



\$4,255,000*

**Manson Northwest Webster Community School District, Iowa
General Obligation School Capital Loan Notes, Series 2025**

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

DATE: Thursday, November 20, 2025
TIME: 12:00 Noon
PLACE: Central Office Board Room
1030 Main Street
Manson, Iowa 50563
Telephone: 712/469-2202

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 Manson Northwest Webster Community School District, Iowa (the "Issuer")

Re: \$4,255,000* 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:

<u>Coupon</u>	<u>Yield</u>	<u>Due</u>	<u>Coupon</u>	<u>Yield</u>	<u>Due</u>
_____	_____	June 1, 2026	_____	_____	June 1, 2030
_____	_____	June 1, 2027	_____	_____	June 1, 2031
_____	_____	June 1, 2028	_____	_____	June 1, 2032
_____	_____	June 1, 2029	_____	_____	

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

<u>Principal Amount</u>	<u>Month and Year (Inclusive)</u>	<u>Maturity Month and Year</u>
\$ _____	_____ 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 Manson Northwest Webster Community School District, in the Counties of Calhoun, Pocahontas and Webster, State of Iowa, this 20th day of November, 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 \$4,255,000* 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 (a) 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 \$42,550* 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.

* 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 98.5% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. 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 Central Office Board Room, Manson Northwest Webster Community School District, 1030 Main Street, Manson, Iowa, 50563.

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%.

No rate bid may be more than 2% higher than any other interest rate.

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) The winning bidder shall assist the Issuer in establishing the issue price of the Notes and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and Bond Counsel. All communications required of the Issuer under this Official Terms of Offering to establish the issue price of the Notes may be communicated on behalf of the Issuer by the Issuer's municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer's municipal advisor.

(b) The Issuer intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) the Issuer shall disseminate this Official Term of Offering to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Official Terms of Offering.

Any bid submitted pursuant to this Official Terms of Offering shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the Issuer shall so advise the winning bidder. The Issuer may determine to treat (i) the first price at which 10% of a maturity of the Notes (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Notes as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the Issuer if any maturity of the Notes satisfies the 10% test as of the date and time of the award of the Notes. The Issuer shall promptly advise the winning bidder, at or before the time of award of the Notes, which maturities of the Notes shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. **Bids will not be subject to cancellation in the event that the Issuer determines to apply the hold-the-offering-price rule to any maturity of the Notes. Bidders should prepare their bids on the assumption that some or all of the maturities of the Notes will be subject to the hold-the-offering-price rule in order to establish the issue price of the Notes.**

(d) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Notes, that the underwriters will neither offer nor sell unsold Notes 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:

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

The winning bidder will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

(e) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Notes, the winning bidder agrees to promptly report to the Issuer the prices at which the unsold Notes of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to the Notes of that maturity, provided that, the winning bidder’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Issuer or bond counsel.

(f) The Issuer acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in the third-party 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 requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 third-party

distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes.

(g) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes 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 third-party distribution agreement, as applicable:

(i)(A) to report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Notes of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Notes of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

(h) Sales of any Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Official Terms of Offering. Further, for purposes of this Official Terms of Offering:

(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 Notes 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 Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 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), (B) 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 (C) 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 Notes 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, (is) 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, Loan Agreement, 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.

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

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 29, 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 on the Notes 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 EXEMPTION AND RELATED TAX CONSIDERATIONS" herein for a more detailed discussion.

\$4,255,000*

Manson Northwest Webster Community School District, Iowa
General Obligation School Capital Loan Notes, Series 2025

Dated: Date of Delivery

The Manson Northwest Webster 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, near, 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, 2026	\$590,000			564471 AA8	June 1, 2030	\$620,000			564471 AE0
June 1, 2027	560,000			564471 AB6	June 1, 2031	640,000			564471 AF7
June 1, 2028	580,000			564471 AC4	June 1, 2032	665,000			564471 AG5
June 1, 2029	600,000			564471 AD2					

\$ _____ % 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. It is expected that the Notes in the definitive form will be available for delivery through the facilities of DTC on or about December 18, 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

* 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.

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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
MANSON NORTHWEST WEBSTER COMMUNITY SCHOOL DISTRICT, IOWA
\$4,255,000* GENERAL OBLIGATION SCHOOL CAPITAL LOAN NOTES, SERIES 2025

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Manson Northwest Webster 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 will be used to provide funds to: i) remodel, repair, improve, and equip the elementary building, including improvements to the playground, parking areas, and building site; 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 December 3, 2025 (the “Resolution” or “Note 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 December 3, 2025 (the “Resolution” or “Resolution”). Voters in the Issuer authorized the voter-approved Physical Plant & Equipment Levy at the rate of \$1.34 / \$1,000 taxable valuation for a period of ten years, beginning with fiscal year ending June 30, 2023 at an election held on April 3, 2018, and as amended by an election held on March 2, 2021. Principal and interest on the Notes are payable from the Physical Plant and Equipment levy.

* 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 be provided directly to them.

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

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

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

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

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

The Issuer cannot and does not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the 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

Optional Prepayment: 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
<u>Mandatory Sinking Fund Date</u> <u>Principal Amount</u>
\$

(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 being issued pursuant to Section 297.36 and Chapter 298 of the Code of Iowa, as amended, and authorized by referendums held on April 3, 2018 and March 2, 2021. The Notes are general obligations of the Issuer to be paid from a continuing annual levy upon all of the taxable valuation in the Issuer sufficient to pay the principal and interest of the Notes. On April 3, 2018 voters of the District approved the continuation of a property tax for a period of ten (10) years that generates up to \$0.83 per \$1,000 of taxable valuation starting on July 1, 2022 and ending on June 30, 2032 (the "PPEL levy"). On March 2, 2021, voters of the District approved an amendment to increase the PPEL levy up to an additional \$0.51 per \$1,000 of taxable valuation, for a total PPEL levy authority of \$1.34 per \$1,000 of taxable valuation for ten years beginning with fiscal year ending June 30, 2023 and ending in fiscal year ending June 30, 2032. 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 District 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 District is required to levy ad valorem taxes upon all taxable valuation in the 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 payable from the Voted Tax Levy 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 payable from the Voted Tax Levy 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 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. This information is based on current information available to the Issuer that may be incomplete and unknown. This information was derived using certain assumptions and methodologies, and includes unaudited financial information and projections. Some of this information is forward-looking and subject to change.

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 the taxable, real property located in the boundaries of the Issuer. As part of the budgetary process of the Issuer each fiscal year the Issuer will have an obligation to request the PPEL levy to be applied against all of the taxable real property located in the boundaries 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 property taxation structure by the Iowa General Assembly will not be retroactive. It is impossible to predict the outcome of future property tax changes by the Iowa General Assembly or their potential impact on the Issuer’s financial position. As noted in “**THE NOTES - Source of Security for the Notes**,” per Iowa Code section 297.36 and Iowa Code Chapter 298 the Issuer will by resolution provided for the assessment of an annual levy upon all the taxable real property within the boundaries of the Issuer sufficient to pay the interest and principal of the Notes within a period named not exceeding ten (10) years.

Legislative Change Related to School Choice

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

The annual amount per account in the Fund is determined by the State cost per pupil (SCPP) for that fiscal year and changes each year based on the State percent of growth (SPG). For fiscal year ending June 30, 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, there were 81 students who resided within the boundaries of the Issuer but attended non-public schools for the 2022-23 school year; 65 students for the 2023-24 school year and 78 for 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 \$644,402. 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 \$3,407,741. 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 0.075498% which was a decrease of 0.001117% 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”), 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. Actions, or inactions, by the Issuer in violation of its covenants could affect the designation, which could also affect the pricing and marketability of the Bonds.

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 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, supply chain issues, 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. For fiscal year ending June 30, 2024, the auditor noted material weaknesses in internal control over financial reporting regarding segregation of duties and preparation of financial statements, which are described in more detail in the audited financial statements attached as Appendix D. However, the Notes are secured by an unlimited ad valorem property tax as described more fully in the “**THE NOTES – Source of Security for the Notes**” herein.

Continuing Disclosure

A failure by the Issuer to comply with the continuing disclosure obligations (see “Continuing Disclosure” herein) will not constitute an event of default on the 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 an 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.

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

Risk of Audit

The Internal Revenue Service has an ongoing program to audit tax-exempt obligations to determine the legitimacy of the tax status of such obligations. No assurance can be given as to whether the Internal Revenue Service will commence an audit of the 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.

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 Cornwell, Frideres, Maher & Associates, P.L.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 will be used to provide funds to: i) remodel, repair, improve, and equip the elementary building, including improvements to the playground, parking areas, and building site; and ii) pay costs of issuance for the Notes.

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 EXEMPTION AND RELATED TAX CONSIDERATIONS

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 Note proceeds and facilities financed with Note 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"). 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. Actions, or inactions, by the Issuer in violation of its covenants could affect the designation, which could also affect the pricing and marketability of the Notes.

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 Noteholders 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 Note 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 Note 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 Notes and with regard to the tax-exempt status of the interest thereon (see "**TAX EXEMPTION AND RELATED TAX CONSIDERATIONS**" 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 Notes. Certain matters will be passed upon for the Municipal Advisor by Dentons Davis Brown, 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 Bonds which can be found generally under the sections "**THE BONDS – General; Authorization for Issuance; and Source of Security for the Bonds**", and "**TAX EXEMPTION AND RELATED TAX CONSIDERATIONS**". 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 has 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 "**APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**" The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in "**APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**" These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

A failure by the Issuer to comply with the Undertaking will not constitute a default under the Resolution and Beneficial Owners of the 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 has not been subject to disclosure covenants.

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 entirety 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.

MANSON NORTHWEST WEBSTER COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/Erin Schroeder
Board Secretary

APPENDIX A – GENERAL INFORMATION ABOUT THE ISSUER

**MANSON NORTHWEST WEBSTER COMMUNITY SCHOOL DISTRICT, IOWA
DISTRICT OFFICIALS**

PRESIDENT	Mike Jepson
BOARD MEMBERS	Brad Moline Kari Krueger Jan Nelson Dan Oswald Mark Siems Tayler Rasch
SUPERINTENDENT	Justin Daggett
DISTRICT SECRETARY	Erin Schroeder
BUSINESS MANAGER	Allison Davis
DISTRICT ATTORNEY	Ahlers & Cooney, P.C.

CONSULTANTS

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

General Information

The Manson Northwest Webster Community School District (the “Issuer” or “District”) is located in northwest central Iowa, approximately 120 miles from the Des Moines metropolitan area. The District encompasses portions of Webster, Calhoun and Pocahontas Counties and serves the cities of Manson, Barnum, Clare and Knierim.

District Facilities (1)

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

<u>Building</u>	<u>Construction Date</u>	<u>Grades Served</u>
Jr/Sr. High School	1971	7-12
Elementary School	1979	PK-6
District Office	1979	NA
THRIVE Academy	2006	K-12

Enrollment (1)

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

<u>Count Date</u>	<u>Fiscal Year effective</u>	<u>Certified (Resident) (4)(5)</u>	<u>Open Enroll In (6)</u>	<u>Open Enroll Out (6)</u>	<u>Total Served (6)</u>
October-24	2025-26	660.3	176.0	118.0	718.30
October-23	2024-25	661.5	184.0	116.0	729.50
October-22	2023-24	655.6	176.2	108.3	723.50
October-21	2022-23	650.40	172.00	98.00	724.40
October-20	2021-22	652.00	172.00	95.00	729.00

Staff (1)

Presented below is a list of the Issuer's 159 employees.

Administrators:	4.3	Media Specialists:	1
Teachers:	61.2	Nurses:	2.5
Teacher Aids:	50.5	Guidance:	3
Custodians:	7	Secretaries:	7
Food Service:	11.5	Transportation:	9
Other:	1	Maintenance:	1

Population (2)

Presented below are population figures for the periods indicated for the cities of Manson, Barnum, Clare and Knierim

<u>Year</u>	<u>Manson</u>	<u>Barnum</u>	<u>Clare</u>	<u>Knierim</u>
2020	1,709	175	136	53
2010	1,690	191	146	60
2000	1,893	195	190	70
1990	1,844	174	183	71
1980	1,924	198	229	125
1970	1,993	147	249	131

(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

(6) For each fiscal year, the school district into which any student open enrolls sends an invoice to the home district in the amount of the regular district cost per pupil, which is equal to the amount of State Aid the home district receives from the State.

Other Post-Employment Benefits (OPEB) (1)

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	2
<u>Active employees</u>	<u>91</u>
Total	93

Total OPEB Liability – The Issuer’s total OPEB liability of \$561,500 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

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

Rate of inflation (effective 6/30/24)	3.00%
Rates of salary increase (effective 6/30/24) including inflation	3.00%
Discount rate (effective 6/30/24) including inflation	4.75%
Healthcare cost trend rate (effective 6/30/24)	6.00%

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

Mortality rates are from the RP-2014 annuity mortality table. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability:

Total OPEB obligation – beginning of year	\$982,992
Changes for the year	
	Service Cost 82,618
	Interest 27,509
	Difference between expected & actual experiences (363,824)
	Change in assumption (163,237)
	<u>Benefit Payments (4,558)</u>
Net Changes	(421,492)
Net OPEB obligation – end of year	\$561,500

Changes of assumptions reflect a change in the discount rate from 2.37% in fiscal year 2023 to 4.75% in fiscal year 2024.

(1) Source: the Issuer

Employee Pension Plan (1)

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

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

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

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

Table 1 – Issuer and Employees Contribution to IPERS.

Fiscal Year	Issuer Contribution		Issuer Employees' Contribution	
	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2020	\$547,806	9.44	\$365,011	6.29
2021	558,924	9.44	372,419	6.29
2022	582,510	9.44	388,032	6.29
2023	625,897	9.44	417,131	6.29
2024	644,402	9.44	429,966	6.29

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

Table 2 – Recent returns of IPERS (1)

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

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

(1) SOURCE: The Issuer

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

Table 3 – Funding Status of IPERS (1)

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

Net Pension Liabilities (2)

At June 30, 2024, the Issuer reported a liability of \$3,407,741 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7%. The Issuer’s proportion of the net pension liability was based on the Issuer’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See “**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS**” for additional information related to the Issuer’s deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

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

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

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

Investment of Public Funds (1)

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

<u>Type of Investment</u>	<u>Amount Invested</u>
Local Bank Money Market	\$7,526,545.92
Local Bank Deposit Accounts	48,182.16
Local Bank Time CD's	1,047,869.38
ISJIT Money Market	375,220.61
ISJIT Time CD's	0

Major Employers (2)

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

<u>Employer</u>	<u>Business</u>	<u>Approximate Employees</u>
Manson Northwest Webster CSD	Education	100-249
Good Samaritan Society (Lutheran)	Residential care home	50-99
Star Energy	Wholesale fuel	50-99
Gadbury Plumbing Heating & sheet	Air condition contractor	20-49
Cubby's / Godfather's Pizza	Convenience store	20-49
Birkey Trucking	Trucking	10-19
M Nimke Ltd	Trucking	10-19
Manson Red Power	Farm equipment	10-19
Pro Cooperative	Farm supplies	10-19
Big Beve's Bar & Grill	Restaurant	10-19

Property Tax Assessment (3)

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

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

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

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 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.

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

Property Valuations (1)

Actual Valuation					
Valuation as of January	2024	2023	2022	2021	2020
Fiscal Year	<u>2025-26</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
Residential:	343,219,451	338,380,201	283,963,712	277,888,468	249,877,023
Agricultural Land:	252,036,824	252,217,662	187,245,472	187,191,022	189,348,447
Ag Buildings:	8,129,846	9,852,271	5,971,364	5,672,373	4,796,775
Commercial:	43,107,022	41,899,042	31,661,684	30,855,826	28,659,266
Industrial:	39,489,385	48,554,005	43,186,011	43,063,715	45,807,210
Multi-Residential	0	0	0	1,950,660	1,844,810
Reserved	0	0	0	0	0
Railroads:	25,635,870	25,093,025	23,123,119	21,431,734	19,989,566
Utilities:	273,785	318,197	287,896	1,164,140	1,660,677
Other:	11,480	11,480	11,540	8,470	8,470
Total Valuation:	711,903,663	716,325,883	575,450,798	569,226,408	541,992,244
Less Military:	656,000	680,000	330,678	347,336	373,236
Less Homestead:	2,604,601	1,306,500	0	0	0
Net Valuation:	708,643,062	714,339,383	575,120,120	568,879,072	541,619,008
TIF Valuation:	53,026,500	45,183,370	53,000,144	52,086,600	53,375,035
Utility Replacement:	77,271,031	68,624,124	63,627,245	47,752,588	45,297,773
Taxable Valuation					
Valuation as of January	2024	2023	2022	2021	2020
Fiscal Year	<u>2025-26</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
Residential:	162,794,496	156,814,871	155,186,486	150,421,560	140,954,167
Agricultural Land:	186,148,082	181,185,605	171,597,361	166,677,129	159,110,472
Ag Buildings:	6,004,495	7,077,588	5,472,333	5,050,741	4,030,745
Commercial:	34,268,797	33,094,162	25,153,878	27,634,585	25,669,675
Industrial:	33,580,781	42,509,314	33,242,841	33,684,344	36,012,652
Multi-Residential	0	0	0	1,243,548	1,245,252
Reserved	0	0	0	0	0
Railroads:	23,007,103	22,516,872	20,756,678	19,288,561	17,990,609
Utilities:	273,785	318,197	287,896	1,164,140	1,636,575
Other:	5,444	5,319	11,540	8,470	8,470
Total Valuation:	446,082,983	443,521,928	411,709,013	405,173,078	386,658,617
Less Military:	656,000	680,000	330,678	347,336	373,236
Less Homestead:	2,604,601	1,306,500	0	0	0
Net Valuation:	442,822,382	441,535,428	411,378,335	404,825,742	386,285,381
TIF Valuation:	49,287,989	41,444,595	53,000,144	52,086,600	53,375,035
Utility Replacement:	21,902,953	20,931,240	21,806,761	21,914,403	20,601,119

Valuation	Fiscal	Actual	% Change in	Taxable	% Change in
<u>Year</u>	<u>Year</u>	<u>Valuation</u>	<u>Actual</u>	<u>Valuation</u>	<u>Taxable</u>
		<u>w/ Utilities</u>	<u>Valuation</u>	<u>DS / PPEL</u>	<u>Valuation</u>
2024	2026	838,940,593	1.30%	514,013,324	2.00%
2023	2025	828,146,877	19.72%	503,911,263	3.65%
2022	2024	691,747,509	3.44%	486,185,240	1.54%
2021	2023	668,718,260	4.44%	478,826,745	4.03%
2020	2022	640,291,816	0.43%	460,261,535	1.85%

(1) Source: Iowa Department of Management

Tax Rates (1)

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

<u>Fiscal</u> <u>Year</u>	<u>Operating</u> <u>Fund</u>	<u>Management</u> <u>Fund</u>	<u>Board</u> <u>PPEL</u>	<u>Voter</u> <u>PPEL</u>	<u>Play</u> <u>Ground</u>	<u>Debt</u> <u>Service</u>	<u>School</u> <u>House</u>	<u>Amana</u> <u>Library</u>	<u>Total</u> <u>Levy</u>
2026	7.43838	1.39868	0.33000	1.34000	0.00000	0.00000	0	0.00000	10.50706
2025	7.44490	0.97304	0.33000	1.34000	0.00000	0.00000	0	0.00000	10.08794
2024	7.58993	0.85414	0.33000	1.34000	0.00000	0.00000	0	0.00000	10.11407
2023	7.84619	0.58584	0.33000	1.34000	0.00000	0.00000	0	0.00000	10.10203
2022	7.70120	0.86019	0.33000	1.34000	0.00000	0.00000	0	0.00000	10.23139

Historic Tax Rates (1)

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

<u>Fiscal</u> <u>Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>County</u> <u>Assessor</u>	<u>County</u> <u>Ag Extens</u>	<u>County</u> <u>Hospital</u>	<u>County</u>	<u>Regional</u> <u>Transit</u>	<u>Total</u> <u>Levy Rate</u>
2026	17.65331	10.50706	1.56992	0.00000	0.38486	0.23467	0.00000	5.84829	0.00000	36.19811
2025	18.24896	10.08794	1.42738	0.00180	0.36882	0.28195	0.00000	5.88193	0.00000	36.29878
2024	17.29190	10.11407	1.35550	0.00180	0.43588	0.29094	0.00000	5.98387	0.00000	35.47396
2023	16.98132	10.10203	1.24274	0.00240	0.40742	0.24751	0.00000	6.10000	0.00000	35.08342
2022	17.25250	10.23139	1.09210	0.00260	0.41285	0.18079	0.00000	6.33438	0.00000	35.50661

Tax Collection History (2)

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

<u>Fiscal</u> <u>Year</u>	<u>Amount</u> <u>Levied</u>	<u>Amount</u> <u>Collected</u>	<u>Percentage</u> <u>Collected</u>
2026	\$4,969,561	In collection	NA
2025	4,737,883	\$4,744,028	100.13%
2024	4,476,621	4,486,308	100.22%
2023	4,417,126	4,426,114	100.20%
2022	4,255,459	4,270,371	100.35%

(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.

<u>Taxpayer</u>	<u>2024 Taxable Valuation</u>	<u>Percent of Total</u>
Cargill (3)	60,596,710	11.789%
Mid American Energy	21,446,371	4.172%
Valero Renewable Fuels CO LLC	15,884,741	3.090%
Union Pacific Railroad	14,765,614	2.873%
New Cooperative	13,588,015	2.644%
Chicago Central & Pacific RR	8,241,489	1.603%
Farmers Coop Co.	5,599,249	1.089%
Pocahontas Prairie Wind LLC	5,081,925	0.989%
Moline Brothers LLC	3,558,151	0.692%
KMTJ Nielsen LLC	2,237,330	0.435%
Total		29.38%

(1) Source: Calhoun, Pocahontas and Webster 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 Notes 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 Notes.

(3) Cargill is a significant taxpayer within the Issuer. The Issuer receives a significant amount of revenues from and relating to operations of Cargill. There can be no assurance that the operations of Cargill will continue to provide the same level of revenues for the Issuer during the term of the Notes. Circumstances beyond the control of the Issuer, including, without limitation, economic downturns and increased competition, may significantly affect Cargill's operations and, thus, the amount of revenues received by the Issuer as a result of Cargill's operations. Failure by the Issuer to realize ongoing revenues associated with Cargill could have a material adverse effect on the financial condition of the Issuer.

Direct Debt

General Obligation School Bonds (Debt Service) (1)

The Issuer does not have any outstanding general obligation bonds.

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

The Issuer presently does not have any outstanding debt secured by PPEL levy. Presented below is the estimated principal and interest due on the Notes, presented by fiscal year and issue.

<u>Fiscal Year</u>	<u>12/18/25*</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Other Expenses</u>	<u>Total P&I</u>
6/1/26	\$590,000	\$590,000	\$97,865	\$1,600	\$687,865
6/1/27	560,000	560,000	126,443	1,600	686,443
6/1/28	580,000	580,000	107,123	1,600	687,123
6/1/29	600,000	600,000	87,113	1,600	687,113
6/1/30	620,000	620,000	66,413	1,600	686,413
6/1/31	640,000	640,000	45,023	1,600	685,023
6/1/32	665,000	665,000	22,943	1,600	687,943
Totals:	\$4,255,000	\$4,255,000	\$552,920	\$11,200	\$4,807,920

* Preliminary, subject to change

Anticipatory Warrants (1)

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

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

Presented below are the principal and interest payments due on the Issuer's outstanding School Infrastructure Sales, Services & Use Tax Revenue Bonds, presented by fiscal year and issue.

<u>Fiscal Year</u>	<u>7/25/23</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Other Expenses</u>	<u>Total Obligations</u>
6/1/26	\$380,000	\$380,000	\$88,924	\$1,600	\$470,524
6/1/27	394,000	394,000	72,584	1,600	468,184
6/1/28	414,000	414,000	55,642	1,600	471,242
6/1/29	430,000	430,000	37,840	1,600	469,440
6/1/30	450,000	450,000	19,350	1,600	470,950
Totals:	\$2,068,000	\$2,068,000	\$274,340	\$8,000	\$2,350,340

(1) Source: the Issuer

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

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

1/1/2024 Actual Valuation:	\$838,940,593
X	5%
Statutory Debt Limit:	\$41,947,029
Total General Obligation Bond Debt:	\$0
Total General Obligation Note Debt:	4,255,000
Total Lease Purchases:	0
Total Loan Agreements:	0
Capital Leases:	0
Total Debt Subject to Limit:	\$4,255,000
Percentage of Debt Limit Obligated:	10.14%

It has not been determined whether the Issuer's Sales Tax Revenue Bonds do or do not count against the constitutional debt limit. If the Sales Tax Revenue Bonds do count against the constitutional debt limit, the amount of debt subject to the debt limit would increase \$2,068,000* to be \$6,323,000*, or 15.07% * of the statutory debt limit.

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

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

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

Overlapping & Underlying Debt (1) (3)

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

<u>Taxing Authority</u>	<u>Total GO Debt Outstanding</u>	<u>Taxable Valuation (x \$1,000)</u>	<u>Valuation Within Issuer (x \$1,000)</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
City Of Manson	\$1,115,000	\$57,550,890	\$57,550,890	100.00%	\$1,115,000
City Of Clare	0	11,138,222	11,138,222	100.00%	0
City Of Knierim	0	7,422,077	7,422,077	100.00%	0
City Of Barnum	18,271	5,103,104	5,103,104	100.00%	18,271
Webster County	20,090,000	2,458,012,882	287,561,673	11.70%	2,350,319
Calhoun County	0	1,035,682,440	180,823,359	17.46%	0
Pocahontas County	0	957,086,661	35,526,231	3.71%	0
Iowa Central CC	45,645,000	11,244,764,633	503,911,263	4.48%	2,045,488
Prairie Lakes AEA	0	20,165,592,750	503,911,263	2.50%	0
Total:					\$5,529,078

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

Actual Value of Property, 2024	\$838,940,593
Taxable Value of Property, 2024	\$514,013,324
Direct General Obligation Debt:	\$4,255,000
Overlapping Debt:	5,529,078
Direct & Overlapping General Obligation Debt:	\$9,784,078
Population, 2020 US Census:	4,041
Direct Debt per Capita:	\$1,053
Total Debt per Capita:	\$2,421
Direct Debt to Taxable Valuation:	0.828%
Total Debt to Taxable Valuation:	1.903%
Direct Debt to Actual Valuation:	0.507%
Total Debt to Actual Valuation:	1.166%
Actual Valuation per Capita:	\$207,607
Taxable Valuation per Capita:	\$127,200

- (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 Manson Northwest Webster Community School District in the Counties of Calhoun, Pocahontas and Webster, 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 December 18, 2025, 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. The Issuer reserves the right to issue Additional Obligations, which may be issued upon conditions set forth in the Resolution. 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.
3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the 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.
4. 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 Code 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 hereafter come to our attention, or any changes in law that may hereafter 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 Manson Northwest Webster 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 December 18, 2025. The Notes are being issued pursuant to a Resolution of the Issuer approved on _____, 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 the 15th day of April of each year following the close of the Issuer's fiscal year (currently June 30), commencing with information for the 2025/2026 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 caption "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. Additional Filing. The Issuer's audited financial statements for fiscal year ending June 30, 2025 were not available for inclusion in the Final Official Statement. The Issuer agrees to file these audited financial statements in the same manner as the Annual Financial Information when they become available.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate with respect to each Series of 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 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

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

- a. If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 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 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information filing or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Financial Information filing or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information filing or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the 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 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

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

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

Date: _____ day of _____, 2025.

MANSON NORTHWEST WEBSTER
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: Manson Northwest Webster Community School District, Iowa.

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

Dated Date of Issue: December 18, 2025

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____.

MANSON NORTHWEST WEBSTER
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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**MANSON NORTHWEST WEBSTER COMMUNITY SCHOOL DISTRICT
MANSON, IOWA**

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

YEAR ENDED JUNE 30, 2024

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**Manson Northwest Webster Community School District
Manson, Iowa**

Officials

(Before November 2023 Election)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Mike Jepson	President	2023
Brad Moline	Vice President	2023
Dan Oswald	Board Member	2025
Jan Nelson	Board Member	2025
Mark Siems	Board Member	2023
Jim Stubbs	Board Member	2025
Josh Sturgis	Board Member	2023

(After November 2023 Election)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Mike Jepson	President	2027
Brad Moline	Vice President	2027
Dan Oswald	Board Member	2025
Jan Nelson	Board Member	2025
Mark Siems	Board Member	2027
Jim Stubbs	Board Member	2025
Josh Sturgis	Board Member	(resigned April) 2027
Kari Krueger	Board Member	(appointed May) 2025

School Officials

Justin Daggett	Superintendent	2024
Erin Schroeder	District Secretary/Business Manager	2024
Allison Davis	Business Manager/District Treasurer	2024
Ahlers & Cooney	Attorney	Indefinite

Cornwell, Frideres, Maher & Associates, P.L.C.

Certified Public Accountants

714 14th Avenue North
Fort Dodge, IA 50501-7098
Phone 515.955.4805 Fax 515.955.4673

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lwcornwell@frontiernet.net

Christine R. Frideres, C.P.A.
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Jerilyn J. Maher, C.P.A.
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Independent Auditor's Report

To the Board of Education of
Manson Northwest Webster Community School District:

Report on the Audit of the Financial Statements

Unmodified and Disclaimer of 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 Manson Northwest Webster Community School District, Manson, 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. We were not engaged to audit the financial statements of the aggregate discretely presented component unit.

Disclaimer of Opinion on the Aggregate Discretely Presented Component Unit

We do not express an opinion on the financial statements of the aggregate discretely presented component unit of Manson Northwest Webster Community School District. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Unit section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component unit.

Unmodified Opinions on Governmental Activities, Business type Activities, Each Major Fund, and Aggregate Remaining Fund Information

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 Manson Northwest Webster 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 Disclaimer of Opinion on the Aggregate Discretely Presented Component Unit

The financial statements of the Cougar Club have not been audited, and we were not engaged to audit the Cougar Club's financial statements as part of our audit of the Manson Northwest Webster Community District's basic financial statements. The Cougar Club's financial activities are included in the District's basic financial statements as a discretely presented component unit.

Basis for Unmodified Opinions

We conducted our audit of the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information 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 Manson Northwest Webster 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 Manson Northwest Webster 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 Manson Northwest Webster 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 Manson Northwest Webster 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 6 through 15 and 63 through 73 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 Manson Northwest Webster 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 9, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information in Schedules 1 through 9 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 26, 2025 on our consideration of Manson Northwest Webster 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 Manson Northwest Webster Community School District's internal control over financial reporting and compliance.

Cornwell, Frideres, Maher & Associates, P.L.C.

Cornwell, Frideres, Maher & Associates, P.L.C.
Certified Public Accountants

March 26, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

2024 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$9,725,484 in fiscal year 2023 to \$9,789,067 in fiscal year 2024, while General Fund expenditures increased from \$9,0436,548 in fiscal year 2023 to \$9,671,650 in fiscal year 2024. The District's General Fund balance increased from \$3,778,560 at the end of fiscal year 2023 to \$3,887,471 at the end of fiscal year 2024, a 2.9% increase.
- The fiscal year 2024 General Fund revenue increase was attributable to increases in tuition, and state revenues. The increase in expenditures was due primarily to an increase in negotiated salaries and benefits 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 Manson Northwest Webster Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental and business type activities services were financed in the short term as well as what remains for future spending. Fund financial statements report Manson Northwest Webster Community School District's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Manson Northwest Webster Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

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

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

Supplementary Information provides detailed information about the nonmajor governmental and enterprise funds.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

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

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

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.
- *Component unit:* This includes the activities of the Cougar Club. The District receives significant financial benefits from this component unit although it is a legally separate entity.

Fund Financial Statements

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

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

The District has three kinds of funds:

- 1) *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund 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, a type of proprietary fund, is the same as its business type activities but provide more detail and additional information, such as cash flows. The District currently has the following Enterprise Funds; the School Nutrition Fund and the Preschool 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.

- 3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-Purpose Trust and Custodial Funds, as follows:
 - Private-Purpose Trust Fund – The District accounts for outside donations for scholarships for individual students in this fund.
 - Custodial Funds – These are funds through which the District administers and accounts for certain federal and/or state grants as a fiscal agent.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Figure A-1
Condensed Statement of Net Position
(Expressed in Thousands)

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2024	2023	2024	2023	2024	2023	2023-2024
Current and other assets	\$ 15,173	13,438	298	305	15,471	13,743	12.6%
Capital assets	<u>7,040</u>	<u>5,200</u>	<u>77</u>	<u>82</u>	<u>7,117</u>	<u>5,282</u>	<u>34.7%</u>
Total assets	<u>22,213</u>	<u>18,638</u>	<u>375</u>	<u>387</u>	<u>22,588</u>	<u>19,025</u>	<u>18.7%</u>
Deferred outflows of resources	<u>1,452</u>	<u>988</u>	<u>38</u>	<u>24</u>	<u>1,490</u>	<u>1,012</u>	<u>47.2%</u>
Long-term liabilities	6,337	3,837	118	108	6,455	3,945	63.6%
Other liabilities	<u>1,500</u>	<u>1,510</u>	<u>48</u>	<u>35</u>	<u>1,548</u>	<u>1,545</u>	<u>0.2%</u>
Total liabilities	<u>7,837</u>	<u>5,347</u>	<u>166</u>	<u>143</u>	<u>8,003</u>	<u>5,490</u>	<u>45.8%</u>
Deferred inflows of resources	<u>5,750</u>	<u>5,446</u>	<u>12</u>	<u>17</u>	<u>5,762</u>	<u>5,463</u>	<u>5.5%</u>
Net position:							
Net investment in							
capital assets	5,069	5,147	77	82	5,146	5,229	-1.6%
Restricted	4,283	3,524	---	---	4,283	3,524	21.5%
Unrestricted	<u>726</u>	<u>162</u>	<u>158</u>	<u>169</u>	<u>884</u>	<u>331</u>	<u>167.1%</u>
Total net position	<u>\$ 10,078</u>	<u>8,833</u>	<u>235</u>	<u>251</u>	<u>10,313</u>	<u>9,084</u>	<u>13.5%</u>

The District's total net position increased 13.5%, or approximately \$1,229,000, over 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 equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased approximately \$759,000, or 21.5%, over the prior year. The increase was primarily a result of an increase in physical plant and equipment and school infrastructure revenues and unspent bond proceeds.

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 approximately \$553,000, or 167.1%. The increase in unrestricted net position was primarily a result of a decrease in the District's pension related deferred inflows.

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

Figure A-2
Changes in Net Position
(Expressed in Thousands)

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total District</u>		<u>Total Change</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>
Revenues:							
Program revenues:							
Charges for service	\$ 1,999	1,930	237	259	2,236	2,189	2.1%
Operating grants, contributions and restricted interest	1,764	1,833	312	346	2,076	2,179	-4.7%
Capital grants, contributions and restricted interest	---	---	---	---	---	---	0.0%
General revenues:							
Property tax	4,487	4,426	---	---	4,487	4,426	1.4%
Statewide sales, services and use tax	864	891	---	---	864	891	-3.0%
Income surtax	420	243	---	---	420	243	72.8%
Unrestricted state grants	2,592	2,450	---	---	2,592	2,450	5.8%
Unrestricted investment earnings	300	134	10	4	310	138	124.6%
Insurance proceeds	---	69	---	---	---	69	-100.0%
Other	31	35	---	---	31	35	-11.4%
Gain (loss) on disposal of capital assets	(11)	2	---	---	(11)	2	-650.0%
Total revenues	<u>12,446</u>	<u>12,013</u>	<u>559</u>	<u>609</u>	<u>13,005</u>	<u>12,622</u>	<u>3.0%</u>
Program expenses:							
Instruction	6,722	6,208	---	---	6,722	6,208	8.3%
Support services	3,595	3,484	---	---	3,595	3,484	3.2%
Non-instructional programs	---	5	575	559	575	564	2.0%
Other expenses	<u>884</u>	<u>848</u>	<u>---</u>	<u>---</u>	<u>884</u>	<u>848</u>	<u>4.2%</u>
Total expenses	<u>11,201</u>	<u>10,545</u>	<u>575</u>	<u>559</u>	<u>11,776</u>	<u>11,104</u>	<u>6.1%</u>
Change in net position	1,245	1,468	(16)	50	1,229	1,518	-19.0%
Net position beginning of year	<u>8,833</u>	<u>7,365</u>	<u>251</u>	<u>201</u>	<u>9,084</u>	<u>7,566</u>	<u>20.1%</u>
Net position end of year	<u>\$ 10,078</u>	<u>8,833</u>	<u>235</u>	<u>251</u>	<u>10,313</u>	<u>9,084</u>	<u>13.5%</u>

In fiscal year 2024, property tax and unrestricted state grants accounted for 56.9% of governmental activities revenues while charges for service, operating and capital grants, contributions, and restricted interest accounted for 98.2% of business type activities revenues.

The District's total revenues were approximately \$13.0 million, of which approximately \$12.4 million was for governmental activities and less than \$1 million was for business type activities.

As shown in Figure A-2, the District as a whole experienced a 3.0% increase in revenues and a 6.1% increase in expenses.

Governmental Activities

Revenues for governmental activities were \$12,446,210 and expenses were \$11,201,180 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-3
Total and Net Cost of Governmental Activities
(Expressed in Thousands)

	Total Cost of Services			Net Cost of Services		
	2024	2023	Change 2023-2024	2024	2023	Change 2023-2024
Instruction	\$ 6,722	6,208	8.3%	3,899	3,383	15.3%
Support services	3,595	3,484	3.2%	2,977	2,861	4.1%
Non-instructional programs	---	5	-100.0%	---	5	-100.0%
Other expenses	884	848	4.2%	561	533	5.3%
Total	<u>\$ 11,201</u>	<u>10,545</u>	<u>6.2%</u>	<u>7,437</u>	<u>6,782</u>	<u>9.7%</u>

For the year ended June 30, 2024:

- The cost financed by users of the District's programs was \$1,999,461.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$1,764,207.
- The net cost of governmental activities was financed with \$5,770,415 of property and other taxes and \$2,591,965 of unrestricted state grants.

Business Type Activities

Revenues for business type activities during the year ended June 30, 2024, were \$559,086, representing a 8.2% decrease from the prior year, while expenses totaled \$575,732, a 3.0% increase over the prior year. The District's business type activities include the School Nutrition and Preschool Funds. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

INDIVIDUAL FUND ANALYSIS

As previously noted, Manson Northwest Webster 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 \$8,582,840, above last year's ending fund balances of \$7,209,331.

Governmental Fund Highlights

- The General Fund balance increased from \$3,778,560 to \$3,887,471. Revenues increased approximately \$64,000 while expenditures increased approximately \$235,000 over the prior year. Revenues were more than expenditures resulting in an increase in fund balance. The primary reason for the increase in expenditures was due to negotiated salaries and benefits.
- The Capital Projects Fund balance increased from \$2,180,153 in fiscal 2023 to \$3,464,528 in fiscal 2024. Revenues increased approximately \$90,000 over the prior year while expenditures increased approximately \$1,575,000. The District issued \$2,798,000 of revenue bonds during the year to finance the cost of an addition to the JH/HS building.
- The Debt Service Fund balance was \$0 for both fiscal years 2023 and 2024. The only activity in this fund was a transfer in from the Capital Projects Fund to make the required debt payment.

Proprietary Fund Highlights

School Nutrition Fund net position decreased from \$228,409 at June 30, 2023 to \$225,972 at June 30, 2024, representing a decrease of approximately 1.1%. Revenue decreased 8.3%. Expenses decreased 0.2%.

BUDGETARY HIGHLIGHTS

Over the course of the year, Manson Northwest Webster Community School District amended its budget one time to reflect additional equipment purchases.

The District's total revenues were \$486,870 more than total budgeted revenues, a variance of 3.9%.

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 practices, expenditures in the other expenditures functional areas exceeded the amounts budgeted due to timing of expenditures at year-end without sufficient time to amount the certified budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the District had invested approximately \$7.1 million, net of accumulated depreciation/amortization, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment, transportation equipment and intangible assets. (See Figure A-4) This represents a net increase of 34.7% over last 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 \$611,056 for governmental activities and \$16,030 for business type activities.

The original cost of the District's capital assets was approximately \$20.0 million. Governmental funds account for approximately \$19.5 million, with the remainder of approximately \$0.5 million accounted for in the Proprietary, 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 \$2,153,749 at June 30, 2024, compared to \$181,475 reported at June 30, 2023. This significant increase resulted from construction activity financed by the issuance of revenue bonds totaling \$2,798,000.

Figure A-4
Capital Assets, Net of Depreciation
(Expressed in Thousands)

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2024	2023	2024	2023	2024	2023	2023-2024
Land	\$ 118	118	---	---	118	118	0.0%
Construction in progress	2,154	182	---	---	2,154	182	1,083.5%
Buildings	3,101	3,005	---	---	3,101	3,005	3.2%
Improvements other than buildings	847	911	---	---	847	911	7.0%
Furniture and equipment	786	934	77	82	863	1,016	15.1%
Right-to-use leased equipment	34	50	---	---	34	50	-32.0%
Total	\$ 7,040	5,200	77	82	7,117	5,282	34.7%

Long-Term Debt

At June 30, 2024, the District had \$2,485,705 in total long-term debt outstanding. This represents an increase of approximately 3,610.4% over last year. (See Figure A-5) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

The Construction of the State of Iowa limits the amount of general obligation debt districts can issue to 5% of the assessed value of all taxable property within the District. The District's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$32 million.

In July 2023, the District issued \$2,798,000 of Statewide Sales, Services and Use Tax revenue bonds for the JH/HS addition and roof. The District had total outstanding bonded indebtedness at June 30, 2024 of \$2,432,000.

Figure A-5
Outstanding Long-Term Obligations
(Expressed in Thousands)

	<u>Total</u>		<u>Total</u>
	<u>District</u>		<u>Change</u>
	<u>June 30,</u>		<u>June 30,</u>
	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>
Revenue bonds	\$ 2,432	---	100.0%
Compensated absences	18	15	20.0%
Lease agreements	36	52	-30.8%
Total	<u>\$ 2,486</u>	<u>67</u>	<u>3,610.4%</u>

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

1. Open enrollment continues to be the single biggest factor bearing upon the financial health of the District. Numbers for next year indicate 184 students open enrolling into the District, with 120 out. That nets the District almost \$474,500 in General Fund revenue. Although this is a positive, it is also an uncertainty and not as stable as the District would be if these were all resident students.
2. During the 2023-24 school year, the District issued \$2,798,000 in SAVE revenue bonds to fund a small addition to the east side of the Jr/Sr High School.
3. Manson Northwest Webster continues to serve as the fiscal agent for North Central Consortium School.
4. During the 2023-24 legislative session, the state of Iowa passed legislation that required all teacher's wages to be at least \$47,500 and wages of teachers with at least 12 years of experience to be at least \$60,000 for the 2024-25 school year. Those amounts will increase to \$50,000 and \$62,000 respectively for the 2025-26 school year.
5. During the 2023-24 legislative session, the state of Iowa passed legislation that reduced the amount of the District's AEA flow-through amount starting in the 2024-25 school year, giving districts more authority on how the funds are spent while reducing the capacity of AEAs.

6. During the 2022-23 legislative session, the state of Iowa passes legislation that allowed students to receive the per pupil funding amount to go toward private school tuition in the form of education savings accounts. Manson Northwest Webster will continue to monitor the impact to public school enrollment and funding.

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 Justin Daggett, Superintendent, Manson Northwest Webster Community School District, 1030 Main Street, Manson, Iowa, 50563.

Basic Financial Statements

Manson Northwest Webster Community School District
Manson, Iowa

Exhibit A

Statement of Net Position

June 30, 2024

	Primary Government			Component
	Governmental	Business Type	Total	Unit
	Activities	Activities		Cougar Club
Assets				
Cash, cash equivalents and pooled investments	\$ 8,894,455	283,778	9,178,233	40,762
Receivables:				
Property tax:				
Delinquent	22,853	-	22,853	-
Succeeding year	4,737,883	-	4,737,883	-
Accounts	9,960	1,442	11,402	-
Accrued interest	54	-	54	-
Due from other governments	1,392,272	-	1,392,272	-
Inventories	-	12,615	12,615	-
Prepaid expense	114,827	-	114,827	-
Capital assets, net of accumulated depreciation/amortization	7,040,254	77,141	7,117,395	-
Total assets	<u>22,212,558</u>	<u>374,976</u>	<u>22,587,534</u>	<u>40,762</u>
Deferred Outflows of Resources				
Pension related deferred outflows	1,253,346	35,371	1,288,717	-
OPEB related deferred outflows	198,499	2,206	200,705	-
Total deferred outflows of resources	<u>1,451,845</u>	<u>37,577</u>	<u>1,489,422</u>	<u>-</u>
Liabilities				
Accounts payable	668,277	65	668,342	-
Salaries and benefits payable	821,837	35,492	857,329	-
Unearned revenue	750	12,651	13,401	-
Accrued interest payable	8,774	-	8,774	-
Long-term liabilities:				
Portion due within one year:				
Revenue bonds	364,000	-	364,000	-
Lease agreements	16,974	-	16,974	-
Compensated absences	17,561	-	17,561	-
Portion due after one year:				
Revenue bonds	2,068,000	-	2,068,000	-
Lease agreements	19,170	-	19,170	-
Net pension liability	3,296,101	111,640	3,407,741	-
Total OPEB liability	555,330	6,170	561,500	-
Total liabilities	<u>7,836,774</u>	<u>166,018</u>	<u>8,002,792</u>	<u>-</u>

Manson Northwest Webster Community School District
Manson, Iowa

Exhibit A

Statement of Net Position

(continued)

June 30, 2024

	Primary Government			Component
	Governmental	Business Type	Total	Unit
	Activities	Activities		Cougar Club
Deferred Inflows of Resources				
Unavailable property tax revenue	4,737,883	-	4,737,883	-
Pension related deferred inflows	36,080	905	36,985	-
OPEB related deferred inflows	976,017	10,844	986,861	-
Total deferred inflows of resources	<u>5,749,980</u>	<u>11,749</u>	<u>5,761,729</u>	<u>-</u>
Net Position				
Net investment in capital assets	5,068,994	77,141	5,146,135	-
Restricted for:				
Categorical funding	83,800	-	83,800	-
Management levy purposes	930,398	-	930,398	-
Physical plant and equipment	1,296,845	-	1,296,845	-
School infrastructure	1,670,799	-	1,670,799	-
Student activities	300,443	-	300,443	-
Unrestricted	<u>726,370</u>	<u>157,645</u>	<u>884,015</u>	<u>40,762</u>
Total net position	<u>\$ 10,077,649</u>	<u>234,786</u>	<u>10,312,435</u>	<u>40,762</u>

See notes to financial statements.

Manson Northwest Webster Community School District
Manson, Iowa
Statement of Activities
Year ended June 30, 2024

	<u>Expenses</u>	<u>Charges for Service</u>	<u>Program Revenues</u>	
			<u>Operating Grants, Contributions and Restricted Interest</u>	<u>Capital Grants, Contributions and Restricted Interest</u>
Functions/Programs:				
Primary Government:				
Governmental activities:				
Instruction:				
Regular instruction	\$ 3,919,667	1,277,235	398,991	-
Special instruction	1,260,486	417,029	85,261	-
Other instruction	1,541,475	304,451	339,802	-
	<u>6,721,628</u>	<u>1,998,715</u>	<u>824,054</u>	<u>-</u>
Support services:				
Student	263,847	-	14,581	-
Instructional staff	501,546	-	278,805	-
Administration	1,138,023	-	564	-
Operation and maintenance of plant	956,907	746	-	-
Transportation	734,917	-	323,276	-
	<u>3,595,240</u>	<u>746</u>	<u>617,226</u>	<u>-</u>
Other expenditures:				
Facilities acquisition	92,059	-	-	-
Long-term debt interest	158,562	-	-	-
AEA flowthrough	322,927	-	322,927	-
Depreciation/amortization (unallocated)*	310,764	-	-	-
	<u>884,312</u>	<u>-</u>	<u>322,927</u>	<u>-</u>
Total governmental activities	<u>11,201,180</u>	<u>1,999,461</u>	<u>1,764,207</u>	<u>-</u>
Business type activities:				
Non-instructional programs:				
Food service operations	557,878	234,065	312,136	-
Preschool	17,854	2,904	-	-
Total business type activities	<u>575,732</u>	<u>236,969</u>	<u>312,136</u>	<u>-</u>
Total primary government	<u>\$ 11,776,912</u>	<u>2,236,430</u>	<u>2,076,343</u>	<u>-</u>
Component Unit:				
Cougar Club	\$ 70,025	73,718	1,480	-
General Revenues:				
Property tax levied for:				
General purposes				
Capital outlay				
Income surtax				
Statewide sales, services and use tax				
Unrestricted state grants				
Unrestricted investment earnings				
Other				
Loss on sale of capital assets				
Total general revenues				
Change in net position				
Net position beginning of year				
Net position end of year				

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

See notes to financial statements.

Exhibit B

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business Type Activities	Total	Cougar Club
(2,243,441)	-	(2,243,441)	-
(758,196)	-	(758,196)	-
(897,222)	-	(897,222)	-
(3,898,859)	-	(3,898,859)	-
(249,266)	-	(249,266)	-
(222,741)	-	(222,741)	-
(1,137,459)	-	(1,137,459)	-
(956,161)	-	(956,161)	-
(411,641)	-	(411,641)	-
(2,977,268)	-	(2,977,268)	-
(92,059)	-	(92,059)	-
(158,562)	-	(158,562)	-
-	-	-	-
(310,764)	-	(310,764)	-
(561,385)	-	(561,385)	-
(7,437,512)	-	(7,437,512)	-
-	(11,677)	(11,677)	-
-	(14,950)	(14,950)	-
-	(26,627)	(26,627)	-
(7,437,512)	(26,627)	(7,464,139)	-
-	-	-	5,173
\$ 3,672,805	-	3,672,805	-
813,534	-	813,534	-
420,414	-	420,414	-
863,662	-	863,662	-
2,591,965	-	2,591,965	-
300,483	9,750	310,233	10
31,072	231	31,303	1,589
(11,393)	-	(11,393)	-
8,682,542	9,981	8,692,523	1,599
1,245,030	(16,646)	1,228,384	6,772
8,832,619	251,432	9,084,051	33,990
\$ 10,077,649	234,786	10,312,435	40,762

Manson Northwest Webster Community School District
Manson, Iowa

Exhibit C

Balance Sheet
Governmental Funds

June 30, 2024

	General	Capital Projects	Nonmajor	Total
Assets				
Cash, cash equivalents and pooled investments	\$ 4,073,243	3,594,919	1,226,293	8,894,455
Receivables:				
Property tax:				
Delinquent	17,150	3,773	1,930	22,853
Succeeding year	3,446,352	841,532	449,999	4,737,883
Accounts	14	-	9,946	9,960
Accrued interest	-	-	54	54
Due from other funds	-	4,928	-	4,928
Due from other governments	1,312,802	79,470	-	1,392,272
Prepaid expenditures	100,358	14,469	-	114,827
Total assets	<u>\$ 8,949,919</u>	<u>4,539,091</u>	<u>1,688,222</u>	<u>15,177,232</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 430,998	233,031	4,248	668,277
Salaries and benefits payable	819,453	-	2,384	821,837
Due to other funds	4,928	-	-	4,928
Unearned revenue	-	-	750	750
Total liabilities	<u>1,255,379</u>	<u>233,031</u>	<u>7,382</u>	<u>1,495,792</u>
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	3,446,352	841,532	449,999	4,737,883
Income surtax	360,346	-	-	360,346
Other	371	-	-	371
Total deferred inflows of resources	<u>3,807,069</u>	<u>841,532</u>	<u>449,999</u>	<u>5,098,600</u>
Fund balances:				
Nonspendable for:				
Prepaid expenditures	100,358	14,469	-	114,827
Restricted for:				
Categorical funding	83,800	-	-	83,800
Management levy purposes	-	-	930,398	930,398
Student activities	-	-	300,443	300,443
School infrastructure	-	2,167,683	-	2,167,683
Physical plant and equipment	-	1,282,376	-	1,282,376
Assigned	9,124	-	-	9,124
Unassigned	3,694,189	-	-	3,694,189
Total fund balances	<u>3,887,471</u>	<u>3,464,528</u>	<u>1,230,841</u>	<u>8,582,840</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,949,919</u>	<u>4,539,091</u>	<u>1,688,222</u>	<u>15,177,232</u>

See notes to financial statements.

Manson Northwest Webster Community School District
Manson, Iowa

Exhibit D

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position

June 30, 2024

Total fund balances of governmental funds (page 20) **\$ 8,582,840**

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

Capital assets used in governmental activities are not financial resources and,
therefore, are not reported as assets in the governmental funds. 7,040,254

Other long-term assets are not available to pay current year expenditures and,
therefore, are recognized as deferred inflows of resources in the governmental
funds. 360,717

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. (8,774)

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	\$ 1,451,845	
Deferred inflows of resources	<u>(1,012,097)</u>	439,748

Long-term liabilities, including lease agreements payable, bonds payable,
compensated absences payable, total OPEB liability and net pension liability are
not due and payable in the current year and, therefore, are not reported in the
governmental funds. (6,337,136)

Net position of governmental activities (page 17) **\$ 10,077,649**

See notes to financial statements.

Manson Northwest Webster Community School District
Manson, Iowa
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2024

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>
Revenues:			
Local sources:			
Local tax	\$ 3,594,143	813,534	-
Tuition	1,663,893	-	-
Other	181,986	138,239	-
State sources	4,167,921	870,015	-
Federal sources	181,124	-	-
Total revenues	<u>9,789,067</u>	<u>1,821,788</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,802,756	162,565	-
Special	1,319,550	-	-
Other	1,289,377	2,305	-
	<u>6,411,683</u>	<u>164,870</u>	<u>-</u>
Support services:			
Student	278,316	-	-
Instructional staff	434,776	47,877	-
Administration	991,392	82,843	-
Operation and maintenance of plant	684,343	104,281	-
Transportation	548,213	33,275	-
	<u>2,937,040</u>	<u>268,276</u>	<u>-</u>
Other expenditures:			
Facilities acquisition	-	2,377,247	-
Long-term debt:			
Principal	-	-	382,310
Interest and fiscal charges	-	45,220	104,568
AEA flowthrough	322,927	-	-
	<u>322,927</u>	<u>2,422,467</u>	<u>486,878</u>
Total expenditures	<u>9,671,650</u>	<u>2,855,613</u>	<u>486,878</u>
Excess (deficiency) of revenues over (under) expenditures	<u>117,417</u>	<u>(1,033,825)</u>	<u>(486,878)</u>
Other financing sources (uses):			
Revenue bonds issued	-	2,798,000	
Proceeds from sale of capital assets	500	7,078	-
Transfers in	-	-	486,878
Transfers out	(9,006)	(486,878)	-
Total other financing sources (uses)	<u>(8,506)</u>	<u>2,318,200</u>	<u>486,878</u>
Change in fund balances	108,911	1,284,375	-
Fund balances beginning of year	3,778,560	2,180,153	-
Fund balances end of year	<u>\$ 3,887,471</u>	<u>3,464,528</u>	<u>-</u>
See notes to financial statements.			

Exhibit E

<u>Nonmajor</u>	<u>Total</u>
370,822	4,778,499
-	1,663,893
353,499	673,724
3,249	5,041,185
-	181,124
<u>727,570</u>	<u>12,338,425</u>
91,963	4,057,284
-	1,319,550
<u>282,921</u>	<u>1,574,603</u>
<u>374,884</u>	<u>6,951,437</u>
-	278,316
-	482,653
95,685	1,169,920
240,836	1,029,460
44,948	626,436
<u>381,469</u>	<u>3,586,785</u>
-	2,377,247
-	382,310
-	149,788
-	322,927
-	3,232,272
<u>756,353</u>	<u>13,770,494</u>
<u>(28,783)</u>	<u>(1,432,069)</u>
-	2,798,000
-	7,578
9,006	495,884
-	(495,884)
<u>9,006</u>	<u>2,805,578</u>
(19,777)	1,373,509
<u>1,250,618</u>	<u>7,209,331</u>
<u>1,230,841</u>	<u>8,582,840</u>

Manson Northwest Webster Community School District
Manson, Iowa

Exhibit F

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 23)	\$	1,373,509
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*Amounts reported for governmental activities in the Statement of
Activities are different because:*

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

Expenditures for capital assets	\$ 2,470,591	
Depreciation/amortization expense	<u>(611,056)</u>	1,859,535

Proceeds from the sale of capital assets is reported in the governmental funds, however, in the Statement of Activities it is netted against the book value of the assets being disposed of and only the gain/loss is recognized.

Book value of capital assets disposed	(18,971)
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Because some revenues will not be collected for several months after the year end, they are not considered available revenue and are recognized as deferred inflows of resources in the governmental funds, as follows:

Income Surtax	128,254	
Other	<u>(9,076)</u>	119,178

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

Issued	(2,798,000)	
Repaid	<u>382,310</u>	(2,415,690)

(continued)

Manson Northwest Webster Community School District
Manson, Iowa

Exhibit F

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities

(continued)

Year ended June 30, 2024

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.

(8,774)

The current year District IPERS contributions are reported as expenditures in the governmental funds but are reported as a deferred outflow of resources in the Statement of Net Position.

626,221

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	(3,113)	
Pension expense	(307,930)	
OPEB expense	<u>21,065</u>	<u>(289,978)</u>

Change in net position of governmental activities (page 19)

\$ 1,245,030

See notes to financial statements.

Manson Northwest Webster Community School District
Manson, Iowa

Exhibit G

Statement of Net Position
Proprietary Funds

June 30, 2024

	Nonmajor Enterprise Funds
Assets	
Current assets:	
Cash, cash equivalents and pooled investments	\$ 283,778
Accounts receivable	1,442
Inventories	12,615
Total current assets	<u>297,835</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>77,141</u>
Total assets	<u>374,976</u>
 Deferred Outflows of Resources	
Pension related deferred outflows	35,371
OPEB related deferred outflows	<u>2,206</u>
Total deferred outflows of resources	<u>37,577</u>
 Liabilities	
Current liabilities:	
Accounts payable	65
Salaries and benefits payable	35,492
Unearned revenue	<u>12,651</u>
Total current liabilities	<u>48,208</u>
Noncurrent liabilities:	
Net pension liability	111,640
Total OPEB liability	<u>6,170</u>
Total noncurrent liabilities	<u>117,810</u>
Total liabilities	<u>166,018</u>
 Deferred Inflows of Resources	
Pension related deferred inflows	905
OPEB related deferred inflows	<u>10,844</u>
Total deferred inflows of resources	<u>11,749</u>
 Net Position	
Net investment in capital assets	77,141
Unrestricted	<u>157,645</u>
Total net position	<u>\$ 234,786</u>

See notes to financial statements.

Manson Northwest Webster Community School District
Manson, Iowa

Exhibit H

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds

Year ended June 30, 2024

	Nonmajor Enterprise <u>Funds</u>
Operating revenues:	
Local sources:	
Charges for service	\$ 235,830
Miscellaneous	<u>1,370</u>
Total operating revenues	<u>237,200</u>
Operating expenses:	
Instruction:	
Salaries	13,348
Benefits	<u>4,404</u>
	<u>17,752</u>
Support services:	
Operation and maintenance of plant	<u>4,478</u>
	<u>4,478</u>
Non-instructional programs:	
Salaries	197,515
Benefits	24,674
Purchased services	160
Supplies	315,123
Depreciation	<u>16,030</u>
	<u>553,502</u>
Total operating expenses	<u>575,732</u>
Operating loss	<u>(338,532)</u>
Non-operating revenues:	
State sources	3,504
Federal sources	308,632
Interest income	<u>9,750</u>
Total non-operating revenues	<u>321,886</u>
Decrease in net position	(16,646)
Net position beginning of year	<u>251,432</u>
Net position end of year	<u>\$ 234,786</u>

See notes to financial statements.

Manson Northwest Webster Community School District
Manson, Iowa

Exhibit I

Statement of Cash Flows
Proprietary Funds

Year ended June 30, 2024

	Nonmajor Enterprise <u>Funds</u>
Cash flows from operating activities:	
Cash received from sales and fees	\$ 243,673
Cash received from other services	1,370
Cash paid to employees for services	(241,005)
Cash paid to suppliers for goods or services	<u>(290,717)</u>
Net cash used by operating activities	<u>(286,679)</u>
Cash flows from non-capital financing activities:	
State grants received	3,504
Federal grants received	<u>272,673</u>
Net cash provided by non-capital financing activities	<u>276,177</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(11,531)</u>
Cash flows from investing activities:	
Interest on investments	<u>9,750</u>
Net decrease in cash and cash equivalents	(12,283)
Cash and cash equivalents beginning of year	<u>296,061</u>
Cash and cash equivalents end of year	<u>\$ 283,778</u>

(continued)

Manson Northwest Webster Community School District
Manson, Iowa

Exhibit I

Statement of Cash Flows
Proprietary Funds

(continued)

Year ended June 30, 2024

Nonmajor
Enterprise
Funds

**Reconciliation of operating loss to net cash
used by operating activities:**

Operating loss	\$ (338,532)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Commodities used	35,959
Depreciation	16,030
Decrease in accounts receivable	1,330
Increase in inventories	(6,574)
Decrease in accounts payable	(341)
Increase in salaries and benefits payable	7,311
Increase in unearned revenue	6,513
Increase in net pension liability	14,027
Increase in deferred outflows of resources	(13,990)
Decrease in deferred inflows of resources	(4,343)
Decrease in OPEB liability	(4,069)
Net cash used by operating activities	<u>\$ (286,679)</u>

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2024, the District received \$35,959
of federal commodities.

See notes to financial statements.

Manson Northwest Webster Community School District
Manson, Iowa

Exhibit J

Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2024

	Private Purpose Trust <u>Scholarship</u>	North Central Consortium <u>School</u>
Assets		
Cash, cash equivalents and investments	\$ 1,101,599	-
Accounts receivable	12,970	-
Accrued interest receivable	2,527	-
Intergovernmental receivable	-	711,560
Prepaid expenditures	<u>-</u>	<u>278</u>
Total assets	<u>1,117,096</u>	<u>711,838</u>
Liabilities		
Accounts payable	6,429	206,485
Excess of warrants issued over bank balance	-	360,375
Salaries and benefits payable	<u>-</u>	<u>147,620</u>
Total liabilities	<u>6,429</u>	<u>714,480</u>
Deferred Inflows of Resources		
Unavailable grant revenue	<u>-</u>	<u>13,760</u>
Net Position		
Restricted for scholarships	1,110,667	-
Unrestricted	<u>-</u>	<u>(16,402)</u>
Total net position	<u>\$ 1,110,667</u>	<u>(16,402)</u>
See notes to financial statements.		

Manson Northwest Webster Community School District
Manson, Iowa

Exhibit K

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

Year ended June 30, 2024

	Private Purpose <u>Trust</u> <u>Scholarship</u>	North Central Consortium <u>School</u>
Additions:		
Local sources:		
Gifts and contributions	\$ 30,528	-
Tuition	-	888,409
Administrative charges	-	468,079
Rent	-	558,865
Increase in fair value of investments	5,663	-
Interest income	19,100	9,995
Miscellaneous	-	15,442
Federal sources	-	38,312
Total additions	<u>55,291</u>	<u>1,979,102</u>
Deductions:		
Instruction:		
Regular	-	791,579
Special	-	455,346
Scholarships awarded	<u>31,503</u>	<u>-</u>
	<u>31,503</u>	<u>1,246,925</u>
Support services:		
Student	-	124,805
Instructional staff	-	113,693
Administration	16,079	266,367
Operation and maintenance of plant	<u>-</u>	<u>222,371</u>
	<u>16,079</u>	<u>727,236</u>
Total deductions	<u>47,582</u>	<u>1,974,161</u>
Change in net position	7,709	4,941
Net position beginning of year	<u>1,102,958</u>	<u>(21,343)</u>
Net position end of year	<u>\$ 1,110,667</u>	<u>(16,402)</u>

See notes to financial statements.

Manson Northwest Webster Community School District
Manson, Iowa

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(1) Summary of Significant Accounting Policies

Manson Northwest Webster Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades preschool through twelve. The geographic area served includes the cities of Manson, Barnum, Clare and Knierim, Iowa and the predominate agricultural territory in Pocahontas, Webster and Calhoun 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, Manson Northwest Webster 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 one component unit which meet the Governmental Accounting Standards Board criteria.

The financial statements present the Manson Northwest Webster Community School District and its component unit, the Cougar Club. The component unit, discussed below, is included in the District's reporting entity because of the significance of its operational or financial relationship with the District.

Discretely Presented Component Unit – The Cougar Club is a legally separate nonprofit organization whose purpose is to help defray costs of the Manson Northwest Webster Community School District by helping finance the cost of uniforms and equipment.

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The records are maintained on the basis of cash receipts and disbursements. The Cougar Club meets the definition of a component unit which should be discretely presented. The Cougar Club's financial statements have not been audited and we do not express an opinion on them.

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

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.

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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 and the Nonmajor Enterprise Funds.

The District reports the following major governmental funds:

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

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

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

The District's proprietary funds are the Enterprise, School Nutrition and Preschool funds. The School Nutrition Fund is used to account for the food service operations of the District. The Preschool Fund is used to account for the preschool operations.

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

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

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

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

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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 Balance/Net Position

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

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

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

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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 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

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

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 1,500
Buildings	1,500
Improvements other than buildings	1,500
Intangibles	5,000
Right-to-use leased assets	1,500
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	1,500

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:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50
Improvements other than buildings	20
Intangibles	5-12
Right-to-use leased assets	2-12
Furniture and equipment	5-12

Leases – Manson Northwest Webster Community School District is the lessee for a noncancellable lease of equipment. The District has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes leases with an initial, individual value of \$1,500 or more.

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

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

Manson Northwest Webster 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 and a purchase option price that the District is reasonably certain to exercise.

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

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

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.

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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 meals that have not yet been served. The meal account balances will either be reimbursed or used for meals in the next fiscal year. The meal account balances are reflected in the Statement of Net Position in the Proprietary, School Nutrition Fund.

Advances from Grantors – Grant proceeds which have been received by the District but will be spent in a succeeding fiscal year.

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

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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 Manson Northwest Webster Community School District's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental and business-type activities will be paid primarily by the General Fund and the Enterprise, School Nutrition Fund.

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

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

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

Nonspendable – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

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.

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Assigned – Amounts the Board intends to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

E. Estimates

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

F. 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 amounts budgeted in the other expenditures function.

(2) **Cash, Cash Equivalents and Pooled Investments**

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. The District may also accept gifts of other types of investments.

Interest Rate Risk- The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District.

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Notes to Financial Statements

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A reconciliation of cash, cash equivalents and pooled investments as shown on the financial statements of the District is as follows:

	Statement of <u>Net Position</u>	Statement of <u>Fiduciary Net Position</u>	Component <u>Unit</u>
Depository accounts	\$ 8,693,585	45,463	40,762
Certificate of deposit	16,270	796,641	---
Iowa Schools Joint Investment Trust			
- Diversified Portfolio	468,378	42,521	---
Investments	---	216,974	---
	<u>\$ 9,178,233</u>	<u>1,101,599</u>	<u>40,762</u>

At June 30, 2024, the District's Private Purpose Trust Fund had investments as follows:

	Carrying <u>Amount</u>	Fair <u>Value</u>	<u>Maturity</u>
Fiduciary, Private Purpose Trust:			
Mutual Funds	\$ 187,793	187,793	N/A
165 Shares IShares INTL Select Div	4,566	4,566	N/A
45 Shares IShares Emerging Mkrt	2,409	2,409	N/A
117 Shares Vanguard High Dividend	13,876	13,876	N/A
5 Shares Vanguard Mid Cap	1,210	1,210	N/A
85 Shares Vanguard Real Estate	7,120	7,120	N/A
Total	<u>\$ 216,974</u>	<u>216,974</u>	

The Private Purpose Trust held the above investments that were gifted to the District to be used for scholarships to students.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District's recurring fair value measurements as of June 30, 2024, were valued using quoted market prices (Level 1 inputs).

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At June 30, 2024, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Diversified Portfolio which are valued at an amortized cost of \$510,899. There were no limitations or restrictions on withdrawals of the ISJIT investments.

Credit Risk- Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The investment in the Iowa Schools Joint Investment Trust was rated AAAm by Standard & Poor's Financial Services.

Concentration of Credit Risk- The District's investment policy seeks diversification to reduce overall portfolio risk while maintaining market rates of return to enable the District to meet its anticipated cash requirements. The District does not have a policy specific to concentration of credit risk. At June 30, 2024, the District's investment in ISJIT accounted for less than 6% of its government-wide investments.

Custodial Credit Risk- For deposits, this is the risk that in the event of bank failure, the District's deposits may not be returned. For an investment, this is the risk that in the event of failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of the outside party. 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's investments are held by a custodian in the name of the District.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2024, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects:		
Physical Plant and		
Equipment Levy Fund	General Fund	\$ <u>4,928</u>

The General Fund is repaying the Capital Projects: Physical Plant and Equipment Levy Fund for repair cost that should have been paid from the General Fund. The balance is to be repaid by June 30, 2025.

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(4) Interfund Transfers

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue:		
Student Activity	General	\$ 9,006
Debt Service	Capital Projects:	
	Statewide Sales, Services	
	and Use Tax	<u>486,878</u>
Total		\$ <u>495,884</u>

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

The transfer from the General Fund to the Special Revenue: Student Activity Fund was for reimbursement of safety equipment expenses.

The transfer from the Capital Projects: Statewide Sales, Services and Use Tax Fund to the Debt Service Fund was for principal and interest payments on the District's indebtedness.

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(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:				
Land	\$ 118,000	---	---	118,000
Construction in progress	<u>181,475</u>	<u>2,261,296</u>	<u>(289,022)</u>	<u>2,153,749</u>
Total capital assets not being depreciated	<u>299,475</u>	<u>2,261,296</u>	<u>(289,022)</u>	<u>2,271,749</u>
Capital assets being depreciated/amortized:				
Buildings	9,231,055	312,914	---	9,543,969
Improvements other than buildings	1,626,858	---	---	1,626,858
Furniture and equipment	6,284,586	185,403	(478,816)	5,991,173
Right-to-use leased equipment	<u>81,665</u>	<u>---</u>	<u>---</u>	<u>81,665</u>
Total capital assets being depreciated/amortized	<u>17,224,164</u>	<u>498,317</u>	<u>(478,816)</u>	<u>17,243,665</u>
Less accumulated depreciation/amortization for:				
Buildings	6,225,923	216,426	---	6,442,349
Improvements other than buildings	715,743	63,911	---	779,654
Furniture and equipment	5,350,978	314,386	(459,845)	5,205,519
Right-to-use leased equipment	<u>31,305</u>	<u>16,333</u>	<u>---</u>	<u>47,638</u>
Total accumulated depreciation/amortization	<u>12,323,949</u>	<u>611,056</u>	<u>(459,845)</u>	<u>12,475,160</u>
Total capital assets being depreciated/amortized, net	<u>4,900,215</u>	<u>(112,739)</u>	<u>(18,971)</u>	<u>4,768,505</u>
Governmental activities capital assets, net	<u>\$ 5,199,690</u>	<u>2,148,557</u>	<u>(307,993)</u>	<u>7,040,254</u>
Business type activities:				
Furniture and equipment	\$ 446,717	11,531	---	458,248
Less accumulated depreciation	<u>365,077</u>	<u>16,030</u>	<u>---</u>	<u>381,107</u>
Business type activities capital assets, net	<u>\$ 81,640</u>	<u>(4,499)</u>	<u>---</u>	<u>77,141</u>

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Depreciation/amortization expense was charged to the following functions:

Governmental activities:

Instruction:

Regular	\$ 60,535
Other	30,686

Support services:

Instructional staff	29,441
Administration	16,333
Operation and maintenance of plant	24,109
Transportation	<u>139,188</u>
	300,292
Unallocated	<u>310,764</u>

Total depreciation/amortization expense – governmental activities \$ 611,056

Business type activities:

Food service operations \$ 16,030

(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:					
Lease agreements	\$ 52,454	---	16,310	36,144	16,974
Revenue bonds	---	2,798,000	366,000	2,432,000	364,000
Compensated absences	14,448	17,561	14,448	17,561	17,561
Net pension liability	2,797,046	499,055	---	3,296,101	---
Total OPEB liability	<u>972,753</u>	---	<u>417,423</u>	<u>555,330</u>	---
Total	<u>\$ 3,836,701</u>	<u>3,314,616</u>	<u>814,181</u>	<u>6,337,136</u>	<u>398,535</u>
Business type activities:					
Net pension liability	\$ 97,613	14,027	---	111,640	---
Total OPEB liability	<u>10,239</u>	---	<u>4,069</u>	<u>6,170</u>	---
Total	<u>\$ 107,852</u>	<u>14,027</u>	<u>4,069</u>	<u>117,810</u>	<u>---</u>

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Lease Agreements

On May 5, 2021, the District entered into a lease agreement for copiers. An initial lease liability was recorded in the amount of \$81,665. The agreement requires monthly payments of \$1,509 over five years with an implicit interest rate of 4.00% and final payment due July 2026. During the year ended June 30, 2024, principal and interest paid were \$16,310 and \$1,801, respectively.

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2025	4.00%	\$ 16,974	1,137	18,111
2026	4.00	17,666	445	18,111
2027	4.00	1,504	5	1,509
Total		\$ 36,144	1,587	37,731

Revenue Bonds

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

Year Ending June 30,	Issued July 25, 2023			
	Interest Rates	Principal	Interest	Total
2025	4.30%	\$ 364,000	104,576	468,576
2026	4.30	380,000	88,924	468,924
2027	4.30	394,000	72,584	466,584
2028	4.30	414,000	55,642	469,642
2029	4.30	430,000	37,840	467,840
2030	4.30	450,000	19,350	469,350
Total		\$ 2,432,000	378,916	2,810,916

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Notes to Financial Statements

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The District has pledged future statewide sales, services and use tax revenues to repay the \$2,798,000 of bonds issued in July 2023. The bonds were issued for the purpose of financing the JH/HS addition and a roof. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 55% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$2,810,916. For the current year, \$366,000 of principal and \$102,267 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$863,663.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

- a) No reserve account is required for the revenue bonds.
- b) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

(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 employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

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

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

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

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

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

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

The District's contributions to IPERS for the year ended June 30, 2024 totaled \$644,402.

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 \$3,407,741 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 0.075498%, which was a decrease of 0.001117% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$317,178. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 288,299	14,007
Changes of assumptions	-	54
Net difference between projected and actual earnings on IPERS' investments	315,598	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	40,418	22,924
District contributions subsequent to the measurement date	644,402	-
Total	<u>\$ 1,288,717</u>	<u>36,985</u>

\$644,402 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2025	\$ (78,128)
2026	(252,692)
2027	775,395
2028	142,282
2029	20,473
Total	<u>\$ 607,330</u>

There were no non-employer contributing entities to IPERS.

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

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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 July 1, 2017 through June 30, 2021.

Mortality rates used in the 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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions,

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June 30, 2024

IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 7,245,616	3,407,741	191,538

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

Payables to IPERS – At June 30, 2024, the District reported no payables to IPERS.

(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 Manson Northwest Webster 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 June 30, 2024, the following employees were covered by the benefit terms:

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June 30, 2024

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	<u>91</u>
Total	<u>93</u>

Total OPEB Liability - The District's total OPEB liability of \$561,500 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

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

Rate of inflation (effective June 30, 2024)	3.00% per annum.
Rates of salary increase (effective June 30, 2024)	3.00% per annum, including inflation.
Discount rate (effective June 30, 2024)	4.75% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2024)	6.00% per annum.

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

Mortality rates are from the RP-2014 annuity mortality table. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

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June 30, 2024

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 982,992
Changes for the year:	
Service cost	82,618
Interest	27,509
Differences between expected and actual experiences	(363,824)
Changes in assumptions	(163,237)
Benefit payments	(4,558)
Net changes	(421,492)
Total OPEB liability end of year	\$ 561,500

Changes of assumptions reflect a change in the discount rate from 2.37% in fiscal year 2023 to 4.75% in fiscal year 2024.

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

	1% Decrease (3.75%)	Discount Rate (4.75%)	1% Increase (5.75%)
Total OPEB liability	\$ 606,149	561,500	520,929

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

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	1% Decrease (5.00%)	Healthcare Cost Trend Rate (6.00%)	1% Increase (7.00%)
Total OPEB liability	\$ 465,162	561,500	670,691

OPEB Expense and 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 \$42,970. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 163,970	523,611
Changes in assumptions	36,735	463,250
Total	<u>\$ 200,705</u>	<u>986,861</u>

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

Year ending June 30,	Amount
2025	\$ (67,158)
2026	(67,158)
2027	(67,158)
2028	(67,158)
2029	(67,158)
Thereafter	(450,366)
	<u><u>\$(786,156)</u></u>

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Notes to Financial Statements

June 30, 2024

(9) Risk Management

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

The District is a member of the Iowa Local Government Risk Pool Commission (Iowa LGRP), which is a 28E founded in 2019 in an effort to provide greater stability to school district budgets by pooling risks. Iowa LGRP is serviced by WoodRiver Energy and ISFIS. The program provides natural gas services for a single fixed premium at the beginning of each fiscal year, which covers all natural gas services from utility expenses to the gas itself. Payments to Iowa LGRP by the District for fiscal year 2024 were \$47,662.

Workers' Compensation, Property, General Liability and Other Insurance

The District is a member of the Iowa Public School Insurance Program (IPSIP), a public entity risk pool formed in July of 2012 between certain Iowa school districts, created in accordance with Chapter 28E of the Code of Iowa. The purpose of IPSIP is to jointly provide or obtain casualty, property, employer liability, general liability, risk management, professional liability, group coverage and other protections so as to effectively manage and contain costs for insurance coverage and related administration. IPSIP has approximately 17 members as of July 1, 2023. IPSIP is governed by an eleven-member board of directors elected by the members of IPSIP. The District has no direct control over budgeting, financing, the governing body or management selection.

IPSIP is not intended to function as an insurance company for the participants; rather, it is a means of combining the administration of claims and of obtaining lower insurance rates through the creation of a self-insurance pool and through the purchase of commercial insurance. The District's participation in IPSIP represents a risk-sharing pool as defined by GASB Statement No. 10 in which the District pools its risks and funds with other members and shares in the cost of losses. The District is required to make annual payments, which are determined by IPSIP, based upon its direct proportion to the pro rata share of insurance costs for coverage administered by IPSIP. IPSIP may require the participating Districts to make supplemental payments if the funds on hand are insufficient

Manson Northwest Webster Community School District
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Notes to Financial Statements

June 30, 2024

to pay expenses of the administration of IPSIP. The District was not required to make any supplemental payments to IPSIP in fiscal year 2024 or 2023. Payments to IPSIP by the District in order to maintain adequate insurance coverage in fiscal year 2024 was \$329,004.

(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 \$322,927 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) 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.

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:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
Webster County	Urban renewal and economic development projects	\$ 1,125,136

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 \$730,705.

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June 30, 2024

(12) Operating Leases

The District entered into an operating lease with Lizard Creek Ranch for the rental of a school building and gymnasium that is used for the North Central Consortium School starting August 1, 2022 for a period of 36 months. The amount paid for the fiscal year ended June 30, 2024, was \$162,000. Future rentals are scheduled as follows:

Year Ending <u>June 30,</u> 2025	\$ <u>168,000</u>
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The District entered into an operating lease with Mail Finance for a Postage Meter on July 31, 2019 for a period of 60 months. The amount paid for the fiscal year ended June 30, 2024, was \$853. There are no future rentals.

(13) Construction Commitments

The District entered into contracts totaling \$2,945,724 for high school building addition. As of June 30, 2024, costs of \$2,153,749 have been incurred against the contracts. The balance of \$791,975 remaining at June 30, 2024, will be paid as work on the project progress.

(14) 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.

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

<u>Program</u>	<u>Amount</u>
Home school assistance	\$ 2,298
Teacher leadership	75,458
Professional development	<u>6,044</u>
Total	<u>\$ 83,800</u>

(15) 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 Districts will continue to flow through to each AEA, while 60% of the funding will be retained by the District that generated the funds.

(16) Prospective Accounting Changes

The Governmental Accounting Standards Board has issued Statement No. 101, Compensated Absences. This statement will be implemented for the fiscal year ending June 30, 2025. This statement clarifies the recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

The Governmental Accounting Standards Board has issued Statement No. 102, Certain Risk Disclosures. This statement will be implemented for the fiscal year ending June 30, 2025. This statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should provide information in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint. The disclosures should include descriptions of the following: (a) The concentration or constraint (b) Each event associated with the concentration or

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June 30, 2024

constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (c) Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

The Governmental Accounting Standards Board has issued Statement No. 103, Financial Reporting Model Improvements. This statement will be implemented for the fiscal year ending June 30, 2026. This statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

The Governmental Accounting Standards Board has issued Statement No. 104, Disclosure of Certain Capital Assets. This statement will be implemented for the fiscal year ending June 30, 2026. This statement is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital asset note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital asset note disclosures. Subscription assets recognized in accordance with Statement No. 96 Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.

District management has not yet determined the effect these pronouncements will have on the District's financial statements.

(17) Subsequent Events

Subsequent events have been evaluated through March 26, 2025, which is the date the financial statements were available to be issued.

On January 15, 2025, the Board approved bids of \$77,982 to install five 1.5 ton air handlers, \$18,818 for new plate on JS/HS chiller and \$49,018 to install two 10 ton rooftop AC units.

On March 18, 2025, the Board approved bids related to the football field/track for cement work of \$84,791, fencing of \$21,996 and visitor bleachers of \$73,135.

Required Supplementary Information

Manson Northwest Webster Community School District
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Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -
Budget and Actual - All Governmental Funds and Proprietary Funds

Required Supplementary Information

Year ended June 30, 2024

	Governmental Funds <u>Actual</u>	Proprietary Funds <u>Actual</u>
Revenues:		
Local sources	\$ 7,116,116	246,950
State sources	5,041,185	3,504
Federal sources	<u>181,124</u>	<u>308,632</u>
Total revenues	<u>12,338,425</u>	<u>559,086</u>
Expenditures/Expenses:		
Instruction	6,951,437	-
Support services	3,586,785	4,478
Non-instructional programs	-	553,502
Other expenditures	<u>3,232,272</u>	<u>-</u>
Total expenditures/expenses	<u>13,770,494</u>	<u>557,980</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	(1,432,069)	1,106
Other financing sources, net	<u>2,805,578</u>	<u>-</u>
Change in balances	1,373,509	1,106
Balances beginning of year	<u>7,209,331</u>	<u>251,432</u>
Balances end of year	<u>\$ 8,582,840</u>	<u>252,538</u>

See accompanying independent auditor's report.

<u>Total Actual</u>	<u>Budgeted Amounts</u>		<u>Final to Actual Variance</u>
	<u>Original</u>	<u>Final</u>	
7,363,066	6,981,287	6,981,287	381,779
5,044,689	5,027,504	5,027,504	17,185
489,756	401,850	401,850	87,906
<u>12,897,511</u>	<u>12,410,641</u>	<u>12,410,641</u>	<u>486,870</u>
6,951,437	7,015,000	7,015,000	63,563
3,591,263	4,044,000	4,044,000	452,737
553,502	530,000	650,000	96,498
<u>3,232,272</u>	<u>3,010,041</u>	<u>3,010,041</u>	<u>(222,231)</u>
<u>14,328,474</u>	<u>14,599,041</u>	<u>14,719,041</u>	<u>390,567</u>
(1,430,963)	(2,188,400)	(2,308,400)	877,437
<u>2,805,578</u>	<u>2,527,000</u>	<u>2,527,000</u>	<u>278,578</u>
1,374,615	338,600	218,600	1,156,015
<u>7,460,763</u>	<u>6,480,907</u>	<u>4,840,516</u>	<u>2,620,247</u>
<u>8,835,378</u>	<u>6,819,507</u>	<u>5,059,116</u>	<u>3,776,262</u>

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Notes to Required Supplementary Information – Budgetary Reporting

Year ended June 30, 2024

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except 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 function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing budgeted expenditures by \$120,000.

During the year ended June 30, 2024, expenditures in the other expenditures function exceeded the amounts budgeted.

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Schedule of the District's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
For the Last Ten Years*
(In Thousands)

Required Supplementary Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net pension liability	0.075498%	0.076616%	-0.029624% **	0.073121%
District's proportionate share of the net pension liability	\$ 3,408	2,895	102	5,137
District's covered payroll	\$ 6,631	6,171	5,921	5,803
District's proportionate share of the net pension liability as a percentage of its covered payroll	51.39%	46.91%	1.72%	88.52%
IPERS' net position as a percentage of the total pension liability	90.13%	91.40%	100.81%	82.90%

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

** Overall plan net pension asset.

See accompanying independent auditor's report.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.074203%	0.072304%	0.066510%	0.063999%	0.064166%	0.063523%
4,297	4,576	4,430	4,028	3,170	2,519
5,647	5,434	4,965	4,593	4,255	4,033
76.09%	84.21%	89.22%	87.70%	74.50%	62.46%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

Manson Northwest Webster Community School District
Manson, Iowa

Schedule of District Contributions

Iowa Public Employees' Retirement System
For the Last Ten Years
(In Thousands)

Required Supplementary Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Statutorily required contribution	\$ 647	626	583
Contributions in relation to the statutorily required contribution	<u>(647)</u>	<u>(626)</u>	<u>(583)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
District's covered payroll	\$ 6,853	6,631	6,171
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%

See accompanying independent auditor's report.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
559	548	533	485	443	410	393
<u>(559)</u>	<u>(548)</u>	<u>(533)</u>	<u>(485)</u>	<u>(443)</u>	<u>(410)</u>	<u>(393)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,921	5,803	5,647	5,434	4,965	4,593	4,255
9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

Manson Northwest Webster Community School District
Manson, Iowa

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2024

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%.

Manson Northwest Webster Community School District
Manson, Iowa

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

For the Last Seven Years
Required Supplementary Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Service cost	\$ 82,618	86,674	84,824
Interest cost	27,509	23,396	21,557
Difference between expected and actual experiences	(363,824)	(23,237)	167,140
Changes in assumptions	(163,237)	-	(389,471)
Benefit payments	(4,558)	(9,684)	(40,064)
Net change in total OPEB liability	(421,492)	77,149	(156,014)
Total OPEB liability beginning of year	982,992	905,843	1,061,857
Total OPEB liability end of year	<u>\$ 561,500</u>	<u>982,992</u>	<u>905,843</u>
Covered-employee payroll	\$ 5,628,905	5,415,852	3,967,653
 Total OPEB liability as a percentage of covered-employee payroll	 9.98%	 18.15%	 22.83%

See accompanying independent auditor's report.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
129,595	126,304	118,918	115,682
31,057	28,814	35,544	31,895
(80,100)	(138,722)	(39,478)	(37,093)
-	52,520	-	-
(12,492)	(18,012)	(16,085)	(14,669)
68,060	50,904	98,899	95,815
993,797	942,893	843,994	748,179
1,061,857	993,797	942,893	843,994
3,874,059	3,849,726	3,777,148	3,490,167
27.41%	25.81%	24.96%	24.18%

Manson Northwest Webster Community School District
Manson, Iowa

Notes to Required Supplementary Information – OPEB Liability

Year ended June 30, 2024

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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 the period.

Year ended June 30, 2024	4.75%
Year ended June 30, 2023	2.37%
Year ended June 30, 2022	2.37%
Year ended June 30, 2021	3.15%
Year ended June 30, 2020	3.15%
Year ended June 30, 2019	3.72%
Year ended June 30, 2018	3.72%
Year ended June 30, 2017	3.72%

Supplementary Information

Manson Northwest Webster Community School District
Manson, Iowa

Schedule 1

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2024

	Special Revenue		
	Student Activity	Manage- ment Levy	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 297,852	928,441	1,226,293
Receivables:			
Property tax:			
Delinquent	-	1,930	1,930
Succeeding year	-	449,999	449,999
Accounts	9,919	27	9,946
Accrued interest	54	-	54
Total assets	\$ 307,825	1,380,397	1,688,222
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 4,248	-	4,248
Accrued payroll	2,384	-	2,384
Unearned revenue	750	-	750
Total liabilities	7,382	-	7,382
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	449,999	449,999
Fund balances:			
Restricted for:			
Management levy purposes	-	930,398	930,398
Student activities	300,443	-	300,443
Total fund balances	300,443	930,398	1,230,841
Total liabilities, deferred inflows of resources and fund balances	\$ 307,825	1,380,397	1,688,222

See accompanying independent auditor's report.

Manson Northwest Webster Community School District
Manson, Iowa

Schedule 2

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds

Year ended June 30, 2024

	Special Revenue		
	Student	Manage-	
	<u>Activity</u>	<u>ment</u>	<u>Total</u>
		<u>Levy</u>	
Revenues:			
Local sources:			
Local tax	\$ -	370,822	370,822
Other	315,167	38,332	353,499
State sources	-	3,249	3,249
Total revenues	<u>315,167</u>	<u>412,403</u>	<u>727,570</u>
Expenditures:			
Current:			
Instruction:			
Regular	-	91,963	91,963
Other	282,921	-	282,921
Support services:			
Administration	-	95,685	95,685
Operation and maintenance of plant	-	240,836	240,836
Transportation	-	44,948	44,948
Total expenditures	<u>282,921</u>	<u>473,432</u>	<u>756,353</u>
Excess (deficiency) of revenues over (under) expenditures	32,246	(61,029)	(28,783)
Other financing sources:			
Transfers in	<u>9,006</u>	<u>-</u>	<u>9,006</u>
Change in fund balances	41,252	(61,029)	(19,777)
Fund balances beginning of year	<u>259,191</u>	<u>991,427</u>	<u>1,250,618</u>
Fund balances end of year	<u>\$ 300,443</u>	<u>930,398</u>	<u>1,230,841</u>

See accompanying independent auditor's report.

Manson Northwest Webster Community School District
Manson, Iowa

Schedule 3

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2024

<u>Account</u>	Balance Beginning <u>of Year</u>	Revenues and Interfund <u>Transfers</u>	<u>Expenditures</u>	Intra- Fund <u>Transfers</u>	Balance End of <u>Year</u>
Speech	\$ 9,058	5,152	7,560	328	6,978
Drama Club	12	-	-	-	12
Fine Arts	719	-	-	29	748
Musical	495	-	-	20	515
Boys Basketball	545	166	7,121	6,528	118
Boys Basketball Fundraiser	4,585	2,367	3,761	3,194	6,385
Girls Basketball	1,040	-	5,424	4,477	93
Girls Basketball Fundraiser	2,613	7,774	7,861	41	2,567
Activity tickets	245	13,480	1,164	(8,993)	3,568
Cross Country	647	264	1,374	600	137
Golf	635	1,156	1,397	25	419
Volleyball	577	-	6,410	5,843	10
Volleyball Fundraiser	2,911	18,742	15,611	2,847	8,889
Football	11,783	6,877	13,107	50	5,603
Football Fund Raiser	5,700	10,322	7,940	282	8,364
Baseball	2,724	471	9,276	7,782	1,701
Baseball Fund Raiser	1,881	1,361	2,456	3,131	3,917
Track	17,771	16,469	26,390	62	7,912
Wrestling	658	3,633	10,244	6,198	245
Wrestling Fundraiser	15,130	16,112	9,193	3,892	25,941
Softball	3,050	1,406	6,566	5,868	3,758
Softball Fundrasier	854	6,798	4,234	2,701	6,119
General Athletics	-	53,713	-	(49,488)	4,225
MS/ES Annual	2,830	2,096	993	128	4,061
National Honor Society	3,733	6,055	6,851	168	3,105
French Club	218	-	-	9	227
Student Council	1,822	2,140	2,649	1,115	2,428
Elementary projects	5,003	4,479	5,229	8,625	12,878
Student programs	745	2,208	1,425	52	1,580
Library Club	312	6,411	6,378	20	365
Electrathon	857	3,759	2,082	83	2,617
Junior Class	1,152	6,046	4,982	78	2,294
Senior Class	1,735	-	-	69	1,804
High School Annual	(1,874)	793	4,211	5,292	-
HS Music Department Fund Raiser	23,356	4,003	2,772	934	25,521
Dance Team	13,795	9,823	12,004	537	12,151
Cheerleaders - Basketball	4,902	60	755	182	4,389
Cheerleaders - Football	2,116	3,230	3,111	94	2,329
Cheerleaders - Wrestling	1,014	721	152	55	1,638

(continued)

Manson Northwest Webster Community School District
Manson, Iowa

Schedule 3

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2024

(continued)

<u>Account</u>	<u>Balance Beginning of Year</u>	<u>Revenues and Interfund Transfers</u>	<u>Expenditures</u>	<u>Intra- Fund Transfers</u>	<u>Balance End of Year</u>
Pop	5,509	7,404	3,782	972	10,103
Needy Donations	5,622	700	-	243	6,565
Food Pantry	164	320	14	2,243	2,713
Fundraiser - Local Businesses	5,037	2,866	773	(6,191)	939
Jostens Picture	880	1,017	-	56	1,953
FFA	66,190	49,596	42,236	2,858	76,408
Interest fund balance (regular)	-	821	-	(821)	-
Athletic Calendar	9,850	-	96	(3,830)	5,924
Activity Advertising Fundraiser	-	10,000	10,666	1,000	334
Weight Room	-	4,601	3,374	61	1,288
Interest - ISJIT	-	10,322	-	(10,322)	-
After Prom	8,716	8,510	10,823	366	6,769
Math & Science Club	1,426	-	268	54	1,212
TRI-M	-	910	605	3	308
FCCLA	5,008	5,796	7,511	186	3,479
PTO	3,955	3,223	2,090	205	5,293
Makerspace Club	1,220	-	-	49	1,269
Art Fundraiser	265	-	-	10	275
Total	<u>\$ 259,191</u>	<u>324,173</u>	<u>282,921</u>	<u>-</u>	<u>300,443</u>

See accompanying independent auditor's report.

Manson Northwest Webster Community School District
Manson, Iowa

Schedule 4

Combining Balance Sheet
Capital Projects Fund Accounts

June 30, 2024

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 2,303,957	1,290,962	3,594,919
Receivables:			
Property tax:			
Delinquent	-	3,773	3,773
Succeeding year	-	841,532	841,532
Due from other funds	-	4,928	4,928
Due from other governments	79,470	-	79,470
Prepaid expenditures	-	14,469	14,469
Total assets	\$ 2,383,427	2,155,664	4,539,091
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 215,744	17,287	233,031
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	841,532	841,532
Fund balances:			
Nonspendable for:			
Prepaid expenditures	-	14,469	14,469
Restricted for:			
School infrastructure	2,167,683	-	2,167,683
Physical plant and equipment	-	1,282,376	1,282,376
Total fund balances	2,167,683	1,296,845	3,464,528
Total liabilities, deferred inflows of resources and fund balances	\$ 2,383,427	2,155,664	4,539,091

See accompanying independent auditor's report.

Manson Northwest Webster Community School District
Manson, Iowa

Schedule 5

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund Accounts

Year ended June 30, 2024

	Capital Projects		
	Statewide	Physical	
	Sales, Services	Plant and	
	and Use Tax	Equipment	
		Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	813,534	813,534
Other	107,762	30,477	138,239
State sources	863,663	6,352	870,015
Total revenues	<u>971,425</u>	<u>850,363</u>	<u>1,821,788</u>
Expenditures:			
Instruction:			
Regular	3,595	158,970	162,565
Other	1,290	1,015	2,305
Support services:			
Instructional staff	-	47,877	47,877
Administration	7,318	75,525	82,843
Operation and maintenance of plant	84,245	20,036	104,281
Transportation	-	33,275	33,275
Other expenditures:			
Facilities acquisition	2,360,820	16,427	2,377,247
Interest and fiscal charges	45,220	-	45,220
Total expenditures	<u>2,502,488</u>	<u>353,125</u>	<u>2,855,613</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,531,063)</u>	<u>497,238</u>	<u>(1,033,825)</u>
Other financing sources (uses):			
Revenue bonds issued	2,798,000	-	2,798,000
Proceeds from sale of capital assets	-	7,078	7,078
Transfers out	(486,878)	-	(486,878)
Total other financing sources (uses)	<u>2,311,122</u>	<u>7,078</u>	<u>2,318,200</u>
Change in fund balances	780,059	504,316	1,284,375
Fund balances beginning of year	1,387,624	792,529	2,180,153
Fund balances end of year	<u>\$ 2,167,683</u>	<u>1,296,845</u>	<u>3,464,528</u>

See accompanying independent auditor's report.

Manson Northwest Webster Community School District
Manson, Iowa

Schedule 6

Combining Schedule of Net Position
Nonmajor Enterprise Funds

June 30, 2024

	<u>School Nutrition</u>	<u>Preschool</u>	<u>Total</u>
Assets			
Current assets:			
Cash, cash equivalents and pooled investments	\$ 268,865	14,913	283,778
Accounts receivable	1,442	-	1,442
Inventories	12,615	-	12,615
Total current assets	<u>282,922</u>	<u>14,913</u>	<u>297,835</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>77,141</u>	<u>-</u>	<u>77,141</u>
Total assets	<u>360,063</u>	<u>14,913</u>	<u>374,976</u>
Deferred Outflows of Resources			
Pension related deferred outflows	35,371	-	35,371
OPEB related deferred outflows	2,206	-	2,206
Total deferred outflows of resources	<u>37,577</u>	<u>-</u>	<u>37,577</u>
Liabilities			
Current liabilities:			
Accounts payable	65	-	65
Salaries and benefits payable	29,393	6,099	35,492
Unearned revenue	12,651	-	12,651
Total current liabilities	<u>42,109</u>	<u>6,099</u>	<u>48,208</u>
Noncurrent liabilities:			
Net pension liability	111,640	-	111,640
Total OPEB liability	6,170	-	6,170
Total noncurrent liabilities	<u>117,810</u>	<u>-</u>	<u>117,810</u>
Total liabilities	<u>159,919</u>	<u>6,099</u>	<u>166,018</u>
Deferred Inflows of Resources			
Pension related deferred inflows	905	-	905
OPEB related deferred inflows	10,844	-	10,844
Total deferred inflows of resources	<u>11,749</u>	<u>-</u>	<u>11,749</u>
Net Position			
Net investment in capital assets	77,141	-	77,141
Unrestricted	148,831	8,814	157,645
Total net position	<u>\$ 225,972</u>	<u>8,814</u>	<u>234,786</u>

See accompanying independent auditor's report.

Manson Northwest Webster Community School District
Manson, Iowa

Schedule 7

Combining Schedule of Revenue, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds

Year ended June 30, 2024

	<u>School Nutrition</u>	<u>Preschool</u>	<u>Total</u>
Operating revenues:			
Local sources:			
Charges for service	\$ 232,926	2,904	235,830
Miscellaneous	<u>1,370</u>	<u>-</u>	<u>1,370</u>
Total operating revenues	<u>234,296</u>	<u>2,904</u>	<u>237,200</u>
Operating expenses:			
Instruction:			
Salaries	-	13,348	13,348
Benefits	<u>-</u>	<u>4,404</u>	<u>4,404</u>
	<u>-</u>	<u>17,752</u>	<u>17,752</u>
Support services:			
Operation and maintenance of plant	<u>4,376</u>	<u>102</u>	<u>4,478</u>
Non-instructional programs:			
Salaries	197,515	-	197,515
Benefits	24,674	-	24,674
Purchased services	160	-	160
Supplies	315,123	-	315,123
Depreciation	<u>16,030</u>	<u>-</u>	<u>16,030</u>
	<u>553,502</u>	<u>-</u>	<u>553,502</u>
Total operating expenses	<u>557,878</u>	<u>17,854</u>	<u>575,732</u>
Operating loss	<u>(323,582)</u>	<u>(14,950)</u>	<u>(338,532)</u>
Non-operating revenues:			
State sources	3,504	-	3,504
Federal sources	308,632	-	308,632
Interest income	<u>9,009</u>	<u>741</u>	<u>9,750</u>
Total non-operating revenues	<u>321,145</u>	<u>741</u>	<u>321,886</u>
Decrease in net position	(2,437)	(14,209)	(16,646)
Net position beginning of year	<u>228,409</u>	<u>23,023</u>	<u>251,432</u>
Net position end of year	<u>\$ 225,972</u>	<u>8,814</u>	<u>234,786</u>
See accompanying independent auditor's report.			

Manson Northwest Webster Community School District
Manson, Iowa

Schedule 8

Combining Schedule of Cash Flows
Nonmajor Enterprise Funds

Year ended June 30, 2024

	<u>School Nutrition</u>	<u>Preschool</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from sales and fees	\$ 240,769	2,904	243,673
Cash received from other services	1,370	-	1,370
Cash paid to employees for services	(229,352)	(11,653)	(241,005)
Cash paid to suppliers for goods or services	<u>(290,615)</u>	<u>(102)</u>	<u>(290,717)</u>
Net cash used by operating activities	<u>(277,828)</u>	<u>(8,851)</u>	<u>(286,679)</u>
Cash flows from non-capital financing activities:			
State grants received	3,504	-	3,504
Federal grants received	<u>272,673</u>	<u>-</u>	<u>272,673</u>
Net cash provided by non-capital financing activities	<u>276,177</u>	<u>-</u>	<u>276,177</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>(11,531)</u>	<u>-</u>	<u>(11,531)</u>
Cash flows from investing activities:			
Interest on investments	<u>9,009</u>	<u>741</u>	<u>9,750</u>
Net decrease in cash and cash equivalents	(4,173)	(8,110)	(12,283)
Cash and cash equivalents beginning of year	<u>273,038</u>	<u>23,023</u>	<u>296,061</u>
Cash and cash equivalents end of year	<u>\$ 268,865</u>	<u>14,913</u>	<u>283,778</u>

(continued)

Manson Northwest Webster Community School District
Manson, Iowa

Schedule 8

Combining Schedule of Cash Flows
Nonmajor Enterprise Funds

Year ended June 30, 2024

(continued)

	<u>School Nutrition</u>	<u>Preschool</u>	<u>Total</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (323,582)	(14,950)	(338,532)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Commodities used	35,959	-	35,959
Depreciation	16,030	-	16,030
(Increase) decrease in accounts receivable	1,330	-	1,330
(Increase) decrease in inventories	(6,574)	-	(6,574)
Increase (decrease) in accounts payable	(341)	-	(341)
Increase (decrease) in salaries and benefits payable	1,212	6,099	7,311
Increase (decrease) in unearned revenue	6,513	-	6,513
Increase (decrease) in net pension liability	14,027	-	14,027
(Increase) decrease in deferred outflows of resources	(13,990)	-	(13,990)
Increase (decrease) in deferred inflows of resources	(4,343)	-	(4,343)
Increase (decrease) in OPEB liability	(4,069)	-	(4,069)
Net cash used by operating activities	<u>\$ (277,828)</u>	<u>(8,851)</u>	<u>(286,679)</u>

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2024, the District received \$35,959 of federal commodities.

See accompanying independent auditor's report.

Manson Northwest Webster Community School District
Manson, Iowa

Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds

For the Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues:				
Local sources:				
Local tax	\$ 4,778,499	4,806,990	4,618,545	4,690,340
Tuition	1,663,893	1,569,579	1,434,612	1,362,092
Other	673,724	529,958	454,943	327,758
State sources	5,041,185	4,969,141	4,693,737	4,436,484
Federal sources	181,124	194,645	783,725	471,782
Total	<u>\$ 12,338,425</u>	<u>12,070,313</u>	<u>11,985,562</u>	<u>11,288,456</u>
Expenditures:				
Instruction:				
Regular	\$ 4,057,284	4,057,156	3,953,615	3,651,531
Special	1,319,550	1,015,937	894,087	893,362
Other	1,574,603	1,614,031	1,502,815	1,392,352
Support services:				
Student	278,316	249,060	245,791	247,651
Instructional staff	482,653	584,681	594,411	513,468
Administration	1,169,920	1,048,953	1,085,774	929,807
Operation and maintenance of plant	1,029,460	960,842	1,282,483	990,696
Transportation	626,436	831,195	703,697	605,769
Non-instructional programs	-	5,023	-	-
Other expenditures:				
Facilities acquisition	2,377,247	734,298	677,166	375,131
Long-term debt:				
Principal	382,310	15,671	103,272	335,398
Interest and other charges	149,788	2,440	4,813	11,598
AEA flowthrough	322,927	314,808	310,541	300,159
Total	<u>\$ 13,770,494</u>	<u>11,434,095</u>	<u>11,358,465</u>	<u>10,246,922</u>

See accompanying independent auditor's report.

Schedule 9

Modified Accrual Basis					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
4,543,409	4,269,776	4,015,867	3,920,482	3,795,802	3,720,214
1,401,446	1,378,619	1,321,649	2,565,338	1,956,792	1,724,334
412,771	489,204	463,093	569,342	509,338	411,722
4,424,578	4,535,445	4,010,202	4,348,445	3,801,740	3,829,926
183,674	158,696	160,573	188,564	149,418	193,404
<u>10,965,878</u>	<u>10,831,740</u>	<u>9,971,384</u>	<u>11,592,171</u>	<u>10,213,090</u>	<u>9,879,600</u>
3,427,938	3,556,044	3,464,099	3,528,935	3,520,833	3,145,264
1,023,517	941,176	1,138,750	2,213,706	1,993,454	1,619,446
1,395,394	1,480,946	1,422,569	1,346,075	1,371,907	1,338,307
225,588	235,382	211,377	205,131	206,619	204,097
488,933	518,310	558,254	495,202	305,611	309,338
955,543	894,104	838,563	962,128	804,318	894,640
783,452	738,077	739,422	692,017	707,381	712,879
567,105	1,044,320	709,621	791,930	833,694	690,498
-	-	-	-	-	-
159,143	373,797	718,401	412,758	489,365	1,151,295
342,751	534,332	494,739	522,511	410,285	394,226
21,786	29,191	33,786	48,210	29,086	33,866
298,737	293,861	279,958	274,764	273,751	277,410
<u>9,689,887</u>	<u>10,639,540</u>	<u>10,609,539</u>	<u>11,493,367</u>	<u>10,946,304</u>	<u>10,771,266</u>

Cornwell, Frideres, Maher & Associates, P.L.C.

Certified Public Accountants

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Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Education of
Manson Northwest Webster 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 Manson Northwest Webster 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 March 26, 2025. Our report expressed unmodified opinions on the financial statements except for a disclaimer of opinion on the component unit, the Cougar Club, which was not audited.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Manson Northwest Webster 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 Manson Northwest Webster Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Manson Northwest Webster 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 which 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 I of the accompanying Schedule of Findings as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Manson Northwest Webster Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during 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.

Manson Northwest Webster Community School District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Manson Northwest Webster Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Manson Northwest Webster 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 Manson Northwest Webster 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.

Cornwell, Frideres, Maher & Associates, P.L.C.

Cornwell, Frideres, Maher & Associates, P.L.C.
Certified Public Accountants

March 26, 2025

Manson Northwest Webster Community School District
Manson, Iowa

Schedule of Findings

Year ended June 30, 2024

Part I: Findings Related to the Financial Statements:

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 - Various duties such as recording and processing cash receipts, preparing checks and bank reconciliations, preparing and posting general journal entries, preparation of journals and general financial information for ledger posting, and the analysis of financial information may be prepared by the same person.

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

Manson Northwest Webster Community School District
Manson, Iowa

Schedule of Findings

Year ended June 30, 2024

Response - We will continue to perform compensating controls among existing personnel to help make up for the absence of true segregation of duties. We will also continue to look for ways to implement new procedures to achieve additional segregation of duties based upon the skills and abilities of existing personnel.

Conclusion - Response accepted. The District should segregate duties to the extent possible with existing personnel and utilize administrative personnel to provide additional control through review of financial transactions and reports.

2024-002 Preparation of Financial Statements

Criteria – The District should have a system of internal control that allows for the preparation of financial statements and disclosures that are fairly presented in conformity with generally accepted accounting principles.

Condition – As is inherent in many governmental entities of this size, the District has management and employees who, while knowledgeable and skillful, do not have the time to maintain the current knowledge and expertise needed to fully apply generally accepted accounting principles in preparing the financial statements and the related disclosures.

Cause – Management has concluded that relying on the assistance of the auditor to draft the financial statements is more cost-effective than hiring additional staff or having existing staff obtain training necessary to do this.

Effect – The potential effect of this control weakness is that errors could occur in the financial statements and not be detected by management.

Recommendation – We realize that obtaining the expertise necessary to prepare the financial statements, including all necessary disclosures, can be considered costly and ineffective. However, it is the responsibility of District management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Manson Northwest Webster Community School District
Manson, Iowa

Schedule of Findings

Year ended June 30, 2024

Response – Management feels that committing the resources to remain current on reporting requirements and corresponding footnote disclosures would lack benefit in relation to the cost, but will continue to evaluate the risks to be accepted in preparation of the financial statements.

Conclusion – Response accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Manson Northwest Webster Community School District
Manson, Iowa

Schedule of Findings

Year ended June 30, 2024

Part II: Other Findings Related to Required Statutory Reporting:

2024-A Certified Budget - Expenditures for the year ended June 30, 2024, exceeded the amended certified budget amounts in the other expenditures function.

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

Conclusion – Response accepted.

2024-B Questionable Expenditures - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979, were noted.

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:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Jan Nelson, Board Member	Substitute teacher	\$ 8,820
Josh Sturgis, Board Member	Coach	2,368
Jill Carlson. Teacher owns Custom Tees	Supplies	2,425

Manson Northwest Webster Community School District
Manson, Iowa

Schedule of Findings

Year ended June 30, 2024

Ashely Pugh, Teacher, Mark Pugh, bus driver Ashley's husband and Mark's son owns 365 Mechanical	Repairs/equipment	108,266
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Kim Neumann, Nurse Husband owns Don's Pest Control	Pest control	2,914
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The transactions with board members Nelson and Sturgis do not appear to violate Chapter 279.7A of the Code of Iowa as the transactions are less than \$20,000 in a fiscal year.

The transactions with the District employee's spouse do not appear to represent a conflict of interest in accordance with an Attorney General's opinion dated November 9, 1976.

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 is reviewed annually to ensure the coverage is adequate for current operations.

2024-G Board Minutes - No transactions requiring Board approval which had not been approved by the Board were noted.

2024-H Certified Enrollment - The number of students reported to the Iowa Department of Education for Certified Enrollment for October 2023 was understated by 1.0. The District included a student that should not have been counted and didn't include two resident students that should have been included.

Recommendation – The District should contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.

Response – We will contact the Iowa Department of Education and the Iowa Department of Management.

Manson Northwest Webster Community School District
Manson, Iowa

Schedule of Findings

Year ended June 30, 2024

Conclusion – Response accepted.

- 2024-I Supplementary Weighting – No variance regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- 2024-J Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
- 2024-K Certified Annual Report – The Certified Annual Report was certified timely to 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 noncompliance with the allowable use of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

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

Manson Northwest Webster Community School District
Manson, Iowa

Schedule of Findings

Year ended June 30, 2024

Beginning balance		\$ 1,387,624
Revenues/transfers in:		
Sales tax revenues	\$ 863,663	
Other local revenues	107,762	
Sale of long-term debt	<u>2,798,000</u>	<u>3,769,425</u>
		5,157,049
Expenditures/transfers out:		
School infrastructure construction	2,169,246	
Equipment	99,711	
Other	233,531	
Transfers to other fund:		
Debt service fund	<u>486,878</u>	<u>2,989,366</u>
Ending balance		\$ <u>2,167,683</u>

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

2024-N Natural Gas Risk Pool – The District joined a natural gas risk pool and made a premium payment from the Management Fund for the year ended June 30, 2024. The Iowa Department of Education has said this is an unallowable expense of the Management Fund. However, the Iowa Office of Auditor of State has said this is an appropriate use of the Management Fund.

Recommendation – The District should contact its attorney to determine the legality of this issue. The District should also reserve General Fund dollars saved by the program until such time this matter is officially resolved, either administratively or in the courts.

Response – We will contact our attorney and reserve General Fund dollars.

Conclusion – Response accepted.

2024-O Revenue Bonds – No instances of noncompliance with the revenue bond resolutions were noted.

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATES

EXHIBIT A

MANSON NORTHWEST WEBSTER COMMUNITY SCHOOL DISTRICT, IOWA \$4,255,000 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 and issuance of the above-captioned obligations (the "Bonds").

1. Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.
2. Initial Offering Price of the Hold-the-Offering-Price Maturities.
 - a. Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.
 - b. As set forth in the Terms of Offering, Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.
3. Defined Terms.
 - a. General Rule Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."
 - b. Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."
 - c. Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (November 28, 2025), or (ii) the date on which Purchaser has 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 Manson Northwest Webster Community School District.
 - e. Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.
 - f. Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
 - g. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is November 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 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

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

of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: December 18, 2025

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

EXHIBIT A
MANSON NORTHWEST WEBSTER COMMUNITY SCHOOL DISTRICT, IOWA
\$4,255,000 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 "Bonds").

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

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

[UNDERWRITER]

By: _____
Name: _____

Dated: December 18, 2025

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)