	-	-	4,970	100
Disbursements:										
Instruction	-	-	578	3,047	-	-	-	-	2,774	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	578	3,047	-	-	-	-	2,774	-
Excess (deficiency) of receipts over disbursements	-	-	1,439	1,953	780	-	-	-	2,196	100
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	1,439	1,953	780	-	-	-	2,196	100
Cash and investments - ending	\$ 500	\$ 1,625	\$ 4,217	\$ 3,953	\$ 3,499	\$ 1,095	\$ 242	\$ -	\$ 2,196	\$ 268

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
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 For the Year Ended June 30, 2023

	Wellness Initiative	Generation On Grant	Compass Group Scholarship	Formative Assessment	State Medicaid Reimb	Performance Based Grant	Early Intervention Grant 22-23	Non English Speak Grant	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students
Cash and investments - beginning	\$ -	\$ 69	\$ 1,000	\$ (16,675)	\$ 43,760	\$ 52,132	\$ -	\$ 636	\$ 1,247	\$ (51,856)	\$ 8,423
Receipts:											
Local sources	2,350	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	15,300	1,284	-	3,418	-	1,118	49,913	26,238
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	2,350	-	-	15,300	1,284	-	3,418	-	1,118	49,913	26,238
Disbursements:											
Instruction	-	-	-	-	12,261	-	1,617	-	950	48,854	30,317
Support services	666	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	666	-	-	-	12,261	-	1,617	-	950	48,854	30,317
Excess (deficiency) of receipts over disbursements	1,684	-	-	15,300	(10,977)	-	1,801	-	168	1,059	(4,079)
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	51,856	-
Transfers out	-	-	-	-	-	(51,856)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(51,856)	-	-	-	51,856	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,684	-	-	15,300	(10,977)	(51,856)	1,801	-	168	52,915	(4,079)
Cash and investments - ending	\$ 1,684	\$ 69	\$ 1,000	\$ (1,375)	\$ 32,783	\$ 276	\$ 1,801	\$ 636	\$ 1,415	\$ 1,059	\$ 4,344

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Title I Fy 2021 20/21	Title I Fy 2022 21/22	Title I Fy 2023 22/23	Spec Ed Partb 611 Fy21	Spec Ed Partb 619 Preschool Fy21	Spec Ed Partb611 Fy 2022	Spec Ed Partb 619 Preschool Fy 2022	Spec Ed Partb 611 Fy 2023	Spec Ed Partb 619 Preschool Fy 2023	Title IV Part A Ffy20 20-22
Cash and investments - beginning	\$ -	\$ (35,022)	\$ -	\$ (114)	\$ -	\$ (7,891)	\$ (528)	\$ -	\$ -	\$ (931)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	114,986	131,944	1,634	440	66,166	1,226	175,075	14,650	8,505
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	114,986	131,944	1,634	440	66,166	1,226	175,075	14,650	8,505
Disbursements:										
Instruction	-	59,308	84,648	1,520	440	29,100	698	83,897	14,773	7,574
Support services	-	20,431	53,830	-	-	40,114	-	101,791	-	-
Noninstructional services	-	225	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	79,964	138,478	1,520	440	69,214	698	185,688	14,773	7,574
Excess (deficiency) of receipts over disbursements	-	35,022	(6,534)	114	-	(3,048)	528	(10,613)	(123)	931
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	35,022	(6,534)	114	-	(3,048)	528	(10,613)	(123)	931
Cash and investments - ending	\$ -	\$ -	\$ (6,534)	\$ -	\$ -	\$ (10,939)	\$ -	\$ (10,613)	\$ (123)	\$ -

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Title IV Part A Ffy21 21-23	Title IV Part A Ffy22 22-24	Federal Medicaid Reimb	Title II Ffy2020 20/22	Title II Ffy21 21- 22	Title II A Ffy22 2022-2024	Spec Ed Fy 2022 Arp 611	Spec Ed Fy 2022 Arp 619	Esser III	Esser II
Cash and investments - beginning	\$ -	\$ -	\$ 18,695	\$ -	\$ -	\$ -	\$ (8,199)	\$ -	\$ (15,308)	\$ (1,664)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	10,143	10,543	8,454	-	31,879	23,527	57,042	162	265,358	172,905
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	10,143	10,543	8,454	-	31,879	23,527	57,042	162	265,358	172,905
Disbursements:										
Instruction	10,143	-	157	-	6,649	-	24,496	162	126,496	140,288
Support services	-	11,367	21,700	-	9,945	23,528	24,413	-	156,228	31,193
Noninstructional services	-	-	-	-	-	-	-	-	10,060	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	29,500	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,143	11,367	21,857	-	16,594	23,528	48,909	162	322,284	171,481
Excess (deficiency) of receipts over disbursements	-	(824)	(13,403)	-	15,285	(1)	8,133	-	(56,926)	1,424
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(824)	(13,403)	-	15,285	(1)	8,133	-	(56,926)	1,424
Cash and investments - ending	\$ -	\$ (824)	\$ 5,292	\$ -	\$ 15,285	\$ (1)	\$ (66)	\$ -	\$ (72,234)	\$ (240)

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Federal Stimulus - 18003 Educ, Stab Reli	Prepaid School Lunch Accounts	Federal With Tax	Social Security	State Tax	Co Adj Tax	Perf
Cash and investments - beginning	\$ -	\$ (10,411)	\$ -	\$ -	\$ 10,313	\$ 16,842	\$ 112
Receipts:							
Local sources	-	311,896	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	640,213	608,740	252,465	129,347	35,685
Total receipts	-	311,896	640,213	608,740	252,465	129,347	35,685
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	329,736	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	640,213	608,740	252,887	129,251	35,685
Total disbursements	-	329,736	640,213	608,740	252,887	129,251	35,685
Excess (deficiency) of receipts over disbursements	-	(17,840)	-	-	(422)	96	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(17,840)	-	-	(422)	96	-
Cash and investments - ending	\$ -	\$ (28,251)	\$ -	\$ -	\$ 9,891	\$ 16,938	\$ 112

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Insurance	Post Tax Insurance Afa	Annuities	Garnishment Of Wages	Scuffy Deductions	Bank Card Clearing Account	Totals
Cash and investments - beginning	\$ (26,243)	\$ 121	\$ (350)	\$ 569	\$ -	\$ -	\$ 6,332,954
Receipts:							
Local sources	-	-	-	-	-	-	6,696,126
Intermediate sources	-	-	-	-	-	-	162
State sources	-	-	-	-	-	-	10,203,793
Federal sources	-	-	-	-	-	-	1,177,579
Other receipts	498,453	27,895	304,084	14,933	120	198,182	2,727,125
Total receipts	498,453	27,895	304,084	14,933	120	198,182	20,804,785
Disbursements:							
Instruction	-	-	-	-	-	-	7,807,480
Support services	-	-	-	-	-	-	6,329,552
Noninstructional services	-	-	-	-	-	-	1,426,969
Facilities acquisition and construction	-	-	-	-	-	-	602,012
Debt services	-	-	-	-	-	-	1,784,500
Nonprogrammed charges	517,185	27,928	303,734	14,933	120	160,403	2,691,079
Total disbursements	517,185	27,928	303,734	14,933	120	160,403	20,641,592
Excess (deficiency) of receipts over disbursements	(18,732)	(33)	350	-	-	37,779	163,193
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	1,251,856
Transfers out	-	-	-	-	-	-	(1,251,856)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(18,732)	(33)	350	-	-	37,779	163,193
Cash and investments - ending	\$ (44,975)	\$ 88	\$ -	\$ 569	\$ -	\$ 37,779	\$ 6,496,147

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NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 SCHEDULE OF PAYABLES AND RECEIVABLES
 June 30, 2023

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 150,057	\$ -

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 SCHEDULE OF LEASES AND DEBT
 June 30, 2023

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Konica Minolta Premier Finance	Copier/Printer Lease	\$ 5,715	12/8/2018	11/8/2023
Northwestern Consolidated School Building Corp	First Mortgage Bonds Series 2016	58,000	7/15/2017	1/15/2030
Northwestern Consolidated School Building Corp	First Mortgage Bonds Series 2019	270,000	12/2/2019	1/15/2033
Northwestern Consolidated School Building Corp	First Mortgage Bonds Series 2013	141,000	1/15/2014	1/15/2033
Northwestern Consolidated School Building Corp	First Mortgage Bonds Series 2014	155,000	7/15/2015	7/15/2034
Northwestern Consolidated School Building Corp	First Mortgage Bonds Series 2015	171,000	7/15/2016	1/15/2028
Northwestern Consolidated School Building Corp	First Mortgage Bonds Series 2010 QSCB	915,000	1/15/2011	1/15/2027
Northwestern Consolidated School Building Corp	First Mortgage Bonds Series 2017	74,000	1/15/2018	1/15/2032
Total governmental activities		<u>1,789,715</u>		
Total of annual lease payments		<u>\$ 1,789,715</u>		

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2023

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

	Ending Balance
Governmental activities:	
Land	\$ 527,840
Infrastructure	1,360,459
Buildings	54,045,308
Improvements other than buildings	7,430,026
Machinery, equipment, and vehicles	4,862,282
Total governmental activities	<u>68,225,915</u>
Total capital assets	<u>\$ 68,225,915</u>

OTHER REPORTS

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

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

FEDERAL COMPLIANCE AUDIT REPORT
OF

NORTHWESTERN CONSOLIDATED
SCHOOL DISTRICT OF SHELBY COUNTY
SHELBY COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED

03/19/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tammy Achenbach	07-01-21 to 06-30-24
Superintendent of Schools	Chris Hoke	07-01-21 to 06-30-24
President of the School Board	Todd Brandman David Ploog	07-01-21 to 12-31-21 01-01-22 to 06-30-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

**TO: THE OFFICIALS OF THE NORTHWESTERN CONSOLIDATED SCHOOL
DISTRICT OF SHELBY COUNTY, SHELBY COUNTY, INDIANA**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Northwestern Consolidated School District of Shelby County (School Corporation), for the period of July 1, 2021 to June 30, 2023, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated March 7, 2024, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001, that we consider to be material weaknesses.

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

Report on Compliance and Other Matters

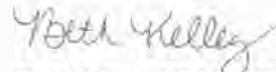
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001.

Northwestern Consolidated School District of Shelby County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement, and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Beth Kelley, CPA, CFE
Deputy State Examiner

March 7, 2024



STATE OF INDIANA

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

TO: THE OFFICIALS OF THE NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY, SHELBY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Northwestern Consolidated School District of Shelby County's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2021 to June 30, 2023. The School Corporation's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2021 to June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2023-002, to be material weaknesses.

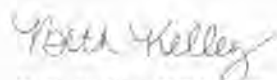
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2021 to June 30, 2023, and the related notes to the financial statement. We issued our report thereon dated March 7, 2024, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 7, 2024

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2022 and 2023

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 2022 / FY 2023	\$ -	\$ 121,016	\$ -	\$ 84,693
Federal School Breakfast Reimbursement							
National School Lunch Program	Indiana Department of Education	10.555					
Federal School Lunch Reimbursement			FY 2022 / FY 2023	-	608,915	-	432,631
SNP Emergency Funds			FY 2022 / FY 2023	-	190	-	-
Commodities			FY 2022 / FY 2023	-	57,756	-	44,997
Total - National School Lunch Program				-	666,861	-	477,628
Total - Child Nutrition Cluster				-	787,877	-	562,321
Total - Department of Agriculture				-	787,877	-	562,321
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Spec Ed Part B 611 FY21 Grant			21611-025-PN01	-	122,219	-	1,634
Spec Ed Part B 611 FY 2022			22611-025-PN01	-	259,426	-	66,166
SPEC ED PART B 611 FY 2023			23611-025-PN01	-	-	-	175,075
Subtotal - Special Education Grants to States				-	381,645	-	242,875
COVID-19 - Individuals with Disabilities Education Act/American Rescue Plan Act of 2021 (ARP)	Indiana Department of Education	84.027X					
IDEA ARP 611			22611-025-ARP	-	10,591	-	57,042
Total - Special Education Grants to States				-	392,236	-	299,917
Special Education Preschool Grants	Indiana Department of Education	84.173					
Spec Ed Part B 619 Preschool FY 2021			21619-025-PN01	-	1,926	-	440
Spec Ed Part B 619 FY 2022			22619-025-PN01	-	13,303	-	1,226
SPEC ED PART B 619 FY 2023			23619-025-PN01	-	-	-	14,650
Subtotal - Special Education Preschool Grants				-	15,229	-	16,316
COVID-19 - Special Education Preschool Grants	Indiana Department of Education	84.173X					
IDEA ARP 619			22619-025-ARP	-	1,704	-	162
Total - Special Education Preschool Grants				-	16,933	-	16,478
Total - Special Education Cluster (IDEA)				-	409,169	-	316,395
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I Part A FY 2021			S010A200014	-	35,446	-	-

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2022 and 2023

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23
Title I Part A FY 2022			S010A210014	-	84,766	-	114,986
TITLE I PART A FY 2023			S010A220014	-	-	-	131,944
Total - Title I Grants to Local Educational Agencies				-	120,212	-	246,930
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part A FFY 2020-2021			S367A200013	-	3,375	-	-
TITLE II PART A FOR FFY 2021-21-23			S367A210013	-	-	-	31,879
TITLE II PART A FOR FFY 2022-22-24			S367A220013	-	-	-	23,527
Total - Supporting Effective Instruction State Grants				-	3,375	-	55,406
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV Part A FFY 20-2020-2022			S424A180015	-	6,690	-	8,505
TITLE IV PART A FFY21			S424A210015	-	-	-	10,143
TITLE IV PART A FFY22			S424A220015	-	-	-	10,543
Total - Student Support and Academic Enrichment Program				-	6,690	-	29,191
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
ESSER		84.425D	S425D200013	-	15,264	-	-
ESSER II		84.425D	S425D210013	-	311,196	-	172,905
ESSER III		84.425U	S425U210013	-	1,040,397	-	265,358
Total - COVID-19 - Education Stabilization Fund				-	1,366,857	-	438,263
Total - Department of Education				-	1,906,303	-	1,086,185
Department of Health and Human Services							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778					
Medicaid IEP			FY 2021-2022	-	1,824	-	2,821
Indiana MAC Medicaid	Indiana Department of Education		FY 2022-2023	-	7,454	-	5,633
Total - Medical Assistance Program				-	9,278	-	8,454
Total - Medicaid Cluster				-	9,278	-	8,454
Total - Department of Health and Human Services				-	9,278	-	8,454
Total federal awards expended				\$ -	\$ 2,703,458	\$ -	\$ 1,656,960

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2022 and 2023. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 2. Indirect Cost Rate

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

Identification of Major Programs and type of auditor's report issued on compliance for each:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
	Child Nutrition Cluster	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

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

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2023-001

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

Repeat Finding

This is a repeat finding from the prior audit report. The prior audit finding number was 2021-001.

Condition and Context

The School Corporation is required to file financial reports after the close of each fiscal year. The reports are to be filed electronically as prescribed.

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation filed its reports as prescribed; however, the internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA) were not effective.

The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. Although the Treasurer collaborates with a second official when preparing and submitting the federal award information, the review of the second official was not documented. In addition, the collaboration or review was not effective and did not detect or allow for correction of errors prior to submission.

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

1. The Child Nutrition Cluster expenditures were overstated by \$30,159, and understated by \$413,148, in fiscal years 2021-2022 and 2022-2023, respectively.
2. Other errors included incorrect program names and pass-through entity identifying numbers.

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.1 states in part:

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

- (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - (i) Effectiveness and efficiency of operations;
 - (ii) Reliability of reporting for internal and external use; . . ."

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.508 states in part:

"The auditee must: . . .

- (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510. . . ."

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the Assistance Listings Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414."

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Cause

Management had not established a system of internal controls that would have ensured proper reporting of the SEFA.

Effect

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

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2023-002

Subject: Child Nutrition Cluster - Internal Controls

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

Assistance Listings Numbers: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 2022 / FY 2023

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed and Unallowed, Allowable Costs/Cost Principles, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the prior audit report for Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP). The prior audit finding number was 2021-002.

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition and Context

The School Corporation had not designed nor implemented internal controls that would likely be effective in preventing, or detecting and correcting, noncompliance related to the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP).

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

The School Corporation entered into a cost-reimbursement contract with a food service management company (FSMC) to oversee the School Corporation's food service operations. Some food service personnel paid with program funds were employees of the FSMC, not the School Corporation. The FSMC billed the School Corporation for the personnel on a regular basis. There was no documented oversight or review process in place to ensure that the amounts billed for personnel were allowable activities and were in conformance with the applicable cost principles for the child nutrition program.

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

The School Corporation relied on the food service management company to perform verification procedures of free and reduced price applications, as required by federal regulations. There was no documented oversight or review process by the School Corporation to ensure that the verifications were properly performed by the food service management company.

The lack of internal controls over Activities Allowed or Unallowed and Allowable Costs/Cost Principles was a systemic issue throughout the audit period. The lack of internal controls over Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) was isolated to fiscal year 2021-2022.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

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

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



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Technology Director
Mr. Josh Landis

Maintenance Director
Mr. Terry Coons

Transportation Director
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Special Education Director
Mrs. Terri Branson

School Board
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Mrs. Cressa Rund
Mr. Ken Polston
Mr. Terry Morgan
Mr. Travis Hensler
Mrs. Karen Humphreys

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-001

Fiscal year in which the finding initially occurred: FY21
Current Audit Period: 2021-2023

Finding Subject: Preparation of the Schedule of Expenditures of Federal Awards (SEFA)

Summary of Finding:

The School District has an internal control in place for a secondary review of the annual Grant Schedule submitted with the Annual Financial Report which generates the Schedule of Expenditures of Federal Awards (SEFA) for audit. The review control in place did not prevent, or detect and correct, errors in the SEFA.

Status of Audit Finding:

Partially Corrected: The Superintendent reviewed the SEFA and verified the pervious finding was corrected. However the new finding was missed due to the backup documentation was incorrect. The Corporation Treasurer will be using the Federal Awards letter to verify the fund title and the CFDA number. The Corporation Treasurer and Superintendent review and approve the financial data before it is submitted formally for the corporation. A copy of the SEFA is printed, signed by the Superintendent and retained for audit.

Response Comments:

Implemented for the reporting school year 2023-2024, submission July 2024.

Tammy Achenbach, Business Manager

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2019-001 and 2021-002

Fiscal year in which the finding initially occurred: FY19

Current Audit Period: 2021-2023

Finding Subject: Child Nutrition Cluster: Internal Controls

Summary of Finding:

An effective internal control system was not in place at the School District in order to ensure compliance with requirements related to the grant agreement and applicable compliance requirements related to Cash Management, Special Tests and Provisions – Verification of Free and Reduced-Price Applications (NSLP), and Special Tests and Provisions – Paid Lunch Equity.

Status of Audit Finding:

Corrected:

Cash Management: Implemented sign off sheets and emails for the claims review between the food service management company manager and the Corporation Treasurer, done on a monthly basis and kept either electronically or hard copies for audit purposes.

Special Tests and Provisions – Verification of Free and Reduced-Price Applications: The food service director calculates how many applications to test per the IDOE guidelines and the Corporation Treasurer reviews those applications and initials, dates and food service management company manager maintains for audit purposes.

Special Tests and Provisions – Paid Lunch Equity: The food service management company manager completes the paid lunch equity calculation per the IDOE guidelines and is reviewed and verified by the Corporation Treasurer who initials, dates and the food service management company manager maintain for audit purposes.

Response Comments:

Cash Management: Implemented for the reporting school year 2022-2023.

Special Tests and Provisions – Verification for Free and Reduced-Price Applications: Implemented for the reporting school year 2022-2023.

Special Tests and Provisions – Paid Lunch Equity: Implemented for the reporting school year 2022-2023.

Tammy Achenbach, Business Manager

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CORRECTIVE ACTION PLAN

FINDING 2023-001

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

Summary of Finding: Material Weakness, Noncompliance

The Federal grant information was not properly reviewed before submitting into Gateway. Changes in the process of reviewing the information will prevent future errors.

Contact Person Responsible for Corrective Action: Tammy Achenbach

Contact Information:

Phone: 317-835-7461

Email: tachenbach@nwshelbyschools.org

Views of Responsible Officials:

Management agrees with the finding. Management will ensure proper internal controls are implemented over the federal award information entered into Indiana Gateway for Government Units (Gateway) financial reporting system.

Description of Corrective Action Plan:

The Business Manager will enter the necessary information into Gateway and have the Superintendent or other official will review the information and said person will sign and date. Once reviewed, the Business Manager will do the submission and keep a copy for audit purposes

Anticipated Completion Date: The district will implement this process when the SEFA is due which will be end of August 2024.

Tammy Achenbach

Business Manager

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CORRECTIVE ACTION PLAN

FINDING 2023-002

Finding Subject: Child Nutrition Cluster – Internal Controls

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

Assistance Listing Numbers: 10.553, 10.555

Federal Award Number: 7350

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed and Unallowed, Allowable Costs/Costs Principles, Special Tests and Provisions-Verification of Free and Reduced Price Applications

Summary of Finding: Material Weakness

Internal Controls were not implemented to prevent noncompliance related to the verification of free and reduced applications and hours and wages. A new internal control procedure will be implemented for the second review of the free and reduced applications and for the hours and wages.

Repeat Finding: Prior audit finding number was 2021-002.

Contact Person Responsible for Corrective Action: Tammy Achenbach

Contact Information:

Phone: 317-835-7461

Email: tachenbach@nwshelbyschools.org

Views of Responsible Officials: Management agrees with the finding. Management will ensure proper documented review of amounts billed for personnel and for the free and reduce verification

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Cont. page 2

Description of Corrective Action Plan:

Review for personnel charges:

During the monthly meeting to review the FSMC invoice, along with Operations Ledger, Client P&L, Monthly Reimbursements, Invoices, USDA Reconciliation, Direct Certification, The Hours and Wages will be reviewed and approved.

Free and Reduced Verification:

Internal Controls for the first round of Free and Reduce Applications will be verified by the Data Controller or the Business Manager and the verification of the random testing of the verifications will be done by the Business Manager or the Deputy Treasurer.

Anticipated Completion Date: The district will start the new internal control procedure March 2024 to correct for the 23-24 school year.

Tammy Achenbach

Business Manager

Superintendent
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OTHER REPORTS

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

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

**SUPPLEMENTAL COMPLIANCE REPORT
OF**

**NORTHWESTERN CONSOLIDATED
SCHOOL DISTRICT OF SHELBY COUNTY
SHELBY COUNTY, INDIANA**

July 1, 2021 to June 30, 2023



FILED
03/19/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tammy Achenbach	07-01-21 to 06-30-24
Superintendent of Schools	Chris Hoke	07-01-21 to 06-30-24
President of the School Board	Todd Brandman David Ploog	07-01-21 to 12-31-21 01-01-22 to 06-30-24



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TO: THE OFFICIALS OF THE NORTHWESTERN CONSOLIDATED SCHOOL
DISTRICT OF SHELBY COUNTY, SHELBY COUNTY, INDIANA

This report is supplemental to the audit report of the Northwestern Consolidated School District of Shelby County (School Corporation), for the period from July 1, 2021 to June 30, 2023. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with the Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement. This report may be found at www.in.gov/sboa/.

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

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

Beth Kelley, CPA, CFE
Deputy State Examiner

March 7, 2024

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

Condition and Context

The School Corporation is required to file financial reports after the close of each fiscal year. The reports are to be filed electronically as prescribed.

The School Corporation filed its reports as prescribed; however, the internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA), were not effective.

The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. Although the Treasurer collaborated with a second official when preparing and submitting the federal award information, the review of the second official was not documented. The internal control was not effective and did not detect or allow for correction of errors prior to submission.

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

- The Child Nutrition Cluster expenditures were overstated by \$30,159, and understated by \$413,148, in fiscal years 2021-2022 and 2022-2023, respectively.
- Other errors included incorrect program names and pass-through entity identifying numbers.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in the Federal Compliance Audit Report for the School Corporation.

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
AUDIT RESULT AND COMMENT
(Continued)

Criteria

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

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

The Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Guidelines Compliance Manual for Indiana Public School Corporations, Chapter 1)

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF SHELBY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 7, 2024, with Chris Hoke, Superintendent of Schools; Tammy Achenbach, Treasurer; David Ploog, President of the School Board; and Brooke Lockett, School Board member.