Integrity, Kindness, and Teamwork

$5,570,000*
South O'Brien Community School District, Iowa
General Obligation School Capital Loan Notes, Series 2025

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

DATE:	Monday, October 20, 2025
TIME:	11:00 AM
PLACE:	Office of the Superintendent 307 W. Groesbeck St. Paullina, Iowa 51046
Telephone:	712/949-2115

S&P's Rating: "A"

* Preliminary, subject to change

PIPER | SANDLER

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

OFFICIAL BID FORM

TO: Board of Directors of the South O'Brien Community School District, Iowa (the "Issuer")

Re: $5,570,000* General Obligation School Capital Loan Notes, Series 2025, dated the date of delivery, of the Issuer (the "Notes")

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

Coupon	Yield	Due	Coupon	Yield	Due
________	________	June 1, 2027	________	________	June 1, 2031
________	________	June 1, 2028	________	________	June 1, 2032
________	________	June 1, 2029	________	________	June 1, 2033
________	________	June 1, 2030			

________ We hereby elect to have the following issued as term Notes:

Principal Amount	Month and Year (Inclusive)	Maturity Month and Year
$______________	________________ 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 Notes issued as term Notes

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

______ We will elect to utilize bond insurance from company ____________________________ at a premium of $________________

This bid is for prompt acceptance and for delivery of said Notes 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 Notes and other participating underwriters in the primary offering of the Notes 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 Notes, in the 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 South O'Brien Community School District, in the Counties of O'Brien, Cherokee and Clay, State of Iowa, this 20th day of October, 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 Notes as well as the terms of offering with which all bidders and bid proposals are required to comply, as follows:

The Notes to be offered are the following:

GENERAL OBLIGATION SCHOOL CAPITAL LOAN NOTES, **SERIES 2025**, in the principal amount of $5,570,000* 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 Notes, 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.

The dollar amount bid by the Successful Bidder may be changed if the aggregate principal amount of the Notes, 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 Notes 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 Notes) 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 Notes maturing after June 1, 2030, 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 Notes will be payable on June 1, 2026 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 Notes will be issued by means of a book entry system with no physical distribution of certificates made to the public. The Notes will be issued in fully registered form and one certificate, representing the aggregate principal amount of the Notes 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 Notes. Individual purchases of the Notes 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 Notes. 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 Notes, 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 $55,700* for the Notes, 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 Notes to the Purchaser absent receipt of the Deposit prior to action awarding the Notes. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Notes. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

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* Preliminary, subject to change

Form of Bids: All bids shall be unconditional for the entire issue of Notes for a price of not less than 98.8% 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. 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, South O'Brien Community School District, 307 W. Groesbeck St, Paullina, Iowa, 51046.

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 Notes 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 Notes will be delivered to the Purchaser via FAST delivery with the Paying Agent holding the Notes on behalf of DTC, against full payment in immediately available cash or federal funds. The Notes 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 Notes will cease. (When the Notes 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 Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Notes, 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 Notes, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). By awarding the Notes 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes. 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 Notes shall not be cause for the Purchaser to refuse to accept delivery of the Notes. 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 Notes and other participating underwriters in the primary offering of the Notes 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 Notes, in the 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes 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 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 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 requires 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 Notes have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Notes.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 30, 2025

NEW ISSUE - DTC BOOK ENTRY ONLY Rating: "A"

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

Integrity, Kindness, and Teamwork

$5,570,000*
South O'Brien Community School District, Iowa
General Obligation School Capital Loan Notes, Series 2025

Dated: Date of Delivery

The South O'Brien Community School District (the "Issuer") is issuing its General Obligation School Capital Loan Notes, Series 2025 described above (the "Notes") as fully registered Notes in the denomination of $5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Noteholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Notes. Purchases of the Notes will be made in book-entry form. Purchasers of the Notes will not receive certificates representing their interest in the Notes purchased. So long as DTC or its nominee, Cede & Co., is the Noteholder, the principal of, premium, if any, and interest on the Notes 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 Notes.

Interest on the Notes is payable on June 1, and December 1 in each year, beginning June 1, 2026 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 Notes maturing after June 1, 2030 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

Notes Due	Amount*	Rate *	Yield *	Cusip #'s **	Notes Due	Amount*	Rate *	Yield *	Cusip #'s **
June 1, 2027	$720,000			839030 CT8	June 1, 2031	$820,000			839030 CX9
June 1, 2028	740,000			839030 CU5	June 1, 2032	850,000			839030 CY7
June 1, 2029	770,000			839030 CV3	June 1, 2033	875,000			839030 CZ4
June 1, 2030	795,000			839030 CW1					

$_______________ ______% Term Note due Priced to yield CUSIP # _________

The Notes 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 Notes. Piper Sandler & Co. is serving as Municipal Advisor to the Issuer in connection with the issuance of the Notes. Certain matters will be passed upon for the Municipal Advisor by Dentons Davis Brown PC, Des Moines, Iowa. It is expected that the Notes in the definitive form will be available for delivery through the facilities of DTC on or about December 15, 2025. The Underwriter intends to engage in secondary market trading of the Notes subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Notes at the request of the holder thereof.

The Date of this Official Statement is ______, 2025

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* *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 Notes nor do they make any representation as to the correctness of such CUSIP numbers on the Notes or as indicated above.*

No dealer, salesman 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.

TABLE OF CONTENTS

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES 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 Notes. 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
SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT, IOWA
$5,570,000* GENERAL OBLIGATION SCHOOL CAPITAL LOAN NOTES, SERIES 2025

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the South O'Brien Community School District, Iowa (the "Issuer"), in connection with the sale of the Issuer's General Obligation School Capital Loan Notes, Series 2025 (the "Notes"). Proceeds of the Notes, along with the $17,000,000 General Obligation School Bonds, dated November 8, 2023 and $8,935,000 General Obligation School Bonds, dated December 3, 2024 will: i) provide funds to be used to build, furnish and equip additions to the junior high/high school facilities, including an agricultural wing, an industrial arts wing, a science wing, an auxiliary gym, a community fitness center, an administrative office space, with related remodeling and improvements, and related site improvements; and to remodel, repair, improve, furnish and equip the elementary gymnasium for district performing arts and ii) pay costs of issuance for the Notes (the "Project"). The Notes will be issued pursuant to a resolution authorizing the issuance of the Notes expected to be adopted by the Board of Directors (the "Board") of the Issuer on or about November 17, 2025 (the "Resolution"). See "**SOURCES AND USES OF FUNDS**" herein.

Summaries and descriptions of the Issuer, the Notes, the Resolution, and certain other documents are included in this Official Statement. The summaries of and references to all documents, statutes and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute or instrument. Copies of the Resolution may be obtained during the initial offering period by contacting the Issuer. The Issuer has agreed to provide certain continuing disclosure information after issuance of the Notes as more fully described under "**APPENDIX C - Form of Continuing Disclosure Certificate,**" attached hereto.

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 Notes 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 Notes 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 NOTES – Source of Security for the Notes**" 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 NOTES

General

The Notes 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 June 1, 2026, 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 Notes are being issued pursuant to Chapter 298 and 297.36 of the Code of Iowa, 2025, as amended, a Loan Agreement, and the Resolution, expected to be adopted by the Issuer on November 17, 2025 (the "Resolution" or "Resolution"). At an election held March 1, 2022, voters in the Issuer's district authorized a physical plant and equipment levy of $1.34/1,000 of assessed valuation of the taxable property within the Issuer's district for a period of ten years, beginning with fiscal year ending June 30, 2024. The physical plant and equipment levy is funded by a combination of a physical plant and equipment property tax and a physical plant and equipment income surtax. Principal and interest on the Notes are payable from the physical plant and equipment property tax only.

* Preliminary, subject to change

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.

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 by provided directly to them.

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

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

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

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

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

The Issuer cannot and does not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Notes (i) payments of principal of or interest and premium, if any, on the Notes, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in the Notes, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Notes, 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 Notes; (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 Notes; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Notes; or (5) any consent given or other action taken by DTC as a Noteholder.

Transfer and Exchange

In the event that the Book Entry System is discontinued, any Note 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 Note 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 Note or Notes shall be surrendered for transfer, the Registrar shall execute and deliver a new Note or Notes of the same maturity, interest rate, and aggregate principal amount.

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

Prepayment

<u>Optional Prepayment</u>: The Notes maturing after June 1, 2030, 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.

Notice of Prepayment. Prior to the redemption of any Notes 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 Note.

Mandatory Sinking Fund Redemption The Notes 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 Note

Mandatory Sinking Fund Date	Principal Amount
	$
(maturity)	

Selection of Notes for Redemption Notes subject to redemption will be selected in such order of maturity as the Issuer may direct. If less than all of the Notes of a single maturity are to be redeemed, the Issuer will 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 prepayments 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 Notes so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the owners of the Notes called for redemption in the same manner as the original redemption notice was sent.

Source of Security for the Notes

The Notes are general obligations of the Issuer to be paid from a continuing annual levy upon all of the taxable valuation sufficient to pay the principal and interest of the Notes. On March 1, 2022, voters of the Issuer’s district approved the continuation of a property tax for a period of ten (10) years that generates up to $1.34 per $1,000 of assessed valuation, starting on July 1, 2024 and ending on June 30, 2033. Taxes from the Voted Tax Levy will be assessed and collected each year and deposited into the “Voted Tax Fund” which is pledged to be used for the payment of principal and interest on the outstanding Notes. Upon issuance of the Notes, the Issuer will by resolution, levy taxes for the years and in amounts sufficient to provide 100% of annual principal and interest due, subject to annual reduction or decertification upon appropriation of revenues to the debt service fund. If, however, the amount credited to the debt service fund for payment of the Notes is insufficient to pay principal and interest, whether from funds on hand or from original levies, the Issuer is required to levy ad valorem taxes upon all taxable valuation in the Issuer’s district without limit as to rate or amount sufficient to pay the debt service deficiency.

Nothing in the 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 Notes. If and to the extent such other legally available moneys are used to pay the principal of or interest on the Notes, 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 Notes.

The Resolution does not restrict the Issuer’s ability to issue or incur additional general obligation debt, payable from the Voted Tax Levy, although issuance of additional general obligation debt is subject to the same constitutional and statutory limitations that apply to the issuance of the Notes. For a further description of the Issuer’s outstanding general obligation debt upon issuance of the Notes and the annual debt service on the Notes, 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.

NOTEHOLDERS’ RISKS

An investment in the Notes is subject to certain risks. No person should purchase the Notes 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 Notes. In order to identify risk factors, make an informed investment decision, and if the Notes are an appropriate investment, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto).

Tax Levy Procedures
The Notes 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 the Physical Plant & Equipment 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 Notes for a particular fiscal year may cause Noteholders to experience delay in the receipt of distributions of principal of and/or interest on the Notes. Consequently, the remedies of the owners of the Notes (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) may have to be enforced from year to year.

Changes in Property Taxation
The Notes are general obligations of the Issuer secured by an unlimited ad valorem property tax as described in the "**THE NOTES - Source of Security for the Notes**" 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 Notes. 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 properly 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 NOTES - Source of Security for the Notes**," per Iowa Code section 297.36 and Iowa Code Chapter 298 the Issuer will by resolution provide for the assessment of an annual levy upon all the taxable property within the territory of the Issuer sufficient to pay the interest and principal of the Notes through June 30, 2033.

Dependence on Significant Taxpayer
MidAmerican Energy Co. ("MidAmerican") is a significant taxpayer within the Issuer, accounting for approximately 27.183% of the taxable valuation of the Issuer for fiscal year 2024. MidAmerican own and operates a wind farm within the Issuer. Additionally, the top 10 taxpayers within the Issuer accounted for approximately 39.39% of the total taxable valuation of the Issuer for fiscal year 2024. The Issuer receives a significant amount of revenues from and relating to operations of MidAmerican and other significant taxpayers, including property tax revenues. There can be no assurance that the operations of MidAmerican or other significant taxpayers will continue to provide the same level of revenues for the Issuer during the term of the Bonds. Circumstances beyond the control of the Issuer including without limitation economic downturns may significantly affect MidAmerican's operations and thus, the amount of property tax revenues received by the Issuer as a result of MidAmerican's operations. Failure by the Issuer to realize ongoing property tax revenues associated with MidAmerican or other significant taxpayers could have a material effect on the financial condition of the Issuer. See "**APPENDIX A – INFORMATION ABOUT THE ISSUER – LARGEST TAXPAYERS**".

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

The annual amount per account in the Fund is determined by the State cost per pupil (SCPP) for that fiscal year and changes each year based on the State percent of growth (SPG). For fiscal year ending June 30, 2026, the SCPP is $7,988, 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, as of October 1, 2024, there were 85 students who reside in the district but attend non-public schools during 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.

Matters Relating to Enforceability of Agreements/Limitation or Delay in Remedies

There is no trustee or similar person to monitor or enforce the provisions of the Resolution. The owners of the Notes 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 Note, there is no provision for acceleration of maturity of the principal of the Notes. Consequently, the remedies of the owners of the Notes (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) may have to be enforced from year to year.

Holders of the Notes 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 Notes, 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 Resolution.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolution. The remedies available to the owners of the Notes upon an event of default under the 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 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 Notes 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 Resolution, including principal of and interest on the Notes.

Secondary Market

There can be no guarantee that there will be a secondary market for the Notes or, if a secondary market exists, that such Notes 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 Note or Notes issue are suspended or terminated. Additionally, prices of Note 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 Notes.

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 $442,088. 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 $2,377,949. 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 0.052683% which was a decrease of 0.005327% 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 impact 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 Notes 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 Notes 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 Notes, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Notes.

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 Note issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) that all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) that such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) that as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) that the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E of the Code of Iowa, or other political subdivision.

Tax Matters, Bank Qualification and Loss of Tax Exemption
As discussed under the heading "TAX MATTERS" herein, the interest on the Notes could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Notes, 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 Notes would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Notes, and there is no provision for an adjustment of the interest rate on the Notes.

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

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

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

Debt Payment History
The Issuer knows of no instance in which it has intentionally or unintentionally defaulted in the payment of principal and/or interest on any of its debt.

Damage or Destruction to Issuer's Facilities
Although the Issuer maintains certain kinds of insurance, 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.

Redemption Prior to Maturity /Loss of Premium from Redemption
In considering whether the Notes might be redeemed prior to maturity, Noteholders should consider the information included in this Official Statement under the heading "**THE NOTES**." Any person who purchases the Notes at a price in excess of their principal amount or who holds such Notes trading at a price in excess of par should consider the fact that the Notes are subject to redemption prior to maturity at the redemption prices described herein in the event such Notes are redeemed prior to maturity. **See "THE NOTES – Prepayment" 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.

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.

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

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

Rating Loss
S&P Global Ratings (the "S&P") has assigned a rating of "A" to the Notes. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Notes.

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 Notes.

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 Notes or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes. Further such proposals may impact the marketability or market value of the Notes 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 Notes. 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 Notes. 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 Notes would be impacted thereby.

DTC-Beneficial Owners

Beneficial Owners of the Notes may experience some delay in the receipt of distributions of principal of and interest on the Notes 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 Notes can be effected only through DTC Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge the Notes to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Notes, 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 NOTES–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, and negligence on the part of subcontractors, labor disputes, or unanticipated 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 Notes will be sufficient to complete 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.

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 Notes. 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 Notes and their market price.

Suitability of Investment

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

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 Notes. Public awareness of any audit could adversely affect the market value and liquidity of the Notes during the pendency of the audit, regardless of the ultimate outcome of the audit.

Other Factors

An investment in the Notes 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 Notes are an appropriate investment.

Summary
The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Notes. 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 Notes.

ACCOUNTANT

The accrual-basis financial statements of the Issuer included as APPENDIX D to this Official Statement have been examined by Nolte, Cornman & Johnson, 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 Notes or the Official Statement.

UNDERWRITING

The Notes 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 Notes at an aggregate purchase price of $_________ plus accrued interest to the Closing Date.

The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes 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 Notes may be changed, from time to time, by the Underwriter.

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

THE PROJECT

Proceeds of the Notes, along with the $17,000,000 General Obligation School Bonds, dated November 8, 2023 and $8,935,000 General Obligation School Bonds, dated December 3, 2024 will: i) provide funds to be used to build, furnish and equip additions to the junior high/high school facilities, including an agricultural wing, an industrial arts wing, a science wing, an auxiliary gym, a community fitness center, an administrative office space, with related remodeling and improvements, and related site improvements; and to remodel, repair, improve, furnish and equip the elementary gymnasium for district performing arts and ii) pay costs of issuance for the Bonds (the "Project").

SOURCES AND USES OF FUNDS *

Sources of Funds		
	Note Proceeds	$
	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 Notes, 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 Notes to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Notes to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

Subject to the Issuer's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, the interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax on individuals; however, such interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on corporations.

Prospective purchasers of the Notes should be aware that ownership of the Notes 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 Notes should consult their tax advisors as to collateral federal income tax consequences.

The interest on the Notes is not exempt from present Iowa income taxes. Ownership of the Notes 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 Notes. Prospective purchasers of the Notes should consult their tax advisors regarding the applicability of any such state and local taxes.

Qualified Tax Exemption Obligations

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

Discount and Premium Notes

The initial public offering price of certain Notes may be less than the amount payable on such Notes at maturity ("Discount Notes"). Owners of Discount Notes should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Notes for income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Notes. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Notes 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 notes may be greater than the amount of such Notes at maturity ("Premium Notes"). Purchasers of the Premium Notes should consult with their own tax advisors with respect to the determination of amortizable premium on Premium Notes for income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Notes.

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 Notes. 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 Notes.

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 Notes. 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 Notes 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 Notes, 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 Notes will not have an adverse effect on the tax status of interest or other income on the Notes or the market value or marketability of the Notes. 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 Notes 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 Notes to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Notes 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 Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed tax legislation, as to which Bond Counsel expresses no opinion other than as set forth in its legal opinion.

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

Bond Counsel's opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Issuer described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel's opinion is not binding on the Service, nor does the rendering of the opinion guarantee the outcome of any legal dispute that may arise out of the transaction. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

Enforcement
There is no trustee or similar person to monitor or enforce the terms of the resolution for issuance of the Notes. In the event of a default in the payment of principal of or interest on the Notes, there is no provision for acceleration of maturity of the principal of the Notes. Consequently, the remedies of the owners of the Notes (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 Notes) may have to be enforced from year to year.

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt status of the interest thereon (see "TAX MATTERS" herein) are subject to the approving legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as "APPENDIX B – FORM OF BOND COUNSEL OPINION." Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Notes, will be delivered to the Underwriter at the time of such original delivery. The Notes are offered subject to prior sale and to the approval of legality of the Notes 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 Dentons Davis Brown PC, 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 Notes, Iowa and Federal law pertinent to the validity of the Notes, and the tax status of interest on the Notes which can be found generally under the sections "THE NOTES", "THE NOTES" - Source of Security for the Notes", 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 Notes. The Municipal Advisor has relied upon governmental officials, and other sources who have access to relevant data to provide accurate information and the Municipal Advisor not been engaged, nor has it undertaken, to independently verify the accuracy, completion or fairness of 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 "Undertaking") for the benefit of the Owners and Beneficial Owners of the Notes to provide annually certain financial information and operating data relating to the Issuer (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the Issuer no later than April 15 after the close of each fiscal year, commencing with the fiscal year ending June 30, 2026, with the Municipal Securities Rulemaking Board, at its internet repository named "Electronic Municipal Market Access" ("EMMA"). The notices of events, if any, are also to be filed with EMMA. See "A**PPENDIX 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 Notes are limited to the remedies described in the Undertaking. Any Holder or Beneficial Owner of the Notes 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 Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

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

For the previous five (5) year period, the Issuer believes it has complied with the Rule in all material respects, however, the Issuer provides the following disclosures for the sole purpose of assisting Underwriters in complying with the Rule. The Issuer submitted unaudited financial statements, certified to the Iowa Department of Education, for FYs 2023–2024. However, these statements did not conform to the format of the financial statements presented in the Final Official Statements for the Issuer's General Obligation School Bonds, Series 2023 and Series 2024. Audited financial statements for FYs 2023–2024 were subsequently filed on EMMA.

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 Note, and statutes are included in this Official Statement. The summaries or references herein to the Notes and statutes referred to herein, and the description of the Notes 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 Notes 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 Notes.

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 Notes, but neither the failure to print such numbers on any Notes 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 Notes.

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.

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Aaron Giese
Board Secretary

APPENDIX A - INFORMATION ABOUT THE ISSUER

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT, IOWA
DISTRICT OFFICIALS

PRESIDENT	Gina Paulsen
BOARD MEMBERS	John Beck Richard Radtke Dallas Jalas Josh Rausch Beth Sibernaller-Woodall Sue McCauley
SUPERINTENDENT	Wade Riley
DISTRICT SECRETARY	Aaron Giese
DISTRICT TREASURER	Aaron Giese
DISTRICT ATTORNEY	Ahlers & Cooney, P.C. Des Moines, Iowa

CONSULTANTS

BOND COUNSEL	Ahlers & Cooney, P.C. Des Moines, Iowa
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

South O'Brien Community School District (the "Issuer" or "District") is located primarily in O'Brien County in NW Iowa with small portions of the district in Clay & Cherokee Counties. The district is located approximately 55 miles NE of Sioux City, Iowa and 110 miles SE of Sioux Falls, SD and includes the incorporated cities of Paullina, Primghar, Sutherland & Calumet, the unincorporated communities of Gaza & Germantown as well as significant rural area. The area is served by U.S. highway 59, Iowa highway 10 and numerous county roads. Nearby higher education facilities for residents include Northwestern College at Orange City, Dordt College at Sioux Center, Northwest Iowa Community College at Sheldon, Iowa Central Community College & Buena Vista College at Storm Lake and Iowa State University at Ames

District Facilities (1)

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

Building	Construction Date	Grades Served
Junior/Senior High School	1925, 1948, 1953, 1963, 2006	7-12
Elementary	1936, 1958, 1965, 2017	PK-6

Enrollment (1)

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

Count Date	Fiscal Year effective	Certified (Resident) (4)	Open Enroll In	Open Enroll Out	Total Served (5)
October-24	2025-26	575.8	24.0	69.1	530.7
October-23	2024-25	579.0	18.0	77.3	519.7
October-22	2023-24	561.5	20.0	54.0	527.5
October-21	2022-23	546.9	20.0	42.0	524.9
October-20	2021-22	584.1	11.0	38.6	556.5

Staff (1)

Presented below is a list of the Issuer's 110 employees.

Administrators:	6	Media Specialists:	2
Teachers:	50	Nurses:	1
Teacher Aids:	29	Guidance:	2
Custodians:	4	Secretaries:	3
Food Service:	4	Transportation:	6
Other:	2	Maintenance:	1

Population (2)

Presented below are population figures as officially reported by the U.S. Census for the periods indicated for the Cities of Paullina, Primghar, Sutherland and Calumet

Year	Paullina	Primghar	Sutherland	Calumet
2020	982	896	629	146
2010	1056	909	649	170
2000	1124	891	707	181
1990	1134	950	714	160
1980	1224	1050	897	212
1970	1257	995	875	219

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

Other Post-Employment Benefits (OPEB) (1)

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

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

Retired participants must be age 55 or older at retirement. At July 1, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Active employees	98
Total	105

Total OPEB Liability – The Issuer's total OPEB liability of $305,279 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	3.00% per annum
Rates of salary increase, including inflation	3.00% per annum
Discount rate, including inflation	3.65% compounded annually
Healthcare cost trend rate	5.00% for FY2024 and all future years

Discount Rate – The discount rate used to measure the total OPEB liability was 3.65%, 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 from the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability:

Total OPEB obligation – beginning of year		$579,022
Changes for the year		
	Service Cost	16,326
	Interest	11,472
	Differences between expected an actual experience	(92,165)
	Changes in assumptions	(168,380)
	Benefit Payments	(40,996)
Net Changes		(273,743)
Net OPEB obligation – end of year		$305,279

(1) Source: the Issuer

Employee Pension Plan (1)

Plan Description. Iowa Public Employees' Retirement System ("IPERS") membership is mandatory for employees of the Issuer. The Issuer's employees are provided with pensions through a cost-sharing multiple employer defined pension plan administered by IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. The Issuer's employee who completed seven years of covered service or has reached the age of 65 while in IPERS covered employment becomes vested. If the Issuer's employee retires before normal retirement age, the employees' monthly retirement benefit will be permanently reduced by an early-retirement reduction. IPERS provides pension benefits as well as disability benefits to Issuer employees and benefits to the employees' beneficiaries upon the death of the eligible employee. See "**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS**" for additional information on IPERS. Additionally, copies of IPERS annual financial report may be obtained from www.ipers.org. 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.

	Issuer Contribution		Issuer Employees' Contribution	
Fiscal Year	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2020	431,990	9.44	289,659.97	6.29
2021	432,658	9.44	286,651.44	6.29
2022	441,584	9.44	293,876.55	6.29
2023	437,912	9.44	294,569.82	6.29
2024	442,088	9.44	297,673.24	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	7.09

(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 Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) % [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2020	34,485,656,745	34,047,692,112	41,072,427,540	6,586,770,795	83.96	7,024,735,428	82.90	8,391,856,350	78.49
2021	37,584,987,296	42,889,875,682	42,544,648,750	4,959,661,454	88.34	-345,226,932	100.81	8,648,783,536	57.35
2022	39,354,232,379	40,186,392,289	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 $2,377,949 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.

Investment of Public Funds (2)

The Issuer invests its funds pursuant to Chapter 12B of the Code. Presented below is the Issuer's investing activities as of July 31, 2025:

Type of Investment	Amount Invested
Local Bank Money Market	$0
Local Bank Deposit Accounts	13,799,813.43
Local Bank Time CD's	1,000,000.00
ISJIT Money Market	0
ISJIT Time CD's	0

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

(2) Source: the Issuer

Major Employers (1)

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

Employer	Business	Approximate Employees
South O'Brien CSD	Education	110
O'Brien County	Government	100
JTV Mfg	Custom steel laser cutting	60
MercyOne Medical Center	Hospital	50-99
Mill Creek Machining	Manufacturing	20-49
Sutherland Care Center	Nursing home	20-49
Producers Cooperative	Seed Farm	20-49
Iowa State Bank	Banking	20-49
Primghar Rehabilitation Center	Nursing home	20-49
Pride Group	Nonprofit	20-49
Agrivision Equipment	Farm Equipment	20-49
CS Agrow	Fertilizer plant/custom applicator	20-49
Bob & Scott's	Grocery store	10-19
Car-Go Exp	Convenience store	10-19
Casey's	Convenience store	10-19
Main Market-Hometown Variety	Grocery store	10-19
Pro Go	Convenience store	10-19
Independent Dental	Wholesale physician & surgeon equipment	10-19
Kids Campus Daycare	Daycare	10-19
Midwest Farmers Coop	Grain storage, agronomy, product sales	10-19
Security State Bank	Banking	10-19
Bogenrif Studio	Art	10-19
Main Street Bar & Grill	Restaurant	10-19
Pizza Ranch	Restaurant	10-19
Primghar Golf Course	Golf – entertainment	10-19
B& R Excavating	Excavating contractor	10-19
Cornerstone Senior Care	Nursing Home	10-19
Kids Kampus	Daycare	10-19
Mill Creek Family Practice	Healthcare	10-19
Pearl Valley Rehab	Rehab center	10-19
Farmers Cooperative	Farm supplies	10-19
Old O'Brien Banc Shares	Holding company	10-19

Property Tax Assessment (2)

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

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

Fiscal Year	Residential	Ag. Land & Bldgs	Commercial	Sm Commercial	Multi-residential	Railroad	Sm Railroad	Utilities	Industrial
2025-26	47.4316	73.8575	90.00000	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

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, 2024 are used to calculate tax liability for the tax year starting July 1, 2025 through June 30, 2026. Presented below are the historic property valuations of the Issuer by class of property.

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(1) Source: Iowa Workforce Development.com/employer database
(2) Source: Iowa Department of Revenue

Property Valuations (1)

Actual Valuation					
Valuation as of January	2024	2023	2022	2021	2020
Fiscal Year	2025-26	2024-25	2023-24	2022-23	2021-22
Residential:	248,468,573	244,616,105	174,482,235	169,392,619	149,251,019
Agricultural Land:	401,558,724	401,575,634	301,319,353	301,557,081	325,407,862
Ag Buildings:	39,353,246	38,408,446	19,709,642	16,308,512	15,994,120
Commercial:	41,007,315	38,793,424	32,211,237	32,238,713	25,417,499
Industrial:	244,496,077	242,890,835	242,196,453	201,409,434	160,634,998
Multi-Residential	0	0	0	2,675,015	2,283,658
Reserved	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	67,503,572	70,437,626	56,590,004	53,189,258	53,923,042
Other:	0	0	0	0	0
Total Valuation:	1,042,387,507	1,036,722,070	826,508,924	776,770,632	732,912,198
Less Military:	812,000	868,000	388,920	412,996	461,148
Less Homestead:	3,022,395	1,326,000			
Net Valuation:	1,038,553,112	1,034,528,070	826,120,004	776,357,636	732,451,050
TIF Valuation:	18,490,079	19,967,170	15,519,323	12,937,112	10,137,711
Utility Replacement:	35,000,832	33,096,705	23,932,545	19,734,374	17,876,891

Taxable Valuation					
Valuation as of January	2024	2023	2022	2021	2020
Fiscal Year	2025-26	2024-25	2023-24	2022-23	2021-22
Residential:	117,691,267	112,413,208	94,685,984	91,054,699	83,630,379
Agricultural Land:	296,561,877	288,458,994	276,133,370	268,508,342	273,437,587
Ag Buildings:	29,061,333	27,587,163	18,061,995	14,521,289	13,439,935
Commercial:	28,038,561	25,797,528	20,916,550	28,062,510	22,180,123
Industrial:	214,300,054	212,616,772	213,301,722	181,135,337	144,384,795
Multi-Residential	0	0	0	1,705,326	1,541,473
Reserved	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	67,503,572	70,437,626	56,590,004	53,189,258	53,140,566
Other:	0	0	0	0	0
Total Valuation:	753,156,664	737,311,291	679,689,625	638,176,761	591,754,858
Less Military:	812,000	868,000	388,920	412,996	461,148
Less Homestead:	3,022,395	1,326,000			
Net Valuation:	749,322,269	735,117,291	679,300,705	637,763,765	591,293,710
TIF Valuation:	16,004,097	17,664,329	15,519,323	12,937,112	10,137,711
Utility Replacement:	8,291,058	8,389,339	6,318,041	6,414,219	6,120,962

Valuation Year	Fiscal Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/Utilities	% Change in Taxable Valuation
2024	2026	1,092,044,023	0.41%	773,617,424	1.64%
2023	2025	1,087,591,945	25.66%	761,170,959	8.57%
2022*	2024	865,507,842	6.98%	701,102,518	6.69%
2021	2023	809,029,122	6.39%	657,115,096	8.16%
2020	2022	760,465,652	7.70%	607,552,383	10.34%

(1) Source: Iowa Department of Management

* The Clay County Auditor adjusted its 2022 valuation it initially reported to the Department of Management.

Tax Rates (1)

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

Fiscal Year	Operating Fund	Management Fund	Board PPEL	Voter PPEL	Play Ground	Debt Service	School House	Amana Library	Total Levy
2025	6.69157	0.59397	0.33000	1.17630	0.00000	2.61950	0	0.00000	11.41134
2025	7.00088	0.53799	0.33000	1.07822	0.00000	2.70000	0	0.00000	11.64709
2024	6.88173	0.59654	0.33000	1.06788	0.00000	2.70000	0	0.00000	11.57615
2023	7.57833	0.62095	0.33000	1.04500	0.00000	0.00000	0	0.00000	9.57428
2022	7.61599	0.63607	0.33000	1.05280	0.00000	0.00000	0	0.00000	9.63486
2021	7.63216	0.66419	0.33000	1.01913	0.00000	0.00000	0	0.00000	9.64548

Historic Tax Rates (1)

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

Fiscal Year	City	School	College	State	County Assessor	County Ag Extens	County Hospital	County	Regional Transit	Total Levy Rate
2026	12.60843	11.41134	1.08921	0.00000	0.36264	0.18877	0.00000	3.65824	0.00000	29.31863
2025	14.05823	11.64709	1.08693	0.00180	0.27285	0.19000	0.00000	3.70000	0.00000	30.95690
2024	13.34889	11.57615	1.08694	0.00180	0.28379	0.20081	0.00000	3.64369	0.00000	30.14207
2023	12.44090	9.57428	1.07258	0.00240	0.26201	0.20474	0.00000	3.62352	0.00000	27.18043
2022	12.22113	9.63486	1.04303	0.00260	0.33764	0.22029	0.00000	3.98649	0.00000	27.44604
2021	12.16637	9.64548	1.07539	0.00270	0.29002	0.23866	0.00000	4.12369	0.00000	27.54231

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

Fiscal Year	City	School	College	State	County Assessor	County Ag Extens	County Hospital	County	Regional Transit	Total Levy Rate
2026	15.25207	11.41134	1.08921	0.00000	0.36264	0.18877	0.00000	3.65824	0.00000	
2025	15.29932	11.64709	1.08693	0.00180	0.27285	0.19000	0.00000	3.70000	0.00000	32.19799
2024	17.56981	11.57615	1.08694	0.00180	0.28379	0.20081	0.00000	3.64369	0.00000	34.36299
2023	16.74919	9.57428	1.07258	0.00240	0.26201	0.20474	0.00000	3.62352	0.00000	31.48872
2022	16.75914	9.63486	1.04303	0.00260	0.33764	0.22029	0.00000	3.98649	0.00000	31.98405
2021	16.54115	9.64548	1.07539	0.00270	0.29002	0.23866	0.00000	4.12369	0.00000	31.91709

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

Fiscal Year	City	School	College	State	County Assessor	County Ag Extens	County Hospital	County	Regional Transit	Total Levy Rate
2026	13.21458	11.41134	1.08921	0.00000	0.36264	0.18877	0.00000	3.65824	0.00000	29.92478
2025	13.21458	11.64709	1.08693	0.00180	0.27285	0.19000	0.00000	3.70000	0.00000	30.11325
2024	12.66776	11.57615	1.08694	0.00180	0.28379	0.20081	0.00000	3.64369	0.00000	29.46094
2023	12.32434	9.57428	1.07258	0.00240	0.26201	0.20474	0.00000	3.62352	0.00000	27.06387
2022	12.77237	9.63486	1.04303	0.00260	0.33764	0.22029	0.00000	3.98649	0.00000	27.99728
2021	12.99798	9.64548	1.07539	0.00270	0.29002	0.23866	0.00000	4.12369	0.00000	28.37392

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

Fiscal Year	City	School	College	State	County Assessor	County Ag Extens	County Hospital	County	Regional Transit	Total Levy Rate
2026	12.05602	11.41134	1.08921	0.00000	0.36264	0.18877	0.00000	3.65824	0.00000	28.76622
2025	12.05602	11.64709	1.08693	0.00180	0.27285	0.19000	0.00000	3.70000	0.00000	28.95469
2024	15.14983	11.57615	1.08694	0.00180	0.28379	0.20081	0.00000	3.64369	0.00000	31.94301
2023	14.03375	9.57428	1.07258	0.00240	0.26201	0.20474	0.00000	3.62352	0.00000	28.77328
2022	14.62988	9.63486	1.04303	0.00260	0.33764	0.22029	0.00000	3.98649	0.00000	29.85479
2021	15.60483	9.64548	1.07539	0.00270	0.29002	0.23866	0.00000	4.12369	0.00000	30.98077

Tax Collection History (2)

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

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2025	$8,734,951	$8,734,951	100.00%
2024	8,002,789	8,068,000	100.81%
2023	6,187,295	6,187,721	100.01%
2022	5,772,197	5,773,981	100.03%
2021	5,241,500	5,258,099	100.32%
2020	4,549,982	4,534,025	99.65%

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(1) Source: Iowa Department of Management
(2) Source: the Issuer

Largest Taxpayers (1) (2)

Set forth in the following table are the persons or entities which represent the 2024 largest taxpayers within the Issuer. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the Issuer. The Issuer's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the Issuer from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.

Taxpayer	2024 Taxable Valuation	Percent of Total
MidAmerican Energy Company	210,294,678	27.183%
Dakota Access LLC	40,693,885	5.260%
Northern Natural Gas Company	24,904,756	3.219%
Roorda Dairy LLC	7,837,969	1.013%
Gengler Feed Service Inc. Cont.	4,761,106	0.615%
Bunkers Feed & Supply, Inc	4,444,534	0.575%
Ave-PLP Properties LLC	3,622,665	0.468%
First Cooperative Association	3,610,504	0.467%
Jalas, Ronald H & Pamela J Revocable Trust	2,358,592	0.305%
Glaciers Edge Wind Project, LLC	2,235,901	0.289%
	Total	39.39%

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

Direct Debt

General Obligation School Bonds (Debt Service) (1)

Presented below is the principal and interest payments due on the Issuer's outstanding general obligation bonds, presented by fiscal year and issue.

Fiscal Year	11/8/23	12/3/24	Total Principal	Total Interest	Total P&I
6/1/26	$540,000	$400,000	$940,000	$1,086,488	$2,026,488
6/1/27	565,000	420,000	985,000	1,039,488	2,024,488
6/1/28	595,000	440,000	1,035,000	990,238	2,025,238
6/1/29	625,000	455,000	1,080,000	938,488	2,018,488
6/1/30	655,000	480,000	1,135,000	884,488	2,019,488
6/1/31	690,000	500,000	1,190,000	827,738	2,017,738
6/1/32	725,000	520,000	1,245,000	773,238	2,018,238
6/1/33	760,000	545,000	1,305,000	716,188	2,021,188
6/1/34	795,000	570,000	1,365,000	656,388	2,021,388
6/1/35	835,000	590,000	1,425,000	593,838	2,018,838
6/1/36	880,000	610,000	1,490,000	528,488	2,018,488
6/1/37	920,000	640,000	1,560,000	460,088	2,020,088
6/1/38	960,000	665,000	1,625,000	394,238	2,019,238
6/1/39	1,005,000	690,000	1,695,000	324,438	2,019,438
6/1/40	1,050,000	720,000	1,770,000	251,613	2,021,613
6/1/41	1,100,000	100,000	1,200,000	174,250	1,374,250
6/1/42	1,150,000		1,150,000	118,000	1,268,000
6/1/43	1,210,000		1,210,000	60,500	1,270,500
Totals:	$15,060,000	$8,345,000	$23,405,000	$10,818,188	$34,223,188

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

Presented below is the Issuer's outstanding General Obligation School Capital Loan Notes, presented by fiscal year and issue, including an estimate of this issue.

Fiscal Year	10/9/22	Estimated 12/15/25	Total Principal	Total Interest	Total P&I
6/1/26	$26,732		$26,732	$87,325	$114,057
6/1/27	26,732	$720,000	746,732	189,380	936,112
6/1/28	6,683	740,000	746,683	164,900	911,583
6/1/29		770,000	770,000	139,740	909,740
6/1/30		795,000	795,000	113,560	908,560
6/1/31		820,000	820,000	86,530	906,530
6/1/32		850,000	850,000	58,650	908,650
6/1/33		875,000	875,000	29,750	904,750
Totals:	$60,147	$5,570,000	$5,630,147	$869,835	$6,499,982

Anticipatory Warrants (1)

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

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

The Issuer does not have any outstanding School Infrastructure Sales, Services & Use Tax Revenue Bonds.

(1) Source: the Issuer

Debt Limit (1) (2) (3)

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

1/1/2024 Actual Valuation:	$1,092,044,023
X	5%
Statutory Debt Limit:	$54,602,201
Total General Obligation Bond Debt:	$23,405,000
Total General Obligation Note Debt:	5,630,147
Total Lease Purchases:	179,608
Total Loan Agreements:	0
Capital Leases:	0
Total Debt Subject to Limit:	$29,214,754
Percentage of Debt Limit Obligated:	53.50%

(1) Direct debt source: the Issuer

(2) Valuation data source: Iowa Department of Management

(3) Utility Property Tax Replacement

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

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

Overlapping & Underlying Debt (1) (3)

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

Taxing Authority	Total GO Debt Outstanding	Taxable Valuation (x $1,000)	Valuation Within Issuer (x $1,000)	Percentage Applicable	Amount Applicable
City Of Paullina	$835,000	$44,915,366	$44,915,366	100.00%	$835,000
City Of Primghar	940,000	34,809,986	34,809,986	100.00%	940,000
City Of Sutherland	287,417	20,600,897	20,600,897	100.00%	287,417
City Of Calumet	0	5,785,024	5,785,024	100.00%	0
O'Brien County	0	1,704,253,466	731,308,658	42.91%	0
Cherokee County	713,000	1,202,244,405	40,384,951	3.36%	23,951
Clay County	19,695,251	1,390,236,419	1,923,815	0.14%	27,254
Northwest Iowa Tech CC	16,390,000	7,028,888,755	773,617,424	11.01%	1,803,925
Northwest AEA	0	19,773,682,824	773,617,424	3.91%	0
				Total:	$3,917,547

FINANCIAL SUMMARY (1) (2) (3) (4)

Actual Value of Property, 2024	$1,092,044,023
Taxable Value of Property, 2024	$773,617,424
Direct General Obligation Debt:	$23,405,000
Overlapping Debt:	3,917,547
Direct & Overlapping General Obligation Debt:	$27,322,547
Population, 2020 US Census:	4,170
Direct Debt per Capita:	$5,613
Total Debt per Capita:	$6,552
Direct Debt to Taxable Valuation:	3.025%
Total Debt to Taxable Valuation:	3.532%
Direct Debt to Actual Valuation:	2.143%
Total Debt to Actual Valuation:	2.502%
Actual Valuation per Capita:	$261,881
Taxable Valuation per Capita:	$185,520

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

APPENDIX B – FORM OF LEGAL OPINION

DRAFT

We certify that we have examined a certified transcript of the proceedings of the Board of Directors of the South O'Brien Community School District in the Counties of O'Brien, Cherokee, and Clay, State of Iowa ("Issuer"), and acts of administrative officers of the Issuer, relating to the issuance of General Obligation School Capital Loan Notes, Series 2025 (the "Notes"), dated the date of delivery, in the denominations of $5,000 or multiples thereof, in the aggregate amount of $__________.

We have examined the law and such 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 the Loan Agreement and issuance of the Notes (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 political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and Loan Agreement and issue the Notes.

2. The Loan Agreement and Notes are valid and binding general obligations of the Issuer.

3. The lien of the Notes ranks on a parity as to the pledge of revenues with respect to Additional Obligations, which may be issued upon conditions set forth in the Resolution.

4. 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 Notes. Taxes have been levied by the Resolution for the payment of the Notes and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes to the extent the necessary funds are not provided from other sources.

5. Interest on the Notes 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 Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Notes 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 Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

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

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

The rights of the owners of the Notes and the enforceability of the Notes 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 South O'Brien Community School District, State of Iowa (the "Issuer"), in connection with the issuance of $__________ General Obligation School Capital Loan Notes, Series 2025 (the "Notes") dated the date of delivery. The Notes are being issued pursuant to a Resolution of the Issuer approved on November 17, 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 Notes 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 Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes 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 Notes, 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 Notes, dated _______________, 2025.

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

"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, commencing with information for the 2026 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial

Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

b. If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.

c. The Dissemination Agent shall:
   i. each year file Annual Financial Information with the National Repository; and
   ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

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

a. The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time Annual Financial Information is required to be filed pursuant to Section 3(a), the Annual Financial Information filing shall contain unaudited financial statements of the type included in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Financial Information when they become available.

b. A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the captions "Property Valuations," "Tax Rates," "Historic Tax Rates," "Tax Collection History," "Direct Debt," "Debt Limit," and "Financial Summary."

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

Section 5. Reporting of Significant Events.

a. Pursuant to the provisions of this Section, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Notes 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 Notes 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 Notes, or material events affecting the tax-exempt status of the Notes;
   vii. Modifications to rights of Holders of the Notes, if material;
   viii. Note calls (excluding sinking fund mandatory redemptions), if material, and tender offers;
   ix. Defeasances of the Notes;
   x. Release, substitution, or sale of property securing repayment of the Notes, if material;
   xi. Rating changes on the Notes;
   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 Notes shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes 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 Notes, 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 Notes, 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 Notes 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 Notes.

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 Notes 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 Notes.

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 Notes, 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.

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

By: ______________________________
President

ATTEST:

By: ______________________________
Secretary of the Board of Directors

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: South O'Brien Community School District, Iowa.

Name of Note Issue: $__________ General Obligation School Capital Loan Notes, Series 2025

Dated Date of Issue: the date of delivery

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

Dated: __________ day of _______________, 20___.

SOUTH O'BRIEN 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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SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Table of Contents

South O'Brien Community School District

Officials

Name	Title	Term Expires
	(Before November 2023)	
	Board of Education	
Gina Paulsen	President	2025
John Beck	Vice President	2023
Brenda Kruse	Board Member	2023
Sue McCauley	Board Member	2025
Richard Radtke	Board Member	2025
Josh Rausch	Board Member	2023
Beth Sibenaller-Woodall	Board Member	2023
	(After November 2023)	
	Board of Education	
Gina Paulsen	President	2025
John Beck	Vice President	2027
Dallas Jalas	Board Member	2027
Sue McCauley	Board Member	2025
Richard Radtke	Board Member	2025
Josh Rausch	Board Member	2027
Beth Sibenaller-Woodall	Board Member	2027
	School Officials	
Wade Riley	Superintendent	2024
Marty Weber	Board Treasurer	2024
Aaron Giese	Board Secretary and School Business Official	2024
Ahlers & Cooney, P.C.	Attorney	2024

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
115 North 3rd Avenue West, Newton, Iowa 50208-3218
Telephone (641) 792-1910

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of South O'Brien Community School District:

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

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 South O'Brien 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 South O'Brien 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 judgement 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South O'Brien 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the South O'Brien 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 7 through 16 and 44 through 50 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 with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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 South O'Brien Community School District's basic financial statements. We previously audited, in accordance with the 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 7, 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, including the Schedule of Expenditures of Federal Awards, 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 7, 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 Information

Management is responsible for the other information in the independent auditor's report. The other information comprises the officials page but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 23, 2025 on our consideration of South O'Brien Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the 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 South O'Brien Community School District's internal control over financial reporting and compliance.

Nolte, Cornman & Johnson PC

NOLTE, CORNMAN & JOHNSON, P.C.

July 23, 2025
Newton, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

South O'Brien 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

- The District's total net position increased from $11,176,075 at June 30, 2023 to $14,992,377 at June 30, 2024. Total revenues increased 25.46% from $11,190,517 in fiscal year 2023 to $14,039,486 in fiscal year 2024, while total expenses increased 6.68% from $9,582,893 in fiscal year 2023 to $10,223,184 in fiscal year 2024. Revenues from property tax increased $1,880,279 which was the primary reason for the increase in total revenues. Other expenses increased $565,876 which was the primary reason for the increase in total expenses.

- The District's General Fund balance increased from $1,933,056 at June 30, 2023 to $2,200,124 at June 30, 2024. Total General Fund revenues increased from $8,135,567 in fiscal year 2023 to $8,261,547 in fiscal year 2024, while total General Fund expenditures increased from $7,878,136 in fiscal year 2023 to $7,994,479 in fiscal year 2024. Revenues from federal sources increased $153,670 which was the primary reason for the increase in total revenues. Regular instruction expenditures increased $119,550 which was the primary reason for the increase in total expenditures.

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 South O'Brien 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 were financed in the short term as well as what remains for future spending. Fund financial statements report South O'Brien Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds.

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

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

Supplementary Information provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1
South O'Brien Community School District Annual Financial Report

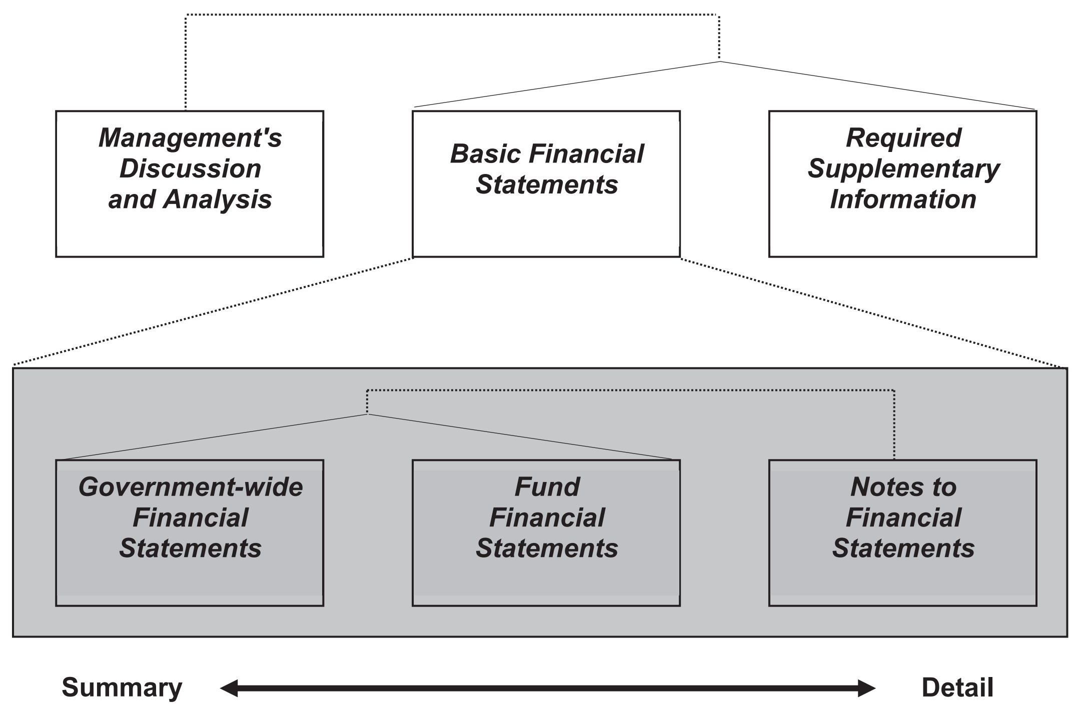

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2
Major Features of the Government-Wide and Fund Financial Statements

	Government-w ide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food service, preschool, w olverine snack shack
Required financial statements	· Statement of net position · Statement of activities	· Balance sheet · Statement of revenues, expenditures, and changes in fund balances	· Statement of net position · Statement of revenues, expenses and changes in fund net position · Statement of cash flow s
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflow / inflow information	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/ acquisition of fund balance that is applicable to a future reporting period	Consumption/ acquisition of net position that is applicable to a future reporting period
Type of inflow / outflow information	All revenues and expenses during year, regardless of w hen cash is received or paid	Revenues for w hich cash is received during or soon after the end of the year; expenditures w hen goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of w hen cash is received or paid

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 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 are 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, preschool and snack shack 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 two kinds of funds:

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

   The District's governmental funds include the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects 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 has three Enterprise Funds, the School Nutrition Fund, the Preschool Fund and the Wolverine Snack Shack Fund.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2024	2023	2024	2023	2024	2023	2023-24
Current and other assets	$ 33,623,465	15,620,736	416,829	388,261	34,040,294	16,008,997	112.63%
Capital assets	10,391,086	7,336,016	79,257	51,216	10,470,343	7,387,232	41.74%
Total assets	44,014,551	22,956,752	496,086	439,477	44,510,637	23,396,229	90.25%
Deferred outflows of resources	973,674	695,219	26,085	17,678	999,759	712,897	40.24%
Long-term liabilities	18,476,609	3,131,911	66,651	58,414	18,543,260	3,190,325	481.23%
Other liabilities	2,642,937	1,126,945	22,586	12,559	2,665,523	1,139,504	133.92%
Total liabilities	21,119,546	4,258,856	89,237	70,973	21,208,783	4,329,829	389.83%
Deferred inflows of resources	9,293,739	8,592,147	15,497	11,075	9,309,236	8,603,222	8.21%
Net position:							
Net investment in capital assets	9,165,187	7,220,413	79,257	51,216	9,244,444	7,271,629	27.13%
Restricted	5,556,494	4,377,746	-	-	5,556,494	4,377,746	26.93%
Unrestricted	(146,741)	(797,191)	338,180	323,891	191,439	(473,300)	140.45%
Total net position	$ 14,574,940	10,800,968	417,437	375,107	14,992,377	11,176,075	34.15%

The District's total net position increased 34.15%, or $3,816,302, from the prior year.

The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, buildings, equipment and right-to-use leased assets), 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 $1,178,748, or 26.93%, from the prior year. The increase was primarily a result of an increase in the amount restricted for physical plant and equipment compared to the prior 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 140.45%, or $664,739. This increase in unrestricted net position was primarily a result of an increase in the District's pension related deferred outflows of resources.

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

Figure A-4
Changes in Net Position

	Governmental Activities 2024	Governmental Activities 2023	Business Type Activities 2024	Business Type Activities 2023	Total District 2024	Total District 2023	Total Change 2023-24
Revenues:							
Program revenues:							
Charges for service	$ 296,323	320,863	155,102	167,399	451,425	488,262	-7.54%
Operating grants, contributions and restricted interest	1,213,323	985,003	291,550	270,743	1,504,873	1,255,746	19.84%
Capital grants, contributions and restricted interest	60,000	-	-	-	60,000	-	100.00%
General revenues:							
Property tax	8,068,000	6,187,721	-	-	8,068,000	6,187,721	30.39%
Income surtax	519,610	541,072	-	-	519,610	541,072	-3.97%
Statewide sales, services and use tax	739,699	754,951	-	-	739,699	754,951	-2.02%
Unrestricted state grants	1,698,516	1,673,913	-	-	1,698,516	1,673,913	1.47%
Unrestricted investment earnings	946,244	209,024	19,805	14,126	966,049	223,150	332.91%
Other	22,229	49,714	9,085	15,988	31,314	65,702	-52.34%
Total revenues	13,563,944	10,722,261	475,542	468,256	14,039,486	11,190,517	25.46%
Program expenses:							
Instruction	5,302,388	5,355,863	38,372	53,401	5,340,760	5,409,264	-1.27%
Support services	3,339,307	3,256,431	7,021	5,892	3,346,328	3,262,323	2.58%
Non-instructional programs	-	7,542	416,062	349,606	416,062	357,148	16.50%
Other expenses	1,120,034	554,158	-	-	1,120,034	554,158	102.11%
Total expenses	9,761,729	9,173,994	461,455	408,899	10,223,184	9,582,893	6.68%
Excess of revenues over expenses	3,802,215	1,548,267	14,087	59,357	3,816,302	1,607,624	137.39%
Transfers	(28,243)	(26,701)	28,243	26,701	-	-	0.00%
Change in net position	3,773,972	1,521,566	42,330	86,058	3,816,302	1,607,624	137.39%
Net position beginning of year	10,800,968	9,279,402	375,107	289,049	11,176,075	9,568,451	16.80%
Net position end of year	$ 14,574,940	10,800,968	417,437	375,107	14,992,377	11,176,075	34.15%

In fiscal year 2024, property tax and unrestricted state grants accounted for 72.00% of governmental activities revenues while charges for service and operating grants, contributions and restricted interest accounted for 93.92% of business type activities revenues.

The District's total revenues were approximately $14.04 million, of which approximately $13.56 million was for governmental activities and approximately $0.48 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 25.46% increase in revenues and a 6.68% increase in expenses. Revenues from property tax increased $1,880,279 which was the primary reason for the increase in total revenues. Other expenses increased $565,876 which was the primary reason for the increase in total expenses.

Governmental Activities

Revenues for governmental activities were $13,563,944 and expenses were $9,761,729 for the year ended June 30, 2024.

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

Figure A-5
Total and Net Cost of Governmental Activities

	Total Cost of Services			Net Cost of Services		
	2024	2023	Change 2023-24	2024	2023	Change 2023-24
Instruction	$ 5,302,388	5,355,863	-1.00%	4,389,899	4,557,257	-3.67%
Support services	3,339,307	3,256,431	2.54%	2,974,328	3,034,347	-1.98%
Non-instructional programs	-	7,542	-100.00%	-	7,542	-100.00%
Other expenses	1,120,034	554,158	102.11%	827,856	268,982	207.77%
Total	$ 9,761,729	9,173,994	6.41%	8,192,083	7,868,128	4.12%

For the year ended June 30, 2024:

- The cost financed by users of the District's programs was $296,323.
- Federal and state governments, along with donations and contributions from local sources, subsidized certain programs and projects with grants and contributions totaling $1,273,323.
- The net cost of governmental activities was financed with $8,068,000 in property tax, $519,610 in income surtax, $739,699 in statewide sales, services and use tax, $1,698,516 in unrestricted state grants, $946,244 in interest income and $22,229 in other general revenues.

Business Type Activities

Revenues of the District's business type activities for the year ended June 30, 2024 were $475,542 and expenses were $461,455. The District's business type activities include the School Nutrition Fund, the Preschool Fund and the Wolverine Snack Shack Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment income and other general revenues.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of $21,822,305, above last year's ending combined fund balances of $5,956,003. This increase in the combined fund balances is primarily due to the increase in the Capital Projects Fund balance.

Governmental Fund Highlights

- The District's General Fund financial position is the product of many factors. General Fund revenues increased due primarily to an increase in revenues from federal sources. General Fund expenditures increased mainly due to an increase in regular instruction expenditures. In total, revenues outpaced expenditures and the General Fund balance increased from $1,933,056 at June 30, 2023 to $2,200,124 at June 30, 2024.

- The Capital Projects Fund balance increased from $3,460,466 at June 30, 2023 to $18,914,749 at June 30, 2024. During the year, the District sold $17,000,000 of general obligation bonds. This increase in fund balance consists primarily of unexpended bond proceeds which will be expended as work on District capital projects progresses.

- The Debt Service Fund balance increased from $0 at June 30, 2023 to $77,632 at June 30, 2024. Principal and interest and fiscal charges totaled $1,918,484 for the year.

Proprietary Fund Highlights

- The School Nutrition Fund net position decreased from $367,054 at June 30, 2023 to $361,616 at June 30, 2024, a decrease of 1.48%.

- The Preschool Fund net position increased from deficit $14,479 at June 30, 2023 to $36,932 at June 30, 2024, an increase of 355.07%.

- The Wolverine Snack Shack net position decreased from $22,532 at June 30, 2023 to $18,889 at June 30, 2024, a decrease of 16.17%.

BUDGETARY HIGHLIGHTS

The District's revenues were $1,453,051 more than budgeted revenues, a variance of 11.54%. The most significant variance resulted from the District receiving more from local sources than originally anticipated.

Total expenditures were less than budgeted, due primarily to the District's budget for the General Fund. 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, the District's certified budget should always exceed actual expenditures for the year.

In spite of the District's budgetary practice, expenditures exceeded the budgeted amounts in the non-instructional programs and other expenditures functions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the District had invested $10,470,343, net of accumulated depreciation/amortization, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents an increase of 41.74% from the prior year. More detailed information about the District's capital assets is presented in Note 5 to the financial statements. Depreciation/amortization expense for the year was $528,685 for governmental activities and $8,423 for business type activities.

The original cost of the District's capital assets was $21,116,737. Governmental activities accounted for $20,807,906 with the remainder of $308,831 accounted for in the Enterprise, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the construction in progress category. The District's construction in progress totaled $3,041,515 at June 30, 2024 compared to $83,461 at June 30, 2023. This increase is a result of on-going construction activity on District capital projects.

	Figure A-6						
	Capital Assets, Net of Depreciation/Amortization						
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2024	2023	2024	2023	2024	2023	2023-24
Land	$ 103,514	103,514	-	-	103,514	103,514	0.00%
Construction in progress	3,041,515	83,461	-	-	3,041,515	83,461	3544.24%
Buildings	5,882,263	5,640,161	-	-	5,882,263	5,640,161	4.29%
Land improvements	717,145	729,334	-	-	717,145	729,334	-1.67%
Machinery and equipment	555,818	664,493	79,257	51,216	635,075	715,709	-11.27%
Right-to-use leased assets	90,831	115,053	-	-	90,831	115,053	-21.05%
Total	$ 10,391,086	7,336,016	79,257	51,216	10,470,343	7,387,232	41.74%

Long-Term Debt

At June 30, 2024, the District had $15,668,032 of total long-term debt outstanding. This represents an increase of 13,453.31% from the prior year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

The District had outstanding general obligation bonded indebtedness of $15,575,000 at June 30, 2024.

The District had outstanding lease agreement indebtedness of $93,032 at June 30, 2024.

	Figure A-7		
	Outstanding Long-Term Obligations		
	Total District		Total Change
	June 30,		June 30,
	2024	2023	2023-24
General obligation bonds	$ 15,575,000	-	100.00%
Lease agreements	93,032	115,603	-19.52%
Total	$ 15,668,032	115,603	13453.31%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The District has a voted Instructional Support Levy that extends through fiscal year 2029 to continue funding for education programs and technology.

- The District saw an increase in fiscal year 2023 certified enrollment and that number is expected to fluctuate in future years leading to some budgetary uncertainty.

- At the time of the audit completion, negotiations for the fiscal year 2025 wage agreement with the South O'Brien Education Association had not been completed. Any increase in the total compensation/benefit package will have an effect on the economic future of the District.

- The residents of the District voted and passed a revised Revenue Purpose Statement to authorize the use of revenue from the statewide sales, services, and use tax funds from the State of Iowa to the Secure and Advanced Vision for Education Fund for School Infrastructure through the year 2050 on November 7, 2023.

- The District has a voted Physical Plant and Equipment Levy that extends through fiscal year 2033 that will continue to increase in revenue as the District's assessed valuation will increase over the coming years.

- The District has levied for additional cash reserves in the past, but has been unable to do so in the last couple of fiscal years. This will change in future years as the District looks to amend the amount of cash reserves levied in years in which they are able to do so.

- The Supplemental State Aid has been set at a level that is inadequate for the growing needs of additional expenditures in the past several years. The Supplemental State Aid for fiscal year 2024 was set at 3%.

- Iowa legislators will continue to push for property tax reform in future fiscal years which could have a significant impact on the District's ability to levy the resources needed to improve the school environment. The District will continue to monitor the situation and reach out to legislators as necessary.

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 Aaron Giese, Board Secretary and School Business Official, South O'Brien Community School District, 216 South Rutledge Street, Paullina, Iowa 51046.

BASIC FINANCIAL STATEMENTS

Exhibit A

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	$ 24,079,897	363,411	24,443,308
Receivables:			
Property tax:			
Delinquent	52,069	-	52,069
Succeeding year	8,734,951	-	8,734,951
Income surtax	476,980	-	476,980
Accounts	2,976	200	3,176
Due from other governments	276,592	26,478	303,070
Inventories	-	26,740	26,740
Capital assets not being depreciated/amortized	3,145,029	-	3,145,029
Capital assets, net of accumulated depreciation/amortization	7,246,057	79,257	7,325,314
Total assets	44,014,551	496,086	44,510,637
Deferred Outflows of Resources			
Pension related deferred outflows	841,578	21,915	863,493
OPEB related deferred outflows	132,096	4,170	136,266
Total deferred outflows of resources	973,674	26,085	999,759
Liabilities			
Accounts payable	1,964,291	10,072	1,974,363
Salaries and benefits payable	615,605	9,361	624,966
Accrued interest payable	63,041	-	63,041
Unearned revenue	-	3,153	3,153
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	515,000	-	515,000
Lease agreements	23,479	-	23,479
Termination benefits	104,000	-	104,000
Portion due after one year:			
General obligation bonds	15,060,000	-	15,060,000
Lease agreements	69,553	-	69,553
Termination benefits	88,000	-	88,000
Net pension liability	2,320,640	57,309	2,377,949
Total OPEB liability	295,937	9,342	305,279
Total liabilities	21,119,546	89,237	21,208,783
Deferred Inflows of Resources			
Succeeding year property tax revenue	8,734,951	-	8,734,951
Pension related deferred inflows	268,887	6,641	275,528
OPEB related deferred inflows	280,568	8,856	289,424
Other	9,333	-	9,333
Total deferred inflows of resources	9,293,739	15,497	9,309,236
Net Position			
Net investment in capital assets	9,165,187	79,257	9,244,444
Restricted for:			
Categorical funding	567,487	-	567,487
Debt service	14,591	-	14,591
Management levy purposes	401,408	-	401,408
Student activities	100,392	-	100,392
School infrastructure	1,679,823	-	1,679,823
Physical plant and equipment	2,792,793	-	2,792,793
Unrestricted	(146,741)	338,180	191,439
Total net position	$ 14,574,940	417,437	14,992,377

SEE NOTES TO FINANCIAL STATEMENTS.

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Functions/Programs:							
Governmental activities:							
Instruction:							
Regular	$ 2,809,263	141,298	59,021	-	(2,608,944)	-	(2,608,944)
Special	1,222,842	23,280	89,379	-	(1,110,183)	-	(1,110,183)
Other	1,270,283	131,518	467,993	-	(670,772)	-	(670,772)
	5,302,388	296,096	616,393	-	(4,389,899)	-	(4,389,899)
Support services:							
Student	137,404	-	13,915	-	(123,489)	-	(123,489)
Instructional staff	513,734	-	127,076	-	(386,658)	-	(386,658)
Administration	953,534	-	45,262	-	(908,272)	-	(908,272)
Operation and maintenance of plant	1,141,214	-	18,162	60,000	(1,063,052)	-	(1,063,052)
Transportation	593,421	227	100,337	-	(492,857)	-	(492,857)
	3,339,307	227	304,752	60,000	(2,974,328)	-	(2,974,328)
Long-term debt interest	533,954	-	-	-	(533,954)	-	(533,954)
Other expenditures:							
AEA flowthrough	292,178	-	292,178	-	-	-	-
Depreciation/amortization (unallocated)*	293,902	-	-	-	(293,902)	-	(293,902)
	586,080	-	292,178	-	(293,902)	-	(293,902)
Total governmental activities	9,761,729	296,323	1,213,323	60,000	(8,192,083)	-	(8,192,083)
Business type activities:							
Instruction:							
Other	38,372	23,989	28,000	-	-	13,617	13,617
Support services:							
Instructional staff	30	-	-	-	-	(30)	(30)
Administration	1,676	-	-	-	-	(1,676)	(1,676)
Operation and maintenance of plant	4,217	-	-	-	-	(4,217)	(4,217)
Transportation	1,098	-	-	-	-	(1,098)	(1,098)
	7,021	-	-	-	-	(7,021)	(7,021)
Non-instructional programs:							
Food service operations	416,062	131,113	263,550	-	-	(21,399)	(21,399)
Total business type activities	461,455	155,102	291,550	-	-	(14,803)	(14,803)
Total	$ 10,223,184	451,425	1,504,873	60,000	(8,192,083)	(14,803)	(8,206,886)
General Revenues and Transfers:							
Property tax levied for:							
General purposes					$ 5,171,736	-	5,171,736
Debt service					1,908,283	-	1,908,283
Capital outlay					987,981	-	987,981
Income surtax					519,610	-	519,610
Statewide sales, services and use tax					739,699	-	739,699
Unrestricted state grants					1,698,516	-	1,698,516
Unrestricted investment earnings					946,244	19,805	966,049
Other					22,229	9,085	31,314
Transfers					(28,243)	28,243	-
Total general revenues and transfers					11,966,055	57,133	12,023,188
Change in net position					3,773,972	42,330	3,816,302
Net position beginning of year					10,800,968	375,107	11,176,075
Net position end of year					$ 14,574,940	417,437	14,992,377

* This amount excludes the depreciation/amortization that is included in the direct expense of various programs.

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit C

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Capital Projects	Debt Service	Nonmajor	Total
Assets					
Cash and pooled investments	$ 2,948,515	20,435,927	65,334	630,121	24,079,897
Receivables:					
Property tax:					
Delinquent	30,741	6,367	12,298	2,663	52,069
Succeeding year	5,207,894	1,071,896	2,055,162	399,999	8,734,951
Income surtax	286,188	190,792	-	-	476,980
Accounts	1,329	-	-	1,647	2,976
Due from other governments	208,529	68,063	-	-	276,592
Total assets	$ 8,683,196	21,773,045	2,132,794	1,034,430	33,623,465
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	$ 364,052	1,595,608	-	4,631	1,964,291
Salaries and benefits payable	615,605	-	-	-	615,605
Total liabilities	979,657	1,595,608	-	4,631	2,579,896
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	5,207,894	1,071,896	2,055,162	399,999	8,734,951
Income surtax	286,188	190,792	-	-	476,980
Other	9,333	-	-	-	9,333
Total deferred inflows of resources	5,503,415	1,262,688	2,055,162	399,999	9,221,264
Fund balances:					
Restricted for:					
Categorical funding	567,487	-	-	-	567,487
Debt service	-	-	77,632	-	77,632
Management levy purposes	-	-	-	529,408	529,408
Student activities	-	-	-	100,392	100,392
School infrastructure	-	16,121,956	-	-	16,121,956
Physical plant and equipment	-	2,792,793	-	-	2,792,793
Unassigned	1,632,637	-	-	-	1,632,637
Total fund balances	2,200,124	18,914,749	77,632	629,800	21,822,305
Total liabilities, deferred inflows of resources and fund balances	$ 8,683,196	21,773,045	2,132,794	1,034,430	33,623,465

SEE NOTES TO FINANCIAL STATEMENTS.

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total fund balances of governmental funds (page 20)		$ 21,822,305
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		10,391,086
Accounts receivable income surtax is not available to finance expenditures of the current year and, therefore, is recognized as deferred inflows of resources in the governmental funds.		476,980
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 governmental funds.		(63,041)
Pension and OPEB 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	$ 973,674	
Deferred inflows of resources	(549,455)	424,219
Long-term liabilities, including bonds payable, lease agreements payable, termination benefits payable, net pension liability and total OPEB liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(18,476,609)
Net position of governmental activities (page 18)		$ 14,574,940

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit E

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General	Capital Projects	Debt Service	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	$ 5,075,732	1,198,885	1,908,283	412,360	8,595,260
Tuition	150,866	-	-	-	150,866
Other	183,017	799,991	45,237	178,880	1,207,125
State sources	2,213,454	747,868	15,778	3,485	2,980,585
Federal sources	635,187	2,466	86	19	637,758
Total revenues	8,258,256	2,749,210	1,969,384	594,744	13,571,594
Expenditures:					
Current:					
Instruction:					
Regular	2,824,200	92,641	-	64,000	2,980,841
Special	1,305,425	-	-	-	1,305,425
Other	1,099,425	15,042	-	170,714	1,285,181
	5,229,050	107,683	-	234,714	5,571,447
Support services:					
Student	160,063	-	-	-	160,063
Instructional staff	433,048	83,146	-	-	516,194
Administration	780,038	265,593	-	133,393	1,179,024
Operation and maintenance of plant	643,323	136,464	-	111,451	891,238
Transportation	412,796	93,807	-	47,867	554,470
	2,429,268	579,010	-	292,711	3,300,989
Capital outlay	-	3,863,699	-	-	3,863,699
Long-term debt:					
Principal	-	-	1,447,571	-	1,447,571
Interest and fiscal charges	-	-	470,913	-	470,913
	-	-	1,918,484	-	1,918,484
Other expenditures:					
AEA flowthrough	292,178	-	-	-	292,178
Total expenditures	7,950,496	4,550,392	1,918,484	527,425	14,946,797
Excess (Deficiency) of revenues over (under) expenditures	307,760	(1,801,182)	50,900	67,319	(1,375,203)
Other financing sources (uses):					
Insurance proceeds	-	92,254	-	-	92,254
Proceeds from the sale of equipment	3,291	-	-	-	3,291
General obligation bond proceeds	-	17,000,000	-	-	17,000,000
Premium on bond issuance	-	347,658	-	-	347,658
Discount on bond issuance	-	(173,455)	-	-	(173,455)
Transfer in	-	15,740	26,732	-	42,472
Transfer out	(43,983)	(26,732)	-	-	(70,715)
Total other financing sources (uses)	(40,692)	17,255,465	26,732	-	17,241,505
Change in fund balances	267,068	15,454,283	77,632	67,319	15,866,302
Fund balances beginning of year	1,933,056	3,460,466	-	562,481	5,956,003
Fund balances end of year	$ 2,200,124	18,914,749	77,632	629,800	21,822,305

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit F

SOUTH O'BRIEN 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

Change in fund balances - total governmental funds (page 22)		$ 15,866,302
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/amortization expense in the Statement of Activities. Capital outlay expenditures and depreciation/amortization expense in the current year are as follows:		
Capital outlay	$ 3,583,755	
Depreciation/amortization expense	(528,685)	3,055,070
Income surtax receivable is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.		(7,650)
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 and repayments are as follows:		
Issued	(17,000,000)	
Repaid	1,447,571	(15,552,429)
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.		(63,041)
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.		430,328
Some expenses reported in the Statement of Activities do not require the use current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Termination benefits	112,000	
Pension expense	(82,451)	
Total OPEB liability and related expenses	15,843	45,392
Change in net position of governmental activities (page 19)		$ 3,773,972

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit G

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business Type Activities: Enterprise Funds			
	School Nutrition	Preschool	Wolverine Snack Shack	Total
Assets				
Current assets:				
Cash and pooled investments	$ 307,434	37,088	18,889	363,411
Accounts receivable	50	150	-	200
Due from other governments	26,478	-	-	26,478
Inventories	26,740	-	-	26,740
Total current assets	360,702	37,238	18,889	416,829
Noncurrent assets:				
Capital assets, net of accumulated depreciation	79,257	-	-	79,257
Total assets	439,959	37,238	18,889	496,086
Deferred Outflows of Resources				
Pension related deferred outflows	19,439	2,476	-	21,915
OPEB related deferred outflows	4,170	-	-	4,170
Total deferred outflows of resources	23,609	2,476	-	26,085
Liabilities				
Current liabilities:				
Accounts payable	10,072	-	-	10,072
Salaries and benefits payable	6,579	2,782	-	9,361
Unearned revenue	3,153	-	-	3,153
Total current liabilities	19,804	2,782	-	22,586
Noncurrent liabilities:				
Net pension liability	57,309	-	-	57,309
Total OPEB liability	9,342	-	-	9,342
Total noncurrent liabilities	66,651	-	-	66,651
Total liabilities	86,455	2,782	-	89,237
Deferred Inflows of Resources				
Pension related deferred inflows	6,641	-	-	6,641
OPEB related deferred inflows	8,856	-	-	8,856
Total deferred inflows of resources	15,497	-	-	15,497
Net Position				
Net investment in capital assets	79,257	-	-	79,257
Unrestricted	282,359	36,932	18,889	338,180
Total net position	$ 361,616	36,932	18,889	417,437

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit H

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business Type Activities: Enterprise Funds			
	School Nutrition	Preschool	Wolverine Snack Shack	Total
Operating revenues:				
Local sources:				
Charges for service	$ 131,113	23,989	-	155,102
Miscellaneous	1,741	1,744	5,600	9,085
Total operating revenues	132,854	25,733	5,600	164,187
Operating expenses:				
Instruction:				
Other:				
Salaries	-	24,911	-	24,911
Benefits	-	1,774	-	1,774
Supplies	-	1,774	9,913	11,687
	-	28,459	9,913	38,372
Support services:				
Instructional staff:				
Services	-	30	-	30
Administration:				
Services	676	-	-	676
Other	-	1,000	-	1,000
	676	1,000	-	1,676
Operation and maintenance of plant:				
Services	4,217	-	-	4,217
Transportation:				
Salaries	-	938	-	938
Benefits	-	160	-	160
	-	1,098	-	1,098
Total support services	4,893	2,128	-	7,021
Non-instructional programs:				
Food service operations:				
Salaries	102,324	-	-	102,324
Benefits	38,378	-	-	38,378
Supplies	266,937	-	-	266,937
Depreciation	8,423	-	-	8,423
	416,062	-	-	416,062
Total operating expenses	420,955	30,587	9,913	461,455
Operating loss	(288,101)	(4,854)	(4,313)	(297,268)
Non-operating revenues:				
State sources	2,352	-	-	2,352
Federal sources	261,198	28,000	-	289,198
Interest income	19,113	22	670	19,805
Total non-operating revenues	282,663	28,022	670	311,355
Change in net position before other financing sources	(5,438)	23,168	(3,643)	14,087
Other financing sources:				
Transfer in	-	28,243	-	28,243
Change in net position	(5,438)	51,411	(3,643)	42,330
Net position beginning of year	367,054	(14,479)	22,532	375,107
Net position end of year	$ 361,616	36,932	18,889	417,437

SEE NOTES TO FINANCIAL STATEMENTS.

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business Type Activities: Enterprise Funds			
	School Nutrition	Preschool	Wolverine Snack Shack	Total
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	$ 127,093	-	-	127,093
Cash received from preschool operations	-	24,139	-	24,139
Cash received from miscellaneous	1,741	1,744	5,600	9,085
Cash payments to employees for services	(128,229)	(30,451)	-	(158,680)
Cash payments to suppliers for goods or services	(239,376)	(2,804)	(9,913)	(252,093)
Net cash used in operating activities	(238,771)	(7,372)	(4,313)	(250,456)
Cash flows from non-capital financing activities:				
Transfer from the General Fund	-	28,243	-	28,243
Net repayments to the General Fund	-	(15,000)	-	(15,000)
State grants received	2,352	-	-	2,352
Federal grants received	200,878	28,000	-	228,878
Net cash provided by non-capital financing activities	203,230	41,243	-	244,473
Cash flows from capital and related financing activities:				
Purchase of capital assets	(36,464)	-	-	(36,464)
Cash flows from investing activities:				
Interest on investments	19,113	22	670	19,805
Net increase (decrease) in cash and pooled investments	(52,892)	33,893	(3,643)	(22,642)
Cash and pooled investments beginning of year	360,326	3,195	22,532	386,053
Cash and pooled investments end of year	$ 307,434	37,088	18,889	363,411
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	$ (288,101)	(4,854)	(4,313)	(297,268)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Commodities consumed	33,842	-	-	33,842
Depreciation	8,423	-	-	8,423
Change in assets and liabilities:				
Inventories	(9,932)	-	-	(9,932)
Accounts receivable	50	150	-	200
Accounts payable	8,544	-	-	8,544
Salaries and benefits payable	5,745	(192)	-	5,553
Net pension liability	16,324	-	-	16,324
Deferred outflows of resources	(5,931)	(2,476)	-	(8,407)
Deferred inflows of resources	4,422	-	-	4,422
Unearned revenue	(4,070)	-	-	(4,070)
Total OPEB liability	(8,087)	-	-	(8,087)
Net cash used in operating activities	$ (238,771)	(7,372)	(4,313)	(250,456)

Non-cash investing, capital and related financing activities:
During the year ended June 30, 2024, the District received $33,842 of federal commodities.

SEE NOTES TO FINANCIAL STATEMENTS.

(1) Summary of Significant Accounting Policies

South O'Brien Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. The geographic area served primarily includes the Cities of Paullina, Primghar, Sutherland and Calumet, Iowa and the predominately agricultural territory in a portion of O'Brien, Cherokee, and Clay Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

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

Jointly Governed Organizations - 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 O'Brien County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of 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.

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

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

Fund Financial Statements - Separate financial statements are provided for governmental, 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's 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 Capital Projects Fund is utilized to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

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 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, Preschool Fund is used to account for the District's 3-year-old preschool program.

The Enterprise, Wolverine Snack Shack Fund is used to account for the District's school store.

C. Measurement Focus and Basis of Accounting

The 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.

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

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

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

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

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

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

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

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

Cash, Pooled Investments and Cash Equivalents - 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 are 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, at the day of purchase, they have a maturity date no longer than three months.

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

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

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

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

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

Capital Assets - Capital assets are tangible and intangible assets, which include property, furniture and equipment reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets, which include property, machinery and equipment and intangibles acquired after July 1, 1980, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value.

Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with the tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	$ 2,500
Buildings	2,500
Land improvements	2,500
Intangibles	2,500
Right-to-use leased assets	5,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	2,500

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 estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	15-50 years
Land improvements	15-50 years
Intangibles	2+ years
Right-to-use leased assets	2+ years
Machinery and equipment	5-15 years

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

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

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

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

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments, as well as any purchase option price included in the agreement that the District would be reasonably certain to exercise.

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

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

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 Revenues - 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 Enterprise, 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 column in the Statement of Net Position.

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

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

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

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

Fund Balance - Board policy #701.04 describes the District's fund balance designations. In the governmental fund financial statements, fund balances are classified as follows:

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

Unassigned - All amounts not included in the preceding classification.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2024, expenditures exceeded the budgeted amounts in the non-instructional programs and other expenditures functions.

(2) Cash and Pooled Investments

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

The District is authorized by statute to invest public funds in obligations of the United States Government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. At June 30, 2024, the District had no such investments.

(3) Interfund Transfers

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

Transfer to	Transfer from	Amount
Capital Projects: Physical Plant and Equipment Levy	General	$ 15,740
Preschool	General	28,243
Debt Service	Capital Projects: Physical Plant and Equipment Levy	26,732
Total		$ 70,715

The transfer from the General Fund to the Capital Projects: Physical Plant and Equipment Levy Fund moved a portion of ESSER III grant awards received by the District.

The transfer from the General Fund to the Preschool Fund moved a portion of ESSER III grant awards received by the District.

The transfer from the Capital Projects: Physical Plant and Equipment Levy Fund to the Debt Service Fund was for principal and interest payments on the District's lease agreement indebtedness.

(4) Construction Commitment

The District has entered into contracts totaling $28,163,000 for capital projects. As of June 30, 2024, costs of $3,041,515 had been incurred against the contracts. The balance remaining at June 30, 2024 will be paid as work on the projects progresses.

(5) Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	$ 103,514	-	-	103,514
Construction in progress	83,461	3,410,506	452,452	3,041,515
Total capital assets not being depreciated/amortized	186,975	3,410,506	452,452	3,145,029
Capital assets being depreciated/amortized:				
Buildings	10,860,281	480,756	-	11,341,037
Land improvements	1,201,447	43,059	-	1,244,506
Machinery and equipment	4,994,373	101,886	140,033	4,956,226
Right-to-use leased assets	121,108	-	-	121,108
Total capital assets being depreciated/amortized	17,177,209	625,701	140,033	17,662,877
Less accumulated depreciation/amortization for:				
Buildings	5,220,120	238,654	-	5,458,774
Land improvements	472,113	55,248	-	527,361
Machinery and equipment	4,329,880	210,561	140,033	4,400,408
Right-to-use leased assets	6,055	24,222	-	30,277
Total accumulated depreciation/amortization	10,028,168	528,685	140,033	10,416,820
Total capital assets being depreciated/amortized, net	7,149,041	97,016	-	7,246,057
Governmental activities capital assets/amortized, net	$ 7,336,016	3,507,522	452,452	10,391,086
Business type activities:				
Machinery and equipment	$ 272,367	36,464	-	308,831
Less accumulated depreciation	221,151	8,423	-	229,574
Business type activities capital assets, net	$ 51,216	28,041	-	79,257

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	$ 44,311
Other	9,488
Support services:	
Instructional staff	56,863
Operation and maintenance of plant	14,618
Transportation	109,503
	234,783
Unallocated depreciation/amortization	293,902
Total governmental activities depreciation/amortization expense	$ 528,685
Business type activities:	
Food service operations	$ 8,423

(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	$ -	17,000,000	1,425,000	15,575,000	515,000
Lease agreements	115,603	-	22,571	93,032	23,479
Termination benefits	304,000	-	112,000	192,000	104,000
Net pension liability	2,150,715	169,925	-	2,320,640	-
Total OPEB liability	561,593	-	265,656	295,937	-
Total	$ 3,131,911	17,169,925	1,825,227	18,476,609	642,479
Business type activities:					
Net pension liability	$ 40,985	16,324	-	57,309	-
Total OPEB liability	17,429	-	8,087	9,342	-
Total	$ 58,414	16,324	8,087	66,651	-

General Obligation Bonds

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

Year Ending June 30,	General Obligation Bonds issued Nov. 8, 2023 Interest Rate		Principal	Interest	Total
2025	5.00	% $	515,000	756,488	1,271,488
2026	5.00		540,000	730,737	1,270,737
2027	5.00		565,000	703,738	1,268,738
2028	5.00		595,000	675,487	1,270,487
2029	5.00		625,000	645,738	1,270,738
2030-2034	5.00		3,625,000	2,727,437	6,352,437
2035-2039	4.38-5.00		4,600,000	1,743,488	6,343,488
2040-2043	4.63-5.00		4,510,000	567,562	5,077,562
Total		$	15,575,000	8,550,675	24,125,675

Lease Agreement

On October 4, 2022, the District entered into a lease agreement for copiers. The agreement requires monthly payments of $2,228 over 60 months with an implicit interest rate of 3.95% and final payment due March 2028. Details of the District's June 30, 2024 lease agreement indebtedness are as follows:

Year Ending June 30,	Copier Lease dated Oct. 4, 2022 Interest Rate		Principal	Interest	Total
2025	3.95	% $	23,479	3,253	26,732
2026	3.95		24,424	2,308	26,732
2027	3.95		25,406	1,326	26,732
2028	3.95		19,723	326	20,049
Total		$	93,032	7,213	100,245

Termination Benefits

The District did not offer a voluntary early retirement plan for employees during fiscal year 2024. However, the District had remaining liabilities associated with early retirement offerings in previous fiscal years.

At June 30, 2024, the District had obligations to fourteen participants with a total liability of $192,000. Actual early retirement expenditures for the year ended June 30, 2024 totaled $112,000.

(7) Pension Plan

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

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

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

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

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

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

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

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

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

The District's contributions to IPERS for the year ended June 30, 2024 were $442,088.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the District reported a liability of $2,377,949 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2023, the District's proportion was 0.052683%, which was a decrease of 0.005327% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of $98,719. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 201,178	9,774
Changes of assumptions	-	38
Net difference between projected and actual earnings on IPERS' investments	220,227	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	-	265,716
District contributions subsequent to the measurement date	442,088	-
Total	$ 863,493	275,528

$442,088 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2025	$ (150,507)
2026	(250,500)
2027	485,679
2028	60,606
2029	599
Total	$ 145,877

There were no non-employer contributing entities at IPERS.

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

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

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

Mortality rates used in 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
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	100.0%	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 5,056,050	2,377,949	133,657

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

(8) Other Postemployment Benefits (OPEB)

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

OPEB Benefits - Individuals who are employed by South O'Brien 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.

Retired participants must be age 55 or older at retirement. At July 1, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Active employees	98
Total	105

Total OPEB Liability - The District's total OPEB liability of $305,279 was measured as of June 30, 2024 and was determined by an actuarial valuation of that date.

Actuarial Assumptions - Total OPEB liability for the June 30, 2024 reporting date 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	3.00% per annum.
Rates of salary increase	3.00% per annum, including inflation.
Discount rate	3.65% compounded annually, including inflation.
Healthcare cost trend rate	5.00% for FY2024 and all future years

Discount Rate - The discount rate used to measure the total OPEB liability was 3.65% 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 valuation date.

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement. Turnover and retirement rates mirror those used in the 2023 IPERS Actuarial Valuation.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	$ 579,022
Changes for the year:	
Service cost	16,326
Interest	11,472
Differences between expected and actual experiences	(92,165)
Changes in assumptions	(168,380)
Benefit payments	(40,996)
Net changes	(273,743)
Total OPEB liability end of year	$ 305,279

Changes of assumptions reflect a change in the discount rate from 2.14% in fiscal year 2023 to 3.65% in fiscal year 2024.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate 1% lower (2.65%) or 1% higher (4.65%) than the current discount rate.

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	$ 325,671	305,279	286,486

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 well as what the District's total OPEB liability would be it were calculated using healthcare cost trend rates 1% lower (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	$ 279,730	305,279	335,972

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2024, the District recognized OPEB expense of $24,897. At June 30, 2024, the District reported deferred outflows of resources and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,950	119,902
Changes in assumptions	117,316	169,522
Total	$ 136,266	289,424

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

Year Ended June 30,	Amount
2025	$ (2,901)
2026	(2,901)
2027	(4,508)
2028	(18,992)
2029	(18,714)
Thereafter	(105,142)
Total	$ (153,158)

(9) Risk Management

South O'Brien Community School District is exposed to various risks to 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.

(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 $292,178 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.

(11) Categorical Funding

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

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

Program	Amount
Home School Assistance Program (HSAP)	$ 4,350
Gifted and Talented Programs	87,477
Teacher Leadership State Aid	30,720
Four-Year-Old Preschool State Aid	116,608
FLEXIBILITY Account Excess Professional Development	50,000
FLEXIBILITY Acct. Excess SW Voluntary Preschool	46,419
Teacher Salary Supplement Originating from Gifted and Talented Programs	50,000
Teacher Salary Supplement	19,429
Textbook Aid for Nonpublic Students	2,283
Successful Progression for Early Readers	66,575
Professional Development	93,626
Total	$ 567,487

(12) 28E Organization

The District is part of a 28E organization with the City of Paullina for the separate entity named the Swanson Sports Complex Commission (referred to hereafter as Commission). The Commission was established for the purpose of developing, supervising and managing a sports complex that includes fields for baseball, softball, tennis and other such recreational areas that can be utilized by the District and the residents of the City of Paullina.

The governing body of the Commission consists of three representatives appointed to staggered three-year terms. Representatives of the Commission consist of one representative from the City of Paullina (appointed by the Paullina City Council); one representative from the District (appointed by the Board of Education) and one representative selected from residents of the District (appointed by joint decision of the Board President of the District and the Mayor of the City of Paullina).

The following are terms agreed upon by the District and the City of Paullina concerning the Commission:

The District and the City jointly own the property where the sports complex is located and are to share equally in the operational and maintenance costs of the sports complex.

Any contracts for purchases of goods or services over $1,000 must have the approval of the District and the City of Paullina.

The Commission has the power to set rental rates, enter into debt agreements, accept donations, grants, labor or supplies for maintenance and operation of the sports complex.

The Commission shall prepare an annual budget for its operation for fiscal years ending June 30th by February 1st of each year for approval by the District and the City of Paullina. The Commission shall provide an annual report to the District and the City of Paullina detailing the annual budget and financial activity of the Commission.

This agreement is to remain in effect until either the District or the City of Paullina wishes to terminate the agreement. The Commission had revenues of $16,734 and expenses of $12,454 during the year. If you would like any other information on the Commission, please contact the South O'Brien Community School District.

(13) Reconciliation of Governmental Fund Balances to Net Position

Reconciliation of certain governmental fund balances to net position is as follows:

	Net investment in Capital Assets	Debt Service	School Infrastructure	Management Levy	Unassigned/ Unrestricted
Fund balance (Exhibit C)	$ -	77,632	16,121,956	529,408	1,632,637
Capital assets, net of accumulated depreciation/amortization	10,391,086	-	-	-	-
General obligation bond capitalized indebtedness	(1,132,867)	-	-	-	-
Lease agreement capitalized indebtedness	(93,032)	-	-	-	-
Unspent bond proceeds	-	-	(14,442,133)	-	-
Accrued interest payable	-	(63,041)	-	-	-
Income surtax	-	-	-	-	476,980
Termination benefits	-	-	-	(128,000)	(64,000)
Pension related deferred outflows	-	-	-	-	841,578
Pension related deferred inflows	-	-	-	-	(268,887)
Net pension liability	-	-	-	-	(2,320,640)
Total OPEB liability	-	-	-	-	(295,937)
OPEB related deferred outflows	-	-	-	-	132,096
OPEB related deferred inflows	-	-	-	-	(280,568)
Net position (Exhibit A)	$ 9,165,187	14,591	1,679,823	401,408	(146,741)

(14) Tax Abatements

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

Tax Abatements of Other Entities

Other entities within the District provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Primghar offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by the improvements.

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2024 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Paullina	Urban Renewal and Economic Development Projects	$ 4,895
City of Primghar	Chapter 404 Tax Abatement Program	$ 24,014

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times $5.40 per $1,000 of taxable valuation. For the year ended June 30, 2024, this reimbursement amounted to $3,608.

(15) Budget Overexpenditures

Per the Code of Iowa, expenditures may not legally exceed budgeted appropriations at the functional area level. During the year ended June 30, 2024, expenditures exceeded the budgeted amounts in the non-instructional programs and other expenditures functions.

(16) Change in Area Education Agency Funding

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

REQUIRED SUPPLEMENTARY INFORMATION

SOUTH O'BRIEN 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 Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	$ 9,953,251	183,992	10,137,243	9,107,424	9,107,424	1,029,819
State sources	2,980,585	2,352	2,982,937	3,001,661	3,001,661	(18,724)
Federal sources	637,758	289,198	926,956	485,000	485,000	441,956
Total revenues	13,571,594	475,542	14,047,136	12,594,085	12,594,085	1,453,051
Expenditures/Expenses:						
Instruction	5,571,447	38,372	5,609,819	5,902,000	5,902,000	292,181
Support services	3,300,989	7,021	3,308,010	3,615,500	3,615,500	307,490
Non-instructional programs	-	416,062	416,062	395,000	395,000	(21,062)
Other expenditures	6,074,361	-	6,074,361	5,823,769	5,823,769	(250,592)
Total expenditures/expenses	14,946,797	461,455	15,408,252	15,736,269	15,736,269	328,017
Excess (Deficiency) of revenues over (under) expenditures/expenses	(1,375,203)	14,087	(1,361,116)	(3,142,184)	(3,142,184)	1,781,068
Other financing sources, net	17,241,505	28,243	17,269,748	25,937,250	25,937,250	(8,667,502)
Excess of revenues and other financing sources over expenditures/expenses	15,866,302	42,330	15,908,632	22,795,066	22,795,066	(6,886,434)
Balances beginning of year	5,956,003	375,107	6,331,110	5,133,455	5,133,455	1,197,655
Balances end of year	$ 21,822,305	417,437	22,239,742	27,928,521	27,928,521	(5,688,779)

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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 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 GAAP 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 functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional 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, expenditures exceeded the budgeted amounts in the non-instructional programs and other expenditures functions.

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.052683%	0.058010%	0.022906%	0.058694%	0.060005%	0.062344%	0.061065%	0.060889%	0.067031%	0.065580%
District's proportionate share of the net pension liability	$ 2,377,949	2,191,700	79,076	4,123,062	3,474,695	3,945,295	4,067,683	3,831,964	3,311,647	2,600,852
District's covered payroll	$ 4,638,901	4,677,792	4,583,242	4,576,165	4,566,625	4,685,742	4,562,786	4,370,451	4,601,637	4,292,822
District's proportionate share of the net pension liability as a percentage of its covered payroll	51.26%	46.85%	1.73%	90.10%	76.09%	84.20%	89.15%	87.68%	71.97%	60.59%
IPERS' net position as a percentage of the total pension liability	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT
FOR THE LAST TEN YEARS
REQUIRED SUPPLEMENTARY INFORMATION

		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$	442,088	437,912	441,584	432,658	431,990	431,089	418,438	407,457	390,331	410,926
Contributions in relation to the statutorily required contribution		(442,088)	(437,912)	(441,584)	(432,658)	(431,990)	(431,089)	(418,438)	(407,457)	(390,331)	(410,926)
Contribution deficiency (excess)	$	-	-	-	-	-	-	-	-	-	-
District's covered payroll	$	4,683,136	4,638,901	4,677,792	4,583,242	4,576,165	4,566,625	4,685,742	4,562,786	4,370,451	4,601,637
Contributions as a percentage of covered payroll		9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Changes of benefit terms:

There are no significant changes in 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%.

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST SEVEN YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 16,326	36,496	35,433	33,143	32,178	41,084	39,887
Interest cost	11,472	12,625	12,644	18,626	18,375	18,638	18,003
Differences between expected and actual experiences	(92,165)	-	6,184	-	31,281	-	(123,820)
Changes in assumptions	(168,380)	-	49,325	-	(35,743)	-	283,123
Benefit payments	(40,996)	(47,084)	(53,011)	(48,788)	(39,888)	(44,032)	(38,729)
Net change in total OPEB liability	(273,743)	2,037	50,575	2,981	6,203	15,690	178,464
Total OPEB liability beginning of year	579,022	576,985	526,410	523,429	517,226	501,536	323,072
Total OPEB liability end of year	$ 305,279	579,022	576,985	526,410	523,429	517,226	501,536
Covered-employee payroll	$ 4,288,732	4,091,964	3,972,781	4,482,935	4,352,364	4,526,367	4,394,531
Total OPEB liability as a percentage of covered-employee payroll	7.12%	14.15%	14.52%	11.74%	12.03%	11.43%	11.41%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year-ended June 30, 2024	3.65%
Year-ended June 30, 2023	2.14%
Year ended June 30, 2022	2.14%
Year ended June 30, 2021	3.50%
Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.58%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	2.50%

SUPPLEMENTARY INFORMATION

Schedule 1

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue		
	Management Levy	Student Activity	Total
Assets			
Cash and pooled investments	$ 526,745	103,376	630,121
Receivables:			
Property tax:			
Delinquent	2,663	-	2,663
Succeeding year	399,999	-	399,999
Accounts	-	1,647	1,647
Total assets	$ 929,407	105,023	1,034,430
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ -	4,631	4,631
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property taxes	399,999	-	399,999
Fund balances:			
Restricted for:			
Management levy purposes	529,408	-	529,408
Student activities	-	100,392	100,392
Total fund balances	529,408	100,392	629,800
Total liabilities, deferred inflows of resources and fund balances	$ 929,407	105,023	1,034,430

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Special Revenue		
	Management Levy	Student Activity	Total
Revenues:			
Local sources:			
Local tax	$ 412,360	-	412,360
Other	17,529	161,351	178,880
State sources	3,485	-	3,485
Federal sources	19	-	19
Total revenues	433,393	161,351	594,744
Expenditures:			
Current:			
Instruction:			
Regular	64,000	-	64,000
Other	-	170,714	170,714
Support services:			
Administration	132,518	875	133,393
Operation and maintenance of plant	110,961	490	111,451
Transportation	47,867	-	47,867
Total expenditures	355,346	172,079	527,425
Change in fund balances	78,047	(10,728)	67,319
Fund balances beginning of year	451,361	111,120	562,481
Fund balances end of year	$ 529,408	100,392	629,800

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 3

SOUTH O'BRIEN 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	Construction	Total
Assets				
Cash and pooled investments	$ 1,692,837	2,833,848	15,909,242	20,435,927
Receivables:				
Property tax:				
Delinquent	-	6,367	-	6,367
Succeeding year	-	1,071,896	-	1,071,896
Income surtax	-	190,792	-	190,792
Due from other governments	68,063	-	-	68,063
Total assets	$ 1,760,900	4,102,903	15,909,242	21,773,045
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ 81,077	47,422	1,467,109	1,595,608
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	1,071,896	-	1,071,896
Income surtax	-	190,792	-	190,792
Total deferred inflows of resources	-	1,262,688	-	1,262,688
Fund balances:				
Restricted for:				
School infrastructure	1,679,823	-	14,442,133	16,121,956
Physical plant and equipment	-	2,792,793	-	2,792,793
Total fund balances	1,679,823	2,792,793	14,442,133	18,914,749
Total liabilities, deferred inflows of resources and fund balances	$ 1,760,900	4,102,903	15,909,242	21,773,045

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 4

SOUTH O'BRIEN 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	Construction	Total
Revenues:				
Local sources:				
Local tax	$ -	1,198,885	-	1,198,885
Other	89,545	193,464	516,982	799,991
State sources	739,699	8,169	-	747,868
Federal sources	2,422	44	-	2,466
Total revenues	831,666	1,400,562	516,982	2,749,210
Expenditures:				
Current:				
Instruction:				
Regular	92,641	-	-	92,641
Other	-	15,042	-	15,042
Support services:				
Instructional staff	70,806	2,847	9,493	83,146
Administration	31,080	12,688	221,825	265,593
Operation and maintenance of plant	29,806	106,658	-	136,464
Transportation	-	93,807	-	93,807
Capital outlay	331,505	514,460	3,017,734	3,863,699
Total expenditures	555,838	745,502	3,249,052	4,550,392
Excess (Deficiency) of revenues over (under) expenditures	275,828	655,060	(2,732,070)	(1,801,182)
Other financing sources (uses):				
Insurance proceeds	-	92,254	-	92,254
General obligation bond proceeds	-	-	17,000,000	17,000,000
Premium on bond issuance	-	-	347,658	347,658
Discount on bond issuance	-	-	(173,455)	(173,455)
Transfer in	-	15,740	-	15,740
Transfer out	-	(26,732)	-	(26,732)
Total other financing sources (uses)	-	81,262	17,174,203	17,255,465
Change in fund balances	275,828	736,322	14,442,133	15,454,283
Fund balances beginning of year	1,403,995	2,056,471	-	3,460,466
Fund balances end of year	$ 1,679,823	2,792,793	14,442,133	18,914,749

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2024

Account		Balance Beginning of Year	Revenues	Expenditures	Intrafund Transfer	Balance End of Year
General athletics	$	36,064	83,292	85,057	11,472	45,771
HS student council		3,923	1,378	1,267	-	4,034
FFA		20,452	40,513	46,709	-	14,256
Model UN		2,445	295	1,206	-	1,534
HS science club		285	-	-	-	285
National Honor Society		-	225	480	400	145
Dinner theater club		2,367	1,290	1,926	-	1,731
Yearbook club		32,477	18,745	18,038	(13,000)	20,184
HS speech club		-	-	378	378	-
Clothes for kids		4,679	1,000	90	-	5,589
HS class dues		6,793	7,774	9,211	-	5,356
Spirit club		1,635	6,839	7,717	750	1,507
Total	$	111,120	161,351	172,079	-	100,392

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUNDS
FOR THE LAST TEN YEARS

	Modified Accrual Basis									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Local sources:										
Local tax	$ 8,595,260	6,680,377	6,257,827	5,684,780	4,976,936	4,528,639	4,208,030	4,495,843	4,763,583	4,308,175
Tuition	150,866	163,402	149,474	96,816	101,420	127,517	114,615	131,430	90,830	89,172
Other	1,207,125	441,915	317,658	222,339	266,056	283,698	321,316	293,276	278,920	276,481
State sources	2,980,585	2,906,634	3,104,465	3,306,844	3,557,509	3,551,282	3,938,430	4,115,934	3,935,431	4,171,265
Federal sources	637,758	481,517	829,281	440,194	207,644	186,851	228,732	253,011	261,461	227,334
Total	$ 13,571,594	10,673,845	10,658,705	9,750,973	9,109,565	8,677,987	8,811,123	9,289,494	9,330,225	9,072,427
Expenditures:										
Instruction:										
Regular	$ 2,980,841	3,001,151	3,026,596	2,812,979	2,824,219	2,843,721	2,804,532	2,723,386	2,740,896	2,922,098
Special	1,305,425	1,339,638	1,259,620	1,308,171	1,172,549	1,147,379	1,267,626	1,180,855	1,217,283	1,213,792
Other	1,285,181	1,210,364	1,206,923	1,009,981	1,073,356	1,115,299	1,173,434	1,139,725	1,115,881	1,218,253
Support services:										
Student	160,063	162,202	174,457	176,814	128,991	123,580	122,735	120,931	116,188	103,528
Instructional staff	516,194	881,058	710,013	637,292	526,282	521,523	530,389	610,188	316,835	351,976
Administration	1,179,024	1,003,706	998,999	921,295	974,318	934,146	906,230	923,141	894,352	844,142
Operation and maintenance of plant	891,238	843,283	758,807	777,817	714,530	775,620	681,844	591,951	575,538	659,519
Transportation	554,470	636,472	472,680	477,859	384,513	610,081	583,100	334,270	557,435	476,365
Non-instructional programs	-	7,542	3,534	-	-	-	6,618	-	-	-
Capital outlay	3,863,699	693,280	547,792	654,015	287,594	525,315	583,032	1,937,939	1,102,687	254,202
Long-term debt:										
Principal	1,447,571	14,282	25,996	-	168,000	355,000	350,000	346,000	-	-
Interest	470,913	1,271	440	-	3,444	9,834	14,909	18,715	9,306	-
Other expenditures:										
AEA flowthrough	292,178	285,176	289,402	285,336	288,666	285,378	290,900	285,644	288,082	292,444
Total	$ 14,946,797	10,079,425	9,475,259	9,061,559	8,546,462	9,246,876	9,315,349	10,212,745	8,934,483	8,336,319

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	
Direct:				
Rural Education	84.358	FY24	39,510	
Indirect:				
U.S. Department of Agriculture:				
Passed through Iowa Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	FY24	42,227	
National School Lunch Program	10.555	FY24	192,493	*
Summer Food Service Program for Children	10.559	FY24	26,478	
Total - Child Nutrition Cluster:			261,198	**
U.S. Department of Interior:				
Passed through O'Brien County Treasurer:				
National Wildlife Refuge Fund	15.659	FY24	367	
U.S. Department of Treasury:				
Passed through State of Iowa:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	FY24	2,422	
U.S. Department of Education:				
Passed through Iowa Department of Education:				
Title I Grants to Local Educational Agencies	84.010	FY24	127,610	
Supporting Effective Instruction State Grants	84.367	FY24	20,580	
Student Support and Academic Enrichment Program	84.424	FY24	11,198	
Education Stabilization Fund:				
COVID-19, American Rescue Plan - Elementary and Secondary School Relief (ARP ESSER)	84.425U	FY24	271,245	****
Passed through Northwest Area Education Agency:				
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	FY24	27,421	***
Career and Technical Education - Basic Grants to States	84.048	FY24	5,535	

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	
Continued:				
Passed through MOC-Floyd Valley Community School District:				
Education Stabilization Fund:				
COVID-19, American Rescue Plan - Elementary and Secondary School Relief (ARP ESSER)	84.425U	FY24	29,163	****
Total U.S. Department of Education			492,752	
U.S. Department of Health and Human Services:				
Passed through State of Iowa:				
Child Care and Development Block Grant	93.575	FY24	28,000	
Total			$ 824,249	

* - Includes $33,842 of non-cash awards

** - Total for Child Nutrition Cluster is $261,198

*** - Total for Special Education Cluster (IDEA) is $27,421

**** - Total for Education Stabilization Fund is $300,408

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of South O'Brien 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 selected portion of the operations of South O'Brien Community School District, it is not intended to and does not represent the financial position, changes in financial position or cash flows of South O'Brien 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 allowed or are limited as to reimbursement.

Subrecipients - No federal expenditures presented in this schedule were provided to subrecipients.

Indirect Cost Rate - South O'Brien Community School District did not use a federally negotiated indirect cost rate as allowed under the Uniform Guidance.

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
115 North 3rd Avenue West, Newton, Iowa 50208-3218
Telephone (641) 792-1910

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 South O'Brien 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 South O'Brien Community School District as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 23, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered South O'Brien 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 South O'Brien Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of South O'Brien Community School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether South O'Brien 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 which 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 and Questioned Costs.

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.

South O'Brien Community School District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedure on South O'Brien Community School District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. South O'Brien Community School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 South O'Brien 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.

Nolte, Cornman & Johnson PC

NOLTE, CORNMAN & JOHNSON, P.C.

July 23, 2025
Newton, Iowa

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
115 North 3rd Avenue West, Newton, Iowa 50208-3218
Telephone (641) 792-1910

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 South O'Brien Community School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited South O'Brien Community School District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of South O'Brien Community School District's major federal programs for the year ended June 30, 2024. South O'Brien Community School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, South O'Brien Community School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs 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 South O'Brien 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 South O'Brien 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 South O'Brien 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 South O'Brien 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, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about South O'Brien 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 South O'Brien Community School District's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.

- Obtain an understanding of South O'Brien 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 South O'Brien 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

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

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-002, to be a material weakness.

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.

<u>Government Auditing Standards</u> requires the auditor to perform limited procedures on South O'Brien Community School District's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. South O'Brien Community School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Nolte, Cornman & Johnson P.C.

NOLTE, CORNMAN & JOHNSON, P.C.

July 23, 2025
Newton, Iowa

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) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements. No significant deficiencies were reported.

(c) The audit did not disclose any noncompliance which is material to the financial statements.

(d) A material weakness in internal control over major programs was 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 disclosed an audit finding which is required to be reported in accordance with the Uniform Guidance, Section 200.516(a)

(g) 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 10.559 - Summer Food Service Program for Children
- Assistance Listing Number 84.425 - Education Stabilization Fund

(h) The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

(i) South O'Brien 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:

2024-001 Segregation of Duties

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

Condition - We noted one individual has control over one or more of the following areas for the District:

1) Cash - initiating cash receipt and disbursement transactions and handling and recording cash, bank reconciliations.
2) Investments - investing, detailed recordkeeping, custody of investments and reconciling earnings.
3) Receipts - collecting, recording, journalizing, posting and reconciling.
4) Inventories - ordering, receiving, issuing and storing.
5) Wire transfers - processing and approving.
6) Payroll - recordkeeping, preparation, posting and distribution.
7) Computer systems - performing all general accounting functions and controlling all data input and output.
8) Journal entries - writing, posting and approving.
9) School lunch program - collecting, recording, journalizing, posting, reconciling, purchase order processing, check preparation, mailing and recording.

Cause - The District has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

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

Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. However, the District should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response and Corrective Action Planned - As a small district, we continue to monitor segregation of duties to the best of our abilities. Staff is limited, and with limited increases to state funding, segregating duties is difficult. The Superintendent and Board will continue to review the District's financials, accounts payable, and payroll statements and reports. The District has also sought to increase operational sharing opportunities in fiscal year 2026 and beyond that could improve segregation of duties.

Conclusion - Response accepted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

Assistance Listing Number 10.553: School Breakfast Program
Assistance Listing Number 10.555: National School Lunch Program
Assistance Listing Number 10.559: Summer Food Service Program for Children
Pass-Through Entity Identifying Number: FY24
Federal Award Year: 2024
Prior Year Finding Number: N/A
U.S. Department of Agriculture
Passed through the Iowa Department of Education

Assistance Listing Number 84.425: Education Stabilization Fund
Pass-Through Entity Identifying Number: FY24
Federal Award Year: 2024
Prior Year Finding Number: N/A
U.S. Department of Education
Passed through the Iowa Department of Education

2024-002 Segregation of Duties - The District did not properly segregate custody, record-keeping and reconciling functions for revenues, including those related to federal programs. See finding 2024-001.

Part IV: Other Findings Related to Required Statutory Reporting:

2024-A Certified Budget - Expenditures for the year ended June 30, 2024 exceeded the certified budgeted amounts in the non-instructional programs and other expenditures functions.

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

Response - The District will amend the budget as necessary in the future.

Conclusion - Response accepted.

2024-B Questionable Expenditures - During our audit, we noted instances of the District paying sales tax on purchases made with District credit cards. The District is a tax-exempt entity, therefore, expenditures for sales tax do not appear to meet the requirements for public purpose as defined by an Attorney General's opinion dated April 25, 1979.

Recommendation - The District should review their credit card purchasing procedures in place and make the necessary adjustments to comply with the Attorney General's opinion dated April 25, 1979.

Response - The District works diligently on and spends numerous hours per year trying to reduce and/or eliminate the amount of sales tax paid. However, since there is no Iowa law that states businesses must honor sales tax exemption, there are instances where it is impossible or impractical to eliminate transactions that involve said tax.

Conclusion - Response accepted.

2024-C 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.

2024-D Business Transactions - Business transactions between the District and District officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Melanie Yates, Para Kiley Yates, Teacher Co-own JKM Screen Printing	Supplies	$4,062
Richard Radtke, Board Member Co-owns Marcus News, Inc.	Publishing services	$7,365

In accordance with an Attorney General's opinion dated July 2, 1990, the above transactions with District employees do not appear to represent a conflict of interest.

In accordance with Chapter 279.7A of the Code of Iowa, the above transactions with the District board member do not appear to represent a conflict of interest.

2024-E 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.

2024-F Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

2024-G Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board.

2024-H Certified Enrollment - No variances in the basic enrollment data certified to the Iowa Department of Education were noted.

2024-I Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

2024-J Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

2024-K Certified Annual Report - The Certified Annual Report was certified timely with the Iowa Department of Education.

2024-L Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.

2024-M Statewide Sales, Services and Use Tax - No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted. Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2024, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		$ 1,403,995
Revenues:		
Sales tax revenues	$ 739,699	
Federal revenues	2,422	
Other local revenues	89,545	831,666
Expenditures/transfers out:		
School infrastructure construction	331,505	
Other	224,333	555,838
Ending balance		$ 1,679,823

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

2024-N Student Activity Fund - During our audit we noted an account within the student activity fund with a balance at year-end which appears to be inactive.

Recommendation - The District should review the account to determine if the group is still active or if the account should be closed out to other groups within the Student Activity Fund per the discretion of the District's Board of Directors.

Response -The District will continue to monitor accounts and transfer funds from inactive accounts to active accounts in the future as necessary.

Conclusion - Response accepted.

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATES

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

SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
$______ GENERAL OBLIGATION SCHOOL CAPITAL LOAN NOTES, 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 "Notes").

1. Reasonably Expected Initial Offering Price.

a. As of the Sale Date, the reasonably expected initial offering prices of the Notes 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 Notes used by Purchaser in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by Purchaser to purchase the Notes.

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 Notes.

2. Defined Terms.

a. Maturity means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes 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 Notes. The Sale Date of the Notes is October 20, 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 Notes 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 Notes 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 Notes 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 Notes, and by Ahlers & Cooney, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Notes 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 Notes.

[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]
SOUTH O'BRIEN COMMUNITY SCHOOL DISTRICT
$_____ GENERAL OBLIGATION SCHOOL CAPITAL LOAN NOTES, 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 "Notes").

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 Notes 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 Notes 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 Notes during the Holding Period.

3. Defined Terms.

a. General Rule Maturities means those Maturities of the Notes listed in Schedule A hereto as the "General Rule Maturities."

b. Hold-the-Offering-Price Maturities means those Maturities of the Notes 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 (October 27, 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 the South O'Brien Community School District.

e. Maturity means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes 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 Notes. The Sale Date of the Notes is October 20, 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 Notes 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 Notes 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 Notes 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 Notes, and by Ahlers & Cooney, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Notes 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 Notes.

[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