

\$13,000,000*
Indianola Community School District, Iowa
General Obligation School Bonds, Series 2025

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

DATE: Monday, September 8, 2025
TIME: 1:00 PM
PLACE: Office of the Superintendent
1301 E 2nd Ave.
Indianola, Iowa 50125
Telephone: (515) 961-9500

Moody's Rating: "Aa2"

* 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 Indianola Community School District, Iowa (the "Issuer")

Re: \$13,000,000* 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 Indianola Community School District, in the County of Warren, 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 \$13,000,000* 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 \$18,000,000.

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 \$130,000* 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 99% 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, Indianola Community School District, 1301 E. 2nd Ave, Indianola, Iowa 50125.

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

Rating: "Aa2"

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 NOT be designated as "qualified tax-exempt obligations." See "TAX MATTERS" herein for a more detailed discussion.

\$13,000,000*

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

Dated: Date of Delivery

The Indianola 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	\$535,000			455578 RL0	June 1, 2036	\$490,000			455578 RW6
June 1, 2027	380,000			455578 RM8	June 1, 2037	515,000			455578 RX4
June 1, 2028	255,000			455578 RN6	June 1, 2038	535,000			455578 RY2
June 1, 2029	255,000			455578 RP1	June 1, 2039	555,000			455578 RZ9
June 1, 2030	265,000			455578 RQ9	June 1, 2040	580,000			455578 SA3
June 1, 2031	275,000			455578 RR7	June 1, 2041	610,000			455578 SB1
June 1, 2032	285,000			455578 RS5	June 1, 2042	635,000			455578 SC9
June 1, 2033	305,000			455578 RT3	June 1, 2043	665,000			455578 SD7
June 1, 2034	320,000			455578 RU0	June 1, 2044	700,000			455578 SE5
June 1, 2035	475,000			455578 RV8	June 1, 2045	4,365,000			455578 SF2

\$ _____ % 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 September 30, 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
INDIANOLA COMMUNITY SCHOOL DISTRICT, IOWA
\$13,000,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2025

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Indianola 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 additions to the existing high school facility, including related demolition, remodeling and site improvements; and to remodel, repair, improve, furnish and equip the existing high school facility; and to improve the site; 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 the Code of Iowa, 2025, as amended (the “Iowa Code”), Chapter 296, and the bond resolution, expected to be adopted by the Issuer on or around September 16, 2025 (the “Bond Resolution” or “Resolution”). Voters in the Issuer authorized the issuance of not to exceed \$70,000,000 General Obligation School Bonds at the special election held on September 13, 2022. The Issuer issued \$9,995,000 General Obligation School Bonds, Series 2022 of that authority on December 28, 2022. The Issuer issued \$9,345,000 General Obligation School Bonds, Series 2023 of that authority on December 20, 2023 and \$14,645,000 General Obligation School Bonds, Series 2024 on October 17, 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 Participant 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:

_____ Term Bond
Mandatory Sinking Fund Date Principal Amount
\$

(maturity)

Selection of Bonds for Redemption Bonds subject to redemption will be selected in such order of maturity as the Issuer may direct. If less than all of the Bonds of a single maturity are to be redeemed, the Issuer will direct the Registrar to notify DTC of the particular amount of such maturity to be redeemed prior to maturity. DTC will determine by lot the amount of each Participant's interest in such maturity to be redeemed and each Participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was sent.

Source of Security for the Bonds

The Bonds are general obligations of the Issuer. Per Iowa Code section 76.2, prior to issuing general obligation debt the governing authority of an Iowa political subdivision shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution must be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full. Upon issuance of the Bonds, the Issuer will levy taxes for the years and in amounts sufficient to provide 100% of annual principal and interest due on the Bonds. If, however, the amount credited to the debt service fund for payment of the Bonds is insufficient to pay principal and interest, whether from transfers or from original levies, the Issuer must use funds in its treasury and is required to levy ad valorem taxes upon all taxable, real property in the territory of the Issuer without limit as to rate or amount sufficient to pay the debt service deficiency.

Nothing in the Bond Resolution prohibits or limits the ability of the Issuer to use legally available moneys other than the proceeds of the general ad valorem property taxes levied, as described in the preceding paragraph, to pay all or any portion of the principal of or interest on the Bonds. If and to the extent such other legally available moneys are used to pay the principal of or interest on the Bonds, the Issuer may, but shall not be required to, (a) reduce the amount of taxes levied for such purpose, as described in the preceding paragraph; or (b) use proceeds of taxes levied, as described in the preceding paragraph, to reimburse the fund or account from which such other legally available moneys are withdrawn for the amount withdrawn from such fund or account to pay the principal of or interest on Bonds.

The Bond Resolution does not restrict the Issuer's ability to issue or incur additional general obligation debt, although issuance of additional general obligation debt is subject to the same constitutional and statutory limitations that apply to the issuance of the Bonds. For a further description of the Issuer's outstanding general obligation debt upon issuance of the Bonds and the annual debt service on the Bonds, see "Direct Debt" included in "APPENDIX A" to this Official Statement. For a description of certain constitutional and statutory limits on the issuance of general obligation debt, see "Debt Limit" included in "APPENDIX A" to this Official Statement.

BONDHOLDERS' RISKS

An investment in the Bonds is subject to certain risks. No person should purchase the Bonds unless such person understands the risks described below and is willing to bear those risks. There may be other risks not listed below which may adversely affect the value of the Bonds. In order to identify risk factors, make an informed investment decision, and if the Bonds are an appropriate investment, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto).

Tax Levy Procedures

The Bonds are general obligations of the Issuer, payable from and secured by a continuing ad-valorem tax levied against all of taxable, real property located in the territory of the Issuer. As part of the budgetary process of the Issuer each fiscal year the Issuer will have an obligation to request a debt service levy to be applied against all of the taxable, real property located in the territory of the Issuer. A failure on the part of the Issuer to make a timely levy request or a levy request by the Issuer that is inaccurate or is insufficient to make full payments of the debt service on the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on 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.

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.

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 145 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 of 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 annual 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 \$2,697,950. 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 \$14,689,058. 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 0.323354% which was a decrease of 0.016343% 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.

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, NO Bank Qualification and Loss of Tax Exemption

As discussed under the heading “**TAX EXEMPTION AND RELATED CONSIDERATIONS**” 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 NOT 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”).

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

Moody's Investors Service, Inc. (the "Rating Agency") has assigned a rating of "Aa2" 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 the Rating Agency, 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. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the “**THE BONDS – Source of Security for the Bonds**” herein.

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 an 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 Anderson, Larkin & Co., 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 additions to the existing High School facility, including related demolition, remodeling and site improvements; and to remodel, repair, improve, furnish and equip the existing high school facility; and to improve the site; and to pay the cost of issuance associated with the Bonds.

SOURCES AND USES OF FUNDS *

Sources of Funds	Bond Proceeds	\$13,000,000
	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 and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; 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.

NOT Qualified Tax Exemption Obligations

The Issuer will NOT 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”).

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 the TCJA, as well as 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 bond 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.

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, 2025, 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 previous five (5) year period, the Issuer believes it has complied in all material respects with regard to its prior Disclosure Covenants except the following:

- For fiscal years 2020 - 2024 ahead of the audit filing deadline the Issuer filed a notice that the audit would be filed when available, along with unaudited financial statements certified to the Iowa Department of Education which contain financial information as found in the audit, but which may not be in a format similar to the audit. The audits for those years were subsequently filed, but some were filed at a time that was not immediately after the audit was available.
- For fiscal year 2020, ahead of the audit filing deadline the Issuer failed to link its unaudited financial statements to its Series 2010 General Obligation School Bonds. The unaudited financial information has been linked to this Series, and notice of late filing and a failure to file notice has been given.
- On December 8, 2020, the Issuer issued and delivered \$6,370,000 School Infrastructure Sales, Services and Use Tax Revenue Refunding Bonds, Series 2020. The Issuer failed to file a notice of Financial Obligation - Incurrence or Agreement. On November 2, 2022, the Issuer filed the notice of Financial Obligation - Incurrence or Agreement and notice of failure to file has been given.

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 entireties 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.

INDIANOLA COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Brian Bartz
Board Secretary

APPENDIX A - INFORMATION ABOUT THE ISSUER
INDIANOLA COMMUNITY SCHOOL DISTRICT, IOWA

DISTRICT OFFICIALS

PRESIDENT	Mack Rankin
BOARD MEMBERS	Ben Metzger – Vice President Tim Mills Sue Wilson Eric Christensen Ryan Werling Jeanette Campbell
SUPERINTENDENT	Tara Paul
DISTRICT SECRETARY	Brian Bartz
DISTRICT TREASURER	Brian Bartz
DISTRICT ATTORNEY	Ahlers & Cooney P.C.

CONSULTANTS

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

General Information

The Indianola Community School District is located in Warren County in central Iowa, approximately 12 miles south of Des Moines. The District includes within its 159 square miles the City of Indianola, serving as the county seat and major trading center for the prosperous surrounding agricultural area as well as the small communities of Sandyville and Ackworth. Transportation within the District is provided by U.S. Highways 65 and 69, Iowa State Highway 92, and an excellent network of paved county roads. Commercial airline service is available in nearby Des Moines. U.S. Interstate 35 is located adjacent to the western edge of the District. Continuing education is available at Simpson College, a fully accredited college established in 1860 in Indianola, Drake University, Grandview College, Des Moines, (15 miles), and Des Moines Area Community College, Ankeny, (20 miles). The District's proximity to Des Moines provides excellent cultural and employment advantages.

Included among the wide variety of things to see and do in Indianola are the following.

Simpson College: Established in 1860, Simpson College has accomplished a successful mix of the established with the progressive in offering its 1200 plus students the best in liberal arts education. Located on a beautiful 61-acre campus, the Methodist related College offers 47 different majors and programs ranging from agriculture resources management to theater arts. The spacious Amy Robertson Music Center, dedicated in 1983 and College Hall built in 1869, are evidence of a college keeping pace with the times, while remaining in touch with 125 years of academic excellence.

Des Moines Metro Opera: Founded in 1973, the Des Moines Metro Opera is now the third largest summer opera festival in the Country. The Metro Opera has received national and international attention for its innovative programming. Each season the Metro Opera presents three grand operas, all performed in English, chosen from standard and contemporary repertory.

Warren County Historical Museum: A wide array of antiques and historical memorabilia from Indianola and Warren County are displayed at the Historical Museum. Located on the grounds are a full-size log cabin, school house, and church all furnished in their era. The museum is the center for the Log Cabin Days Celebration annually held the last full weekend in September.

The City of Indianola has made many infrastructure improvements, including improving the storm water system, building a new waste water treatment plant and a City Scape project on the square. The City was recently recognized as a Main Street Iowa community by the Iowa Economic Development Authority.

Indianola is also home to the annual National Hot Air Balloon Classic and the Warren County Fair.

District Facilities

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

<u>Building</u>	<u>Construction Date</u>	<u>Grades Served</u>
Emerson Elementary	1958, 1961, 1995, 1996, 2015	K-5
Irving Elementary	1953, 1979, 2013	K-5
Wilder Elementary	2008	K-5
Whittier Elementary	1958, 1966, 1977, 2014	PK-5
Middle School	1997, 2012	6-8
Indianola Senior High	1962, 1963, 1975, 1986, 2015	9-12
District Office	2018	

Source: Indianola CSD

Enrollment

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

	<u>Certified (Resident) (1)</u>	<u>Open Enroll In</u>	<u>Open Enroll Out</u>	<u>Total Served (2)</u>
October-24	3,430.2	246.3	159.1	3,517.4
October-23	3,422.7	236.3	139.2	3,519.8
October-22	3,436.6	251.5	144.4	3,543.7
October-21	3,474.5	217.1	165.4	3,526.2
October-20	3,475.9	196.2	160.5	3,511.6

Source: Department of Education

(1) Used for Sales Tax distribution

(2) Used for State Aid distribution

Staff

Presented below is a list of the Issuer's 626 employees.

Administrators:	20	Administrative Support Specialists	16
Teachers:	274	Child Care Supervisors	4
Teacher Aids:	111	Secretaries:	16
Custodians:	31	Transportation:	22
Food Service:	21	Maintenance:	6
Coaches	35	Child Care	70

Source: Indianola CSD

Self-Funded Benefits

Beginning with fiscal year 2020, the District has established a self-funded program for its medical and prescription drug benefits, with Wellmark as third-party administrator for health benefits, and with Delta Dental as third-party administrator for dental benefits. Premiums were determined following an actuarial review and were set at the expected premiums for purchased insurance. Reinsurance has been obtained for catastrophic claims.

Other Postemployment Benefits (OPEB)

The Issuer 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 Indianola Community School 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.

The Issuer's total OPEB liability of \$1,916,723 was measured as of June 30, 2024, and was determined by an actuarial valuation dated June 30, 2024.

Further information, including information concerning actuarial assumptions, discount rates, and deferred inflows and outflows is available in the District's 2024 Independent Audited Financial Statements.

Source: District's 2024 Independent Audited Financial Statement

Employee Pension Plan

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. Moreover, IPERS maintains a website at www.ipers.com. 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	2,508,887	9.44	1,664,269	6.29
2021	2,502,134	9.44	1,667,179	6.29
2022	2,589,438	9.44	1,725,377	6.29
2023	2,701,614	9.44	1,800,109.68	6.29
2024	2,697,950	9.44	1,844,702.15	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 comprehensive annual 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 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	40,186,392,289	43,969,714,606	4,615,482,227	89.50	3,783,322,317	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 \$14,689,058 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, the Municipal Advisor, and Counsel to 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.

- (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

Investment of Public Funds

The District invests its funds pursuant to Chapter 12B of the Code. Presented below is the District’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	100,000
Bus Cash Mgmt	0
SWEEP	32,651,587.86
ISJIT Money Market	6,163,644.53
ISJIT Time CD’s	0
ISJIT HS Construction Bonds	2,324,869.50

Source: Indianola CSD

Population

Presented below are population figures for the periods indicated for the cities of Indianola, Sandyville and Ackworth:

<u>Year</u>	<u>Indianola</u>	<u>Sandyville</u>	<u>Ackworth</u>
2020	15,833	58	115
2010	14,782	51	83
2000	12,998	61	85
1990	11,340	59	66
1980	10,843	86	83
1970	8,852	89	11
1960	7,062	115	77
1950	5,145	92	95

Source: U.S. Census Bureau

Major Employers

Presented below is a summary of the largest employers in the Issuer:

<u>Business</u>	<u>Category</u>	<u>Approx Employee Count</u>
Indianola Community Schools	Education	626
Hy-Vee	Retail - Grocery Store	359
Simpson College	Education	305
Walmart	Retail - Grocery Store	275
CemenTech	Manufacturing - Concrete Mixers	173
The Village	Senior Care/Living	140
Good Samaritan Society of Indianola	Senior Care/Living	120
Fareway	Retail - Grocery Store	109
Westview Care Center	Senior Care/Living	108
ADM (Harvest Innovations)	Food Processing	100
Christian Opportunity Center	Non-profit supporting people with disabilities	85

Source: Warren County Economic Development

Property Tax Assessment

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>Sm Commercial</u>	<u>Multi-residential</u>	<u>Railroad</u>	<u>Sm Railroad</u>	<u>Utilities</u>	<u>Industrial</u>
2025-26	47.4316	73.8575	90.0000	47.4316	NA	90.0000	47.4316	100.0000	90.0000
2024-25	46.3428	71.8370	90.0000	46.3428	NA	90.0000	46.3428	100.0000	90.0000
2023-24	54.6501	91.6430	90.0000	54.6501	NA	90.0000	54.6501	100.0000	90.0000
2022-23	54.1302	89.0412	90.0000	90.0000	63.7500	90.0000	90.0000	100.0000	90.0000
2021-22	56.4094	84.0305	90.0000	90.0000	67.5000	90.0000	90.0000	98.5489	90.0000
2020-21	55.0743	81.4832	90.0000	90.0000	71.2500	90.0000	90.0000	100.0000	90.0000

Source: Iowa Department of Revenue

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, 2023 are used to calculate tax liability for the tax year starting July 1, 2024 through June 30, 2025. Presented below are the historic property valuations of the Issuer by class of property.

Property Valuations

Actual Valuation					
Valuation as of January	2024	2023	2022	2021	2020
<u>Fiscal Year</u>	<u>2025-26</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
Residential:	1,974,760,065	1,934,927,936	1,521,401,586	1,429,399,966	1,332,873,123
Agricultural Land:	83,491,777	83,728,865	64,665,539	64,885,253	73,855,546
Ag Buildings:	5,458,227	5,074,769	2,541,661	2,525,146	2,329,054
Commercial:	188,383,905	181,573,804	150,828,534	145,904,586	128,083,155
Industrial:	22,160,100	15,554,391	18,373,800	10,250,650	9,504,560
Multi-Residential:	0	0	0	64,001,638	62,534,609
Personal RE:	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	5,008,644	4,823,274	4,662,003	6,803,991	7,901,337
Other:	0	0	0	0	0
Total Valuation:	2,279,262,718	2,225,683,039	1,762,473,123	1,723,771,230	1,617,081,384
Less Military:	3,081,994	3,166,118	1,587,162	1,679,762	1,737,174
Less Homestead:	9,509,642	4,516,660			
Net Valuation:	2,266,671,082	2,218,000,261	1,760,885,961	1,722,091,468	1,615,344,210
TIF Valuation:	49,283,876	48,781,735	53,268,370	48,381,811	47,203,323
Utility Replacement:	27,431,684	24,304,388	22,646,829	18,752,778	18,146,773
Taxable Valuation					
Valuation as of January	2024	2023	2022	2021	2020
<u>Fiscal Year</u>	<u>2025-26</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
Residential:	920,233,090	882,956,900	841,802,663	766,555,001	745,702,166
Agricultural Land:	61,648,493	60,134,839	59,257,336	57,767,534	62,052,566
Ag Buildings:	4,030,976	3,645,324	2,329,237	2,248,218	1,957,011
Commercial:	145,556,794	139,378,422	116,000,564	129,425,791	113,158,871
Industrial:	19,150,068	12,524,046	15,874,723	8,412,120	7,744,410
Multi-Residential:	0	0	0	38,756,238	40,991,222
Personal RE:	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	5,008,644	4,823,274	4,662,003	6,803,991	7,786,679
Other:	0	0	0	0	0
Total Valuation:	1,155,628,065	1,103,462,805	1,039,926,526	1,009,968,893	979,392,925
Less Military:	3,081,994	3,166,118	1,587,162	1,679,762	1,737,174
Less Homestead:	9,509,642	4,516,660			
Net Valuation:	1,143,036,429	1,095,780,027	1,038,339,364	1,008,289,131	977,655,751
TIF Valuation:	49,283,876	48,781,735	53,268,370	48,381,811	47,203,323
Utility Replacement:	7,458,066	7,246,773	7,626,579	7,769,589	7,417,682
Valuation	Actual	% Change in	Taxable	% Change in	
<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	2,343,386,642	2.28%	1,199,778,371	4.16%	
2023	2,291,086,384	24.73%	1,151,808,535	4.78%	
2022	1,836,801,160	2.66%	1,099,234,313	3.27%	
2021	1,789,226,057	6.46%	1,064,440,531	3.12%	
2020	1,680,694,306	1.52%	1,032,276,756	3.14%	

Source: Iowa Department of Management

Tax Rates

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

<u>Fiscal Year</u>	<u>Operating</u>	<u>Management</u>	<u>B PPEL</u>	<u>V PPEL</u>	<u>PERL</u>	<u>Debt</u>	<u>Total Levy Rate</u>
2025	9.73408	2.33902	0.33000	1.34000	0.13500	4.05000	17.92810
2024	10.33079	1.76870	0.33000	1.34000	0.13500	4.05000	17.95449
2023	10.30574	1.79616	0.33000	1.34000	0.13500	4.05000	17.95690
2022	11.22768	0.91364	0.33000	1.34000	0.13500	4.05000	17.99632
2021	10.61788	1.52498	0.33000	1.34000	0.13500	4.05000	17.99786
2020	10.62003	2.16202	0.33000	1.34000	0.00000	4.05000	18.50205

Source: Iowa Department of Management

Historic Tax Rates

Presented below are the tax rates by taxing entity for residents of the City of Indianola:

<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>Total Levy Rate</u>
2025	13.46310	17.92810	0.75916	0.00180	0.41812	0.13520	0.00000	5.98053	38.68601
2024	13.55036	17.95449	0.74410	0.00180	0.45824	0.13678	0.00000	6.13812	38.98389
2023	13.54412	17.95690	0.69448	0.00240	0.44944	0.13388	0.00000	6.18246	38.96368
2022	13.63178	17.99632	0.67789	0.00260	0.47976	0.12507	0.00000	6.66241	39.57583
2021	13.62555	17.99786	0.63533	0.00270	0.49501	0.12841	0.00000	6.87984	39.76470
2020	13.27899	18.50205	0.65249	0.00280	0.49728	0.13427	0.00000	6.67724	39.74512

Source: Iowa Department of Management

Tax Collection History

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>
2025	\$20,066,275	In Collection	NA
2024	19,097,595	\$18,652,859	97.67%
2023	18,539,004	18,537,201	99.99%
2022	18,015,349	18,015,321	100.00%
2021	17,100,125	17,032,757	99.61%
2020	16,735,977	16,650,327	99.49%

Source: Indianola CSD

Largest Taxpayers

Set forth in the following table are the persons or entities which represent the 2023 largest taxpayers within the Issuer, as provided by the Auditors Offices of each of said counties. 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>
Wal Mart Stores Inc #01-1491 Wal Mart Property Tax Dept	10,082,471	0.88%
Wesley Retirement Services Inc.	9,859,403	0.86%
Lincoln Ridge Estates LLC	6,498,165	0.56%
Midwest Power Systems Inc.	6,359,994	0.55%
RM30 Holdings LLC	5,911,951	0.51%
Pinnacle Agriculture Dist Inc.	5,774,704	0.50%
Next Level Apartments LLC	5,668,282	0.49%
Theisen Development	4,858,235	0.42%
Danlee Corp	4,615,418	0.40%
HCII-307 E Scenic Valley Avenue LLC	4,423,805	0.38%
Total of Top 10 Taxpayers:		5.56%

Source: County Auditor Office

(1) 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)

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

<u>Fiscal year</u>	<u>Remaining</u> <u>5/29/19</u>	<u>11/13/19</u>	<u>5/13/20</u>	<u>5/13/21</u>	<u>12/28/22</u>	<u>12/20/23</u>	<u>10/17/24</u>	<u>9/30/25</u>	<u>Total</u> <u>Principal</u>	<u>Total</u> <u>Interest</u>	<u>Total</u> <u>P&I</u>
2026	610,000		0	1,290,000	210,000			535,000	2,645,000	2,211,219	4,856,219
2027	605,000		0	1,365,000	235,000			380,000	2,585,000	2,267,917	4,852,917
2028	605,000	900,000	270,000		400,000			255,000	2,430,000	2,157,655	4,587,655
2029	615,000	920,000	285,000		420,000			255,000	2,495,000	2,090,380	4,585,380
2030	200,000	1,140,000	515,000		445,000			265,000	2,565,000	2,021,355	4,586,355
2031		1,165,000	730,000		465,000			275,000	2,635,000	1,952,205	4,587,205
2032		1,190,000	745,000		485,000			285,000	2,705,000	1,881,955	4,586,955
2033		1,210,000	760,000		505,000			305,000	2,780,000	1,809,010	4,589,010
2034		1,235,000	775,000		525,000			320,000	2,855,000	1,732,950	4,587,950
2035					545,000		1,910,000	475,000	2,930,000	1,657,097	4,587,097
2036					720,000		1,835,000	490,000	3,045,000	1,539,897	4,584,897
2037					750,000	1,000,000	905,000	515,000	3,170,000	1,418,097	4,588,097
2038					785,000	1,120,000	855,000	535,000	3,295,000	1,290,808	4,585,808
2039					820,000	1,160,000	895,000	555,000	3,430,000	1,157,965	4,587,965
2040					855,000	1,205,000	930,000	580,000	3,570,000	1,019,128	4,589,128
2041					895,000	1,250,000	960,000	610,000	3,715,000	873,979	4,588,979
2042					935,000	1,295,000	1,000,000	635,000	3,865,000	720,987	4,585,987
2043						2,315,000	1,045,000	665,000	4,025,000	561,084	4,586,084
2044							3,495,000	700,000	4,195,000	393,966	4,588,966
2045								4,365,000	4,365,000	219,341	4,584,341
Totals:	2,635,000	7,760,000	4,080,000	2,655,000	9,995,000	9,345,000	13,830,000	13,000,000	63,300,000	28,976,994	92,276,994

Source: Indianola CSD

General Obligation School Capital Loan Notes (PPEL)

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

Anticipatory Warrants

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

School Infrastructure Sales, Services & Use Tax Revenue Bonds

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

<u>Fiscal Year</u>	<u>5/8/18</u>	<u>11/12/19</u>	<u>12/8/20</u>	<u>Total</u> <u>Principal</u>	<u>Total</u> <u>Interest</u>	<u>Total</u> <u>P&I</u>
2026	210,000	490,000	707,000	1,407,000	99,929	1,506,929
2027	220,000	497,000	715,000	1,432,000	76,209	1,508,209
2028	225,000	508,000	722,000	1,455,000	51,626	1,506,626
2029	230,000	522,000	730,000	1,482,000	26,248	1,508,248
Totals:	885,000	2,017,000	2,874,000	5,776,000	254,011	6,030,011

Source: Indianola CSD

Debt Limit

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 District's debt limit, based upon said valuation, amounts to the following:

1/1/2024 Actual Valuation:	\$2,343,386,642
X	0.05
Statutory Debt Limit:	117,169,332
 Total General Obligation Debt:	 63,300,000
Total Lease Purchases:	
Total Loan Agreements:	
Capital Leases:	
 Total Debt Subject to Limit:	 63,300,000
Percentage of Debt Limit Obligated:	54.02%

The constitutional debt limit calculation does not include the District's School Infrastructure Sales, Services and Use Tax Revenue Bonds. If the District's School Infrastructure Sales, Services and Use Tax Revenue Bonds are included in the constitutional debt limit calculation, the "Total Debt Subject to Limit" would increase \$5,776,000 to be \$69,076,000, or 58.95% of the statutory debt limit.

Source: Iowa Department of Management

Overlapping & Underlying Debt

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 Indianola	29,465,000	729,681,346	729,681,346	100.00%	29,465,000
City Of Ackworth	0	5,985,685	5,985,685	100.00%	0
City Of Sandyville	0	1,814,273	1,748,614	96.38%	0
City Of Des Moines	468,305,000	10,703,100,321	438,880	0.00%	19,203
Warren County	35,808,000	3,475,410,227	1,151,808,535	33.14%	11,867,365
Des Moines Area Cc	60,990,000	67,526,147,035	1,151,808,535	1.71%	1,040,320
Heartland AEA	0	67,526,147,035	1,151,808,535	1.71%	0

Total: \$42,391,887

Source: Iowa Department of Management

Financial Summary

Actual Value of Property, 2024:	\$2,343,386,642
Taxable Value of Property, 2024:	1,199,778,371
Direct General Obligation Debt:	\$63,300,000
Overlapping Debt:	42,391,887
Direct & Overlapping General Obligation Debt:	\$105,691,887
Population, 2020 US Census:	21,102
Direct Debt per Capita:	\$2,999.72
Total Debt per Capita:	\$5,008.62
Direct Debt to Taxable Valuation:	5.28%
Total Debt to Taxable Valuation:	8.81%
Direct Debt to Actual Valuation:	2.70%
Total Debt to Actual Valuation:	4.51%
Actual Valuation per Capita:	\$111,050
Taxable Valuation per Capita:	\$56,856

Source: Iowa Department of Management

APPENDIX B – FORM OF BOND COUNSEL OPINION

DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors of the Indianola Community School District in the County of Warren, 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.

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 Indianola 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 2025 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. 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 7. 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 8. 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 9. 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 10. 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 11. 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 12. 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 13. 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

INDIANOLA 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: Indianola 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____.

INDIANOLA 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.

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INDIANOLA COMMUNITY SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2024

INDIANOLA COMMUNITY SCHOOL DISTRICT

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INDIANOLA COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
Mack Rankin	President	2025
Ben Metzger	Vice President	2027
Rob Keller	Board Member	2027
Ryan Werling	Board Member	2025
Sue Wilson	Board Member	2027
Eric Christensen	Board Member	2027
Tim Mills	Board Member	2025
<u>School Officials</u>		
Tara Paul	Superintendent	Indefinite
Chad Vink	Board Secretary/Treasurer and School Business Manager	Indefinite
Ahlers & Cooney, P.C.	Attorney	Indefinite



ANDERSON, LARKIN & CO. P.C.
Certified Public Accountants
"Your Success Is Our Business."

Kenneth E. Crosser, CPA
April D. Crosser, CPA
Michael J. Podliska, CPA
Adam L. Sturm, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Indianola Community School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Indianola Community School District, Indianola, 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 our opinion, the 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 Indianola Community School District at June 30, 2024, and the respective changes in financial position, and, where applicable, thereof for the year ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial 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 Indianola 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Indianola Community School District's ability to continue as a going concern for a reasonable period of time.

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

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 5 through 11 and 44 through 52 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. We have applied certain limited procedures to the required supplementary information in accordance 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Indianola Community School District's basic financial statements. Other auditors audited, in accordance with standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2023 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 8, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), 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 our opinion, the supplementary information in Schedules 1 through 8, including the Schedule of Expenditures of Federal Awards, 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, we have also issued our report dated May 2, 2025, except as to Note 15 which is as of August 13, 2025 on our consideration of Indianola Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the 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 Indianola Community School District's internal control over financial reporting and compliance.

ANDERSON, LARKIN & CO., P.C.

Anderson Larkin & Co., P.C.

Ottumwa, Iowa
May 2, 2025, except as to Note 15,
which is as of August 13, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Indianola 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 decreased from \$45,521,022 in fiscal year 2023 to \$44,456,845 in fiscal year 2024, while General Fund expenditures increased from \$44,296,017 in fiscal year 2023 to \$44,342,194 in fiscal year 2024. The District's General Fund balance increased from \$9,348,006 in fiscal year 2023 to \$9,577,443 in fiscal year 2024, a 2.5% increase.

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 Indianola 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 the District's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Indianola Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

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 and childcare programs 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 that it is properly using certain revenues, such as federal grants.

The District has three 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 financial 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 Fund.

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 provide more detail and additional information, such as cash flows. The District currently has two Enterprise Funds, the School Nutrition Fund and the Daycare and Preschool Fund.

The required financial statements for proprietary funds include a Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

- 3) *Fiduciary funds:* The District is the trustee, or fiduciary, for the assets that belong to others. These funds include the Custodial Funds, as follows:

- Custodial Funds – These are funds through which the District administers and accounts for certain monies on behalf of other entities.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for Fiduciary funds include a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

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-3 below provides a summary of the District's net position on June 30, 2024 compared to June 30, 2023.

Figure A-3 Condensed Statement of Net Position							
	Governmental Activities June 30,		Business Type Activities June 30,		Total District June 30,		Total Change 2023- 2024
	2024	2023	2024	2023	2024	2023	
Current and other assets	\$ 71,436,818	\$ 63,079,723	\$ 2,087,600	\$ 1,926,081	\$ 73,524,418	\$ 65,005,804	13.10 %
Capital assets	87,575,151	82,737,430	73,718	84,526	87,648,869	82,821,956	5.83
Total assets	<u>159,011,969</u>	<u>145,817,153</u>	<u>2,161,318</u>	<u>2,010,607</u>	<u>161,173,287</u>	<u>147,827,760</u>	9.03
Deferred outflows of resources	<u>5,350,731</u>	<u>3,356,330</u>	<u>133,213</u>	<u>147,366</u>	<u>5,483,944</u>	<u>3,503,696</u>	56.52
Long-term liabilities	63,260,918	55,723,236	625,580	607,266	63,886,498	56,330,502	13.41
Other liabilities	6,538,734	7,564,633	195,204	174,045	6,733,938	7,738,678	(12.98)
Total liabilities	<u>69,799,652</u>	<u>63,287,869</u>	<u>820,784</u>	<u>781,311</u>	<u>70,620,436</u>	<u>64,069,180</u>	10.23
Deferred inflows of resources	<u>21,620,239</u>	<u>22,339,939</u>	<u>121,380</u>	<u>134,903</u>	<u>21,741,619</u>	<u>22,474,842</u>	(3.26)
Net position:							
Net investment in capital assets	40,416,151	41,119,552	73,718	84,526	40,489,869	41,204,078	(1.73)
Restricted	30,019,660	23,124,610	-	-	30,019,660	23,124,610	29.82
Unrestricted	2,506,998	(698,487)	1,278,649	1,157,233	3,785,647	458,746	725.22
Total net position	<u>\$ 72,942,809</u>	<u>\$ 63,545,675</u>	<u>\$ 1,352,367</u>	<u>\$ 1,241,759</u>	<u>\$ 74,295,176</u>	<u>\$ 64,787,434</u>	14.68 %

The District's total net position increased by 14.68%, or \$9,507,742 from the prior year.

The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and 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 \$6,895,050, or 29.82% from the prior year. This increase is primarily due to an increase in funds restricted for capital projects in the current year.

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 – increased \$3,326,901, or 725.22%. This increase in unrestricted net position was a result of a combination of factors.

Figure A-4 shows the change in net position for the year ended June 30, 2024 compared to the year ended June 30, 2023.

Figure A-4 Statement of Activities							
	Governmental Activities June 30,		Business Type Activities June 30,		Total District June 30,		Total Change
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>
Revenues							
Program revenues:							
Charges for services	\$ 3,055,033	\$ 2,978,219	\$ 1,816,384	\$ 1,612,844	\$ 4,871,417	\$ 4,591,063	6.11 %
Operating grants, contributions and restricted interest	2,575,960	5,235,775	1,282,434	1,306,537	3,858,394	6,542,312	(41.02)
General revenues:							
Property tax	19,000,157	18,548,626	-	-	19,000,157	18,548,626	2.43
Income surtax	1,597,245	1,526,753	-	-	1,597,245	1,526,753	4.62
Statewide sales, services and use tax	4,527,245	4,756,776	-	-	4,527,245	4,756,776	(4.83)
Unrestricted state grants	27,010,526	25,298,071	-	-	27,010,526	25,298,071	6.77
Unrestricted investment earnings	2,222,185	995,221	93,926	58,504	2,316,111	1,053,725	119.80
Other	188,529	54,403	121,553	123,018	310,082	177,421	74.77
Total revenues	<u>60,176,880</u>	<u>59,393,844</u>	<u>3,314,297</u>	<u>3,100,903</u>	<u>63,491,177</u>	<u>62,494,747</u>	1.59
Program expenses:							
Instruction	28,272,362	24,563,542	-	-	28,272,362	24,563,542	15.10
Support services	16,451,639	15,210,614	286,640	270,896	16,738,279	15,481,510	8.12
Non-instructional programs	-	-	2,974,241	2,541,039	2,974,241	2,541,039	17.05
Other expenses	5,996,976	5,750,747	1,577	-	5,998,553	5,750,747	4.31
Total expenses	<u>50,720,977</u>	<u>45,524,903</u>	<u>3,262,458</u>	<u>2,811,935</u>	<u>53,983,435</u>	<u>48,336,838</u>	11.68
Excess of revenues over expenses	9,455,903	13,868,941	51,839	288,968	9,507,742	14,157,909	(32.85)
Transfers	(58,769)	(187,340)	58,769	187,340	-	-	
Change in net position	9,397,134	13,681,601	110,608	476,308	9,507,742	14,157,909	(32.85)
Net position beginning of year	<u>63,545,675</u>	<u>49,864,074</u>	<u>1,241,759</u>	<u>765,451</u>	<u>64,787,434</u>	<u>50,629,525</u>	27.96
Net position end of year	\$ <u><u>72,942,809</u></u>	\$ <u><u>63,545,675</u></u>	\$ <u><u>1,352,367</u></u>	\$ <u><u>1,241,759</u></u>	\$ <u><u>74,295,176</u></u>	\$ <u><u>64,787,434</u></u>	14.68 %

In the fiscal year 2024 property tax, operating grants, contributions, and restricted interest, and unrestricted state grants accounted for 80.74% of governmental activities revenue while charges for services and sales and operating grants, contributions, and restricted interest accounted for 93.5% of business-type activity revenues. The District's total revenues were approximately \$63.5 million, of which approximately \$60.2 million was for governmental activities and approximately \$3.3 million was for business-type activities.

As shown in Figure A-4, the District as a whole experienced a 1.59% increase in revenues and an 11.68% increase in expenses. The increase in revenues was due to an increase in charges for services and sales and unrestricted investment earnings. The increase in expenses was due to an increase in support services and instruction expenses incurred when compared to the prior year.

Governmental Activities

Revenues for governmental activities were \$60,270,806 and expenses were \$50,720,977 for the year ended June 30, 2024.

The following table (Figure A-5) 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 the year ended June 30, 2023.

Figure A-5
Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>			<u>Net Cost of Services</u>		
	<u>June 30,</u>		<u>Total</u>	<u>June 30,</u>		<u>Total</u>
	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>
Instruction	\$ 28,272,362	\$ 24,563,542	15.10 %	\$ 24,307,797	\$ 19,923,430	22.01 %
Support services	16,451,639	15,210,614	8.16	16,449,752	13,476,610	22.06
Non-instructional programs	-	-	-	-	(189,340)	(100.00)
Other expenses	5,996,976	5,750,747	4.28	4,332,435	4,098,209	5.72
Total expenses	\$ <u>50,720,977</u>	\$ <u>45,524,903</u>	11.41 %	\$ <u>45,089,984</u>	\$ <u>37,308,909</u>	20.86 %

For the year ended June 30, 2024:

- The cost financed by users of the District's programs was \$3,055,033.
- Federal and state governments along with contributions from local sources subsidized certain programs with grants and contributions totaling \$2,575,960.
- The net cost of governmental activities was financed with \$19,000,157 in property and other taxes, 1,597,245 in income surtax, \$4,527,245 in statewide sales, services and use tax, \$27,010,526 in unrestricted state grants, \$2,222,185 in unrestricted investment earnings, and \$188,529 in other general revenues.

Business Type Activities

Revenues for business-type activities during the year ended June 30, 2024 were \$3,314,297 representing a 6.88% increase from the prior year, while expenses totaled \$3,262,458, a 16.02% increase from the prior year. The District's business-type activities include the School Nutrition Fund and the Childcare Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment earnings, and other income. During the year ended June 30, 2024, the District had a decrease in federal reimbursements due to federal and state guidelines causing less students to receive free meals during the current year.

INDIVIDUAL FUND ANALYSIS

As previously noted, Indianola 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 balance of \$40,461,276, an increase over last year's ending combined fund balances of \$32,923,301. The primary reason for the increase in combined fund balances in fiscal year 2024 is due to the increase in the capital projects fund.

Governmental Fund Highlights

- The District's General Fund's financial position is the product of many factors. Total revenues stayed steady compared to the prior year. Total expenditures increased due to an increase in instruction expenditures. In total, revenues outpaced expenditures for the year resulting in an increase of the General Fund balance from \$9,348,006 at June 30, 2023 to \$9,577,443 at June 30, 2024.

Governmental Fund Highlights (Continued)

The Capital Projects Fund balance increased from \$17,443,638 at June 30, 2023 to \$23,816,569 at June 30, 2024. This increase was primarily due to an increase in other financing sources from bond proceeds.

The Debt Service Fund balance stayed steady increasing from \$1,528,796 at June 30, 2023 to \$1,548,991 at June 30, 2024.

The Management Fund balance increased from \$3,798,130 at June 30, 2023 to \$4,469,338 at June 30, 2024. This increase was comparable to the prior year increase with revenues and expenditures staying steady.

Proprietary Fund Highlights

Enterprise Fund net position increased from \$1,241,759 at June 30, 2023 to \$1,352,367 at June 30, 2024, representing an increase of 8.91%. An increase in local source revenue was the primary reason for the increase in net position during the year.

BUDGETARY HIGHLIGHTS

The District's revenues were \$1,192,589 less than budgeted revenues, a variance of 1.85%. The most significant variance resulted from the District receiving less in federal source revenues than originally anticipated.

It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The district then manages or controls general fund spending through its line-item budget. As a result, typically the District's certified budget should always exceed actual expenditures for the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the District had invested \$87,648,869 net of accumulated depreciation/amortization, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment, and transportation equipment and intangible assets. (See Figure A-6) This amount represents a net increase of 5.83% from last year. More detailed information about the District's capital assets is available in Note 5 to the financial statements. Depreciation expense for the year was \$3,701,025.

The original cost of the District's capital assets was \$148,386,542. Governmental activities account for \$148,024,969 with the remainder of \$361,573 accounted for in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in construction in progress which totaled \$12,116,193 at June 30, 2024, compared to \$4,182,457 reported at June 30, 2023. This increase resulted from an increase in payments to construction projects without any being completed in the current year.

Figure A-6
Capital Assets, Net of Depreciation/Amortization

	Governmental Activities June 30,		Business Type Activities June 30,		Total District June 30,		Total Change
	2024	2023	2024	2023	2024	2023	2023-2024
Land	\$ 2,445,010	\$ 2,032,701	\$ -	\$ -	\$ 2,445,010	\$ 2,032,701	20.28 %
Construction in progress	12,116,193	4,182,457	-	-	12,116,193	4,182,457	189.69
Buildings	64,724,954	66,811,122	-	-	64,724,954	66,811,122	(3.12)
Land Improvement	6,677,481	7,412,911	-	-	6,677,481	7,412,911	(9.92)
Machinery and Equipment	1,611,513	2,203,450	73,718	84,526	1,685,231	2,287,976	(26.34)
Right-to-use leased equipment	-	94,789	-	-	-	94,789	(100.00)
Totals	\$ 87,575,151	\$ 82,737,430	\$ 73,718	\$ 84,526	\$ 87,648,869	\$ 82,821,956	5.83 %

Long-Term Debt

At June 30, 2024, the District had \$47,159,000 in total long-term debt outstanding. This represents an increase of 13.31% from last year. (See Figure A-7) Additional information about the District's long-term liabilities is available in Note 6 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.

The District had outstanding revenue bonds of \$8,524,000 at June 30, 2024, payable from the Capital Projects: Statewide Sales, Service and Use Tax Fund. In addition, the District had outstanding general obligation bonds outstanding of \$38,635,000.

Figure A-7
Outstanding Long-term Obligations

	<u>Governmental</u>		
	<u>Activities</u>		<u>Change</u>
	June 30,		June 30,
	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>
General obligation bonds	\$ 38,635,000	\$ 31,670,000	21.99 %
Revenue bonds	8,524,000	9,865,000	(13.59)
IT subscription liability	-	82,878	(100.00)
Totals	\$ <u>47,159,000</u>	\$ <u>41,617,878</u>	13.31 %

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:

- Substantial parts of General Fund revenues are determined by the Aid & Levy Worksheet that utilizes the District's Certified Enrollment to establish the Combined District Cost. The Certified Enrollment determined in October 2023 indicated that funding related to enrollment would slightly decrease. The District's Administration will continue to monitor student enrollment as it relates to the state and federal funding generated and will reduce expenditures if enrollment continues to result in lower revenues.
- Beginning in fiscal year 2015, the District is required to record the net pension liability for their employees enrolled in the Iowa Public Employees Retirement System (IPERS). While District employees receive benefits during retirement from the defined benefit plan, the District has no control over the funding or assets of IPERS. Accordingly, the liability is beyond the legal capacity of the District to fund or reduce, as solely the Iowa Legislature controls IPERS.
- In September 2022, the voters of the District passed a \$70,000,000 General Obligation Bond Referendum. The intended use of this bonding is for the addition to, and renovation of, Indianola High School. As of the end of the fiscal year, Phase I of this project has begun and \$19,990,000 of bonds have been issued. The project is anticipated to be completed in 2029.

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 Chad Vink, Board Secretary/Treasurer and School Business Official, Indianola Community School District, 1301 East 2nd Avenue, Indianola, Iowa 50125.

INDIANOLA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business Type Activities	Total
<u>ASSETS</u>			
Cash, cash equivalents and pooled investments	\$ 45,860,080	\$ 1,889,077	\$ 47,749,157
Receivables:			
Property tax:			
Delinquent	171,988	-	171,988
Succeeding year	20,066,275	-	20,066,275
Income surtax	1,456,609	-	1,456,609
Accounts	627	52,971	53,598
Due from other governments	1,640,620	18,537	1,659,157
Due from other funds	806,076	93,926	900,002
Inventories	-	33,089	33,089
Prepaid expenses	1,434,543	-	1,434,543
Capital assets, net of accumulated depreciation:			
Land, buildings, land improvements and machinery and equipment	87,575,151	73,718	87,648,869
TOTAL ASSETS	159,011,969	2,161,318	161,173,287
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related deferred outflows	5,187,829	126,071	5,313,900
OPEB related deferred outflows	162,902	7,142	170,044
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,350,731	133,213	5,483,944
<u>LIABILITIES</u>			
Accounts payable	948,765	16,470	965,235
Salaries and benefits payable	4,117,870	146,429	4,264,299
Due to other governments	55,261	-	55,261
Due to other funds	900,002	-	900,002
Incurred but not reported claims	364,000	-	364,000
Accrued interest payable	152,836	-	152,836
Unearned revenue	-	32,305	32,305
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	2,165,000	-	2,165,000
Revenue bonds	1,362,000	-	1,362,000
Compensated absences	121,717	-	121,717
Portion due after one year:			
General obligation bonds	36,470,000	-	36,470,000
Revenue bonds payable	7,162,000	-	7,162,000
Net pension liability	14,127,050	562,008	14,689,058
Total OPEB liability	1,853,151	63,572	1,916,723
TOTAL LIABILITIES	69,799,652	820,784	70,620,436
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related deferred inflows	602,118	64,054	666,172
OPEB related deferred inflows	951,846	57,326	1,009,172
Unavailable property tax revenue	20,066,275	-	20,066,275
TOTAL DEFERRED INFLOWS OF RESOURCES	21,620,239	121,380	21,741,619
<u>NET POSITION</u>			
Net investment in capital assets	40,416,151	73,718	40,489,869
Restricted for:			
Categorical funding	1,145,924	-	1,145,924
Debt service	114,448	-	114,448
Management levy purposes	4,469,338	-	4,469,338
Student activities	473,381	-	473,381
School infrastructure	17,638,553	-	17,638,553
Physical plant and equipment	6,178,016	-	6,178,016
Unrestricted	2,506,998	1,278,649	3,785,647
TOTAL NET POSITION	\$ 72,942,809	\$ 1,352,367	\$ 74,295,176

INDIANOLA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

		<u>Program Revenues</u>
		Operating Grants, Contributions and Restricted <u>Interest</u>
	<u>Expenses</u>	Charges for <u>Services</u>
<u>FUNCTIONS/PROGRAMS:</u>		
Governmental activities:		
Instruction:		
Regular	\$ 19,299,465	\$ 1,530,118
Special	4,983,422	368,962
Other	3,989,475	1,155,953
	<u>28,272,362</u>	<u>3,055,033</u>
Support services:		
Student	1,496,011	-
Instructional staff	3,678,997	-
Administration	3,981,233	-
Operation and maintenance of plant	5,483,921	-
Transportation	1,811,477	1,887
	<u>16,451,639</u>	<u>1,887</u>
Other expenditures:		
AEA flow through	1,664,541	1,664,541
Long-term debt interest	1,301,679	-
Depreciation (unallocated)*	3,030,756	-
	<u>5,996,976</u>	<u>1,664,541</u>
Total governmental activities	<u>50,720,977</u>	<u>3,055,033</u>
Business type activities:		
Non-instructional programs:		
Food service operations	2,080,066	888,289
Community service operations	1,182,392	928,095
Total business type activities	<u>3,262,458</u>	<u>1,816,384</u>
Total	\$ <u>53,983,435</u>	\$ <u>4,871,417</u>
<u>GENERAL REVENUES:</u>		
Property tax levied for:		
General purposes		
Capital outlay		
Management		
Public education and recreation		
Debt service		
Income surtax		
Statewide sales, services and use tax		
Unrestricted state grants		
Unrestricted investment earnings		
Transfers		
Other		
Total general revenues		
Changes in net position		
Net position - Beginning of year		
Net position - End of year		

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

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business Type Activities	Total
\$ (17,070,772)	\$ -	\$ (17,070,772)
(4,459,788)	-	(4,459,788)
<u>(2,777,237)</u>	<u>-</u>	<u>(2,777,237)</u>
<u>(24,307,797)</u>	<u>-</u>	<u>(24,307,797)</u>
(1,496,011)	-	(1,496,011)
(3,678,997)	-	(3,678,997)
(3,981,233)	-	(3,981,233)
(5,483,921)	-	(5,483,921)
<u>(1,809,590)</u>	<u>-</u>	<u>(1,809,590)</u>
<u>(16,449,752)</u>	<u>-</u>	<u>(16,449,752)</u>
-	-	-
(1,301,679)	-	(1,301,679)
<u>(3,030,756)</u>	<u>-</u>	<u>(3,030,756)</u>
<u>(4,332,435)</u>	<u>-</u>	<u>(4,332,435)</u>
<u>(45,089,984)</u>	<u>-</u>	<u>(45,089,984)</u>
-	(56,343)	(56,343)
<u>-</u>	<u>(107,297)</u>	<u>(107,297)</u>
<u>-</u>	<u>(163,640)</u>	<u>(163,640)</u>
<u>(45,089,984)</u>	<u>(163,640)</u>	<u>(45,253,624)</u>
10,762,798	-	10,762,798
1,826,626	-	1,826,626
1,834,503	-	1,834,503
140,474	-	140,474
4,435,756	-	4,435,756
1,597,245	-	1,597,245
4,527,245	-	4,527,245
27,010,526	-	27,010,526
2,222,185	93,926	2,316,111
(58,769)	58,769	-
<u>188,529</u>	<u>121,553</u>	<u>310,082</u>
<u>54,487,118</u>	<u>274,248</u>	<u>54,761,366</u>
9,397,134	110,608	9,507,742
<u>63,545,675</u>	<u>1,241,759</u>	<u>64,787,434</u>
\$ <u>72,942,809</u>	\$ <u>1,352,367</u>	\$ <u>74,295,176</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Management</u>	<u>Nonmajor</u>	<u>Total</u>
<u>ASSETS</u>						
Cash, cash equivalents and pooled investments	\$ 14,183,201	\$ 23,071,624	\$ 28,561	\$ 4,298,372	\$ 1,007,803	\$ 42,589,561
Receivables:						
Property tax:						
Delinquent	95,302	17,277	41,899	16,268	1,242	171,988
Succeeding year	10,749,020	1,923,520	4,664,826	2,580,000	148,909	20,066,275
Income surtax	1,456,609	-	-	-	-	1,456,609
Other	66	-	-	38	523	627
Prepaid expenses	-	-	1,434,543	-	-	1,434,543
Due from other funds	-	398,911	43,900	154,660	48,364	645,835
Due from other governments	<u>1,054,935</u>	<u>585,594</u>	<u>88</u>	<u>-</u>	<u>3</u>	<u>1,640,620</u>
TOTAL ASSETS	\$ 27,539,133	\$ 25,996,926	\$ 6,213,817	\$ 7,049,338	\$ 1,206,844	\$ 68,006,058
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>						
<u>LIABILITIES:</u>						
Accounts payable	\$ 684,630	\$ 256,837	\$ -	\$ -	\$ 7,298	\$ 948,765
Due to other funds	900,002	-	-	-	-	900,002
Due to other governments	55,261	-	-	-	-	55,261
Salaries and benefits payable	<u>4,116,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,702</u>	<u>4,117,870</u>
TOTAL LIABILITIES	5,756,061	256,837	-	-	9,000	6,021,898
<u>DEFERRED INFLOWS OF RESOURCES:</u>						
Unavailable revenues:						
Succeeding year property tax	10,749,020	1,923,520	4,664,826	2,580,000	148,909	20,066,275
Income surtax	<u>1,456,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,456,609</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	12,205,629	1,923,520	4,664,826	2,580,000	148,909	21,522,884
<u>FUND BALANCES:</u>						
Nonspendable	-	-	1,434,543	-	-	1,434,543
Restricted for:						
Categorical funding	1,145,924	-	-	-	-	1,145,924
Debt service	-	-	114,448	-	-	114,448
Management levy purposes	-	-	-	4,469,338	-	4,469,338
Public education and recreation levy	-	-	-	-	575,554	575,554
Student activities	-	-	-	-	473,381	473,381
School infrastructure	-	17,638,553	-	-	-	17,638,553
Physical plant and equipment	-	6,178,016	-	-	-	6,178,016
Unassigned	<u>8,431,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,431,519</u>
TOTAL FUND BALANCES	9,577,443	23,816,569	1,548,991	4,469,338	1,048,935	40,461,276
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 27,539,133	\$ 25,996,926	\$ 6,213,817	\$ 7,049,338	\$ 1,206,844	\$ 68,006,058

INDIANOLA COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

<u>TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS</u>	\$ 40,461,276
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.	87,575,151
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the government	(152,836)
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.	1,456,609
Blending of the Internal Service Funds to be reflected on an entity-wide basis	3,066,760
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	\$ 5,350,731
Deferred inflows of resources	<u>(1,553,964)</u> 3,796,767
Long-term liabilities, including bonds payable, unamortized premium on bonds payable, termination benefits payable, compensated absences payable, other post employment benefits payable, and net pension liability are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(63,260,918)</u>
<u>NET POSITION OF GOVERNMENTAL ACTIVITIES</u>	\$ <u>72,942,809</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Management</u>	<u>Nonmajor</u>	<u>Total</u>
REVENUES:						
Local sources:						
Local tax	\$ 12,165,557	\$ 1,794,318	\$ 4,357,405	\$ 1,801,206	\$ 137,933	\$ 20,256,419
Tuition	1,939,789	-	-	-	-	1,939,789
Other	1,007,750	1,205,440	61,333	184,520	949,148	3,408,191
Intermediate sources	-	-	-	-	-	-
State sources	28,057,076	4,558,687	76,251	33,297	2,541	32,727,852
Federal sources	1,266,673	168,985	-	-	-	1,455,658
Total revenues	<u>44,456,845</u>	<u>7,727,430</u>	<u>4,494,989</u>	<u>2,019,023</u>	<u>1,089,622</u>	<u>59,787,909</u>
EXPENDITURES:						
Current:						
Instruction:						
Regular	17,369,952	2,275	-	704,650	840,983	18,917,860
Special	5,183,614	-	-	-	-	5,183,614
Other	4,179,921	-	-	-	-	4,179,921
	<u>26,733,487</u>	<u>2,275</u>	<u>-</u>	<u>704,650</u>	<u>840,983</u>	<u>28,281,395</u>
Support services:						
Student	1,566,622	-	-	804	-	1,567,426
Instructional staff	3,746,176	-	-	10,844	-	3,757,020
Administration	3,894,645	108,762	29,016	50,822	-	4,083,245
Operation and maintenance of plant	5,224,307	-	-	496,117	4,200	5,724,624
Transportation	1,512,416	56,315	-	84,578	235	1,653,544
	<u>15,944,166</u>	<u>165,077</u>	<u>29,016</u>	<u>643,165</u>	<u>4,435</u>	<u>16,785,859</u>
Other expenditures:						
Capital outlay	-	9,587,539	-	-	-	9,587,539
Principal payments on long-term debt	-	-	4,371,000	-	-	4,371,000
Interest and fiscal charges on long-term debt	-	-	1,571,550	-	-	1,571,550
AEA flow through	1,664,541	-	-	-	-	1,664,541
	<u>1,664,541</u>	<u>9,587,539</u>	<u>5,942,550</u>	<u>-</u>	<u>-</u>	<u>17,194,630</u>
Total expenditures	<u>44,342,194</u>	<u>9,754,891</u>	<u>5,971,566</u>	<u>1,347,815</u>	<u>845,418</u>	<u>62,261,884</u>
Excess (deficiency) of revenues over (under) expenditures	<u>114,651</u>	<u>(2,027,461)</u>	<u>(1,476,577)</u>	<u>671,208</u>	<u>244,204</u>	<u>(2,473,975)</u>
Other financing sources (uses):						
Proceeds on issuance of bonds	-	9,995,000	-	-	-	9,995,000
Discount on bond issuance	-	(98,051)	-	-	-	(98,051)
Proceeds from sale	173,555	215	-	-	-	173,770
Transfer in	-	-	1,496,772	-	-	1,496,772
Transfer out	(58,769)	(1,496,772)	-	-	-	(1,555,541)
Total other financing sources (uses)	<u>114,786</u>	<u>8,400,392</u>	<u>1,496,772</u>	<u>-</u>	<u>-</u>	<u>10,011,950</u>
Change in fund balances	229,437	6,372,931	20,195	671,208	244,204	7,537,975
FUND BALANCES - Beginning of year	<u>9,348,006</u>	<u>17,443,638</u>	<u>1,528,796</u>	<u>3,798,130</u>	<u>804,731</u>	<u>32,923,301</u>
FUND BALANCES - End of year	<u>\$ 9,577,443</u>	<u>\$ 23,816,569</u>	<u>\$ 1,548,991</u>	<u>\$ 4,469,338</u>	<u>\$ 1,048,935</u>	<u>\$ 40,461,276</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

<u>CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</u>	\$	7,537,975
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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. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures and depreciation expense in the current year was as follows:

Capital outlays	\$ 8,528,235		
Depreciation expense	<u>(3,690,514)</u>		4,837,721

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. 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. Current year issuances exceeded repayments, as follows:

Issued	(9,995,000)		
Long-term debt repaid	<u>4,453,878</u>		(5,541,122)

Net change in Internal Service Fund charged back against expenditures made for the benefit programs on an entity-wide basis.		536,335
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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.		186,993
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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.		2,601,633
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Income surtax account receivable is not available to finance expenditures of the current year and is not considered available revenue, and therefore, is recognized as deferred inflows of resources in the governmental funds.		153,011
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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 governmental funds, as follows:

Compensated absences	8,953		
Pension expense	(901,633)		
OPEB expense	<u>(22,732)</u>		<u>(915,412)</u>

<u>CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES</u>	\$	<u>9,397,134</u>
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INDIANOLA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2024

	Business Type Activities:			Governmental
	Enterprise			Activities:
	School Nutrition	Childcare	Total	Internal Service
<u>ASSETS</u>				
Current assets:				
Cash, cash equivalents and pooled investments	\$ 1,598,211	\$ 290,866	\$ 1,889,077	\$ 3,270,519
Receivables:				
Other	17,314	35,657	52,971	-
Due from other funds	80,208	13,718	93,926	160,241
Due from other governments	18,491	46	18,537	-
Inventories	33,089	-	33,089	-
Total current assets	1,747,313	340,287	2,087,600	3,430,760
Noncurrent assets:				
Capital assets, net of accumulated depreciation	73,718	-	73,718	-
TOTAL ASSETS	1,821,031	340,287	2,161,318	3,430,760
DEFERRED OUTFLOWS OF RESOURCES:				
Pension related deferred outflows	72,972	53,099	126,071	-
OPEB related deferred outflows	4,521	2,621	7,142	-
Total deferred outflows of resources	77,493	55,720	133,213	-
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	9,895	6,575	16,470	-
Salaries and benefits payable	20,998	125,431	146,429	-
Incurred but not reported claims	-	-	-	364,000
Unearned revenue	32,305	-	32,305	-
Total current liabilities	63,198	132,006	195,204	364,000
Noncurrent liabilities:				
Net pension liability	341,184	220,824	562,008	-
Net OPEB liability	45,705	17,867	63,572	-
Total noncurrent liabilities	386,889	238,691	625,580	-
TOTAL LIABILITIES	450,087	370,697	820,784	364,000
DEFERRED INFLOWS OF RESOURCES:				
OPEB related deferred inflows	26,489	30,837	57,326	-
Pension related deferred inflows	48,700	15,354	64,054	-
TOTAL DEFERRED INFLOWS OF RESOURCES	75,189	46,191	121,380	-
<u>NET POSITION</u>				
Net investment in capital assets	73,718	-	73,718	-
Unrestricted	1,299,530	(20,881)	1,278,649	3,066,760
TOTAL NET POSITION	\$ 1,373,248	\$ (20,881)	\$ 1,352,367	\$ 3,066,760

INDIANOLA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business Type Activities:			Governmental
	Enterprise			Activities:
	School Nutrition	Childcare	Total	Internal Service
<u>OPERATING REVENUES:</u>				
Local sources:				
Charges for services	\$ 888,289	\$ 928,095	\$ 1,816,384	\$ -
Miscellaneous	<u>121,553</u>	<u>-</u>	<u>121,553</u>	<u>3,579,411</u>
Total operating revenues	<u>1,009,842</u>	<u>928,095</u>	<u>1,937,937</u>	<u>3,579,411</u>
<u>OPERATING EXPENSES:</u>				
Non-Instructional Programs:				
Food Service operations:				
Salaries	757,170	788,436	1,545,606	-
Benefits	252,312	156,200	408,512	3,203,317
Services	48,001	153,547	201,548	-
Supplies	1,010,495	84,209	1,094,704	-
Other	1,577	-	1,577	-
Depreciation	<u>10,511</u>	<u>-</u>	<u>10,511</u>	<u>-</u>
Total operating expenses	<u>2,080,066</u>	<u>1,182,392</u>	<u>3,262,458</u>	<u>3,203,317</u>
OPERATING INCOME (LOSS)	<u>(1,070,224)</u>	<u>(254,297)</u>	<u>(1,324,521)</u>	<u>376,094</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
State sources	12,024	-	12,024	-
Federal sources	1,123,410	147,000	1,270,410	-
Interest income	80,208	13,718	93,926	160,241
Transfer in	<u>-</u>	<u>58,769</u>	<u>58,769</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>1,215,642</u>	<u>219,487</u>	<u>1,435,129</u>	<u>160,241</u>
Change in net position	<u>145,418</u>	<u>(34,810)</u>	<u>110,608</u>	<u>536,335</u>
<u>NET POSITION - Beginning of year</u>	<u>1,227,830</u>	<u>13,929</u>	<u>1,241,759</u>	<u>2,530,425</u>
<u>NET POSITION - End of year</u>	<u>\$ 1,373,248</u>	<u>\$ (20,881)</u>	<u>\$ 1,352,367</u>	<u>3,066,760</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business Type Activities: Enterprise Non-Major			Governmental Activities:
	School Nutrition	Childcare	Total	Internal Service
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash received from sale of lunches and breakfasts	\$ 888,289	\$ -	\$ 888,289	\$ -
Cash received from community service operations	-	914,377	914,377	-
Cash received for miscellaneous sources	41,345	-	41,345	3,419,170
Cash payments to employees for services	(1,035,478)	(1,086,768)	(2,122,246)	-
Cash payments to suppliers for goods or services	(949,956)	(81,468)	(1,031,424)	(3,204,955)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(1,055,800)	(253,859)	(1,309,659)	214,215
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Acquisition of capital assets	297	-	297	-
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>				
Transfers in	-	58,769	58,769	-
State grants received	12,024	-	12,024	-
Federal grants received	1,044,076	147,000	1,191,076	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	1,056,100	205,769	1,261,869	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Interest on investments	80,208	13,718	93,926	160,241
NET INCREASE IN CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS	80,805	(34,372)	46,433	374,456
<u>CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS - Beginning of year</u>	<u>1,517,406</u>	<u>325,238</u>	<u>1,842,644</u>	<u>2,896,063</u>
<u>CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS - End of year</u>	<u>\$ 1,598,211</u>	<u>\$ 290,866</u>	<u>\$ 1,889,077</u>	<u>\$ 3,270,519</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED IN (USED BY) OPERATING ACTIVITIES:</u>				
Operating income (loss)	\$ (1,070,224)	\$ (254,297)	\$ (1,324,521)	\$ 376,094
Adjustments to reconcile operating (loss) to net cash provided in (used by) operating activities:				
Commodities used	79,334	-	79,334	-
Depreciation	10,511	-	10,511	-
Increase in inventories	(3,866)	-	(3,866)	-
Increase in receivables	(15,686)	-	(15,686)	-
Increase in due from other governments	(1,562)	(46)	(1,608)	-
Increase in due from other funds	(80,208)	(13,718)	(93,926)	(160,241)
Increase (decrease) in accounts payable	5,049	2,787	7,836	(1,638)
Increase in salaries and benefits payable	391	14,085	14,476	-
Decrease in unearned revenue	(1,153)	-	(1,153)	-
Decrease in compensated absences	(697)	(2,691)	(3,388)	-
Increase in net pension liability	13,911	6,492	20,403	-
Increase (decrease) in OPEB liability	6,283	(4,984)	1,299	-
Decrease in deferred outflows of resources	9,650	4,503	14,153	-
Decrease in deferred inflows of resources	(7,533)	(5,990)	(13,523)	-
Net cash provided by (used in) operating activities	\$ (1,055,800)	\$ (253,859)	\$ (1,309,659)	\$ 214,215

NON-CASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:

During the year ended June 30, 2024, the District received Federal commodities valued at \$79,334.

INDIANOLA COMMUNITY SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITIONFIDUCIARY FUNDJUNE 30, 2024

Private
Purpose
Trust
Scholarship

ASSETS:

Cash, cash equivalents and pooled investments

\$ -LIABILITIES:

Accounts payable

3,756NET POSITION:

Held in trust for scholarships

\$ 18,683

Unassigned

(22,439)

Total fund balance

(3,756)

INDIANOLA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2024

	Private Purpose Trust Scholarship
Additions:	
Local sources:	
Gifts and contributions	\$ 89,981
Total additions	<u>89,981</u>
Deductions:	
Instruction:	
Regular:	
Supplies	<u>108,862</u>
Total deductions	<u>108,862</u>
Change in net position	(18,881)
Net position - beginning of year	<u>15,125</u>
Net position - end of year	\$ <u>(3,756)</u>

BASIC FINANCIAL STATEMENTS

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Indianola 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 Indianola, Sandyville and Ackworth, Iowa and the predominate agricultural territory in Warren County. 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.

Reporting Entity

For financial reporting purposes, Indianola 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 Indianola Community School 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 Warren County Assessor's Conference Board.

Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all the nonfiduciary 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 nonfiduciary 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. Enabling legislation did not result in any restricted net position.

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.

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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, proprietary and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Projects Fund accounts.

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 Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the District's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The Management Fund is used to account for property tax and other revenues used for the payment of early retirement benefits, workmen's comprehensive claims and property insurance.

The District reports the following nonmajor proprietary funds:

The Enterprise, School Nutrition Fund is used to account for the District's food service operations.

The Enterprise, Childcare Fund is used to account for the District's childcare program.

The Internal Service Fund is used to account for the District's self-insured employee health plan.

The District also reports fiduciary funds that focus on net position and changes in net position. The District's fiduciary funds include the following:

The Custodial Fund is used to account for assets held by the District as agent for individuals, private organizations and other governments.

Measurement Focus and Basis of Accounting

Government-wide, proprietary, and fiduciary 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.

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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 and claims and judgments 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 assets 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 that can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balances 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 Fund are charges to customers for sales and services. Operating expenses for 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.

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.

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, on the day of purchase, they have a maturity date no longer than three months.

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

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

Property Tax Receivable (Continued)

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 becomes due and collectible in September and March of the fiscal year with a 1½ % per month penalty for delinquent payments; is based on the 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 represent 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.

Prepaid Expenses – Prepaid expenses represent principal and interest payments on the District's revenue bonds due July 1, 2024 which were remitted before year-end.

Capital Assets – Capital assets, which include property and furniture and equipment, 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. 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	\$ 5,000
Buildings	5,000
Land improvements	5,000
Intangibles	5,000
Right-to-use leased assets	5,000
Right-to-use subscription assets	100,000
Furniture and equipment:	
School nutrition fund equipment	500
Other machinery and equipment	5,000

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Improvements other than buildings	20-50 years
Intangibles	2+ years
Right-to-use leased equipment	2+ years
Right-to-use subscription assets	2+ years
Machinery and equipment	5-15 years

Subscription-Based Information Technology Arrangements (SBITAs) – Indianola Community School District has entered into contracts that convey control of the right to use information technology software. The District has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The District recognizes IT subscription liabilities with an initial, individual value of \$100,000 or more.

At the commencement of the IT subscription term, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how Indianola Community School District determines the discount rate it uses to discount the expected payments to present value, term and payments.

Indianola Community School District uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

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

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

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 and OPEB 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 are monies collected for lunches that have not yet been served. Patrons will either be reimbursed or served lunches. The lunch account balances are reflected on the Statement of Net Position in the Proprietary, School Nutrition Fund.

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 and business-type activities columns in the Statement of Net Position.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2024. The compensated absences liability attributable to the governmental activities will be primarily paid by the General Fund.

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 activities will be paid primarily by the General Fund. The net pension liability attributable to the business-type activities will be paid primarily by the Enterprise, School Nutrition Fund and Enterprise, Childcare Fund.

Total OPEB Liability – For purposes of measuring the total OPEB liability, and OPEB expense, information has been determined based on the Indianola Community School District's actuarial 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 activities will be paid primarily by the General Fund. The total OPEB liability attributable to the business-type activities will be paid primarily by the Enterprise, School Nutrition Fund and Enterprise, Childcare Fund.

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) and 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 receivable and other 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 the unrecognized items not yet charged to pension and OPEB expense.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

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

Nonspendable – Amounts which cannot be spent either because they are legally or contractually required to be maintained intact or are not expected to be converted to cash.

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 classifications.

Budgets and Budgetary Accounting - The budgetary comparison and related disclosures are reported as Required Supplementary Information.

NOTE 2: CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

The District's deposits in banks on 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 Direct (ISJIT) Government Obligations Portfolio which are valued at an amortized cost of \$28,693,781. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard & Poor's Financial Services.

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 3: INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2024, is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
School Nutrition	General	\$ 58,769
Debt Service	Statewide sales, services and use tax	<u>1,496,772</u>
Total		\$ <u>1,555,541</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

NOTE 4: DUE FROM AND DUE TO OTHER FUNDS

The detail of interfund receivables and payables at June 30, 2024 are as follows for the year ended June 30, 2024, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service	General	\$ 43,900
Management	General	154,660
School Nutrition	General	80,208
Childcare	General	13,718
Internal Service	General	160,241
Public Education and Recreation Levy	General	24,813
Student Activity	General	23,551
Statewide Sales, Services and Use Tax	General	197,529
Physical Plant and Equipment Levy	General	196,438
Other Capital Projects	General	<u>4,944</u>
Total		\$ <u>900,002</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

NOTE 5: CAPITAL ASSETS

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

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 5: CAPITAL ASSETS (Continued)

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,032,701	\$ 412,309	\$ -	\$ 2,445,010
Construction in progress	<u>4,182,457</u>	<u>7,933,736</u>	<u>-</u>	<u>12,116,193</u>
Total capital assets not being depreciated	<u>6,215,158</u>	<u>8,346,045</u>	<u>-</u>	<u>14,561,203</u>
Capital assets being depreciated:				
Buildings	102,625,639	83,950	-	102,709,589
Land Improvements	15,505,199	34,416	-	15,539,615
Machinery and equipment	15,150,738	63,824	-	15,214,562
Right-to-use leased assets	<u>284,367</u>	<u>-</u>	<u>284,367</u>	<u>-</u>
Total capital assets being depreciated	<u>133,565,943</u>	<u>182,190</u>	<u>284,367</u>	<u>133,463,766</u>
Less accumulated depreciation for:				
Buildings	35,814,517	2,170,118	-	37,984,635
Land Improvements	8,092,288	769,846	-	8,862,134
Machinery and equipment	12,947,288	655,761	-	13,603,049
Right-to-use leased assets	<u>189,578</u>	<u>94,789</u>	<u>284,367</u>	<u>-</u>
Total accumulated depreciation	<u>57,043,671</u>	<u>3,690,514</u>	<u>284,367</u>	<u>60,449,818</u>
Total capital assets being depreciated, net	<u>76,522,272</u>	<u>(3,508,324)</u>	<u>-</u>	<u>73,013,948</u>
Governmental activities capital assets, net	\$ <u>82,737,430</u>	\$ <u>4,837,721</u>	\$ <u>-</u>	\$ <u>87,575,151</u>
Business-type activities:				
Machinery and equipment	362,641	8,168	9,236	361,573
Less accumulated depreciation	<u>278,115</u>	<u>10,511</u>	<u>771</u>	<u>287,855</u>
Business-type activities capital assets, net	\$ <u>84,526</u>	\$ <u>(2,343)</u>	\$ <u>8,465</u>	\$ <u>73,718</u>

Depreciation/amortization expense was charged to the following functions:

Governmental activities:

Instruction:

Regular	\$ 89,399
Special	35,985

Support services:

Instructional staff	93,155
Administration	84,030
Operation and maintenance of plant	67,602
Transportation	289,587
Unallocated depreciation	<u>3,030,756</u>

Total governmental activities depreciation expense \$ 3,690,514

Total business-type activities depreciation expense \$ 10,511

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 6: 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	\$ 31,670,000	\$ 9,995,000	\$ 3,030,000	\$ 38,635,000	\$ 2,165,000
Revenue bonds	9,865,000	-	1,341,000	8,524,000	1,362,000
IT subscription liability	82,878	-	82,878	-	-
Compensated absences	130,670	121,717	130,670	121,717	121,717
Net pension liability	12,292,642	1,834,408	-	14,127,050	-
Total OPEB liability	<u>1,682,046</u>	<u>171,105</u>	<u>-</u>	<u>1,853,151</u>	<u>-</u>
Total	\$ <u>55,723,236</u>	\$ <u>12,122,230</u>	\$ <u>4,584,548</u>	\$ <u>63,260,918</u>	\$ <u>3,648,717</u>
Business-type activities:					
Compensated absences	3,388	-	3,388	-	-
Net pension liability	541,605	20,403	-	562,008	-
Total OPEB liability	<u>62,273</u>	<u>1,299</u>	<u>-</u>	<u>63,572</u>	<u>-</u>
Total	\$ <u>607,266</u>	\$ <u>21,702</u>	\$ <u>3,388</u>	\$ <u>625,580</u>	\$ <u>-</u>

Subscription Based Information Technology Arrangements (SBITAs):

The District had entered into a subscription based information technology arrangement (SBITA). The arrangement expired during the year ended June 30, 2024.

General Obligation Bonds

Details of the District's June 30, 2024 general obligation bonded indebtedness are as follows:

Year Ending June 30,	<u>Refunding issued May 29, 2019</u>				<u>Refunding issued Nov. 13, 2019</u>			
	Interest Rate	Principal	Interest	Total	Interest Rate	Principal	Interest	Total
2025	2.25%	\$ 385,000	\$ 71,500	\$ 456,500	2.00%	\$ -	\$ 158,858	\$ 158,858
2026	2.25%	610,000	62,838	672,838	2.00%	-	158,857	158,857
2027	2.25%	605,000	49,113	654,113	2.00%	-	158,858	158,858
2028	2.50%	605,000	35,500	640,500	2.00%	900,000	158,858	1,058,858
2029	2.50%	615,000	15,375	630,375	2.00%	920,000	137,200	1,057,200
2030-2034	2.50%	<u>200,000</u>	<u>5,000</u>	<u>205,000</u>	2.00-2.15%	<u>5,940,000</u>	<u>367,215</u>	<u>6,307,215</u>
		\$ <u>3,020,000</u>	\$ <u>239,326</u>	\$ <u>3,259,326</u>		\$ <u>7,760,000</u>	\$ <u>1,139,846</u>	\$ <u>8,899,846</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 6: LONG-TERM LIABILITIES (Continued)

Year Ending June 30,	<u>Refunding issued May 13, 2020</u>				<u>Refunding issued May 13, 2021</u>			
	Interest Rate	Principal	Interest	Total	Interest Rate	Principal	Interest	Total
2025	4.00%	\$ -	\$ 81,600	\$ 81,600	5.00%	\$ 1,780,000	\$ 221,750	\$ 2,001,750
2026	4.00%	-	81,600	81,600	5.00%	1,290,000	132,750	1,422,750
2027	4.00%	-	81,600	81,600	5.00%	1,365,000	68,250	1,433,250
2028	2.00%	270,000	81,600	351,600	-	-	-	-
2029	2.00%	285,000	76,200	361,200	-	-	-	-
2030-2034	2.00%	<u>3,525,000</u>	<u>222,500</u>	<u>3,747,500</u>	-	-	-	-
		\$ <u>4,080,000</u>	\$ <u>625,100</u>	\$ <u>4,705,100</u>		\$ <u>4,435,000</u>	\$ <u>422,750</u>	\$ <u>4,857,750</u>

Year Ending June 30,	<u>New Money Projects issued Dec. 28, 2022</u>				<u>Refunding issued Dec. 20, 2023</u>			
	Interest Rate	Principal	Interest	Total	Interest Rate	Principal	Interest	Total
2025	4.00%	\$ -	\$ 399,800	\$ 399,800	4.00%	\$ -	\$ 373,800	\$ 373,800
2026	4.00%	210,000	399,800	609,800	4.00%	-	373,800	373,800
2027	4.00%	235,000	391,400	626,400	4.00%	-	373,800	373,800
2028	4.00%	400,000	382,000	782,000	4.00%	-	373,800	373,800
2029	4.00%	420,000	366,000	786,000	4.00%	-	373,800	373,800
2030-2034	4.00%	2,425,000	1,560,000	3,985,000	4.00%	-	373,800	373,800
2035-2039	4.00%	3,620,000	996,000	4,616,000	4.00%	3,280,000	1,239,200	4,519,200
2040-2043	4.00%	<u>2,685,000</u>	<u>218,000</u>	<u>2,903,000</u>	4.00%	<u>6,065,000</u>	<u>431,400</u>	<u>6,496,400</u>
		\$ <u>9,995,000</u>	\$ <u>4,713,000</u>	\$ <u>14,708,000</u>		\$ <u>9,345,000</u>	\$ <u>3,913,400</u>	\$ <u>13,258,400</u>

Total General Obligation Bonds

Year Ending June 30,	Principal	Interest	Total
2025	\$ 2,165,000	\$ 1,307,308	\$ 3,472,308
2026	2,110,000	1,209,645	3,319,645
2027	2,205,000	1,123,021	3,328,021
2028	2,175,000	1,031,758	3,206,758
2029	2,240,000	968,575	3,208,575
2030-2034	12,090,000	2,528,515	14,618,515
2035-2039	6,900,000	2,235,200	9,135,200
2040-2043	<u>8,750,000</u>	<u>649,400</u>	<u>9,399,400</u>
	\$ <u>38,635,000</u>	\$ <u>11,053,422</u>	\$ <u>49,688,422</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 6: LONG-TERM LIABILITIES (Continued)

On April 25, 2017, the District issued \$1,970,000 of general obligation refunding bonds to currently refund Series 2006 bonds. The bonds bear interest at rates ranging from 2.00% to 2.05% per annum. During the year ended June 30, 2024, the bond was paid off with principal and interest payments of \$100,000 and \$2,050 respectively.

On May 29, 2019, the District issued \$6,640,000 of general obligation refunding bonds to currently refund Series 2013 bonds. The bonds bear interest at rates ranging from 2.25% to 5.00% per annum. During the year ended June 30, 2024, principal and interest paid were \$20,000 and \$103,500 respectively.

On November 13, 2019, the District issued \$7,920,000 of general obligation refunding bonds to currently refund Series 2014 bonds. The bonds bear interest at rates ranging from 2.00% to 2.50% per annum. During the year ended June 30, 2024, principal and interest paid were \$0 and \$158,857 respectively.

On May 13, 2020, the District issued \$9,520,000 of general obligation refunding bonds to currently refund Series 2015 bonds. The bonds bear interest at rates ranging from 2.00% to 4.00% per annum. During the year ended June 30, 2024, principal and interest paid were \$1,740,000 and \$151,200 respectively.

On May 13, 2021, the District issued \$6,545,000 of general obligation refunding bonds to currently refund Series 2016 bonds. The bonds bear interest at 5.00% per annum. During the year ended June 30, 2024, principal and interest paid were \$520,000 and \$247,750 respectively.

On December 28, 2022, the District issued \$9,995,000 of general obligation refunding bonds. The bonds bear interest at 4.00% per annum. During the year ended June 30, 2024, no principal was paid and \$399,800 of interest was paid.

On December 20, 2023, the District issued \$9,995,000 of general obligation refunding bonds. The bonds bear interest at 4.00% per annum. During the year ended June 30, 2024, principal and interest paid were \$650,000 and \$181,706 respectively.

Revenue Bonds

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

Year Ending June 30,	<u>Refunding issued May 8, 2018</u>				<u>Refunding issued Nov. 12, 2019</u>			
	Interest Rate	Principal	Interest	Total	Interest Rate	Principal	Interest	Total
2025	2.77%	\$ 200,000	\$ 32,963	\$ 232,963	1.85%	\$ 469,000	\$ 50,533	\$ 519,533
2026	2.77%	205,000	27,353	232,353	1.85%	480,000	41,754	521,754
2027	2.77%	210,000	21,606	231,606	1.85%	490,000	32,782	522,782
2028	2.77%	220,000	15,651	235,651	1.85%	497,000	23,652	520,652
2029	2.77%	225,000	9,487	234,487	1.85%	508,000	14,356	522,356
2030	2.77%	230,000	3,186	233,186	1.85%	522,000	4,829	526,829
		<u>\$ 1,290,000</u>	<u>\$ 110,246</u>	<u>\$ 1,400,246</u>		<u>\$ 2,966,000</u>	<u>\$ 167,906</u>	<u>\$ 3,133,906</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 6: LONG-TERM LIABILITIES (Continued)

Revenue Bonds (Continued)

Year Ending June 30,	<u>Refunding issued Dec. 8, 2020</u>				<u>Total Revenue Bonds</u>		
	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	1.15%	\$ 693,000	\$ 50,496	\$ 743,496	\$ 1,362,000	\$ 133,992	\$ 1,495,992
2026	1.20%	701,000	42,306	743,306	1,386,000	111,413	1,497,413
2027	1.25%	707,000	33,681	740,681	1,407,000	88,069	1,495,069
2028	1.30%	715,000	24,614	739,614	1,432,000	63,917	1,495,917
2029	1.35%	722,000	15,094	737,094	1,455,000	38,937	1,493,937
2030	1.40%	730,000	5,110	735,110	1,482,000	13,125	1,495,125
		<u>\$ 4,268,000</u>	<u>\$ 171,301</u>	<u>\$ 4,439,301</u>	<u>\$ 8,524,000</u>	<u>\$ 449,453</u>	<u>\$ 8,973,453</u>

The District has pledged future statewide sales, services and use tax revenues to repay the \$13,325,000 of bonds issued in May 2018, November 2019, and December 2020. 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 45 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds are \$8,973,453. For the current year, \$1,341,000 of principal and \$155,772 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$4,527,245.

The resolution providing for the issuance of the statewide sales, services and use tax revenues bonds requires the District to set aside each month an amount equal to 1/6 of the bi-annual interest payments and 1/12 of the upcoming annual principal payments.

NOTE 7: PENSION PLAN – IPERS

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 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.

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 7: PENSION PLAN – IPERS (Continued)

If a regular 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 percent 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 percent for each month that 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 are 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 that 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 2025, 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, 2025 totaled \$2,697,950.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the District reported a liability of \$14,689,058 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the District's proportion was 0.323354 percent, which was a decrease of 0.016343 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$989,286. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 7: PENSION PLAN – IPERS (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,242,714	\$ 60,377
Changes of assumptions	-	233
Net difference between projected and actual earnings on IPERS investments	1,360,385	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	12,851	605,562
District contributions subsequent to the measurement date	<u>2,697,950</u>	<u>-</u>
Total	<u>\$ 5,313,900</u>	<u>\$ 666,172</u>

\$2,697,950 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, 2026. 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 Ended	
<u>June 30,</u>	Total
2025	(577,329)
2026	(1,273,701)
2027	3,209,471
2028	531,510
2029	<u>59,827</u>
Total	<u>\$ 1,949,778</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement as follows:

Rate of inflation	
(effective June 30, 2023)	2.60% per annum.
Rates of salary increase	3.25% to 16.25% average, including inflation.
(effective June 30, 2023)	Rates vary by membership group.
Long-term investment rate of return	7.00% compounded annually, net of investment
(effective June 30, 2023)	expense, including inflation.
Wage growth	3.25% per annum, based on 2.60% inflation
(effective June 30, 2023)	and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2024 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 2024 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 7: PENSION PLAN – IPERS (Continued)

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 arithmetic 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
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	<u>100 %</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7 percent. 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 currently 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 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) 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 the net pension liability:	\$ <u>31,232,211</u>	\$ <u>14,689,058</u>	\$ <u>825,623</u>

IPERS' Fiduciary Net Position – Detailed information about the 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, 2025, the District reported payables to IPERS of \$16,088 for legally required District contributions and \$10,719 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

NOTE 8: OTHER POST EMPLOYMENT 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.

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Benefits – 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. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	19
Active employees	<u>362</u>
Total	<u>381</u>

Total OPEB Liability – The District's total OPEB liability of \$1,916,723 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)	2.50% per annum.
Rates of salary increase	
(effective June 30, 2024)	3.25-16.25% per annum, including inflation
Discount Rate	
(effective June 30, 2024)	3.86% compounded annually, including inflation
Healthcare cost trend rate	
(effective June 30, 2024)	7.60% initial rate and decreasing to an annually to an ultimate rate of 3.90%

Discount Rate – The discount rate used to measure the total OPEB liability was 3.86% 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 SOA Public Plan 2010 tables. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ <u>1,744,319</u>
Changes for the year:	
Service cost	125,445
Interest	66,634
Changes in assumptions	108,245
Benefit payments	<u>(127,920)</u>
Net changes	<u>172,404</u>
Total OPEB liability end of year	\$ <u><u>1,916,723</u></u>

Changes of assumptions reflect a change in the discount rate from 3.69% in fiscal year 2023 to 3.86% in fiscal year 2024.

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total OPEB Liability

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 (2.86%) or 1% higher (4.86%) than the current discount rate.

	1% Decrease (2.86)	Discount Rate (3.86)	1% Increase (4.86)
Total OPEB liability	\$ 2,061,093	\$ 1,916,723	\$ 1,781,685

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 was calculated using healthcare cost trend rates that are 1% lower (6.60%) or 1% higher (8.60%) than the current healthcare cost trend rates.

	1% Decrease (6.60)	Healthcare Cost Trend Rate (7.60)	1% Increase (8.60)
Total OPEB liability	\$ 1,716,714	\$ 1,916,723	\$ 2,154,821

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2024, the District recognized OPEB expense of \$33,317.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 69,021	\$ 311,642
Change of assumptions	101,023	697,530
Total	\$ <u>170,044</u>	\$ <u>1,009,172</u>

The amount reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended <u>June 30,</u>	
2025	\$ (140,565)
2026	(140,565)
2027	(134,855)
2028	(127,328)
2029	(126,646)
Thereafter	<u>(169,169)</u>
	\$ <u>(839,128)</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

NOTE 9: RISK MANAGEMENT

The District has a self-funded health and dental insurance plan. The reserves (a) are based on actuarial requirements of the State of Iowa, (b) make good and sufficient provisions for all unpaid claims and other actuarial liabilities under the terms of the Plan, and (c) include appropriate provision for all actuarial items which should be established. The subject plan is operated in a sound financial basis.

Payments are made to the plan based on actuarial estimates of amount needed to pay prior and current year claims and to establish a reserve for incurred but unpaid claims. The reserve was \$2,896,063 at June 30, 2024 and is recorded in the Internal Service Fund. The incurred but not reported claims of \$364,000 at June 30, 2024 are reported as liabilities in the Internal Service Fund.

Indianola Community School 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 10: 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 \$1,664,541 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 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 District's ending restricted balances for categorical funding as of June 30, 2024, are comprised of the following programs:

<u>Program</u>	<u>Amount</u>
Home school assistance program	\$ 29,797
Successful progression for early readers	24,518
Teacher Leadership	210,329
Teacher salary supplement	8,920
Professional development	555,162
Four-year-old preschool	231,439
Gifted and talented programs	85,759
Total	\$ <u>1,145,924</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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. The District was not impacted by any tax abatements which meet the disclosure requirements of Governmental Accounting Standards Board Statement No. 77 for fiscal year 2024.

NOTE 13: CONSTRUCTION COMMITMENTS

The District entered into various contracts totaling \$79,953,321 for the construction of an auxiliary building and an addition/renovations to the high school. As of June 30, 2024, costs of \$12,116,193 had been incurred against the projects. The balance of \$67,837,128 remaining as of June 30, 2024, will be paid as work on the projects progress.

NOTE 14: CHANGE IN AREA EDUCATION 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 Districts 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 DISCOVERY OF FACTS

Subsequent to the issuance of the June 30, 2024 financial statements, it was determined that investment income was not properly allocated to each individual fund. The financial statements have been updated to reflect the investment income being properly allocated for the year ended June 30, 2024.

NOTE 16: SUBSEQUENT EVENTS

The District has evaluated subsequent events through May 2, 2025, except as to Note 15 which is as of August 13, 2025, the date statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

INDIANOLA 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
YEAR ENDED JUNE 30, 2024

	Governmental Funds <u>Actual</u>	Proprietary Funds <u>Actual</u>	Total <u>Actual</u>
<u>REVENUES:</u>			
Local sources	\$ 25,604,399	\$ 2,031,863	\$ 27,636,262
State sources	32,727,852	12,024	32,739,876
Federal sources	1,455,658	1,270,410	2,726,068
Total revenues	<u>59,787,909</u>	<u>3,314,297</u>	<u>63,102,206</u>
<u>EXPENDITURES/EXPENSES:</u>			
Instruction	28,281,395	-	28,281,395
Support services	16,785,859	286,640	17,072,499
Non-instructional programs	-	2,974,241	2,974,241
Other expenditures	17,194,630	1,577	17,196,207
Total expenditures/expenses	<u>62,261,884</u>	<u>3,262,458</u>	<u>65,524,342</u>
Excess (deficit) of revenues over (under) expenditures/expenses	(2,473,975)	51,839	(2,422,136)
Other financing sources (uses), net	<u>10,011,950</u>	<u>58,769</u>	<u>10,070,719</u>
Excess (deficit) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	7,537,975	110,608	7,648,583
<u>BALANCE</u> - Beginning of year	<u>32,923,301</u>	<u>1,241,759</u>	<u>34,165,060</u>
<u>BALANCE</u> - End of year	\$ <u>40,461,276</u>	\$ <u>1,352,367</u>	\$ <u>41,813,643</u>

<u>Budgeted Amounts</u>		<u>Final to Actual Variance</u>	
<u>Original</u>	<u>Final</u>		
\$ 26,607,826	\$ 26,607,826	\$	1,028,436
32,986,969	32,986,969		(247,093)
<u>4,700,000</u>	<u>4,700,000</u>		<u>(1,973,932)</u>
<u>64,294,795</u>	<u>64,294,795</u>		<u>(1,192,589)</u>
29,075,000	29,075,000		793,605
21,311,500	21,311,500		4,239,001
3,000,000	3,000,000		25,759
<u>48,250,662</u>	<u>48,250,662</u>		<u>31,054,455</u>
<u>101,637,162</u>	<u>101,637,162</u>		<u>36,112,820</u>
(37,342,367)	(37,342,367)		34,920,231
<u>-</u>	<u>-</u>		<u>10,070,719</u>
(37,342,367)	(37,342,367)		44,990,950
<u>62,374,800</u>	<u>62,374,800</u>		<u>(28,209,740)</u>
\$ <u>25,032,433</u>	\$ <u>25,032,433</u>	\$	<u>16,781,210</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY REPORTING

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 except for the Private Purpose Trust and Custodial Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a modified accrual basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functional areas 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. During the year ended June 30, 2024, the District did not have an amendment to their budget.

SUPPLEMENTARY INFORMATION

INDIANOLA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN FISCAL YEARS*

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2024</u>	<u>2023</u>	<u>2022</u>
District's proportion of the net pension liability	0.323354 %	0.339697 %	0.132488 %
District's proportionate share of the net pension liability	\$ 14,689,058	\$ 12,834,247	\$ 457,384
District's covered payroll	\$ 28,618,792	\$ 27,430,233	\$ 26,505,663
District's proportionate share of the net pension liability as a percentage of its covered payroll	51.33 %	46.79 %	1.73 %
IPERS' net position as a percentage of the total pension liability	90.13 %	91.40 %	100.81 %

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

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.334622 %	0.338524 %	0.342127 %	0.338916 %	0.346088 %	0.349564 %	0.347198 %
\$ 23,506,327	\$ 19,602,765	\$ 21,650,624	\$ 22,576,091	\$ 21,582,934	\$ 17,378,375	\$ 14,051,415
\$ 26,577,193	\$ 25,762,956	\$ 25,714,020	\$ 25,298,443	\$ 25,012,004	\$ 24,122,374	\$ 23,121,075
88.45 %	76.09 %	84.20 %	89.24 %	86.29 %	72.04 %	60.77 %
82.90 %	85.45 %	83.62 %	82.12 %	81.82 %	85.19 %	87.61 %

INDIANOLA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Statutorily required contribution	\$ 2,697,950	\$ 2,701,614	\$ 2,589,415
Contributions in relation to the statutorily required contribution	<u>(2,697,950)</u>	<u>(2,701,614)</u>	<u>(2,589,415)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's covered payroll	\$ 28,579,979	\$ 28,618,792	\$ 27,430,233
Contributions as a percentage of covered payroll	9.44 %	9.44 %	9.44 %

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,502,134	\$ 2,508,887	\$ 2,432,023	\$ 2,296,262	\$ 2,259,151	\$ 2,233,572	\$ 2,154,128
<u>(2,502,134)</u>	<u>(2,508,887)</u>	<u>(2,432,023)</u>	<u>(2,296,262)</u>	<u>(2,259,151)</u>	<u>(2,233,572)</u>	<u>(2,154,128)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 26,505,663	\$ 26,577,193	\$ 25,762,956	\$ 25,714,020	\$ 25,298,443	\$ 25,012,004	\$ 24,122,374
9.44 %	9.44 %	9.44 %	8.93 %	8.93 %	8.93 %	8.93 %

INDIANOLA COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

YEAR ENDED JUNE 30, 2024

Changes of benefit terms:

There were no significant changes to benefit terms.

Changes of assumptions:

The 2022 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%.

INDIANOLA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
FOR THE LAST SEVEN 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>
Service cost	\$ 125,445	\$ 161,799	\$ 204,618	\$ 173,479	\$ 210,659	\$ 201,079	\$ 211,022
Interest cost	66,634	38,572	62,968	73,087	105,797	102,037	86,356
Changes in assumptions	108,245	(231,604)	(633,839)	120,131	(664,613)	(11,842)	(121,080)
Benefit payments	<u>(127,920)</u>	<u>(143,165)</u>	<u>(161,050)</u>	<u>(164,517)</u>	<u>(239,824)</u>	<u>(249,181)</u>	<u>(265,886)</u>
Net change in total OPEB liability	172,404	(174,398)	(527,303)	202,180	(587,981)	42,093	(89,588)
Total OPEB liability, beginning of year	<u>1,744,319</u>	<u>1,918,717</u>	<u>2,446,020</u>	<u>2,243,840</u>	<u>2,831,821</u>	<u>2,789,728</u>	<u>2,879,316</u>
Total OPEB liability, end of year	\$ <u>1,916,723</u>	\$ <u>1,744,319</u>	\$ <u>1,918,717</u>	\$ <u>2,446,020</u>	\$ <u>2,243,840</u>	\$ <u>2,831,821</u>	\$ <u>2,789,728</u>
Covered payroll	\$ <u>24,283,832</u>	\$ <u>23,460,000</u>	\$ <u>22,200,110</u>	\$ <u>21,962,712</u>	\$ <u>21,497,111</u>	\$ <u>22,026,704</u>	\$ <u>21,470,015</u>
Total OPEB liability as a percentage of covered payroll	7.89%	7.44%	8.64%	11.14%	10.44%	12.86%	12.99%

Notes to Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

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

Year ended June 30, 2024	3.86	%
Year ended June 30, 2023	3.69	%
Year ended June 30, 2022	1.92	%
Year ended June 30, 2021	2.45	%
Year ended June 30, 2020	3.13	%
Year ended June 30, 2019	3.62	%
Year ended June 30, 2018	3.56	%
Year ended June 30, 2017	2.92	%

INDIANOLA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

<u>ASSETS</u>	<u>Special Revenue</u>		<u>Total</u>
	<u>Public Education and Recreation Levy</u>	<u>Student Activity</u>	
Cash, cash equivalents and pooled investments	\$ 549,496	\$ 458,307	\$ 1,007,803
Receivables:			
Property tax:			
Delinquent	1,242	-	1,242
Succeeding year	148,909	-	148,909
Due from other funds	24,813	23,551	48,364
Due from other governments	3	-	3
Accounts	-	523	523
TOTAL ASSETS	\$ 724,463	\$ 482,381	\$ 1,206,844
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ -	\$ 7,298	\$ 7,298
Salaries and benefits payable	-	1,702	1,702
TOTAL LIABILITIES	-	9,000	9,000
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues:			
Succeeding year property tax	148,909	-	148,909
<u>FUND BALANCES:</u>			
Restricted for:			
Public education and recreation levy	575,554	-	575,554
Student activities	-	473,381	473,381
Total fund balances	575,554	473,381	1,048,935
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 724,463	\$ 482,381	\$ 1,206,844

INDIANOLA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Special Revenue		
	Public Education and Recreation Levy	Student Activity	Total
<u>REVENUES:</u>			
Local sources:			
Local tax	\$ 137,933	\$ -	\$ 137,933
Other	24,813	924,335	949,148
State sources	2,541	-	2,541
Total revenues	<u>165,287</u>	<u>924,335</u>	<u>1,089,622</u>
<u>EXPENDITURES:</u>			
Current:			
Instruction:			
Regular	-	840,983	840,983
Support services:			
Operation and maintenance of plant	-	4,200	4,200
Transportation	-	235	235
Total expenditures	<u>-</u>	<u>845,418</u>	<u>845,418</u>
Excess (deficit) of revenues over expenditures	<u>165,287</u>	<u>78,917</u>	<u>244,204</u>
Other financing sources (uses):			
Transfer in	-	-	-
Transfer out	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>165,287</u>	<u>78,917</u>	<u>244,204</u>
<u>FUND BALANCES</u> - Beginning of year	<u>410,267</u>	<u>394,464</u>	<u>804,731</u>
<u>FUND BALANCES</u> - End of year	\$ <u>575,554</u>	\$ <u>473,381</u>	\$ <u>1,048,935</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND ACCOUNTS
JUNE 30, 2024

	Capital Projects			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	Total
<u>ASSETS</u>				
Cash, cash equivalents and pooled investments	\$ 2,423,980	\$ 5,796,470	\$ 14,851,174	\$ 23,071,624
Receivables:				
Property tax:				
Delinquent	-	17,277	-	17,277
Succeeding year	-	1,923,520	-	1,923,520
Due from other funds	197,529	196,438	4,944	398,911
Due from other governments	416,573	169,021	-	585,594
TOTAL ASSETS	\$ 3,038,082	\$ 8,102,726	\$ 14,856,118	\$ 25,996,926
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ 117,028	\$ 1,190	\$ 138,619	\$ 256,837
TOTAL LIABILITIES	117,028	1,190	138,619	256,837
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable revenues:				
Succeeding year property tax	-	1,923,520	-	1,923,520
TOTAL DEFERRED INFLOWS OF RESOURCES	-	1,923,520	-	1,923,520
<u>FUND BALANCES:</u>				
Restricted for:				
School infrastructure	2,921,054	-	14,717,499	17,638,553
Physical plant and equipment	-	6,178,016	-	6,178,016
TOTAL FUND BALANCES	2,921,054	6,178,016	14,717,499	23,816,569
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,038,082	\$ 8,102,726	\$ 14,856,118	\$ 25,996,926

INDIANOLA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUND ACCOUNTS
 YEAR ENDED JUNE 30, 2024

	Capital Projects			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	Total
Revenues:				
Local sources:				
Local tax	\$ -	\$ 1,794,318	\$ -	\$ 1,794,318
Other	224,503	227,262	753,675	1,205,440
State sources	4,527,245	31,442	-	4,558,687
Federal sources	-	168,985	-	168,985
Total revenues	<u>4,751,748</u>	<u>2,222,007</u>	<u>753,675</u>	<u>7,727,430</u>
Expenditures:				
Current:				
Instruction	-	2,275	-	2,275
Support services:				
Instructional staff	-	-	-	-
Administration	1,020	-	107,742	108,762
Operation and maintenance of plant	-	-	-	-
Transportation	-	56,315	-	56,315
Capital outlay	<u>4,423,173</u>	<u>400,179</u>	<u>4,764,187</u>	<u>9,587,539</u>
Total expenditures	<u>4,424,193</u>	<u>458,769</u>	<u>4,871,929</u>	<u>9,754,891</u>
Excess of revenues over expenditures	<u>327,555</u>	<u>1,763,238</u>	<u>(4,118,254)</u>	<u>(2,027,461)</u>
Other financing sources (uses):				
Proceeds on issuance of bonds	-	-	9,995,000	9,995,000
Discount on bond issuance	-	-	(98,051)	(98,051)
Proceeds on sale	215	-	-	215
Transfer in	-	-	-	-
Transfer out	<u>(1,496,772)</u>	<u>-</u>	<u>-</u>	<u>(1,496,772)</u>
Total other financing uses	<u>(1,496,557)</u>	<u>-</u>	<u>9,896,949</u>	<u>8,400,392</u>
Change in fund balances	<u>(1,169,002)</u>	<u>1,763,238</u>	<u>5,778,695</u>	<u>6,372,931</u>
<u>FUND BALANCES</u> - Beginning of year	<u>4,090,056</u>	<u>4,414,778</u>	<u>8,938,804</u>	<u>17,443,638</u>
<u>FUND BALANCES</u> - End of year	\$ <u>2,921,054</u>	\$ <u>6,178,016</u>	\$ <u>14,717,499</u>	\$ <u>23,816,569</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND -
STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2024

<u>Account</u>	<u>Balance Beginning of Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance End of Year</u>
Interest	\$ 12,625	\$ 23,551	\$ 82	\$ 36,094
HS Drama/Speech	28,539	19,573	17,259	30,853
MD Drama	8,651	5,250	3,671	10,230
HS Musical	26,162	29,673	32,790	23,045
HS Show Choir	2,955	69,075	71,713	317
HS Chorus	18,552	10,691	25,922	3,321
MS Swing Choir	-	28,059	25,191	2,868
JV Show Choir	3,981	16,801	11,497	9,285
Sidewayz Show Choir	-	-	-	-
HS Band Donation	3,026	27,653	26,858	3,821
HS Orchestra	14,032	1,722	3,451	12,303
HS Athletics	42,031	105,409	54,999	92,441
Athletic Advertising	-	36,600	36,600	-
Golf	-	6,341	6,341	-
Boys basketball club	-	9,844	9,844	-
Boys Basketball Fundraiser	10,193	4,000	1,268	12,925
Boys Basketball Camp	-	58,469	58,469	-
Football Fundraiser	139	19,115	21,453	(2,199)
Boys Soccer	-	4,779	4,779	-
Boys Soccer Camp/Fundraiser	1,457	1,140	1,705	892
Baseball	-	14,972	14,972	-
Baseball Fundraiser/Camp	9,505	19,928	11,727	17,706
Boys Track	-	8,374	8,374	-
Boys Track Fundraiser	4,002	175	-	4,177
Boys Cross Country	-	2,042	2,042	-
Boys Cross Country Fundraiser	2,291	2,865	1,966	3,190
Boys Tennis	-	807	807	-
Boys Tennis Fundraiser	1,414	350	1,575	189
Boys Swimming	-	1,687	1,687	-
Boys Swimming Fundraiser	1,945	-	-	1,945
Wrestling	-	20,695	20,695	-
Wrestling Fundraiser	317	-	1,313	(996)
Girls Basketball	-	7,597	7,597	-
Girls Basketball Fundraiser	9,770	775	750	9,795
Volleyball	-	10,760	10,760	-
Volleyball Fundraiser	-	6,830	4,967	1,863
Girls Soccer	-	4,600	4,600	-
Girls Soccer Fundraiser	4,215	-	1,499	2,716
Softball	-	11,275	11,275	-
Softball Fundraiser	16,697	3,906	1,336	19,267
Girls Track	-	10,317	10,317	-
Girls Track Fundraiser	3,093	45	126	3,012
Girls Cross Country	-	1,591	1,591	-
Girls Cross Country Fundraiser	1,406	-	340	1,066
Girls Tennis	-	661	661	-
Girls Tennis Fundraiser	-	350	-	350
Girls Golf	-	5,336	5,336	-

INDIANOLA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND -
STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2024

<u>Account</u>	<u>Balance Beginning of Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance End of Year</u>
Girls Swimming	\$ -	\$ 2,455	\$ 2,455	\$ -
Girls Swimming Fundraiser	1,704	-	-	1,704
Girls Wrestling	-	2,842	2,842	-
MS Athletics	-	38,691	38,691	-
MS FCS Club	204	-	-	204
MS Yearbook	-	3,054	4,836	(1,782)
MS Student Council	-	232	232	-
HS Student Council	618	2,403	1,481	1,540
HS Debate	32	50	40	42
DECA	7,061	16,987	16,800	7,248
HS UNICEF Club	207	-	-	207
Cheer	7,407	6,348	9,981	3,774
HS Drill Team	4,006	22,433	19,274	7,165
FFA	34,943	77,606	65,885	46,664
HS FCCLA	1,415	3,367	3,525	1,257
HS Art Club	1,343	1,704	1,028	2,019
Theatre Crew	1,554	694	800	1,448
HS Food Bank	251	-	-	251
Skills USA	282	3,751	3,525	508
FFA Steer Show	558	-	-	558
NHS	600	450	598	452
HS Pep Club	551	-	-	551
HS Interact Club	-	417	417	-
Environmental Aware Club	40	-	-	40
Spanish Club	477	150	261	366
French Club	37	632	630	39
Service Corp	753	-	-	753
MS Vending	1,633	431	192	1,872
MS Account	17,161	14,684	15,866	15,979
Whittier Gen Activity	5,856	503	178	6,181
Emerson Art	4,169	441	370	4,240
FFAGreenhouse	762	-	-	762
MS Art Club	623	496	625	494
Emerson Library	10,427	4,745	5,994	9,178
Emerson Activity	6,223	100	4,213	2,110
Prom	18,111	20,080	15,677	22,514
MS Book Fair	55	-	-	55
HS Account	6,083	-	-	6,083
HS Best Buddies	580	-	-	580
MS Big Band Dance	2,807	25,895	20,457	8,245
HS Robotics Club	682	-	-	682
Show/Jazz Choir	26,560	54,574	66,391	14,743
MS Special Projects	1,691	4,437	1,949	4,179
Total \$	394,464	\$ 924,335	\$ 845,418	\$ 473,381

SCHEDULE 6

INDIANOLA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY FUND, CUSTODIAL ACCOUNTS
YEAR ENDED JUNE 30, 2024

<u>Account</u>	<u>Balance Beginning of Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance End of Year</u>
Indianola Athletic Booster Club	\$ 6,850	71,300	100,590	\$ (22,440)
Indianola Soccer Tribe	23	-	-	23
Music Boosters	7,449	18,681	8,272	17,858
Dvorak Memorial	283	-	-	283
Drake Memorial	520	-	-	520
Total	\$ <u>15,125</u>	<u>89,981</u>	<u>108,862</u>	\$ <u>(3,756)</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION -
ALL GOVERNMENTAL FUNDS
FOR THE LAST TEN YEARS

	Modified Accrual Basis Years Ended June 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues:					
Local sources:					
Local tax	\$ 20,256,419	20,028,677	\$ 19,326,465	\$ 18,424,445	\$ 17,934,352
Tuition	1,939,789	2,017,741	1,770,145	1,504,182	1,572,146
Other	3,408,191	2,050,819	1,109,630	744,529	1,225,507
State sources	32,727,852	32,182,259	30,230,307	28,805,145	28,568,169
Federal sources	<u>1,455,658</u>	<u>3,067,646</u>	<u>2,393,613</u>	<u>2,932,533</u>	<u>1,020,223</u>
Total	\$ <u>59,787,909</u>	<u>59,347,142</u>	\$ <u>54,830,160</u>	\$ <u>52,410,834</u>	\$ <u>50,320,397</u>
Expenditures:					
Current:					
Instruction:					
Regular	\$ 18,917,860	17,371,327	\$ 16,440,083	\$ 17,175,826	\$ 15,891,838
Special	5,183,614	5,223,608	4,710,396	4,604,218	4,770,932
Other	4,179,921	4,823,310	5,867,089	5,315,898	5,690,639
Support services:					
Student	1,567,426	1,651,996	1,616,514	1,341,958	956,508
Instructional staff	3,757,020	3,986,858	4,024,989	2,482,005	2,965,749
Administration	4,083,245	3,814,939	4,021,309	4,121,949	3,731,069
Operation and maintenance of plant	5,724,624	5,889,254	5,480,469	5,306,176	4,412,966
Transportation	1,653,544	1,837,030	1,706,047	1,220,447	1,796,111
Non-instructional	-	-	23,883	69,869	5,952
Capital outlay	9,587,539	4,839,238	1,066,280	1,647,581	1,444,780
Long term debt:					
Principal	4,371,000	4,952,766	4,599,000	18,296,000	26,885,000
Interest and fiscal charges	1,571,550	957,559	1,138,008	1,136,080	1,411,216
Other expenditures:					
AEA flow-through	<u>1,664,541</u>	<u>1,652,538</u>	<u>1,606,424</u>	<u>1,557,397</u>	<u>1,522,249</u>
Total	\$ <u>62,261,884</u>	<u>57,000,423</u>	\$ <u>52,300,491</u>	\$ <u>64,275,404</u>	\$ <u>71,485,009</u>

SCHEDULE 7

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 18,076,315	\$ 17,067,698	\$ 16,471,856	\$ 16,293,683	\$ 15,493,000
1,497,523	1,578,984	1,430,087	1,446,419	1,351,998
1,900,988	1,536,614	1,487,251	1,306,286	1,134,660
26,949,515	26,419,280	26,559,313	25,684,073	24,052,100
<u>1,001,889</u>	<u>845,286</u>	<u>865,050</u>	<u>893,070</u>	<u>842,616</u>
\$ <u>49,426,230</u>	\$ <u>47,447,862</u>	\$ <u>46,813,557</u>	\$ <u>45,623,531</u>	\$ <u>42,874,374</u>
\$ 15,832,642	\$ 15,914,261	\$ 15,457,690	\$ 15,529,072	\$ 14,517,452
4,197,666	3,811,069	3,783,207	3,986,881	3,762,172
5,468,994	2,421,229	5,431,769	5,348,687	5,161,168
930,525	937,238	898,238	888,746	897,879
2,392,929	3,180,244	1,904,890	1,871,735	1,858,792
2,598,618	2,563,099	2,566,666	2,435,401	2,233,835
4,531,790	4,275,539	3,860,382	3,831,001	3,727,127
2,458,020	2,121,919	2,527,314	2,461,412	2,209,823
337,973	337,973	356,172	332,413	388,040
3,138,729	1,992,365	1,248,204	10,734,513	17,447,982
13,095,000	3,405,000	5,055,000	12,350,000	3,905,000
1,489,776	1,560,183	1,803,500	2,386,310	2,057,570
<u>1,444,227</u>	<u>1,422,329</u>	<u>1,393,044</u>	<u>1,369,096</u>	<u>1,335,899</u>
<u>57,916,889</u>	\$ <u>43,942,448</u>	\$ <u>46,286,076</u>	\$ <u>63,525,267</u>	\$ <u>59,502,739</u>

INDIANOLA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

	Assistance Listing Number	Entity Identifying Number	Expenditures
GRANTOR/PROGRAM:			
<u>INDIRECT:</u>			
U.S. Department of Agriculture:			
Pass-through from Iowa Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY24	\$ 170,923
National School Lunch Program (Includes After-School Snack Program)	10.555	FY24	741,426 *
Special Milk Program for Children	10.556	FY24	1,409
Summer Food Service Program for Children	10.559	FY24	35,894
			<u>949,652</u>
U.S. Department of Education:			
Iowa Department of Education:			
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act (CARES) Cluster:			
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III)	84.425U	FY24	416,670
Education Stabilization Fund (Rethink K-12 Education Models Discretionary Grant)	84.425B	FY24	20,192
Education Stabilization Fund (Governor's Emergency Education Relief Fund II)	84.425C	FY24	26,538
Child Care and Development Block Grants (HHS) (ARPA Child Care Stipends)	93.575	FY24	147,000
			<u>610,400</u>
Title I Grants to LEAs, Carryover Allocation			33,351
Title I Grants to Local Education Agencies	84.010	FY24	192,959
			<u>226,310</u>
Rehabilitation Services - Vocational Rehabilitation Grants to States Supporting Effective Instruction State Grants (Title IIA)	84.367	FY24	30,555
			<u>30,555</u>
Title III – English Language Acquisition State Grants	84.365	FY24	5,000
Student Support and Academic Enrichment Program (Title IV-A)	84.424	FY24	24,411
Passed through Grant Wood Area Education Agency:			
Special Education - Grants to States (Part B Section 611)	84.027	FY24	154,672
Career and Technical Education - Basic Grants to States (Title I, Part C)	84.048	FY24	23,569
			<u>178,241</u>
Total			\$ <u>2,024,569</u>

* - Includes \$79,334 of non-cash awards

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Indianola Community School District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Indianola Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Indianola Community School District.

Summary of Significant Accounting Policies - Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate - Indianola Community School District uses a federally negotiated indirect cost rate as allowed under the Uniform Guidance.



ANDERSON, LARKIN & CO. P.C.
Certified Public Accountants
"Your Success Is Our Business."

Kenneth E. Crosser, CPA
April D. Crosser, CPA
Michael J. Podliska, CPA
Adam L. Sturm, CPA

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
Indianola Community School District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Indianola Community School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Indianola Community School District's basic financial statements and have issued our report thereon dated May 2, 2025, except as to Note 15 which is as of August 13, 2025.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that are not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

ANDERSON, LARKIN & CO., P.C.

Anderson Larkin & Co., P.C.

Ottumwa, Iowa
May 2, 2025, except as to Note 15,
which is as of August 13, 2025



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education of
Indianola Community School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Indianola Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (*OMB*) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024. Indianola Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Indianola Community School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Indianola Community School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about Indianola Community School District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

ANDERSON, LARKIN & CO., P.C.

Anderson Larkin & Co., P.C.

Ottumwa, Iowa
May 2, 2025, except as to Note 15,
which is as of August 13, 2025

INDIANOLA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

PART I: SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS:

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose any audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major programs were as follows:
 - Child Nutrition Cluster
 - Assistance Listing Number 10.553 – School Breakfast Program
 - Assistance Listing Number 10.555 – National School Lunch Program
 - Assistance Listing Number 10.556 – Special Milk Program for Children
 - Assistance Listing Number 10.559 – Summer Food Service Program for Children
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Indianola Community School District did not qualify as a low-risk auditee.

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

INDIANOLA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

PART III: FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

PART IV: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

- IV-A-24 Certified Budget – Expenditures for the year ended June 30, 2024 did not exceed amounts budgeted.
- IV-B-24 Questionable Expenditures – No expenditures we believe may not meet the requirements for public purpose as defined in Article IV, Section 31 of the Iowa Constitution and an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-24 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.
- IV-D-24 Business Transactions – No business transactions between the District and District officials or employees were noted.
- IV-E-24 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.
- IV-F-24 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 that the coverage is adequate for current operations.
- IV-G-24 Board Minutes – We noted no transactions requiring Board approval which have not been approved by the Board.
- IV-H-24 Certified Enrollment – We noted the basic enrollment data certified to the Iowa Department of Education appears to have been overstated by 3.0 students for the Fall 2023 count.
- Recommendation – The Iowa Department of Education and the Iowa Department of Management should be contacted to resolve this matter.
- Response – The District's auditors will contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.
- Conclusion – Response accepted.
- IV-I-24 Supplementary Weighting – We noted a variance in the supplementary weighting data certified to the Iowa Department of Education for October, 2023. The supplementary weighting data was overstated by 0.50 due to courses that should have been claimed for concurrent enrollment.
- Recommendation – The District should contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.
- Response – The District's auditors will contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.
- Conclusion – Response accepted.

INDIANOLA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

PART IV: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING: (Continued)

- IV-J-24 Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy.
- IV-K-24 Certified Annual Report – The certified annual report was certified timely to the Iowa Department of Education.
- IV-L-24 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.
- IV-M-24 Statewide Sales, Services and Use Tax – No instances of noncompliance 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, including adjustments identified during the fiscal year 2024 audit:

Beginning balance		\$	4,090,056
Revenues/transfer in:			
Sales tax revenues	\$	4,527,245	
Other local revenues		224,503	
Proceeds from sale		215	
			<u>4,751,963</u>
			8,842,019
Expenditures/transfers out:			
Equipment		4,423,173	
Support services		1,020	
Transfers out		<u>1,496,772</u>	<u>5,920,965</u>
Ending balance		\$	<u>2,921,054</u>

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

- IV-N-2024 Deficit Balances – The District reported a (\$20,881) deficit net position in the Childcare Fund as of June 30, 2024.

Recommendation – The District should continue to monitor these funds and investigate alternatives to eliminate the deficit.

Response – The deficits are due to recording the net pension liability and pension-related deferred outflows and inflows of resources. We will continue to monitor these funds and are working on ways to eliminate the deficits.

Conclusion – Response accepted.

APPENDIX E – FORM OF ISSUER PRICE CERTIFICATE

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

**INDIANOLA 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]
INDIANOLA 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 15, 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 Indianola 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