



**\$18,570,000\***

**Bondurant-Farrar Community School District, Iowa  
General Obligation School Bonds  
Series 2026**

(FAST Closing)  
(NOT Bank Qualified)  
(Book Entry Only)  
(PARITY© Bidding Available)

DATE: Monday, February 23, 2026  
TIME: 1:00 PM  
PLACE: District Office  
300 Garfield St., SW  
Bondurant, IA 50035

Standard & Poor's Rating: "A+"

\* Preliminary, subject to change

**BONDURANT-FARRAR**  
**BLUEJAYS**

**PIPER | SANDLER**

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

# OFFICIAL BID FORM

TO: Board of Directors of the Bondurant-Farrar Community School District, Iowa (the "Issuer")

Re: \$18,570,000\* General Obligation School Bonds, Series 2026, dated the date of delivery, of the Issuer (the "Bonds")

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

<u>Coupon</u>	<u>Yield</u>	<u>Due</u>	<u>Coupon</u>	<u>Yield</u>	<u>Due</u>
_____	_____	June 1, 2027	_____	_____	June 1, 2037
_____	_____	June 1, 2028	_____	_____	June 1, 2038
_____	_____	June 1, 2029	_____	_____	June 1, 2039
_____	_____	June 1, 2030	_____	_____	June 1, 2040
_____	_____	June 1, 2031	_____	_____	June 1, 2041
_____	_____	June 1, 2032	_____	_____	June 1, 2042
_____	_____	June 1, 2033	_____	_____	June 1, 2043
_____	_____	June 1, 2034	_____	_____	June 1, 2044
_____	_____	June 1, 2035	_____	_____	June 1, 2045
_____	_____	June 1, 2036	_____	_____	June 1, 2046

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

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

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

\_\_\_\_\_ We will not elect to have any bonds issued as term bonds

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

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

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

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 COST \_\_\_\_\_ %  
(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 Bondurant-Farrar Community School District, in the Counties of Polk and Jasper of Iowa, State of Iowa, this 23rd day of February 2026.

ATTEST:

\_\_\_\_\_  
District Secretary

\_\_\_\_\_  
Board President

\* \_\_\_\_\_  
Preliminary, subject to change

## OFFICIAL TERMS OF OFFERING

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

The Bonds to be offered are the following:

**GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026**, in the principal amount of \$18,570,000\* dated the date of delivery in the denomination of \$5,000 or multiples thereof, and maturing as shown on the front page of the official statement.

**ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID.** The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the Issuer or its designee after the determination of the Successful Bidder. The Issuer may increase or decrease each maturity in increments of \$5,000. Interest rates specified by the Successful Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the Issuer. The total par amount will not exceed \$19,360,000.

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

**Optional Redemption:** The Bonds maturing after June 1, 2031, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

**Interest:** Interest on said Bonds will be payable on December 1, 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 Bonds will be issued by means of a book entry system with no physical distribution of certificates made to the public. The Bonds will be issued in fully registered form and one certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Issuer to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be required to deposit the certificates with DTC.

**Good Faith Deposit:** A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of \$185,700\* for the Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Municipal advisor or the Issuer will provide the apparent winning bidder (the "Purchaser") with wiring instructions, by email, within 10 minutes of the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser, and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

**Form of Bids:** All bids shall be unconditional for the entire issue of Bonds for a price of not less than 98.40% 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

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\* Preliminary, subject to change

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, facsimile facilities 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.

Scaled Bidding: Sealed bids may be submitted and will be received at the District Office Conference Room, Bondurant-Farrar Community School District, 300 Garfield St., SW, Bondurant, IA.

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: Electronic Facsimile Bids will not be accepted.

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

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 rate bid.

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

Establishment of Issue Price:

(a) The winning bidder shall assist the Issuer in establishing the issue price of the Bonds 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 Bonds, 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 Bonds 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 Bonds) will apply to the initial sale of the Bonds (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 Bonds to the bidder who submits a firm offer to purchase the Bonds 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 Bonds, 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 Bonds (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 Bonds 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 Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Issuer shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds 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 Bonds.** Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

(d) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds 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 Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (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 Bonds 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 Bonds 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 Bonds, the winning bidder agrees to promptly report to the Issuer the prices at which the unsold Bonds 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 Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, 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 Bonds 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, 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 Bonds 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(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 Bonds 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 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds 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 Bonds 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 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds 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 Bonds 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 Bonds 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 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds 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 Bonds 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 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds 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 Bonds 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 Bonds 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 Bonds to the public),

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

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

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

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

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

For more information see the Continuing Disclosure section herein.

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

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

**PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 12, 2026**

**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 Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Interest on the Bonds is not exempt from present Iowa income taxes. The Bonds will NOT be designated as "qualified tax-exempt obligations." See "TAX EXEMPTION AND RELATED TAX MATTERS" herein for a more detailed discussion*



**\$18,570,000\***

**Bondurant-Farrar Community School District, Iowa  
General Obligation School Bonds  
Series 2026**

**Dated: Date of Delivery**

The General Obligation School Bonds, Series 2026 described above (the "Bonds") are issuable as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by UMB Bank, n.a., as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither Bondurant-Farrar Community School District, Iowa (the "District" or the "Issuer") nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds.

Interest on the Bonds is payable on June 1, and December 1 in each year, beginning December 1, 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 Bonds maturing after June 1, 2031 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**

<u>Bonds Due</u>	<u>Amount*</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip #'s **</u>	<u>Bonds Due</u>	<u>Amount*</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip #'s **</u>
June 1, 2027	\$140,000			098059 KA5	June 1, 2037	\$450,000			098059 KL1
June 1, 2028	280,000			098059 KB3	June 1, 2038	470,000			098059 KM9
June 1, 2029	300,000			098059 KC1	June 1, 2039	490,000			098059 KN7
June 1, 2030	315,000			098059 KD9	June 1, 2040	510,000			098059 KP2
June 1, 2031	330,000			098059 KE7	June 1, 2041	535,000			098059 KQ0
June 1, 2032	360,000			098059 KF4	June 1, 2042	555,000			098059 KR8
June 1, 2033	370,000			098059 KG2	June 1, 2043	580,000			098059 KS6
June 1, 2034	390,000			098059 KH0	June 1, 2044	1,080,000			098059 KT4
June 1, 2035	410,000			098059 KJ6	June 1, 2045	5,170,000			098059 KU1
June 1, 2036	430,000			098059 KK3	June 1, 2046	5,405,000			098059 KV9

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

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel to the Issuer. Piper Sandler & Co. is serving as Municipal Advisor to the Issuer in connection with the issuance of the Bonds. Certain legal matters will be passed upon for the Municipal Advisor by Dentons Davis Brown P.C., Des Moines, Iowa. It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about April 15, 2026. The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

The Date of this Official Statement is \_\_\_\_\_, 2026

\* Preliminary, subject to change

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

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.



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 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. The Issuer considers the Official Statement to be “near final” within the meaning of Rule 15c2-12 of the Securities 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.

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.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTIONS 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS 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.

## **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. THE DISTRICT 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**  
**BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT, IOWA**  
**\$18,570,000\* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026**

**INTRODUCTORY STATEMENT**

This Official Statement presents certain information relating to the Bondurant-Farrar Community School District, Iowa (the “District” or the “Issuer”), in connection with the sale of the Issuer’s General Obligation School Bonds, Series 2026 (the “Bonds”). Proceeds of the Bonds, when combined with the previously issued \$28,640,000 General Obligation School Bonds, Series 2024, dated September 4, 2024, plus the proceeds of School Infrastructure Sales Services & Use Tax Revenue Bonds, yet to be issued in 2026 or 2027 to provide funds to: i) construct, build, furnish, and equip a new elementary building and improve the site; to construct, build, furnish, and equip a classroom addition to the High School building, including related remodeling and site improvements; and to construct, build, furnish, and equip a baseball/softball athletic facilities and tennis/pickleball courts and improve the sites, and ii) pay costs of issuance for the Bonds (the “Project”). See “**SOURCES AND USES OF FUNDS**” herein.

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

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

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

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

**THE BONDS**

**General**

The Bonds are dated as of the date of delivery and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on December 1, 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 Bonds are being issued pursuant to the Code of Iowa, 2025, as amended, Chapter 296, approval of the District voters for the Project at an election held on November 7, 2023, and a resolution of the Board of Directors expected to be adopted by the Issuer on March 30, 2026 (the “Resolution” or the “Bond Resolution”).

**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.

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\* Preliminary, subject to change

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instrument (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC.

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participations 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](http://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 taken certain steps to augment transmission to them 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 have agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

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

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

Redemption proceeds, distributions and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered

in “street name,” and will be the responsibility of such Participant and not of DTC (nor its nominee), Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

## **Transfer and Exchange**

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

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

## **Prepayment**

Optional Prepayment: The Bonds maturing after June 1, 2031, 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 Bonds under the provisions of the Bond Resolution, the Registrar shall give written notice not less than thirty (30) days prior to the redemption date to each registered owner thereof. Written notice shall be effective upon the date of transmission to the owner of record of the Bond.

Mandatory Sinking Fund Redemption The Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption (by lot, as selected by the Registrar) on \_\_\_\_\_ 1 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:

(maturity)

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

action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the Bond Resolution) may have to be enforced from year to year.

### **Changes in Property Taxation**

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

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

### **Matters Relating to Enforceability of Agreements**

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

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Bond Resolution. The remedies available to the owners of the Bonds upon an event of default under the Bond Resolution, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the federal bankruptcy code, certain of the remedies specified in the Bond Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

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

### **Secondary Market**

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

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

### **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 \$1,948,974. 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, 2023, at approximately \$9,699,135. 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.

### **Rating Loss**

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

Rating agencies are currently not regulated by any regulatory body. Future regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

### **Forward-Looking Statements**

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

### **Legislative Change Related to School Choice**

In 2023 the State of Iowa adopted Legislation (“HF68”) that establishes a 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 is effective beginning in fiscal year ending June 30, 2024 and expands eligibility for the program each year with all students attending a nonpublic school becoming eligible beginning 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 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 56 students who reside within the boundaries of the Issuer but attended non-public schools for the 2022-23 school year; 63 students for the 2023-24 school year; and 80 students for the 2024-25 school year. It is unknown how many additional students, if any, will attend non-public schools in future years, as HF68 is implemented. If a significant number of eligible students in the Issuer transition to non-public schools, it could have an adverse impact on the Issuer’s finances given the reduction in per student funding the Issuer would otherwise receive. The

Bonds are general obligations of the Issuer. See “**THE BONDS – Source of Security for the Bonds**” herein.

### **Pending Federal Tax Legislation**

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

### **DTC-Beneficial Owners**

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

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

### **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.

### **Cybersecurity**

The Issuer, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computers or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Issuer will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the Issuer’s information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the Issuer’s operations and financial condition.

The Issuer maintains cyber-insurance policies. The Issuer cannot predict whether these policies would be sufficient in the event of a cyber-incident.

### **Debt Payment History**

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

### **Redemption Prior to Maturity/Loss of Premium from Redemption**

In considering whether the Bonds might be redeemed prior to maturity, Bondholders should consider the information included in this Official Statement under the heading “THE BONDS.” Furthermore, the Bonds are subject to optional and mandatory redemption as set forth herein. See “THE BONDS” herein. Any person who purchases the Bonds at a price in excess of their



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

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

### **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 ability to operate.

### **Project Completion; Risks of Construction**

A delay in completion of the Project may arise from any number of other causes, including but not limited to, adverse weather conditions, unavailability of subcontractors, and negligence on the part of subcontractors, labor disputes, or unanticipated costs of construction, equipping or renovation. Any of these events or occurrences, separately or in combination, could have a material adverse effect on the Issuer's ability to complete the Project, or to complete it as planned and on schedule. The Issuer believes that the proceeds of the Bonds plus the issuance of the remainder of the General Obligation School Bonds authorized by the voters plus the issuance of School Infrastructure Sales, Services and Use Tax Revenue Bonds, 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.

### **Damage or Destruction to District's Facilities**

Although the District maintains certain kinds of insurance, there can be no assurance that the District will not suffer uninsured losses in the event of damage to or destruction of the District's facilities, including the Project, due to fire or other calamity or in the event of other unforeseen circumstances

### **Financial Condition of the Issuer from time to time**

No representation is made as to the future financial condition of the Issuer. Certain risks discussed herein could adversely affect the financial condition and/or operations of the Issuer in the future. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the "THE BONDS – Source of Security for the Bonds" herein.

### **Continuing Disclosure**

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

### **Suitability of Investment**

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

## **Bankruptcy and Insolvency**

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

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

## **Tax Matters, No Bank Qualification, and Loss of Tax Exemption**

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

The Issuer will NOT designate the Bonds as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

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

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

## **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.

## **Suitability of Investment**

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

## **Risk of Audit**

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

## **Summary**

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

## **LITIGATION**

The District 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 the Bonds.

## **ACCOUNTANT**

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

## **UNDERWRITING**

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

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

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

## **THE PROJECT**

Proceeds of the Bonds, when combined with the previously issued \$28,640,000 General Obligation School Bonds, Series 2024, dated September 4, 2024, plus the proceeds of School Infrastructure Sales Services & Use Tax Revenue Bonds, yet to be issued in 2026 or 2027 to provide funds to: i) construct, build, furnish, and equip a new elementary building and improve the site; to construct, build, furnish, and equip a classroom addition to the High School building, including related remodeling and site improvements; and to construct, build, furnish, and equip a baseball/softball athletic facilities and tennis/pickleball courts and improve the sites, and ii) pay costs of issuance for the Bonds.

## SOURCES AND USES OF FUNDS \*

Sources of Funds	Bond 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

### Future Debt

The Issuer does not expect to issue additional General Obligation Bonds in the near future but will issue an additional approximately \$12,000,000 in School Infrastructure Sales, Services & Use Tax Revenue Bonds yet in 2026 or 2027 to fund the balance of this ongoing capital project.

## TAX EXEMPTION AND RELATED TAX MATTERS

### Tax Exemption

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

Subject to the Issuer's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, the interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest may be taken into account in computing the alternative minimum tax imposed on certain corporations.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

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

### NOT Qualified Tax Exemption Obligations

The Bonds will NOT 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").

### Discount and Premium Bonds

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

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

#### Other Tax Advice

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

#### Audits

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

#### Reporting and Withholding

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

#### Tax Legislation

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

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

#### The Opinion

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

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

#### Enforcement

There is no bond trustee or similar person to monitor or enforce the terms of the resolution for issuance of the Bonds. In the

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

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

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

### **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt status of the interest thereon (see **"TAX EXEMPTION AND RELATED MATTERS"** herein) are subject to the approving legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as **"APPENDIX B – FORM OF BOND COUNSEL OPINION."** Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel for the Issuer in connection with the issuance of the Bonds. Certain matters will be passed upon for the Municipal Advisor by 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 Bonds, Iowa and Federal law pertinent to the validity of the Bonds, and the tax status of interest on the Bonds which can be found generally under the sections **"THE BONDS"**, **"THE BONDS - Source of Security for the Bonds"**, and **"TAX EXEMPTION AND RELATED TAX MATTERS"**. Additionally, Bond Counsel has provided its form of bond counsel opinion and Issuer's continuing disclosure certificate, found in Appendices B and C.

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

### **MUNICIPAL ADVISOR**

The Issuer has retained Piper Sandler & Co. as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Bonds. In preparing this Official Statement, 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 such information and data. 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 for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the Issuer (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the Issuer no later than April 15 after the close of each fiscal year, commencing with the fiscal year ending June 30, 2026, with the Municipal Securities Rulemaking Board, at its internet repository named "Electronic Municipal Market Access" ("EMMA"). The Issuer also has agreed to file its audited financial statement for fiscal year ending June 30, 2025, when available. 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 District to comply with the Undertaking will not constitute a default under the Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. Any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under the Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default thereunder. If the District fails to comply with any provision of the Disclosure Certificate, the sole remedy available shall be an action to compel performance. A failure by the District to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

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

For the previous five (5) year period, the Issuer believes it has complied with the Rule in all material respects, however, the Issuer provides the following disclosure for the sole purpose of assisting Underwriters in complying with the Rule. The Issuer’s General Obligation Bonds, Series 2018 were insured by Municipal Assurance Corporation (“MAC”). Effective April 1, 2021, MAC was merged with and into Assured Guaranty Municipal Corp. (“AGM”) with AGM as the surviving entity of the merger. The General Obligation Bonds, Series 2018 are now insured by AGM. The Issuer did not timely file a Material Event Notice regarding the reclassification. The Issuer filed a Notice of Failure to File July 13, 2021.

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

### **MISCELLANEOUS**

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

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

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

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

The Issuer has reviewed the information contained herein which relates to 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.

**BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT, STATE OF IOWA**

/s/ Cari Aylsworth  
Board Secretary

**APPENDIX A - INFORMATION ABOUT THE ISSUER**

**BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT, IOWA**

**DISTRICT OFFICIALS**

<b>PRESIDENT</b>	Patrick Meyer
<b>BOARD MEMBERS</b>	Stacia Sanny Jill Padgett Kayla Vandehaar Laurel Swanson
<b>SUPERINTENDENT</b>	Rich Powers
<b>BUSINESS MANAGER:</b>	Cari Aylsworth
<b>DISTRICT ATTORNEY</b>	Ahlers & Cooney, P.C.

**CONSULTANTS**

<b>BOND COUNSEL</b>	Ahlers & Cooney, P.C. Des Moines, Iowa
<b>MUNICIPAL ADVISOR</b>	Piper Sandler & Co. Des Moines, Iowa
<b>PAYING AGENT</b>	UMB Bank, n.a. Des Moines, Iowa



## General Information

The Bondurant-Farrar Community School District (the “District” or the “Issuer”) is located in central Iowa in the northeastern corner of the Des Moines metropolitan area. Included within the District’s 85.2 square miles is the rapidly growing community of Bondurant and a portion of the City of Altoona. Similar to the growth being experienced by other Des Moines metropolitan suburbs, Bondurant’s residential sector is rapidly expanding. The southern boundaries of the City of Bondurant and the Bondurant-Farrar Community School District are adjacent to Adventureland Park, a theme amusement park; Prairie Meadows, a popular thoroughbred horse racing and gaming facility and numerous recently constructed commercial establishments including restaurants and lodging. It is ideally located at the intersection of U.S. Interstate 80 and U.S. Highway 65 and 5 miles from Interstate 35.

Transportation facilities are provided by U.S. Interstate 80, U.S. Highway 65, Iowa Highway 330 and 117 as well as numerous paved county roads. Scheduled commercial airline service is available at the Des Moines International Airport. Casey’s General Store Corporate offices and Tone Brothers Inc., are anchors that have located in the Ankeny Industrial Park only four miles west of the District. Commercial banking services within the District are provided by a Bondurant branch office of Vision Bank of Altoona.

Continuing education centers within commuting distance include: Drake University, Grand View College and Des Moines University all in Des Moines; Iowa State University of Science and Technology, Ames; Simpson College, Indianola; and Area XI Des Moines Area Community College, Ankeny. The DMACC campus is located just seven miles west of Bondurant.

## District Facilities

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

<u>Building</u>	<u>Construction Date</u>	<u>Grades Served</u>
High School	2010, 2018	9-12
Intermediate School	1954, 1970, 1973, 1991, 2019	5-6
Junior High School	2022	7-8
Anderson Elementary	1973, 1990, 2001	2-4
Morris Elementary	2014, 2020	PK-2

Source: Bondurant-Farrar CSD

## Enrollment

Total enrollment in the District 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) (1)</u>	<u>Open Enroll In (2)</u>	<u>Open Enroll Out (2)</u>	<u>Total Served</u>
October-25	2026-27	2,636.36	145.00	87.10	2,694.26
October-24	2025-26	2,662.36	134.40	83.40	2,713.36
October-23	2024-25	2,559.9	146.5	60.4	2,646.0
October-22	2023-24	2,514.9	152.2	64.6	2,602.5
October-21	2022-23	2,423.7	240.5	114.2	2,550.0

Source: Department of Education

(1) Used for Sales Tax and State Aid distribution

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

## Staff

Presented below is a list of the District's 343 employees.

Administrators:	15	Media Specialists:	2
Teachers:	202	Nurses:	5
Teacher Aides:	98	Guidance:	8
Custodians:	11	Secretaries:	11
Food Service:	28	Transportation:	31
Other:	15	Maintenance	5

Source: Bondurant-Farrar CSD

## Other Post-Employment Benefits (OPEB)

**Plan Description** - The District administers 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	11
Active employees	364
Total	375

**Total OPEB Liability** – The District’s total OPEB liability \$1,926,461 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

**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)	3.25%
Discount rate (effective 6/30/24) including inflation	3.93%
Healthcare cost trend rate (effective 6/30/24)	5.50% with an ultimate health care cost trend rate of 5.00%

**Discount Rate** – The discount rate was based on the Bond Buyer 20-Bond GO index.

Mortality rates are from the RP-2014 Annuitant Distinct Mortality Table adjusted to 2006 with MP 2021 generational projection of future mortality improvement. The actuarial assumption used in the roll forward June 30, 2024 valuation were based on the results of an actuarial experience study for the period 2010-2020.

**Changes in the Total OPEB Liability:**

Total OPEB obligation – beginning of year		\$1,457,228
Changes for the year		
	Service Cost	138,625
	Interest	75,172
	Differences between expected and actual experience	292,746
	Changes in assumptions or other inputs	85,633
	Benefit Payments	-122,943
Net Changes		469,233
Net OPEB obligation – end of year		1,926,461

Source: Bondurant-Farrar CSD’s Independent Audited Financial Statements for fiscal year ending June 30, 2024.

## Employee Pension Plan

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

**Contributions.** Effective July 1, 2012, as a result of a 2010 law change, IPERS contribution rates for the Issuer and its employees are established

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

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

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

Table 1 – Issuer and Employees Contribution to IPERS.

Fiscal Year	Issuer Contribution		Issuer Employees' Contribution	
	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2020	1,391,652	9.44	927,277.75	6.29
2021	1,468,149	9.44	978,283.59	6.29
2022	1,532,219	9.44	1,020,933.92	6.29
2023	1,781,463	9.44	1,186,995.68	6.29
2024	1,948,974	9.44	1,298,602.78	6.29
2025	2,050,352	9.44	1,366,178.43	6.29

SOURCE: Bondurant-Farrar CSD

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.

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

Table 2 – Funding Status of IPERS

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

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

### Table 3 – Recent returns of IPERS

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

### Net Pension Liabilities

At June 30, 2024, the Issuer reported a liability of \$9,699,135 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](http://www.ipers.org).

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

### **Investment of Public Funds**

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

<u>Type of Investment</u>	<u>Amount Invested</u>
Local Bank Money Market	\$10,465,944.65
Local Bank Deposit Accounts	57,405.50
Local Bank Time CD's	0
ISJIT Money Market	14,597,052.66
ISJIT –Bond Funds	0

Source: Bondurant-Farrar CSD

### **Population**

Presented below are population figures for the periods indicated for the cities of Bondurant and Altoona:

<u>Year</u>	<u>Bondurant</u>	<u>Altoona</u>
2020	7,365	19,565
2015	5,493	14,541
2010	3,860	10,345
2000	1,846	7,242
1990	1,584	5,764
1980	1,243	2,883
1970	462	1,458
1960	389	763
1950	328	640

Source: U.S. Census Bureau

## Major Employers

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

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Amazon	On-line Retail Sales Fulfillment Center	2100 <sup>(2)</sup>
Bondurant-Farrar Community School District	School District	343
Facebook	Data Center	300
Fareway	Grocery Store	120
MidStates Precase	Concrete product supplier	45-50
Generation Next	Child care services	46
RMS	Construction Equipment supplier	44
City of Bondurant	Municipal Government	39 <sup>(1)</sup>
Diamond Crystal Specialty Foods	Food Preparations	30
Practical Plumbing, Heating & Cooling	Mechanical Contractors	20-49
Kum & Go	Convenient Store	25
Dig America	Underground Wire & Cable Laying	25
J Pettiecord Inc.	Trucking	25
Hulcher Services	Railroad Contractors	23
Reclaimed Rails Brewing Co.	Brewers	20
Bloom Early Learning Center	Child Care Services	20
Midwest Underground Supply, LLC	Construction	15
Mid Country Machinery	Construction Equipment Supplier	15
CSI Chemical Corporation	Manufacturing	15
Los Altos	Restaurant	10-19
Verti-Go Performance Lab	Laboratories	10-19
Q & S Mills Transportation LLC	Transportation	10-19
Casey's General Store	Convenience Store (2 stores)	10-19

(1) Total includes full-time and part-time employees.

(2) Amazon opened a 645,000-square-foot fulfillment center in December 2020 and currently employs 1,800 employees. In addition, Amazon has also recently opened a 270,000-square-foot sorting station adjacent to the fulfillment center that employs an additional 300 employees.

Source: City of Bondurant, Iowa

Presented below are some other major employers located within an easy commuting distance to the District

<u>Employer</u>	<u>Business</u>	<u>Approximate Employees</u>
John Deere Des Moines Works	Farm equipment	1,900
Adventureland, Inc.	Amusement park/hotel	1,120
Prairie Meadows Race Track & Casino	Horse track and casino	937
Casey's General Stores Inc.	Corporate Headquarters – gas stations	11,000
Des Moines Area Community College	Education	700
Baker Group	Mechanical and electrical contractor	625
Perishable Distributors of Iowa	Whole food distributor	500
Hy-Vee	Grocery store	437
Tones Spices	Food production	400
Wal-Mart	Discount store	400
Sysco Food Services of Iowa	Food service product distribution	268
Target	Discount store	200
Menards	Home improvement store	182
Marzetti Frozen Pasta	Frozen foods	160
Accu Mold LLC	Micro molded parts	150
Lowes	Home improvement store	140
Snyder & Associates Engineers & Planners LLC	General civil engineering, planning & surveying	140
Praxair Inc.	Industrial gases and welding equipment	133
Purfoods	Frozen food specialties	125
On With Life	Comprehensive brain injury and neuro rehab	122
Moehl Millwork	Wholesale distributor of millwork products	120
Monsanto	Ag based biotechnology. Applied molecular breeding	100
Mrs. Clark's Food	Manufacturing and distribution of salad dressings & juices	100
Pioneer	Agriculture biology	100

Some additional major employers in the Des Moines metropolitan area include:

<u>Employer</u>	<u>Business</u>	<u>Approximate Employees</u>
Wells Fargo	Financial Services	11,000
State of Iowa	State Government	7,600
MercyOne	Healthcare	5,641
UnityPoint Health	Healthcare	5,512
Principal Financial Group	Insurance	5,575
Des Moines Public Schools	Education	4,642
Nationwide/Allied Insurance	Insurance	3,000
John Deere	Agriculture	3,374
Corteva Agriscience	Crop inputs for worldwide agribusiness	2,100
Wellmark Blue Cross Blue Shield of Iowa	Insurance	1,900
Athene	Fixed indexed annuities	1,863
UPS	Logistics and distribution services	1,721
Broadlawns Clinic	Healthcare	1,700
Bridgestone Americas tire Operations	Agricultural tires	1,600
Maverik	Convenience store chain	1,600
Lumen	Telecommunications, ISP	1,500
Mercer Health & Benefits, LLC	Consulting & brokerage services for group benefits	1,500

Source: Greater Des Moines Partnership

### Property Tax Assessment

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

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

<u>Fiscal</u>						<u>Chap 437</u>	<u>Chap 428/438</u>	
<u>Year</u>	<u>Residential</u>	<u>Ag. Land &amp; Bldgs</u>	<u>Commercial</u>	<u>Multi-residential</u>	<u>Railroad</u>	<u>Utilities</u>	<u>Utilities</u>	<u>Industrial</u>
2026-27	44.5345	59.4401	90.0000	NA	90.0000	94.2059	98.0000	90.0000
2025-26	47.4316	73.8575	90.0000	NA	90.0000	100.0000	NA	90.0000
2024-25	46.3428	71.8370	90.0000	NA	90.0000	100.0000	NA	90.0000
2023-24	54.6501	91.6430	90.0000	NA	90.0000	100.0000	NA	90.0000
2022-23	54.1302	89.0412	90.0000	63.7500	90.0000	100.0000	NA	90.0000

Source: Iowa Department of Revenue

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

## Property Valuations

Actual Valuation						
Valuation as of January	2025	2024 <sup>1</sup>	2023 <sup>1</sup>	2022	2021	2020
<u>Fiscal Year</u>	<u>2026-2027</u>	<u>2025-2026</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
Residential:	1,217,035,168	1,093,685,782	1,051,097,228	789,193,265	720,798,018	626,461,444
Agricultural Land:	74,474,245	58,579,850	58,957,590	45,238,194	45,730,180	45,144,401
Ag Buildings:	4,175,620	3,887,700	3,812,600	2,552,510	2,573,810	1,817,950
Commercial:	357,185,154	303,021,390	288,747,852	247,572,894	199,103,838	129,187,785
Industrial:	75,567,642	69,360,555	70,127,092	8,414,607	5,339,272	3,706,330
Multiresidential:	0		0	0	10,702,277	8,724,297
Reserved:	0		0	0	0	0
Railroads:	3,556,312	3,621,941	3,538,592	3,432,806	3,217,513	3,028,785
Utilities:	16,844,982	16,907,657	17,068,736	16,496,332	16,626,729	17,734,913
Other:	0		0	0	0	0
Total Valuation:	1,748,839,123	1,549,064,875	1,493,349,690	1,112,900,608	1,004,091,637	835,805,905
Less Military:	1,016,000	1,048,000	1,060,000	501,892	505,677	514,856
Less Homestead:	2,853,500	2,860,000	1,446,250			
Net Valuation:	1,744,969,623	1,545,156,875	1,490,843,440	1,112,398,716	1,003,585,960	835,291,049
TIF Valuation:	466,748,674	312,826,616	230,647,848	159,318,644	118,163,405	96,423,339
Utility Replacement:	281,860,600	273,104,265	246,452,059	232,205,077	153,852,663	121,016,734
Taxable Valuation						
Valuation as of January	2025	2024 <sup>1</sup>	2023 <sup>1</sup>	2022	2021	2020
<u>Fiscal Year</u>	<u>2026-2027</u>	<u>2025-26</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
Residential:	475,136,976	476,235,385	453,163,903	408,115,778	374,485,700	341,429,248
Agricultural Land:	44,267,569	43,265,619	42,353,363	41,457,636	40,718,689	37,935,045
Ag Buildings:	2,481,990	2,871,362	2,738,858	2,339,201	2,291,739	1,527,629
Commercial:	300,075,932	257,331,738	246,503,203	212,872,495	175,441,072	113,196,132
Industrial:	67,177,704	61,639,803	62,406,249	7,100,789	4,659,544	3,237,976
Multiresidential:	0		0	0	6,442,086	5,691,029
Reserved:	0		0	0	0	0
Railroads:	3,194,744	3,254,187	3,179,031	3,084,909	2,895,762	2,725,906
Utilities:	16,508,081	16,907,657	17,068,736	16,496,332	16,626,729	17,477,564
Other:	0		0	0	0	0
Total Valuation:	908,842,996	861,505,751	827,413,343	691,467,140	623,561,321	523,220,529
Less Military:	1,016,000	1,048,000	1,060,000	501,892	505,677	514,856
Less Homestead:	2,853,500	2,860,000	1,446,250			
Net Valuation:	904,973,496	857,597,751	824,907,093	690,965,248	623,055,644	522,705,673
TIF Valuation:	444,963,589	297,590,463	219,930,007	152,998,220	113,570,651	92,586,471
Utility Replacement:	89,877,062	79,263,028	75,182,341	79,703,302	72,710,754	55,914,249
	Valuation	Actual Valuation	% Change in Actual Valuation	Taxable Valuation	% Change in Taxable Valuation	
	<u>Year</u>	<u>w/ Utilities</u>	<u>Valuation</u>	<u>w/ Utilities</u>	<u>Valuation</u>	
	2025	2,493,578,897	17.01%	1,439,814,147	16.64%	
	2024 <sup>1</sup>	2,131,017,856	8.33%	1,234,451,242	10.28%	
	2023 <sup>1</sup>	1,967,192,087	30.80%	1,119,424,924	21.19%	
	2022	1,503,922,437	17.90%	923,666,770	14.13%	
	2021	1,275,600,986	21.17%	809,336,121	20.58%	
	2020	1,052,731,122	17.08%	671,206,393	19.74%	

<sup>1</sup> Data reflecting valuation by class of property is provided by the Iowa Department of Management as of 1/1/2023 and 1/1/2024. Each county assessor is required to certify the final valuation by 7/1 of each calendar year. However, there may be changes to the valuation as a result of property owner petitions or other actions occurring after 7/1. Although the counties update the total valuations following such actions, they are not required to update, and have not updated, the class of property breakdowns. Therefore, while the total valuation amounts shown above are the accurate, certified final valuations, the amounts shown for each class of property may not reflect any adjustments that occurred after 7/1 of that calendar year.

Source: Iowa Department of Management

## Tax Rates

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

<u>Fiscal Year</u>	<u>Operating</u>	<u>Management</u>	<u>Board PPEL</u>	<u>V PPEL</u>	<u>Playground</u>	<u>Debt</u>	<u>Schoolhouse</u>	<u>Total Levy</u>
2026	10.54218	0.74718	0.33000	1.34000	0.00000	4.05000	0.00000	17.00936
2025	10.72458	0.55550	0.33000	1.34000	0.00000	4.05000	0.00000	17.00008
2024	10.63503	0.64879	0.33000	1.34000	0.00000	4.05000	0.00000	17.00382
2023	9.94047	1.61692	0.33000	1.34000	0.00000	4.05000	0.00000	17.27739
2022	11.46125	1.72825	0.33000	1.34000	0.00000	4.05000	0.00000	18.90950

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Source: Iowa Department of Management

## Historic Tax Rates

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

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Transit</u>	<u>Total Levy</u>
2026	10.83493	17.00936	0.78046	0.00000	0.24426	0.03143	2.38878	6.70896	0.63756	38.63574
2025	10.84075	17.00008	0.75916	0.00180	0.25772	0.03175	2.39364	6.77099	0.60591	38.66180
2024	11.26219	17.00382	0.74410	0.00180	0.22070	0.03346	2.63945	6.77099	0.60157	39.27808
2023	11.27250	17.27739	0.69448	0.00240	0.22542	0.03328	2.57722	6.77099	0.63567	39.48935
2022	11.62415	18.90950	0.67789	0.00260	0.19192	0.03486	2.57740	7.13383	0.60837	41.76052

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Source: Iowa Department of Management

## Tax Collection History

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

<u>Fiscal Year</u>	<u>Amount Levied</u>	<u>Amount Collected</u>	<u>Percentage Collected</u>
2026	\$17,982,150	In Collection	NA
2025	16,829,064	\$16,822,038	99.96%
2024	14,189,565	14,165,599	99.83%
2023	12,812,607	12,793,192	99.85%
2022	11,593,179	11,613,457	100.17%

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Source: Bondurant-Farrar CSD



## Largest Taxpayers

Set forth in the following table are the persons or entities which represent the 2024 largest taxpayers within the Issuer, as provided by the Auditors Offices of each of said counties. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District. The District's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District 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>
CS10321 Zero Coupon Fulfillment Center Fee Owner DST	\$115,766,148	9.38%
Mid American Energy	78,814,543	6.38%
Siculus Inc	60,778,215	4.92%
Graham Warehouse LP	55,429,698	4.49%
2300 Shiloh Rose Pkwy Property LLC	38,096,147	3.09%
Altoona Economic Development Corp	27,084,557	2.19%
KCI Altoona Phase 2 Land LLC	17,927,148	1.45%
Dakota Access LLC	14,566,522	1.18%
Lightedge Solutions LLC	12,716,147	1.03%
Hawkeye Investment Partners LLC	12,454,176	1.01%
Total		35.13%

Source: Polk and Jasper County Auditors' Office

### (1) Utility Property Tax Replacement

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

The utility replacement tax statute states that the utility replacement tax collected by the State and allocated among local taxing cities (including the Issuer) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. However, utility property is not subject to the levy of property tax by political subdivisions, only the utility replacement tax and statewide property tax. It is possible that the general obligation debt capacity of the Issuer could be adjudicated to be proportionately reduced in future years if utility property were determined to be other than "taxable property" for purposes of computing the Issuer's debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the Issuer can issue or (ii) adversely affect the Issuer's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds.

(2) CS10321 Zero Coupon Fulfillment Center Fee Owner DST (the "Fulfillment Center") is a significant taxpayer within the Issuer. The Issuer receives a significant amount of revenues from and relating to operations of the Fulfillment Center. There can be no assurance that the operations of the Fulfillment Center will continue to provide the same level of revenues for the Issuer during the term of the Bonds. Circumstances beyond the control of the Issuer including, without limitation, economic downturns and increased competition may significantly affect The Fulfillment Center's operations and thus, the amount of revenues received by the Issuer as a result of the Fulfillment Center's operations. Failure by the Issuer to realize ongoing revenues associated with the Fulfillment Center could have a material effect on the financial condition of the Issue

## DIRECT DEBT

### General Obligation School Bonds (Debt Service)

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

<u>Fiscal Year</u>	<u>9/4/18</u>	<u>Surplus Levy*</u>	<u>12/1/16</u>	<u>12/1/16</u>	<u>6/1/17</u>	<u>8/24/21</u>	<u>9/22/22</u>	<u>9/4/24</u>	<b>ESTIMATED</b> <u>4/15/26</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total P&amp;I</u>
2026	\$85,000		\$645,000		\$395,000	\$635,000	\$35,000	\$615,000		\$2,410,000	\$2,119,581	\$4,529,581
2027	130,000				1,020,000	700,000		700,000	\$140,000	2,690,000	2,924,939	5,614,939
2028	140,000				1,045,000	735,000		735,000	280,000	2,935,000	2,707,361	5,642,361
2029	135,000				1,085,000	760,000		765,000	300,000	3,045,000	2,600,411	5,645,411
2030	140,000				1,120,000	770,000		805,000	315,000	3,150,000	2,496,861	5,646,861
2031	155,000				1,145,000	780,000		845,000	330,000	3,255,000	2,393,086	5,648,086
2032	130,000			\$795,000	415,000	795,000		885,000	360,000	3,380,000	2,284,079	5,664,079
2033	130,000			800,000	450,000	805,000		935,000	370,000	3,490,000	2,169,321	5,659,321
2034	125,000			830,000	460,000	830,000		980,000	390,000	3,615,000	2,050,044	5,665,044
2035	135,000			860,000	465,000	840,000		1,020,000	410,000	3,730,000	1,933,869	5,663,869
2036	135,000			905,000	465,000	860,000		1,050,000	430,000	3,845,000	1,820,000	5,665,000
2037	270,000				1,285,000	875,000		1,085,000	450,000	3,965,000	1,701,194	5,666,194
2038	1,600,000	\$-1,370,000				1,805,000		1,585,000	470,000	4,090,000	1,574,594	5,664,594
2039						2,555,000		1,175,000	490,000	4,220,000	1,446,181	5,666,181
2040						2,605,000		1,220,000	510,000	4,335,000	1,330,438	5,665,438
2041						2,660,000		1,265,000	535,000	4,460,000	1,206,588	5,666,588
2042								4,030,000	555,000	4,585,000	1,078,550	5,663,550
2043								4,190,000	580,000	4,770,000	892,375	5,662,375
2044								4,355,000	1,080,000	5,435,000	698,675	6,133,675
2045									5,170,000	5,170,000	475,875	5,645,875
2046									5,405,000	5,405,000	243,225	5,648,225
Totals:	\$3,310,000	\$-1,370,000	\$645,000	\$4,190,000	\$9,350,000	\$19,010,000	\$35,000	\$28,240,000	\$18,570,000	\$81,980,000	\$36,147,246	\$118,127,246

Source: Bondurant-Farrar CSD

\* The Issuer has levied and deposited \$380,000 during Fiscal Year 2020, an additional \$530,000 during FY2021, and an additional \$460,000 during FY2024 into an irrevocable Escrow Fund which will be used to pay on June 1, 2026 a portion of the principal of the June 1, 2038 maturity of the Issuer's General Obligation School Bonds, Series 2018, dated September 4, 2018.

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

Presented below is the principal and interest on the Issuer's outstanding General Obligation School Capital Loan Notes.

<u>Fiscal Year</u>	<u>PPEL</u> <u>12/8/20</u>	<u>Total</u> <u>Principal</u>	<u>Total</u> <u>Interest</u>	<u>Total</u> <u>P&amp;I</u>
2026	\$725,000	\$725,000	\$22,000	\$747,000
2027	735,000	735,000	14,750	749,750
2028	740,000	740,000	7,400	747,400
Totals:	\$2,200,000	\$2,200,000	\$44,150	\$2,244,150

### Anticipatory Warrants

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

### **School Infrastructure Sales, Services & Use Tax Revenue Bonds**

Presented below is the outstanding School Infrastructure Sales, Services & Use Tax Revenue Bonds, presented by fiscal year and issue.

<u>Fiscal Year</u>	<u>6/4/13</u>	<u>9/22/22</u>	<u>Total</u> <u>Principal</u>	<u>Total</u> <u>Interest</u>	<u>Total</u> <u>P&amp;I</u>
2026	\$720,000	\$300,000	\$1,020,000	\$360,981	\$1,380,981
2027	740,000	300,000	1,040,000	326,181	1,366,181
2028	760,000	300,000	1,060,000	288,981	1,348,981
2029	785,000	300,000	1,085,000	251,181	1,336,181
2030		400,000	400,000	212,631	612,631
2031		410,000	410,000	200,631	610,631
2032		420,000	420,000	188,331	608,331
2033		435,000	435,000	175,731	610,731
2034		450,000	450,000	162,681	612,681
2035		460,000	460,000	148,619	608,619
2036		475,000	475,000	133,669	608,669
2037		495,000	495,000	117,638	612,638
2038		510,000	510,000	100,313	610,313
2039		530,000	530,000	82,463	612,463
2040		550,000	550,000	63,250	613,250
2041		565,000	565,000	43,313	608,313
2042		590,000	590,000	22,125	612,125
Totals:	\$3,005,000	\$7,490,000	\$10,495,000	\$2,878,719	\$13,373,719

Source: Bondurant-Farrar CSD

## Debt Limit

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

	<u>1/1/24</u>
Actual Valuation:	\$2,131,017,856
X	0.05
Constitutional Debt Limit:	106,550,893
 Total General Obligation Debt	 81,980,000
Total PPEL Notes:	<u>2,200,000</u>
Total Debt Subject to Limit:	84,180,000
Percentage of Debt Limit Obligated:	79.00%

It has not been determined whether the District's Sales Tax Revenue Bonds do or do not count against the constitutional debt limit. If the Bonds do count against the constitutional debt limit, the amount of debt subject to the debt limit would increase \$9,064,290 (\$10,495,000, less Sales Tax Reserve Funds of \$1,430,710) or 87.51% of the constitutional debt limit.

Source: Iowa Department of Management

## Overlapping & Underlying Debt

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

<u>Taxing Authority</u>	<u>Outstanding Debt</u>	<u>2024 Taxable Valuation</u>	<u>Taxable Value Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
City Of Bondurant	47,820,000	680,138,877	677,411,488	99.60%	\$47,628,240
City Of Altoona	90,985,000	1,944,153,647	275,694,913	14.18%	12,902,325
Polk County	374,670,000	37,160,273,935	1,230,377,642	3.31%	12,405,334
Jasper County	10,735,000	2,346,825,542	4,073,600	0.17%	18,634
DES MOINES AREA CC	68,145,000	70,226,515,406	1,234,451,242	1.76%	1,197,862
Heartland AEA	0	69,999,578,107	1,234,451,242	1.76%	0

Total Overlapping & Underlying Debt: \$74,152,394

Source: Iowa Department of Management

## FINANCIAL SUMMARY

Actual Value of Property, 2024:	\$2,131,017,856
Taxable Value of Property, 2024:	1,234,451,242
Direct General Obligation Debt:	\$84,180,000
Overlapping Debt:	74,152,394
Direct & Overlapping General Obligation Debt:	\$158,332,394
2020 Census Population:	9,898
Direct Debt per Capita:	\$8,504.75
Total Debt per Capita:	\$15,996.40
Direct Debt to Taxable Valuation:	6.82%
Total Debt to Taxable Valuation:	12.83%
Direct Debt to Actual Valuation:	3.95%
Total Debt to Actual Valuation:	7.43%
Actual Valuation per Capita:	\$215,298
Taxable Valuation per Capita:	\$124,717

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Source: Iowa Department of Management

## APPENDIX B – FORM OF LEGAL OPINION

### DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors of the Bondurant-Farrar Community School District in the Counties of Polk and Jasper, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Bonds, Series 2026, by said Issuer, dated April 15, 2026, in the denominations of \$5,000 or multiples thereof, in the aggregate amount of \$\_\_\_\_\_ (the "Bonds").

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

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

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

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

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

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

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

AHLERS & COONEY, P.C.

**APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE**  
**DRAFT**

**CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Bondurant-Farrar Community School District, State of Iowa (the "Issuer"), in connection with the issuance of \$ \_\_\_\_\_ General Obligation School Bonds, Series 2026 (the "Bonds") dated April 15, 2026. The Bonds are being issued pursuant to a Resolution of the Issuer approved on \_\_\_\_\_, 2026 (the "Resolution"). The Issuer covenants and agrees as follows:

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

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

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

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

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close. "Dissemination Agent" shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

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

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

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

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

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

"Official Statement" shall mean the Issuer's Official Statement for the Bonds, dated \_\_\_\_\_, 2026.

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

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

"State" shall mean the State of Iowa.

**Section 3. Provision of Annual Financial Information.**

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



securities laws.

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

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

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

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

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

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

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

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

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

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees

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

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

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

Date: \_\_\_\_\_ day of \_\_\_\_\_, 2026.

BONDURANT-FARRAR 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: Bondurant-Farrar Community School District, Iowa.

Name of Bond Issue: \$ \_\_\_\_\_ General Obligation School Bonds, Series 2026

Dated Date of Issue: April 15, 2026

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

Dated: \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

BONDURANT-FARRAR 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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**Bondurant-Farrar Community  
School District  
Bondurant, Iowa**

Financial and Compliance Report  
Year Ended June 30, 2024

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**Bondurant-Farrar Community School District**

**Board of Education and School District Administration**

**Year Ended June 30, 2024**

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Board of Education

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	Title	Term Expires
Stacia Sanny	President	2027
Kayla Vandehaar	Vice President	2027
Patrick Meyer	Director	2025
Garry Lenhart	Director	2025
Laurel Swanson	Director	2027

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School District Administration

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Rich Powers	Superintendent
Cari Aylsworth	Board Secretary



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### **Independent Auditor's Report**

To the Board of Education  
Bondurant-Farrar Community School District  
Bondurant, Iowa

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Bondurant-Farrar Community School District, Iowa (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

##### ***Basis for Opinions***

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

##### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 Bondurant-Farrar Community School District, Iowa's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional 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 Bondurant-Farrar Community School District, Iowa's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bondurant-Farrar Community School District, Iowa'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 that the management's discussion and analysis, schedule of the District's proportionate share of the net pension liability and schedules of contributions for the Iowa Public Employee's Retirement System and schedule of changes in the District's total OPEB liability and related ratios, and budgetary comparison information, on pages 4–15 and 59-68 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 auditing standards generally accepted in the United States of America, 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 the Bondurant-Farrar Community School District, Iowa's basic financial statements. The supplementary information, as listed in the table of contents and the Schedule of Expenditures of Federal Awards as required by Title 2, *U.S Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The District's basic financial statements for the years ended June 30, 2015 through 2021, which are not presented herein, were audited by other auditors whose report thereon dated February 15, 2022 expressed unmodified opinions on the basic financial statements. Their report on the Schedule of Revenues by Source and Expenditures by Function for the years ended June 30, 2015 through 2021 stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements as a whole for the years ended June 30, 2015 through 2021 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 3, 2025, on our consideration of the Bondurant-Farrar Community School District, Iowa'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 Bondurant-Farrar Community School District, Iowa'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 Bondurant-Farrar Community School District, Iowa's internal control over financial reporting and compliance.

*Bohnsack & Frommelt LLP*

Moline, Illinois  
March 3, 2025

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## **Bondurant-Farrar Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2024**

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

#### **2024 FINANCIAL HIGHLIGHTS**

- The District's overall financial position has increased from the prior year. The District showed an increase in net position of \$4,468,595 during the year ended June 30, 2024.
- Total revenues for the fiscal year ended June 30, 2024 and 2023 of \$44,206,812 and \$41,635,936 were comprised of general revenues in the amount of \$34,004,988 and \$31,220,507 and program revenues totaling \$10,201,824 and \$10,415,429, respectively.
- The District's General Fund balance decreased by \$497,699, the unassigned fund balance increased by \$382,507, committed fund balance decreased \$850,000, and the nonspendable/ restricted/ assigned fund balance decreased by \$30,206.

#### **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 Bondurant-Farrar Community School District as a whole and present an overall view of the District's finances.
- The fund financial statements tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report Bondurant-Farrar Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Bondurant-Farrar Community School District acts solely as an agent or custodian for the benefit of those outside of the School District.
- Notes to the 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, as well as presenting the schedule of the District's total OPEB liability and related ratios, and the District's proportionate share of net pension liability and related pension contributions.
- Other supplementary information provides detailed information about the nonmajor funds.

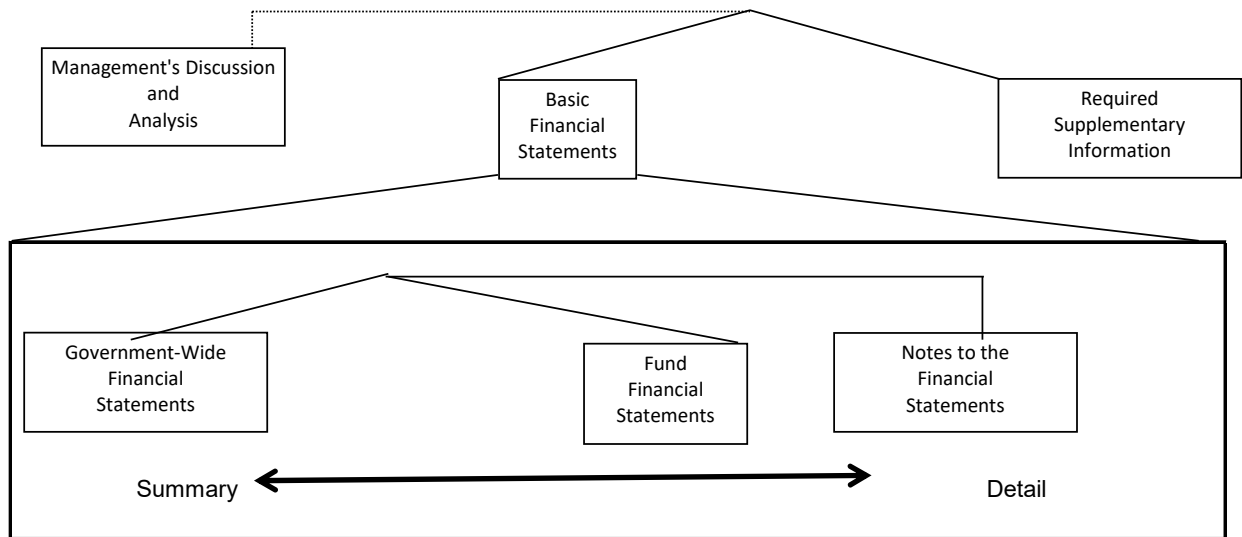
## Bondurant-Farrar Community School District

### Management's Discussion and Analysis Year Ended June 30, 2024

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

Figure A-1  
Bondurant-Farrar Community School District Annual Financial Report



## Bondurant-Farrar Community School District

### Management's Discussion and Analysis Year Ended June 30, 2024

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

<b>Figure A-2 Major Features of the Government-Wide and Fund Financial Statements</b>				
Government-Wide Statements		Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and child care	Instances in which the District administers resources on behalf of someone else, such as scholarship programs, and student activities monies
Required financial statements	Statement of net position  Statement of activities	Balance sheet  Statement of revenues, expenditures and changes in fund balances	Statement of net position  Statement of revenues, expenses and changes in net position  Statement of cash flows	Statement of fiduciary net position  Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset and deferred outflow of resources/ liability and deferred inflow of resources information	All assets, deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid



## Bondurant-Farrar Community School District

### Management's Discussion and Analysis Year Ended June 30, 2024

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#### REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

##### Government-Wide Financial Statements

The government-wide 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 and liabilities and deferred inflows of resources. 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 statements report the District's net position and how they have changed. Net position is one way to measure the District's financial position. Over time, increases or decreases in the District's net position is an indicator of whether the financial position is improving or deteriorating, respectively. To assess the District's overall health, you need to consider additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

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

##### Fund Financial Statements

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

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

The District has two kinds of funds:

**Governmental funds.** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial position 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. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information in the reconciliations following each of the governmental fund statements explains the relationship or differences between the two statements.

## **Bondurant-Farrar Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2024**

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The District's governmental funds include the General Fund, Capital Projects Fund, and Debt Service Fund, and nonmajor funds including the Management Fund and Student Activity Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

**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 District-wide statements. The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has two enterprise funds, the School Nutrition Fund and the nonmajor Student Construction Class Fund. The District uses internal service funds, the other kind of proprietary fund, to report activities that provide supplies and services for its other programs and activities. The District currently has one internal service fund.

The required financial statements for proprietary funds include a statement of net position, statement of revenues, expenses and changes in net position and a statement of cash flows.

**Fiduciary funds:** The District is the trustee, or fiduciary, for the assets that belong to others. These funds include the custodial fund.

*Custodial fund-* These are funds for which the District accounts for revenues and expenditures of other governments.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purpose 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.

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

## Bondurant-Farrar Community School District

### Management's Discussion and Analysis Year Ended June 30, 2024

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position – Figure A-3 below provides a summary of the District's net position for the year ended June 30, 2024 compared to June 30, 2023.

**Figure A-3 Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total District		Total
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	Percentage 2023-24
Current and other assets	\$ 42,097,707	\$ 43,480,891	\$ 1,817,562	\$ 1,804,026	\$ 43,915,269	\$ 45,284,917	-3.0%
Capital assets	95,124,108	90,375,722	485,706	128,776	95,609,814	90,504,498	5.6%
<b>Total assets</b>	<b>137,221,815</b>	<b>133,856,613</b>	<b>2,303,268</b>	<b>1,932,802</b>	<b>139,525,083</b>	<b>135,789,415</b>	<b>2.8%</b>
Deferred outflows of resources	5,285,496	3,167,382	152,531	85,540	5,438,027	3,252,922	67.2%
Long-term liabilities	66,020,835	67,555,297	323,042	236,566	66,343,877	67,791,863	-2.1%
Other liabilities	5,231,875	4,100,114	64,386	53,457	5,296,261	4,153,571	27.5%
<b>Total liabilities</b>	<b>71,252,710</b>	<b>71,655,411</b>	<b>387,428</b>	<b>290,023</b>	<b>71,640,138</b>	<b>71,945,434</b>	<b>-0.4%</b>
Deferred inflows of resources	16,894,383	15,112,432	1,714	26,191	16,896,097	15,138,623	11.6%
Net position:							
Net investment in capital assets	41,345,456	40,826,728	485,706	128,776	41,831,162	40,955,504	2.1%
Restricted	15,182,206	11,468,539	-	-	15,182,206	11,468,539	32.4%
Unrestricted	(2,167,444)	(2,039,115)	1,580,951	1,573,352	(586,493)	(465,763)	-25.9%
<b>Total net position</b>	<b>\$ 54,360,218</b>	<b>\$ 50,256,152</b>	<b>\$ 2,066,657</b>	<b>\$ 1,702,128</b>	<b>\$ 56,426,875</b>	<b>\$ 51,958,280</b>	<b>8.6%</b>

The District's combined net position increased by 8.6 percent or \$4,468,595 from the prior year net position.

The net investment in capital assets (e.g., land, construction in progress, infrastructure, buildings and equipment), less the related debt increased \$875,658 or 2.1 percent.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$3,713,667 from the prior year, primarily from an increase in restrictions for school infrastructure due to the District accumulating statewide sales, services and use tax for future debt payments.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from a deficit (\$465,763) to a deficit (\$586,493).

## Bondurant-Farrar Community School District

### Management's Discussion and Analysis Year Ended June 30, 2024

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

**Figure A-4 Changes in Net Position From Operating Results**

	Governmental Activities		Business-Type Activities		Total District		Total
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	Percentage 2023-24
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 2,993,692	\$ 2,712,252	\$ 1,080,404	\$ 1,055,209	\$ 4,074,096	\$ 3,767,461	8.1%
Operating grants and contributions and restricted interest	5,028,513	5,634,500	744,959	914,469	5,773,472	6,548,969	-11.8%
Capital grants and contributions	-	98,999	354,256	-	354,256	98,999	257.8%
General revenues:							
Property tax	12,478,459	11,216,273	-	-	12,478,459	11,216,273	11.3%
Income surtax	41,283	190,158	-	-	41,283	190,158	-78.3%
Statewide sales, services and use tax	3,313,033	2,910,606	-	-	3,313,033	2,910,606	13.8%
Utility excise tax	1,687,139	1,576,918	-	-	1,687,139	1,576,918	7.0%
Other taxes	9,837	12,704	-	-	9,837	12,704	-22.6%
Revenue in lieu of taxes	98,932	1,631	-	-	98,932	1,631	5965.7%
Unrestricted state grants	15,258,967	14,404,527	-	-	15,258,967	14,404,527	5.9%
Unrestricted investment earnings	1,026,080	842,614	61,889	39,259	1,087,969	881,873	23.4%
Miscellaneous	29,369	25,817	-	-	29,369	25,817	13.8%
<b>Total revenues</b>	<b>41,965,304</b>	<b>39,626,999</b>	<b>2,241,508</b>	<b>2,008,937</b>	<b>44,206,812</b>	<b>41,635,936</b>	<b>6.2%</b>
<b>Program expenses:</b>							
Governmental activities:							
Instruction	20,192,794	18,567,542	-	10,089	20,192,794	18,577,631	8.7%
Support services	12,460,948	10,634,932	8,402	8,591	12,469,350	10,643,523	17.2%
Noninstructional	3,280	5,247	1,868,577	1,741,768	1,871,857	1,747,015	7.1%
Other expenditures	5,204,216	4,579,962	-	-	5,204,216	4,579,962	13.6%
<b>Total expenses</b>	<b>37,861,238</b>	<b>33,787,683</b>	<b>1,876,979</b>	<b>1,760,448</b>	<b>39,738,217</b>	<b>35,548,131</b>	<b>11.8%</b>
<b>Excess of revenues over expenses before transfers</b>	<b>4,104,066</b>	<b>5,839,316</b>	<b>364,529</b>	<b>248,489</b>	<b>4,468,595</b>	<b>6,087,805</b>	<b>-26.6%</b>
Transfers	-	(18,300)	-	18,300	-	-	0.0%
<b>Change in net position</b>	<b>4,104,066</b>	<b>5,821,016</b>	<b>364,529</b>	<b>266,789</b>	<b>4,468,595</b>	<b>6,087,805</b>	<b>-26.6%</b>
Beginning net position	50,256,152	44,435,136	1,702,128	1,435,339	51,958,280	45,870,475	13.3%
Ending net position	\$ 54,360,218	\$ 50,256,152	\$ 2,066,657	\$ 1,702,128	\$ 56,426,875	\$ 51,958,280	8.6%

#### Governmental activities:

Local tax (property tax, income surtax, statewide sales, services and use tax, utility excise tax, other taxes and revenue in lieu of taxes) and unrestricted state grants account for 78.4 percent of the total governmental activities revenue. The District's expenses primarily relate to instructional and support services which account for 86.3 percent of the total governmental activities expenses.

The increase in total governmental activities revenue of \$2,338,305 is primarily due to the increase in property taxes of \$1,262,186 from increased assessed valuations and an increase of \$854,440 in unrestricted state grants from the state funding formula.

Total expenses for governmental activities increased by \$4,073,555. The increase is primarily reflected in instruction and support services due to increased expenses related to salaries and benefits.

## Bondurant-Farrar Community School District

### Management's Discussion and Analysis Year Ended June 30, 2024

The following table presents the total and net cost of the District's major governmental activities: instruction, support services and other expenses:

**Figure A-5 Net Cost of Governmental Activities**

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
			Change			Change
	June 30, 2024	June 30, 2023	2023-2024	June 30, 2024	June 30, 2023	2023-2024
Instruction	\$ 20,192,794	\$ 18,567,542	8.75%	\$ 14,502,849	\$ 12,686,724	14.3%
Support services	12,460,948	10,634,932	17.17%	11,405,391	9,261,840	23.1%
Noninstructional	3,280	5,247	-37.49%	3,280	5,247	-37.5%
Other expenses	5,204,216	4,579,962	13.63%	3,927,513	3,388,121	15.9%
<b>Total</b>	<b>\$ 37,861,238</b>	<b>\$ 33,787,683</b>	<b>12.06%</b>	<b>\$ 29,839,033</b>	<b>\$ 25,341,932</b>	<b>17.7%</b>

The cost financed by users of the District's programs for the year ended June 30, 2024 was \$2,993,692 compared to year ended June 30, 2023 \$2,712,252 primarily for tuition from other districts.

Federal and state governments subsidized certain programs with grants and contributions totaling \$5,028,513 for the year ended June 30, 2024 compared to year ended June 30, 2023 \$5,733,499.

The net cost of governmental activities was financed respectively for the years ended June 30, 2024 with \$12,478,459 in property tax, \$41,283 in income surtax, \$3,313,033 in statewide sales, services and use tax, \$1,687,139 in utility excise tax, \$9,837 in other taxes, \$98,932 in revenue in lieu of taxes, \$15,258,967 in unrestricted state grants, \$1,026,080 in unrestricted investment earnings and \$29,369 in miscellaneous.

### Business-Type Activities

Revenues of the District's business-type activities were \$2,241,508 and expenses were \$1,876,979. The District's business-type activities include the School Nutrition Fund and nonmajor Student Construction Class Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, and investment income.

Revenues increased \$232,571 primarily due to an increase in capital grants and contributions for capital assets purchased for the 7/8 building project by the governmental activities and donated to the School Nutrition Fund. Expenses increased \$116,531 due to wage increases.

## **Bondurant-Farrar Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2024**

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#### **INDIVIDUAL FUND ANALYSIS**

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

The financial performance of the District is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$20,170,164; a decrease of \$4,806,015 from last year's ending fund balances of \$24,976,179. The decrease is primarily due to planned spending on capital projects from the issuance of \$1,610,000 general obligation bonds and \$8,390,000 in revenue bonds in the prior year. The District spent \$7,164,697 for facilities acquisition in 2024 compared to \$5,951,440 in 2023.

#### **Governmental Fund Highlights**

The District's General Fund financial position decreased by \$497,699. The District's General Fund revenues of \$31,609,149 reflect a \$2,216,826 increase from prior year revenue of \$29,392,323. The increase is primarily due to an increase in local tax and state appropriations. Property tax increased from increases in assessed valuation. Expenditures reflected an increase from \$31,476,730 in 2023 to \$32,080,797 in 2024. The increase in expenditures is primarily due to general wage increases and the addition of new staff, curriculum and facility needs.

The General Fund balance decreased from \$5,749,071 to \$5,251,372. This represents 16.4 percent of total expenditures or 60 days. Unassigned General Fund fund balance on June 30, 2024 is \$4,272,579 or 13.2 percent of total expenditures.

The Capital Projects Fund balance decreased from \$13,840,344 in fiscal year 2023 to \$9,048,268 in fiscal year 2024. The District expended \$7,164,697 for facilities purchases and improvements in 2024 compared to \$5,951,440 in 2023 as explained above.

The Debt Service Fund balance increased \$558,023 from \$3,736,765 in 2023 to \$4,294,788 in 2024. The District paid \$5,507,894 in debt service principal and interest from transfers in of statewide sales, services and use tax of \$2,227,281 and local taxes of \$3,737,484.

#### **Proprietary Fund Highlights**

Enterprise funds net position increased from \$1,702,128 in 2023 to \$2,066,657 in 2024. This is primarily due to capital contributions from the capital projects accounts.

## Bondurant-Farrar Community School District

### Management's Discussion and Analysis Year Ended June 30, 2024

#### BUDGETARY HIGHLIGHTS

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 its internal service fund and custodial fund. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for individual funds are not presented in the budgetary comparison.

The District had one budget amendment on April 22, 2024, which increased overall expenditures by \$4,385,466.

The District's total actual revenues were \$985,744 more than the total budgeted revenues due to receiving more in local and state revenue sources, a variance of 2.3%.

Total expenditures were less than budgeted by \$7,229,886, primarily in the other expenditures function which related primarily to timing of capital projects.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

##### Capital Assets

As of June 30, 2024, the District had invested \$95,609,814 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. See Figure A-6. This amount represents a net increase of \$5,105,316 from last year. More detailed information about capital assets is available in Note 5 for the financial statements. Depreciation and amortization expense for the year was \$2,993,593.

The original cost of the District's capital assets was \$120,992,275. Governmental funds account for \$119,773,694 with the remainder of \$1,218,581 the proprietary School Nutrition Fund.

Figure A-6 Capital Assets (Net of Depreciation)

							Total
							Percentage
	Governmental Activities		Business-Type Activities		Total District		Change
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	2023-24
Land and construction in progress	\$ 9,839,904	\$ 34,558,692	\$ -	\$ -	\$ 9,839,904	\$ 34,558,692	-71.5%
Buildings	76,549,553	49,805,057	-	-	76,549,553	49,805,057	53.7%
Land improvements	5,405,938	3,094,035	-	-	5,405,938	3,094,035	74.7%
Machinery and equipment	2,574,697	2,089,276	485,706	128,776	3,060,403	2,218,052	38.0%
Intangible right to use lease building	127,603	161,630	-	-	127,603	161,630	-21.1%
Intangible right to use lease equipment	26,610	53,216	-	-	26,610	53,216	-50.0%
Intangible right to use IT subscription	599,803	613,816	-	-	599,803	613,816	-2.3%
<b>Total</b>	<b>\$ 95,124,108</b>	<b>\$ 90,375,722</b>	<b>\$ 485,706</b>	<b>\$ 128,776</b>	<b>\$ 95,609,814</b>	<b>\$ 90,504,498</b>	<b>5.6%</b>

## Bondurant-Farrar Community School District

### Management's Discussion and Analysis Year Ended June 30, 2024

#### Long-Term Debt

As of June 30, 2024, the District had \$54,475,371 in long-term obligations outstanding. See Figure A-7.

**Figure A-7 Outstanding Long-Term Obligations**

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change 2023-4
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	
General obligation bonds	\$ 39,064,152	\$ 41,343,869	\$ -	\$ -	\$ 39,064,152	\$ 41,343,869	-5.5%
Revenue bonds	12,313,875	13,291,346	-	-	12,313,875	13,291,346	-7.4%
Notes payable	2,920,000	3,630,000	-	-	2,920,000	3,630,000	-19.6%
Lease obligation	177,704	240,253	-	-	177,704	240,253	-26.0%
IT subscription obligation	-	3,979	-	-	-	3,979	-100.0%
<b>Total</b>	<b>\$ 54,475,731</b>	<b>\$ 58,509,447</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 54,475,731</b>	<b>\$ 58,509,447</b>	<b>-6.9%</b>

More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements. The District paid \$3,926,528 in principal and \$1,581,966 in interest and fiscal fees.

The District has two series of School Infrastructure Sales, Services and Use Tax Revenue Bonds which are to be repaid using statewide sales, services and use tax collected in the Capital Project Fund which mature in 2043.

#### ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- The rapid growth of the District provides financial challenges. The District continues to have significant capital project needs to meet the enrollment growth. As the need for facilities increases, the taxable valuation of the District increases at a far less rate causing the District to continuously be right on the verge of the debt limit if growth continues at the current rate. The District continues to explore options to increase efficiency while having as much support for students, faculty and staff as allowed by maintaining fiscal responsibility.
- The Iowa school funding formula is a complex formula that is pupil driven and increasing total spending authority occurs by increasing the number of pupils or increasing the cost per pupil. Due to the District's location in the larger metropolitan area in central Iowa near the junction of Interstate 80 and Interstate 35, continued growth is expected. Certified enrollment numbers have reflected an increase over the last ten years and increased 1.79% in 2024, 4.86% in 2023 and 1.88% in 2022 with the student served population increasing as well. Based on demographer projections, Bondurant-Farrar's student growth is expected to continue, averaging approximately 100 students per year for the next ten years. This steady growth will require careful planning of the District's infrastructure needs in a fiscally responsible manner. State funding will continue to be an important subject of interest in future years due to the uncertainty of the state aid formula and special programs.
- The District has a financial solvency ratio target of 7-17%. It has been important to maintain an adequate cash reserve levy to achieve and maintain a strong financial solvency as we open a new building. It is equally important to benchmark, monitor and adjust recurring expenses such as salaries and benefits which represent approximately 81% of the operating budget.



## **Bondurant-Farrar Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2024**

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- Along with the student enrollment growth and the opening of a new building, comes the need to hire staff. The District will continue to evaluate class size and make fiscally responsible decisions that are best for the children of the district, however, the economy continues to be a factor that could have consequences for the district in regard to state revenues, property valuations, enrollment and staffing.

#### **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 Cari Aylsworth, Director of Business Services, Bondurant-Farrar Community School District, 300 Garfield St. SW, Bondurant, Iowa 50035.

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**Bondurant-Farrar Community School District**

**Statement of Net Position**

**June 30, 2024**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and pooled investments	\$ 20,789,938	\$ 1,420,499	\$ 22,210,437
Restricted cash and investments	3,184,537	-	3,184,537
Receivables:			
Property tax:			
Delinquent	20,454	-	20,454
Succeeding year	16,829,061	-	16,829,061
Accounts	382,225	66,775	449,000
Due from other governments	763,699	-	763,699
Due from other funds	109,493	(109,493)	-
Inventories	-	439,781	439,781
Prepaid expenses	18,300	-	18,300
Capital assets:			
Capital assets not being depreciated:			
Land and construction in progress	9,839,904	-	9,839,904
Capital assets being depreciated, net of accumulated depreciation:			
Buildings	76,549,553	-	76,549,553
Land improvements	5,405,938	-	5,405,938
Machinery and equipment	2,574,697	485,706	3,060,403
Intangible right to use lease building	127,603	-	127,603
Intangible right to use lease equipment	26,610	-	26,610
Intangible right to use IT subscription	599,803	-	599,803
<b>Total capital assets</b>	<b>95,124,108</b>	<b>485,706</b>	<b>95,609,814</b>
<b>Total assets</b>	<b>137,221,815</b>	<b>2,303,268</b>	<b>139,525,083</b>
<b>Deferred Outflows of Resources:</b>			
OPEB related deferred outflows	748,336	19,429	767,765
Pension related deferred outflows	4,537,160	133,102	4,670,262
<b>Total deferred outflows of resources</b>	<b>5,285,496</b>	<b>152,531</b>	<b>5,438,027</b>

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	4,351,764	29,533	4,381,297
Salaries and benefits payable	636,373	307	636,680
Retainage payable	95,577	-	95,577
Accrued interest	148,161	-	148,161
Unearned revenue	-	34,546	34,546
Noncurrent liabilities:			
Portion due within one year:			
Revenue bonds	985,000	-	985,000
General obligation bonds	2,225,000	-	2,225,000
Capital loan notes	720,000	-	720,000
Lease obligation	66,284	-	66,284
Early retirement	59,100	-	59,100
Total OPEB liability	119,439	3,504	122,943
Portion due after one year:			
Revenue bonds	11,328,875	-	11,328,875
General obligation bonds	36,839,152	-	36,839,152
Capital loan notes	2,200,000	-	2,200,000
Lease obligation	111,420	-	111,420
Early retirement	183,450	-	183,450
Total OPEB liability	1,760,405	43,113	1,803,518
Net pension liability	9,422,710	276,425	9,699,135
<b>Total liabilities</b>	<b>71,252,710</b>	<b>387,428</b>	<b>71,640,138</b>
Deferred inflows of resources, deferred revenue:			
Succeeding year property tax	16,829,061	-	16,829,061
OPEB related deferred inflows	26,441	574	27,015
Pension related deferred inflows	38,881	1,140	40,021
<b>Total deferred inflows of resources</b>	<b>16,894,383</b>	<b>1,714</b>	<b>16,896,097</b>
<b>Net Position:</b>			
Net investment in capital assets	41,345,456	485,706	41,831,162
Restricted for:			
Categorical funding	960,493	-	960,493
Debt service	2,864,078	-	2,864,078
School infrastructure	7,924,825	-	7,924,825
Management levy	1,351,148	-	1,351,148
Physical plant and equipment levy	1,857,074	-	1,857,074
Student activities	224,588	-	224,588
Unrestricted	(2,167,444)	1,580,951	(586,493)
<b>Total net position</b>	<b>\$ 54,360,218</b>	<b>\$ 2,066,657</b>	<b>\$ 56,426,875</b>

**Bondurant-Farrar Community School District**

**Statement of Activities**  
**Year Ended June 30, 2024**

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Functions/Programs	Expenses
Governmental activities:	
Instruction	\$ 20,192,794
Support services:	
Student	978,545
Instructional staff	2,501,849
Administration	4,248,305
Operation of plant	3,571,869
Transportation	1,160,380
	<u>12,460,948</u>
Noninstructional programs	<u>3,280</u>
Other:	
AEA flowthrough	1,276,703
Unallocated depreciation*	2,464,484
Interest	1,463,029
	<u>5,204,216</u>
<b>Total governmental activities</b>	<u><u>37,861,238</u></u>
Business-type activities:	
Support services	8,402
Noninstructional programs	
Food service operations	1,868,577
<b>Total business-type activities</b>	<u>1,876,979</u>
<b>Total</b>	<u><u>\$ 39,738,217</u></u>
General revenues and transfers:	
General revenues:	
Property tax levied for:	
General purposes	
Capital outlay	
Other	
Statewide sales and services tax	
Income surtax	
Utility excise tax	
Other taxes	
Revenue in lieu of taxes	
Unrestricted state grants	
Unrestricted investment earnings	
Insurance recoveries	
Gain on sale of capital assets	
<b>Total general revenues</b>	
<b>Change in net position</b>	
Net position, beginning of year	
Net position, end of year	

\* This amount excludes the depreciation included in the direct expense of the various functions/programs.

See Notes to Basic Financial Statements.

Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 1,965,275	\$ 3,724,670	\$ -	\$ (14,502,849)	\$ -	\$ (14,502,849)
-	-	-	(978,545)	-	(978,545)
246,544	-	-	(2,255,305)	-	(2,255,305)
548,607	-	-	(3,699,698)	-	(3,699,698)
129,780	-	-	(3,442,089)	-	(3,442,089)
103,486	27,140	-	(1,029,754)	-	(1,029,754)
1,028,417	27,140	-	(11,405,391)	-	(11,405,391)
-	-	-	(3,280)	-	(3,280)
-	1,276,703	-	-	-	-
-	-	-	(2,464,484)	-	(2,464,484)
-	-	-	(1,463,029)	-	(1,463,029)
-	1,276,703	-	(3,927,513)	-	(3,927,513)
2,993,692	5,028,513	-	(29,839,033)	-	(29,839,033)
-	-	-	-	(8,402)	(8,402)
1,080,404	744,959	354,256	-	311,042	311,042
1,080,404	744,959	354,256	-	302,640	302,640
\$ 4,074,096	\$ 5,773,472	\$ 354,256	(29,839,033)	302,640	(29,536,393)

7,349,525	-	7,349,525
1,354,941	-	1,354,941
3,773,993	-	3,773,993
3,313,033	-	3,313,033
41,283	-	41,283
1,687,139	-	1,687,139
9,837	-	9,837
98,932	-	98,932
15,258,967	-	15,258,967
1,026,080	61,889	1,087,969
27,689	-	27,689
1,680	-	1,680
33,943,099	61,889	34,004,988
4,104,066	364,529	4,468,595
50,256,152	1,702,128	51,958,280
\$ 54,360,218	\$ 2,066,657	\$ 56,426,875

# Bondurant-Farrar Community School District

## Balance Sheet Governmental Funds June 30, 2024

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
<b>Assets</b>					
Cash and pooled investments	\$ 7,796,753	\$ 10,267,989	\$ 1,106,305	\$ 1,605,038	\$ 20,776,085
Restricted cash and investments	-	-	3,184,537	-	3,184,537
Receivables:					
Property tax:					
Delinquent	12,437	2,122	5,146	749	20,454
Succeeding year	9,922,549	1,870,432	4,536,080	500,000	16,829,061
Accounts	374,526	-	-	7,699	382,225
Due from other governments	458,851	304,848	-	-	763,699
Due from other funds	109,493	-	-	-	109,493
Prepaid items	18,300	-	-	-	18,300
<b>Total assets</b>	<b>\$ 18,692,909</b>	<b>\$ 12,445,391</b>	<b>\$ 8,832,068</b>	<b>\$ 2,113,486</b>	<b>\$ 42,083,854</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 2,881,700	\$ 1,431,114	\$ 1,200	\$ 37,750	\$ 4,351,764
Retainage payable	-	95,577	-	-	95,577
Salaries and benefits payable	636,373	-	-	-	636,373
<b>Total liabilities</b>	<b>3,518,073</b>	<b>1,526,691</b>	<b>1,200</b>	<b>37,750</b>	<b>5,083,714</b>
Deferred inflows of resources, unavailable revenue:					
Succeeding year property tax	9,922,549	1,870,432	4,536,080	500,000	16,829,061
Other	915	-	-	-	915
<b>Total deferred inflows of resources</b>	<b>9,923,464</b>	<b>1,870,432</b>	<b>4,536,080</b>	<b>500,000</b>	<b>16,829,976</b>
Fund balances:					
Nonspendable:					
Prepaid items	18,300	-	-	-	18,300
Restricted for:					
Categorical funding	960,493	-	-	-	960,493
Debt service	-	-	4,294,788	-	4,294,788
Management levy purposes	-	-	-	1,351,148	1,351,148
Student activities	-	-	-	224,588	224,588
School infrastructure	-	7,198,194	-	-	7,198,194
Physical plant and equipment levy	-	1,850,074	-	-	1,850,074
Unassigned	4,272,579	-	-	-	4,272,579
<b>Total fund balances</b>	<b>5,251,372</b>	<b>9,048,268</b>	<b>4,294,788</b>	<b>1,575,736</b>	<b>20,170,164</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 18,692,909</b>	<b>\$ 12,445,391</b>	<b>\$ 8,832,068</b>	<b>\$ 2,113,486</b>	<b>\$ 42,083,854</b>

See Notes to Basic Financial Statements.

## Bondurant-Farrar Community School District

### Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

June 30, 2024

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Total fund balances of governmental funds	\$ 20,170,164
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.	95,124,108
The Internal Service Fund is used to charge costs of the District's self-funded insurance plan to the governmental funds. The net position of the Internal Service Fund is therefore included under governmental activities.	13,853
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	915
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:	
OPEB related deferred outflows of resources	748,336
OPEB related deferred inflows of resources	(26,441)
Pension related deferred outflows of resources	4,537,160
Pension related deferred inflows of resources	(38,881)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds:	
Revenue bonds, current	(985,000)
Revenue bonds, noncurrent	(11,200,000)
Premium on revenue bonds	(128,875)
General obligation bonds, current	(2,225,000)
General obligation bonds, noncurrent	(36,540,000)
Premium on general obligation bonds	(299,152)
Capital loan notes, current	(720,000)
Capital loan notes, noncurrent	(2,200,000)
Lease obligation, current	(66,284)
Lease obligation, noncurrent	(111,420)
Accrued interest	(148,161)
Early retirement	(242,550)
Total OPEB liability	(1,879,844)
Net pension liability	(9,422,710)
<b>Net position of governmental activities</b>	<b>\$ 54,360,218</b>

See Notes to Basic Financial Statements.



# Bondurant-Farrar Community School District

## Statement of Revenues, Expenditures and Changes in Fund Balances

### Governmental Funds

Year Ended June 30, 2024

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Revenues:					
Local sources:					
Property tax	\$ 7,349,525	\$ 1,354,941	\$ 3,338,453	\$ 435,540	\$ 12,478,459
Utility excise tax	1,041,722	185,216	396,658	63,543	1,687,139
Other tax	194,288	978	2,373	380	198,019
Tuition	1,482,518	-	-	-	1,482,518
Other	974,954	813,624	108,655	640,021	2,537,254
State appropriations	19,971,230	3,322,749	23,564	3,775	23,321,318
Federal appropriations	594,912	-	-	-	594,912
<b>Total revenues</b>	<b>31,609,149</b>	<b>5,677,508</b>	<b>3,869,703</b>	<b>1,143,259</b>	<b>42,299,619</b>
Expenditures:					
Current:					
Instruction:	19,668,033	144,530	-	555,011	20,367,574
Support services:					
Student	999,392	-	-	-	999,392
Instructional staff	2,070,566	343,128	-	-	2,413,694
Administration	4,002,061	171,800	-	132,776	4,306,637
Operation and maintenance of plant	3,111,600	425,605	-	524,329	4,061,534
Transportation	949,162	56,200	-	25,636	1,030,998
	11,132,781	996,733	-	682,741	12,812,255
Noninstructional programs	3,280	-	-	-	3,280
Other expenditures:					
Capital outlay facilities acquisition	-	7,164,697	-	-	7,164,697
AEA flowthrough	1,276,703	-	-	-	1,276,703
Debt service:					
Principal	-	-	3,926,528	-	3,926,528
Interest and fiscal fees	-	2,600	1,581,366	-	1,583,966
	1,276,703	7,167,297	5,507,894	-	13,951,894
<b>Total expenditures</b>	<b>32,080,797</b>	<b>8,308,560</b>	<b>5,507,894</b>	<b>1,237,752</b>	<b>47,135,003</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(471,648)</b>	<b>(2,631,052)</b>	<b>(1,638,191)</b>	<b>(94,493)</b>	<b>(4,835,384)</b>
Other financing sources (uses):					
Proceeds from sale of capital assets	1,680	-	-	-	1,680
Insurance recoveries	27,689	-	-	-	27,689
Transfers in	-	531,067	2,227,281	20,230	2,778,578
Transfers (out)	(55,420)	(2,692,091)	(31,067)	-	(2,778,578)
<b>Total other financing sources (uses)</b>	<b>(26,051)</b>	<b>(2,161,024)</b>	<b>2,196,214</b>	<b>20,230</b>	<b>29,369</b>
<b>Net change in fund balances</b>	<b>(497,699)</b>	<b>(4,792,076)</b>	<b>558,023</b>	<b>(74,263)</b>	<b>(4,806,015)</b>
Fund balances, beginning of year	5,749,071	13,840,344	3,736,765	1,649,999	24,976,179
Fund balances, end of year	\$ 5,251,372	\$ 9,048,268	\$ 4,294,788	\$ 1,575,736	\$ 20,170,164

See Notes to Basic Financial Statements.

## Bondurant-Farrar Community School District

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities Year Ended June 30, 2024

Net change in fund balances - total governmental funds \$ (4,806,015)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the statement of net position and are allocated over their estimated useful lives as depreciation/amortization expense in the statement of activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlay	\$ 7,683,994	
Depreciation expense	(2,935,608)	4,748,386
Proceeds from sale of capital assets	(1,680)	
Gain on sale of capital assets	1,680	-

The increase in net position of the Internal Service Fund represents an overcharge to the governmental funds and is incorporated into the change in net position of governmental activities.

1,507

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in unavailable revenues:

Income surtax	(146,899)	
Other grants	(216,785)	(363,684)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The issuance of long-term debt increases liabilities in the statement of net position, while the repayment of long-term debt reduces long-term liabilities. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Repayment of revenue bond and general obligation bond principal	3,150,000	
Repayment of note payable	710,000	
Payment of lease obligations	62,549	
Payment of IT subscription obligation	3,979	
Amortization of bond premium	107,188	
Interest expense	13,749	4,047,465

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:

Early retirement	(31,400)
Net OPEB liability	(164,646)
Pension expense	672,453

#### Change in net position of governmental activities

\$ 4,104,066

See Notes to Basic Financial Statements.

**Bondurant-Farrar Community School District**

**Statement of Net Position**

**Proprietary Funds**

**June 30, 2024**

	School Nutrition	Nonmajor Student Construction Class	Total	Governmental Activities, Internal Service Fund
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 1,420,499	\$ -	\$ 1,420,499	\$ 13,853
Receivables, accounts	66,775	-	66,775	-
Inventories	25,225	414,556	439,781	-
<b>Total current assets</b>	<b>1,512,499</b>	<b>414,556</b>	<b>1,927,055</b>	<b>13,853</b>
Noncurrent assets:				
Capital assets being depreciated, net of accumulated depreciation:				
Machinery and equipment	485,706	-	485,706	-
<b>Total noncurrent assets</b>	<b>485,706</b>	<b>-</b>	<b>485,706</b>	<b>-</b>
<b>Total assets</b>	<b>1,998,205</b>	<b>414,556</b>	<b>2,412,761</b>	<b>13,853</b>
<b>Deferred Outflows of Resources:</b>				
OPEB related deferred outflows	19,429	-	19,429	-
Pension related deferred outflows	133,102	-	133,102	-
<b>Total deferred outflows of resources</b>	<b>152,531</b>	<b>-</b>	<b>152,531</b>	<b>-</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	4,166	25,367	29,533	-
Salaries and benefits payable	307	-	307	-
Unearned revenue	34,546	-	34,546	-
Due to other funds	-	109,493	109,493	-
Total OPEB liability	3,504	-	3,504	-
<b>Total current liabilities</b>	<b>42,523</b>	<b>134,860</b>	<b>177,383</b>	<b>-</b>
Noncurrent liabilities:				
Net OPEB liability	43,113	-	43,113	-
Net pension liability	276,425	-	276,425	-
<b>Total noncurrent liabilities</b>	<b>319,538</b>	<b>-</b>	<b>319,538</b>	<b>-</b>
<b>Total liabilities</b>	<b>362,061</b>	<b>134,860</b>	<b>496,921</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
OPEB related deferred inflows	574	-	574	-
Pension related deferred inflows	1,140	-	1,140	-
<b>Total deferred inflows of resources</b>	<b>1,714</b>	<b>-</b>	<b>1,714</b>	<b>-</b>
<b>Net Position</b>				
Investment in capital assets	485,706	-	485,706	-
Unrestricted	1,301,255	279,696	1,580,951	13,853
<b>Total net position</b>	<b>\$ 1,786,961</b>	<b>\$ 279,696</b>	<b>\$ 2,066,657</b>	<b>\$ 13,853</b>

See Notes to Basic Financial Statements.

**Bondurant-Farrar Community School District**

**Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
Year Ended June 30, 2024**

	School Nutrition	Nonmajor Student Construction Class	Total	Governmental Activities, Internal Service Fund
Operating revenues:				
Local sources:				
Charges for service	\$ 1,055,917	\$ -	\$ 1,055,917	\$ 88,493
Miscellaneous	19,527	4,960	24,487	-
<b>Total operating revenues</b>	<b>1,075,444</b>	<b>4,960</b>	<b>1,080,404</b>	<b>88,493</b>
Operating expenses:				
Support services:				
Administration:				
Services	-	-	-	86,986
Operation and maintenance of plant:				
Purchased services	8,402	-	8,402	-
Noninstructional programs:				
Salaries	602,096	-	602,096	-
Benefits	117,437	-	117,437	-
Purchased services	64,736	-	64,736	-
Supplies	1,024,272	-	1,024,272	-
Other	2,051	-	2,051	-
Depreciation	57,985	-	57,985	-
<b>Total operating expenses</b>	<b>1,876,979</b>	<b>-</b>	<b>1,876,979</b>	<b>86,986</b>
<b>Operating income (loss)</b>	<b>(801,535)</b>	<b>4,960</b>	<b>(796,575)</b>	<b>1,507</b>
Nonoperating revenues:				
State sources	10,929	-	10,929	-
Federal sources	734,030	-	734,030	-
Interest on investments	61,889	-	61,889	-
<b>Total nonoperating revenues</b>	<b>806,848</b>	<b>-</b>	<b>806,848</b>	<b>-</b>
<b>Income before capital contributions</b>	<b>5,313</b>	<b>4,960</b>	<b>10,273</b>	<b>1,507</b>
Capital contributions	354,256		354,256	-
<b>Change in net position</b>	<b>359,569</b>	<b>4,960</b>	<b>364,529</b>	<b>1,507</b>
Net position, beginning of year	1,427,392	274,736	1,702,128	12,346
Net position, end of year	<b>\$ 1,786,961</b>	<b>\$ 279,696</b>	<b>\$ 2,066,657</b>	<b>\$ 13,853</b>

See Notes to Basic Financial Statements.

**Bondurant-Farrar Community School District**

**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2024**

	School Nutrition	Nonmajor Student Construction Class	Total	Governmental Activities, Internal Service Fund
Cash flows from operating activities:				
Cash received from:				
Charges for services	\$ 1,025,568	\$ -	\$ 1,025,568	\$ -
Miscellaneous services	19,527	4,960	24,487	88,493
Cash payments to:			-	
Employees for services	(735,815)	-	(735,815)	-
Suppliers for goods and services	(966,074)	(328,219)	(1,294,293)	(86,986)
<b>Net cash provided by (used in) operating activities</b>	<b>(656,794)</b>	<b>(323,259)</b>	<b>(980,053)</b>	<b>1,507</b>
Cash flows from noncapital financing activities:				
Proceeds from other funds	-	109,493	109,493	-
State grants received	10,929	-	10,929	-
Federal grants received	611,829	-	611,829	-
<b>Net cash provided by noncapital financing activities</b>	<b>622,758</b>	<b>109,493</b>	<b>732,251</b>	<b>-</b>
Cash flows from capital financing activities and related activities,				
Acquisition of capital assets	(60,659)	-	(60,659)	-
<b>Net cash (used in) operating activities</b>	<b>(60,659)</b>	<b>-</b>	<b>(60,659)</b>	<b>-</b>
Cash flows from investing activities,				
interest on investments	61,889	-	61,889	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(32,806)</b>	<b>(213,766)</b>	<b>(246,572)</b>	<b>1,507</b>
Cash and cash equivalents:				
Beginning of year	1,453,305	213,766	1,667,071	12,346
End of year	\$ 1,420,499	\$ -	\$ 1,420,499	\$ 13,853
(Continued)				

**Bondurant-Farrar Community School District**

**Statement of Cash Flows (Continued)**

**Proprietary Funds**

**Year Ended June 30, 2024**

	School Nutrition	Nonmajor Student Construction Class	Total	Governmental Activities, Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (801,535)	\$ 4,960	\$ (796,575)	\$ 1,507
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Commodities consumed	122,201		122,201	-
Depreciation	57,985		57,985	-
(Increase) decrease in:				
Inventories	(1,135)	(352,056)	(353,191)	-
Accounts receivable	(16,410)	-	(16,410)	-
Increase (decrease) in:				
Accounts payable	3,919	23,837	27,756	-
Salaries and benefits payable	(2,888)	-	(2,888)	-
Net OPEB benefits	4,829	-	4,829	-
Net pension liability	(9,821)	-	(9,821)	-
Unearned revenue	(13,939)	-	(13,939)	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (656,794)</b>	<b>\$ (323,259)</b>	<b>\$ (980,053)</b>	<b>\$ 1,507</b>

Noncash investing, capital and  
financing activities:

Federal commodities	\$ 122,201	\$ -	\$ -	\$ -
Capital contributions	\$ 354,256	\$ -	\$ -	

See Notes to Basic Financial Statements.

**Bondurant-Farrar Community School District**

**Statement of Fiduciary Net Position**

**Fiduciary Funds**

**June 30, 2024**

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	Custodial Fund
<b>Assets</b>	
Cash and pooled investments	\$ 6,184
Due from other governments	32,812
<b>Total assets</b>	<b>38,996</b>
<b>Liabilities</b>	
Accounts payable	38,996
<b>Net Position</b>	
Restricted for organizations	\$ -

See Notes to Basic Financial Statements.

**Bondurant-Farrar Community School District**

**Statement of Revenues, Expenses and Changes in Net Position**

**Fiduciary Funds**

**Year Ended June 30, 2024**

---

	Custodial Fund
<b>Additions</b>	
Federal appropriations	\$ 63,901
<b>Total additions</b>	<u>63,901</u>
<b>Deductions:</b>	
Instruction	<u>63,901</u>
<b>Total deductions</b>	<u>63,901</u>
<b>Change in net position</b>	-
Net position, beginning of year	-
Net position, end of year	<u><u>\$ -</u></u>

See Notes to Basic Financial Statements.



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## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

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#### Note 1. Significant Accounting Policies

##### Reporting entity:

The Bondurant-Farrar Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and technical and recreational courses. The geographic area served includes the cities of Bondurant and Farrar, Iowa, portions of the City of Altoona, Iowa and agricultural territory in Jasper and Polk 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.

For financial reporting purposes, Bondurant-Farrar 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 Bondurant-Farrar Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly governed organizations: The District participates in a jointly governed organization that provides services to the District but do 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 Polk and Jasper County Assessors' Conference Boards.

##### 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 the 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 support.

The statement of net position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

*Net investment in capital assets:* Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

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

*Unrestricted net position:* Consist of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

## **Bondurant-Farrar Community School District**

### **Notes to Financial Statements Year Ended June 30, 2024**

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#### **Note 1. Significant Accounting Policies (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are 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 that are 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 other nonmajor governmental funds.

The District reports the following major governmental funds:

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

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

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenue of the fund primarily consists of property taxes.

The District reports the following nonmajor governmental funds:

The Management Fund, a special revenue fund, is utilized to account for the payment of property insurance as well as early retirement incentives.

The Student Activity Fund, a special revenue fund, is utilized to account for the various student run organizations and athletic accounts of the District.

The District's proprietary funds are the Enterprise Funds, and the Internal Service Fund.

The District reports the following enterprise funds:

The School Nutrition Fund is considered a major fund. The School Nutrition Fund is used to account for the food service operations of the District.

The Student Construction Class Fund is a nonmajor fund used to account for the construction of houses within the District for educational purposes.

## **Bondurant-Farrar Community School District**

### **Notes to Financial Statements Year Ended June 30, 2024**

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#### **Note 1. Significant Accounting Policies (Continued)**

The Internal Service Fund is used to account for the Internal Revenue Service section 125 flexible benefits program. The Internal Service Fund is charged back to the Governmental Funds and shown combined in the statement of net position and statement of activities.

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

The Custodial Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments. Specifically, these are funds for which the District is the fiscal agent for the North Metro Consortium.

#### **Measurement focus and basis of accounting:**

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

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

Under 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 is 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.

## **Bondurant-Farrar Community School District**

### **Notes to Financial Statements Year Ended June 30, 2024**

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#### **Note 1. Significant Accounting Policies (Continued)**

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

#### **Assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund equity:**

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

#### **Cash, pooled investments and cash equivalents:**

The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investments in Iowa School Joint Investment Trust (ISJIT) which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

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

#### **Property taxes:**

Property taxes receivable is recognized in the funds on the levy date that the tax asking is certified by the Board of Education to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from the current year. 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 Board of Education is required to certify its budget to the County Auditor by April 15 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 recorded as a deferred inflow and will not be recorded as revenue until the year for which it is levied.

Property tax revenue recognized in these funds became due and collectible in September and March of the fiscal year with a 1½ percent 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.

## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

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#### Note 1. Significant Accounting Policies (Continued)

##### Inventories:

The Enterprise Fund inventories are held for resale and are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to operations when consumed or sold. The enterprise fund inventory consists primarily of food, with purchased food recorded at the lower cost (first-in, first-out method), or market and food commodities which were received from the federal government and recorded at the contributed value as of the date received.

##### Prepaid items:

The District accounts for the prepaid items by using the purchases method. Items prepaid include postage, registration, insurance, software package renewals, security and subscriptions.

##### 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.

##### Capital assets:

Capital assets, which include property, machinery and equipment and intangibles, 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, and IT subscriptions, the measurement of which is discussed in the ensuing lease policy. Donated capital assets are recorded at estimated acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. 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.

Assets	Amount
Land	\$ 1
Buildings	5,000
Land improvements	5,000
Intangibles	100,000
Machinery and equipment	
School Nutrition Fund equipment	500
Other machinery and equipment	5,000

**Bondurant-Farrar Community School District**

**Notes to Financial Statements**  
**Year Ended June 30, 2024**

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**Note 1. Significant Accounting Policies (Continued)**

Land is not depreciated. Buildings, land improvements, machinery and equipment and intangibles are depreciated/amortized using the straight-line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50 years
Land improvements	20 years
Machinery and equipment	5-20 years

**Leases:**

The District is a lessee for noncancellable leases of a building and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the governmental activities of the government-wide financial statements.

At the commencement of a 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 to place the asset in service. Subsequently, the lease asset is amortized on a straight-line basis over the life of the lease.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The 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 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.

**Salaries and benefits payable:**

Payroll and related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but which have balances payable in July and August 2024, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2024.

## **Bondurant-Farrar Community School District**

### **Notes to Financial Statements Year Ended June 30, 2024**

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#### **Note 1. Significant Accounting Policies (Continued)**

##### **Subscription-Based Information Technology Arrangements (SBITA):**

The District has entered into contracts that convey control of the right to use information technology software. The District has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements.

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

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

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

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

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

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

##### **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.

##### **Total OPEB liability:**

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



## **Bondurant-Farrar Community School District**

### **Notes to Financial Statements Year Ended June 30, 2024**

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#### **Note 1. Significant Accounting Policies (Continued)**

##### **Unearned revenue:**

Proprietary funds defer revenue recognition in connection with resources that have been received but not earned. Unearned revenue in the governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenue consists primarily of grant advances, school registration fees, and meal deposits collected for the programs and services in the next school year.

##### **Fund balances:**

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 imposed by law through constitutional provisions or enabling legislation.

**Committed:** Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

**Assigned:** Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The authority to assign fund balances has been delegated to the Director of Business Affairs by the Board of Education.

**Unassigned:** All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. 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.

##### **Deferred outflows/inflows of resources:**

In addition to assets, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District has pension and other post-employment benefit related deferred outflows that qualify for reporting in this category.

## **Bondurant-Farrar Community School District**

### **Notes to Financial Statements Year Ended June 30, 2024**

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#### **Note 1. Significant Accounting Policies (Continued)**

In addition to liabilities, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenue in the governmental funds balance sheet from property tax and other grants. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the District's government-wide statements, only the succeeding year property tax revenues remain as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which levied. The District also reports pension and other post-employment benefit related deferred inflows in the government-wide statements and the proprietary fund statements.

#### **Net Position:**

In the government-wide statement of net position and the proprietary funds, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. As of June 30, 2024, unspent bond proceeds were \$2,223,770. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted through enabling legislation consists of \$960,493 for categorical funding, \$2,864,078 for debt service, \$7,924,825 for school infrastructure, \$1,351,148 for management levy, \$1,857,074 for physical plant and equipment levy, and \$224,588 for student activities.

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### **Interfund transactions:**

Transactions among District funds would be treated as revenues and expenditures or expenses if they involved organizations external to the District and are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expected, are separately reported in the respective fund's operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding are reported in the government-wide financial statements as "internal balances".

## **Bondurant-Farrar Community School District**

### **Notes to Financial Statements Year Ended June 30, 2024**

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#### **Note 1. Significant Accounting Policies (Continued)**

##### **Estimates:**

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

#### **Note 2. Budgets and Budgetary Accounting**

In accordance with the Code of Iowa, the District's Board of Education annually adopts a single district-wide budget and approves the related appropriations following required public notice and hearing for all funds except the internal service fund and custodial fund. The budgets and related appropriations as well as the financial statements are prepared on the modified accrual basis or accrual basis of accounting. The budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control for the certified budget is based upon four major classes of disbursements known as functional areas, not by fund. These four functional areas are instruction, support services, noninstructional programs and other expenditures. The Code of Iowa also provides that District disbursements in the General Fund may not exceed the amount authorized by the school finance formula. The District did not exceed budgeted expenditures.

The Board of Education follows these procedures in establishing budgetary data reflected in the financial statements:

- In accordance with the Statutes of the State of Iowa, prior to March 15, the Board Secretary submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures or expense and the means of financing them for the upcoming year, along with estimates for the current and actual data for the preceding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at the functional area level.
- Public hearings are required to be conducted to obtain taxpayer comment.
- Prior to April 15, the budget is legally enacted through certification from the County Auditor.
- Management is authorized to transfer budgeted amounts between departments within any functional area; however, any revisions that alter the total expenditures or expenses of any functional area must be approved by the Board of Education.
- The Board of Education may amend the budget during the year by holding public hearings and certifying the amendment with the County Auditor.
- Appropriations lapse at the end of each fiscal year.
- The budget cannot be amended without the approval of the Board of Education.

#### **Note 3. Deposits 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.

## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

#### Note 3. Deposits and Pooled Investments (Continued)

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

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; Level 3 inputs are significant unobservable inputs. As of June 30, 2024, the District's investments were as follows:

	Fair Value	Investment Maturities (in Years)				Level Input	Rating	
		<1	1-5	6-10	>10		Standard & Poor	Fitch
Investments Pools, State and Local Government Series Securities	\$ 1,370,000	\$ -	\$ 1,370,000	\$ -	\$ -	N/A	N/A	N/A
Money Market Funds:								
Iowa Schools Joint Investment Trust (ISJIT)	19,587,222	19,587,222	-	-	-	N/A	AAAm	N/A
Goldman Sachs Financial Square Governmental Fund	1,814,537	1,814,537	-	-	-	N/A	AAAm	N/A
	<u>\$ 22,771,759</u>	<u>\$ 21,401,759</u>	<u>\$ 1,370,000</u>	<u>\$ -</u>	<u>\$ -</u>			

At June 30, 2024, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Diversified Fund which are valued at amortized cost of \$19,587,222 pursuant to Rule 2a-7 under the investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT investments. The fund is rated by Standard & Poor AAAm.

The District has cash and investments held with agent of \$3,184,537, which will be used for future debt service as of June 30, 2024.

**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 District does not have a policy specific to credit risk. The credit related to the District investments are in the table above.

**Concentration of credit risk:** The District's investment policy seeks diversification to reduce overall portfolio risk while attaining 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 had no investments subject to concentration of credit risk.

**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 its investments or collateral securities that are in the possession of an 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 insure that there will be no loss of public funds. The District's investments are held in the name of the District and are not exposed to custodial credit risk.

The District is not subject to foreign-currency risk.

# Bondurant-Farrar Community School District

## Notes to Financial Statements Year Ended June 30, 2024

### Note 4. Interfund Activity

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

	Transfer in	Transfer out
Major Funds:		
General Fund	\$ -	\$ 55,420
Capital Projects Fund	531,067	2,692,091
Debt Service Fund	2,227,281	31,067
Nonmajor Governmental Fund, Student Activity Fund	20,230	-
<b>Total</b>	<b>\$ 2,778,578</b>	<b>\$ 2,778,578</b>

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

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

	Due From	Due To
Major Funds:		
General Fund	\$ 109,493	\$ -
Nonmajor Enterprise Fund, Student Construction Class Fund	-	109,493
<b>Total</b>	<b>\$ 109,493</b>	<b>\$ 109,493</b>

### Note 5. Capital Assets

A summary of changes capital assets is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Capital assets being depreciated:				
Machinery and equipment	\$ 808,029	\$ 414,915	\$ 4,363	\$ 1,218,581
Less accumulated depreciation	679,253	57,985	4,363	732,875
<b>Total capital assets being depreciated, net</b>	<b>128,776</b>	<b>356,930</b>	<b>-</b>	<b>485,706</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 128,776</b>	<b>\$ 356,930</b>	<b>\$ -</b>	<b>\$ 485,706</b>

**Bondurant-Farrar Community School District**

**Notes to Financial Statements  
Year Ended June 30, 2024**

**Note 5. Capital Assets (Continued)**

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,004,501	\$ 3,712,500	\$ -	\$ 6,717,001
Construction in progress	31,554,191	3,223,797	31,655,085	3,122,903
<b>Total capital assets not being depreciated/amortized</b>	<b>34,558,692</b>	<b>6,936,297</b>	<b>31,655,085</b>	<b>9,839,904</b>
Capital assets being depreciated/ amortized:				
Land improvements	64,685,033	28,612,738	-	93,297,771
Buildings and building equipment	5,644,824	2,698,501	-	8,343,325
Machinery and equipment	5,977,159	956,543	37,448	6,896,254
Intangible right to use leased building	272,218	-	-	272,218
Intangible right to use leased equipment	133,367	-	-	133,367
Intangible right to use IT subscription	855,855	135,000	-	990,855
<b>Total capital assets being depreciated/amortized</b>	<b>77,568,456</b>	<b>32,402,782</b>	<b>37,448</b>	<b>109,933,790</b>
Less accumulated depreciation/ amortization for:				
Land improvements	14,879,976	1,868,242	-	16,748,218
Buildings and building equipment	2,550,789	386,598	-	2,937,387
Machinery and equipment	3,887,883	471,122	37,448	4,321,557
Intangible right to use leased building	110,588	34,027	-	144,615
Intangible right to use leased equipment	80,151	26,606	-	106,757
Intangible right to use IT subscription	242,039	149,013	-	391,052
<b>Total accumulated depreciation/ amortization</b>	<b>21,751,426</b>	<b>2,935,608</b>	<b>37,448</b>	<b>24,649,586</b>
<b>Total capital assets being depreciated/amortized, net</b>	<b>55,817,030</b>	<b>29,467,174</b>	<b>-</b>	<b>85,284,204</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 90,375,722</b>	<b>\$ 36,403,471</b>	<b>\$ 31,655,085</b>	<b>\$ 95,124,108</b>

# **Bondurant-Farrar Community School District**

## **Notes to Financial Statements Year Ended June 30, 2024**

### **Note 5. Capital Assets (Continued)**

Depreciation and amortization expense was charged by the District as follows:

Governmental activities:	
Instruction	\$ 149,216
Support services:	
Instructional staff	122,624
Administration	3,185
Operation and maintenance of plant	51,666
Transportation	144,433
Unallocated depreciation	2,464,484
<b>Total governmental activities depreciation/amortization expense</b>	<b>\$ 2,935,608</b>
Business-type activities:	
Food services	57,985
<b>Total business-type activities depreciation expense</b>	<b>\$ 57,985</b>

### **Note 6. General Long-Term Debt**

A summary of changes in general long-term debt for the year ended June 30, 2024:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 39,860,000	\$ -	\$ 1,650,000	\$ 38,210,000	\$ 1,705,000
General obligation bond premium	398,869	-	99,717	299,152	-
Private placement,					
General obligation bonds	1,085,000	-	530,000	555,000	520,000
Revenue bonds	13,155,000	-	970,000	12,185,000	985,000
Revenue bond premium	136,346	-	7,471	128,875	-
General obligation capital loan notes	3,630,000	-	710,000	2,920,000	720,000
Building lease obligation	177,616	-	32,915	144,701	35,748
Equipment lease obligation	62,637	-	29,634	33,003	30,536
IT subscription obligation	3,979	-	3,979	-	-
Early retirement	211,150	88,200	56,800	242,550	59,100
Net pension liability	7,410,716	2,011,994	-	9,422,710	-
Total OPEB liability	1,423,984	455,860	-	1,879,844	119,439
<b>Total</b>	<b>\$ 67,555,297</b>	<b>\$ 2,556,054</b>	<b>\$ 4,090,516</b>	<b>\$ 66,020,835</b>	<b>\$ 4,174,823</b>
Business-type activities:					
Net pension liability	\$ 203,322	\$ 73,103	\$ -	\$ 276,425	\$ -
Total OPEB liability	33,244	13,373	-	46,617	3,504
<b>Total</b>	<b>\$ 236,566</b>	<b>\$ 86,476</b>	<b>\$ -</b>	<b>\$ 323,042</b>	<b>\$ 3,504</b>

OPEB liabilities and pension liabilities are generally liquidated by the General Fund.

## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

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#### Note 6. General Long-Term Debt (Continued)

##### Early Retirement:

The District offered a voluntary early retirement plan to its employees in fiscal year 2024. Eligible licensed employees had to be at least age fifty-five and had to have completed at least twelve years of continuous service to the District.

For the licensed employees' early retirement benefit, the District paid a stipend equal to \$5,000 in July 2024. In addition, the District will pay \$600 per month towards the premium of the District's group health insurance plan until the employee become eligible for Medicare.

At June 30, 2024, the District has obligations to twelve participants with a total liability of \$242,550. Actual early retirement expenditures for the year ended June 30, 2024 totaled \$56,800. The early retirement obligation is paid from the nonmajor special revenue fund, the Management Fund. The cost of early retirement payments is recorded as a long-term liability of the Governmental Activities in the government-wide financial statements.

##### General Obligation Bonds:

On September 22, 2022, the District issued \$1,610,000 General Obligation School Bonds Series 2022 in a private placement. The bonds, combined with the previously issued General Obligation School Bonds Series 2021 and the Revenue Bonds Series 2022 issued on the same day, will complete the funding for the middle school facility, various athletic field improvements, and land acquisition for a future new elementary school.

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

Year ending June 30:	General Obligation Bonds, Series 2016A				General Obligation Bonds, Series 2016B			
	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2025	2.00%	\$ 635,000	\$ 25,600	\$ 660,600	2.00%	\$ -	\$ 125,700	\$ 125,700
2026	2.00%	645,000	12,900	657,900	2.00%	-	125,700	125,700
2027		-	-	-	2.00%	-	125,700	125,700
2028		-	-	-	2.00%	-	125,700	125,700
2029		-	-	-	2.00%	-	125,700	125,700
2030-2034		-	-	-	2.0-3.0%	2,425,000	556,800	2,981,800
2035-2039		-	-	-	3.00%	1,765,000	80,100	1,845,100
<b>Total</b>		<b>\$ 1,280,000</b>	<b>\$ 38,500</b>	<b>\$ 1,318,500</b>		<b>\$ 4,190,000</b>	<b>\$ 1,265,400</b>	<b>\$ 5,455,400</b>



# Bondurant-Farrar Community School District

## Notes to Financial Statements Year Ended June 30, 2024

### Note 6. General Long-Term Debt (Continued)

Year ending June 30:	General Obligation Bonds, Series 2017				General Obligation Bonds, Series 2018			
	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2025	3.00%	\$ -	\$ 286,037	\$ 286,037	1.00%	\$ 465,000	\$ 122,467	\$ 587,467
2026	3.00%	395,000	286,038	681,038	1.00%	85,000	108,518	193,518
2027	3.00%	1,020,000	274,188	1,294,188	1.00%	130,000	105,967	235,967
2028	3.00%	1,045,000	243,587	1,288,587	1.00%	140,000	102,067	242,067
2029	3.00%	1,085,000	212,237	1,297,237	1.00%	135,000	97,868	232,868
2030-2034	3.00%	3,590,000	622,588	4,212,588	1.0-3.3%	680,000	416,464	1,096,464
2035-2039	3.0-3.25%	2,215,000	170,625	2,385,625	3.38%	2,140,000	220,894	2,360,894
<b>Total</b>		<b>\$ 9,350,000</b>	<b>\$ 2,095,300</b>	<b>\$ 11,445,300</b>		<b>\$ 3,775,000</b>	<b>\$ 1,174,245</b>	<b>\$ 4,949,245</b>

Year ending June 30:	General Obligation Bonds, Series 2021				Private Placement General Obligation Bonds, Series 2022			
	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2025	5.00%	\$ 605,000	\$ 450,400	\$ 1,055,400	2.95%	\$ 520,000	\$ 16,372	\$ 536,372
2026	5.00%	635,000	420,150	1,055,150	2.95%	35,000	1,033	36,033
2027	5.00%	700,000	388,400	1,088,400		-	-	-
2028	3.00%	735,000	353,400	1,088,400		-	-	-
2029	2.00%	760,000	331,350	1,091,350		-	-	-
2030-2034	1.5-2.0%	3,980,000	1,454,612	5,434,612		-	-	-
2035-2039	2.00%	6,935,000	1,046,425	7,981,425		-	-	-
2040-2041	2.0-2.125%	5,265,000	165,150	5,430,150		-	-	-
<b>Total</b>		<b>\$ 19,615,000</b>	<b>\$ 4,609,887</b>	<b>\$ 24,224,887</b>		<b>\$ 555,000</b>	<b>\$ 17,405</b>	<b>\$ 572,405</b>

Year ending June 30:	Total		
	Principal	Interest	Total
2025	\$ 2,225,000	\$ 1,026,576	\$ 3,251,576
2026	1,795,000	954,339	2,749,339
2027	1,850,000	894,255	2,744,255
2028	1,920,000	824,754	2,744,754
2029	1,980,000	767,155	2,747,155
2030-2034	10,675,000	3,050,464	13,725,464
2035-2039	13,055,000	1,518,044	14,573,044
2040-2041	5,265,000	165,150	5,430,150
<b>Total</b>	<b>\$ 38,765,000</b>	<b>\$ 9,200,737</b>	<b>\$ 47,965,737</b>

### Bond Refunding Escrow

In prior years, the District levied for additional debt service tax revenues beyond the current year needs. This additional revenue has been placed in an irrevocable escrow account to refund \$910,000 of the principal due on the September 4, 2018 general obligation bonds when those bonds become callable on June 1, 2026. In the current fiscal year, the District added another \$460,000 to the irrevocable escrow account for payment of the 2018 general obligation bonds. The bonds will remain on the District's financial statements until the call date. The balance of the escrow fund at June 30, 2024 was \$1,370,000.

## **Bondurant-Farrar Community School District**

### **Notes to Financial Statements Year Ended June 30, 2024**

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#### **Note 6. General Long-Term Debt (Continued)**

##### **Revenue Bonds**

On September 22, 2022, the District issued \$8,390,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds Series 2022.

The District pledged future statewide sales, services and use tax revenues to repay the \$10,000,000 bonds issued in June 2013 and \$8,390,000 issued in September 2022. The bonds were issued for the purpose of financing a portion of the costs of a new K-2 elementary building and to complete the funding for the middle school facility, various athletic field improvements, and land acquisition for a future new elementary school. 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 2043. The bonds are not a general obligation of the District and the debt is not subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to required approximately 35 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$15,517,504. During the year ended June 30, 2024, principal of \$970,000 and interest of \$429,691 was paid on the bonds. Statewide sales, services and use tax revenues were \$3,313,033.

The resolution providing for the issuance of the revenue bonds included the following provisions:

- The bonds will be redeemed from the future earnings of the school infrastructure sales, services and use tax revenues received by the District and the bond holders hold a lien on the future revenues received.
- A reserve will be maintained in the amount of \$1,562,640 to be used solely for the purpose of paying principal and interest in the event the funds available within the sinking fund are not sufficient for that purpose.
- Sufficient monthly deposits amounting to one twelfth of the next principal payment and one sixth of the next interest payment shall be made to the sinking fund for the purpose of making the bond principal and interest payments when due.
- Any monies remaining in the revenue fund after the required transfer to the sinking fund may be transferred to the project fund to be used for any lawful purpose.

As of June 30, 2024, the District had \$1,814,537 in the required reserve and sinking fund.

## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

#### Note 6. General Long-Term Debt (Continued)

Annual debt service requirements on the outstanding indebtedness as of June 30, 2024 are as follows:

Year ending June 30:	Rate	Revenue Bonds, Series 2013			Rate	Revenue Bonds, Series 2022		
		Principal	Interest	Total		Principal	Interest	Total
2025	2.00%	\$ 685,000	\$ 113,168	\$ 798,168	5.00%	\$ 300,000	\$ 287,631	\$ 587,631
2026	2.50%	705,000	97,162	802,162	5.00%	300,000	272,631	572,631
2027	2.75%	720,000	78,450	798,450	5.00%	300,000	257,631	557,631
2028	3.00%	740,000	57,450	797,450	5.00%	300,000	242,631	542,631
2029	3.00%	760,000	34,950	794,950	5.00%	300,000	227,631	527,631
2030-2034	3.00%	785,000	11,775	796,775	3.0-5.0%	2,115,000	940,006	3,055,006
2035-2039		-	-	-	3.00%	2,470,000	582,700	3,052,700
2040-2043		-	-	-	3.00%	1,705,000	128,688	1,833,688
<b>Total</b>		<b>\$ 4,395,000</b>	<b>\$ 392,955</b>	<b>\$ 4,787,955</b>		<b>\$ 7,790,000</b>	<b>\$ 2,939,549</b>	<b>\$ 10,729,549</b>

Year ending June 30:	Total Revenue Bonds		
	Principal	Interest	Total
2025	\$ 985,000	\$ 400,799	\$ 1,385,799
2026	1,005,000	369,793	1,374,793
2027	1,020,000	336,081	1,356,081
2028	1,040,000	300,081	1,340,081
2029	1,060,000	262,581	1,322,581
2030-2034	2,900,000	951,781	3,851,781
2035-2039	2,470,000	582,700	3,052,700
2040-2043	1,705,000	128,688	1,833,688
<b>Total</b>	<b>\$ 12,185,000</b>	<b>\$ 3,332,504</b>	<b>\$ 15,517,504</b>

#### General Obligation Capital Loan Note Payable

On December 8, 2020 the District issued \$5,755,000 of general obligation capital loan notes to finance construction of a seventh/eighth grade building.

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

Year ending June 30:	Rate	General Obligation Capital Loan Notes		
		Principal	Interest	Total
2025	1.00%	\$ 720,000	\$ 29,200	\$ 749,200
2026	1.00%	725,000	22,000	747,000
2027	1.00%	735,000	14,750	749,750
2028	1.00%	740,000	7,400	747,400
<b>Total</b>		<b>\$ 2,920,000</b>	<b>\$ 73,350</b>	<b>\$ 2,993,350</b>

## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

#### Note 6. General Long-Term Debt (Continued)

##### Leases

The District has entered into a lease agreement with Free Range LLC for a building. The lease began on April 15, 2020 and terminates on April 14, 2028. Rent is payable in equal monthly installments. Annual debt service requirements for the building lease are as follows:

Year ending June 30:	Building Lease			
	Rate	Principal	Interest	Total
2025	3.00%	\$ 35,748	\$ 3,852	\$ 39,600
2026	3.00%	37,436	2,764	40,200
2027	3.00%	40,408	1,592	42,000
2028	3.00%	31,109	391	31,500
<b>Total</b>		<b>\$ 144,701</b>	<b>\$ 8,599</b>	<b>\$ 153,300</b>

The District has entered into lease agreements for copier and postage equipment. As of June 30, 2024, the value of the lease liabilities was \$33,003. The lease agreements have an interest rate of 3.0 percent with final maturity on June 30, 2026. The future principal and interest lease payments as of June 30, 2024 were as follows:

Year ending	Pitney Bowes Postage					Access Lease				
	Rate	Principal	Interest	Total		Rate	Principal	Interest	Total	
2025	3.00%	\$ 1,406	\$ 26	\$ 1,432		3.00%	\$ 29,130	\$ 550	\$ 29,680	
2026		-	-	-		3.00%	2,467	6	2,473	
<b>Total</b>		<b>\$ 1,406</b>	<b>\$ 26</b>	<b>\$ 1,432</b>			<b>\$ 31,597</b>	<b>\$ 556</b>	<b>\$ 32,153</b>	

Total Equipment Lease				
Year ending	Rate	Principal	Interest	Total
2025		\$ 30,536	\$ 576	\$ 31,112
2026		2,467	6	2,473
<b>Total</b>		<b>\$ 33,003</b>	<b>\$ 582</b>	<b>\$ 33,585</b>

## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

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#### Note 6. General Long-Term Debt (Continued)

##### Subscription Based Information Technology Arrangements (SBITA)

The District has entered into an IT subscription agreement with WeVideo for a technology. The agreement began on July 10, 2021 and terminated during the year ended June 30, 2024.

#### Note 7. Postemployment Benefits Other Than Pensions (OPEB)

##### General Information about the OPEB Plan

Plan description: The District's defined benefit OPEB plan, the Bondurant-Farrar Community School District Postemployment Plan Other Than Pensions (the Plan), provides postemployment benefits for eligible participants enrolled in its plans. The Plan is a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. The medical/prescription drug coverage is provided through a self-funded plan with stop-loss limits from First Administrators. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Benefits provided: The Plan provides healthcare benefits including medical and prescription drug benefits for retirees and their dependents. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees. The full monthly premium rates as of September 1, 2023 for each plan are as shown below:

Rate Tier	Copay			
	Copay 1000	Select 1500	HDHP 2500 NE	MV 6350 E
Single	\$ 899	\$ 853	\$ 720	\$ 557
Spouse	1,802	1,709	1,437	1,102

Employees covered by benefit terms: At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	364
	<u>375</u>

Total OPEB Liability: The District's total OPEB liability of \$1,926,461 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

# Bondurant-Farrar Community School District

## Notes to Financial Statements Year Ended June 30, 2024

### Note 7. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00% per annum
Salary increases	3.25% per annum
Discount rate	3.93% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	5.5% with an ultimate health care cost trend rate of 5.0%

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP2021 generational projection of future mortality improvement. The actuarial assumptions used in the roll forward June 30, 2024 valuation were based on the results of an actuarial experience study for the period 2010– 2020.

### Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at July 1, 2023	\$ 1,457,228	\$ -	\$ 1,457,228
Changes for the year:			
Service cost	138,625	-	138,625
Interest	75,172	-	75,172
Changes of benefit terms	-	-	-
Differences between expected and actual experience	292,746	-	292,746
Changes in assumptions or other inputs	85,633	-	85,633
Benefit payments	(122,943)	-	(122,943)
Net changes	469,233	-	469,233
Balance at June 30, 2024	\$ 1,926,461	\$ -	\$ 1,926,461

Sensitivity of the 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 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	2.93%	3.93%	4.93%
Total OPEB liability	\$ 2,089,629	\$ 1,926,461	\$ 1,776,651

## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

#### Note 7. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents that total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1-percentage point higher than the current healthcare cost trend rates.

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	4.50%	5.50%	6.50%
Total OPEB liability	\$ 1,718,808	\$ 1,926,461	\$ 2,175,485

For the year ended June 30, 2024, the District recognized OPEB expense of \$292,418. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 492,222	\$ (22,192)
Changes of assumptions or other inputs	275,543	(4,823)
Net difference between projected and actual investments	-	-
<b>Total</b>	<b>\$ 767,765</b>	<b>\$ (27,015)</b>

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

Year ended June 30:	
2025	\$ 78,621
2026	78,621
2027	78,621
2028	78,621
2029	78,621
Thereafter	347,645
	<b>\$ 740,750</b>

#### Note 8. Risk Management

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

## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

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#### Note 9. Pension and Retirement Benefits

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9118, Des Moines, Iowa 50306-9118 or at [www.ipers.org](http://www.ipers.org).

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

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

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

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

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

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

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

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



## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

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#### Note 9. Pension and Retirement Benefits (Continued)

The District's contributions to IPERS for the year ended June 30, 2024 were \$1,948,974.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the District reported a liability of \$9,699,135 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 the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2023, the District's proportion was 0.214884 percent, which was an increase of 0.013356 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$1,266,700. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 820,560	\$ 39,867
Changes of assumptions	-	154
Net difference between projected and actual earnings on pension plan investments	898,258	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,002,470	-
District contributions subsequent to the measurement date	1,948,974	-
<b>Total</b>	<b>\$ 4,670,262</b>	<b>\$ 40,021</b>

Deferred outflows of resources of \$1,948,974 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 ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2025	\$ 134,902
2026	(455,496)
2027	2,363,372
2028	530,438
2029	108,051
<b>Total</b>	<b>\$ 2,681,267</b>

There were no non-employer contributing entities to IPERS.

## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

#### Note 9. Pension and Retirement Benefits (Continued)

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

Rate of Inflation (effective June 30, 2017)	2.60 percent per annum
Salary Increases (effective June 30, 2017)	3.25 percent to 16.25 percent average, including inflation. Rates vary by membership group.
Investment rate of return (effective June 30, 2017)	7.00 percent, compounded annually, net of investment expense, including inflation
Wage growth (effective June 30, 2017)	3.25 percent per annum, based on 2.60 percent inflation and 0.65 percent real wage inflation

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021. Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	4.56%
International equity	16.5%	6.22%
Global smart beta equity	5.0%	5.22%
Core plus fixed income	23.0%	2.69%
Public credit	3.0%	4.38%
Cash	1.0%	1.59%
Private equity	17.0%	10.44%
Private real assets	9.0%	3.88%
Private credit	4.5%	4.60%
<b>Total</b>	<b>100%</b>	

## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

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#### Note 9. Pension and Retirement Benefits (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan 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 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ 20,622,522	\$ 9,699,135	\$ 545,156

Pension Plan Fiduciary Net Position – 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](http://www.ipers.org).

Payables to the Pension Plan – At June 30, 2024, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

#### Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$1,276,703 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.

## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

#### Note 11. Categorical Funding

The District's restricted fund balance for categorical funding as of June 30, 2024 is comprised of the following programs:

Program	Amount
Gifted and talented	\$ 259,093
Teacher salary supplement	101,160
Professional development	27,645
Four-year old preschool	322,783
Successful progression for early readers	43,467
Teacher leadership	196,361
Home school assistance	9,973
Other	11
<b>Total restricted for categorical funding</b>	<b>\$ 960,493</b>

#### Note 12. Commitments and Contingencies

The District has financial commitments primarily relating to a variety of projects of \$7,846,841 as of June 30, 2024 of which, approximately \$4,186,151 of costs have been incurred. Sales tax and bond proceeds will fund the majority of these commitments.

#### Note 13. 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 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. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2024 under tax abatement agreements of other entities.

Entity	Tax Abatement Program	Amount of Tax Abated
City of Altoona	Urban renewal and economic development projects	\$ 76,649

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 \$41,761.

## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

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#### Note 14. New Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statement during the year ended June 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62*, issued June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The above statement required the District to disclose a change within the reporting entity.

As of June 30, 2024, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 101, *Compensated Absences*, issued June 2022, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. 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. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (As long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 102, *Certain Risk Disclosures*, issued December 2023, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of 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 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.

GASB Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of 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.

## Bondurant-Farrar Community School District

### Notes to Financial Statements Year Ended June 30, 2024

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#### Note 14. New Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of 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 assets 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 assets 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.

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

#### Note 15. Subsequent Event

On September 4, 2024, the District issued \$28,640,000 General Obligation School Bonds Series 2024. The bonds were issued to provides funds to construct, build, furnish, and equip a new elementary building and improve the site; to construct, build, furnish, and equip a classroom addition to the High School building, including related remodeling and site improvements; and to construct, build, furnish, and equip a baseball/softball athletic facilities and tennis/pickleball courts and improve the sites. Interest on the bonds is payable on June 1 and December 1 each year commencing December 1, 2024, with rates ranging from 3.250 to 5.00 percent. Principal is due each June 1 commencing June 1, 2025, with payments ranging from \$400,000 to \$4,355,000 until maturity in 2044.

#### Note 16. Change Within the Financial Reporting Entity

In fiscal year 2024, the District was required to report the School Nutrition Fund, an enterprise fund, as a major fund due to the fund meeting the major fund quantitative threshold. The effect of the change within the financial reporting entity is as follows:

	Aggregate Remaining Fund Information.	
	School Nutrition Fund	Nonmajor Enterprise Funds
Net position, previously reported	\$ -	\$ 1,702,128
Net position, beginning of year	1,427,392	274,736

**Bondurant-Farrar Community School District**

**Required Supplementary Information**

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in  
Balances - Actual to Budget - All Governmental Funds and Enterprise Funds  
Year Ended June 30, 2024**

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 18,383,389	\$ 1,142,293
State sources	23,321,318	10,929
Federal sources	594,912	734,030
<b>Total revenues</b>	<b>42,299,619</b>	<b>1,887,252</b>
Expenditures/expenses:		
Instruction	20,367,574	-
Support services	12,812,255	8,402
Noninstructional programs	3,280	1,868,577
Other expenditures	13,951,894	-
<b>Total expenditures/expenses</b>	<b>47,135,003</b>	<b>1,876,979</b>
<b>Excess (deficiency) of revenues over (under) expenditures/expenses</b>	<b>(4,835,384)</b>	<b>10,273</b>
Other financing sources (uses):		
Proceeds from sale of capital assets	1,680	-
Insurance recoveries	27,689	-
Capital contributions	-	354,256
Transfers in	2,778,578	-
Transfers (out)	(2,778,578)	-
<b>Total other financing sources (uses)</b>	<b>29,369</b>	<b>354,256</b>
<b>Net change in fund balance/net position</b>	<b>(4,806,015)</b>	<b>364,529</b>
Fund balance/net position, beginning of year	24,976,179	1,702,128
Fund balance/net position, end of year	<b>\$ 20,170,164</b>	<b>\$ 2,066,657</b>

See Notes to Required Supplementary Information.

Total Actual		Budgeted Amounts		Final to Actual
		Original	Final	Variance
\$	19,525,682	\$ 17,877,504	\$ 17,877,504	\$ 1,648,178
	23,332,247	22,852,383	22,852,383	479,864
	1,328,942	2,471,240	2,471,240	(1,142,298)
	44,186,871	43,201,127	43,201,127	985,744
	20,367,574	22,251,500	22,251,500	1,883,926
	12,820,657	13,965,415	13,965,415	1,144,758
	1,871,857	2,268,250	2,268,250	396,393
	13,951,894	13,371,237	17,756,703	3,804,809
	49,011,982	51,856,402	56,241,868	7,229,886
	(4,825,111)	(8,655,275)	(13,040,741)	8,215,630
	1,680	13,000	13,000	(11,320)
	27,689	-	-	27,689
	354,256	-	-	354,256
	2,778,578	2,264,291	2,264,291	514,287
	(2,778,578)	(2,309,291)	(2,309,291)	(469,287)
	383,625	(32,000)	(32,000)	415,625
	(4,441,486)	\$ (8,687,275)	\$ (13,072,741)	\$ 8,631,255
	26,678,307			
\$	22,236,821			



**Bondurant-Farrar Community School District****Required Supplementary Information  
Schedule of Changes in the District's Total OPEB  
Liability and Related Ratios  
Last Seven Fiscal Years**

	2024	2023
Total OPEB liability		
Changes for the year:		
Service cost	\$ 138,625	\$ 77,503
Interest	75,172	51,313
Changes of benefit terms	-	-
Differences between expected and actual experience	292,746	-
Changes in assumptions or other inputs	85,633	-
Benefit payments	(122,943)	(87,165)
Net changes in total OPEB liability	469,233	41,651
Total OPEB liability - beginning	1,457,228	1,415,577
Total OPEB liability - ending	\$ 1,926,461	\$ 1,457,228
Covered employee payroll	\$ 19,539,358	\$ 12,888,367
Total OPEB liability as a percentage of covered employee payroll	9.86%	11.31%

**Notes to Schedule:**Changes of benefit terms:

There were no changes as a result of changes in benefit terms.

Changes of assumption:

Changes of assumptions or other inputs reflect a change in the discount rate. The following are the discount rates used in each period:

3.93% 3.54%

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

Note: The schedule is intended to present information for ten years.  
Information prior to 2018 is not available.

See Notes to Required Supplementary Information.

2022	2021	2020	2019	2018	
\$ 75,064	\$ 81,082	\$ 78,530	\$ 54,279	\$ 54,279	
48,866	39,061	36,431	22,263	20,685	
-	-	-	-	-	
251,195	-	53,753	(18,501)	(16,654)	
(6,332)	-	333,130	-	-	
(85,865)	(44,903)	(39,827)	(14,204)	(16,037)	
282,928	75,240	462,017	43,837	42,273	
1,132,649	1,057,409	595,392	551,555	509,282	
\$ 1,415,577	\$ 1,132,649	\$ 1,057,409	\$ 595,392	\$ 551,555	
\$ 12,482,680	\$ 13,219,922	\$ 12,803,799	\$ 9,201,933	\$ 8,889,665	
11.34%	8.57%	8.26%	6.47%	6.20%	
3.54%	3.50%	3.50%	3.72%	3.72%	

**Bondurant-Farrar Community School District**

**Required Supplementary Information**

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

**Iowa Public Employees' Retirement System**

**Last Ten Fiscal Years**

	2024*	2023*	2022*	2021*
District's proportion of the net pension liability	0.214884%	0.201528%	-0.077818%	0.185754%
District's proportionate share of the net pension liability	\$ 9,699	\$ 7,614	\$ 269	\$ 13,049
District's covered payroll	\$ 18,871	\$ 16,180	\$ 15,552	\$ 14,742
District's proportionate share of the net pension liability as a percentage of its covered payroll	51.40%	47.06%	1.73%	88.52%
Plan fiduciary net pension 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.

Note: Amounts reported in thousands.

See Notes to Required Supplementary Information.

2020*	2019*	2018*	2017*	2016*	2015*
0.177471%	0.166165%	0.158550%	0.150889%	0.148017%	0.135255%
\$ 10,277	\$ 10,515	\$ 10,561	\$ 9,496	\$ 7,313	\$ 5,364
\$ 13,506	\$ 12,472	\$ 11,836	\$ 10,828	\$ 10,141	\$ 8,850
76.09%	84.31%	89.23%	87.70%	72.11%	60.61%
85.45%	83.62%	82.21%	85.19%	85.19%	87.61%

**Bondurant-Farrar Community School District**

**Required Supplementary Information**

**Schedule of District Contributions**

**Iowa Public Employees' Retirement System**

**Last Ten Fiscal Years**

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	2024	2023	2022	2021
Statutorily required contribution	\$ 1,949	\$ 1,781	\$ 1,532	\$ 1,468
Contributions in relation to the statutorily required contribution	\$ (1,949)	\$ (1,781)	\$ (1,532)	\$ (1,468)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	
District's covered payroll	\$ 20,646	\$ 18,871	\$ 16,180	\$ 15,552
Contributions as a percentage of covered payroll	9.44%	9.44%	9.47%	9.44%

Note: Amounts reported in thousands

See Notes to Required Supplementary Information.

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2020	2019	2018	2017	2016	2015
\$ 1,392	\$ 1,275	\$ 1,114	\$ 1,057	\$ 967	\$ 906
\$ (1,392)	\$ (1,275)	\$ (1,114)	\$ (1,057)	\$ (967)	\$ (906)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 14,742	\$ 13,506	\$ 12,472	\$ 11,836	\$ 10,828	\$ 10,141
9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

## **Bondurant-Farrar Community School District**

### **Notes to Required Supplementary Information Year Ended June 30, 2024**

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#### **Note 1. Budgets and Budgetary Accounting**

This budgetary comparison is presented as required supplementary information in accordance with Government 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 the internal service fund and custodial fund. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. Encumbrances are not recognized on the GAAP basis budget and appropriations lapse at year-end.

The District had one budget amendment on April 22, 2024, which increased total expenditures \$4,385,466.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, noninstructional programs and other expenditures. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The Code of Iowa also provides the District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

The District did not exceed budgeted expenditures.

#### **Note 2. Iowa Public Employees' Retirement System Pension Liability**

##### 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.

## **Bondurant-Farrar Community School District**

### **Notes to Required Supplementary Information Year Ended June 30, 2024**

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#### **Note 2. Iowa Public Employees' Retirement System Pension Liability (Continued)**

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%.



**Bondurant-Farrar Community School District**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024**

	Special Revenue		
	Management	Student	Total
	Fund	Activity	
<b>Assets</b>			
Cash and pooled investments	\$ 1,358,029	\$ 247,009	\$ 1,605,038
Receivables:			
Property tax:			
Delinquent	749	-	749
Succeeding year	500,000	-	500,000
Accounts	-	7,699	7,699
<b>Total assets</b>	<b>\$ 1,858,778</b>	<b>\$ 254,708</b>	<b>\$ 2,113,486</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 7,630	\$ 30,120	\$ 37,750
<b>Total liabilities</b>	<b>7,630</b>	<b>30,120</b>	<b>37,750</b>
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	500,000	-	500,000
<b>Fund balances</b>			
Restricted for:			
Management levy purposes	1,351,148	-	1,351,148
Student activities	-	224,588	224,588
<b>Total fund balances</b>	<b>1,351,148</b>	<b>224,588</b>	<b>1,575,736</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,858,778</b>	<b>\$ 254,708</b>	<b>\$ 2,113,486</b>

**Bondurant-Farrar Community School District**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Governmental Funds**

**Year Ended June 30, 2024**

	Special Revenue		
	Management	Student	
	Fund	Activity	Total
Revenues:			
Local sources:			
Property tax	\$ 435,540	\$ -	\$ 435,540
Utility excise tax	63,543	-	63,543
Other tax	380	-	380
Other	101,655	538,366	640,021
State appropriation	3,775	-	3,775
<b>Total revenues</b>	<b>604,893</b>	<b>538,366</b>	<b>1,143,259</b>
Expenditures:			
Current:			
Instruction	10,764	544,247	555,011
Support services:			
Administration	132,776	-	132,776
Operation and maintenance of plant	524,329	-	524,329
Transportation	25,636	-	25,636
<b>Total expenditures</b>	<b>693,505</b>	<b>544,247</b>	<b>1,237,752</b>
<b>(Deficiency) of revenues (under) expenditures before transfers</b>	<b>(88,612)</b>	<b>(5,881)</b>	<b>(94,493)</b>
Transfers in	-	20,230	20,230
<b>Net change in fund balances</b>	<b>(88,612)</b>	<b>14,349</b>	<b>(74,263)</b>
Fund balances, beginning of year	1,439,760	210,239	1,649,999
Fund balances, end of year	\$ 1,351,148	\$ 224,588	\$ 1,575,736

**Bondurant-Farrar Community School District**

**Schedule of Combining Balance Sheet**

**Capital Projects Fund - By Account**

**June 30, 2024**

	Capital Projects Accounts			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	Total
<b>Assets</b>				
Cash and pooled investments	\$ 8,236,087	\$ 1,854,952	\$ 176,950	\$ 10,267,989
Receivables:				
Property tax:				
Delinquent	-	2,122	-	2,122
Succeeding year	-	1,870,432	-	1,870,432
Due from other governments	304,848	-	-	304,848
<b>Total assets</b>	<b>\$ 8,540,935</b>	<b>\$ 3,727,506</b>	<b>\$ 176,950</b>	<b>\$ 12,445,391</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 1,299,653	\$ 7,000	\$ 124,461	1,431,114
Retainage payable	85,577	-	10,000	95,577
<b>Total liabilities</b>	<b>1,385,230</b>	<b>7,000</b>	<b>134,461</b>	<b>1,526,691</b>
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	-	1,870,432	-	1,870,432
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>1,870,432</b>	<b>-</b>	<b>1,870,432</b>
Fund Balances:				
Restricted for:				
School infrastructure	7,155,705	-	42,489	7,198,194
Physical plant and equipment	-	1,850,074	-	1,850,074
<b>Total fund balances</b>	<b>7,155,705</b>	<b>1,850,074</b>	<b>42,489</b>	<b>9,048,268</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 8,540,935</b>	<b>\$ 3,727,506</b>	<b>\$ 176,950</b>	<b>\$ 12,445,391</b>

**Bondurant-Farrar Community School District**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**

**Capital Projects Fund - By Account**

**Year Ended June 30, 2024**

	Capital Projects Accounts			
	Statewide	Physical		
	Sales, Services	Plant and	Other	
	and Use Tax	Equipment	Capital Projects	Total
		Levy		
Revenues:				
Local sources:				
Property tax	\$ -	\$ 1,354,941	\$ -	\$ 1,354,941
Utility excise tax	-	185,216	-	185,216
Other tax	-	978	-	978
Other	410,595	173,837	229,192	813,624
State appropriations	3,313,033	9,716	-	3,322,749
<b>Total revenues</b>	<b>3,723,628</b>	<b>1,724,688</b>	<b>229,192</b>	<b>5,677,508</b>
Expenditures:				
Current:				
Instruction	-	144,530	-	144,530
Support services:				
Instructional staff	-	343,128	-	343,128
Administration	12,290	159,510	-	171,800
Operation and maintenance of plant	352,585	73,020	-	425,605
Transportation	-	56,200	-	56,200
Other expenditures:				
Facilities acquisition	6,281,859	97,568	785,270	7,164,697
Debt service:				
Interest and fiscal charges	2,600	-	-	2,600
<b>Total expenditures</b>	<b>6,649,334</b>	<b>873,956</b>	<b>785,270</b>	<b>8,308,560</b>
<b>Excesss (deficiency) of revenues over (under) expenditures</b>	<b>(2,925,706)</b>	<b>850,732</b>	<b>(556,078)</b>	<b>(2,631,052)</b>
Other financing sources (uses):				
Transfers in	31,067	-	500,000	531,067
Transfers (out)	(1,907,991)	(784,100)	-	(2,692,091)
<b>Total other financing sources (uses)</b>	<b>(1,876,924)</b>	<b>(784,100)</b>	<b>500,000</b>	<b>(2,161,024)</b>
<b>Net change in fund balance</b>	<b>(4,802,630)</b>	<b>66,632</b>	<b>(56,078)</b>	<b>(4,792,076)</b>
Fund balance, beginning of year	11,958,335	1,783,442	98,567	13,840,344
Fund balance, end of year	\$ 7,155,705	\$ 1,850,074	\$ 42,489	\$ 9,048,268

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**Bondurant-Farrar Community School District**

**Schedule of Changes in Special Revenue Fund,  
Student Activity Accounts  
Year Ended June 30, 2024**

Account	Balance Beginning of Year	Revenues and Transfers in	Expenditures	Balance End of Year
HS Musical	\$ 8,214	\$ 1,747	\$ 1,351	\$ 8,610
HS Play	8,163	13,452	12,367	9,248
Speech	25	3,446	3,471	-
Speech resale	15	1,269	144	1,140
Vocal Music	-	5,151	5,151	-
Instrumental Music	-	1,533	1,533	-
Instrumental Music Resale	12,256	21,962	21,750	12,468
Jayz Danz Drill Team	-	2,580	2,580	-
Jayz Danz Resale	11,876	23,538	21,691	13,723
General Athletics	72,499	337,288	332,981	76,806
Prom Account	9,533	8,925	5,309	13,149
We Care	6,351	24,383	26,789	3,945
Jump Rope for Heart	388	-	-	388
3rd Grade Bubble Account	313	-	-	313
Honor Society	-	150	150	-
Yearbook- HS	2,147	2,266	3,425	988
Art Club	-	3,557	3,557	-
Industrial Tech- Donations	3	-	-	3
Club Hola	3,646	-	-	3,646
Archery	9,509	8,637	3,937	14,209
FBLA	1,844	11,972	10,772	3,044
FFA	12,075	20,611	20,048	12,638
FCCLA	(166)	549	-	383
Student Council	7,169	6,613	4,934	8,848
Middle School Student Council	8,344	17,907	14,174	12,077
Anderson Student Council	93	-	-	93
Robotics	10,624	8,175	9,726	9,073
After School Activities	9,396	25,950	33,278	2,068
Yearbook- MS	3,777	565	-	4,342
Elementary Yearbook	11,420	1,050	372	12,098
Art Department	-	70	69	1
Blue Jay Digital	725	5,250	4,688	1,287
<b>Total</b>	<b>\$ 210,239</b>	<b>\$ 558,596</b>	<b>\$ 544,247</b>	<b>\$ 224,588</b>

# Bondurant-Farrar Community School District

## Schedule of Revenues by Source and Expenditures by Function

### All Governmental Funds - Modified Accrual Basis

#### Last Ten Years

	Years Ended June 30:			
	2024	2023	2022	2021
Revenues:				
Local sources:				
Local tax	\$ 14,363,617	\$ 12,979,570	\$ 12,053,966	\$ 10,360,875
Tuition	1,482,518	1,499,699	1,254,328	1,121,516
Other	2,537,254	2,113,545	1,129,293	773,549
State sources	23,321,318	22,056,493	20,515,433	19,894,936
Federal sources	594,912	1,106,253	1,773,538	1,222,163
<b>Total revenues</b>	<b>\$ 42,299,619</b>	<b>\$ 39,755,560</b>	<b>\$ 36,726,558</b>	<b>\$ 33,373,039</b>
Expenditures:				
Instruction	\$ 20,367,574	\$ 19,455,248	\$ 17,377,114	\$ 15,648,331
Support services:				
Student services	999,392	1,086,824	811,958	804,948
Instructional staff services	2,413,694	2,421,593	2,124,417	2,166,359
Administration services	4,306,637	3,728,413	3,128,339	2,761,208
Operation and maintenance of plant services	4,061,534	4,289,884	3,138,943	3,254,845
Transportation services	1,030,998	1,175,155	859,655	688,697
Non-instructional programs	3,280	5,247	944	500
Other expenditures:				
Facilities acquisition	7,164,697	5,951,440	19,183,730	9,929,225
Long-term debt:				
Principal	3,926,528	4,415,566	3,660,463	2,425,000
Interest	1,583,966	1,754,465	1,313,502	883,541
AEA flowthrough	1,276,703	1,191,841	1,107,816	1,062,055
<b>Total expenditures</b>	<b>\$ 47,135,003</b>	<b>\$ 45,475,676</b>	<b>\$ 52,706,881</b>	<b>\$ 39,624,709</b>

Years Ended June 30:					
2020	2019	2018	2017	2016	2015
\$ 9,423,319	\$ 7,909,089	\$ 6,955,834	\$ 6,468,399	\$ 5,881,168	\$ 5,331,255
1,225,875	1,091,703	1,058,969	1,121,157	962,912	875,767
1,515,078	1,291,151	1,136,270	875,304	713,573	805,576
17,852,035	16,733,678	15,910,214	14,920,351	12,974,898	12,085,928
424,948	545,373	561,749	402,617	459,427	459,588
\$ 30,441,255	\$ 27,570,994	\$ 25,623,036	\$ 23,787,828	\$ 20,991,978	\$ 19,558,114
\$ 14,761,235	\$ 13,485,975	\$ 12,340,797	\$ 11,904,333	\$ 10,868,557	\$ 10,592,170
720,029	694,620	653,224	634,125	599,763	552,968
2,298,833	1,834,858	1,489,514	927,412	924,989	782,579
2,553,853	2,294,500	2,199,475	1,990,985	1,876,984	1,860,391
2,625,743	2,582,739	2,470,683	2,140,385	1,997,918	1,822,454
709,127	864,427	927,132	684,799	695,007	667,891
-	-	-	-	-	-
2,583,849	7,566,018	10,605,397	4,082,370	639,453	2,185,104
1,670,000	1,690,000	8,035,000	1,915,000	1,295,000	685,000
874,315	927,484	1,030,557	912,078	586,065	617,555
979,867	886,249	843,233	777,315	710,923	657,374
\$ 29,776,851	\$ 32,826,870	\$ 40,595,012	\$ 25,968,802	\$ 20,194,659	\$ 20,423,486



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**Bondurant-Farrar Community School District**

**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Program:				
School Breakfast Program	10.553	FY24 4552	\$ -	\$ 91,985
National School Lunch Program	10.555	FY24 4553	-	440,952
National School Lunch Program- Supply Chain Assistance	10.555	FY24 4014	-	61,891
Commodities -DOD (Noncash)	10.555	FY24	-	49,814
Commodities (Noncash)	10.555	FY24	-	72,387
			-	625,044
Total Child Nutrition Cluster Program			-	717,029
Direct:				
Local Food for Schools	10.185	FY24 4911	-	17,000
<b>Total U.S. Department of Agriculture</b>			-	734,029
<b>U.S. Department of Education</b>				
Pass-Through Iowa Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	FY24 4501	-	134,244
Career and Technical Education- Basic Grants to States	84.048	FY24 4531	-	16,873
Supporting Effective Instruction State Grants	84.367	FY24 4643	-	19,049
Student Support and Academic Enrichment Program	84.424	FY24 4669	-	11,298
Education Stabilization Fund:				
COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants	84.425B	FY24 4053	-	8,338
Pass-Through Heartland Area Education Agency:				
Special Education Cluster Program:				
Special Education - Grants to States IDEA, Part B	84.027	FY24 4521	-	110,341
English Language Acquisition State Grants	84.365	FY24 4644	-	3,901
<b>Total U.S. Department of Education</b>			-	304,044
<b>U.S. Department of Health and Human Services</b>				
Pass-Through Iowa Department of Education				
Foster Care Transportation IV-E Reimbursement 2024	93.658	FY24 4623	-	69
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 1,038,142

See notes to schedule of expenditures of federal awards.

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## **Bondurant-Farrar Community School District**

### **Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2024**

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#### **Note 1. Basis of Presentation**

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

#### **Note 2. Summary of significant accounting policies**

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual or accrual basis of accounting based on the fund-type of the program. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal awards is recognized when it is both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

#### **Note 3. Indirect Cost Rate**

The District has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

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## Bondurant-Farrar Community School District

### Summary Schedule of Prior Audit Findings Year Ended June 30, 2024

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Finding	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
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#### Findings Related to Basic Financial Statements:

<b>2023-001</b>	The District has insufficient segregation of	Corrected.
<b>2022-001</b>	duties over the disbursement process.	

#### Other Findings Related to Required Statutory Reporting:

<b>IV-H-23</b>	The District identified variances in certified enrollment submitted to the state in October 2022.	Not corrected.	Student data changes were not timely communicated to District. See response and corrective action plan at IV-H-24.
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#### Bondurant-Farrar District Office

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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  
Bondurant-Farrar Community School District  
Bondurant, Iowa

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Bondurant-Farrar Community School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 3, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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



## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

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

## **District's Response to the Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Bondurant-Farrar Community School District's responses to the findings identified in our audit as described in the accompanying Schedule of Findings and Questioned Costs. Bondurant-Farrar 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.

*Bohnsack & Frommelt LLP*

Moline, Illinois  
March 3, 2025



**Independent Auditor's Report on Compliance For  
Each Major Federal Program and Report on Internal Control  
Over Compliance Required by the Uniform Guidance**

To the Board of Education  
Bondurant-Farrar Community School District  
Bondurant, Iowa

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

*Bohnsack & Frommelt LLP*

Moline, Illinois  
March 3, 2025

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**Bondurant-Farrar Community School District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

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**I. Summary of the Independent Auditor's Results**

**Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?

☐

Yes

☒

No

• Significant deficiency identified?

☐

Yes

☒

None Reported

• Noncompliance material to financial statements noted?

☐

Yes

☒

No

**Federal Awards**

Internal control over major programs:

• Material weakness(es) identified?

☐

Yes

☒

No

• Significant deficiency identified?

☐

Yes

☒

None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

• Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200.516(a)?

☐

Yes

☒

No

**Identification of major programs:**

Federal Assistance

Listing Number

Name of Federal Program or Cluster

---

Child Nutrition Cluster:

10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	National School Lunch Program- Supply Chain Assistance
10.555	Commodities -DOD (Noncash)
10.555	Commodities (Noncash)

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

Auditee qualified as low-risk auditee?

☒

Yes

☐

No

(Continued)

**Bondurant-Farrar Community School District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

---

**Part II: Findings Related to the Basic Financial Statements**

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

**Part III: Findings and Questioned Costs for Federal Awards**

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

**Part IV: Other Findings Related to Statutory Reporting**

**IV-A-24**

Certified Budget: Expenditures for the year ended June 30, 2024 did not exceed the amounts budgeted at year-end.

**IV-B-24**

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.

**IV-C-24**

Travel Expense: No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

**IV-D-24**

Business Transactions – No business transactions between the District and District officials or employees were noted.

**IV-E-24**

Restricted Donor Activity: No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

**IV-F-24**

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

(Continued)

## **Bondurant-Farrar Community School District**

### **Schedule of Findings and Questioned Costs Year Ended June 30, 2024**

---

#### **IV-G-24**

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

#### **IV-H-24**

Certified Enrollment:

Finding: The District identified variances in certified enrollment certified to the state in October 2023.

Recommendation: We recommend the District review certified enrollment data for accuracy prior to submission to the state.

Response and Correction Action Plan: The District will continue to review data prior to submission. .

Conclusion: Response accepted.

#### **IV-I-24**

Supplementary Weighting:

Finding: The District identified variances in supplementary weighting submitted to the state in October 2023.

Recommendation: We recommend the District review supplementary weighting data for accuracy prior to submission to the state.

Response and Corrective Action Plan: The District will continue to review data prior to submission.

Conclusion: Response accepted.

#### **IV-J-24**

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

#### **IV-K-24**

Certified Annual Report: The Certified Annual Report was certified timely to the Iowa Department of Education.

#### **IV-L-24**

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

(Continued)



## Bondurant-Farrar Community School District

### Schedule of Findings and Questioned Costs Year Ended June 30, 2024

---

#### IV-M-24

Statewide Sales and Services Tax: No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of 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 and services tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2024, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$	11,958,335
Revenue / transfers in:			
Statewide sales and services tax revenue	\$	3,313,033	
Other		410,595	
Transfers in		31,067	3,754,695
Expenditures/transfers out:			
Administration		12,290	
Operation and Maintenance of Plant		352,585	
School infrastructure:			
Buildings and improvements		6,281,859	
Debt service		2,600	
Transfers out		1,907,991	8,557,325
Ending balance		\$	7,155,705

For the year ended June 30, 2024, the District did not have a reduced tax levy as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.



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## Bondurant-Farrar Community School District

### Corrective Action Plan Year Ended June 30, 2024

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Findings	Corrective Action Plan	Contact and Anticipated Date of Completion
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#### Other Findings Related to Required Statutory Reporting:

<b>IV-H-24:</b> The District identified variances in certified enrollment submitted to the state in October 2023.	See response and corrective action plan at IV-H-24	Cari Aylsworth June 30, 2025
<b>IV-I-24:</b> The District identified variances in supplementary weighting submitted to the state in October 2023.	See response and corrective action plan at IV-I-24	Cari Aylsworth June 30, 2025

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### Bondurant-Farrar District Office

300 Garfield Street SW • Bondurant, Iowa 50035 • [www.bfschools.org](http://www.bfschools.org) • (515) 967-7819 • @BF\_District

## APPENDIX E – FORM OF ISSUE PRICE CERTIFICATES

### EXHIBIT A BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT, IOWA \$19,360,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026

#### 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 (March 2, 2026), 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 Bondurant-Farrar 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 February 23, 2026.
  - 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: April 15, 2026

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**  
**BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT, IOWA**  
**\$19,360,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026**

**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 February 23, 2026.
  - 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: April 15, 2026

SCHEDULE A  
EXPECTED OFFERING PRICES  
(Attached)

SCHEDULE B  
COPY OF UNDERWRITER'S BID  
(Attached)