

\$9,995,000*
GMG Community School District, Iowa
General Obligation School Bonds, Series 2025

(FAST Closing)
(Book Entry Only)
(Bank Qualified)
(PARITY© Bidding Available)

DATE: Monday, September 8, 2025
TIME: 11:00 AM
PLACE: Office of the Superintendent
1710 Wallace Ave.
Green Mountain, Iowa 50632
Telephone: (641) 474-2254

S&P's Rating: "A"

* Preliminary, subject to change

PIPER | SANDLER

3900 Ingersoll Ave., Suite 110
Des Moines, IA 50312
515/247-2340

OFFICIAL BID FORM

TO: Board of Directors of the GMG Community School District, Iowa (the "Issuer")

Re: \$9,995,000* General Obligation School Bonds, Series 2025, dated the date of delivery, of the Issuer (the "Bonds")

For all or none of the above Bonds, we will pay you \$_____ for Bonds bearing interest rates and maturing in each of the stated years as follows:

<u>Coupon</u>	<u>Yield</u>	<u>Due</u>	<u>Coupon</u>	<u>Yield</u>	<u>Due</u>
_____	_____	June 1, 2026	_____	_____	June 1, 2036
_____	_____	June 1, 2027	_____	_____	June 1, 2037
_____	_____	June 1, 2028	_____	_____	June 1, 2038
_____	_____	June 1, 2029	_____	_____	June 1, 2039
_____	_____	June 1, 2030	_____	_____	June 1, 2040
_____	_____	June 1, 2031	_____	_____	June 1, 2041
_____	_____	June 1, 2032	_____	_____	June 1, 2042
_____	_____	June 1, 2033	_____	_____	June 1, 2043
_____	_____	June 1, 2034	_____	_____	June 1, 2044
_____	_____	June 1, 2035	_____	_____	June 1, 2045

_____ We hereby elect to have the following issued as term bonds:

<u>Principal Amount</u>	<u>Month and Year (Inclusive)</u>	<u>Maturity Month and Year</u>
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____

Subject to mandatory redemption requirement in the amounts and at the times shown above

_____ We will not elect to have any bonds issued as term bonds

_____ We represent that we are a bidder with established industry reputation for underwriting new issuances of municipal bonds

_____ We will elect to utilize bond insurance from company _____ at a premium of \$ _____

This bid is for prompt acceptance and for delivery of said Bonds to us in compliance with the Official Terms of Offering, which is made a part of this proposal, by reference. Award will be made on a True Interest Cost Basis (TIC).

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Bond Resolution, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

According to our computations (the correct computation being controlling in the award), we compute the following (to the dated date):

NET INTEREST COST:\$ _____ TRUE INTEREST RATE _____ %
(Computed from the dated date)

Account Manager

Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Board of Directors of the GMG Community School District, in the Counties of Marshall and Tama, State of Iowa, this 8th day of September, 2025.

ATTEST:

Board Secretary

Board President

* Preliminary, subject to change

OFFICIAL TERMS OF OFFERING

This section sets forth the description of certain of the terms of the Bonds as well as the terms of offering with which all bidders and bid proposals are required to comply, as follows:

The Bonds to be offered are the following:

GENERAL OBLIGATION SCHOOL BONDS, SERIES 2025, in the principal amount of \$9,995,000* dated the date of delivery in the denomination of \$5,000 or multiples thereof, and maturing as shown on the front page of the official statement.

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the Issuer or its designee after the determination of the Successful Bidder. The Issuer may increase or decrease each maturity in increments of \$5,000. Interest rates specified by the Successful Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the Issuer. Total Series 2025 par amount will not exceed \$9,995,000.

The dollar amount bid by the Successful Bidder may be changed if the aggregate principal amount of the Bonds, as adjusted as described below, is adjusted, however the interest rates specified by the Successful Bidder for all maturities will not change. The Issuer's Municipal Advisor will make every effort to ensure that the percentage net compensation to the Successful Bidder (the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the Issuer (not including accrued interest), less any bond insurance premium and credit rating fee, if any, to be paid by the Successful Bidder, by (ii) the principal amount of the Bonds) does not increase or decrease from what it would have been if no adjustment was made to principal amounts shown in the maturity schedule.

Optional Redemption: The Bonds maturing after June 1, 2033, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Interest: Interest on said Bonds will be payable on December 1, 2025 and semiannually on the 1st day of June and December thereafter. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

Book Entry System: The Bonds will be issued by means of a book entry system with no physical distribution of certificates made to the public. The Bonds will be issued in fully registered form and one certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Issuer to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be required to deposit the certificates with DTC.

Good Faith Deposit: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of \$99,950* for the Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Municipal Advisor or the Issuer will provide the apparent winning bidder (the "Purchaser") with wiring instructions, by email, within 10 minutes of the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser, and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

* Preliminary, subject to change

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 100.5% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. Award will be on a True Interest Cost Basis. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be received after the time specified herein. The time as maintained by the Internet Bid System shall constitute the official time with respect to all Bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Confidential information sent via secured portal: All confidential information exchanged between the Issuer and the Purchaser (including but not limited to closing details and good faith wire details) must be sent via a secure portal. As a condition to closing, the winning bidder will cooperate with the Issuer, its legal counsel and its municipal advisor to ensure that all confidential information is sent via a secure portal.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Superintendent, GMG Community School District, 1710 Wallace Ave, Green Mountain, IA 50632.

Internet Bidding: Internet bids must be submitted through Parity® ("the Internet Bid System"). Information about the Internet Bid System may be obtained by calling 212-849-5000.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purpose of submitting its internet bid in a timely manner and in compliance with the requirements of the Official Terms of Offering. The Issuer is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the internet bidding and the Internet Bid System is not an agent of the Issuer. Provisions of the Official Terms of Offering shall control in the events of conflict with information provided by the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the Internet Bid System. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

Electronic Facsimile Bidding: Facsimile Bidding will not be accepted.

Rates of Interest: The rates of interest specified in the bidder's proposal must conform to the limitations following:

All Bonds of each annual maturity must bear the same interest rate.

Rates of interest bid may be in multiples of 1/8th, 1/20th, or 1/100th of 1%.

Delivery: The Bonds will be delivered to the Purchaser via FAST delivery with the Paying Agent holding the Bonds on behalf of DTC, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within sixty days after the sale. Should delivery be delayed beyond sixty days from date of sale for any reason except failure of performance by the Purchaser, the Purchaser may withdraw his bid and thereafter his interest in and liability for the Bonds will cease. (When the Bonds are ready for delivery, the Issuer may give the successful bidder five working days' notice of the delivery date and the Issuer will expect payment in full on that date, otherwise reserving the right at its option to determine that the bidder has failed to comply with the offer of purchase.)

Establishment of Issue Price:

(a) In order to provide the Issuer with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986 (the "Code"), as amended, and the Treasury Regulations promulgated thereunder, the Purchaser will be required to assist the Issuer in establishing the issue price of the Bonds and shall complete, execute, and deliver to the Issuer prior to the closing date, a written certification acceptable to the Issuer, and Bond Counsel (the "Issue Price Certificate") in substantially the form attached hereto in Appendix E containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any documentation to be received by the Issuer pursuant hereto may be received on behalf of the Issuer by the Municipal Advisor.

(b) The Issuer intends that the sale of the Bonds pursuant to this Official Terms of Offering shall constitute a "competitive sale" as defined in the Regulations based on the following:

- (i) the Municipal Advisor shall cause this Official Terms of Offering to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the Issuer reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
- (iv) the Issuer anticipates awarding the sale of the Bonds to the bidder who provides a bid with the lowest true interest cost (TIC), as set forth in this Official Terms of Offering.

(c) Any bid submitted pursuant to this Official Terms of Offering shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. The bidder shall constitute an “underwriter” as said term is defined in the Regulation. By submitting its bid, the bidder confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Bonds.

(d) If all of the requirements of a “competitive sale” are not satisfied, the Issuer shall advise the Purchaser of such fact prior to the time of award of the sale of the Bonds to the Purchaser. In such event, any bid submitted will not be subject to cancellation or withdrawal. Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Purchaser shall advise the Issuer and its Municipal Advisor if a “substantial amount” (as defined in the Regulation) of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which such substantial amount was sold. The Issuer will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The Issuer will not require the Purchaser to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the Purchaser shall notify the Municipal Advisor, and the Issuer will apply the initial offering price to the public provided in the Purchaser’s bid as the issue price for such maturities and shall agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) The winning bidder shall promptly advise the Issuer when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(f) If the Purchaser does not exercise the “hold-the-offering-price” option, it shall thereafter promptly provide the Issuer and the Municipal Advisor the prices at which a substantial amount of such maturities are sold to the public; provided such determination shall be made and the Issuer and Municipal Advisor notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Bonds or until all of the Bonds of a maturity have been sold.

(g) The Issuer acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Securities to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Securities to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Securities.

(h) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Securities to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Securities of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Securities of that maturity or all Securities of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale

of the Securities to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Securities to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Securities of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Securities of that maturity or all Securities of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(i) Sales of any Securities to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Securities to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Securities to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Securities to the public),
- (iii) a purchaser of any of the Securities is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Securities are awarded by the Issuer to the winning bidder.

Official Statement: The Preliminary Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the Issuer, shall constitute a "Final Official Statement" of the Issuer with respect to the Bonds, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). By awarding the Bonds to any underwriter or underwriting syndicate submitting an Official Bid Form therefore, the Issuer agrees that, no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded one ".pdf" copy of the Official Statement and the addendum described in the preceding sentence to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The Issuer shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Issuer, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

CUSIP Numbers: It is anticipated that CUSIP numbers will be printed on the Bonds. In no event will the Issuer be responsible for or will Bond Counsel review or express any opinion of the correctness of such numbers, and incorrect numbers on said Bonds shall not be cause for the Purchaser to refuse to accept delivery of the Bonds. The fee will be paid for by the Issuer.

Responsibility of Bidder: It is the responsibility of the bidder to deliver its signed, completed bid prior to the time of sale as posted on the front cover of the Official Statement. Neither the Issuer nor its Municipal Advisor will assume responsibility for the collection of or receipt of bids. Bids received after the appointed time of sale will not be opened.

Continuing Disclosure: In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of the Rule, the Issuer will covenant and agree, for the benefit of the registered holders or Beneficial Owners from time to time of the outstanding Bonds, in the Bond Resolution and pursuant to a Continuing Disclosure Certificate, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or Resolution. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the Issuer to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

For more information see the Continuing Disclosure section herein.

Bond Insurance: Application has not been made for municipal bond insurance. Should the Bonds qualify for the issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. Any increased costs of issuance on the Bonds resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the Issuer has requested and received a rating on the Bonds from a municipal bond rating service, the Issuer will pay that rating fee. Any other rating service fees shall be the responsibility of the Purchaser.

Requested modifications to the Bond Resolution or other issuance documents shall be accommodated by the Issuer at its sole discretion. In no event will modifications be made regarding the investment of funds created under the Bond Resolution or other issuance documents without prior Issuer consent, in its sole discretion. Either the Purchaser or the insurer must agree, in the insurance commitment letter or separate agreement acceptable to the Issuer in its sole discretion, to pay any future continuing disclosure costs of the Issuer associated with any rating changes assigned to the municipal bond insurer after closing (for example, if there is a rating change on the municipal bond insurer that require a material event notice filing by the Issuer, the Purchaser or the municipal bond insurer must agree to pay the reasonable costs associated with such filing). Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 27, 2025

NEW ISSUE - DTC BOOK ENTRY ONLY

S&P Rating: "A"

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds 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. Interest on the Bonds is not exempt from present Iowa income taxes. The Bonds will be designated as "qualified tax-exempt obligations." See "TAX MATTERS" herein for a more detailed discussion.

\$9,995,000*

GMG Community School District, Iowa
General Obligation School Bonds Series 2025

Dated: Date of Delivery

The GMG Community School District (the "Issuer") is issuing its General Obligation School Bonds, Series 2025 described above (the "Bonds") as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by UMB Bank, n.a., as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, Indirect Participants or the persons for whom they act as nominee with respect to the Bonds.

Interest on the Bonds is payable on June 1, and December 1 in each year, beginning December 1, 2025 to the registered owners thereof. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

The Bonds maturing after June 1, 2033 may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

MATURITY SCHEDULE

Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **	Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **
June 1, 2026	\$550,000			36188E CC9	June 1, 2036	\$485,000			36188E CN7
June 1, 2027	335,000			36188E CD7	June 1, 2037	500,000			36188E CP0
June 1, 2028	350,000			36188E CE5	June 1, 2038	520,000			36188E CQ8
June 1, 2029	365,000			36188E CF2	June 1, 2039	545,000			36188E CR6
June 1, 2030	380,000			36188E CG0	June 1, 2040	565,000			36188E CS4
June 1, 2031	395,000			36188E CH8	June 1, 2041	590,000			36188E CT2
June 1, 2032	410,000			36188E CJ5	June 1, 2042	620,000			36188E CU9
June 1, 2033	430,000			36188E CK1	June 1, 2043	650,000			36188E CV7
June 1, 2034	445,000			36188E CL9	June 1, 2044	680,000			36188E CW5
June 1, 2035	465,000			36188E CM7	June 1, 2045	715,000			36188E CX3

\$ _____ % Term bond due Priced to yield CUSIP # _____

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel. Ahlers & Cooney, P.C., is also serving as Disclosure Counsel to the Issuer in connection with the Bonds. Piper Sandler & Co. is serving as Municipal Advisor to the Issuer in connection with the issuance of the Bonds. Certain legal matters will be passed upon for the Municipal Advisor by Dorsey & Whitney LLP, Des Moines, Iowa. It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about October 7, 2025. The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

The Date of this Official Statement is _____, 2025

* Preliminary, subject to change

** CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.

No dealer, salesperson or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. The Issuer considers the Official Statement to be "near final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THESE SECURITIES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THESE SECURITIES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SECURITIES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

References to website 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 websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

FORWARD-LOOKING STATEMENTS

This Official Statement, including appendices attached hereto, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "anticipated," "plan," "expect," "projected," "estimate," "budget" "pro forma," "forecast," "intend," or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS TO DIFFER. THE ISSUER DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE DISTRICT ON THE DATE HEREOF, AND THE DISTRICT ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS INDICATED UNDER THE CAPTION "CONTINUING DISCLOSURE."

OFFICIAL STATEMENT
GMG COMMUNITY SCHOOL DISTRICT, IOWA
\$9,995,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2025

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the GMG Community School District, Iowa (the “Issuer”), in connection with the sale of the Issuer’s General Obligation School Bonds, Series 2025 (the “Bonds”). The Bonds are being issued to provide funds to build, furnish and equip a classroom addition to the middle school/high school facility, with related remodeling and improvements and related site improvements, including parking; to remodel, repair and improve its existing middle school/high school, including life safety systems and ADA improvements; and to pay the costs of issuance (the “Project”). See “**SOURCES AND USES OF FUNDS**” herein.

This Preliminary Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain pricing and other information which is to be made available through a final Official Statement.

This Introductory Statement is only a brief description of the Bonds and certain other matters. Such description is qualified by reference to the entire Official Statement and the documents summarized or described herein. This Official Statement should be reviewed in its entirety.

The Bonds are general obligations of the Issuer, payable from and secured by a continuing annual ad-valorem tax levied against all taxable, real property located within the territory of the Issuer. See “**THE BONDS – Source of Security for the Bonds**” herein.

All statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

THE BONDS

General

The Bonds are dated as of the date of delivery and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on December 1, 2025, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

Authorization for the Issuance

The Bonds are being issued pursuant to Chapter 296 of the Code of Iowa, 2025, as amended (the “Iowa Code”), and the bond resolution, expected to be adopted by the Issuer on or around September 22, 2025 (the “Bond Resolution” or “Resolution”). Voters in the Issuer authorized the issuance of not to exceed \$12,300,000 General Obligation School Bonds at the election held on November 5, 2024.

Book Entry Only System

The following information concerning The Depository Trust Company (“DTC”), New York, New York and DTC’s book-entry system has been obtained from sources the Issuer believes to be reliable. However, the Issuer takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

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

* Preliminary, subject to change

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

To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 the notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), Agent, or Issuer, subject to

any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or successor securities depository). In that event Security certificates will be printed and delivered to DTC.

The Issuer cannot and does not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal of or interest and premium, if any, on the Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Issuer nor the Paying Agent will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to owners of Bonds; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (5) any consent given or other action taken by DTC as a Bondholder.

Transfer and Exchange

In the event that the Book Entry System is discontinued, any Bond may, in accordance with its terms, be transferred by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal corporate office of the Registrar accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any Bond or Bonds shall be surrendered for transfer, the Registrar shall execute and deliver a new Bond or Bonds of the same maturity, interest rate, and aggregate principal amount.

Bonds may be exchanged at the principal corporate office of the Registrar for a like aggregate principal amount of Bonds or other authorized denominations of the same maturity and interest rate; provided, however, that the Registrar is not required to transfer or exchange any Bonds which have been selected for redemption and is not required to transfer or exchange any Bonds during the period beginning 15 days prior to the selection of Bonds for redemption and ending the date notice of redemption is mailed. The Registrar may require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. All Bonds surrendered pursuant to the provisions of this and the preceding paragraph shall be canceled by the Registrar and shall not be redelivered.

Redemption

Optional Redemption: The Bonds maturing after June 1, 2033, may be called for optional redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Notice of Redemption. Prior to the redemption of any Bonds under the provisions of the Resolution, the Registrar shall give written notice not less than thirty (30) days prior to the redemption date to each registered owner thereof. Written notice shall be effective upon the date of transmission to the owner of record of the Bond. Failure to give such written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds.

Mandatory Sinking Fund Redemption The Bonds maturing on _____ are subject to mandatory redemption (by lot, as selected by the Registrar) on _____ 1 and _____ in each of the years _____ through _____ at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date in the following principal amounts:

Changes in Property Taxation

The Bonds are general obligations of the Issuer secured by an unlimited ad valorem property tax as described in the “**THE BONDS - Source of Security for the Bonds**” herein.

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Such alterations could affect the Issuer’s financial condition and/or the property tax revenues available to pay the Bonds. Historically, the Iowa General Assembly has applied changes in property taxation structure on a prospective basis; however, there is no assurance that future changes in property taxation structure by the Iowa General Assembly will not be retroactive. It is impossible to predict the outcome of future property tax changes by the Iowa General Assembly or their potential impact on the Issuer’s financial position. As noted in “**THE BONDS - Source of Security for the Bonds,**” under Iowa Code section 76.2 the Issuer will by resolution provide for the assessment of an annual levy upon all the taxable, real property within the territory of the Issuer sufficient to pay the interest and principal of the Bonds within a period named not exceeding twenty years.

Dependence on Significant Taxpayer

MidAmerican Energy Co. (“MidAmerican”) is a significant taxpayer within the Issuer, accounting for approximately 12.75% of the taxable valuation of the Issuer for fiscal year 2023. MidAmerican operates a wind farm within the Issuer. Additionally, the top 10 taxpayers within the Issuer accounted for approximately 32.31% of the total taxable valuation of the Issuer for fiscal year 2023. The Issuer receives a significant amount of revenues from and relating to operations of MidAmerican and other significant taxpayers, including property tax revenues. There can be no assurance that the operations of MidAmerican or other significant taxpayers will continue to provide the same level of revenues for the Issuer during the term of the Bonds. Circumstances beyond the control of the Issuer including without limitation economic downturns may significantly affect MidAmerican’s operations and thus, the amount of property tax revenues received by the Issuer as a result of MidAmerican’s operations. Failure by the Issuer to realize ongoing property tax revenues associated with MidAmerican or other significant taxpayers could have a material effect on the financial condition of the Issuer. See “**APPENDIX A – INFORMATION ABOUT THE ISSUER – LARGEST TAXPAYERS**”.

Legislative Change Related to School Choice

The Legislature enacted and the Governor signed House File 68 (HF68) during its 2023 legislative session. HF68 established a standing unlimited State general fund appropriation for an Education Savings Account Fund (Fund) under the control of the Department of Education. The Fund must be used to establish individual accounts for participating pupils and to make qualified education savings account payments on behalf of parents and guardians, including payment for nonpublic school tuition, textbooks, software, fees, curriculum materials, and other similar expenses. HF68 became effective on July 1, 2023, for fiscal year ending June 30, 2024 and expands eligibility for the program each year with all students attending a nonpublic school becoming eligible beginning in fiscal year ending June 30, 2026.

The annual amount per account in the Fund is determined by the State cost per pupil (SCPP) for that fiscal year and changes each year based on the State percent of growth (SPG). For fiscal year ending June 30, 2025, the SCPP is \$7,826, which amount will be deposited into the Fund, instead of being sent to the Issuer, for each qualifying student within the Issuer’s district attending a nonpublic school. HF68 provides that a district is funded in an amount of \$1,176 per student for resident pupils who attend a nonpublic school. According to the Department of Education, there were 2 students who reside within the territory of the Issuer but attended non-public schools for the 2024-25 school year. It is unknown how many additional students, if any, will attend non-public schools in the Issuer in future years as HF68 is implemented. If a significant number of eligible public-school students in the Issuer transition to nonpublic schools, it could have an adverse impact on the Issuer’s finances given the reduction in per student funding the Issuer would otherwise receive. See “**THE BONDS – Source of Security for the Bonds**” herein.

Matters Relating to Enforceability of Agreements

There is no Bond trustee or similar person to monitor or enforce the provisions of the Bond Resolution. The owners of the Bonds should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal or interest on the Bond, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the Bond Resolution) may have to be enforced from year to year. Holders of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Bond Resolution.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Bond Resolution. The remedies available to the owners of the Bonds upon an event of default under the Bond Resolution, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the Federal Bankruptcy Code, certain of the remedies specified in the Bond Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal

opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Bond Resolution, including principal of and interest on the Bonds.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF SUCH INVESTMENT. THE SECONDARY MARKET FOR THE BONDS, IF ANY, COULD BE LIMITED.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, and secondary marketing practices in connection with a particular Bond or Bonds issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

Pension

The Issuer contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the Issuer are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the Issuer being required to make monthly contributions to IPERS. Contribution amounts are set by State statute. The IPERS Annual Comprehensive Financial Report for its fiscal year ended June 30, 2024 (the "IPERS ACFR"), indicates that as of June 30, 2024, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 90.75%, and the unfunded actuarial liability was approximately \$4.375 billion. The IPERS ACFR identifies the IPERS Net Pension Liability at June 30, 2024, at approximately \$3.641 billion, while its net pension liability at June 30, 2023, was approximately \$4.514 billion. The IPERS ACFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, IA 50321. See "**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" for additional information on IPERS.

Bond Counsel, Disclosure Counsel, the Municipal Advisor, counsel to the Municipal Advisor, and the Issuer undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from the IPERS discussed above or included on the IPERS website, including, but not limited to, updates of such information on the State Auditor's website or links to other Internet sites accessed through the IPERS website.

In fiscal year ended June 30, 2024, the Issuer's IPERS contribution totaled approximately \$349,059. The Issuer is current in its obligations to IPERS. Pursuant to Governmental Accounting Standards Board Statement No. 68, IPERS has allocated the net pension liability among its members, with the Issuer's identified portion at June 30, 2024, at approximately \$1,745,615. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The Issuer's proportion of the net pension liability was based on the Issuer's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. As of June 30, 2023, the Issuer's proportion was 0.037831% which was an increase of 0.00056% from its proportion measured as of June 30, 2022. While the Issuer's contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the Issuer. See "**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" for additional information on pension and liabilities of the Issuer.

The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees, and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Individuals who are employed by the District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability. Retired participants must be age 55 or older at retirement. As of June 30, 2024, there were 61 active employees and 2 inactive employees or beneficiaries in the plan. For the fiscal year ended June 30, 2024, the unfunded actuarial accrued liability was \$84,687 and was determined by an actuarial valuation as of that date. See "**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" for additional information on OPEB obligations of the Issuer.

Bankruptcy and Insolvency

The rights and remedies provided in the Resolution may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditor's rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State of Iowa. The various opinions of counsel to be delivered with respect to the Bonds and the Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the Issuer were to file a petition under Chapter Nine of the Federal Bankruptcy Code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolution. In the event the Issuer fails to comply with its covenants under the Resolution or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Under sections 76.16 and 76.16A of the Code of Iowa, as amended, a city, county, or other political subdivision may become a debtor under Chapter Nine of the Federal Bankruptcy Code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, "debt" means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) that all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) that such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) that as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) that the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E of the Code of Iowa, or other political subdivision.

Tax Matters, Bank Qualification and Loss of Tax Exemption

As discussed under the heading "TAX MATTERS" herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the Issuer in violation of its covenants in the Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special redemption and would remain outstanding until maturity or until redeemed under the redemption provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

The Issuer will designate the Bonds as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Issuer has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. However, the Issuer's failure to comply with such covenants could affect the designation, which could cause the Bonds not to be "qualified tax-exempt obligations" and banks and certain other financial institutions would not receive more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

It is possible that legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities is exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding any pending or proposed federal income tax legislation. The likelihood of any pending or proposed federal income tax legislation being enacted or whether the proposed terms will be altered or removed during the legislative process cannot be reliably predicted.

It is also possible that actions of the Issuer after the closing of the Bonds will alter the tax-exempt status of the Bonds, and, in the extreme, remove the tax-exempt status from the Bonds. In that instance, the Bonds are not subject to mandatory redemption, and the interest rate on the Bonds does not increase or otherwise reset. A determination of taxability on the Bonds, after closing of the Bonds, could materially adversely affect the value and marketability of the Bonds.

Debt Payment History

The Issuer knows of no instance in which it has intentionally defaulted in the payment of principal and interest on any of its debt.

Damage or Destruction to Issuer's Facilities

Although the Issuer will be required to obtain and maintain certain kinds of insurance as set forth in the Resolution, there can be no assurance that the Issuer will not suffer uninsured losses in the event of damage to or destruction of the Issuer's facilities, due to fire or other calamity or in the event of other unforeseen circumstances.

Loss of Premium from Redemption

Any person who purchases the Bonds at a price in excess of their principal amount or who holds such Bonds trading at a price in excess of par should consider the fact that the Bonds are subject to redemption prior to maturity at the redemption prices described herein in the event such Bonds are redeemed prior to maturity. See "THE BONDS – Redemption" herein.

General Liability Claims

In recent years, the number of general liability suits and the dollar amounts of damage awards have increased nationwide, resulting in substantial increases in insurance premiums. Litigation may also arise against the Issuer from its business activities, such as its status as an employer. While the Issuer maintains general liability insurance coverage, the Issuer is unable to predict the availability or cost of such insurance in the future. In addition, it is possible that certain types of liability awards may not be covered by insurance as in effect at relevant times. Any negative impact resulting from such awards may impact the Issuer's financial condition.

Risks as Employer

The Issuer is a major employer, combining a complex mix of tenured and untenured full-time faculty, part-time faculty, technical and clerical support staff and other types of workers in a single operation. As with all large employers, the Issuer bears a wide variety of risks in connection with its employees. These risks include discrimination claims, personal tort actions, work-related injuries, exposure to hazardous materials, interpersonal torts (such as between employees or between employees and students) and other risks that may flow from the relationships between employer and employee or between students and employees. Certain of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance.

Limitation or Delay of Remedies

There is no bond trustee or similar person to monitor or enforce the provisions of the Bond Resolution. The owners of the Bonds should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the Bond Resolution) may have to be enforced from year to year.

The remedies available to the owners of the Bonds upon an event of default under the Resolution 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 the Bankruptcy Code, the remedies provided in the Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds and the delivery of the Resolution will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Cleanup Costs and Liens Under Environmental Statutes

The Issuer is not aware of any enforcement actions currently in process with respect to any releases of pollutants or contaminants at the Project site. However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at a future date. In the event such enforcement actions were initiated, the Issuer could be liable for the costs of removing or otherwise treating pollutants or contaminants located at the Project sites. In addition, under applicable environmental statutes, in the event an enforcement action were to be initiated, a lien superior to the Bondholders' lien could attach to the Project, which may adversely affect the Bondholders' rights.

Environmental and Climate-Related

Due to recent increases in the frequency and intensity of extreme weather events and natural disasters, the Issuer and its residents and businesses may experience operational disruptions and increased costs for mitigation and recovery. The increased costs of risk-mitigation and recovery efforts cannot be determined with certainty due to the multiple factors associated with these costs, including but not limited to, the future frequency and intensity of these events, future legal and regulatory requirements, the costs of labor and materials used in mitigation and recovery, insurance rates and available coverages, and the level of state and federal assistance available.

Cybersecurity

The Issuer relies on its information systems to provide security for processing, transmission and storage of confidential and other sensitive information. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the Issuer and the services it provides, or the unauthorized access to or disclosure of personally identifiable information and other confidential or sensitive information. Despite security measures, the Issuer may remain vulnerable to attacks by outside or internal hackers, or breaches caused by employee error, negligence or malfeasance. Any failure to maintain proper functionality and security of the Issuer's information systems could interrupt the Issuer's operations, damage its reputation, subject it to significant costs, liability claims or regulatory penalties, and could have a material adverse effect on the operations and financial condition of the Issuer. The Issuer has a cyber-insurance policy. The Issuer cannot predict whether this policy will be sufficient in the event of a cyberattack.

Rating Loss

S&P Global Ratings a division of Standard and Poor's Financial Services LLC ("S&P") has assigned a rating of "A" to the Bonds. 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 the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the Issuer to pay debt service when due on the Bonds.

Proposed Federal Tax Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals pending in Congress that could, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition, regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

DTC-Beneficial Owners

Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through Indirect Participants. Neither the Issuer nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See **"THE BONDS—Book-Entry Only System."**

Project Completion; Risks of Construction

A delay in completion of the Project may arise from any number of other causes, including but not limited to, adverse weather conditions, unavailability of subcontractors, supply chain issues, and negligence on the part of subcontractors, labor disputes, or unanticipated increased costs of construction, equipping or renovation. Any of these events or occurrences, separately or in combination, could have a material adverse effect on the Issuer's ability to complete the Project, or to complete it as planned and on schedule. The Issuer believes that the proceeds of the Bonds, along with the future planned issuance, will be sufficient to complete Phase I of the Project; however, the cost of construction of the Project may be affected by factors beyond the control of the Issuer, including strikes, material shortages, adverse weather conditions, trade tariffs, subcontractor defaults, delays, and unknown conditions.

Financial Condition of the Issuer from time to time

No representation is made as to the future financial condition of the Issuer. Certain risks discussed herein could adversely affect the financial condition and/or operations of the Issuer in the future. For fiscal year ending June 30, 2024, the auditor noted a material weakness in internal controls over financial reporting regarding segregation of duties, which is described in more detail in the audited financial statements attached as Appendix D.

Continuing Disclosure

A failure by the Issuer to comply with the continuing disclosure obligations (see "Continuing Disclosure" herein) will not constitute an event of default on the Bonds. Any such failure must be disclosed in accordance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, and may adversely affect the

transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgement as to its ability to bear the economic risk of such and investment, and whether or not the Bonds are an appropriate investment for such investor.

Factors Beyond Issuer's Control

Economic and other factors beyond the Issuer's control, such as economic recession, deflation of property values, or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the corporate boundaries of the Issuer. The State of Iowa, including the Issuer, is susceptible to tornados, flooding and extreme weather wherein winds and flooding have from time to time caused significant damage, which may have an adverse impact on the Issuer's financial position.

Changing priorities in federal policies can result in reductions to the level or priority of federal funding for a variety of federally funded programs, including education related programs. Such changes could have an adverse impact on the Issuer's operations or financial position.

Risk of Audit

The Internal Revenue Service has an ongoing program to audit tax-exempt obligations to determine the legitimacy of the tax status of such obligations. No assurance can be given as to whether the Internal Revenue Service will commence an audit of the Bonds. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Other Factors

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

LITIGATION

The Issuer encounters litigation occasionally, as a course of business, however, no litigation currently exists that is not believed to be covered by current insurance carriers and no litigation has been proposed that questions the validity of these Bonds.

ACCOUNTANT

The audited financial statements of the Issuer included as APPENDIX D to this Official Statement have been examined by Kay L Chapman, CPA, P.C. to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said CPA, and said CPA expresses no opinion with respect to the Bonds or the Official Statement.

UNDERWRITING

The Bonds are being purchased, subject to certain conditions, by ____ (the "Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Bonds at an aggregate purchase price of \$_____ plus accrued interest to the Closing Date.

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

The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

THE PROJECT

The Bonds are being issued to provide funds to build, furnish, and equip a classroom addition to the middle school/high school with related remodeling and improvements and related site improvements, including parking; to remodel, repair, improve existing middle school/high school, including life safety systems and ADA improvements; and to pay the cost of issuance associated with the Bonds.

SOURCES AND USES OF FUNDS *

Sources of Funds	Bond Proceeds	\$9,995,000
	Reoffering Premium	
Total Sources of Funds		\$
Uses of Funds	Deposit to Project fund	\$
	Costs of Issuance	
	Underwriter's Discount	
Total Uses of Funds		\$

* Preliminary, subject to change

TAX MATTERS

Tax Exemption

Federal tax law contains a number of requirements and restrictions that apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Bond proceeds and facilities financed with Bond proceeds, and certain other matters. The Issuer has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Issuer's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, the interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax 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.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S 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 tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

The interest on the Bonds is not exempt from present Iowa income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

Qualified Tax Exemption Obligations

The Bonds will be designated as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), and has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. However, the Issuer's failure to comply with such covenants could cause the Bonds not to be "qualified tax-exempt obligations" and banks and certain other financial institutions would not receive more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

Discount and Premium Bonds

The initial public offering price of certain Bonds may be less than the amount payable on such Bonds at maturity ("Discount Bonds"). Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds may be greater than the amount of such Bonds at maturity ("Premium Bonds"). Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable premium on Premium Bonds for income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Other Tax Advice

In addition to the income tax consequences described above, potential investors should consider the additional tax consequences of the acquisition, ownership, and disposition of the Bonds. For instance, state income tax law may differ substantially from state to state, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to federal tax issues and with respect to the various state tax consequences of an investment in Bonds.

Audits

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. To the best of the Issuer's knowledge, no obligations of the Issuer are currently under examination by the Service. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Issuer as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Reporting and Withholding

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Tax Legislation

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may be considered by the Iowa legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Current and future legislative proposals, including some that carry retroactive effective dates, if enacted into law, court decisions, or clarification of the Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any other legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed tax legislation, as to which Bond Counsel expresses no opinion other than as set forth in its legal opinion.

The Opinion

The FORM OF LEGAL OPINION, in substantially the form set out in APPENDIX B to this Preliminary Official Statement, will be delivered at closing.

Bond Counsel's opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Issuer described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel's

opinion is not binding on the Service, nor does the rendering of the opinion guarantee the outcome of any legal dispute that may arise out of the transaction. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

Enforcement

There is no trustee or similar person to monitor or enforce the terms of the resolution for issuance of the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

The owners of the Bonds cannot foreclose on property within the boundaries of the Issuer or sell such property in order to pay the debt service on the Bonds. In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel's opinion. The opinion will state, in part, that the obligations of the Issuer with respect to the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, to the exercise of judicial discretion in appropriate cases and to the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE).

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt status of the interest thereon (see **"TAX MATTERS"** herein) are subject to the approving legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as **"APPENDIX B – FORM OF BOND COUNSEL OPINION."** Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel for the Issuer in connection with the issuance of the Bonds. Certain matters will be passed upon for the Municipal Advisor by Dorsey & Whitney, LLP, Des Moines, Iowa.

Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this Official Statement and will express no opinion with respect thereto. Bond Counsel has not participated in the preparation of this Official Statement other than to review or prepare information describing the terms of the Bonds, Iowa and Federal law pertinent to the validity of the Bonds, and the tax status of interest on the Bonds which can be found generally under the sections **"THE BONDS"**, **"THE BONDS - Source of Security for the Bonds"**, and **"TAX MATTERS"**. Additionally, Bond Counsel has provided its form of bond counsel opinion and Issuer's continuing disclosure certificate, found in Appendices B and C.

The legal opinion to be delivered will express the professional judgment of Bond Counsel, and by rendering a legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction.

MUNICIPAL ADVISOR

The Issuer has retained Piper Sandler & Co. as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Bonds. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of the information in the Official Statement. The Municipal Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

CONTINUING DISCLOSURE

The Issuer will covenant in a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate" or the "Undertaking") for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the Issuer (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the Issuer no later than April 15 after the close of each fiscal year, commencing with the fiscal year ending June 30, 2026, with the Municipal Securities Rulemaking Board, at its internet repository named "Electronic Municipal Market Access" ("EMMA"). The notices of events, if any, are also to be filed with EMMA. See **"APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE."** The specific nature of the information to be contained in the

Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the “Rule”).

A failure by the Issuer to comply with the Undertaking will not constitute a default under the Resolution and Beneficial Owners of the Bonds are limited to the remedies described in the Undertaking. Any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Continuing Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default thereunder.

If the Issuer fails to comply with any provision of the Continuing Disclosure Certificate, the sole remedy available shall be an action to compel performance. A failure by the Issuer to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Issuer provides the following information in accordance with the reporting requirement of paragraph (f)(3) of the Rule.

Pursuant to the Rule, during the five (5) year period, the Issuer believes it has complied in all material respects with regard to its prior Disclosure Covenants except the following:

The Issuer failed to timely file its “Debt Limit” and “Financial Summary” information with its FY 2022 Operating Data. The Issuer did not file a Failure to File notice. The Issuer filed its FY 2022 “Debt Limit” and “Financial Summary” information when it filed its FY 2023 Operating Data on April 11, 2024.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

MISCELLANEOUS

Brief descriptions or summaries of the Issuer, the Bond, and statutes are included in this Official Statement. The summaries or references herein to the Bonds and statutes referred to herein, and the description of the Bonds included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to such documents, and the description herein of the Bonds is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the Issuer.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or Owners of any of the Bonds.

The attached APPENDICES A, B, C, D and E are integral parts of this Official Statement and must be read together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Bonds.

The Issuer has reviewed the information contained herein which relates to it and has approved all such information for use within this Official Statement. The execution and delivery of this Official Statement has been duly authorized by the Issuer.

GMG COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Betsy Spaur
Board Secretary

APPENDIX A – GENERAL INFORMATION ABOUT THE ISSUER

GMG COMMUNITY SCHOOL DISTRICT, IOWA

DISTRICT OFFICIALS

PRESIDENT	Jackie Stonewall
BOARD MEMBERS	Kristine Kienzle Ann Jackson Justin Hornberg Doug Dieleman Rod Claassen David Collins
SUPERINTENDENT	Chris Petersen
DISTRICT SECRETARY	Betsy Spaur
DISTRICT TREASURER	Betsy Spaur
DISTRICT ATTORNEY	Ahlers & Cooney, P.C.

CONSULTANTS

BOND COUNSEL	Ahlers & Cooney, P.C. Des Moines, Iowa
DISCLOSURE COUNSEL	Ahlers & Cooney, P.C. Des Moines, Iowa
MUNICIPAL ADVISOR	Piper Sandler Des Moines, Iowa
PAYING AGENT	UMB Bank, n.a. West Des Moines, Iowa

General Information

GMG Community School District is located in central Iowa adjacent to the City of Marshalltown. Included within the District's 93 square miles are the communities of Green Mountain (unincorporated) and Garwin as well as unincorporated portions of Marshall and Tama Counties. Transportation facilities are provided in the area by U.S. Highways 30 & 63, Iowa Highways 14 & 229 as well as an excellent network of paved county roads. Rail service is available in Marshalltown via the Union Pacific Railway.

District Facilities (1)

Presented below is a recap of the existing facilities of the Issuer:

<u>Building</u>	<u>Construction Date</u>	<u>Grades Served</u>
Jr./Sr. High School	1925, 1956	7-12
Elementary	2001	PK-6

Enrollment (1)

Total enrollment in the Issuer in the fall of the past five school years has been as follows:

<u>Count Date</u>	<u>Fiscal Year effective</u>	<u>Certified (Resident) (4)</u>	<u>Open Enroll In</u>	<u>Open Enroll Out</u>	<u>Total Served (5)</u>
October-24	2025-26	249.30	246.00	47.00	448.30
October-23	2024-25	246.30	244.00	41.00	449.30
October-22	2023-24	254.50	238.00	40.10	452.40
October-21	2022-23	255.20	240.00	31.00	464.20
October-20	2021-22	250.40	239.00	25.00	464.40

Staff (1)

Presented below is a list of the Issuer's 76 employees.

Administrators:	4	Media Specialists:	0
Teachers:	44	Nurses:	1
Teacher Aids:	11	Guidance:	1
Custodians:	4	Secretaries:	2
Food Service:	5	Transportation:	3
Other:	0	Maintenance:	1

Population (2)

Presented below are population figures for the periods indicated for the city of Garwin:

<u>Year</u>	<u>Population</u>
2020	481
2010	527
2000	565
1990	533
1980	626
1970	563

-
- (1) Source: the Issuer
 - (2) Source: U.S. Census Bureau
 - (3) Source: Iowa Department of Education
 - (4) Used for Sales Tax distribution
 - (5) Used for State Aid distribution

Other Post-Employment Benefits (OPEB) (1)

Plan Description - The Issuer operates a single-employer health benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses.

Individuals who are employed by the Issuer and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	61
Total	63

Total OPEB Liability – The Issuer’s total OPEB liability \$84,687 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – the total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement:

Rate of inflation (effective 6/30/24)	2.75% per annum + .25% additional for insurance company
Rates of salary increase (effective 6/30/24) including inflation	0% OPEB direct determined by services years , not salary
Discount rate (effective 6/30/24) including inflation	4.75% per annum
Healthcare cost trend rate (effective 6/30/24)	6.0% per annum

Discount Rate – The discount rate used to measure the total OPEB liability was 4.75%, which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP 2014 Annuity Mortality Table. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability:

Total OPEB obligation – beginning of year	\$115,174
Changes for the year	
Service Cost	15,872
Interest	4,339
Demographic changes	(30,930)
Change in assumption	(7,294)
Recognition of deferred inflows/outflows	(8,823)
Benefit Payments	(3,651)
Net Changes	(30,487)
Net OPEB obligation – end of year	\$84,687

Changes of assumptions reflect a change in the discount rate from 4.55% in fiscal year 2023 to 4.75% in fiscal year 2024.

(1) Source: the Issuer

Employee Pension Plan (1)

Plan Description. Iowa Public Employees' Retirement System ("IPERS") membership is mandatory for employees of the Issuer. The Issuer's employees are provided with pensions through a cost-sharing multiple employer defined pension plan administered by IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. The Issuer's employee who completed seven years of covered service or has reached the age of 65 while in IPERS covered employment becomes vested. If the Issuer's employee retires before normal retirement age, the employees' monthly retirement benefit will be permanently reduced by an early-retirement reduction. IPERS provides pension benefits as well as disability benefits to Issuer employees and benefits to the employees' beneficiaries upon the death of the eligible employee. See "**APPENDIX D-AUDITED FINANCIAL STATEMENTS OF THE ISSUER-NOTES TO THE FINANCIAL STATEMENTS**" for additional information on IPERS. Additionally, copies of IPERS annual financial report may be obtained from www.ipers.org. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Contributions. Effective July 1, 2012, as a result of a 2010 law change, IPERS contribution rates for the Issuer and its employees are established by IPERS following the annual actuarial valuation (which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization method.) State statute, however, limits the amount rates can increase or decrease each year to one (1) percentage point. Therefore, any difference between the actuarial contribution rates and the contributions paid is due entirely to statutorily set contributions that may differ from the actual contribution rates. As a result, while the contribution rate in the fiscal year ended June 30, 2017 equaled the actuarially required rate, there is no guarantee, due to this statutory limitation on rate increases, that the contribution rate will meet or exceed the actuarially required rate in the future.

The Issuer's contributions to IPERS is not less than that which is required by law. The Issuer's share of the contribution, payable from the applicable funds of the Issuer, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The Issuer has always made its full required contributions to IPERS.

The following table sets forth the contributions made by the Issuer and its employees to IPERS for the period indicated. The Issuer cannot predict the levels of funding that will be required in the future.

Table 1 – Issuer and Employees Contribution to IPERS.

Fiscal Year	Issuer Contribution		Issuer Employees' Contribution	
	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2020	\$293,893	9.44	\$195,800	6.29
2021	290,285	9.44	199,138	6.29
2022	305,240	9.44	201,081	6.29
2023	320,500	9.44	220,114	6.29
2024	349,059	9.44	233,576	6.29

The Issuer cannot predict the levels of funding that will be required in the future as any IPERS unfunded pension benefit obligation could be reflected in future years in higher contribution rates. The investment of moneys, assumptions underlying the same and the administration of IPERS is not subject to the direction of the Issuer. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of IPERS ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, adjustments, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAAL could be substantial in the future, requiring significantly increased contributions from the Issuer which could affect other budgetary matters.

Table 2 – Recent returns of IPERS (1)

According to IPERS, the market value investment return on program assets is as follows:

Fiscal Year Ended June 30	Investment Return %
2020	3.39
2021	29.63
2022	-3.90
2023	5.41
2024	9.07

(1) SOURCE: The Issuer

The following table sets forth certain information about the funding status of IPERS that has been extracted from the annual comprehensive financial reports of IPERS (collectively, the “IPERS ACFRs”), and the actuarial valuation reports provided to IPERS by Cavanaugh MacDonald Consulting, LLC (collectively, the “IPERS Actuarial Reports”). Additional information regarding IPERS and its latest actuarial valuations can be obtained by contacting IPERS administrative staff.

Table 3 – Funding Status of IPERS (1)

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2020	34,485,656,745	34,047,692,112	41,072,427,540	6,586,770,795	83.96	7,024,735,428	82.90	8,391,856,350	78.49
2021	37,584,987,296	42,889,875,682	42,544,648,750	4,959,661,454	88.34	-345,226,932	100.81	8,648,783,536	57.35
2022	39,354,232,379	40,191,566,259	43,969,714,606	4,615,482,227	89.50	3,778,148,347	91.40	9,018,019,950	51.18
2023	41,012,524,216	41,206,314,259	45,719,979,439	4,707,455,223	89.70	4,513,665,180	90.13	9,588,339,000	49.10
2024	42,927,257,062	43,661,123,300	47,302,619,657	4,375,362,595	90.75	3,641,496,357	92.30	10,003,675,315	43.74

Net Pension Liabilities (2)

At June 30, 2024, the Issuer reported a liability of \$1,745,615 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7%. The Issuer’s proportion of the net pension liability was based on the Issuer’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See “**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS**” for additional information related to the Issuer’s deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

Bond Counsel, Disclosure Counsel, the Issuer, the Underwriter and the Municipal Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the material available from IPERS as discussed above or included on the IPERS website, including, but not limited to, updates of such information on the Auditor of State’s website or links to other websites through the IPERS website.

Investment of Public Funds (2)

The Issuer invests its funds pursuant to Chapter 12B of the Code. Presented below is the Issuer’s investing activities as of June 30, 2025:

<u>Type of Investment</u>	<u>Amount Invested</u>
Local Bank Money Market	\$0
Local Bank Deposit Accounts	2,561,265.59
Local Bank Time CD’s	0
ISJIT Money Market	196,399.46
ISJIT Time CD’s	0

(1) Source: IPERS Actuarial Reports. For a description of the assumptions used when calculating the funding status of IPERS for the fiscal year noted herein, see IPERS ACFRs

(2) Source: the Issuer

Major Employers (1)

Presented below is a summary of the largest employers in Marshalltown and Tama County:

City of Marshalltown		
<u>Employer</u>	<u>Business</u>	<u>Approximate Employees</u>
JBS Swift	Pork processing plant	1000-4999
Emerson	Operations research	1000-4999
Lennox Industries	Air conditioning equipment – wholesale	1000-4999
Veterans Home	Retirement community	500-999
Emerson Customer Solutions Ctr	Customer loyalty programs & srvs	250-499
Unitypoint Health-Marshalltown	Healthcare	250-499
Iowa Valley Community College	Education	250-499
Hy-Vee	Grocery store	250-499
Wal-Mart Supercenter	Retail	250-499
Emerson	Electrical products manufacturer	100-249
Marshalltown Co	Tools manufacturer	100-249
Mid Iowa Workshops Inc.	Hat manufacturer	100-249
Packers Sanitation Services	Sanitation services	100-249
Grandview Heights Rehab	Vocational rehabilitation services	100-249
Mid-Iowa Community Action	Clinic	100-249
Villa Del Sol	Nursing home	100-249
Wolfe Eye Clinic	Clinic	100-249
Area Education Agency	Education	100-249
City of Marshalltown	Government	100-249
RACOM Corp	Electronic retailing	100-249
PCA Corp of America	Storage containers	100-249
Fisher Controls-Emerson	Control systems-regulators	100-249
Tama County		
<u>Employer</u>	<u>Business</u>	<u>Approximate Employees</u>
Tama Paperboard	Paperboard mills	100-249
Meskwaki Bingo Casino Hotel	Casino	250-499
South Tama Co CSD	Education	250-499
GMG CSD	Education	50-99
Midwest Sleep	Mattress manufacturer	50-99
Rube's Steakhouse	Restaurant	50-99
North Tama Co CSD	Education	50-99
Meskwaki Settlement School	Education	50-99
Sunny Hill Care Center	Nursing home	50-99
Westbrook Acres Nursing Home	Nursing home	50-99
Sunrise Hill Care & Rehab Center	Nursing home	50-99
Sac & Fox Tribe Natural Resource	Agricultural consultants	50-99
Sac-Fox Tribe	Native American government	50-99
Premier Estates of Toledo	Apartments	50-99
Fareway	Grocery store	50-99
Randolph's	Liquid & dry bulk trucking	50-99
Iowa Premium Beef	Meat-wholesale	50-99

(1) Source: Iowa Workforce Development.com/employer database

Property Tax Assessment (1) (2)

In compliance with section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Assessed or Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential and commercial property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Assessed or Taxable Valuation. The rollback percentages for residential, agricultural and commercial valuations are as follows:

<u>Fiscal Year</u>	<u>Residential</u>	<u>Ag. Land & Bldgs</u>	<u>Commercial</u>	<u>Multi-residential</u>	<u>Railroad</u>	<u>Utilities</u>	<u>Industrial</u>
2025-26	47.4316	73.8575	90.0000	NA	90.0000	100.0000	90.0000
2024-25	46.3428	71.8370	90.0000	NA	90.0000	100.0000	90.0000
2023-24	54.6501	91.6430	90.0000	NA	90.0000	100.0000	90.0000
2022-23	54.1302	89.0412	90.0000	63.7500	90.0000	100.0000	90.0000
2021-22	56.4094	84.0305	90.0000	67.5000	90.0000	98.5489	90.0000

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2022 are used to calculate tax liability for the tax year starting July 1, 2023 through June 30, 2024. Presented below are the historic property valuations of the Issuer by class of property.

(1) Source: Iowa Department of Revenue

(2) In 2023, the Legislature created a rollback for small commercial, small railroad and small industrial properties that receive the same rollback rate as residential properties receive for said year, for the valuation of those classes up to \$150,000. Valuation above \$150,000 is taxed at the above rollback rate for each of commercial, railroad and industrial.

Property Valuations (1)

Actual Valuation					
Valuation as of January	2024	2023	2022	2021	2020
Fiscal Year	<u>2025-26</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
Residential:	123,905,611	122,668,361	99,447,020	94,050,240	88,390,750
Agricultural Land:	114,199,040	114,194,730	94,495,140	94,480,107	94,887,720
Ag Buildings:	5,204,870	4,977,480	2,950,320	2,562,120	2,625,780
Commercial:	8,594,829	9,402,369	8,531,640	8,840,607	8,692,277
Industrial:	32,381,450	32,381,450	30,900,343	30,770,508	32,181,540
Multiresidential:	0	0	0	911,787	844,037
Personal RE:	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	6,652,544	6,289,631	5,647,558	6,273,849	6,407,509
Other:	0	0	0	0	0
Total Valuation:	290,938,344	289,914,021	241,972,021	237,889,218	234,029,613
Less Military:	184,000	192,000	211,128	224,092	225,944
Less Homestead:	1,696,432	838,829			
Net Valuation:	289,057,912	288,883,192	241,760,893	237,665,126	233,803,669
TIF Valuation:	3,313,980	3,313,980	2,894,207	2,982,582	3,313,980
Utility Replacement:	90,647,016	87,277,201	87,298,472	86,762,179	86,503,570
Taxable Valuation					
Valuation as of January	2024	2023	2022	2021	2020
Fiscal Year	<u>2025-26</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
Residential:	58,770,399	56,847,952	54,347,877	50,909,613	49,860,705
Agricultural Land:	84,344,556	82,034,056	86,598,167	84,126,233	79,734,638
Ag Buildings:	3,844,191	3,575,679	2,703,771	2,281,340	2,206,461
Commercial:	7,099,993	7,663,102	7,050,852	7,956,547	7,823,050
Industrial:	28,623,541	28,610,241	27,000,889	27,395,199	28,963,386
Multiresidential:	0	0	0	581,264	569,730
Personal RE:	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	6,652,544	6,289,631	5,647,558	6,273,849	6,314,531
Other:	0	0	0	0	0
Total Valuation:	189,335,224	185,020,661	183,349,114	179,524,045	175,472,501
Less Military:	184,000	192,000	211,128	224,092	225,944
Less Homestead:	1,098,500	526,500			
Net Valuation:	188,052,724	184,302,161	183,137,986	179,299,953	175,246,557
TIF Valuation:	2,876,161	2,873,438	2,894,207	2,982,582	2,982,582
Utility Replacement:	19,851,929	19,193,444	16,874,747	16,053,347	18,524,421

Valuation	Fiscal	Actual	% Change in	Taxable	% Change in
<u>Year</u>	<u>Year</u>	<u>Valuation</u>	<u>Actual</u>	<u>Valuation</u>	<u>Taxable</u>
		<u>w/ Utilities</u>	<u>Valuation</u>	<u>w/ Utilities</u>	<u>Valuation</u>
2024	2026	383,018,908	0.93%	210,780,814	2.14%
2023	2025	379,474,373	14.32%	206,369,043	1.71%
2022	2024	331,953,572	1.39%	202,906,940	2.30%
2021	2023	327,409,887	1.17%	198,335,882	0.80%
2020	2022	323,621,219	0.74%	196,753,560	1.15%

(1) Source: Iowa Department of Management

Tax Rates (1)

Presented below are the taxes levied by the Issuer for the fund groups as presented, for the period indicated:

<u>Fiscal Year</u>	<u>Operating</u>	<u>Management</u>	<u>Board PPEL</u>	<u>V PPEL</u>	<u>Playground</u>	<u>Debt</u>	<u>Schoolhouse</u>	<u>Total Levy</u>
2026	8.71782	1.41075	0.33000	1.34000	0.00000	4.05000	0.00000	15.84857
2025	10.03000	0.00000	0.33000	1.34000	0.00000	0.69463	0.00000	12.39463
2024	6.78451	0.77995	0.33000	1.34000	0.00000	3.14307	0.00000	12.37753
2023	7.42767	0.78320	0.33000	0.67000	0.00000	3.06525	0.00000	12.27612
2022	7.50790	0.71270	0.33000	0.67000	0.00000	3.05738	0.00000	12.27798
2021	7.55178	1.09091	0.33000	0.67000	0.00000	2.63545	0.00000	12.27814
2020	7.80797	2.03656	0.33000	0.67000	0.00000	1.76232	0.00000	12.60685

Historic Tax Rates (1)

Presented below are the tax rates by taxing entity for residents of the City of Garwin – Marshall County:

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Transit</u>	<u>Total Levy</u>
2026	13.02638	15.84857	1.69613	0.00000	0.59114	0.15214	0.00000	6.32794	0.00000	37.64230
2025	13.57379	12.39463	1.73971	0.00180	0.48149	0.14399	0.00000	6.24012	0.00000	34.57553
2024	11.47952	12.37753	1.74331	0.00180	0.53796	0.14672	0.00000	6.53991	0.00000	32.82675
2023	11.44371	12.27612	1.74287	0.00240	0.49548	0.14617	0.00000	6.23143	0.00000	32.33818
2022	11.44363	12.27798	1.65540	0.00260	0.26619	0.14816	0.00000	6.20707	0.00000	32.00103
2021	11.12615	12.27814	1.58101	0.00270	0.26530	0.15050	0.00000	6.01018	0.00000	31.41398
2020	11.91899	12.60685	0.88409	0.00280	0.21338	0.14882	0.00000	6.01018	0.00000	31.78511

Presented below are the tax rates by taxing entity for residents of the City of Garwin – Tama County:

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Transit</u>	<u>Total Levy</u>
2026	13.02638	15.84857	1.69613	0.00000	0.35237	0.24168	0.00000	7.53283	0.00000	38.69796
2025	13.57379	12.39463	1.73971	0.00180	0.50842	0.24065	0.00000	7.58951	0.00000	36.04851
2024	11.47952	12.37753	1.74331	0.00180	0.46893	0.22346	0.00000	6.53676	0.00000	32.83131
2023	11.44371	12.27612	1.74287	0.00240	0.51032	0.23219	0.00000	6.56933	0.00000	32.77694
2022	11.44363	12.27798	1.65540	0.00260	0.40625	0.24013	0.00000	6.97096	0.00000	32.99695
2021	11.12615	12.27814	1.58101	0.00270	0.40216	0.21723	0.00000	7.10577	0.00000	32.71316
2020	11.91899	12.60685	0.88409	0.00280	0.44266	0.22133	0.00000	7.60814	0.00000	33.68486

Tax Collection History (2)

Presented below are the actual ad-valorem tax levies and collections for the periods indicated:

<u>Fiscal Year</u>	<u>Amount Levied</u>	<u>Amount Collected</u>	<u>Percentage Collected</u>
2026	\$3,311,736	In collection	NA
2025	2,529,335	In collection	NA
2024	2,489,809	\$2,509,627	100.80%
2023	2,411,135	2,587,262	107.30%
2022	2,391,352	2,485,751	103.95%
2021	2,362,783	2,395,253	101.37%
2020	2,173,522	2,166,789	99.69%

(1) Source: Iowa Department of Management

(2) Source: the Issuer

Largest Taxpayers (1) (2)

Set forth in the following table are the persons or entities which represent the 2023 largest taxpayers within the Issuer. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the Issuer. The Issuer's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the Issuer from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u>	<u>2023 Taxable Valuation</u>	<u>Percent of Total</u>
MidAmerican Energy Co	\$26,311,184	12.75%
Interstate Power & Light Company	17,515,370	8.49%
Remington Seeds LLC	6,331,363	3.07%
Matt Smith Farms Inc	4,188,051	2.03%
Koch Fertilizer Storage	3,520,213	1.71%
Mid-Iowa Cooperative	2,879,327	1.40%
Double R Farms Inc	2,157,209	1.05%
Cougar Valley Farms LLC	1,429,376	0.69%
Northern Natural Gas Company	1,184,564	0.57%
KE Farms Inc.	1,167,147	0.57%
Total		32.31%

(1) Source: Marshall and Tama Counties

(2) Utility Property Tax Replacement. Beginning in 1999, the State replaced its previous property tax assessment procedure in valuing the property of entities involved primarily in the production, delivery, service and sale of electricity and natural gas with a replacement tax formula based upon the delivery of energy by these entities. Electric and natural gas utilities now pay replacement taxes to the State in lieu of property taxes. All replacement taxes are allocated among local taxing cities by the State Department of Revenue and Finance and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Properties of these utilities are exempt from the levy of property tax by political subdivisions. Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State. The utility replacement tax statute states that the utility replacement tax collected by the State and allocated among local taxing cities (including the Issuer) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. However, utility property is not subject to the levy of property tax by political subdivisions, only the utility replacement tax and statewide property tax. It is possible that the Issuer's authority to levy taxes to pay principal and interest on the Bonds could be adjudicated to be proportionately reduced in future years if the utility replacement tax were to be other than "taxable property" for purposes of computing the Issuer's levy limit under Iowa Code Section 298.18, as amended from time to time. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the Issuer can issue or (ii) adversely affect the Issuer's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds.

Direct Debt

General Obligation School Bonds (Debt Service) (1)

Presented below is the estimated principal and interest on the Issuer's general obligation bonds, presented by fiscal year and issue:

<u>Fiscal Year</u>	<u>Estimated 10/7/25</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total P&I</u>
2026	550,000	550,000	302,585	852,585
2027	335,000	335,000	416,136	751,136
2028	350,000	350,000	402,066	752,066
2029	365,000	365,000	387,366	752,366
2030	380,000	380,000	372,036	752,036
2031	395,000	395,000	356,076	751,076
2032	410,000	410,000	339,486	749,486
2033	430,000	430,000	322,266	752,266
2034	445,000	445,000	304,206	749,206
2035	465,000	465,000	286,406	751,406
2036	485,000	485,000	267,806	752,806
2037	500,000	500,000	248,406	748,406
2038	520,000	520,000	228,306	748,306
2039	545,000	545,000	206,726	751,726
2040	565,000	565,000	183,564	748,564
2041	590,000	590,000	158,930	748,930
2042	620,000	620,000	131,377	751,377
2043	650,000	650,000	101,679	751,679
2044	680,000	680,000	69,829	749,829
2045	715,000	715,000	35,965	750,965
Totals:	9,995,000	9,995,000	5,121,214	15,116,214

General Obligation School Capital Loan Notes (PPEL) (1)

The Issuer does not have any outstanding General Obligation School Capital Loan Notes.

Anticipatory Warrants (1)

The Issuer has not issued anticipatory warrants during the past five years.

School Infrastructure Sales, Services & Use Tax Revenue Bonds (1)

Presented below is the principal and interest on the Issuer's outstanding School Infrastructure Sales, Services & Use Tax Revenue Bonds.

<u>Fiscal Year</u>	<u>6/27/19</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total P&I</u>
2026	90,000	90,000	10,332	100,332
2027	91,000	91,000	7,812	98,812
2028	93,000	93,000	5,264	98,264
2029	95,000	95,000	2,660	97,660
Totals:	369,000	369,000	26,068	395,068

(1) Source: the Issuer

Debt Limit (1) (2) (3) (4)

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The Issuer's debt limit, based upon said valuation, amounts to the following:

1/1/2024 Actual Valuation:	383,018,908
X	0.05
Statutory Debt Limit:	19,150,945
Total General Obligation Debt:	9,995,000
Total Lease Purchases:	0
Total Loan Agreements:	
Capital Leases:	
Total Debt Subject to Limit:	9,995,000
Percentage of Debt Limit Obligated:	52.19%

The constitutional debt limit calculation does not include the Issuer's Sales Tax Revenue Bonds. If the District's Sales Tax Revenue Bonds do count against the constitutional debt limit, the "Total Debt Subject to Limit" would increase \$369,000* to be \$10,364,000*, or 54.12% * of the statutory debt limit.

- | | |
|-----|--|
| (1) | Direct debt source: the Issuer |
| (2) | Valuation data source: Iowa Department of Management |
| (3) | Preliminary, subject to change |
| (4) | Utility Property Tax Replacement |

Beginning in 1999, the State replaced its previous property tax assessment procedure in valuing the property of entities involved primarily in the production, delivery, service and sale of electricity and natural gas with a replacement tax formula based upon the delivery of energy by these entities. Electric and natural gas utilities now pay replacement taxes to the State in lieu of property taxes. All replacement taxes are allocated among local taxing cities by the State Department of Revenue and Finance and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Properties of these utilities are exempt from the levy of property tax by political subdivisions. Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

It is possible that the general obligation debt capacity of the Issuer could be adjudicated to be proportionately reduced in future years if utility property were determined to be other than "taxable property" for purposes of computing the Issuer's debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the Issuer can issue or (ii) adversely affect the Issuer's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds.

Overlapping & Underlying Debt (1) (3)

Presented below is a listing of the overlapping and underlying debt outstanding of Issuers within the Issuer.

<u>Taxing Authority</u>	<u>Outstanding Debt</u>	<u>2023 Taxable Valuation</u>	<u>Taxable Value Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
City Of Garwin	\$0	\$10,486,743	\$10,486,743	100.00%	\$0
Marshall County	2,925,000	2,228,998,367	126,583,878	5.68%	166,110
Tama County	7,210,000	1,210,496,451	79,785,165	6.59%	475,219
Iowa Valley Cc	18,390,000	6,479,629,455	206,369,043	3.18%	585,701
Central Rivers Aea	4,176,442	28,601,004,358	206,369,043	0.72%	30,135

Total Overlapping & Underlying Debt: \$1,257,165

Financial Summary (1) (2) (3) (4)

Actual Value of Property, 2024: \$383,018,908
Taxable Value of Property, 2024: 210,780,814

Direct General Obligation Debt: \$9,995,000
Overlapping Debt: 1,257,165

Direct & Overlapping General Obligation Debt: \$11,252,165

Population, 2020 US Census: 1,712

Direct Debt per Capita: \$5,838.20
Total Debt per Capita: \$6,572.53

Direct Debt to Taxable Valuation: 4.74%
Total Debt to Taxable Valuation: 5.34%

Direct Debt to Actual Valuation: 2.61%
Total Debt to Actual Valuation: 2.94%

Actual Valuation per Capita: \$223,726
Taxable Valuation per Capita: \$123,120

- (1) Valuation source: Iowa Department of Management
- (2) Direct debt source: the Issuer
- (3) Overlapping debt outstanding source: Treasurer, State of Iowa; where available, EMMA.MSRB.ORG
- (4) Population source: U.S. Census Bureau

APPENDIX B – FORM OF LEGAL OPINION

DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors of the GMG Community School District in the Counties of Tama and Marshall, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Bonds, Series 2025, by said Issuer, dated the date of delivery, in the denominations of \$5,000 or multiples thereof, in the aggregate amount of \$_____ (the "Bonds").

We have examined the law and certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution authorizing issuance of the Bonds (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.
2. The Bonds are valid and binding general obligations of the Issuer.
3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

The Issuer has designated the Bonds "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

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

AHLERS & COONEY, P.C.

APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

DRAFT

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the GMG Community School District, State of Iowa (the "Issuer"), in connection with the issuance of \$ _____ General Obligation School Bonds, Series 2025 (the "Bonds"), dated the date of delivery. The Bonds are being issued pursuant to a Resolution of the Issuer approved on September __, 2025 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate; Interpretation. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5). This Disclosure Certificate shall be governed by, construed and interpreted in accordance with the Rule, and, to the extent not in conflict with the Rule, the laws of the State. Nothing herein shall be interpreted to require more than required by the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" shall mean financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close.

"Dissemination Agent" shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with S.E.C. Rule 15c2-12.

"Holders" shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Municipal Securities Rulemaking Board" or "MSRB" shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

"National Repository" shall mean the MSRB's Electronic Municipal Market Access website, a/k/a "EMMA" (emma.msrb.org).

"Official Statement" shall mean the Issuer's Official Statement for the Bonds, dated _____, 2025.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission (S.E.C.) under the Securities Exchange Act of 1934, and any guidance and procedures thereunder published by the S.E.C., as the same may be amended from time to time.

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Financial Information.

- a. The Issuer shall, or shall cause the Dissemination Agent to, not later than April 15 after the end of the Issuer's fiscal year (presently June 30th), commencing with information for the 2026 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the

audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

- b. If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.
- c. The Dissemination Agent shall:
 - i. each year file Annual Financial Information with the National Repository; and
 - ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

Section 4. Content of Annual Financial Information. The Issuer's Annual Financial Information filing shall contain or incorporate by reference the following:

- a. The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time Annual Financial Information is required to be filed pursuant to Section 3(a), the Annual Financial Information filing shall contain unaudited financial statements of the type included in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Financial Information when they become available.
- b. A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the captions "Property Valuations," "Tax Rates," "Historic Tax Rates," "Tax Collection History," "Direct Debt," "Debt Limit," and "Financial Summary."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the National Repository. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

- a. Pursuant to the provisions of this Section, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than 10 Business Days after the day of the occurrence of the event:
 - i. Principal and interest payment delinquencies;
 - ii. Non-payment related defaults, if material;
 - iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - iv. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
 - v. Substitution of credit or liquidity providers, or their failure to perform;
 - vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds;
 - vii. Modifications to rights of Holders of the Bonds, if material;
 - viii. Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;
 - ix. Defeasances of the Bonds;
 - x. Release, substitution, or sale of property securing repayment of the Bonds, if material;
 - xi. Rating changes on the Bonds;
 - xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;
 - xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - xv. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
 - xvi. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.
- b. Whenever the Issuer obtains the knowledge of the occurrence of a Listed Event, the Issuer shall determine if the occurrence is subject

to notice only if material, and if so shall as soon as possible determine if such event would be material under applicable federal securities laws.

- c. If the Issuer determines that knowledge of the occurrence of a Listed Event is not subject to materiality, or determines such occurrence is subject to materiality and would be material under applicable federal securities laws, the Issuer shall promptly, but not later than 10 Business Days after the occurrence of the event, file a notice of such occurrence with the Municipal Securities Rulemaking Board through the filing with the National Repository.

Section 6. Additional Filing. The Issuer's audited financial statements for fiscal year ending June 30, 2025 were not available for inclusion in the Final Official Statement. The Issuer agrees to file these audited financial statements in the same manner as the Annual Financial Information when they become available.]

Section 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate with respect to each Series of Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds of that Series or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- a. If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be 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 an obligated person with respect to the Bonds, or the type of business conducted;
- b. The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- c. The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Financial Information filing, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Financial Information filing for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information filing or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Financial Information filing or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information filing or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically

set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Rescission Rights. The Issuer hereby reserves the right to rescind this Disclosure Certificate without the consent of the Holders in the event the Rule is repealed by the S.E.C. or is ruled invalid by a federal court and the time to appeal from such decision has expired. In the event of a partial repeal or invalidation of the Rule, the Issuer hereby reserves the right to rescind those provisions of this Disclosure Certificate that were required by those parts of the Rule that are so repealed or invalidated.

Date: Date of Delivery

GMG COMMUNITY SCHOOL DISTRICT,
STATE OF IOWA

By: _____
President of the Board of Directors

ATTEST:

By: _____
Secretary of the Board of Directors

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE
TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: GMG Community School District, Iowa.

Name of Bond Issue: \$_____ General Obligation School Bonds, Series 2025

Dated Date of Issue: Date of Delivery

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Bonds. The Issuer anticipates that the Annual Financial Information will be filed by _____.

Dated: _____ day of _____, 20__.

GMG COMMUNITY SCHOOL DISTRICT,
STATE OF IOWA

By: _____
Its: _____

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

This Appendix contains the entire 2024 audited financial statement of the issuer. The Auditor of State of the State of Iowa (the "State Auditor") maintains a webpage that contains prior years' audits of city, county, school district and community college, including audits of the Issuer.

The remainder of this page was left blank intentionally.

GMG COMMUNITY SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORTS,
BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2024

GMG COMMUNITY SCHOOL DISTRICT
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GMG COMMUNITY SCHOOL DISTRICT

Officials

June 30, 2024

(Before November 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Randy Sienknecht	Board President	Resigned May 2023 Nov. 2025
Ann Jackson	Board President	Appointed May 2023 Nov. 2025
Ann Jackson	Board Vice President	Nov. 2025
Jill Roberts	Board Member	Nov. 2023
Doug Dieleman	Board Member	Nov. 2023
David Collines	Board Member	Nov. 2023
Kristine Kienzle	Board Member	Nov. 2025
Justin Hornberg	Board Member	Nov. 2025
Jackie Stonewall	Board Member	Nov. 2023
School Officials		
Kym Stein	Superintendent	Indefinite
Stacey Duden	District Secretary/Treasurer	Indefinite
Roger Schoell at Grimes, Buck, Schoell, Beach, & Hitchins	Attorney	Indefinite

(After November 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Jill Roberts	Board President	Nov. 2025
Jackie Stonewall	Board Vice President	Nov. 2027
Rod Claassen	Board Member	Nov. 2024
Doug Dieleman	Board Member	Nov. 2027
David Collines	Board Member	Nov. 2027
Kristine Kienzle	Board Member	Nov. 2025
Justin Hornberg	Board Member	Nov. 2027
School Officials		
Chris Petersen	Superintendent	Indefinite
Betsy Spaur	District Secretary/Treasurer	Indefinite
Roger Schoell at Grimes, Buck, Schoell, Beach, & Hitchins	Attorney	Indefinite

Kay L. Chapman, CPA PC

116 Harrison Street
Muscatine, Iowa 52761
563-264-1385
kchapman@cpakay.com

Independent Auditor's Report

To the Board of Education of GMG Community School District:

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of GMG Community School District, Green Mountain, Iowa, as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the GMG Community School District as of June 30, 2024 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am required to be independent of GMG Community School District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my audit. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control

relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the GMG Community School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 statements.
- 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 GMG Community School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the GMG Community School District's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 6 through 13 and 47 through 53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

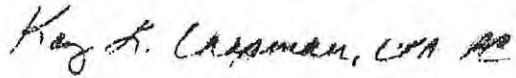
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise GMG Community School District's basic financial statements. I previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the eight years ended June 30, 2023 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the year ended June 30, 2015 (which are not presented herein) were audited by other auditors who expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In my opinion, the supplementary information in Schedules 1 through 4 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated March 25, 2025 on my consideration of GMG Community School District's internal control over financial reporting and on my 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 my 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 District'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 GMG Community School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Kay L. Chapman, CPA PC". The signature is written in a cursive, flowing style.

Kay L. Chapman, CPA PC
March 25, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

GMG Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2024. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2024 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$5,477,716 in fiscal year 2023 to \$5,726,827 in fiscal year 2024, while General Fund expenditures increased from \$6,080,984 in fiscal year 2023 to \$6,582,294 in fiscal year 2024. The District's General Fund balance decreased from \$1,357,951 fiscal year 2023 to \$480,071 in fiscal year 2024, a 65% decrease.
- The Management Fund balance decreased from \$905,416 in fiscal year 2023 to \$743,484 in fiscal year 2024. The amount of property taxes levied in the Management Fund decreased and the amount of early retirement expenditures also decreased in fiscal year 2024.
- The Physical Plant and Equipment Levy Fund balance increased from \$271,181 in 2023 to \$611,387 in 2024 due to the additional debt being paid in advance.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of GMG Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental and business type activities services were financed in the short term as well as what remains for future spending. Fund financial statements report GMG Community School District's operations in more detail than the government-wide financial statements by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes.

Supplementary Information provides detailed information about the nonmajor governmental funds.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the

difference reported as net position. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position is an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program and farm account are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show it is properly using certain revenues, such as federal grants.

The District has two kinds of funds:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Funds.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities but provides more detail and additional information, such as cash flows. The District currently has two Enterprise Funds, the School Nutrition Fund and the Farm Fund. The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-1 below provides a summary of the District's net position at June 30, 2024 compared to June 30, 2023.

Figure A-1
Condensed Statement of Net Position

	Governmental Activities		Business Type Activities		Total District		Total Change
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>
Current and other assets	\$ 6,203,414	\$ 6,633,389	\$ 412,597	\$ 443,784	\$ 6,616,011	\$ 7,077,173	-6.52%
Capital assets	<u>6,088,486</u>	<u>6,397,091</u>	<u>68,114</u>	<u>74,629</u>	<u>6,156,600</u>	<u>6,471,720</u>	-4.87%
Total assets	<u>12,291,900</u>	<u>13,030,480</u>	<u>480,711</u>	<u>518,413</u>	<u>12,772,611</u>	<u>13,548,893</u>	-5.73%
Deferred outflows of resources	<u>655,873</u>	<u>373,134</u>	<u>18,290</u>	<u>706</u>	<u>674,163</u>	<u>373,840</u>	80.33%
Long-term liabilities	2,455,431	2,979,874	12,132	6,119	2,467,563	2,985,993	-17.36%
Other liabilities	<u>1,004,606</u>	<u>841,909</u>	<u>21,336</u>	<u>22,885</u>	<u>1,025,942</u>	<u>864,794</u>	18.63%
Total liabilities	<u>3,460,037</u>	<u>3,821,783</u>	<u>33,468</u>	<u>29,004</u>	<u>3,493,505</u>	<u>3,850,787</u>	-9.28%
Deferred inflows of resources	<u>2,795,762</u>	<u>2,673,488</u>	<u>16,892</u>	<u>38,197</u>	<u>2,812,654</u>	<u>2,711,685</u>	3.72%
Net position							
Net investment in capital assets	5,451,225	5,057,298	68,114	74,629	5,519,339	5,131,927	7.55%
Restricted	2,347,248	2,314,141	-	-	2,347,248	2,314,141	1.43%
Unrestricted	<u>(1,106,499)</u>	<u>(463,096)</u>	<u>380,527</u>	<u>377,289</u>	<u>(725,972)</u>	<u>(85,807)</u>	-746.05%
Total net position	<u>\$ 6,691,974</u>	<u>\$ 6,908,343</u>	<u>\$ 448,641</u>	<u>\$ 451,918</u>	<u>\$ 7,140,615</u>	<u>\$ 7,360,261</u>	-2.98%

The District's total net position decreased 3%, or \$219,646, from the prior year.

The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings, equipment and right-to-use leased equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$33,107 or 1% over the prior year. The increase was primarily a result of an increase in categorical funds received in the General Fund.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased \$640,165, or 746%. This decrease in unrestricted net position was primarily a result of the increase in the net pension liability.

Figure A-2 shows the changes in net position for the year ended June 30, 2024 compared to the year ended June 30, 2023.

Figure A-2

	Change in Net Position						
	Governmental Activities		Business Type Activities		Total District		Total Change
	2024	2023	2024	2023	2024	2023	2023-2024
Revenues							
Program revenues							
Charges for service and sales	\$ 2,365,288	\$ 1,858,911	\$ 139,987	\$ 123,884	\$ 2,505,275	\$ 1,982,795	26.35%
Operating grants	927,459	1,035,008	219,712	218,816	1,147,171	1,253,824	-8.51%
General revenues							
Property tax	2,572,550	2,567,239	-	-	2,572,550	2,567,239	0.21%
Income surtax	144,005	176,868	-	-	144,005	176,868	-18.58%
Statewide sales, services and use tax	341,521	384,313	-	-	341,521	384,313	-11.13%
Unrestricted state grants	907,926	855,850	-	-	907,926	855,850	6.08%
Contributions and donations	-	1,122	-	-	-	1,122	-100.00%
Unrestricted investment earnings	104,070	85,194	10,380	2,784	114,450	87,978	30.09%
Other	124,099	48,977	-	-	124,099	48,977	153.38%
Total revenues	7,486,918	7,013,482	370,079	345,484	7,856,997	7,358,966	6.77%
Program expenses							
Governmental activities							
Instruction	4,897,598	4,295,371	-	-	4,897,598	4,295,371	14.02%
Support services	2,379,235	1,914,625	-	-	2,379,235	1,914,625	24.27%
Non-instructional programs	-	-	373,356	303,118	373,356	303,118	23.17%
Other expenses	563,212	493,647	-	-	563,212	493,647	14.09%
Total expenses	7,840,045	6,703,643	373,356	303,118	8,213,401	7,006,761	17.22%
Excess before special item	(353,127)	309,839	(3,277)	42,366	(356,404)	352,205	201.19%
Special item - gain on disposal of capital assets	136,758	-	-	-	136,758	-	100.00%
Change in net position	(216,369)	309,839	(3,277)	42,366	(219,646)	352,205	-162.36%
Net position, beginning of year	6,908,343	6,598,504	451,918	409,552	7,360,261	7,008,056	5.03%
Net position, end of year	\$ 6,691,974	\$ 6,908,343	\$ 448,641	\$ 451,918	\$ 7,140,615	\$ 7,360,261	-2.98%

In fiscal year 2024, property tax and unrestricted state grants accounted for 46% of governmental activities revenues while charges for service and operating grants accounted for 97% of business type activities revenues. The District's total revenues were \$7,856,997, of which \$7,486,918 was for governmental activities and \$370,079 was for business type activities.

As shown in figure A-2, the District as a whole experienced a 7% increase in revenues and a 17% increase in expenses. Unrestricted state grants, charges for services and interest revenues were more than in 2023. The increase in expenses is related to salary and insurance increases. The District settled with the teacher association at less than state average and staff was also very conservative on spending during the year; however, costs still increased.

Governmental Activities

Revenues for governmental activities were \$7,486,918 and expenses were \$7,840,045 for the year ended June 30, 2024. Property tax and unrestricted state grants revenue increased and helped fund the increase in expenditures due to salary and benefit increases.

The following table presents the total and net cost of the District's major governmental activities, instruction, support services, non-instructional programs and other expenses, for the year ended June 30, 2024 compared to those expenses for the year ended June 30, 2023.

Figure A-3

	Total and Net Cost of Governmental Activities					
	Total Cost of Services			Net Cost of Services		
	2024	2023	2023- 2024	2024	2023	2023- 2024
Instruction	\$ 4,897,598	\$ 4,295,371	14.0%	\$ 1,923,245	\$ 1,632,076	17.8%
Support services	2,379,235	1,914,625	24.3%	2,190,409	1,816,712	20.6%
Other expenses	<u>563,212</u>	<u>493,647</u>	14.1%	<u>433,644</u>	<u>360,936</u>	20.1%
Total expenses	<u>\$ 7,840,045</u>	<u>\$ 6,703,643</u>	17.0%	<u>\$ 4,547,298</u>	<u>\$ 3,809,724</u>	19.4%

For the year ended June 30, 2024:

- The cost financed by users of the District's programs was \$2,365,288. Most of these revenues are derived from tuition charged to other school districts and from student activities.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$927,459.
- The net cost of governmental activities was financed with \$3,058,076 of property and other taxes and \$907,926 of unrestricted state grants.

Business Type Activities

Revenues for business type activities during the year ended June 30, 2024 were \$370,079, representing an increase of 7% over the prior year, while expenses totaled \$373,356, an increase of 23% over the prior year. The District's business type activities include the School Nutrition Fund and Farm Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

INDIVIDUAL FUND ANALYSIS

As previously noted, GMG Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of \$2,516,152 which is less than last year's ending fund balances of \$3,197,088.

Governmental Fund Highlights

- The General Fund balance decreased from \$1,357,951 in fiscal 2023 to \$480,071 in fiscal 2024. This decrease was primarily a result of salary and benefit increases, as well as an increase in purchased services.
- The Management Fund balance decreased from \$905,416 at June 30, 2023 to \$743,484 at June 30, 2024. The amount of property taxes levied in the Management Fund decreased and the amount of early retirement expenditures also decreased in fiscal year 2024.
- The Physical Plant and Equipment Levy Fund balance increased from \$271,181 at June 30, 2023 to \$611,387 at June 30, 2024 due to debt being paid in advance of the due date.

Proprietary Fund Highlights

The School Nutrition Fund net position decreased from \$446,684 in 2023 to \$437,395 in 2024, a decrease of 2%. This decrease was due to increased cost of food and salaries. This decrease was due to the slight decrease in charge for service revenue being less than the increase in expenses.

BUDGETARY HIGHLIGHTS

The District amended its certified budget one time during fiscal year 2024, increasing budgeted expenditures by \$343,942 to account for increased salary and food costs and the purchase of a vehicle.

The District's total revenues were \$745,214 more than budgeted, a variance of approximately 11%. The reason being the District received more government funding than anticipated.

Total expenditures were \$1,049 less than budgeted, due to less than expected expenditures from Elementary and Secondary School Emergency Relief Fund (ESSER).

In spite of the District's budgetary practice, expenditures in the instruction function exceeded the amount budgeted due to unexpected expenditures that occurred at the end of the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the District had invested \$6,156,600, net of accumulated depreciation/amortization, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment, transportation equipment and intangible assets. (See Figure A-4) This represents a net decrease of approximately 5% from last year. More detailed information about the District's capital assets is presented in Note 4 to the financial statements. Depreciation/amortization expense for the year was \$380,160 in governmental activities and \$6,515 in business type activities.

The original cost of the District's capital assets was \$13,316,307. Governmental funds account for \$13,113,417, with the remainder of \$202,890 accounted for in the Proprietary, School Nutrition Fund.

The largest percentage change in capital asset activity during the year occurred in the furniture and equipment category, which decreased from \$646,893 in fiscal 2023 to \$523,804 in fiscal 2024. This decrease was due to annual depreciation expense.

Figure A-4

Capital Assets, Net of Depreciation/Amortization							
	Governmental Activities		Business-Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>
Land	\$ 75,177	\$ 75,177	\$ -	\$ -	\$ 75,177	\$ 75,177	0.00%
Buildings and improvements	5,422,637	5,600,417	-	-	5,422,637	5,600,417	-3.17%
Furniture and equipment	455,690	572,264	68,114	74,629	523,804	646,893	-19.03%
Right-to-use leased equipment	<u>134,982</u>	<u>149,233</u>	<u>-</u>	<u>-</u>	<u>134,982</u>	<u>149,233</u>	-9.55%
Totals	<u>\$6,088,486</u>	<u>\$6,397,091</u>	<u>\$68,114</u>	<u>\$74,629</u>	<u>\$6,156,600</u>	<u>\$6,471,720</u>	-4.87%

Long-Term Debt

At June 30, 2024 the District had \$2,467,563 in general obligation, revenue and other long-term debt outstanding. This represents a decrease of approximately 17% over last year. (See Figure A-5) Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

The Constitution of the State of Iowa limits the amount of general obligation debt districts can issue to 5% of the assessed value of all taxable property within the District. The District's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$10 million.

Figure A-5

Outstanding Long-term Obligations

Total District		Total Change
June 30, 2024	June 30, 2023	June 30, 2023-2024

Governmental Activities

General obligation bonds	\$ 100,000	\$ 685,000	-85.40%
Revenue bonds	458,000	545,000	-15.96%
Lease agreements	79,261	109,793	-27.81%
Termination benefits	-	7,236	-100.00%
Net pension liability	1,735,781	1,519,974	14.20%
Total OPEB liability	<u>82,389</u>	<u>112,871</u>	-27.01%
	<u>2,455,431</u>	<u>2,979,874</u>	-17.60%

Business Type Activities

Net pension liability	9,834	3,816	157.70%
Total OPEB liability	<u>2,298</u>	<u>2,303</u>	-0.22%
	<u>12,132</u>	<u>6,119</u>	98.27%

Total	<u>\$ 2,467,563</u>	<u>\$2,985,993</u>	-17.36%
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ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances which could significantly affect its financial health in the future:

- Statewide sales, services and use tax and the physical plant and equipment levy are being used for keeping the District transportation fleet updated, updating technology, and updating buildings.
- Due to the economy, the state and federal funding is critical to maintaining a sound financial position. For fiscal year 2025, the supplemental state aid was set at 2.5% by the legislature.
- Due to the majority of funding being based on student enrollment, stable enrollment is critical to funding educational programs. Certified enrollment decreased by .67 students on the October 2024 certified enrollment.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Betsy Spaur, District Secretary/Treasurer and Business Manager, GMG Community School District, 1710 Wallace Avenue, Green Mountain, Iowa, 50632.

Basic Financial Statements

GMG COMMUNITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

Exhibit A

	Governmental Activities	Business Type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	\$3,038,162	\$393,889	\$3,432,051
Receivables			
Property tax			
Delinquent	10,615	-	10,615
Succeeding year	2,529,334	-	2,529,334
Accounts receivable	7,612	-	7,612
Income surtax	153,464	-	153,464
Lease receivable	-	9,462	9,462
Due from other governments	464,227	-	464,227
Inventories	-	9,246	9,246
Capital assets not being depreciated	75,177	-	75,177
Capital assets net of accumulated depreciation/amortization	6,013,309	68,114	6,081,423
Total assets	<u>12,291,900</u>	<u>480,711</u>	<u>12,772,611</u>
Deferred Outflows of Resources			
Pension related deferred outflows	<u>655,873</u>	<u>18,290</u>	<u>674,163</u>
Liabilities			
Accounts payable	169,009	-	169,009
Salaries and benefits payable	673,318	14,645	687,963
Accrued interest payable	142	-	142
Due to other governments	162,137	-	162,137
Unearned revenue	-	6,691	6,691
Long-term liabilities			
Portion due within one year			
Lease agreements	31,195	-	31,195
Total OPEB liability	3,651	-	3,651
Portion due after one year			
Lease agreements	48,066	-	48,066
General obligation bonds payable	100,000		100,000
Revenue bonds payable	458,000	-	458,000
Net pension liability	1,735,781	9,834	1,745,615
Total OPEB liability	78,738	2,298	81,036
Total liabilities	<u>3,460,037</u>	<u>33,468</u>	<u>3,493,505</u>

See notes to Financial Statements.

GMG COMMUNITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

Exhibit A

	Governmental Activities	Business Type Activities	Total
Deferred Inflows of Resources			
Unavailable property tax revenue	\$2,529,334	\$ -	\$2,529,334
Pension related deferred inflows	266,428	7,430	273,858
Lease	-	9,462	9,462
Total deferred inflows of resources	<u>2,795,762</u>	<u>16,892</u>	<u>2,812,654</u>
Net Position			
Net investment in capital assets	5,451,225	68,114	5,519,339
Restricted for			
Categorical funding	311,309	-	311,309
Management levy purposes	743,484	-	743,484
Physical plant and equipment	611,387	-	611,387
Debt service	76,463	-	76,463
Student activities	68,379	-	68,379
School infrastructure	536,226	-	536,226
Unrestricted	<u>(1,106,499)</u>	<u>380,527</u>	<u>(725,972)</u>
Total net position	<u>\$6,691,974</u>	<u>\$448,641</u>	<u>\$7,140,615</u>

See notes to Financial Statements.

GMG COMMUNITY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Governmental activities							
Instruction							
Regular instruction	\$ 3,120,116	\$ 1,512,162	\$ 595,640	\$ -	\$ (1,012,314)	\$ -	\$ (1,012,314)
Special instruction	836,558	708,144	25,425	-	(102,989)	-	(102,989)
Other instruction	940,924	132,982	-	-	(807,942)	-	(807,942)
	4,897,598	2,353,288	621,065	-	(1,923,245)	-	(1,923,245)
Support services							
Student	95,784	-	-	-	(95,784)	-	(95,784)
Instructional staff	159,433	-	-	-	(159,433)	-	(159,433)
Administration	785,438	-	-	-	(785,438)	-	(785,438)
Operation and maintenance of plant	825,390	12,000	-	-	(813,390)	-	(813,390)
Transportation	513,190	-	176,826	-	(336,364)	-	(336,364)
	2,379,235	12,000	176,826	-	(2,190,409)	-	(2,190,409)
Other expenses							
Facilities acquisition	151,544	-	-	-	(151,544)	-	(151,544)
Long-term debt interest and administration costs	66,439	-	-	-	(66,439)	-	(66,439)
AEA flowthrough	129,568	-	129,568	-	-	-	-
Depreciation/amortization (unallocated) *	215,661	-	-	-	(215,661)	-	(215,661)
	563,212	-	129,568	-	(433,644)	-	(433,644)
Total governmental activities	7,840,045	2,365,288	927,459	-	(4,547,298)	-	(4,547,298)

* This amount excludes the depreciation/amortization included in the direct expenses of the various programs.

See notes to financial statements.

GMG COMMUNITY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

Exhibit B

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
			Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
<u>Functions/Programs (continued)</u>	<u>Expenses</u>	<u>Charges for Services</u>					
Business type activities							
Non-instructional programs							
Food service operations	\$ 350,981	\$ 111,600	\$ 219,712	\$ -	\$ -	\$ (19,669)	\$ (19,669)
Farm	22,375	28,387	-	-	-	6,012	6,012
Total business type activities	373,356	139,987	219,712	-	-	(13,657)	(13,657)
Total	<u>\$ 8,213,401</u>	<u>\$ 2,505,275</u>	<u>\$ 1,147,171</u>	<u>\$ -</u>	<u>(4,547,298)</u>	<u>(13,657)</u>	<u>(4,560,955)</u>
<u>General Revenues</u>							
Property tax levied for							
General purposes					1,585,483	-	1,585,483
Debt service					647,474	-	647,474
Capital outlay					339,593	-	339,593
Income surtax					144,005	-	144,005
Statewide sales, services and use tax					341,521	-	341,521
Unrestricted state grants					907,926	-	907,926
Unrestricted investment earnings					104,070	10,380	114,450
Other					124,099	-	124,099
Special item - gain on disposal of assets					136,758	-	136,758
Total general revenues and special item					<u>4,330,929</u>	<u>10,380</u>	<u>4,341,309</u>
Change in net position					(216,369)	(3,277)	(219,646)
Net position beginning of year					<u>6,908,343</u>	<u>451,918</u>	<u>7,360,261</u>
Net position end of year					<u>\$ 6,691,974</u>	<u>\$448,641</u>	<u>\$ 7,140,615</u>

See notes to financial statements.

GMG COMMUNITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2024

Exhibit C

	<u>General</u>	<u>Special Revenue Management Levy</u>	<u>Capital Projects Physical Plant and Equipment Levy</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets					
Cash, cash equivalents and pooled investments	\$1,037,697	\$ 742,846	\$609,955	\$ 647,664	\$3,038,162
Receivables					
Property tax					
Delinquent	5,819	668	1,432	2,696	10,615
Succeeding year	2,041,347	-	344,637	143,350	2,529,334
Accounts receivable	7,612	-	-	-	7,612
Income surtax	153,464	-	-	-	153,464
Due from other governments	433,377	-	-	30,850	464,227
Total assets	<u>\$3,679,316</u>	<u>\$ 743,514</u>	<u>\$956,024</u>	<u>\$ 824,560</u>	<u>\$6,203,414</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 169,009	\$ -	\$ -	\$ -	\$ 169,009
Salaries and benefits payable	673,288	30	-	-	673,318
Due to other governments	162,137	-	-	-	162,137
Total liabilities	<u>1,004,434</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>1,004,464</u>
Deferred inflows of resources					
Unavailable revenues					
Succeeding year property tax	2,041,347	-	344,637	143,350	2,529,334
Income surtax	153,464	-	-	-	153,464
Total deferred inflows of resources	<u>2,194,811</u>	<u>-</u>	<u>344,637</u>	<u>143,350</u>	<u>2,682,798</u>
Fund balances					
Restricted for:					
Categorical funding	311,309	-	-	-	311,309
Debt service	-	-	-	76,605	76,605
Management levy purposes	-	743,484	-	-	743,484
Student activities	-	-	-	68,379	68,379
School infrastructure	-	-	-	536,226	536,226
Physical plant and equipment	-	-	611,387	-	611,387
Unassigned	168,762	-	-	-	168,762
Total fund balances	<u>480,071</u>	<u>743,484</u>	<u>611,387</u>	<u>681,210</u>	<u>2,516,152</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$3,679,316</u>	<u>\$ 743,514</u>	<u>\$956,024</u>	<u>\$ 824,560</u>	<u>\$6,203,414</u>

See notes to financial statements.

GMG COMMUNITY SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2024

Exhibit D

Total fund balances of governmental funds	\$2,516,152
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	6,088,486
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Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.	153,464
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Accrued interest payable on long-term liabilities is not due and payable in current year and, therefore, is not reported as a liability in the governmental funds.	(142)
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Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$ 655,873	
Deferred inflows of resources	<u>(266,428)</u>	389,445

Long-term liabilities, including lease agreements payable, bonds payable, termination benefits, other postemployment benefits payable and net pension liability are not due and payable in the current year and, therefore, are not reported in the governmental funds.	<u>(2,455,431)</u>
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Net position of governmental activities	<u>\$6,691,974</u>
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GMG COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

Exhibit E

		Special Revenue Management	Capital Projects Physical Plant and Equipment Levy	Nonmajor Governmental Funds	Total
Revenues	General	Levy	Levy		
Local sources					
Local tax	\$1,511,588	\$162,191	\$337,231	\$ 642,865	\$2,653,875
Tuition	2,115,189	-	-	-	2,115,189
Other	220,963	6,432	64,605	152,513	444,513
State sources	1,674,291	1,144	2,362	346,129	2,023,926
Federal sources	204,796	-	-	-	204,796
Total revenues	<u>5,726,827</u>	<u>169,767</u>	<u>404,198</u>	<u>1,141,507</u>	<u>7,442,299</u>
Expenditures					
Current					
Instruction					
Regular	2,998,797	37,294	27,982	2,049	3,066,122
Special	837,315	-	-	-	837,315
Other	792,642	-	-	136,613	929,255
	<u>4,628,754</u>	<u>37,294</u>	<u>27,982</u>	<u>138,662</u>	<u>4,832,692</u>
Support services					
Student	93,384	-	-	-	93,384
Instructional staff	112,353	-	39,966	7,372	159,691
Administration	643,938	53,531	-	87,045	784,514
Operation and maintenance of plant	750,823	56,592	28,349	15,265	851,029
Transportation	223,474	184,282	3,841	103,415	515,012
	<u>1,823,972</u>	<u>294,405</u>	<u>72,156</u>	<u>213,097</u>	<u>2,403,630</u>
Other expenditures					
Facilities acquisition	-	-	100,600	50,944	151,544
Long-term debt					
Principal	-	-	-	672,000	672,000
Interest and fiscal charges	-	-	-	70,559	70,559
AEA flowthrough	129,568	-	-	-	129,568
	<u>129,568</u>	<u>-</u>	<u>100,600</u>	<u>793,503</u>	<u>1,023,671</u>
Total expenditures	<u>6,582,294</u>	<u>331,699</u>	<u>200,738</u>	<u>1,145,262</u>	<u>8,259,993</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(855,467)</u>	<u>(161,932)</u>	<u>203,460</u>	<u>(3,755)</u>	<u>(817,694)</u>
Other financing sources (uses)					
Proceeds from disposal of capital assets	12	-	136,746	-	136,758
Interfund operating transfers in	-	-	-	124,685	124,685
Interfund operating transfers (out)	(22,425)	-	-	(102,260)	(124,685)
Total other financing sources (uses)	<u>(22,413)</u>	<u>-</u>	<u>136,746</u>	<u>22,425</u>	<u>136,758</u>
Change in fund balances	<u>(877,880)</u>	<u>(161,932)</u>	<u>340,206</u>	<u>18,670</u>	<u>(680,936)</u>
Fund balance, beginning of year	<u>1,357,951</u>	<u>905,416</u>	<u>271,181</u>	<u>662,540</u>	<u>3,197,088</u>
Fund balance, end of year	<u>\$ 480,071</u>	<u>\$743,484</u>	<u>\$611,387</u>	<u>\$ 681,210</u>	<u>\$2,516,152</u>

See notes to financial statements.

GMG COMMUNITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2024

Exhibit F

Change in fund balances - total governmental funds \$(680,936)

**Amounts reported for governmental activities in the Statement of Activities
are different because:**

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. These costs are not reported in the Statement of Activities, but they are allocated over the estimated useful lives of the capital assets as depreciation/amortization expense in the Statement of Activities. Depreciation/amortization expense and capital outlay expenditures in the current year are as follows:

Expenditures for capital assets	\$ 71,555	
Depreciation/amortization expense	<u>(380,160)</u>	(308,605)

Because some revenues will not be collected for several months after the year end, they are not considered available revenue and are recognized as deferred inflows of resources in the governmental funds, as follows:

Other	44,619
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Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	702,532
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Termination benefits	7,236	
Pension expense	(364,876)	
Other postemployment benefits	<u>30,482</u>	(327,158)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.	4,120
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The current year District IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position.	<u>349,059</u>
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Change in net position of governmental activities	<u><u>\$(216,369)</u></u>
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GMG COMMUNITY SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2024

Exhibit G

	<u>Major</u> School <u>Nutrition</u>	<u>Nonmajor</u> Kienzle <u>Farm</u>	Total <u>Enterprise</u>
Assets			
Current assets			
Cash and cash equivalents	\$382,643	\$11,246	\$393,889
Inventories	9,246	-	9,246
Lease receivable	-	9,462	9,462
Total current assets	391,889	20,708	412,597
Noncurrent assets			
Capital assets, net of accumulated depreciation	68,114	-	68,114
Total assets	460,003	20,708	480,711
Deferred Outflows of Resources			
Pension related deferred outflows	18,290	-	18,290
Liabilities			
Current liabilities			
Salaries and benefits payable	14,645	-	14,645
Unearned revenue	6,691	-	6,691
Total current liabilities	21,336	-	21,336
Noncurrent liabilities			
Total OPEB liability	2,298	-	2,298
Net pension liability	9,834	-	9,834
Total noncurrent liabilities	12,132	-	12,132
Total liabilities	33,468	-	33,468
Deferred Inflows of Resources			
Pension related deferred inflows	7,430	-	7,430
Lease	-	9,462	9,462
Total deferred inflows of resources	7,430	9,462	16,892
Net Position			
Net investment in capital assets	68,114	-	68,114
Unrestricted	369,281	11,246	380,527
Total net position	\$437,395	\$11,246	\$448,641

See notes to financial statements.

GMG COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

Exhibit H

	<u>Major</u> <u>School</u> <u>Nutrition</u>	<u>Nonmajor</u> <u>Kienzle</u> <u>Farm</u>	<u>Total</u> <u>Enterprise</u>
Operating revenue			
Local sources			
Charges for service	\$111,600	\$28,387	\$139,987
Operating expenses			
Support services			
Instructional staff			
Scholarships	-	18,750	18,750
Operation and maintenance of plant			
Purchased services	9,766	-	9,766
Supplies	-	3,625	3,625
	<u>9,766</u>	<u>3,625</u>	<u>13,391</u>
Non-instructional programs			
Food service operations			
Salaries	104,796	-	104,796
Benefits	32,096	-	32,096
Supplies	196,205	-	196,205
Property	164	-	164
Miscellaneous	1,439	-	1,439
Depreciation	6,515	-	6,515
	<u>341,215</u>	<u>-</u>	<u>341,215</u>
Total operating expenses	<u>350,981</u>	<u>22,375</u>	<u>373,356</u>
Operating income (loss)	<u>(239,381)</u>	<u>6,012</u>	<u>(233,369)</u>
Non-operating revenue			
Interest income	10,380	-	10,380
State sources	2,385		2,385
Federal sources	217,327	-	217,327
Total non-operating revenue	<u>230,092</u>	<u>-</u>	<u>230,092</u>
Change in net position	(9,289)	6,012	(3,277)
Net position beginning of year	446,684	5,234	451,918
Net position end of year	<u>\$437,395</u>	<u>\$11,246</u>	<u>\$448,641</u>

See notes to financial statements.

GMG COMMUNITY SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

Exhibit I

	<u>Major</u> School <u>Nutrition</u>	<u>Nonmajor</u> Kienzle <u>Farm</u>	Total <u>Enterprise</u>
Cash flows from operating activities			
Cash received from sale of services	\$ 111,413	\$ 28,387	\$ 139,800
Cash payments to employees for services	(140,398)	-	(140,398)
Cash payments to suppliers for goods and services	(190,994)	(22,375)	(213,369)
Net cash provided by (used by) operating activities	<u>(219,979)</u>	<u>6,012</u>	<u>(213,967)</u>
Cash flows from non-capital financing activities			
State grants received	2,385	-	2,385
Federal grants received	199,036	-	199,036
Net cash provided by non-capital financing activities	<u>201,421</u>	<u>-</u>	<u>201,421</u>
Cash flows from capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest on investments	10,380	-	10,380
Net increase (decrease) in cash and cash equivalents	(8,178)	6,012	(2,166)
Cash and cash equivalents, beginning of year	390,821	5,234	396,055
Cash and cash equivalents, end of year	<u>\$ 382,643</u>	<u>\$ 11,246</u>	<u>\$ 393,889</u>
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities			
Operating income (loss)	\$(239,381)	\$ 6,012	\$(233,369)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities			
Depreciation	6,515	-	6,515
Commodities used	18,291	-	18,291
Change in assets and liabilities:			
Inventories	633	-	633
Lease receivable	-	28,388	28,388
Deferred outflows of resources	(17,584)	-	(17,584)
Accounts payable	(2,344)	-	(2,344)
Accrued salaries and benefits	982	-	982
Unearned revenue	(187)	-	(187)
Total OPEB liability	(5)	-	(5)
Net pension liability	6,018	-	6,018
Deferred inflows of resources	7,083	(28,388)	(21,305)
Net cash provided by (used by) operating activities	<u>\$ (219,979)</u>	<u>\$ 6,012</u>	<u>\$ (213,967)</u>

Non-cash investing, capital and related financing activities.

During the year ended June 30, 2024, the District received \$18,291 of federal commodities.

See notes to financial statements.

GMG COMMUNITY SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies

GMG Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. The geographic area served includes the Cities of Garwin and Green Mountain, Iowa, and the predominate agricultural territories in Marshall and Tama Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, GMG Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. The District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organization - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental and proprietary funds. Major individual governmental/enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental and enterprise funds. Combining schedules are also included for nonmajor governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Special Revenue - Management Levy Fund is utilized to account for the property tax and other revenues used for tort liability insurance premiums, unemployment compensation insurance claims and early retirement incentive payments.

The Capital Projects - Physical Plant and Equipment Levy Fund is used to account for all resources from the regular and voter-approved levy used for major expenditures related to real property and equipment.

The District reports one major proprietary fund. The Enterprise Fund, School Nutrition Fund, which is used to account for the food service operations of the District.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when

earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and termination benefits are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

The following accounting policies are followed in preparing the financial statements:

Cash, Cash Equivalents and Pooled Investments - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at amortized cost.

The Iowa Schools Joint Investment Trust is a common law trust established under Iowa law and is administered by an appointed investment management company. The fair value of the position in the trust is the same as the value of the shares.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable - Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2023.

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets - Capital assets are tangible and intangible assets, which include property, furniture, equipment and intangible right-to-use leased assets are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives

are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 1,000
Buildings	\$10,000
Improvements other than buildings	\$10,000
Right-to-use leased assets	\$ 5,000
Furniture and equipment:	
School Nutrition Fund equipment	\$ 2,000
Other furniture and equipment	\$ 2,000

Land and construction in progress are not depreciated. The other tangible property, plant, equipment and the intangible right-to-use leased assets are depreciated/amortized using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Improvements other than buildings	20-50 years
Right-to-use leased assets	5-10 years
Furniture and equipment	5-15 years

The District's collection of library books and other similar materials are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to District policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

Leases - GMG Community School District is the lessee for a noncancellable lease of equipment. The District has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes leases with an initial, individual value of \$5,000 or more.

At the commencement of the lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how GMG Community School District determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

GMG Community School District uses the interest rate charged by the lessor at the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

District as Lessor: GMG Community School District is a lessor for a noncancellable lease of farmland. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and enterprise fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the GMG Community School District determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

GMG Community School District uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the District after the measurement date but before the end of the District's reporting period.

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Unearned Revenue - Unearned revenues consist of collected monies for lunches that have not yet been served. The lunch account balances will either be reimbursed to the student or be used as meals are served to the student.

Long-term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental and business type activities will be paid primarily by the General Fund and the Enterprise, School Nutrition Fund.

Total OPEB Liability - For purposes of measuring the total OPEB liability and OPEB expense, information has been determined based on the GMG District's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental and business type activities will be paid primarily by the General Fund and the Enterprise, School Nutrition Fund.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of property tax and income surtax receivables not collected within sixty days after year end and succeeding year property tax receivable that will not be recognized until the year for which it is levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized until the year for which it is levied, and unrecognized items not yet charged to pension expense.

Fund Balance - In the governmental fund financial statements, fund balances are classified as follows:

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Unassigned - All amounts not included in the preceding classification.

Net Position - In the district-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Net position restricted through enabling legislation includes \$611,387 for physical plant and equipment, \$68,379 for student activities, \$536,226 for school infrastructure, and \$743,484 for management levy purposes.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2024, expenditures exceeded the amount budgeted in the instruction function.

F. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2. Cash, Cash Equivalents and Pooled Investments

The District's deposits in banks at June 30, 2024 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2024, the District had investments in the Iowa Schools Joint Investment Trust Diversified Portfolio which are valued at an amortized cost of \$176,076. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in the Iowa Schools Joint Investment Trust were rated AAAM by Standard & Poor's Financial Services.

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

Note 3. Interfund Transfers

The details of interfund transfers for the year ended June 30, 2024 are as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
Nonmajor Governmental Debt Service	Nonmajor Capital Projects Statewide Sales, Services and Use Tax	\$ 102,260
Nonmajor Special Revenue Student Activities	Major Governmental General Fund	<u>22,425</u>
		<u>\$ 124,685</u>

These transfers move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. The transfers from the Statewide Sales, Services and Use Tax Fund to the Debt Service Fund are to make principal and interest payments on long-term debt. The transfers from the General Fund to the Student Activities Fund are to reimburse for safety equipment purchased.

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2024 was as follows:

<u>Governmental activities</u>	<u>Balance, Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, End of Year</u>
Capital assets not being depreciated/amortized:				
Land	<u>\$ 75,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,177</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	10,775,864	-	-	10,775,864
Furniture and equipment	2,013,086	71,555	-	2,084,641
Right-to-use leased equipment	<u>177,735</u>	<u>-</u>	<u>-</u>	<u>177,735</u>
Total capital assets being depreciated/amortized	<u>12,966,685</u>	<u>71,555</u>	<u>-</u>	<u>13,038,240</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	5,175,447	177,780	-	5,353,227
Furniture and equipment	1,440,822	188,129	-	1,628,951
Right-to-use leased equipment	<u>28,502</u>	<u>14,251</u>	<u>-</u>	<u>42,753</u>
Total accumulated depreciation/amortization	<u>6,644,771</u>	<u>380,160</u>	<u>-</u>	<u>7,024,931</u>
Total capital assets being depreciated/amortized, net	<u>6,321,914</u>	<u>(308,605)</u>	<u>-</u>	<u>6,013,309</u>
Governmental activities capital assets, net	<u>\$ 6,397,091</u>	<u>\$ (308,605)</u>	<u>\$ -</u>	<u>\$ 6,088,486</u>

Business type activities

Furniture and equipment	\$ 202,890	\$ -	\$ -	\$ 202,890
Less accumulated depreciation	<u>128,261</u>	<u>6,515</u>	<u>-</u>	<u>134,776</u>
Business type activities capital assets, net	<u>\$ 74,629</u>	<u>\$ (6,515)</u>	<u>\$ -</u>	<u>\$ 68,114</u>

Depreciation/amortization expense was charged to the following functions:

Governmental activities

Instruction	
Regular	\$ 75,421
Special	1,189
Other	13,828
Support services	
Student support	2,573
Administration	2,637
Operation and maintenance of plant	8,136
Transportation	<u>60,715</u>
	164,499
Unallocated	<u>215,661</u>
Total governmental activities depreciation/amortization expense	<u>\$ 380,160</u>

Business type activities

Food services	<u>\$ 6,515</u>
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The District owns farmland which is leased to a local farmer. Effective January 10, 2022 the District entered into a three-year lease whereby the farmer operates the farm. The District receives \$18,925 of land rent semi-annually on March 1 and November 1 of each year. The lease is recorded in the Enterprise, Kienzle Farm Fund. An initial lease receivable and deferred inflows of resources of \$56,775 was recorded. The agreement bears no interest. During the year ended June 30, 2024, inflows of resources recognized in the Enterprise, Kienzle Farm Fund were \$28,388. At June 30, 2024 the District reported a lease receivable and deferred inflows of resources of \$9,462.

Note 5. Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2024 are summarized as follows:

	Balance Beginning of Year,	Additions	Reductions	Balance, End of Year	Due Within One Year
Governmental activities					
General obligation bonds	\$ 685,000	\$ -	\$ (585,000)	\$ 100,000	\$ -
Revenue bonds	545,000	-	(87,000)	458,000	-
Lease agreements	109,793	-	(30,532)	79,261	31,195

Termination benefits	7,236	-	(7,236)	-	-
Net pension liability	1,519,974	215,807	-	1,735,781	-
Total OPEB liability	<u>112,871</u>	<u>-</u>	<u>(30,482)</u>	<u>82,389</u>	<u>3,651</u>
Totals	<u>\$ 2,979,874</u>	<u>\$ 215,807</u>	<u>\$ (740,250)</u>	<u>\$ 2,455,431</u>	<u>\$ 34,846</u>

Business type activities

Net pension liability	\$ 3,816	\$ 6,018	\$ -	\$ 9,834	\$ -
Total OPEB liability	<u>2,303</u>	<u>-</u>	<u>(5)</u>	<u>2,298</u>	<u>-</u>
Totals	<u>\$ 6,119</u>	<u>\$ 6,018</u>	<u>\$ (5)</u>	<u>\$ 12,132</u>	<u>\$ -</u>

Interest costs incurred and charged to expense on all long-term debt was \$66,439 for the year ended June 30, 2024. During the year ended June 30, 2024, the District made principal payments on total long-term debt of \$702,532.

Lease Agreements

On September 1, 2021, the District entered into a lease agreement for copiers. The agreement requires monthly payments of \$2,716 over 5 years with an implicit interest rate of 2.15%. During the year ended June 30, 2024, principal and interest paid were \$30,532 and \$2,061, respectively.

Year	Copier Lease			
Ending	Interest			
June 30,	Rates	Principal	Interest	Total
2025	2.15%	\$ 31,195	\$ 1,398	\$ 32,593
2026	2.15%	31,872	721	32,593
2027	2.15%	<u>16,194</u>	<u>102</u>	<u>16,296</u>
Totals		<u>\$ 79,261</u>	<u>\$ 2,221</u>	<u>\$ 81,482</u>

Refunded General Obligation Bonds

On June 27, 2019 the District issued \$2,420,000 of general obligation bonds to refund the general obligation bond issue of 2009. The \$2,500,000 remaining balance of the 2009 issue was called and paid from the proceeds of the refunding general obligation bonds on June 26, 2019. This amount is considered to be extinguished and, therefore, has been excluded from the long-term debt of the District at June 30, 2021. This current refunding was undertaken to reduce total debt service payments over the next ten years by \$267,697 and resulted in an economic gain of \$231,740. Details of the District's June 30, 2024 general obligation bonded indebtedness are as follows:

Year	Bond Issue of June 2019			
Ending	Interest			
June 30,	Rates	Interest	Principal	Total
2024	4.00%	\$ -	\$ -	\$ -
2025	4.00%	-	-	-
2026	3.00%	<u>3,000</u>	<u>100,000</u>	<u>103,000</u>
Totals		<u>\$ 3,000</u>	<u>\$ 100,000</u>	<u>\$ 103,000</u>

In addition, the District collected an additional debt service levy to advance refund \$140,000 in principal of Series 2019 general obligation bonds maturing July 1, 2026, \$260,00 in principal of Series 2019 general obligation bonds maturing July 1, 2027 and \$270,000 in principal of Series 2019 general obligation bonds maturing July 1, 2028. The proceeds have been placed in an irrevocable escrow account certified sufficient to pay the aforementioned amount when the bonds become callable June 1, 2025. As a result, \$670,000 of the Series 2019 bonds are considered defeased in substance and have been removed from the appropriate financial statements and schedules. The District remains contingently liable in the remote possibility the escrow account is insufficient to repay the refunding bonds at the call date. Estimated interest cost savings achieved from the refunding is \$37,200.

Refunded Revenue Bonds

On June 27, 2019 the District issued \$880,000 of statewide sales, services and use tax revenue bonds to refund the statewide sales, services and use tax revenue bond issue of 2009. The \$995,000 remaining balance of the 2009 issue was called on and paid from the proceeds of the refunding statewide sales, services and use tax revenue bonds on July 1, 2019. This amount was considered to be extinguished and, therefore, was excluded from the long-term debt of the District at June 30, 2021. This current refunding was undertaken to reduce total debt service payments over the next ten years by \$241,636 and resulted in an economic gain of \$174,168.

Details of the District's June 30, 2024 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Bond issue of June 1, 2019			
	Interest Rates	Interest	Principal	Total
2025	2.80%	\$ 14,042	\$ -	\$ 14,042
2026	2.80%	11,578	89,000	100,578
2027	2.80%	9,072	90,000	99,072
2028	2.80%	6,538	91,000	97,538
2029	2.80%	3,962	93,000	96,962
2030	2.80%	<u>1,330</u>	<u>95,000</u>	<u>96,330</u>
Totals		<u>\$ 46,522</u>	<u>\$ 458,000</u>	<u>\$ 504,522</u>

The District has pledged future statewide sales, services and use tax revenues to repay the \$880,000 of bonds issued in June 2019. The bonds were issued to refinance the revenue bond issue of 2009 used for remodeling projects at the buildings. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 36% of the statewide sales and services tax revenues. The total principal and interest remaining to be paid on the bonds is \$504,522. For the current year, \$87,000 of principal and \$15,260 of interest was paid on the bonds and statewide sales, services and use tax revenues were \$341,521.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes no bond compliance provisions.

Note 6. Pension Plan

Plan Description - IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits - A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula,

whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2024, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2024 totaled \$349,059.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the District reported a liability of \$1,745,615 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2023, the District's proportion was 0.037831%, which was an increase of 0.00056% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$15,817. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 147,681	\$ 7,175
Changes of assumptions	-	28
Net difference between projected and actual earnings on IPERS' investments	161,666	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	19,612	266,655
District contributions subsequent to the measurement date	345,204	-
Total	<u>\$ 674,163</u>	<u>\$ 273,858</u>

\$345,204 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30.	Amount
2025	\$(118,533)
2026	(208,867)
2027	328,152
2028	45,407
2029	8,942
Total	<u>\$ 55,101</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future improvements modeled using Scale MP-2010.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	21.0 %	4.56 %
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
	40	

Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	<u>4.5</u>	4.60
Total	<u>100.0</u>	%

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's proportionate share of the net pension liability	\$3,711,566	\$1,745,615	\$98,115

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS - At June 30, 2024, the District reported no payables to IPERS for legally required District or employee contributions which had been withheld from employee wages which had not yet been remitted to IPERS.

Note 7. Other Postemployment Benefits (OPEB)

Plan Description - The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees, and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits - Individuals who are employed by GMG District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	<u>61</u>
Total	<u>63</u>

Total OPEB Liability - The District's total OPEB liability of \$84,687 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2024)	2.75% per annum + .25% additional for insurance company.
Rates of salary increase (effective June 30, 2024)	0% OPEB direct determined by services years, not salary.
Discount rate (effective June 30, 2024)	4.75% per annum.
Healthcare cost trend rate (effective June 30, 2024)	6.0% per annum.

Discount Rate - The discount rate used to measure the total OPEB liability was 4.75% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP 2014 Annuity Mortality Table. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	<u>\$ 115,174</u>
Changes for the year:	
Service cost	15,872
Interest	4,339
Changes in assumptions	(7,294)
Demographic changes	(30,930)
Recognition of deferred inflows/outflows	(8,823)
Benefit payments	<u>(3,651)</u>
Net changes	<u>(30,487)</u>
Total OPEB liability end of year	<u>\$ 84,687</u>

Changes of assumptions reflect a change in the discount rate from 4.55% in fiscal year 2023 to 4.75% in fiscal year 2024.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.75%) or 1% higher (5.75%) than the current discount rate.

	1% Decrease (3.75%)	Discount Rate (4.75%)	1% Increase (5.75%)
Total OPEB liability	\$92,997	\$84,687	\$77,386

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.0%) or 1% higher (7.0%) than the current healthcare cost trend rates.

	1% Decrease (5.0%)	Healthcare Cost Trend Rate (6.0%)	1% Increase (7.0%)
Total OPEB liability	\$74,482	\$84,687	\$96,960

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2024, the District recognized OPEB benefit of \$30,487. At June 30, 2024, the District reported no deferred outflows or inflows of resources related to OPEB.

Note 8. Risk Management

The District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 9. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$129,568 for the year ended June 30, 2024 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 10. Contingencies

Grant Funding - The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants were subjected to local audit but still remain open to audit by the appropriate grantor government. If expenditures are disallowed by the grantor government due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited by granting authorities but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

Note 11. Categorical Funding

In accordance with Iowa Administrative Code Section 98.1, categorical funding is financial support from the state and federal governments targeted for particular categories of students, special programs, or special purposes. This support is in addition to school district or area education agency general purpose revenue, for purposes beyond the basic educational program and most often has restrictions on its use. Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year must be carried forward as a restricted fund balance.

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2024.

<u>Program</u>	<u>Amount</u>
Limited English proficiency	\$ 2,552
At-risk	31,510
Gifted and talented	91,233
Teacher salary supplement	19,926
Career and technical education aid	3,728
Educator quality, professional development	41,788
Teacher leadership	<u>120,572</u>
	<u>\$ 311,309</u>

Note 12. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

No property tax revenues of the District were reduced due to abatements for the year ended June 30, 2024.

Note 13. Deficit Fund Balances

The District had negative unrestricted net position of \$1,106,499 and \$725,972 at June 30, 2024 in the Governmental Activities and Total Activities, respectively.

Note 14. Change in Area Education Agency Funding

The Governor signed House File 2612 on March 27, 2024, which changes the percentage of educational and media services funding generated through local property taxes by Districts which flow through to each Area Education Agency (AEA) beginning July 1, 2024. For fiscal year 2025, 40% of the educational and media services funds generated by District will continue to flow through to each AEA, while 60% of the funding will be retained by the District that generated the funds.

Note 15. Subsequent Events

The District has evaluated subsequent events through March 25, 2025 which is the date that the financial statements were available to be issued.

Required Supplementary Information

GMG COMMUNITY SCHOOL DISTRICT
 Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual
 All Governmental Funds and Proprietary Funds
 Required Supplementary Information
 For the Year Ended June 30, 2024

	Governmental Funds <u>Actual</u>	Proprietary Funds <u>Actual</u>	Total <u>Actual</u>	<u>Budgeted Amounts</u>		Final to Actual <u>Variance</u>
				<u>Original</u>	<u>Final</u>	
Revenues						
Local sources	\$ 5,213,577	\$ 150,367	\$ 5,363,944	\$ 4,946,871	\$4,946,871	\$ 417,073
Intermediate sources	-	-	-	3,000	3,000	(3,000)
State sources	2,023,926	2,385	2,026,311	1,924,193	1,924,193	102,118
Federal sources	204,796	217,327	422,123	193,100	193,100	229,023
Total revenues	<u>7,442,299</u>	<u>370,079</u>	<u>7,812,378</u>	<u>7,067,164</u>	<u>7,067,164</u>	<u>745,214</u>
Expenditures/Expenses						
Instruction	4,832,692	18,750	4,851,442	4,482,000	4,630,404	(221,038)
Support services	2,403,630	13,391	2,417,021	2,469,097	2,509,468	92,447
Non-instructional programs	-	341,215	341,215	250,000	405,167	63,952
Other expenditures	<u>1,023,671</u>	<u>-</u>	<u>1,023,671</u>	<u>1,089,359</u>	<u>1,089,359</u>	<u>65,688</u>
Total expenditures/expenses	<u>8,259,993</u>	<u>373,356</u>	<u>8,633,349</u>	<u>8,290,456</u>	<u>8,634,398</u>	<u>1,049</u>
Excess (deficiency) of revenues over (under)						
expenditures	(817,694)	(3,277)	(820,971)	(1,223,292)	(1,567,234)	746,263
Net other financing sources	<u>136,758</u>	<u>-</u>	<u>136,758</u>	<u>-</u>	<u>-</u>	<u>136,758</u>
Change in fund balance	(680,936)	(3,277)	(684,213)	(1,223,292)	(1,567,234)	883,021
Balance, beginning of year	<u>3,197,088</u>	<u>451,918</u>	<u>3,649,006</u>	<u>3,701,216</u>	<u>3,701,216</u>	<u>(52,210)</u>
Balance, end of year	<u>\$ 2,516,152</u>	<u>\$ 448,641</u>	<u>\$ 2,964,793</u>	<u>\$ 2,477,924</u>	<u>\$2,133,982</u>	<u>\$ 830.811</u>

See accompanying Independent Auditor's Report.

GMG COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information – Budgetary Reporting
For the Year Ended June 30, 2024

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures/expenses known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. The District did amend its budget one time during the year ended June 30, 2024, increasing budgeted expenditures by \$343,942.

During the year ended June 30, 2024, expenditures exceeded the amount budgeted in the instruction function.

GMG COMMUNITY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
For the Last Ten Years *
Required Supplementary Information

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.037831%	0.038391%	0.037911%	0.039471%	0.040381%	0.039431%	0.039608%	0.039973%	0.041357%	0.040637%
District's proportionate share of the net pension liability	\$1,745,615	\$1,523,790	\$ 53,148	\$2,753,417	\$2,354,032	\$2,494,486	\$2,614,793	\$2,492,817	\$2,056,035	\$1,611,635
District's covered payroll	\$ 3,395,125	\$ 3,233,474	\$ 3,075,055	\$ 3,113,270	\$ 3,084,898	\$ 2,962,812	\$ 2,929,262	\$ 2,842,598	\$ 2,851,075	\$ 2,659,127
District's proportionate share of the net pension liability as a percentage of its covered payroll	51.42%	47.13%	1.73%	88.44%	76.31%	84.19%	89.26%	87.70%	72.11%	60.61%
IPERS' net position as a percentage of the total pension liability	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

*In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

GMG COMMUNITY SCHOOL DISTRICT
Schedule of District Contributions
Iowa Public Employees' Retirement System
For the Last Ten Years
Required Supplementary Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 349,059	\$ 320,500	\$ 305,240	\$ 290,285	\$ 293,893	\$ 291,214	\$ 264,579	\$ 261,583	\$ 253,844	\$ 254,601
Contributions in relation to the statutorily required contribution	<u>(349,059)</u>	<u>(320,500)</u>	<u>(305,240)</u>	<u>(290,285)</u>	<u>(293,893)</u>	<u>(291,214)</u>	<u>(264,579)</u>	<u>(261,583)</u>	<u>(253,844)</u>	<u>(254,601)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$3,697,662	\$3,395,125	\$3,233,474	\$3,075,055	\$3,113,270	\$3,084,898	\$2,962,812	\$2,929,262	\$2,842,598	\$2,851,075
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

See accompanying Independent Auditor's Report.

GMG COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information – Pension Liability
For the Year Ended June 30, 2024

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2023 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

GMG Community School District
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios
For the Last Seven Years
Required Supplementary Information

	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 15,872	\$ 11,553	\$ 11,558	\$ 12,681	\$ 12,682	\$ 6,042	\$ 6,039
Interest cost	4,339	5,387	5,208	4,814	4,834	4,913	5,049
Difference between expected and actual experiences	-	-	-	-	21,450	-	-
Changes in assumptions	(7,294)	-	(13,187)	-	1,832	-	-
Demographic changes	(30,930)	-	(27,155)	-	-	-	-
Recognition of deferred inflows/outflows	(8,823)	(3,914)	(3,876)	(5,475)	(5,384)	(4,175)	(4,100)
Benefit payments	(3,651)	(8,453)	(8,498)	(10,077)	(16,456)	(11,875)	(9,016)
Net change in total OPEB liability	(30,487)	4,573	(35,950)	1,943	18,958	(5,095)	(2,028)
Total OPEB liability beginning of year	115,174	110,601	146,551	144,608	125,650	130,745	132,773
Total OPEB liability end of year	<u>\$ 84,687</u>	<u>\$ 115,174</u>	<u>\$ 110,601</u>	<u>\$ 146,551</u>	<u>\$ 144,608</u>	<u>\$ 125,650</u>	<u>\$ 130,745</u>
Covered-employee payroll	\$ 3,737,472	\$ 3,457,783	\$ 3,254,038	\$ 3,099,723	\$ 3,155,801	\$ 3,099,226	\$ 672,042
Total OPEB liability as a percentage of covered-employee payroll	2.27%	3.33%	3.40%	4.73%	4.58%	4.05%	19.45%

See accompanying Independent Auditor's Report.

GMG Community School District
Notes to Required Supplementary Information – OPEB Liability
Year Ended June 30, 2024

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

There were no significant changes in assumptions.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2024	4.75%
Year ended June 30, 2023	4.55%
Year ended June 30, 2022	4.55%
Year ended June 30, 2021	3.15%
Year ended June 30, 2020	3.15%
Year ended June 30, 2019	3.15%
Year ended June 30, 2018	3.15%
Year ended June 30, 2017	3.15%

Note: GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Supplementary Information

GMG COMMUNITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Schedule 1

	Special Revenue Student Activity	Capital Projects Statewide Sales, Services and Use Tax	Debt Service	Total
Assets				
Cash, cash equivalents and pooled investments	\$68,379	\$ 505,376	\$ 73,909	\$647,664
Receivables				
Property tax				
Delinquent	-	-	2,696	2,696
Succeeding year	-	-	143,350	143,350
Due from other governments	-	30,850	-	30,850
Total assets	<u>\$68,379</u>	<u>\$ 536,226</u>	<u>\$219,955</u>	<u>\$824,560</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred inflows of resources				
Unavailable revenue				
Succeeding year property tax	<u>-</u>	<u>-</u>	<u>143,350</u>	<u>143,350</u>
Fund balances				
Restricted for				
Student activities	68,379	-	-	68,379
School infrastructure	-	536,226	-	536,226
Debt service	<u>-</u>	<u>-</u>	<u>76,605</u>	<u>76,605</u>
Total fund balances	<u>68,379</u>	<u>536,226</u>	<u>76,605</u>	<u>681,210</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$68,379</u>	<u>\$ 536,226</u>	<u>\$219,955</u>	<u>\$824,560</u>

See accompanying Independent Auditor's Report.

GMG COMMUNITY SCHOOL DISTRICT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Schedule 2

	Special Revenue	Capital Projects Statewide	Debt Service	Total
	Student Activity	Sales, Services and Use Tax		
Revenues				
Local sources				
Local taxes	\$ -	\$ -	\$642,865	\$ 642,865
Other	134,059	17,329	1,125	152,513
State sources	-	341,521	4,608	346,129
Total revenues	<u>134,059</u>	<u>358,850</u>	<u>648,598</u>	<u>1,141,507</u>
Expenditures				
Current				
Instruction				
Regular	-	2,049	-	2,049
Other	136,613	-	-	136,613
Total instruction	<u>136,613</u>	<u>2,049</u>	<u>-</u>	<u>138,662</u>
Support services				
Instructional staff	-	7,372	-	7,372
Administration	-	87,045	-	87,045
Operation and maintenance of plant	-	15,265	-	15,265
Transportation	-	103,415	-	103,415
Total support services	<u>-</u>	<u>213,097</u>	<u>-</u>	<u>213,097</u>
Other expenditures				
Facilities acquisition	-	50,944	-	50,944
Long-term debt				
Principal	-	-	672,000	672,000
Interest and fiscal charges	-	-	70,559	70,559
Total other expenditures	<u>-</u>	<u>50,944</u>	<u>742,559</u>	<u>793,503</u>
Total expenditures	<u>136,613</u>	<u>266,090</u>	<u>742,559</u>	<u>1,145,262</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,554)</u>	<u>92,760</u>	<u>(93,961)</u>	<u>(3,755)</u>
Other financing sources (uses)				
Interfund operating transfers in	22,425	-	102,260	124,685
Interfund operating transfers (out)	-	(102,260)	-	(102,260)
Total other financing sources (uses)	<u>22,425</u>	<u>(102,260)</u>	<u>102,260</u>	<u>22,425</u>
Change in fund balances	19,871	(9,500)	8,299	18,670
Fund balances, beginning of year	48,508	545,726	68,306	662,540
Fund balances, end of year	<u>\$68,379</u>	<u>\$ 536,226</u>	<u>\$ 76,605</u>	<u>\$ 681,210</u>

See accompanying Independent Auditor's Report.

GMG COMMUNITY SCHOOL DISTRICT
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
For the Year Ended June 30, 2024

Schedule 3

Account	Balance, Beginning of Year	Revenues	Expenditures	Intra-Fund Transfers	Balance, End of Year
Unassigned	\$ -	\$ 96	\$ -	\$ -	\$ 96
Girls' basketball	345	766	-	-	1,111
Restricted catagorical	-	1,510	-	-	1,510
Drama	-	1,683	1,673	(10)	-
Vocal	1,255	311	1,566	-	-
Band	453	616	1,069	-	-
HS cheerleading	7,243	5,553	5,710	-	7,086
Spanish club	317	1,047	1,364	-	-
Class of 2027	50	687	-	-	737
Class of 2024	1,793	125	3,202	2,311	1,027
Class of 2025	3,407	6,396	4,216	-	5,587
Class of 2026	1,040	3,177	-	-	4,217
Class of 2029	-	250	-	-	250
Class of 2022	19	-	-	(19)	-
Class of 2023	-	2,292	-	(2,292)	-
Interest	-	1,065	-	-	1,065
HS student council	4,362	1,548	714	10	5,206
JH student council	1,622	97	230	-	1,489
National Honor Society	800	-	26	-	774
Yearbook	(2,621)	5,010	2,389	-	-
General athletics	10,165	98,365	93,250	-	15,280
Dance team	1,564	3,471	953	-	4,082
Volleyball	2,176	2,853	3,140	-	1,889
Art club	320	-	48	-	272
Elementary	-	2,342	36	-	2,306
FFA	9,933	12,463	13,164	-	9,232
Football fundraising	2,439	1,676	2,859	-	1,256
Softball	929	-	120	-	809
Baseball	-	614	614	-	-
Restricted catagorial	897	-	-	-	897
Boys basketball	-	2,471	270	-	2,201
Totals	<u>\$ 48,508</u>	<u>\$ 156,484</u>	<u>\$ 136,613</u>	<u>\$ -</u>	<u>\$ 68,379</u>

See accompanying Independent Auditor's Report.

GMG COMMUNITY SCHOOL DISTRICT
Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds
For the Last Ten Years

Schedule 4

	Modified Accrual Basis									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues										
Local sources										
Local tax	\$2,653,875	\$2,601,524	\$2,587,262	\$2,565,450	\$2,337,608	\$2,359,592	\$2,288,124	\$2,222,998	\$2,214,656	\$2,180,897
Tuition	2,115,189	1,956,740	1,978,168	1,941,252	2,010,426	1,939,404	1,971,397	1,889,044	1,817,389	1,402,379
Other	444,513	276,608	234,171	166,869	136,361	212,783	200,910	214,673	227,590	173,812
State sources	2,023,926	1,942,374	1,683,905	1,743,645	1,899,543	1,903,858	1,993,272	2,138,348	2,085,975	2,192,109
Federal sources	204,796	279,606	653,750	377,066	158,812	164,721	178,265	176,445	152,593	125,075
Total revenues	<u>\$7,442,299</u>	<u>\$7,056,852</u>	<u>\$7,137,256</u>	<u>\$6,794,282</u>	<u>\$6,542,750</u>	<u>\$6,580,358</u>	<u>\$6,631,968</u>	<u>\$6,641,508</u>	<u>\$6,498,203</u>	<u>\$6,074,272</u>
Expenditures										
Current										
Instruction										
Regular	\$3,066,122	\$3,196,393	\$2,714,616	\$2,584,376	\$2,557,456	\$2,570,028	\$2,480,429	\$2,339,403	\$2,059,627	\$3,353,097
Special	837,315	488,230	559,098	501,285	584,817	491,864	525,136	594,716	624,901	-
Other	929,255	845,887	857,221	679,005	802,244	750,300	796,877	759,896	721,580	-
Support services										
Student	93,384	101,779	155,652	122,992	70,442	104,478	77,756	62,955	90,706	87,018
Instructional staff	159,691	128,588	108,345	118,252	117,448	132,572	96,459	115,870	179,572	189,770
Administration	784,514	629,729	782,857	598,148	576,130	565,033	599,065	597,692	557,895	578,767
Operation and maintenance of plant	851,029	803,079	800,868	810,794	646,541	610,139	509,101	481,970	487,180	465,299
Transportation	515,012	394,112	421,749	269,635	302,530	401,801	272,176	249,861	336,181	228,585
Other expenditures										
Facilities acquisition	151,544	67,500	485,287	102,734	152,525	224,070	171,971	160,163	143,825	86,685
Long-term debt										
Principal	672,000	631,000	614,000	518,000	2,822,000	1,390,000	390,000	375,000	360,000	374,749
Interest and other charges	70,559	81,968	93,864	216,598	117,187	254,042	184,780	201,728	212,250	218,099
AEA flowthrough	129,568	132,711	131,666	132,819	135,009	135,003	135,797	133,311	136,593	137,394
Total expenditures	<u>\$8,259,993</u>	<u>\$7,500,976</u>	<u>\$7,725,223</u>	<u>\$6,654,638</u>	<u>\$8,884,329</u>	<u>\$7,629,330</u>	<u>\$6,239,547</u>	<u>\$6,072,565</u>	<u>\$5,910,310</u>	<u>\$5,719,463</u>

See accompanying Independent Auditor's Report.

Kay L. Chapman, CPA PC

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Muscatine, Iowa 52761
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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 Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Education of GMG Community School District:

I 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 statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of GMG Community School District as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated March 25, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered GMG Community School District'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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GMG Community School District's internal control. Accordingly, I do not express an opinion on the effectiveness of GMG Community School District's internal control.

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

My 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. I

identified certain deficiencies in internal control, described in Part I of the accompanying Schedule of Findings as items A, B, C, D and E that I consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether GMG Community School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance or other matters which are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of non-compliance or other matters which are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of the District. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

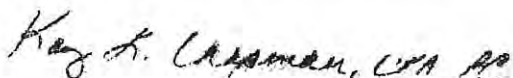
GMG Community School District's Responses to the Findings

Government Auditing Standards require the auditor to perform limited procedure on GMG Community School District's responses to the findings identified in my audit and described in the accompanying Schedule of Findings. GMG Community School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of GMG Community School District during the course of my audit. Should you have any questions concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.



Kay L. Chapman, CPA PC
March 25, 2025

GMG COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

Part I. Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE

No matters were noted.

INTERNAL CONTROL DEFICIENCIES

MATERIAL WEAKNESSES

A. Segregation of Duties

Criteria - Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the District's financial statements.

Condition - I noted that the same individual performed the following duties: recording and processing of cash receipts, preparing checks and bank reconciliations, preparation of journals and general financial information for ledger posting, and the analysis of financial information.

Cause - The limited number of accounting personnel makes it difficult to achieve adequate internal accounting control through the segregation of duties and responsibilities. A small staff makes it difficult to establish an ideal system of automatic internal checks on accounting record accuracy and reliability. This is not an unusual condition but it is important the District officials are aware that the condition exists.

Effect - Inadequate segregation of duties could adversely affect the District's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation - I realize segregation of duties is difficult with a limited number of office employees. However, the District should review its procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials, to provide additional controls through review of financial transactions, reconciliations and reports. These independent reviews should be documented by the signature or initials of the reviewer and the date of the review.

Response and Corrective Action Planned - We will review our procedures and implement changes to improve internal control, as we deem necessary.

Conclusion - Response accepted.

GMG COMMUNITY SCHOOL DISTRICT

Schedule of Findings

For the Year Ended June 30, 2024

B. Material Misstatements not Detected

Criteria - A deficiency in internal control over financial reporting 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 of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the District's financial statements.

Condition - During the course of my audit, I discovered material misstatements on the District's Certified Annual Report (CAR) that were not detected by the District's internal controls. The District's accounts payable did not include all open enrollment tuition owed to other districts at June 30, 2024. Federal meal reimbursement in the School Nutrition Fund were miscoded to state meal reimbursement. Title I receivable was not included on the CAR. Also, the amount reported as receivable in the Statewide Sales, Services and Use Tax Fund was incorrect. Prior year adjusting entries were not made on the District's books, resulting in overstatement of open enrollment revenue on the CAR. Also succeeding year property tax receivable and deferred revenue for succeeding year property tax was incorrect for the Management and Debt Service funds. These errors resulted in the following misstatements on the District's CAR:

	Over (Under) Stated				
	Assets	Liabilities	Balance	Revenues	Expenditures
General Fund	\$ 4,006	\$ (125,118)	\$ 129,124	\$ 784,570	\$ (42,770)
Management Levy	\$ 312,000	\$ 312,000	\$ -	\$ -	\$ -
Statewide Sales, Service and Use Tax	\$ (6,253)	\$ -	\$ (6,253)	\$ (14,049)	\$ -
Debt Service	\$ 988,802	\$ 988,802	\$ -	\$ -	\$ -

Cause - District policies do not require and procedures have not been established to require independent review of year-end adjusting entries and cut-off transactions to ensure the District's financial statements and CAR are accurate and reliable.

Effect - Lack of policies and procedures resulted in District employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the District's CAR were necessary.

Recommendation - The District should implement procedures to ensure that all amounts reported on the CAR are correct before it is submitted to the State of Iowa.

Response - We will double-check these in the future to avoid missing any material amounts.

GMG COMMUNITY SCHOOL DISTRICT

Schedule of Findings

For the Year Ended June 30, 2024

Conclusion - Response accepted.

C. Supporting Documentation

Criteria - Management is responsible for establishing and maintaining internal control. An effective system of internal control provides that all entries made in the accounting software have appropriate supporting documentation. This ensures that the accounting records are accurate and complete and that an independent review of all transactions can be performed.

Condition - It was noted that supporting documentation was not available on-site at the District at the time of the audit for all amounts reported on the CAR. A detailed listing of what was reported for accounts receivable and accounts payable were not maintained and available for the audit. Also, supporting documents were not available for all District receipts. Therefore, I was not able to verify that the appropriate amounts and proper coding of entries was correct for certain items.

Cause - The District does not have a system in place to ensure that proper documentation is maintained on-site for all accounting entries and transactions.

Effect - Without proper supporting documentation for accounting entries made, especially at year-end in conjunction with the completion of the CAR, errors and misstatements could occur and not be detected.

Recommendation - The District should ensure that supporting documentation be maintained and kept at the District for all accounting transactions and entries and that each amount reported on the CAR be supported by proper, complete and accurate documentation.

Response - We will ensure that all transactions and balances are properly supported by documentation and that it is available at the District.

Conclusion - Response accepted.

D. Payroll Reports

Criteria - Management is responsible for establishing and maintaining internal control. An effective system of internal control provides internal controls related to ensuring proper calculation of payroll expenditures, timely filing of payroll-related taxes and maintaining documentation of payroll tax reports filed. Internal controls over payroll transactions constitute a process designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions, miscalculation and misappropriation.

GMG COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

Condition - Policies and procedures have not been implemented to require independent review of payroll and payroll-related reports for accuracy, allowability and timeliness of filing. It was noted that quarterly 941 reports for the calendar year 2023 did not agree with the W2s prepared for 2023 and the District received a notice from the Social Security Administration (SSA) regarding the discrepancy. The District did not keep copies of the 941 forms filed; therefore, couldn't not appropriately determine the reason for the variance noted by SSA.

Cause - The District does not have policies and procedures in place to ensure that payroll reports are timely filed.

Effect - Without District policies and procedures to ensure that payroll reports are properly and timely filed could result in penalties being imposed by the various government agencies requiring filing of the reports.

Recommendation - The District should implement procedures to allow for an independent review of filing of applicable taxes and tax forms.

Response - In the future, we will ensure that all appropriate payroll tax reports are correct and timely filed and copies of all forms submitted be kept on-site at the District.

Conclusion - Response accepted.

E. Maintenance of Documents

Criteria - Management is responsible for establishing and maintaining internal control. An effective system of internal control provides internal controls related to maintenance of documentation to support financial transactions, receipts, expenditures and transfers. Internal controls over supporting documentation constitute a process designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions, miscalculation and misappropriation.

Condition - Policies and procedures have not been implemented to require supporting documentation be maintained by the District for all accounting transactions and activities. It was noted that the bank statements and checks were not maintained on-site at the District and were only available through on-line access to the bank accounts. This practice relies on the internal controls of the bank and their software/website access. The District should not rely on the internal controls of other organizations as District internal controls. Also, proof of publications of District minutes, salaries and other required publications were not all maintained as part of the District records. Lack of organization made it difficult to find all the supporting documents and records that were needed for the audit. District insurance records from EMC were not available and when they were accessed, not pages of the document could be located.

GMG COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

Cause - The District does not have policies and procedures in place to ensure that appropriate supporting documents are maintained on-site at the District.

Effect - Without District policies and procedures to ensure that appropriate supporting documents are maintained on-site at the District could result in inappropriate accounting, late filing of reports and the inability for independent review of reports, procedures and accounting records.

Recommendation - The District should implement procedures to ensure that all appropriate supporting documents are maintained at the District offices.

Response - In the future, we will ensure that all appropriate supporting documents and reports are maintained on-site at the District.

Conclusion - Response accepted.

Part II. Other Findings Related to Required Statutory Reporting:

1. Certified Budget - Expenditures for the year ended June 30, 2024 exceeded the amount budgeted in the instruction function.

Recommendation - The certified budget should have been amended to sufficient amounts in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response - Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion - Response accepted.

2. Questionable Expenditures - I noted no expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
3. Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
4. Business Transactions - No business transactions between the District and District officials or employees were noted.
5. Restricted Donor Activity - No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

GMG COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

6. Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
7. Board Minutes - I noted no transactions requiring Board approval which had not been approved by the Board. However, it was noted that the minutes were not always published within fourteen days of the board meeting, as required by Chapter 279.35 of the Code of Iowa. The District also did not maintain records to prove that the minutes were submitted timely to the publisher, as required by Chapter 279.35 of the Code of Iowa. The minutes of the May 2024 board meeting did not include the date of the meeting in compliance with The Uniform Administrative Procedures Manual.

Recommendation - The Code of Iowa states that the District must make available to the publisher the proceedings of all regular and special meetings, within fourteen days of the adjournment of such meeting. The District should ensure that they make meeting minutes available to the newspaper within fourteen days of the meeting and keep documentation verifying such. The District also should ensure that the minutes contain all required information in compliance with Chapter 3 of the Uniform Administrative Procedures Manual.

Response - This was an inadvertent oversight. We will ensure that all minutes are made available to the publisher timely, in compliance with the Code of Iowa and contain all information required by the Uniform Administrative Procedures Manual.

Conclusion - Response accepted.

8. Certified Enrollment - No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
9. Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
10. Deposits and Investments - I noted no instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy.
11. Certified Annual Reports - The Certified Annual Report was certified timely to the Department of Education; however, there were some material misstatements as detailed in comment B in Part I of this Schedule of Findings.

Recommendation - The District should ensure that all reports contain correct information in the future.

GMG COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

Response - We will ensure that future CARs contain correct information when it is filed with the Iowa Department of Education.

Conclusion - Response accepted.

12. Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.
13. Statewide Sales, Services and Use Tax - No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2024, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 545,726
Revenues		
Statewide sales, services and use tax	\$ 341,521	
Interest earned	<u>17,329</u>	358,850
Expenditures/transfers out		
School infrastructure		
Equipment	\$ 116,400	
Other improvements	149,690	
Transfers to other funds		
Debt Service Fund	<u>102,260</u>	<u>368,350</u>
Ending balance		<u>\$ 536,226</u>

For the year ended June 30, 2024, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

14. Financial Condition - The District had negative unrestricted net position in the Governmental Activities of \$1,106,499 and Total Activities of \$725,972 at June 30, 2024.

Recommendation - The District should investigate these net position balances and consider potential action to return them to good financial condition.

GMG COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

Response - These negative balances were results of implementing GASB 68 and accounting for pension related expenses during the year ended June 30, 2017. We will continue to monitor this account.

Conclusion - Response accepted.

15. Images of Checks - The District receives their cancelled checks from the bank as photo images, showing only the front of the checks. Chapter 554D.114 of the Code of Iowa requires both the front and back of check images be retained.

Recommendation - The District should contact the bank to rectify this situation so that they receive photo images of both front and back of each check.

Response - We will contact the bank to resolve this matter.

Conclusion - Response accepted.

GMG COMMUNITY SCHOOL DISTRICT
Audit Staff
June 30, 2024

This audit was performed by

Kay Chapman, CPA
Terri Slater, staff accountant

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATES

**[FORM OF ISSUE PRICE CERTIFICATE TO BE USED IF
COMPETITIVE SALE REQUIREMENTS ARE MET]**

**GMG COMMUNITY SCHOOL DISTRICT
\$ _____ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2025
ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER] ("Purchaser"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. Reasonably Expected Initial Offering Price.
 - a. As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Purchaser to purchase the Bonds.
 - b. Purchaser was not given the opportunity to review other bids prior to submitting its bid.
 - c. The bid submitted by Purchaser constituted a firm offer to purchase the Bonds.
2. Defined Terms.
 - a. Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
 - b. Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
 - c. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September 8, 2025.
 - d. Underwriter means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By:

Name:

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

**[FORM OF ISSUE PRICE CERTIFICATE TO BE USED IF
COMPETITIVE SALE REQUIREMENTS ARE NOT MET]
GMG COMMUNITY SCHOOL DISTRICT
\$ _____ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2025
ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (["Purchaser"])[the "Representative"]], on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.
2. Initial Offering Price of the Hold-the-Offering-Price Maturities.
 - a. [Purchaser][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.
 - b. As set forth in the Official Terms of Offering and bid award, [Purchaser][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.
3. Defined Terms.
 - a. General Rule Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."
 - b. Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."
 - c. Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (September 3, 2025), or (ii) the date on which [Purchaser][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
 - d. Issuer means GMG Community School District.
 - e. Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.
 - f. Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
 - g. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September 8, 2025.
 - h. Underwriter means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [the Purchaser][the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax

rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By:

Name:

Dated: [ISSUE DATE]

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION