

# MARSHALLTOWN

COMMUNITY SCHOOL DISTRICT

**\$29,100,000\***

**Marshalltown Community School District, Iowa  
General Obligation School Bonds  
Series 2026B**

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

DATE: Monday, June 15, 2026  
TIME: 1:30 PM  
PLACE: District Office  
1002 South 3<sup>rd</sup> Avenue  
Marshalltown, IA 50158

Standard & Poor's Rating: "A"

\* Preliminary, subject to change

**PIPER | SANDLER**

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

**OFFICIAL BID FORM**

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

Re: \$29,100,000\* General Obligation School Bonds, Series 2026B, 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 Marshalltown Community School District, in the County of Marshall, State of Iowa, this 15<sup>th</sup> day of June 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 2026B**, in the principal amount of \$29,100,000\* 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 \$33,375,000.

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 \$291,000\* for the Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Municipal advisor or the Issuer will provide the apparent winning bidder (the "Purchaser") with wiring instructions, by email, within 10 minutes of the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser, and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

**Form of Bids:** All bids shall be unconditional for the entire issue of Bonds for a price of not less than 98.25% 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

---

\* 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, Marshalltown Community School District, 1002 South 3<sup>rd</sup> Avenue, Marshalltown, 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%.

For maturities 2027-2031, no rate bid may be more than 2% higher than any other rate bid.

For maturities 2032-2046, rates must be in level or ascending order.

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 Terms 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 MAY 29, 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"), interest on the Bonds is excludable from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Interest on the 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 MATTERS" section for a more detailed discussion.*



**\$29,100,000\***

**Marshalltown Community School District, Iowa  
General Obligation School Bonds  
Series 2026B**

Dated: Date of Delivery

The General Obligation School Bonds, Series 2026B 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 Marshalltown 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	\$2,745,000			572801 GL5	June 1, 2037	\$1,265,000			572801 GW2
June 1, 2028	2,650,000			572801 GM4	June 1, 2038	1,315,000			572801 GX0
June 1, 2029	925,000			572801 GN2	June 1, 2039	1,370,000			572801 GY8
June 1, 2030	960,000			572801 GP7	June 1, 2040	1,425,000			572801 GZ5
June 1, 2031	1,000,000			572801 GQ5	June 1, 2041	1,480,000			572801 HA5
June 1, 2032	1,040,000			572801 GR3	June 1, 2042	1,540,000			572801 HB7
June 1, 2033	1,080,000			572801 GS1	June 1, 2043	1,600,000			572801 HC5
June 1, 2034	1,125,000			572801 GT9	June 1, 2044	1,665,000			572801 HD3
June 1, 2035	1,170,000			572801 GU6	June 1, 2045	1,730,000			572801 HE1
June 1, 2036	1,215,000			572801 GV4	June 1, 2046	1,800,000			572801 HF8

\$ \_\_\_\_\_ %      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 PC, 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 August 3, 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.

## TABLE OF CONTENTS

INTRODUCTORY STATEMENT
THE BONDS
BONDHOLDERS' RISKS
LITIGATION
ACCOUNTANT
UNDERWRITING
THE PROJECT
SOURCES & USES OF FUNDS
TAX EXEMPTIONS AND RELATED TAX MATTERS
LEGAL MATTERS
MUNICIPAL ADVISOR
CONTINUING DISCLOSURE
MISCELLANEOUS
APPENDIX A - GENERAL INFORMATION ABOUT THE ISSUER
APPENDIX B - FORM OF LEGAL OPINION
APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE
APPENDIX D - AUDITED FINANCIAL STATEMENTS OF THE ISSUER
APPENDIX E - FORM OF ISSUE PRICE CERTIFICATES

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**  
**MARSHALLTOWN COMMUNITY SCHOOL DISTRICT, IOWA**  
**\$29,100,000\* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026B**

**INTRODUCTORY STATEMENT**

This Official Statement presents certain information relating to the Marshalltown Community School District, Iowa (the “District” or the “Issuer”), in connection with the sale of the Issuer’s General Obligation School Bonds, Series 2026B (the “Bonds”). Proceeds of the Bonds, when combined with the proceeds of the \$3,625,000 General Obligation School Bonds, Series 2026A issued April 8, 2026 and the remainder of voter authorized General Obligation School Bonds yet to be issued in 2027-2029, in a combined total amount of \$57,000,000, will provide funds to: i) to build, furnish, and equip additions to the Miller Middle School building; to remodel, repair, equip, and improve existing portions of the Miller Middle School building and related site improvements; to acquire and install audiovisual enhancement systems to Miller Middle School and District elementary school buildings; and to remodel, repair, equip, and improve existing portions of Franklin Field, 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 4, 2025, and a resolution of the Board of Directors expected to be adopted by the Issuer on July 20, 2026 (the “Resolution” or the “Bond Resolution”). The Issuer issued \$3,625,000 General Obligation School Bonds, Series 2026A on April 8, 2026.

**Book-Entry Only System**

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

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

---

\* Preliminary, subject to change

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

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct 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 take 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:

\_\_\_\_\_ Term Bond  
Mandatory Sinking Fund Date    Principal Amount  
§

(maturity)

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

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

### **Source of Security for the Bonds**

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

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

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

### **BONDHOLDERS' RISKS**

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment. This information is based on current information available to the Issuer that may be incomplete and unknown. This information was derived using certain assumptions and methodologies, and includes unaudited financial information and projections. Some of this information is forward-looking and subject to change.

### **Tax Levy Procedures**

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

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

### **Changes in Property Taxation**

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

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

On May 18, 2026, the Governor signed into law Iowa Senate File 2472 (the "Act"), which enacts comprehensive reforms to Iowa's property tax system. The Act, among other things: (i) reduces the school district foundation property tax levy from \$5.40 to \$5.10 per \$1,000 of assessed value beginning in fiscal year 2028 and to \$4.90 per \$1,000 beginning in fiscal year 2029; (ii) generally caps a school district’s prior-year unspent balance used to calculate its authorized budget at 35% of the preceding year’s authorized expenditures; (iii) increases the amount of sales and use tax revenues funds being diverted from the Secure an Advanced Vision for Education (SAVE) fund to the Property Tax Equity Relief Fund and extends the sales and use tax until January 1, 2071 (iv) restructures the homestead credit program, replacing the existing credit with a new exemption of 10% of taxable value per eligible homestead (minimum \$5,500, maximum \$20,000, indexed for inflation). The Act takes effect in part immediately upon enactment, with the majority of provisions applicable to fiscal years beginning on or after July 1, 2027.

### **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, 2025 (the "IPERS ACFR"), indicates that as of June 30, 2025, 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 \$3.841 billion. The IPERS ACFR identifies the IPERS Net Pension Liability at June 30, 2025, at approximately \$2.323 billion, while its net pension liability at June 30, 2024, was approximately \$3.641 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, 2025, the Issuer's IPERS contribution totaled approximately \$4,366,300. 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, 2025, at approximately \$17,056,310. 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.

## **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 (the "Fund") under the control of the Iowa Department of Education (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. As of July 1, 2025, all students attending a nonpublic school became eligible for participation 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 223 students who reside within the boundaries of the Issuer but attended non-public schools for the 2022-23 school year; 275 students for the 2023-24 school year; 299 students for the 2024-25 school year, and 315 students for the 2025-26 school year. It is unknown how many additional students, if any, will attend non-public schools in future years. 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. 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.

## **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, 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. For fiscal year 2025, the auditor identified a significant deficiency in internal controls regarding segregation of duties. 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.

## **Enrollment Trends**

The Issuer has experienced a decline in its resident student population over the last five years, negatively impacting its certified enrollment numbers and the amount of revenue received. See **APPENDIX A–Information About the Issuer–Enrollment**. 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 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.

### **Bankruptcy and Insolvency**

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

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

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

As discussed under the heading "**TAX EXEMPTION AND RELATED 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 LLP 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 proceeds of the \$3,625,000 General Obligation School Bonds, Series 2026A issued April 8, 2026 and the remainder of voter authorized General Obligation School Bonds yet to be issued in 2027-2029, in a combined total amount of \$57,000,000, will provide funds to: i) to build, furnish, and equip additions to the Miller Middle School building; to remodel, repair, equip, and improve existing portions of the Miller Middle School building and related site improvements; to acquire and install audiovisual enhancement systems to Miller Middle School and District elementary school buildings; and to remodel, repair, equip, and improve existing portions of Franklin Field, 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 District's current total project scope is estimated to be approximately \$110,000,000. In addition to proceeds of previously issued Series 2025 School Infrastructure Sales, Services & Use Tax Revenue Bonds, Series 2026A General Obligation School Bonds and the Series 2026B General Obligation School Bonds approximately \$24,275,000 of additional voter-approved General Obligation Bonds and approximately \$30,000,000 of additional School Infrastructure Sales, Services & Use Tax Revenue Bonds will be issued over the 2027-2030 period.

**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 imposed on individuals; 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. 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 TAX MATTERS**” herein) are subject to the approving legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as “**APPENDIX B – FORM OF BOND COUNSEL OPINION.**” Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel for the Issuer in connection with the issuance of the Bonds. Certain matters will be passed upon for the Municipal Advisor by Dentons Davis Brown PC, Des Moines, Iowa.

Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this Official Statement and will express no opinion with respect thereto. Bond Counsel has not participated in the preparation of this Official Statement other than to review or prepare information describing the terms of the 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 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:

The Issuer provides the following disclosure for the sole purpose of assisting Underwriters in complying with the Rule. For the previous five-year period the Issuer believes it has complied with the Rule in all material respects. However, the Issuer filed the incurrence of a Financial Obligation issued on April 8, 2026, 5 day(s) late.

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.

MARSHALLTOWN COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Randy Denham  
Board Secretary

**APPENDIX A - INFORMATION ABOUT THE ISSUER**

**MARSHALLTOWN COMMUNITY SCHOOL DISTRICT, IOWA  
DISTRICT OFFICIALS**

<b>PRESIDENT</b>	Sean Heitmann
<b>BOARD MEMBERS</b>	Sara Faltys Eric Goslinga Leah Stanley Zach Wahl Elizabeth Wise Maria Morales
<b>SUPERINTENDENT</b>	Dr. Theron Schutte
<b>DISTRICT SECRETARY</b>	Randy Denham
<b>DISTRICT TREASURER</b>	Randy Denham
<b>DISTRICT ATTORNEY</b>	Ahlers & Cooney, P.C.

**CONSULTANTS**

<b>BOND COUNSEL</b>	Ahlers & Cooney, P.C. Des Moines, Iowa
<b>DISCLOSURE 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. West Des Moines, Iowa

**General Information**

The Marshalltown Community School District (the “Issuer” or the “District”) is located in central Iowa in Marshall County. The Issuer serves the Cities of Marshalltown, Albion and Lamaille in Marshall County. Marshalltown is a substantial commercial, industrial and employment center in central Iowa, and includes major manufacturing plants for Fisher Industries Inc. and Lennox Industries Inc. The Issuer is served by the Union Pacific Railroad, U.S highway 30, Iowa highways 14, 233 & 330, and excellent paved county roads. The city of Marshalltown operates an airport sufficient to support corporate air travel. Commercial service is provided in nearby Des Moines, approximately 60 miles southwest and Cedar Rapids, approximately 60 miles east. Higher education is provided in Marshalltown by the Iowa Valley Community College; Buena Vista College, Marshalltown campus; Iowa State University in Ames is approximately 30 minutes west; University of Northern Iowa is approximately 45 minutes northeast and Grinnell College is 22 miles south. The Marshalltown Medical and Surgical Center provides medical service to area residents. The hospital has 198 beds and a physician staff of 65.

**Issuer Facilities (1)**

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

<u>Building</u>	<u>Construction Dates</u>	<u>Grades</u>
Anson Elementary	1966,1975	PK-4
Fisher Elementary	1959, 1968, 1972, 2012	PK-4
Franklin Elementary	1913, 1994	PK-4
Hoglan Elementary	1969	PK-4
Rogers Elementary	1955, 2006	PK-4
Woodbury Elementary	1927, 1949, 1957, 1978	PK-4
Lenihan Intermediate	1965, 1973	5
Miller Middle School	1927, 1957, 2006	6-8
Marshalltown High	1969, 1980, 1985, 2012	9-12
Learning Academy		9-12
Senior High Auto Annex	1952	NA
Support Services Building	1927, 1949, 1957, 1978	NA
Administration Building	1964	NA
Bus Garage	1955	NA

**Enrollment (2)**

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

<u>Count Date</u>	<u>Fiscal Year effective</u>	<u>Certified (Resident) (3)</u>	<u>Open Enroll In (4)</u>	<u>Open Enroll Out (4)</u>	<u>Total Served</u>
October-25	2026-27	5,297.2	129.2	492.7	4,933.7
October-24	2025-26	5,380.3	131.3	552.4	4,959.2
October-23	2024-25	5,352.3	127.2	553.7	4,925.8
October-22	2023-24	5,374.9	93.1	540.6	4,927.4
October-21	2022-23	5,287.4	80.1	513.2	4,854.3

**Staff (1)**

Presented below is a list of the Issuer's 878 employees.

Administrators:	29.0	Media Specialists:	9.0
Teachers:	400.08	Nurses:	10.0
Teacher Aids:	158.64	Guidance:	15.0
Custodians:	40.0	Secretaries:	33.4
Food Service:	36.375	Transportation:	0
Other:	64.0	Maintenance:	0

(1) Source: the Issuer

(2) Source: Iowa Department of Education

(3) Used for Sales Tax and State Aid distribution

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

**Other Post-Employment Benefits (OPEB) (1)**

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	37
<u>Active employees</u>	<u>714</u>
 Total	 751

Total OPEB Liability – The Issuer’s total OPEB liability of \$7,131,978 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024 rolled forward to July 1, 2025

Actuarial Assumptions – the total OPEB liability in the June 30, 2025 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:

Rates of salary increase (effective 6/30/25) including inflation	3.25%
Discount rate (effective 6/30/25) including inflation	5.20%
Healthcare cost trend rate (effective 6/30/25)	7.75% initial select rate decreasing by 0.30% annually to an ultimate rate of 4.00%

Discount Rate – The discount rate used to measure the total OPEB liability was 5.20%, which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA RPH-2017 total dataset mortality table fully generational using Scale MP-2017. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience studies with dates corresponding to those listed above.

Changes in the Total OPEB Liability:

Total OPEB obligation – beginning of year	\$7,511,464
Changes for the year	
	Service Cost 692,564
	Interest 312,518
	Difference between expected & actual experiences -
	Change in assumption (880,723)
	<u>Benefit Payments (503,845)</u>
Net Changes	(379,486)
Net OPEB obligation – end of year	\$7,131,978

Changes of assumptions reflect a change in the discount rate from 3.93% in fiscal year 2024 to 5.20% in fiscal year 2025.

(1) Source: the Issuer

**Employee Pension Plan (1)**

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

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

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

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

Table 1 – Issuer and Employees Contribution to IPERS.

Fiscal Year	Issuer Contribution		Issuer Employees’ Contribution	
	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2021	3,600,780	9.44	2,399,250.25	6.29
2022	3,691,564	9.44	2,459,737.27	6.29
2023	3,765,910	9.44	2,509,275.76	6.29
2024	4,079,978	9.44	2,718,546.19	6.29
2025	4,366,300	9.44	2,909,324.63	6.29

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

Table 2 – Recent returns of IPERS (1)

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

Fiscal Year Ended June 30	Investment Return %
2021	29.63
2022	-3.90
2023	5.41
2024	9.07
2025	9.87

(1) SOURCE: The Issuer

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

**Table 3 – Funding Status of IPERS (1)**

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
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
2025	45,222,324,002	46,740,552,175	49,063,230,575	3,840,906,573	92.17	2,322,678,400	95.27	10,525,039,254	36.49

**Net Pension Liabilities (2)**

At June 30, 2025, the Issuer reported a liability of \$17,056,310 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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 Underwriter, the Municipal Advisor, and 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 (2)**

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

Type of Investment	Amount Invested
Local Bank Money Market	\$0
Local Bank Deposit Accounts	18,250,160.92
Local Bank Time CD’s	0
ISJIT Money Market	20,127,970.39
ISJIT Time CD’s	14,975,000.00

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

(2) Source: the Issuer

**Population (1)**

Presented below are population figures for the periods indicated for the cities of Albion, Haverhill and Marshalltown

<u>Year</u>	<u>Albion</u>	<u>Haverhill</u>	<u>Marshalltown</u>
2020	448	165	27,591
2010	505	173	27,552
2000	592	170	26,009
1990	585	144	25,178
1980	739	173	26,938
1970	772	160	26,219

**Major Employers (2)**

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

<u>Employer</u>	<u>Business</u>	<u>Approximate Employees</u>
JBS Swift	Pork processing	2,300
Emerson Process Management Fisher Division	Control valves and systems	1,200
Iowa Veterans Home	Medical, nursing, rehab	1,000
Marshalltown CSD	Education	878
Lennox Manufacturing	Heating, air conditioners	800
Marshalltown Medical & Surgical Center	Healthcare	715
Hy-Vee	Grocery store	340
Wal-Mart	Discount store	325
Marshalltown Community College	Higher education	245
McFarland Clinic	Healthcare	180
Packaging Corporation of America	Corrugated packaging manufacturer	110
Mechdyne Corp	Virtual reality	100
Mid Iowa Workshop	Subcontract packaging and assembly	100

**Property Tax Assessment (3) (4)**

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

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

<u>Fiscal Year</u>	<u>Residential</u>	<u>Ag. Land &amp; Bldgs</u>	<u>Commercial</u>	<u>Multi-residential</u>	<u>Railroad</u>	<u>Chap 437 Utilities</u>	<u>Chap 428/438 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

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2024 are used to calculate tax liability for the tax year starting July 1, 2025 through June 30, 2026. Presented below are the historic property valuations of the Issuer by class of property.

- (1) Source: Census Bureau
- (2) Source: Marshall Economic Development
- (3) Source: Iowa Department of Revenue
- (4) In 2023, the Legislature created a rollback for small commercial, small railroad and small industrial properties that receive the same rollback rate as residential properties receive for said year, for the valuation of those classes up to \$150,000. Valuation above \$150,000 is taxed at the above rollback rate for each of commercial, railroad and industrial.

## Property Valuations (1)

Actual Valuation					
Valuation as of January	2025	2024	2023	2022	2021
<u>Fiscal Year</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>
Residential:	1,671,979,411	1,465,495,013	1,456,172,038	1,214,598,954	1,152,265,284
Agricultural Land:	177,028,685	141,684,826	141,930,507	113,516,440	113,603,570
Ag Buildings:	7,677,430	6,321,230	6,183,090	4,156,000	3,556,260
Commercial:	341,686,045	329,541,493	312,041,004	251,602,205	252,810,078
Industrial:	132,241,536	138,863,084	136,092,182	97,833,629	91,065,876
Multiresidential:	0	0	0	0	46,653,533
Personal RE:	0	0	0	0	0
Railroads:	12,327,465	0	12,294,652	11,919,062	11,126,133
Utilities:	659,911	0	541,070	442,665	2,232,578
Other:	0	0	0	0	0
<b>Total Valuation:</b>	<b>2,343,600,483</b>	<b>2,081,905,646</b>	<b>2,065,254,543</b>	<b>1,694,068,955</b>	<b>1,673,313,312</b>
Less Military:	3,212,000	0		1,963,120	2,067,806
Less Homestead:	26,110,133	24,003,968	11,841,280		
<b>Net Valuation:</b>	<b>2,314,278,350</b>	<b>2,057,901,678</b>	<b>2,053,413,263</b>	<b>1,692,105,835</b>	<b>1,671,245,506</b>
TIF Valuation:	62,437,851	45,118,715	48,231,550	32,144,612	15,176,129
Utility Replacement:	570,375,735	564,681,283	563,803,366	549,379,101	546,934,857
Taxable Valuation					
Valuation as of January	2025	2024	2023	2022	2021
<u>Fiscal Year</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>
Residential:	738,479,086	691,450,326	670,952,995	661,280,465	622,894,357
Agricultural Land:	105,202,098	104,629,888	101,925,017	104,029,881	101,153,975
Ag Buildings:	4,563,476	4,668,702	4,441,742	3,808,683	3,166,536
Commercial:	267,972,189	261,734,330	245,385,368	199,860,194	226,621,204
Industrial:	114,014,883	120,602,434	117,806,462	84,326,328	81,553,748
Multiresidential:	0	0	0	0	29,656,716
Personal RE:	0	0	0	0	0
Railroads:	11,094,718	0	11,049,608	10,714,541	10,013,520
Utilities:	651,720	0	541,070	442,665	2,232,579
Other:	0	0	0	0	0
<b>Total Valuation:</b>	<b>1,241,978,170</b>	<b>1,183,085,680</b>	<b>1,152,102,262</b>	<b>1,064,462,757</b>	<b>1,077,292,635</b>
Less Military:	3,212,000	0	0	1,963,120	2,068,684
Less Homestead:	11,628,357	11,385,418	5,487,546		
<b>Net Valuation:</b>	<b>1,227,137,813</b>	<b>1,171,700,262</b>	<b>1,146,614,716</b>	<b>1,062,499,637</b>	<b>1,075,223,951</b>
TIF Valuation:	62,567,550	45,200,817	48,267,390	32,144,612	15,176,129
Utility Replacement:	119,474,758	118,530,341	119,166,987	114,959,910	94,769,104
	Actual	% Change in	Taxable	% Change in	
Valuation	Valuation	Actual	Valuation	Taxable	
<u>Year</u>	<u>w/Utilities</u>	<u>Valuation</u>	<u>w/Utilities</u>	<u>Valuation</u>	
2025	2,947,091,936	9.93%	1,409,180,121	4.60%	
2024	2,667,701,676	0.08%	1,335,431,420	1.63%	
2023	2,665,448,179	17.23%	1,314,049,093	8.63%	
2022	2,273,629,548	1.80%	1,209,604,159	2.06%	
2021	2,233,356,492	4.30%	1,185,169,184	0.41%	

(1) Source: Iowa Department of Management

## Tax Rates (1)

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

<u>Fiscal Year</u>	<u>Operating</u>	<u>Management</u>	<u>Board PPEL</u>	<u>V.PPEL</u>	<u>Playground</u>	<u>Debt</u>	<u>Schoolhouse</u>	<u>Total Levy</u>
2026	10.27903	1.17507	0.33000	1.34000	0.13500	2.70000	0.00000	15.95910
2025	10.77594	2.84408	0.33000	0.67000	0.13500	0.00000	0.00000	14.75502
2024	9.56117	2.04678	0.33000	0.67000	0.13500	1.70060	0.00000	14.44355
2023	14.35840	2.02993	0.33000	0.67000	0.13500	0.33750	0.00000	17.86083
2022	15.70761	1.12699	0.33000	0.67000	0.13500	0.16944	0.00000	18.13904
2021	16.07968	0.96048	0.33000	0.67000	0.13500	0.17172	0.00000	18.34688

## Historic Tax Rates (1)

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

<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	12.78683	15.95910	1.69613	0.00000	0.59114	0.15214	0.00000	6.32794	0.00000	37.51328
2025	11.53547	14.75502	1.73971	0.00180	0.48149	0.14399	0.00000	6.24012	0.00000	34.89760
2024	12.77836	15.99188	1.74331	0.00180	0.53796	0.14672	0.00000	6.53991	0.00000	37.73994
2023	12.51164	17.86083	1.74287	0.00240	0.49548	0.14617	0.00000	6.23143	0.00000	38.99082
2022	11.92337	18.13904	1.65540	0.00260	0.26619	0.14816	0.00000	6.20707	0.00000	38.34183
2021	10.05865	18.34688	1.58101	0.00270	0.26530	0.15050	0.00000	6.01018	0.00000	36.41522

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

<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	8.10000	15.95910	1.69613	0.00000	0.59114	0.15214	0.00000	6.32794	0.00000	32.82645
2025	8.10000	14.75502	1.73971	0.00180	0.48149	0.14399	0.00000	6.24012	0.00000	31.46213
2024	8.06963	15.99188	1.74331	0.00180	0.53796	0.14672	0.00000	6.53991	0.00000	33.03121
2023	8.00579	17.86083	1.74287	0.00240	0.49548	0.14617	0.00000	6.23143	0.00000	34.48497
2022	8.09914	18.13904	1.65540	0.00260	0.26619	0.14816	0.00000	6.20707	0.00000	34.51760
2021	7.99921	18.34688	1.58101	0.00270	0.26530	0.15050	0.00000	6.01018	0.00000	34.35578

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

<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	16.00000	15.95910	1.69613	0.00000	0.59114	0.15214	0.00000	6.32794	0.00000	40.72645
2025	16.00000	14.75502	1.73971	0.00180	0.48149	0.14399	0.00000	6.24012	0.00000	39.36213
2024	16.00000	14.44355	1.74331	0.00180	0.53796	0.14672	0.00000	6.53991	0.00000	39.41325
2023	15.36163	17.86083	1.74287	0.00240	0.49548	0.14617	0.00000	6.23143	0.00000	41.84081
2022	15.36163	18.13904	1.65540	0.00260	0.26619	0.14816	0.00000	6.20707	0.00000	41.78009
2021	15.38434	18.34688	1.58101	0.00270	0.26530	0.15050	0.00000	6.01018	0.00000	41.74091

## Tax Collection History (2)

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

<u>Fiscal Year</u>	<u>Amount Levied</u>	<u>Amount Collected</u>	<u>Percentage Collected</u>
2026	21,018,382	In Collection	NA
2025	18,796,248	\$18,802,407	100.03%
2024	18,966,372	\$19,178,815	101.12%
2023	20,941,069	21,062,610	100.58%
2022	20,992,015	20,826,080	99.21%
2021	21,070,182	21,438,968	101.75%
2020	20,194,458	19,940,916	98.74%

(1) Source: Iowa Department of Management

(2) Source: the Issuer

## Largest Taxpayers (1) (2)

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

<u>Taxpayer</u>	<u>2024 Taxable Valuation</u>	<u>Percent of Total</u>
Lennox Manufacturing Inc	\$30,041,604	2.23%
Fisher Controls International	25,887,443	1.92%
Menard Inc	19,318,477	1.43%
Clinic Building Company	17,733,854	1.32%
MidAmerican Energy Co.	17,518,329	1.30%
Marshalltown Company	16,559,495	1.23%
Unitypoint Health Marshalltown	13,219,733	0.98%
Swift & Company	12,362,773	0.92%
Wal-Mart Real Estate Business	11,927,549	0.89%
Union Pacific Railroad Co.	11,343,817	0.84%
	Total	13.06%

(1) Source: Marshall County

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

## Direct Debt

### General Obligation School Bonds (Debt Service) (1)

Presented below is the principal and interest payments due on the Issuer's outstanding General Obligation School Bonds, including an estimate of this issue, presented by fiscal year and issue:

<u>Fiscal Year</u>	<u>Series A</u> <u>4/8/26</u>	<u>Series B*</u> <u>8/3/26</u>	<u>Total</u> <u>Principal</u>	<u>Total</u> <u>Interest</u>	<u>Total</u> <u>P&amp;I</u>
2026	\$3,625,000		\$3,625,000	\$10,727	\$3,635,727
2027		\$2,745,000	2,745,000	963,533	3,708,533
2028		2,650,000	2,650,000	1,054,200	3,704,200
2029		925,000	925,000	948,200	1,873,200
2030		960,000	960,000	911,200	1,871,200
2031		1,000,000	1,000,000	872,800	1,872,800
2032		1,040,000	1,040,000	832,800	1,872,800
2033		1,080,000	1,080,000	791,200	1,871,200
2034		1,125,000	1,125,000	748,000	1,873,000
2035		1,170,000	1,170,000	703,000	1,873,000
2036		1,215,000	1,215,000	656,200	1,871,200
2037		1,265,000	1,265,000	607,600	1,872,600
2038		1,315,000	1,315,000	557,000	1,872,000
2039		1,370,000	1,370,000	504,400	1,874,400
2040		1,425,000	1,425,000	449,600	1,874,600
2041		1,480,000	1,480,000	392,600	1,872,600
2042		1,540,000	1,540,000	333,400	1,873,400
2043		1,600,000	1,600,000	271,800	1,871,800
2044		1,665,000	1,665,000	207,800	1,872,800
2045		1,730,000	1,730,000	141,200	1,871,200
2046		1,800,000	1,800,000	72,000	1,872,000
Totals:	\$3,625,000	\$29,100,000*	\$32,725,000	\$12,029,260	\$44,754,260

\*As part of the current capital improvement plan the Issuer anticipates issuing an additional approximately \$24,275,000 in General Obligation School Bonds during the period 2027-2029.

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

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

### Anticipatory Warrants (1)

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

(1) Source: the Issuer

\* Preliminary, subject to change

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

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

<u>Fiscal Year</u>	<u>12/17/19</u>	<u>3/1/21</u>	<u>12/6/23</u>	<u>5/7/25</u>	Total <u>Principal</u>	Total <u>Interest</u>	Total <u>P&amp;I</u>
2026	\$851,000	\$2,207,000	\$300,000	\$330,000	\$3,688,000	\$2,410,525	\$6,098,525
2027	861,000	2,239,000	300,000		3,400,000	2,110,123	5,510,123
2028	880,000	2,263,000	300,000		3,443,000	2,053,583	5,496,583
2029			2,754,000		2,754,000	1,996,405	4,750,405
2030			2,881,000		2,881,000	1,869,446	4,750,446
2031			3,013,000		3,013,000	1,736,632	4,749,632
2032			3,152,000		3,152,000	1,597,732	4,749,732
2033				1,370,000	1,370,000	1,452,425	2,822,425
2034				1,465,000	1,465,000	1,356,525	2,821,525
2035				1,570,000	1,570,000	1,253,975	2,823,975
2036				1,635,000	1,635,000	1,189,213	2,824,213
2037				1,700,000	1,700,000	1,119,725	2,819,725
2038				1,775,000	1,775,000	1,045,350	2,820,350
2039				1,855,000	1,855,000	967,694	2,822,694
2040				1,940,000	1,940,000	884,219	2,824,219
2041				2,025,000	2,025,000	796,919	2,821,919
2042				2,120,000	2,120,000	703,263	2,823,263
2043				2,215,000	2,215,000	605,213	2,820,213
2044				2,320,000	2,320,000	500,000	2,820,000
2045				2,435,000	2,435,000	384,000	2,819,000
2046				2,560,000	2,560,000	262,250	2,822,250
2047				2,685,000	2,685,000	134,250	2,819,250
Totals:	\$2,592,000	\$6,709,000	\$12,700,000	\$30,000,000	\$52,001,000	\$26,429,464	\$78,430,464

\*As part of the current capital improvement plan the Issuer anticipates issuing an additional approximately \$30,000,000 in School Infrastructure Sales, Services & Use Tax Revenue Bonds during the period 2026-2029.

(1)Source: the Issuer

**Debt Limit (1) (2) (3)**

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

1/1/2024 Actual Valuation:	\$2,680,779,425
X	0.05
<hr/>	
Statutory Debt Limit:	\$134,038,971
Total General Obligation Debt:	\$32,725,000*
Total Lease Purchases:	
Total Loan Agreements:	
Capital Leases:	
<hr/>	
Total Debt Subject to Limit:	\$32,725,000
Percentage of Debt Limit Obligated:	24.41%

It has not been determined whether the Issuer's Sales Tax Revenue Bonds do or do not count against the constitutional debt limit. If the Bonds do count against the constitutional debt limit, the amount of debt subject to the debt limit would increase \$52,001,000 to be \$84,726,000, or 63.21% of the statutory debt limit.

- (1) Direct debt source: the Issuer
- (2) Valuation data source: Iowa Department of Management
- (3) Utility Property Tax Replacement

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

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

\*Preliminary, subject to change

**Overlapping & Underlying Debt (1) (3)**

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

<u>Taxing Authority</u>	<u>Outstanding Debt</u>	<u>2024 Taxable Valuation</u>	<u>Taxable Value Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
City Of Marshalltown	\$46,170,000	\$1,084,300,544	\$1,081,028,664	99.70%	\$46,030,682
City Of Albion	0	11,709,379	11,709,379	100.00%	\$0
City Of Haverhill	0	5,600,214	5,600,214	100.00%	\$0
Marshall County	2,350,000	2,286,634,900	1,347,248,745	58.92%	1,384,582
Iowa Valley Cc	18,330,000	6,691,284,360	1,347,248,745	20.13%	3,690,632
Central Rivers Aea	3,765,766	29,657,903,529	1,347,248,745	4.54%	171,065
				Total:	\$51,276,961

**FINANCIAL SUMMARY (1) (2) (3) (4) (5)**

Actual Value of Property, 2024:	\$2,680,779,425
Taxable Value of Property, 2024:	1,347,248,745
Direct General Obligation Debt:	\$32,725,000
Overlapping Debt:	51,276,961
Direct & Overlapping General Obligation Debt:	\$84,001,961
Population, 2020 US Census:	30,379
Direct Debt per Capita:	\$1,077.22
Total Debt per Capita:	\$2,765.13
Direct Debt to Taxable Valuation:	2.43%
Total Debt to Taxable Valuation:	6.24%
Direct Debt to Actual Valuation:	1.22%
Total Debt to Actual Valuation:	3.13%
Actual Valuation per Capita:	\$88,244
Taxable Valuation per Capita:	\$44,348

(1) Valuation source: Iowa Department of Management

(2) Direct debt source: the Issuer

(3) Overlapping debt outstanding source: Treasurer, State of Iowa; where available, EMMA.MSRB.ORG

(4) Population source: U.S. Census Bureau

(5) Preliminary, subject to change

**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 Marshalltown Community School District in the County of Marshall, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Bonds, Series 2026B, by said Issuer, dated August 3, 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 Marshalltown Community School District, State of Iowa (the "Issuer"), in connection with the issuance of \$ \_\_\_\_\_ General Obligation School Bonds, Series 2026B (the "Bonds") dated August 3, 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. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate with respect to each Series of Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds of that Series or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

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

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

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

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

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information filing or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Financial Information filing or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information filing or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding

liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Rescission Rights. The Issuer hereby reserves the right to rescind this Disclosure Certificate without the consent of the Holders in the event the Rule is repealed by the S.E.C. or is ruled invalid by a federal court and the time to appeal from such decision has expired. In the event of a partial repeal or invalidation of the Rule, the Issuer hereby reserves the right to rescind those provisions of this Disclosure Certificate that were required by those parts of the Rule that are so repealed or invalidated.

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

MARSHALLTOWN 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: Marshalltown Community School District, Iowa.

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

Dated Date of Issue: August 3, 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\_\_.

MARSHALLTOWN COMMUNITY SCHOOL DISTRICT,  
STATE OF IOWA

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**

This Appendix contains the entire 2025 audited financial statement of the issuer. The Auditor of State of the State of Iowa (the "State Auditor") maintains a webpage that contains prior years' audits of city, county, school district and community college, including audits of the Issuer.

The remainder of this page was left blank intentionally.

**Marshalltown Community School District  
Marshalltown, Iowa**

Financial and Compliance Report  
Year Ended June 30, 2025

---

**INTRODUCTORY SECTION (Unaudited)**

---

Table of contents	i
Officials	ii

---

**FINANCIAL SECTION**

---

Independent auditor's report	1-4
Management's discussion and analysis	5-14
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	15-16
Statement of activities	17-18
Governmental fund financial statements:	
Balance sheet- governmental funds	19-20
Reconciliation of the balance sheet- governmental funds to the statement of net position	21
Statement of revenues, expenditures and changes in fund balances- governmental funds	22-23
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	24
Proprietary fund financial statements:	
Statement of net position	25
Statement of revenues, expenses and changes in net position	26
Statement of cash flows	27-28
Fiduciary fund financial statements:	
Statement of fiduciary net position	29
Statement of changes in fiduciary net position	30
Notes to basic financial statements	31-55
Required supplementary information:	
Budgetary comparison schedule of revenues, expenditures/expenses and changes in balances - budget and actual- all governmental and enterprise funds	56-57
Schedule of changes in the district's total OPEB liability and related ratios	58-59
Schedule of the district's proportionate share of the net pension liability	60-61
Schedule of district contributions	62-63
Notes to required supplementary information	64-65
Other supplementary information:	
Nonmajor governmental funds:	
Combining balance sheet	66
Combining schedule of revenues, expenditures and changes in fund balances	67
Capital projects fund:	
Schedule of combining balance sheet- capital projects fund- by account	68
Combining schedule of revenues, expenditures and changes in fund balances- capital projects fund- by account	69
Schedule of revenues by source and expenditures by function	70-71

---

**COMPLIANCE SECTION**

---

Schedule of expenditures of federal awards	72-73
Notes to the schedule of expenditures of federal awards	74
Summary schedule of prior audit findings	75
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	76-77
Independent auditor's report on compliance for each major federal program and report on internal control over compliance required by the Uniform Guidance	78-80
Schedule of findings and questioned costs	81-87
Corrective action plan	88

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Marshalltown Community School District**

**Officials**

**Year Ended June 30, 2025**

---

<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
<b>Board of Education</b>		
Sean Heitmann	President	2027
Sara Faltys	Vice President	2027
Leah Stanley	Board Member	2029
Zach Wahl	Board Member	2029
Elizabeth Wise	Board Member	2027
Maria Morales	Board Member	2027
Eric Goslinga	Board Member	2029
<b>School Officials</b>		
Dr. Theron Schutte	Superintendent	Indefinite
Randy Denham	Executive Director of Finance and Operations	Indefinite
Ahlery & Cooney, P.C.	School Attorney	Indefinite

**THIS PAGE INTENTIONALLY LEFT BLANK**



Bohnsack & Frommelt LLP  
Certified Public Accountants  
575 12th Avenue  
East Moline, Illinois 61244

## **Independent Auditor's Report**

To the Board of Education  
Marshalltown Community School District  
Marshalltown, 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 Marshalltown Community School District (the District) as of and for the year ended June 30, 2025, 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 Marshalltown Community School District, as of June 30, 2025, 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 Marshalltown Community School District 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.

#### ***Emphasis of Matter***

As discussed in Note 15 to the financial statements, the District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As a result, June 30, 2024 governmental activities, business type activities and major enterprise fund, School Nutrition net positions were restated.

### ***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 Marshalltown Community School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Marshalltown Community School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Marshalltown Community School District's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules 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 5-14 and 56-65 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 Marshalltown Community School District'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, 2016 through 2024, which are not presented herein, were audited by other auditors whose report thereon dated February 26, 2025 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, 2016 through 2024 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, 2016 through 2024 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 18, 2026, on our consideration of the Marshalltown Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Marshalltown Community School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marshalltown Community School District's internal control over financial reporting and compliance.

*Bohnsack & Frommelt LLP*

East Moline, Illinois  
March 18, 2026

## **Marshalltown Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2025**

---

Marshalltown 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, 2025. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

#### **2024-25 FINANCIAL HIGHLIGHTS**

- For the year ended June 30, 2025, the District reported an increase in combined total governmental and business-type activities net position of \$2,238,199. For the year ended June 30, 2024, the District reported an increase in combined total governmental and business-type activities net position of \$10,369,386
- Total revenues for the fiscal year ended June 30, 2025 and 2024 of \$93,415,130 and \$92,302,194 were comprised of general revenues in the amount of \$68,083,845 and \$70,290,911 and program revenues totaling \$25,331,285 and \$22,011,283.
- As of June 30, 2025, the District's governmental funds reported combined ending fund balances of \$50,948,762, an increase of \$9,882,430 in comparison with the prior year. As of June 30, 2024, the District's governmental funds reported combined ending fund balances of \$41,066,332, an increase of \$4,190,185 in comparison with the prior year.
- As of June 30, 2025, unassigned fund balance of the General Fund was \$8,812,581 or 11.0 percent of total General Fund expenditures. As of June 30, 2024, unassigned fund balance of the General Fund was \$16,021,025 or 21.3 percent of total General Fund expenditures.
- The District's revenue bonded debt increased by \$24,203,619 due to the issuance of \$30,000,000 revenue bonds offset by \$6,340,207 principal payments made during the year.

#### **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 Marshalltown 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 the 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 Marshalltown Community School District acts solely as an agent or custodian for the benefit of those outside of the District.
- Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year and information regarding the District's retiree health plan and pension plan.
- Other supplementary information provides detailed information about the nonmajor governmental funds and the nonmajor proprietary funds.

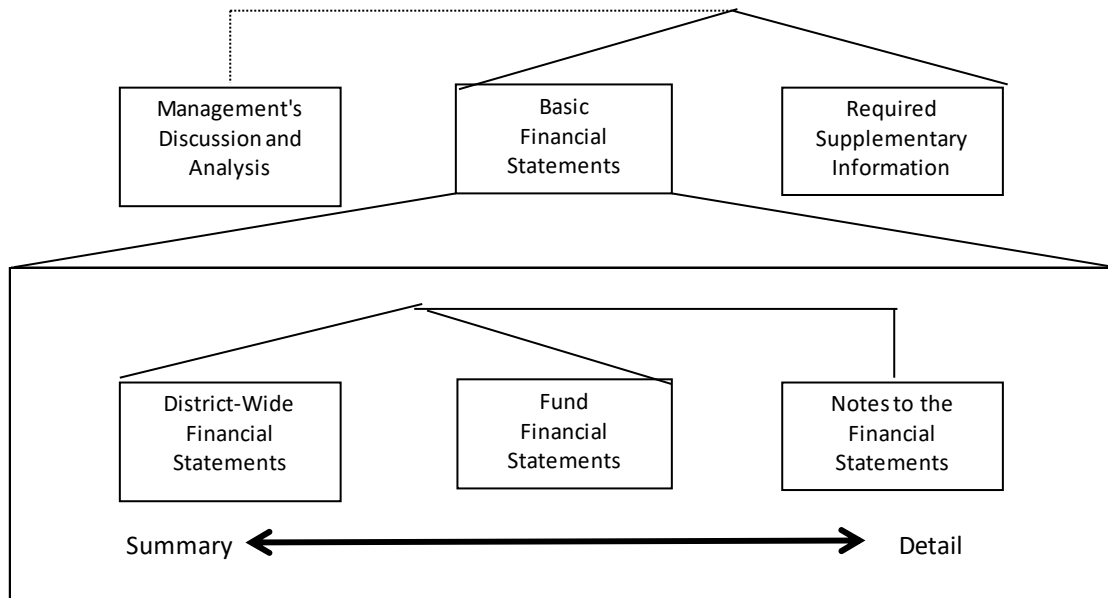
**Marshalltown Community School District**

**Management's Discussion and Analysis  
Year Ended June 30, 2025**

---

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

Figure A-1  
Marshalltown Community School District Annual Financial Report



**Marshalltown Community School District**

**Management’s Discussion and Analysis  
Year Ended June 30, 2025**

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>				
<b>Government-Wide Statements</b>		<b>Fund Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
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: school nutrition and internal service fund	Instances in which the District administers resources on behalf of someone else, such as scholarship programs, and student activity 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 outflows of resources /liability and deferred inflows 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 and 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

## Marshalltown Community School District

### Management's Discussion and Analysis Year Ended June 30, 2025

---

#### REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

##### Government-Wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and 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 are an indicator of whether financial position is improving or deteriorating, respectively. To assess the District's overall health, additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities need to be considered.

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

**Governmental activities:** Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state aid finance most of these activities.

**Business-type activities:** The District charges fees to help it cover the costs of certain services it provides. The District's school nutrition, child care and community education programs are included here.

##### Fund Financial Statements

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

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

The District has three kinds of funds:

- 1) **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund 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 government-wide statements, additional information in the reconciliations following each of the governments fund statements explains the relationship or differences between the two statements.

The District's major governmental funds for 2024-25 were the General Fund, Capital Projects Fund, and Debt Service Fund. The nonmajor governmental funds included the special revenue funds of the Student Activity Fund, Management Levy Fund and Public Education & Recreation Levy Fund. The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

## Marshalltown Community School District

### Management's Discussion and Analysis Year Ended June 30, 2025

- 2) **Proprietary funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Fund, one type of proprietary fund, is the same as its business-type activities but provides more detail and additional information, such as cash flows. The District currently has one major Enterprise Fund, the School Nutrition Fund. The District uses internal service funds, the other kind of proprietary fund, to report activities that provide supplies and services for other District programs and activities. The District currently has one internal service fund, which is used to account for the District's partially self-funded health and dental insurance plan.

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

- 3) **Fiduciary funds:** The District is the trustee, or fiduciary, for assets that belong to others. This fund type includes the Custodial Fund and Private Purpose Trust Fund.

Custodial Funds: These are funds through which the District is a fiscal agent for other governments.

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

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

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position as of June 30, 2025 compared to June 30, 2024.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change  2024-25
	Restated		Restated		Restated		
	2025	2024	2025	2024	2025	2024	
Current and other assets	\$ 91,285,388	\$ 78,919,426	\$ 3,794,992	\$ 3,976,973	\$ 95,080,380	\$ 82,896,399	14.7%
Capital assets, net	102,782,236	89,056,722	191,840	177,455	102,974,076	89,234,177	15.4%
<b>Total assets</b>	<b>194,067,624</b>	<b>167,976,148</b>	<b>3,986,832</b>	<b>4,154,428</b>	<b>198,054,456</b>	<b>172,130,576</b>	<b>15.1%</b>
Deferred outflows of resources	7,472,681	8,781,164	215,261	254,812	7,687,942	9,035,976	-14.9%
Other liabilities	11,734,798	11,632,751	102,260	166,454	11,837,058	11,799,205	0.3%
Long-term liabilities	93,078,377	70,712,222	786,823	849,334	93,865,200	71,561,556	31.2%
<b>Total liabilities</b>	<b>104,813,175</b>	<b>82,344,973</b>	<b>889,083</b>	<b>1,015,788</b>	<b>105,702,258</b>	<b>83,360,761</b>	<b>26.8%</b>
Deferred inflows of resources	26,947,492	26,976,007	170,798	146,133	27,118,290	27,122,140	0.0%
Net position:							
Net investment in capital assets	75,916,348	60,793,722	191,840	177,455	76,108,188	60,971,177	24.8%
Restricted	15,978,686	22,576,084	-	-	15,978,686	22,576,084	-29.2%
Unrestricted	(22,115,396)	(15,933,474)	2,950,372	3,069,864	(19,165,024)	(12,863,610)	-49.0%
<b>Total net position</b>	<b>\$ 69,779,638</b>	<b>\$ 67,436,332</b>	<b>\$ 3,142,212</b>	<b>\$ 3,247,319</b>	<b>\$ 72,921,850</b>	<b>\$ 70,683,651</b>	<b>3.2%</b>

## Marshalltown Community School District

### Management's Discussion and Analysis Year Ended June 30, 2025

The District's combined net position as of June 30, 2025, increased by \$2,238,199 (3.2 percent) over the June 30, 2024 combined net position. Net position in the governmental activities increased by \$2,343,306 (3.5 percent). The net position of the District's business-type activities decreased by \$105,107 (3.2 percent).

The beginning net position for Governmental Activities was restated for the implementation of GASB Statement No. 101, *Compensated Absences*.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position decreased by \$6,597,398 from the prior year due to decreases in the restrictions for school infrastructure and physical plant and equipment levy due to completion of capital projects.

The net investment in capital assets (e.g. land, construction in progress, infrastructure, buildings and equipment), less the related debt increased \$15,137,011 or 24.8 percent.

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 by \$6,301,414.

Figure A-4 shows the changes in net position for the year ended June 30, 2025, compared to the year ended June 30, 2024.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2024-25
	Not Restated		Not Restated		Not Restated		
	2025	2024	2025	2024	2025	2024	
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 2,588,244	\$ 2,063,466	\$ 273,582	\$ 194,913	\$ 2,861,826	\$ 2,258,379	26.7%
Operating grants and contributions	18,421,706	14,959,691	4,047,753	3,800,566	22,469,459	18,760,257	19.8%
Capital grants and contributions	-	992,647	-	-	-	992,647	100.0%
General revenues:							
Local tax	19,373,763	19,178,815	-	-	19,373,763	19,178,815	1.0%
Unrestricted state grants	40,205,695	42,867,205	-	-	40,205,695	42,867,205	-6.2%
Statewide sales and services tax	7,079,443	7,080,688	-	-	7,079,443	7,080,688	0.0%
Revenue in lieu of taxes	427,304	-	-	-	427,304	-	100.0%
Interest	924,068	1,083,650	73,572	80,553	997,640	1,164,203	-14.3%
<b>Total revenues</b>	<b>89,020,223</b>	<b>88,226,162</b>	<b>4,394,907</b>	<b>4,076,032</b>	<b>93,415,130</b>	<b>92,302,194</b>	<b>1.2%</b>
<b>Expenses:</b>							
Instruction	53,061,779	45,949,940	-	-	53,061,779	45,949,940	15.5%
Support services	27,255,862	27,028,407	-	-	27,255,862	27,028,407	0.8%
Noninstructional programs	94,548	80,203	4,500,014	3,922,639	4,594,562	4,002,842	14.8%
Other	6,264,728	4,951,619	-	-	6,264,728	4,951,619	26.5%
<b>Total expenses</b>	<b>86,676,917</b>	<b>78,010,169</b>	<b>4,500,014</b>	<b>3,922,639</b>	<b>91,176,931</b>	<b>81,932,808</b>	<b>11.3%</b>
<b>Excess of revenues over expenses before transfers</b>	<b>2,343,306</b>	<b>10,215,993</b>	<b>(105,107)</b>	<b>153,393</b>	<b>2,238,199</b>	<b>10,369,386</b>	<b>-78.4%</b>
Transfers	-	(6,349)	-	6,349	-	-	0.0%
<b>Change in net position</b>	<b>2,343,306</b>	<b>10,209,644</b>	<b>(105,107)</b>	<b>159,742</b>	<b>2,238,199</b>	<b>10,369,386</b>	<b>-78.4%</b>
Net position, beginning, as restated	67,436,332	72,073,658	3,247,319	3,175,581	70,683,651	75,249,239	-6.1%
Net position, ending	\$ 69,779,638	\$ 82,283,302	\$ 3,142,212	\$ 3,335,323	\$ 72,921,850	\$ 85,618,625	-14.8%

## Marshalltown Community School District

### Management's Discussion and Analysis Year Ended June 30, 2025

In 2024-2025, property taxes, income surtax, utility excise tax, other tax, unrestricted state grants, statewide sales and services tax, and revenue in lieu of taxes accounted for 75.4 percent of the revenue from governmental activities while charges for services, operating grants and contributions, and capital grants and contributions accounted for 98.3 percent of the revenue from business-type activities

The District's expenses primarily relate to instruction and support services which account for 88.1 percent of the total expenses.

#### Governmental Activities

Total revenue for the District's governmental activities increased by \$794,061 (0.9 percent) in the fiscal year ended June 30, 2025. Revenue primarily increased in operating grants and contributions. Increases in operating grants was primarily due to the District receiving a Hazard Mitigation Grant.

Total District governmental activities expenses increased by \$8,666,748 (11.1 percent), mainly attributable to increases in salaries and benefits and the implementation of compensated absences standard.

Figure A-5 presents the total and net cost of the District's four major governmental activities: instruction, support services, noninstructional programs and other expenses, for the year ended June 30, 2025 compared to the year ended June 30, 2024.

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	Not Restated			Not Restated		
	2025	2024	2024-25	2025	2024	2024-25
Instruction	\$ 53,061,779	\$ 45,949,940	15.48%	\$ 35,287,852	\$ 31,822,522	10.9%
Support services	27,255,862	27,028,407	0.84%	26,341,424	25,936,069	1.6%
Non-instructional	94,548	80,203	17.89%	94,548	80,203	17.9%
Other	6,264,728	4,951,619	26.52%	3,943,143	2,155,571	82.9%
<b>Total</b>	<b>\$ 86,676,917</b>	<b>\$ 78,010,169</b>	<b>11.11%</b>	<b>\$ 65,666,967</b>	<b>\$ 59,994,365</b>	<b>9.5%</b>

For the year ended June 30, 2025:

- The cost financed by the users of the District's programs was \$2,588,244.
- Federal and state government subsidized certain programs with grants and contributions totaling \$18,421,706.
- The net cost of governmental activities was financed with \$19,373,763 in local tax, \$7,079,443 of statewide sales and services tax, \$40,205,695 of unrestricted state grants, \$427,304 revenue in lieu of taxes and \$924,068 in interest income.

For the year ended June 30, 2024:

- The cost financed by the users of the District's programs was \$2,063,466.
- Federal and state government subsidized certain programs with grants and contributions totaling \$15,952,338.
- The net cost of governmental activities was financed with \$19,178,815 in local tax, \$42,867,205 in unrestricted state grants, \$7,080,688 of statewide sales and services tax, and \$1,083,650 in interest.

## **Marshalltown Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2025**

---

#### **Business-Type Activities**

The District's business-type activities include the School Nutrition Fund. Revenues of the District's business-type activities in 2024-25 were \$4,394,907, an increase of \$318,875 from 2023-24. Expenses were \$4,500,014, an increase of \$577,375 from 2023-24. Revenues of these activities were comprised of charges for service, federal and state sources, capital contributions and interest.

#### **INDIVIDUAL FUND ANALYSIS**

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of \$50,948,762 which reflects an increase of \$9,882,430 from last year's ending fund balances of \$41,066,332.

#### **Governmental Fund Highlights**

- The fund balance in the District's General Fund decreased by \$7,384,057 from \$17,330,920 as of June 30, 2024 to \$9,946,863 as of June 30, 2025. The decrease is primarily due to increased costs of salary, benefits and supplies.
- The fund balance in the Capital Projects Fund increased \$14,855,521 from \$17,395,962 as of June 30, 2024 to \$32,251,483 as of June 30, 2025 due to the issuance of \$30,000,000 revenue bonds, offset by \$12,357,585 in planned capital projects spending.
- The Debt Service Fund had an increase of \$675,915 in ending fund balance from \$2,274,627 in fiscal year 2024 to \$2,950,542 in fiscal year 2025. The District paid \$7,589,298 in debt service principal and interest from transfers in of \$8,261,923 from Capital Projects Fund.

#### **Proprietary Fund Highlights**

The District's School Nutrition Fund net position decreased \$105,107 to \$3,142,212 as of June 30, 2025. Food service operation expenses increased \$577,375 primarily due to increased cost of salary, benefits and supplies.

#### **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 internal service funds, private purpose trusts and custodial funds. 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 exceeded budgeted expenditures in the instruction, support services and noninstructional programs functions as of June 30, 2025 by \$3,170,449, \$1,483,695 and \$479,336, respectively.

The District's total actual revenues were \$4,605,513 more than the total budgeted revenues primarily due to receiving more in federal revenue sources than budgeted. The District had one budget amendment which increased budgeted expenditures \$16,385,000.

## Marshalltown Community School District

### Management's Discussion and Analysis Year Ended June 30, 2025

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

By the end of the 2024-25 fiscal year, the District had invested \$102,974,076 (net of accumulated depreciation of \$46,489,075) in a broad range of assets, including school buildings, athletic facilities, computer and audio-visual equipment and administrative offices. (See Figure A-6). This amount represents a net increase of \$13,739,899 or 15.4 percent from last year. More detailed information about capital assets can be found in Note 4 to the financial statements. Total depreciation expense for the year was \$3,715,858. Significant projects include the high school parking lot, Franklin Field, and the Miller Middle School projects.

Figure A-6 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2024-25
Land	\$ 1,956,947	\$ 879,566	\$ -	\$ -	\$ 1,956,947	\$ 879,566	122.5%
Construction in progress	3,139,252	15,184,814	-	-	3,139,252	15,184,814	-79.3%
Buildings	89,055,015	68,729,958	-	-	89,055,015	68,729,958	29.6%
Land improvements	3,846,068	3,114,317	-	-	3,846,068	3,114,317	23.5%
Machinery and equipment	3,758,475	1,148,067	191,840	177,455	3,950,315	1,325,522	198.0%
Intangible right to use lease asset	163,093	-	-	-	163,093	-	100.0%
Intangible right to use IT subscription	863,386	-	-	-	863,386	-	100.0%
<b>Total</b>	<b>\$ 102,782,236</b>	<b>\$ 89,056,722</b>	<b>\$ 191,840</b>	<b>\$ 177,455</b>	<b>\$ 102,974,076</b>	<b>\$ 89,234,177</b>	<b>15.4%</b>

### Long-Term Debt

As of June 30, 2025, the District had approximately \$53 million in revenue bonds, and lease obligations. This represents an increase of approximately 86% from last year (see figure A-7). Additional information about the District's long-term debt is presented in Note 5 to the financial statements. During the year ending June 30, 2025, the District issued \$30,000,000 in revenue bonds, paid \$6,340,207 in principal and \$2,365,296 in interest, bond closing costs and other fiscal charges.

Figure A-7 Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2024-25
Revenue bonds	52,466,619	28,263,000	-	-	52,466,619	28,263,000	85.6%
Lease obligation	166,433	-	-	-	166,433	-	100.0%
<b>Total</b>	<b>\$ 52,633,052</b>	<b>\$ 28,263,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52,633,052</b>	<b>\$ 28,263,000</b>	<b>86.2%</b>

## Marshalltown Community School District

### Management's Discussion and Analysis Year Ended June 30, 2025

---

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

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

- The District continues to be faced with staffing challenges due to a tight labor market and trying to compete wage wise with the private industry.
- The October 1, 2024, certified enrollment count was 5,380.3 which represented a 28.08 increase from the prior year. The October 1, 2025 certified enrollment count was 5,297.15, an 83.15 decrease. Enrollment is a critical component impacting the District's General Fund.
- Funding at the State level continues to be a focal point for the District. SSA for fiscal year 2027 was set at 2.0%. With inflation costs still a factor, continued low SSA presents challenges related to the budget. The legislature recently reduced state income tax in the last couple of years. This decrease in state revenue could have a future impact statewide on funding for public school districts.
- The State legislature is currently considering potential property tax reform proposals that have been put forward by the House, Senate, and Governor. Currently, the full impact of these proposals on public school districts remains uncertain. Among the proposals presented, the District has concerns regarding the potential capping of the Management Fund Levy rate, reductions to PPEL and Bond Levy rates, and the acceleration of Statewide Sales Tax (SAVE) dollars for property tax relief. Capping the Management Fund Levy could place the District in a position where it may need to borrow funds in the event a significant natural disaster, as it may be unable to levy sufficient dollars to cover insurance deductibles associated with the claim. Additionally, capping PPEL and Bond Levy rates, combined with accelerating SAVE dollars for property tax relief, could negatively impact the District's financial stability. These changes could limit the District's ability to generate sufficient revenue to meet current debt obligations or require the use of all available funds to service outstanding debt. As a result, other critical capital expenditures – such as technology upgrades, transportation (bus purchases), and non-instructional software – may need to be delayed or eliminated.
- In 2024, HF2612 was passed by the State legislature. This bill was centered around AEA reform and impacts how funds flow through districts to the AEA's. Due to this change the majority of funds come straight to the District and AEA's have started to shift to a pay per service model. These changes have resulted in the AEA's not being able to provide some of the services they once did. We are still analyzing the long-term impacts of this legislation as it could force the District to look for alternatives that could possibly come at a much higher cost.
- A voucher bill was passed during the 2023 legislative session which allows parents who enroll their students into private schools to receive state funding. The legislation passed allows for each student who receives a voucher a partial allocation of categorical funding to be provided to the District as well. During the first two years of the voucher program, the enrollment of students into private schools has been higher than what was originally estimated by the State. In fiscal year 2026, the income restrictions for the program will be completely lifted. The long-term impacts of the program are still unknown.
- ESSER/COVID-19 relief funding sunset on June 30, 2024. The District has made a cognizant effort to utilize these funds for one-time purchases and has worked to minimize using these funds for recurring expenditures.

#### 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 Randy Denhem, Executive Director of Finance and Operations, Marshalltown Community School District, 1002 South 3<sup>rd</sup> Avenue, Marshalltown, Iowa 50158.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Marshalltown Community School District**

**Statement of Net Position**

**June 30, 2025**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and pooled investments	\$ 66,823,966	\$ 3,557,497	\$ 70,381,463
Receivables:			
Property tax:			
Current year	192,649	-	192,649
Succeeding year	21,018,382	-	21,018,382
Accounts	36,427	35,180	71,607
Income surtax	286,491	-	286,491
Intergovernmental	2,537,143	136,730	2,673,873
Inventories	21,172	65,585	86,757
Prepaid expenses	369,158	-	369,158
Capital assets:			
Capital assets not being depreciated:			
Land and construction in progress	5,096,199	-	5,096,199
Capital assets being depreciated/amortized, net of accumulated depreciation/amortization:			
Buildings	89,055,015	-	89,055,015
Improvements other than buildings	3,846,068	-	3,846,068
Furniture and equipment	3,758,475	191,840	3,950,315
Intangible right to use lease building	163,093	-	163,093
Intangible right to use IT subscription	863,386	-	863,386
<b>Total capital assets</b>	<b>102,782,236</b>	<b>191,840</b>	<b>102,974,076</b>
<b>Total assets</b>	<b>194,067,624</b>	<b>3,986,832</b>	<b>198,054,456</b>
<b>Deferred outflows of resources:</b>			
Pension related deferred outflows	6,294,983	181,336	6,476,319
OPEB related deferred outflows	1,177,698	33,925	1,211,623
<b>Total deferred outflows of resources</b>	<b>7,472,681</b>	<b>215,261</b>	<b>7,687,942</b>

See Notes to Basic Financial Statements.

---

**Liabilities**

Accounts payable	\$ 4,683,203	\$ 36,061	\$ 4,719,264
Salaries and benefits payable	6,476,065	36,412	6,512,477
Claims incurred but not reported	575,530	-	575,530
Unearned revenue	-	29,787	29,787
Noncurrent liabilities:			
Portion due within one year:			
Revenue bonds	3,688,000	-	3,688,000
Lease obligation	81,141	-	81,141
Compensated absences	11,225,215	53,199	11,278,414
Total OPEB liability	856,063	24,660	880,723
Portion due after one year:			
Revenue bonds	48,778,619	-	48,778,619
Lease obligation	85,292	-	85,292
Compensated absences	5,709,094	56,352	5,765,446
Total OPEB liability	6,076,220	175,035	6,251,255
Net pension liability	16,578,733	477,577	17,056,310
<b>Total liabilities</b>	<b>104,813,175</b>	<b>889,083</b>	<b>105,702,258</b>

**Deferred inflows of resources:**

Succeeding year property tax	21,018,382	-	21,018,382
OPEB related deferred inflows	4,987,769	143,681	5,131,450
Pension related deferred inflows	941,341	27,117	968,458
<b>Total deferred inflows of resources</b>	<b>26,947,492</b>	<b>170,798</b>	<b>27,118,290</b>

**Net Position**

Net investment in capital assets	75,916,348	191,840	76,108,188
Restricted for:			
Categorical funding	743,952	-	743,952
Management levy	5,308,196	-	5,308,196
Public education and recreation levy	205,901	-	205,901
Physical plant and equipment levy	238,553	-	238,553
Student activities	285,777	-	285,777
School infrastructure	9,069,984	-	9,069,984
Debt service	126,323	-	126,323
Unrestricted	(22,115,396)	2,950,372	(19,165,024)
<b>Total net position</b>	<b>\$ 69,779,638</b>	<b>\$ 3,142,212</b>	<b>\$ 72,921,850</b>

**Marshalltown Community School District**

**Statement of Activities  
Year Ended June 30, 2025**

Functions/Programs	Expenses
<b>Governmental activities:</b>	
Instruction:	
Regular	\$ 28,079,062
Special	10,996,412
Other	13,986,305
	<u>53,061,779</u>
Support services:	
Student services	4,989,508
Instructional staff services	6,516,737
Administration services	7,957,364
Operation and maintenance of plant services	3,862,910
Transportation services	3,929,343
	<u>27,255,862</u>
Noninstructional	<u>94,548</u>
Other expenditures:	
Interest on long-term debt	1,908,549
AEA flowthrough	2,321,585
Depreciation unallocated*	2,034,594
	<u>6,264,728</u>
<b>Total governmental activities</b>	<u><u>86,676,917</u></u>
<b>Business-type activities:</b>	
Noninstructional programs,	
Nutrition services	4,500,014
<b>Total business-type activities</b>	<u>4,500,014</u>
<b>Total primary government</b>	<u><u>\$ 91,176,931</u></u>
<b>General revenues:</b>	
General revenues:	
Property tax levied for:	
General purposes	
Management	
Capital outlay	
Debt service	
Other	
Income surtax	
Utility excise tax	
Other tax	
Statewide sales and services tax	
Revenue in lieu of taxes	
Unrestricted state grants	
Unrestricted investment earnings	
<b>Total general revenues</b>	
<b>Change in net position</b>	
Net position, beginning of year, as restated	
Net position, end of year	

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

See Notes to Basic Financial Statements.

Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 978,057	\$ 14,989,479	\$ -	\$ (12,111,526)	\$ -	\$ (12,111,526)
283,626	9,873	-	(10,702,913)	-	(10,702,913)
439,356	1,073,536	-	(12,473,413)	-	(12,473,413)
1,701,039	16,072,888	-	(35,287,852)	-	(35,287,852)
-	-	-	(4,989,508)	-	(4,989,508)
102,188	-	-	(6,414,549)	-	(6,414,549)
702,877	-	-	(7,254,487)	-	(7,254,487)
64,907	-	-	(3,798,003)	-	(3,798,003)
17,233	27,233	-	(3,884,877)	-	(3,884,877)
887,205	27,233	-	(26,341,424)	-	(26,341,424)
-	-	-	(94,548)	-	(94,548)
-	-	-	(1,908,549)	-	(1,908,549)
-	2,321,585	-	-	-	-
-	-	-	(2,034,594)	-	(2,034,594)
-	2,321,585	-	(3,943,143)	-	(3,943,143)
2,588,244	18,421,706	-	(65,666,967)	-	(65,666,967)
273,582	4,047,753	-	-	(178,679)	(178,679)
273,582	4,047,753	-	-	(178,679)	(178,679)
\$ 2,861,826	\$ 22,469,459	\$ -	\$ (65,666,967)	\$ (178,679)	\$ (65,845,646)
			12,332,847	-	12,332,847
			3,236,782	-	3,236,782
			1,184,800	-	1,184,800
			3,280	-	3,280
			150,362	-	150,362
			555,472	-	555,472
			1,894,337	-	1,894,337
			15,883	-	15,883
			7,079,443	-	7,079,443
			427,304	-	427,304
			40,205,695	-	40,205,695
			924,068	73,572	997,640
			68,010,273	73,572	68,083,845
			2,343,306	(105,107)	2,238,199
			67,436,332	3,247,319	70,683,651
			\$ 69,779,638	\$ 3,142,212	\$ 72,921,850

**Marshalltown Community School District**

**Balance Sheet  
Governmental Funds  
June 30, 2025**

	General	Capital Projects
<b>Assets</b>		
Cash and pooled investments	\$ 16,822,306	\$ 33,388,561
Receivables:		
Property tax:		
Current year	140,457	13,659
Succeeding year	13,425,132	2,249,905
Accounts	16,966	-
Income surtax	286,491	-
Intergovernmental	1,793,387	742,401
Inventories	21,172	-
Prepaid expenses	369,158	-
<b>Total assets</b>	<b>\$ 32,875,069</b>	<b>\$ 36,394,526</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 2,729,888	\$ 1,893,138
Salaries and benefits payable	6,476,065	-
<b>Total liabilities</b>	<b>9,205,953</b>	<b>1,893,138</b>
Deferred inflows of resources,		
Unavailable revenue:		
Succeeding year property tax	13,425,132	2,249,905
Income surtax	286,491	-
Grants	10,630	-
<b>Total deferred inflows of resources</b>	<b>13,722,253</b>	<b>2,249,905</b>
Fund balances:		
Nonspendable:		
Inventory	21,172	-
Prepaid expenses	369,158	-
Restricted for:		
Categorical funding	743,952	-
Management levy	-	-
Student activities	-	-
Public education & recreation levy	-	-
Physical plant and equipment levy	-	187,814
School infrastructure	-	32,063,669
Debt service	-	-
Unassigned	8,812,581	-
<b>Total fund balances</b>	<b>9,946,863</b>	<b>32,251,483</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 32,875,069</b>	<b>\$ 36,394,526</b>

See Notes to Basic Financial Statements.

	Debt Service	Nonmajor	Total
\$	2,951,535	\$ 5,799,567	\$ 58,961,969
	7	38,526	192,649
	3,637,572	1,705,773	21,018,382
	-	7,010	23,976
	-	-	286,491
	-	1,355	2,537,143
	-	-	21,172
	-	-	369,158
\$	6,589,114	\$ 7,552,231	\$ 83,410,940
\$	1,000	\$ 46,584	\$ 4,670,610
	-	-	6,476,065
	1,000	46,584	11,146,675
	3,637,572	1,705,773	21,018,382
	-	-	286,491
	-	-	10,630
	3,637,572	1,705,773	21,315,503
	-	-	21,172
	-	-	369,158
	-	-	743,952
	-	5,308,196	5,308,196
	-	285,777	285,777
	-	205,901	205,901
	-	-	187,814
	-	-	32,063,669
	2,950,542	-	2,950,542
	-	-	8,812,581
	2,950,542	5,799,874	50,948,762
\$	6,589,114	\$ 7,552,231	\$ 83,410,940

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Marshalltown Community School District**

**Reconciliation of the Balance Sheet -  
Governmental Funds to the Statement of Net Position  
June 30, 2025**

---

Total fund balances of governmental funds		\$ 50,948,762
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.		102,782,236
The Internal Service Fund is used to charge costs of the District's partially self-funded insurance plan to the governmental funds. The net position of the Internal Service Fund is therefore included under governmental activities.		7,286,325
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds		297,121
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 inflows of resources	(4,987,769)	
OPEB related deferred outflows of resources	1,177,698	
Pension related deferred outflows of resources	6,294,983	
Pension related deferred inflows of resources	<u>(941,341)</u>	1,543,571
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:		
Net pension liability	(16,578,733)	
Compensated absences	(16,934,309)	
Lease obligation	(166,433)	
Revenue bonds	(52,001,000)	
Bond premium	(465,619)	
Total OPEB liability	<u>(6,932,283)</u>	<u>(93,078,377)</u>
<b>Net position of governmental activities</b>		<b>\$ <u>69,779,638</u></b>

See Notes to Basic Financial Statements.

**Marshalltown Community School District**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2025**

	General	Capital Projects
Revenues:		
Local sources:		
Property tax	\$ 12,332,847	\$ 1,184,800
Utility excise tax	1,383,479	128,386
Other tax	11,687	1,069
Income surtax	268,981	-
Tuition	1,261,682	-
Other	1,085,491	466,617
State sources	51,224,765	7,108,403
Federal sources	5,108,018	2,596,058
<b>Total revenues</b>	<b>72,676,950</b>	<b>11,485,333</b>
Expenditures:		
Current:		
Instruction:		
Regular	30,159,147	-
Special	10,996,412	-
Other	9,726,602	3,749,809
Total instruction	50,882,161	3,749,809
Support services:		
Student services	4,277,986	-
Instructional staff services	5,915,409	778,659
Administration services	7,516,066	260,098
Operation and maintenance of plant services	6,755,395	83,591
Student transportation	2,374,060	732,201
Total support services	26,838,916	1,854,549
Noninstructional	18,983	-
Other expenditures:		
Facilities acquisition	-	12,357,585
Debt service:		
Principal	-	-
Interest and fiscal charges	-	1,116,205
AEA flowthrough	2,321,585	-
Total other expenditures	2,321,585	13,473,790
<b>Total expenditures</b>	<b>80,061,645</b>	<b>19,078,148</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,384,695)</b>	<b>(7,592,815)</b>
Other financing sources (uses):		
Proceeds from sale of capital asset	11,776	-
Issuance of lease	-	244,640
Issuance of long term debt	-	30,000,000
Premium on issuance of long term debt	-	465,619
Interfund transfers in	-	-
Interfund transfers out	(11,138)	(8,261,923)
<b>Total other financing sources (uses)</b>	<b>638</b>	<b>22,448,336</b>
<b>Net change in fund balance</b>	<b>(7,384,057)</b>	<b>14,855,521</b>
Fund balances, beginning of year	17,330,920	17,395,962
Fund balances, end of year	<b>\$ 9,946,863</b>	<b>\$ 32,251,483</b>

See Notes to Basic Financial Statements.

	Debt Service	Nonmajor	Total
\$	3,280	\$ 3,387,144	\$ 16,908,071
	-	382,472	1,894,337
	10	3,117	15,883
	-	-	268,981
	-	-	1,261,682
	-	562,728	2,114,836
	-	86,274	58,419,442
	-	-	7,704,076
	3,290	4,421,735	88,587,308
	-	515,585	30,674,732
	-	-	10,996,412
	-	509,894	13,986,305
	-	1,025,479	55,657,449
	-	-	4,277,986
	-	-	6,694,068
	-	82,338	7,858,502
	-	1,279,232	8,118,218
	-	110,611	3,216,872
	-	1,472,181	30,165,646
	-	76,888	95,871
	-	123,274	12,480,859
	6,340,207	-	6,340,207
	1,249,091	-	2,365,296
	-	-	2,321,585
	7,589,298	123,274	23,507,947
	7,589,298	2,697,822	109,426,913
	(7,586,008)	1,723,913	(20,839,605)
	-	-	11,776
	-	-	244,640
	-	-	30,000,000
	-	-	465,619
	8,261,923	11,138	8,273,061
	-	-	(8,273,061)
	8,261,923	11,138	30,722,035
	675,915	1,735,051	9,882,430
	2,274,627	4,064,823	41,066,332
\$	2,950,542	\$ 5,799,874	\$ 50,948,762

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Marshalltown 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, 2025**

---

Net change in fund balances - total governmental funds		\$ 9,882,430
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Net Position and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense for the fiscal year are as follows:		
Expenditures for capital assets	17,568,110	
Depreciation expense	<u>(3,680,675)</u>	13,887,435
Proceeds from sale of capital asset	(11,776)	
Loss on sale of capital asset	<u>(150,145)</u>	(161,921)
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	286,491	
Grants	<u>10,630</u>	297,121
The increase in net position of the Internal Service Fund represents an over charge to the governmental funds and is incorporated into the change in net position of governmental activities.		1,500,075
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issues as follows:		
Issuance lease obligation	(244,640)	
Issuance of long term debt	(30,000,000)	
Premium on issuance of long term debt	(465,619)	
Repayment of lease obligation	78,207	
Interest expense	456,747	
Repayment of long-term debt	<u>6,262,000</u>	(23,913,305)
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.		
Change in pension liability and related deferrals	2,693,266	
Change in compensated absences	(1,743,376)	
Change in Net OPEB liability and related deferrals	<u>(98,419)</u>	851,471
<b>Change in net position of governmental activities</b>		<u><u>\$ 2,343,306</u></u>

See Notes to Basic Financial Statements.

**Marshalltown Community School District**

**Statement of Net Position**

**Proprietary Funds**

**June 30, 2025**

	Business-Type Activities	Governmental Activities
	School Nutrition	Internal Service Fund
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 3,557,497	\$ 7,861,997
Intergovernmental receivable	136,730	-
Other receivable	35,180	12,451
Inventories	65,585	-
<b>Total current assets</b>	<b>3,794,992</b>	<b>7,874,448</b>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	191,840	-
<b>Total assets</b>	<b>3,986,832</b>	<b>7,874,448</b>
<b>Deferred outflows of resources:</b>		
Pension related deferred outflows	181,336	-
OPEB related deferred outflows	33,925	-
<b>Total deferred outflows of resources</b>	<b>215,261</b>	<b>-</b>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	36,061	12,593
Salaries and benefits payable	36,412	-
Claims incurred but not reported	-	575,530
Unearned revenue	29,787	-
Compensated absences	53,199	-
Other postemployment benefits	24,660	-
<b>Total current liabilities</b>	<b>180,119</b>	<b>588,123</b>
<b>Noncurrent liabilities:</b>		
Compensated absences	56,352	-
Other postemployment benefits	175,035	-
Net pension liability	477,577	-
<b>Total noncurrent liabilities</b>	<b>708,964</b>	<b>-</b>
<b>Total liabilities</b>	<b>889,083</b>	<b>588,123</b>
<b>Deferred inflows of resources:</b>		
Pension related deferred inflows	27,117	-
OPEB related deferred inflows	143,681	-
<b>Total deferred inflows of resources</b>	<b>170,798</b>	<b>-</b>
<b>Net Position:</b>		
Net investment in capital assets	191,840	-
Unrestricted	2,950,372	7,286,325
<b>Total net position</b>	<b>\$ 3,142,212</b>	<b>\$ 7,286,325</b>

See Notes to Basic Financial Statements.

**Marshalltown Community School District**

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

**Proprietary Funds**

**Year Ended June 30, 2025**

	Business-Type Activities	Governmental Activities
	School Nutrition	Internal Service Fund
Operating revenues:		
Local sources:		
Charges for services	\$ 272,881	\$ -
Miscellaneous	701	-
Self-insurance contributions	-	8,720,670
<b>Total operating revenues</b>	<u>273,582</u>	<u>8,720,670</u>
Operating expenses:		
Support services:		
Operation and maintenance of plant	51,049	-
Administration services	-	7,356,389
<b>Total support services</b>	<u>51,049</u>	<u>7,356,389</u>
Noninstructional programs:		
Food service operations:		
Salaries	1,311,539	-
Benefits	374,072	-
Services	12,625	-
Supplies	2,715,546	-
Depreciation	35,183	-
<b>Total food service operations</b>	<u>4,448,965</u>	<u>-</u>
<b>Total operating expenses</b>	<u>4,500,014</u>	<u>7,356,389</u>
<b>Operating income (loss)</b>	<u>(4,226,432)</u>	<u>1,364,281</u>
Nonoperating revenues:		
Interest on investments	73,572	135,794
State sources	28,730	-
Federal sources	4,019,023	-
<b>Total nonoperating revenues</b>	<u>4,121,325</u>	<u>135,794</u>
<b>Change in net position</b>	<u>(105,107)</u>	<u>1,500,075</u>
Net position, beginning of year, as restated	3,247,319	5,786,250
Net position, end of year	<u>\$ 3,142,212</u>	<u>\$ 7,286,325</u>

See Notes to Basic Financial Statements.

**Marshalltown Community School District**

**Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2025**

	Business-Type Activities	Governmental Activities
	School Nutrition	Internal Service Fund
Cash flows from operating activities:		
Cash received from sale of services	\$ 255,840	\$ -
Cash received from miscellaneous activities	701	-
Cash received from assessments made to other funds	-	9,006,262
Cash paid to employees for services	(1,703,557)	-
Cash payments to suppliers for goods or services	(2,554,088)	(7,716,522)
<b>Net cash provided by (used in) operating activities</b>	<b>(4,001,104)</b>	<b>1,289,740</b>
Cash flows from noncapital financing activities:		
Payments from other funds	6,349	-
State grants received	28,730	-
Federal grants received	3,670,190	-
<b>Net cash provided by noncapital financing activities</b>	<b>3,705,269</b>	<b>-</b>
Cash flows (used in) capital related financing activities:		
Acquisition of capital assets	(49,568)	-
Cash flows from investing activities:		
Interest on investments	73,572	135,794
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(271,831)</b>	<b>1,425,534</b>
Cash and cash equivalents, beginning of year	3,829,328	6,436,463
Cash and cash equivalents, end of year	<b>\$ 3,557,497</b>	<b>\$ 7,861,997</b>

(Continued)

**Marshalltown Community School District**

**Statement of Cash Flows (Continued)**

**Proprietary Funds**

**Year Ended June 30, 2025**

	Business-Type Activities	Governmental Activities
	School Nutrition	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (4,226,432)	\$ 1,364,281
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	35,183	-
Commodities used	272,088	-
Change in assets and liabilities:		
Inventories	(6,937)	-
Other receivables	(12,517)	285,592
Accounts payable	(40,019)	12,593
Salaries and benefits payable	(19,651)	-
Claims payable	-	(372,726)
Unearned revenue	(4,524)	-
Compensated absences	14,910	-
Net pension liability and related deferrals	(184,083)	-
Total OPEB liability and related deferrals	170,878	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (4,001,104)</b>	<b>\$ 1,289,740</b>
<b>Noncash:</b>		
Noncapital financing activities:		
Federal commodities	\$ 272,088	\$ -

See Notes Basic to Financial Statements.

**Marshalltown Community School District**

**Statement of Fiduciary Net Position**

**Fiduciary Funds**

**June 30, 2025**

---

	Private Purpose Trust	
	Scholarship	Custodial
<b>Assets</b>		
Cash and pooled investments	\$ 75,659	\$ -
Due from other governments	-	15,990
<b>Total assets</b>	<b>\$ 75,659</b>	<b>\$ 15,990</b>
<b>Liabilities</b>		
Accounts payable	5,317	15,990
<b>Net position:</b>		
Restricted for scholarships	\$ 70,342	\$ -

See Notes to Basic Financial Statements.

**Marshalltown Community School District**

**Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year Ended June 30, 2025**

---

	Private Purpose Trust	
	Scholarship	Custodial
<b>Additions</b>		
Local sources:		
Gifts and contributions	\$ 2,263	\$ -
Interest income	4,736	-
Federal sources, grants	-	31,980
<b>Total additions</b>	6,999	31,980
<b>Deductions</b>		
Instruction:		
Regular:		
Scholarships awarded	8,817	-
Support services, administrative expenses	-	31,980
<b>Total deductions</b>	8,817	31,980
<b>Change in net position</b>	(1,818)	-
Net position, beginning of year	72,160	-
Net position, end of year	\$ 70,342	\$ -

See Notes to Basic Financial Statements.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## Marshalltown Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2025

---

#### Note 1. Summary of Significant Accounting Policies

Marshalltown Community School District is a political subdivision of the State of Iowa and operates public schools for children in preschool and grades prekindergarten through twelve and special education pre-kindergarten. The geographic area served includes the City of Marshalltown, Iowa, and the predominately agricultural territory in Marshall County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

#### Reporting entity:

For financial reporting purposes, Marshalltown 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. Marshalltown 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 does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Marshall County Assessor's Conference Board.

#### Basis of presentation:

The District's financial statements are prepared in conformity with the accounting principles generally accepted in the United States of America (GAAP) that applies to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The Statement of Net Position presents the District's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in 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. Net investment in capital assets excludes unspent debt proceeds. As of June 30, 2025, unspent bond proceeds were \$27,660,303.

## Marshalltown Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2025

---

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

*Restricted net position:* Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Net position restricted by enabling legislation as of June 30, 2025 consists of \$743,952 for categorical funding, \$5,308,196 for management levy purposes, \$9,069,984 for school infrastructure, \$238,553 for physical plant and equipment, \$126,323 for debt service, and \$205,901 for public education and recreation. Net position restricted by contributors for student activities was \$285,777.

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 nonmajor governmental funds.

The District reports the following major governmental funds:

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

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

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

The District reports the following nonmajor governmental funds:

**Special Revenue Funds:** Account for the revenue sources that are legally restricted to expenditures for specific purposes.

The Student Activity Fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising, and other extracurricular or cocurricular activities.

The Management Levy Fund is utilized to pay unemployment benefits, liability insurance agreements, judgments and certain early retirement benefits.

The Public Education and Recreation Levy Fund accounts for the accumulation of resources used to establish and maintain public recreation places and playgrounds and necessary accommodations.

## **Marshalltown Community School District**

### **Notes to Basic Financial Statements Year Ended June 30, 2025**

---

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

The District's proprietary fund is the Enterprise Funds and the Internal Service Funds.

The District reports the following major enterprise fund:

The School Nutrition Fund is used to account for transactions related to the school lunch, breakfast and summer food programs.

The District has the following internal service funds:

The Internal Service Fund is used to account for the District's self-funded insurance plan. The Internal Service Fund is charged back to the governmental activities and shown combined in the Statement of Net Position and the Statement of Activities.

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

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

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

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

The government-wide financial statements and the proprietary and fiduciary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

## Marshalltown Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2025

---

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

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which it is budgeted. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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.

Proprietary funds distinguished operating revenues and expenses from nonoperating items. Operating revenues and expense generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is 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 nonnegotiable 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, have maturity date no longer than three months.

Property tax receivable: Property tax in governmental funds is accounted for using the modified accrual basis of accounting. Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Current year property tax 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.

**Marshalltown Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2025**

---

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

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 unavailable in both the District-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

The property tax revenue recognized in these funds became due and collectible in September and March of the fiscal year with 1½ percent per month penalty for delinquent payments; is based on January 1, 2023 assessed property valuations; is for the tax accrual period July 1, 2024 through June 30, 2025 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2024.

Intergovernmental receivables: Intergovernmental receivables represents amounts due from the state of Iowa, various shared revenues, grants and reimbursements from other governments.

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

Prepaid Expenses: Prepaid expenses represent costs already paid by the District but which will be recognized in the succeeding fiscal year.

Capital assets: Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost except for intangible right-to-use lease assets, and IT subscriptions, the measurement of which is discussed in the ensuing lease policy. Donated capital assets are recorded at 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.

Asset Class	Amount
Land	\$ 5,000
Buildings	5,000
Land improvements	5,000
Intangibles	100,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	5,000

## Marshalltown Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2025

---

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

Capital assets are depreciated 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
Intangibles	5 - 12 years
Machinery and equipment	5 - 12 years

Salaries and benefits payable: Payroll and related expenses for staff with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Unearned revenue: The unearned revenue is resources that have been received but not earned. Unearned revenue consists primarily of meal revenues collected for the next school year and grant advances.

Compensated absences: District employees accumulate a limited amount of earned but unused vacation, sick leave, and personal leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The District estimates the compensated absences liability for leave benefits that are more likely than not to be used or otherwise paid or settled based on historical information on employees use or payment of the benefits provided. The liability is measured using the pay rates in effect at year-end, the measurement date, and includes salary-related payments that are directly and incrementally associated with the leave liability measurement.

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

Leases: The District is a lessee for noncancellable leases of buildings. The District recognizes a lease liability and an intangible right-to-use lease asset in 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 the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial 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.

## Marshalltown Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2025

---

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

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.

Subscription-Based Information Technology Arrangements (SBITA) – The District has entered into a contract that conveys 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.

## Marshalltown Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2025

---

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

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

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.

Fund equity: In the governmental fund financial statements fund balances are classified as follows:

**Nonspendable:** Balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain 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 determined 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:** Fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The authority to assign fund balances has been delegated to the Director of Business Services.

**Unassigned:** All amounts not included in other spendable classifications as well as any deficit fund balance of any other governmental fund is reported as unassigned.

When an expenditure is incurred for purposes for which amounts in the committed, assigned, or unassigned fund balance classifications could be used, the District's policy is generally to first apply the expenditure to 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 of 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 benefit related deferred outflows that qualify for reporting in this category.

## Marshalltown Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2025

---

#### Note 1. Summary of 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 of 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's deferred inflows of resources in the government-wide statements consists of succeeding year property tax revenue, income surtax and grants, and unrecognized items not yet charged to pension expense and other post employment benefit expense. The District reports unavailable revenue in the governmental funds balance sheet from property tax. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net position flow assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) 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 activity: Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial 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" or "advances to/from other funds" in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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.

#### **Budgets and budgetary control:**

The budgetary comparison and related disclosures are reported as Required Supplementary Information based on the program structure of four functional areas as required by state statute for its legally adopted budget. The District exceeded budgeted expenditures in the instruction, support services, and noninstructional programs functions as of June 30, 2025 by \$3,170,449, \$1,483,695, and \$479,336 respectively.

## Marshalltown Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2025

#### Note 2. Cash, Cash Equivalents and Pooled Investments

The District's cash and pooled investment consisted of depository accounts at financial institutions.

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.

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 or identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2025, the Districts investments were as follows:

	Investment Maturities (in Years)				Level Input	Rating			
	Fair Value	<1	1-5	6-10		>10	Fitch	Moody's	Standard & Poor
Investment Pools,									
Iowa Schools Joint Investment Trust	\$ 19,308,813	\$ 19,308,813	\$ -	\$ -	\$ -	N/A	N/A	N/A	AAAm
Treasury Bills	12,446,323	12,446,323	-	-	-	2	AAA	Aaa	AA+
Certificates of Deposits	11,300,000	11,300,000	-	-	-	N/A	N/A	N/A	N/A
	<u>\$ 43,055,136</u>	<u>\$ 43,055,136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				

At June 30, 2025, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Diversified Fund which are valued at amortized cost of \$19,308,813 pursuant to Rule 2a-7 under the investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT investments.

Credit risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The 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, 2025, the District had no investments subject to concentration of credit risk.

**Marshalltown Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2025**

---

**Note 2. Cash, Cash Equivalents and Pooled Investments (Continued)**

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 not an outside party. The District's deposits in banks at June 30, 2025 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 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.

**Note 3. Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2025 is as follows:

Transfer To	Transfer From	Amount
Student Activity Fund	General Fund	\$ 11,138
Debt Service Fund	Capital Projects Fund	8,261,923
		<u>\$ 8,273,061</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. The transfer from Capital Projects Fund is to transfer sales tax revenue for debt principal and interest payments. The transfer from the General Fund to the nonmajor governmental fund is for safety equipment.

**Marshalltown Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2025**

**Note 4. Capital Assets**

Capital assets activity for the year ended June 30, 2025 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/ amortized:				
Land	\$ 879,566	\$ 1,077,381	\$ -	\$ 1,956,947
Construction in progress	15,184,814	10,931,802	22,977,364	3,139,252
<b>Total capital assets not being depreciated/amortized</b>	<b>16,064,380</b>	<b>12,009,183</b>	<b>22,977,364</b>	<b>5,096,199</b>
Capital assets being depreciated/ amortized:				
Buildings	103,355,716	22,763,786	138,808	125,980,694
Land improvements	4,743,409	1,064,336	140,344	5,667,401
Machinery and equipment	6,794,876	3,452,983	58,666	10,189,193
Intangible right to use lease assets	-	244,640	-	244,640
Intangible right to use IT subscription	-	1,010,546	-	1,010,546
<b>Total capital assets being depreciated/amortized</b>	<b>114,894,001</b>	<b>28,536,291</b>	<b>337,818</b>	<b>143,092,474</b>
Less accumulated depreciation/ amortization for:				
Buildings	34,625,758	2,338,805	38,884	36,925,679
Land improvements	1,629,092	276,448	84,207	1,821,333
Machinery and equipment	5,646,809	836,715	52,806	6,430,718
Intangible right to use lease assets	-	81,547	-	81,547
Intangible right to use IT subscription	-	147,160	-	147,160
<b>Total accumulated depreciation and amortization</b>	<b>41,901,659</b>	<b>3,680,675</b>	<b>175,897</b>	<b>45,406,437</b>
<b>Total capital assets being depreciated, net</b>	<b>72,992,342</b>	<b>24,855,616</b>	<b>161,921</b>	<b>97,686,037</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 89,056,722</b>	<b>\$ 36,864,799</b>	<b>\$ 23,139,285</b>	<b>\$ 102,782,236</b>
Business-type activities:				
Machinery and equipment	\$ 1,246,384	\$ 49,568	\$ 21,474	\$ 1,274,478
Less accumulated depreciation and amortization	1,068,929	35,183	21,474	1,082,638
<b>Business-type activities capital assets, net</b>	<b>\$ 177,455</b>	<b>\$ 14,385</b>	<b>\$ -</b>	<b>\$ 191,840</b>

**Marshalltown Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2025**

---

**Note 4. Capital Assets (Continued)**

Depreciation expense was charged by the District to the following functions:

Governmental activities:		
Instruction:		
Regular		76,763
Support services:		
Instructional staff		12,451
Operation and maintenance of plant		776,565
Transportation		780,302
Unallocated		2,034,594
Total governmental activities		<u>\$ 3,680,675</u>
Business-type activities, food service operations		<u>\$ 35,183</u>

**Note 5. Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2025 is as follows:

	Restated Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 28,263,000	\$ 30,000,000	\$ 6,262,000	\$ 52,001,000	\$ 3,688,000
Bond premium	-	465,619	-	465,619	-
Lease obligations	-	244,640	78,207	166,433	81,141
Compensated absences	15,190,933	1,743,376	-	16,934,309	11,225,215
Total OPEB liability	7,458,384	-	526,101	6,932,283	856,063
Net pension liability	19,799,905	-	3,221,172	16,578,733	-
<b>Total</b>	<u>\$ 70,712,222</u>	<u>\$ 32,453,635</u>	<u>\$ 10,087,480</u>	<u>\$ 93,078,377</u>	<u>\$ 15,850,419</u>
Business type activities					
Compensated absences	\$ 94,641	\$ 14,910	\$ -	\$ 109,551	\$ 53,199
Total OPEB liability	53,080	146,615	-	199,695	24,660
Net pension liability	701,613	-	224,036	477,577	-
<b>Total</b>	<u>\$ 849,334</u>	<u>\$ 161,525</u>	<u>\$ 224,036</u>	<u>\$ 786,823</u>	<u>\$ 77,859</u>

**Marshalltown Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2025**

---

**Note 5. Long-Term Liabilities (Continued)**

Lease obligation: The District has entered into a lease agreement for copiers. Details of the lease agreement are as follows:

Year ending June 30:	Copier Lease		
	Principal	Interest	Total
2026	\$ 81,141	\$ 6,479	\$ 87,620
2027	85,292	2,328	87,620
<b>Total</b>	<b>\$ 166,433</b>	<b>\$ 8,807</b>	<b>\$ 175,240</b>

Revenue Bonds: The District has pledged future statewide sales, services and use tax revenues to repay \$9,908,000 of bonds issued in December, 2017, the \$7,323,000 of bonds issued in December, 2019, the \$10,000,000 of bonds issued in March, 2021, the \$13,000,000 of bonds issued in December, 2023, and the \$30,000,000 issued May, 2025. The revenue refunding bonds issued in December, 2017 were used to finance a portion of the Round House Project, pay issuance costs. The revenue refunding bonds issued in December, 2019 were used to call and refund revenue bonds issued in November, 2013 and pay issuance costs. The revenue refunding bonds issued in March, 2021 were used to cover costs for HVAC and pool projects. The revenue refunding bonds issued December 2023 were issued to cover costs for the tornado safe room, high school career and technical education additions and kitchen remodel projects. The revenue bonds issued May 2025 were used for the for addition and improvements to the Miller Middle School building, audiovisual enhancements, and improvements to Franklin Field. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenue received by the District and are payable through 2025 for the 2017 series; 2028 for the 2019 series and 2021 series; and 2032 for the 2023 series and 2047 for the 2025 series. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District.

Annual principal and interest payments on the bonds are expected to require approximately 50% of the statewide sales, services and use tax revenue. The total principal and interest remaining to be paid on the bond is \$78,345,618. For the current year, principal of \$6,262,000 and interest of \$1,236,078 was paid on the bonds and total statewide sales, services and use tax revenue was \$7,079,443.

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

- a) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- b) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- c) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District complied with all the revenue bond provisions during the year ended June 30, 2025.

**Marshalltown Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2025**

**Note 5. Long-Term Liabilities (Continued)**

Details of the District's June 30, 2025 statewide sales, services and use tax revenue bonded indebtedness area as follows:

Year Ending June 30	Refunding- Series 2019 Issued December 17, 2019				Revenue Refunding Bonds- Series 2021 Issued March 1, 2021			
	Interest Rate	Principal	Interest	Total	Interest Rate	Principal	Interest	Total
2026	1.84	\$ 851,000	\$ 39,863	\$ 890,863	1.20	\$ 2,207,000	\$ 67,266	\$ 2,274,266
2027	1.84	861,000	24,113	885,113	1.20	2,239,000	40,590	2,279,590
2028	1.84	880,000	8,096	888,096	1.20	2,263,000	13,578	2,276,578
<b>Total</b>		<b>\$ 2,592,000</b>	<b>\$ 72,072</b>	<b>\$ 2,664,072</b>		<b>\$ 6,709,000</b>	<b>\$ 121,434</b>	<b>\$ 6,830,434</b>

Year Ending June 30	Revenue Refunding Bonds- Series 2023 Issued December 6, 2023				Revenue Refunding Bonds- Series 2025 Issued May 7, 2025			
	Interest Rate	Principal	Interest	Total	Interest Rate	Principal	Interest	Total
2026	4.61	\$ 300,000	\$ 578,555	\$ 878,555	7.00	\$ 330,000	\$ 1,696,854	\$ 2,026,854
2027	4.61	300,000	564,725	864,725	7.00	-	1,452,425	1,452,425
2028	4.61	300,000	550,895	850,895	7.00	-	1,452,425	1,452,425
2029	4.61	2,754,000	543,980	3,297,980	7.00	-	1,452,425	1,452,425
2030	4.61	2,881,000	417,020	9,892,534	7.00	-	1,452,425	1,452,425
2031-2035	4.61	6,165,000	429,514	6,594,514	4.125-7.0	4,405,000	6,967,775	11,372,775
2036-2040		-	-	-	4.25-4.5	8,905,000	5,206,200	14,111,200
2041-2045		-	-	-	4.625-5.0	11,115,000	2,989,394	14,104,394
2046-2047		-	-	-	5.00	5,245,000	396,500	5,641,500
<b>Total</b>		<b>\$ 12,700,000</b>	<b>\$ 3,084,689</b>	<b>\$ 22,379,203</b>		<b>\$ 30,000,000</b>	<b>\$ 23,066,423</b>	<b>\$ 53,066,423</b>

Year Ending June 30	Total			
	Interest Rate	Principal	Interest	Total
2026		\$ 3,688,000	\$ 2,382,538	\$ 6,070,538
2027		3,400,000	2,081,853	5,481,853
2028		3,443,000	2,024,994	5,467,994
2029		2,754,000	1,996,405	4,750,405
2030		2,881,000	1,869,445	4,750,445
2031-2035		10,570,000	7,397,289	17,967,289
2036-2040		8,905,000	5,206,200	14,111,200
2041-2045		11,115,000	2,989,394	14,104,394
2046-2047		5,245,000	396,500	5,641,500
<b>Total</b>		<b>\$ 52,001,000</b>	<b>\$ 26,344,618</b>	<b>\$ 78,345,618</b>

**Marshalltown Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2025**

---

**Note 6. Postemployment Benefits Other Than Pensions (OPEB)**

**General Information about the OPEB Plan**

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

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

The full monthly premium rates as of July 1, 2024 for each plan are as shown below:

Rate Tier	POS	HMO
Single	\$ 711	\$ 723
Single plus one	1,359	1,380
Single plus family	2,163	2,197

Employees covered by benefits terms: At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	37
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	714
	751

**OPEB Liability**

The District's total OPEB liability of \$7,131,978 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024 rolled forward to July 1, 2025.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Salary increases	3.25%
Discount rate	5.20%
Retirees' share of benefit-related costs	0%
Health care cost trend rate	7.75%
	The trend rate gradually decreasing until reaching the ultimate trend rate of 4.00%

**Marshalltown Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2025**

**Note 6. Postemployment Benefits Other Than Pensions (OPEB) (Continued)**

The discount rate was based on the 20-year municipal bond rate, AA/Aa or higher. Mortality rates are from the SOA RPH-2017 total dataset mortality table fully generational using Scale MP-2017. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at July 1, 2024	\$ 7,511,464
Changes for the year:	
Service cost	692,564
Interest	312,518
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(880,723)
Benefit payments	(503,845)
Net changes	(379,486)
Balance at June 30, 2025	<u>\$ 7,131,978</u>

There were no changes as a result of changes in benefit terms. Changes of assumption or other inputs reflect a change in discount rate from 3.93% in 2024, to 5.20% in 2025.

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 (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	\$ 7,796,000	\$ 7,131,978	\$ 6,530,000

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 Trend Rates		
	1% Decrease (6.75% decreasing to 3.0%)	1% Increase (7.75% decreasing to 4.0%)	1% Increase (8.75% decreasing to 5.0%)
Total OPEB liability	\$ 6,243,000	\$ 7,131,978	\$ 8,210,000

**Marshalltown Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2025**

---

**Note 6. Postemployment Benefits Other Than Pensions (OPEB) (Continued)**

For the year ended June 30, 2025, the District recognized OPEB expense of \$773,142. At June 30, 2025, 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	\$ 170,106	\$ 3,747,247
Changes of assumptions or other inputs	1,041,517	1,384,203
Net difference between projected and actual investments	-	-
<b>Total</b>	<b>\$ 1,211,623</b>	<b>\$ 5,131,450</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:	
2026	\$ (231,940)
2027	(231,940)
2028	(231,940)
2029	(231,940)
2030	(231,940)
Thereafter	(2,760,127)
	<u>\$ (3,919,827)</u>

**Note 7. Pension Plan**

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by 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 9117, Des Moines, Iowa 50306-9117 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.

## Marshalltown Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2025

---

#### Note 7. Pension Plan (Continued)

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

In fiscal year 2025, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the District contributed 9.44 percent of covered payroll for a total rate of 15.73 percent. The District's contributions to IPERS for the year ended June 30, 2025 were \$4,366,300.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the District reported a liability of \$17,056,310 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2024, the District's proportion was 0.468387 percent, which was an increase of 0.014177 from its proportion measured as of June 30, 2023.

**Marshalltown Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2025**

**Note 7. Pension Plan (Continued)**

For the year ended June 30, 2025, the District recognized pension expense of \$1,072,495. At June 30, 2025, 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	\$ 1,357,185	\$ 10,596
Changes of assumptions	-	238
Net difference between projected and actual earnings on pension plan investments	213,317	-
Changes in proportion and differences between District contributions and proportionate share of contributions	539,517	957,624
District contributions subsequent to the measurement date	4,366,300	-
Total	<u>\$ 6,476,319</u>	<u>\$ 968,458</u>

\$4,366,300 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2026	\$ (2,566,798)
2027	4,012,871
2028	134,168
2029	(486,314)
2030	47,634
Thereafter	-
Total	<u>\$ 1,141,561</u>

There were no non-employer contributing entities to IPERS.

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

Rate of Inflation (effective June 30, 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 per annum, 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

**Marshalltown Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2025**

---

**Note 7. Pension Plan (Continued)**

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021. Mortality rates used in the 2024 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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 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%	3.52%
International equity	13.0%	5.18%
Global smart beta equity	5.0%	4.12%
Core plus fixed income	25.5%	3.04%
Public credit	3.0%	4.53%
Cash	1.0%	1.69%
Private equity	17.0%	8.89%
Private real assets	9.0%	4.25%
Private credit	5.5%	6.62%
<b>Total</b>	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.00 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 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District’s proportionate share of the net pension liability (asset)	\$ 41,855,879	\$ 17,056,310	\$ (3,713,460)

## Marshalltown Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2025

---

#### Note 7. Pension Plan (Continued)

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, 2025, the District reported no payables to the defined benefit pension plan for legally required employer contributions or legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

#### Note 8. Risk Management

The District has a self-funded health insurance plans. The District purchases commercial insurance to provide for aggregate stop-loss coverage for the excess of 125% of estimated claims for the plan year and specific stop-loss reinsurance coverage for the excess of \$75,000 in insured claims for any one covered individual. Settle claims have not exceeded the commercial coverage in any of the past three years.

In addition, the District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District assumes liability for any deductibles and claims in excess of coverage limits. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The change in the unpaid claims liability for the two years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Balance, beginning of year	\$ 948,256	\$ 1,231,811
Incurred claims and claims adjustments	7,207,005	5,888,403
Payment of claims	7,579,731	6,171,958
Balance, end of year.	<u>\$ 575,530</u>	<u>\$ 948,256</u>

#### Note 9. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District’s actual amount for this purpose totaled \$2,321,585 for the year ended June 30, 2025 and is recorded in the General Fund.

The Governor signed House File 2612 on March 27, 2024, which changes the percentage of educational and media services funding generated through local property taxes by Districts which flow through to each Area Education Agency (AEA) beginning July 1, 2024. For fiscal year 2026, 100% of the educational and media services funds generated by Districts will be received directly by the District and none will flow through to the AEA. Also, for fiscal year 2026, Districts will flow through 90% (instead of 100%) of special education support services funds to AEA, who will code the funds as a combination of state aid and property taxes.

**Marshalltown Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2025**

---

**Note 10. Categorical Funding**

The District's fund balance restricted for categorical funding as of June 30, 2025 is comprised of the following programs:

Program	Amount
Home school assistance	\$ 13,726
English proficient (LEP)	344,320
Talented and gifted	100,463
Teacher salary supplement	22,342
Teacher leadership	263,101
<b>Total</b>	<u><u>\$ 743,952</u></u>

**Note 11. Construction Commitments**

The District has entered into contracts totaling \$12,353,066 for various construction projects throughout the District. As of June 30, 2025, costs of \$3,005,334 had been incurred against these contracts. The remaining balance of \$9,347,732 at June 30, 2025 will be paid as work on the projects progresses.

**Note 12. Tax Abatements**

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are 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, 2025 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Marshalltown, Iowa	Urban renewal and economic development projects	\$ 343,299
Marshall County, Iowa	Urban renewal and economic development projects	29,328

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, 2025, this reimbursement amounted to \$163,900.

## Marshalltown Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2025

---

#### Note 13. Change Within the Financial Reporting Entity

In fiscal year 2025, the District was not required to report the Management Levy Fund as a major fund due to the fund not meeting the major fund qualitative threshold. The effect of the change within the financial reporting entity is as follows:

	<u>Management Levy Fund</u>	<u>Nonmajor Governmental Funds</u>
Net position, previously reported	\$ 3,579,316	\$ 485,507
Net position, beginning of year	-	4,064,823

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

The District adopted the following statement during the year ended June 30, 2025:

GASB Statement No. 101, *Compensated Absences*, issued June 2022. 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 District 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. 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 District 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.

The above statements did not have a significant impact to the District except for GASB Statement No. 101 required the District to restate beginning net position of the governmental activities, business-type activities and major enterprise fund School Nutrition Fund.

**Marshalltown Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2025**

---

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

As of June 30, 2025, 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. 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 District accountability. This statement also addresses certain application issues.

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 District accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in District 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 District 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.

GASB Statement No. 105, *Subsequent Events*, issued December 17, 2025, will be effective for the District beginning with its fiscal year ending June 30, 2027. This Statement is intended to enhance consistency in the application of requirements for subsequent events. The Statement defines subsequent events as transactions or other events that occur after the date of the financial reporting statements but before the date the financial statements are available to be issued. The definition of subsequent events in this Statement modifies the subsequent events time frame throughout the GASB literature. Statement No. 105 also clarifies the different types of subsequent events, when note disclosures are required, and the information that should be included in those note disclosures.

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

**Note 15. Restatement**

The District implemented GASB Statement No. 101, *Compensated Absences*, which required the District to restate net position as of June 30, 2024, follows:

	Governmental Activities	Business-type Activities School Nutrition
Net position June 30, 2024, as previously reported	\$ 82,283,302	\$ 3,335,323
Compensated absences liability, prior year	343,963	6,637
Compensated absences liability, change in accounting principle	(15,190,933)	(94,641)
Net position June 30, 2024, as restated	<u>\$ 67,436,332</u>	<u>\$ 3,247,319</u>

**Marshalltown Community School District**

**Required Supplementary Information**

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -  
Budget and Actual - All Governmental Funds and Enterprise Fund  
Year Ended June 30, 2025**

	Governmental Funds - Actual	Enterprise Fund - Actual	Total Actual
<b>Revenues:</b>			
Local sources	\$ 22,463,790	\$ 347,154	\$ 22,810,944
State sources	58,419,442	28,730	58,448,172
Federal sources	7,704,076	4,019,023	11,723,099
<b>Total revenues</b>	<b>88,587,308</b>	<b>4,394,907</b>	<b>92,982,215</b>
<b>Expenditures/expenses:</b>			
Instruction	55,657,449	-	55,657,449
Support services	30,165,646	51,049	30,216,695
Noninstructional programs	95,871	4,448,965	4,544,836
Other expenditures	23,507,947	-	23,507,947
<b>Total expenditures/expenses</b>	<b>109,426,913</b>	<b>4,500,014</b>	<b>113,926,927</b>
<b>Excess (deficiency) of revenues over (under) expenditures/expenses</b>	<b>(20,839,605)</b>	<b>(105,107)</b>	<b>(20,944,712)</b>
<b>Other financing sources (uses):</b>			
Proceeds on sale of fixed assets	11,776	-	11,776
Issuance of IT subscription obligation	244,640	-	244,640
Issuance of long term debt	30,000,000	-	30,000,000
Premium on issuance of long term debt	465,619	-	465,619
Interfund transfers in	8,273,061	-	8,273,061
Interfund transfers out	(8,273,061)	-	(8,273,061)
<b>Total other financing sources (uses)</b>	<b>30,722,035</b>	<b>-</b>	<b>30,722,035</b>
<b>Net change in fund balance/net position</b>	<b>9,882,430</b>	<b>(105,107)</b>	<b>9,777,323</b>
Balance, beginning of year, as restated	41,066,332	3,247,319	44,313,651
Balance, end of year	<b>\$ 50,948,762</b>	<b>\$ 3,142,212</b>	<b>\$ 54,090,974</b>

See Notes to Required Supplementary Information.

Budgeted Amounts		Final to Actual
Original	Final	Variance
\$ 22,040,789	\$ 22,040,789	\$ 770,155
58,710,913	58,710,913	(262,741)
7,625,000	7,625,000	4,098,099
88,376,702	88,376,702	4,605,513
46,922,000	52,487,000	(3,170,449)
25,993,000	28,733,000	(1,483,695)
3,485,500	4,065,500	(479,336)
17,347,784	24,847,784	1,339,837
93,748,284	110,133,284	(3,793,643)
(5,371,582)	(21,756,582)	811,870
7,500	7,500	4,276
-	-	244,640
-	-	30,000,000
-	-	465,619
3,804,812	3,804,812	4,468,249
(2,699,475)	(2,699,475)	(5,573,586)
1,112,837	1,112,837	29,609,198
\$ (4,258,745)	\$ (20,643,745)	\$ 30,421,068

**Marshalltown Community School District**

**Required Supplementary Information  
Schedule of Changes in the District's Total OPEB  
Liability and Related Ratios  
Last Eight Fiscal Years**

	2025	2024
Total OPEB liability		
Changes for the year:		
Service cost	\$ 692,564	\$ 814,138
Interest	312,518	399,763
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(3,718,360)
Changes in assumptions or other inputs	(880,723)	109,836
Benefit payments	(503,845)	(464,396)
Net changes in total OPEB liability	(379,486)	(2,859,019)
Total OPEB liability - beginning	7,511,464	10,370,483
Total OPEB liability - ending	<u>\$ 7,131,978</u>	<u>\$ 7,511,464</u>
 Covered employee payroll	 \$ 36,470,000	 \$ 35,321,595
 Total OPEB liability as a percentage of covered employee payroll	 19.56%	 21.27%

**Notes to Schedule:**

Changes of benefit terms:

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

Differences between expected and actual experience:

Differences between expected and actual experience due to demographic gains / losses.

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:

5.20%	3.93%
-------	-------

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.

	2023	2022	2021	2020	2019	2018
\$	800,683	\$ 911,498	\$ 884,751	\$ 587,292	\$ 613,284	\$ 590,434
	372,453	228,841	224,757	320,222	345,396	322,491
	-	-	-	-	-	-
	-	224,819	-	(667,106)	(193,209)	-
	(98,130)	(526,313)	43,112	1,204,734	262,469	(187,132)
	(850,210)	(752,265)	(757,510)	(686,126)	(869,283)	(794,274)
	224,796	86,580	395,110	759,016	158,657	(68,481)
	10,145,687	10,059,107	9,663,997	8,904,981	8,746,324	8,814,805
\$	10,370,483	\$ 10,145,687	\$ 10,059,107	\$ 9,663,997	\$ 8,904,981	\$ 8,746,324
\$	32,454,000	\$ 31,508,300	\$ 33,259,000	\$ 32,289,960	\$ 24,009,166	\$ 27,479,342
	31.95%	32.20%	30.24%	29.93%	37.09%	31.83%
	3.65%	3.54%	2.16%	2.21%	3.50%	3.58%

**Marshalltown 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**

	2025*	2024*	2023*	2022*
District's proportion of the net pension liability	0.468387%	0.454210%	0.485541%	-0.190848%
District's proportionate share of the net pension liability	\$ 17,056,310	\$ 20,501,518	\$ 18,344,450	\$ 658,859
District's covered payroll	\$ 43,218,000	\$ 39,893,000	\$ 39,106,000	\$ 38,137,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.47%	51.39%	46.91%	1.73%
Plan fiduciary net pension as a percentage of the total pension liability	92.30%	90.13%	91.40%	100.81%

\*The amounts presented for each fiscal year were determined as of June 30 of the preceding year.

See Notes to Required Supplementary Information.

---

2021*	2020*	2019*	2018*	2017*	2016*
0.479131%	0.502831%	0.507590%	0.495444%	0.499876%	0.520536%
\$ 33,657,690	\$ 29,117,228	\$ 32,121,536	\$ 33,003,000	\$ 31,549,000	\$ 25,717,000
\$ 38,025,000	\$ 38,267,000	\$ 38,154,000	\$ 36,907,000	\$ 35,873,000	\$ 35,664,000
88.51%	76.09%	84.19%	89.42%	87.70%	72.11%
82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

**Marshalltown Community School District**

**Required Supplementary Information  
Schedule of District Contributions  
Iowa Public Employees' Retirement System  
Last Ten Fiscal Years**

---

	2025	2024	2023	2022
Statutorily required contribution	\$ 4,366,300	\$ 4,079,978	\$ 3,765,910	\$ 3,691,564
Contributions in relation to the statutorily required contribution	\$ (4,366,300)	\$ (4,079,978)	\$ (3,765,910)	\$ (3,691,564)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 46,253,177	\$ 43,218,000	\$ 39,893,000	\$ 39,106,000
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%

See Notes to Required Supplementary Information.

---

	2021	2020	2019	2018	2017	2016
\$	3,600,780	\$ 3,589,542	\$ 3,612,438	\$ 3,407,000	\$ 3,296,000	\$ 3,203,000
\$	(3,600,780)	\$ (3,589,542)	\$ (3,612,438)	\$ (3,407,000)	\$ (3,296,000)	\$ (3,203,000)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	38,137,000	\$ 38,025,000	\$ 38,267,000	\$ 38,154,000	\$ 36,907,000	\$ 35,873,000
	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%

## Marshalltown Community School District

### Notes to Required Supplementary Information

---

#### Note 1. Budgets and Budgetary Information

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

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

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

The District had one budget amendment which increased budgeted expenditures \$16,385,000.

During the year ended June 30, 2025, expenditures in the instruction, support services and noninstructional programs functions exceeded the amounts budgeted by \$3,170,449, \$1,483,695 and \$479,336, respectively.

#### Note 2. Pension Liability

##### Changes of benefit terms:

There are no significant changes in benefit terms.

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

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

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

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

## **Marshalltown Community School District**

### **Notes to Required Supplementary Information**

---

#### **Note 2. Pension Liability (Continued)**

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%.

**Marshalltown Community School District**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2025**

	Special Revenue			
	Public Education and Recreation			Total
	Levy	Management Levy Fund	Student Activity	
<b>Assets</b>				
Cash and pooled investments	\$ 229,041	\$ 5,267,523	\$ 303,003	\$ 5,799,567
Receivables:				
Property tax:				
Current year	1,742	36,784	-	38,526
Succeeding year	175,776	1,529,997	-	1,705,773
Accounts	-	4,066	2,944	7,010
Intergovernmental	-	-	1,355	1,355
<b>Total assets</b>	<b>\$ 406,559</b>	<b>\$ 6,838,370</b>	<b>\$ 307,302</b>	<b>\$ 7,552,231</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 24,882	\$ 177	\$ 21,525	\$ 46,584
<b>Total liabilities</b>	<b>24,882</b>	<b>177</b>	<b>21,525</b>	<b>46,584</b>
Deferred inflows of resources:				
Unavailable revenues, Succeeding year property tax	175,776	1,529,997	-	1,705,773
Fund balances:				
Restricted for:				
Student activities	-	-	285,777	285,777
Management levy	-	5,308,196	-	5,308,196
Public education & recreation levy	205,901	-	-	205,901
<b>Total fund balances</b>	<b>205,901</b>	<b>5,308,196</b>	<b>285,777</b>	<b>5,799,874</b>
<b>Total liabilities, deferred inflows or resources and fund balances</b>	<b>\$ 406,559</b>	<b>\$ 6,838,370</b>	<b>\$ 307,302</b>	<b>\$ 7,552,231</b>

**Marshalltown Community School District**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2025**

	Special Revenue			
	Public Education and Recreation	Management	Student	Total
	Levy	Levy Fund	Activity	
Revenues:				
Local sources:				
Property tax	\$ 150,362	\$ 3,236,782	\$ -	\$ 3,387,144
Utility excise tax	17,332	365,140	-	382,472
Other taxes	139	2,978	-	3,117
Other	2,736	29,382	530,610	562,728
State sources	3,910	82,364	-	86,274
<b>Total revenues</b>	<b>174,479</b>	<b>3,716,646</b>	<b>530,610</b>	<b>4,421,735</b>
Expenditures:				
Current:				
Instruction:				
Regular	-	515,585	-	515,585
Other	-	-	509,894	509,894
Support services:				
Administration services	-	82,338	-	82,338
Operation and maintenance of plant services	-	1,279,232	-	1,279,232
Student transportation	-	110,611	-	110,611
Noninstructional	76,888	-	-	76,888
Other expenditures:				
Facilities acquisition	123,274	-	-	123,274
<b>Total expenditures</b>	<b>200,162</b>	<b>1,987,766</b>	<b>509,894</b>	<b>2,697,822</b>
<b>Excess (deficiency) of     revenues over (under)     expenditures</b>	<b>(25,683)</b>	<b>1,728,880</b>	<b>20,716</b>	<b>1,723,913</b>
Other financing sources:				
Transfer in	-	-	11,138	11,138
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>11,138</b>	<b>11,138</b>
<b>Net change in fund balances</b>	<b>(25,683)</b>	<b>1,728,880</b>	<b>31,854</b>	<b>1,735,051</b>
Fund balances, beginning of year	231,584	3,579,316	253,923	4,064,823
Fund balances, end of year	<b>\$ 205,901</b>	<b>\$ 5,308,196</b>	<b>\$ 285,777</b>	<b>\$ 5,799,874</b>

**Marshalltown Community School District**

**Schedule of Combining Balance Sheet  
Capital Project Fund - By Account  
June 30, 2025**

	Capital Projects Accounts			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
<b>Assets</b>				
Cash and pooled investments	\$ 8,141,732	\$ 224,894	\$ 25,021,935	\$ 33,388,561
Receivables:				
Property tax:				
Current year	-	13,659	-	13,659
Succeeding year	-	2,249,905	-	2,249,905
Intergovernmental	742,401	-	-	742,401
<b>Total assets</b>	<b>\$ 8,884,133</b>	<b>\$ 2,488,458</b>	<b>\$ 25,021,935</b>	<b>\$ 36,394,526</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 349,029	\$ 50,739	\$ 1,493,370	1,893,138
<b>Total liabilities</b>	<b>349,029</b>	<b>50,739</b>	<b>1,493,370</b>	<b>1,893,138</b>
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	-	2,249,905	-	2,249,905
Fund Balances:				
Restricted for:				
School infrastructure	8,535,104	-	23,528,565	32,063,669
Physical plant and equipment	-	187,814	-	187,814
<b>Total fund balances</b>	<b>8,535,104</b>	<b>187,814</b>	<b>23,528,565</b>	<b>32,251,483</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 8,884,133</b>	<b>\$ 2,488,458</b>	<b>\$ 25,021,935</b>	<b>\$ 36,394,526</b>

**Marshalltown Community School District**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Capital Project Fund - By Account  
Year Ended June 30, 2025**

	Capital Projects Accounts			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Revenues:				
Local sources:				
Property tax	\$ -	\$ 1,184,800	\$ -	\$ 1,184,800
Utility excise tax	-	128,386	-	128,386
Other taxes	-	1,069	-	1,069
Other	227,253	64,055	175,309	466,617
State sources	7,079,443	28,960	-	7,108,403
Federal sources	2,596,058	-	-	2,596,058
<b>Total revenues</b>	<b>9,902,754</b>	<b>1,407,270</b>	<b>175,309</b>	<b>11,485,333</b>
Expenditures:				
Current:				
Instruction:				
Other	3,613,574	136,235	-	3,749,809
Support services:				
Instructional staff services	-	778,659	-	778,659
Administration services	-	260,098	-	260,098
Operation and maintenance of plant services	12,463	71,128	-	83,591
Transportation	48,000	684,201	-	732,201
Other expenditures:				
Facilities acquisition	6,397,411	2,530,978	3,429,196	12,357,585
Long term debt:				
Interest and fiscal charges	1,116,205	-	-	1,116,205
<b>Total expenditures</b>	<b>11,187,653</b>	<b>4,461,299</b>	<b>3,429,196</b>	<b>19,078,148</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(1,284,899)</b>	<b>(3,054,029)</b>	<b>(3,253,887)</b>	<b>(7,592,815)</b>
Other financing sources (uses):				
Issuance of lease	-	244,640	-	244,640
Issuance of long term debt	30,000,000	-	-	30,000,000
Premium on issuance of long term debt	465,619	-	-	465,619
Transfers in	-	-	26,782,452	26,782,452
Transfers (out)	(34,956,755)	(87,620)	-	(35,044,375)
	<b>(4,491,136)</b>	<b>157,020</b>	<b>26,782,452</b>	<b>22,448,336</b>
<b>Net change in fund balance</b>	<b>(5,776,035)</b>	<b>(2,897,009)</b>	<b>23,528,565</b>	<b>14,855,521</b>
Fund balance, beginning of year	14,311,139	3,084,823	-	17,395,962
Fund balance, end of year	\$ 8,535,104	\$ 187,814	\$ 23,528,565	\$ 32,251,483

**Marshalltown 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:			
	2025	2024	2023	2022
Revenues:				
Local sources:				
Local tax	\$ 19,087,272	\$ 19,178,815	\$ 21,658,686	\$ 20,843,513
Tuition	1,261,682	1,324,577	403,112	669,086
Other	2,114,836	2,044,420	1,801,239	1,002,128
Intermediate sources	-	60,000	-	-
State sources	58,419,442	58,039,748	54,120,358	51,947,582
Federal sources	7,704,076	7,578,602	5,994,750	9,204,889
<b>Total revenues</b>	<b>\$ 88,587,308</b>	<b>\$ 88,226,162</b>	<b>\$ 83,978,145</b>	<b>\$ 83,667,198</b>
Expenditures:				
Instruction:				
Regular	\$ 30,674,732	\$ 37,678,165	\$ 27,528,203	\$ 26,507,842
Special	10,996,412	10,349,398	9,124,238	9,075,054
Other	13,986,305	1,082,185	7,898,969	8,409,347
Support services:				
Student services	4,277,986	3,336,128	3,209,816	3,155,131
Instructional staff services	6,694,068	6,305,704	5,442,378	5,130,489
Administration services	7,858,502	7,641,582	6,656,047	6,453,842
Operation and maintenance of plant services	8,118,218	6,952,439	5,955,233	5,225,928
Transportation services	3,216,872	2,471,590	2,427,193	2,149,953
Noninstructional	95,871	80,203	79,749	80,150
Other expenditures:				
Facilities acquisition	12,480,859	13,003,303	4,390,099	5,953,800
Long-term debt:				
Principal	6,340,207	4,911,000	4,820,000	3,918,000
Interest and fiscal charges	2,365,296	421,883	410,634	482,949
AEA flowthrough	2,321,585	2,796,048	2,691,658	2,664,318
<b>Total expenditures</b>	<b>\$ 109,426,913</b>	<b>\$ 97,029,628</b>	<b>\$ 80,634,217</b>	<b>\$ 79,206,803</b>

Years Ended June 30:

	2021	2020	2019	2018	2017	2016
\$	21,462,012	\$ 19,958,160	\$ 18,890,631	\$ 18,277,780	\$ 17,485,248	\$ 17,134,843
	637,673	771,824	806,259	915,871	621,039	469,851
	2,146,513	1,938,265	3,134,210	1,865,390	1,191,771	1,372,032
	29,019	-	440	4,562	-	7,359
	50,335,777	48,848,448	48,578,286	47,376,559	46,498,277	46,609,778
	6,184,832	2,969,593	3,100,267	3,235,735	3,150,119	3,760,714
\$	80,795,826	\$ 74,486,290	\$ 74,510,093	\$ 71,675,897	\$ 68,946,454	\$ 69,354,577
\$	25,248,465	\$ 25,422,111	\$ 25,744,531	\$ 27,877,833	\$ 26,950,659	\$ 25,678,281
	9,854,785	9,702,262	8,813,246	9,316,868	8,873,092	8,785,695
	7,937,173	8,159,180	9,225,495	9,287,185	8,734,263	8,687,590
	3,253,652	2,739,519	2,655,236	2,616,548	2,517,988	2,398,621
	4,797,615	4,656,893	4,522,415	2,357,381	2,665,317	2,764,853
	6,480,588	5,999,485	6,112,166	5,720,958	4,738,121	5,068,755
	5,101,348	5,393,284	5,130,763	5,228,474	4,423,982	4,918,247
	1,855,198	1,970,974	2,502,366	2,052,589	1,724,761	1,830,820
	58,519	78,848	74,684	62,258	60,068	99,108
	4,748,529	1,432,352	4,857,817	3,983,201	822,804	2,712,836
	3,801,000	10,943,000	3,560,000	8,630,000	3,280,000	3,365,000
	540,277	722,462	731,453	784,747	878,667	632,275
	2,643,346	2,535,820	2,519,497	2,493,332	2,368,436	2,385,793
\$	76,320,495	\$ 79,756,190	\$ 76,449,669	\$ 80,411,374	\$ 68,038,158	\$ 69,327,874

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Marshalltown Community School District**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025**

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	FY25 4552	\$ -	\$ 902,685
National School Lunch Program	10.555	FY25 4553	-	2,570,795
Commodities -DOD (Noncash)	10.555	FY25	-	88,594
Commodities (Noncash)	10.555	FY25	-	183,494
			-	2,842,883
Summer Food Service Program for Children	10.559	FY25 4556	-	134,847
Fresh Fruit and Vegetable Program	10.582	FY25 4557	-	138,608
Total Child Nutrition Cluster Program,			-	-
<b>Total U.S. Department of Agriculture</b>			-	4,019,023
<b>U.S. Department of Treasury</b>				
Pass-Through Iowa Department of Education:				
COVID-19 Coronavirus State and Local Fiscal Recovery	21.027	FY25 4039	-	100,643
COVID-19 Coronavirus State and Local Fiscal Recovery	21.027	FY25 4034	-	215,246
<b>Total U.S. Department of Treasury</b>			-	315,889
<b>U.S. Department of Education</b>				
Pass-Through Iowa Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	FY25 4501	-	1,135,613
Title 1 Grants to Local Educational Agencies	84.010	FY25 4508	-	120,483
			-	1,256,096
Migrant Education State Grant Program	84.011	FY25 4503	-	136,999
Career and Technical Education- Basic Grants to States	84.048	FY25 4531	-	34,955
Rehabilitation Services Vocational Rehabilitation Grant	84.126	FY25 4598	-	54,286
Education for Homeless Children and Youth	84.196	FY25 4565	-	25,000
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334S	FY25 4674	-	80,053
Title III- English Language Acquisition State Grants	84.365	FY25 4644	-	202,554
Supporting Effective Instruction State Grants	84.367	FY25 4643	-	178,496
Student Support and Academic				
Enrichment Program	84.424	FY25 4669	-	308,814
Education Stabilization Fund:				
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (E-Learning System)	84.425B	FY25 4053	-	12,000
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	FY25 4057	-	5,494
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	FY25 4045	-	947,216
			-	952,710
Total Education Stabilization Fund			-	964,710
(Continued)				

**Marshalltown Community School District**

**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended June 30, 2025**

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 Education (Continued)</b>				
Pass-Through Heartland Area Education Agency:				
Special Education Cluster Program:				
Special Education - Grants to States				
IDEA, Part B	84.027	FY25 4521	\$ -	\$ 273,652
<b>Total U.S. Department of Education</b>			<u>-</u>	<u>3,515,615</u>
<b>U.S. Department of Health and Human Services</b>				
Pass-Through Iowa Department of Human Services:				
477 Cluster Program:				
Affordable Care Act (ACA) Personal Responsibility Education Program				
	93.092	FY25 4622	-	130,575
Foster Care Title IV-E	93.658	FY25 4623	-	352
<b>Total U.S. Department of Health and Human Services</b>			<u>-</u>	<u>130,927</u>
<b>U.S. Department of Homeland Security and Emergency Management:</b>				
Pass-Through Iowa Department of Homeland Security and Emergency Management:				
Hazard Mitigation Grant	97.039	FY25 4692	-	2,616,114
<b>Total</b>			<u>\$ -</u>	<u>\$ 10,597,568</u>

See notes to schedule of expenditures of federal awards.

## **Marshalltown Community School District**

### **Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2025**

---

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

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Marshalltown Community School District under programs of the federal government for the year ended June 30, 2025. 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 Marshalltown Community School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Marshalltown 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. 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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Marshalltown Community School District**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2025**

---

Findings	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
<b>Findings Related to Basic Financial Statements:</b>		
<b>Significant Deficiencies:</b>		
<b>24-II-R-1</b> The District has insufficient segregation of duties over receipt transactions.	Not corrected.	The District has not implemented changes in the transaction cycle. See response and corrective action plan at 2025-001, 2025-002 and 20025-003.
<b>24-II-R-2</b> Federal awards expenditures did not have detailed invoices or other supporting documentation	Corrected.	
<b>Findings and Questioned Costs for Federal Awards:</b>		
<b>24-III-R-1</b> The District has insufficient segregation of duties over receipt transactions.	Not corrected.	The District has not implemented changes in the transaction cycle. See response and corrective action plan at 2025-004.
<b>24-III-R-2</b> Federal awards expenditures did not have detailed invoices or other supporting documentation	Corrected.	
<b>Other Findings Related to Required Statutory Reporting:</b>		
<b>24-IV-A</b> Expenditures for the year ended June 30, 2024, exceeded the amounts budgeted at year-end for the instruction, support services and noninstructional programs functions.	Not corrected.	Year-end adjustments exceeded budgeted amounts. See response and corrective action plan at IV-A-25.
<b>24-IV-H</b> There was a variance in the basic enrollment data certified to the Iowa Department of Education.	Not corrected.	Variances in certified enrollment were noted in 2025. See response and corrective action plan at IV-H-25.
<b>24-IV-I</b> There were variances in supplementary weighting data certified to the Iowa Department of Education.	Not corrected.	Variances in supplementary weighting data was noted in 2025. See response and corrective action plan at IV-I-25.
<b>24-IV-K</b> There were differences between the Certified Annual Report certified to the Iowa Department of Education and District records.	Corrected.	

**THIS PAGE INTENTIONALLY LEFT BLANK**



Bohnsack & Frommelt LLP  
Certified Public Accountants  
575 12th Avenue  
East Moline, Illinois 61244

**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  
Marshalltown Community School District  
Marshalltown, 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 Marshalltown Community School District (the District) as of and for the year ended June 30, 2025, 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 18, 2026.

Our report includes an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board Statement No. 101.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Marshalltown Community School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marshalltown Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Marshalltown 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2025-001 through 2025-003 that we consider to be significant deficiencies.

## **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, 2025, 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.

## **Marshalltown Community School District's Responses to Findings**

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

## **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*

East Moline, Illinois  
March 18, 2026



**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  
Marshalltown Community School District  
Marshalltown, Iowa

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

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

We have audited Marshalltown 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, 2025. 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, Marshalltown 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, 2025.

***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**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2025-004 to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Bohnsack & Frommelt LLP*

East Moline, Illinois  
March 18, 2026

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Marshalltown Community School District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2025**

---

**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	Commodities -DOD (Noncash)
10.555	Commodities (Noncash)
10.559	Summer Food Service Program for Children
10.582	Fresh Fruit and Vegetable Program
Education Stabilization Fund:	
84.425B	COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (E-Learning System)
84.425U	COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)
84.010	Title 1 Grants to Local Educational Agencies
97.039	Hazard Mitigation Grant

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

Auditee qualified as low-risk auditee?  Yes  No

(Continued)

**Marshalltown Community School District**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2025**

---

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

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

**Significant Deficiencies:**

**2025-001**

Finding: The District has insufficient segregation of duties over receipt transactions.

Criteria: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to completion.

Condition: The District did not reconcile the subsidiary receipting system from Infinite Campus to the bank deposits. The District did not reconcile other supporting documentation such as events, fundraisers, and receipts collected outside of Infinite Campus to the bank deposits.

Cause: District receipts are posted to the general ledger based on the bank deposit and not the subsidiary ledger information.

Effect: Misappropriations of assets or errors could occur and not be detected in a timely manner.

Context: The deficiency is over cash and checks collected by the District.

Identification as a repeat finding: This is a repeat finding.

Recommendation: We have the following recommendations for District receipt monitoring:

- Monthly a report from Infinite Campus of all cash and checks receipted should be reconciled to the bank deposits to ensure all receipts entered into Infinite Campus were deposited.
- The Business Office should monitor any voids made within the Infinite Campus system.
- An event calendar of all events, fundraisers, activities, and athletics should be compared to deposits received to ensure all deposits were made.
- Coaches and sponsors should routinely be reviewing their applicable receipts and disbursements posted to the general ledger for accuracy and proper deposit.
- Gate ticket reconciliations, cash box reconciliations, and other forms of receipt reconciliations should be provided to the Business Office or the Activities Director to compare to the deposit made.

Response and Corrective Action Plan: The District will review current processes and realign duties and system access levels to improve internal controls within the design of the receipt system.

(Continued)

**Marshalltown Community School District**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2025**

---

**2025-002**

Finding: The District has insufficient segregation of duties over the cash disbursement function.

Criteria: A properly designed system of internal control over financial reporting requires entities to initiate, authorize, record, process and report financial data reliably in accordance with accounting principles generally accepted in the United States of America.

Condition: A position has access to set up new vendors or edit vendor information in the system, process payments, and generate checks. This position also has access to credit cards of the District, is responsible for matching receipts to the statements and processes the statements for payment.

Cause: Access to the master vendor file and credit cards has not been segregated.

Effect: Misappropriation of assets or errors could occur and not be detected in a timely basis.

Context: This deficiency is over the District's expenditures.

Identification as a repeat finding: This is a repeat finding.

Recommendation: In general, access to master vendor file, entering invoices into the accounting system and processing of checks should be segregated. We recommend implementing the following controls to strengthen internal controls over disbursements:

- Master vendor file access should be removed from the position that has access to process payments and generate checks.
- The process of matching invoices to check stubs should be delegated to a position without access to process accounts payable. This position should maintain a check sequence log and match all invoices to the checks noting proper amount and mail the checks once all invoices are matched to the checks.
- Credit Card access should be maintained by a position independent from the process of matching the statements to receipts and the payment of the credit card bills.

Response and Corrective Action Plan: The District will review current processes and realign duties and system access levels to improve internal controls within the design of the disbursement transaction system.

**2025-003**

Finding: The District has insufficient segregation of duties over the payroll process.

Criteria: A properly designed system of internal control over financial reporting requires entities to initiate, authorize, record, process and report financial data reliably in accordance with accounting principles generally accepted in the United States of America.

(Continued)

**Marshalltown Community School District**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2025**

---

Condition: A payroll processing position has access to the master payroll file maintenance for adding new employees to the payroll system and to enter and modify pay assignments. This position processes payroll. These access rights give the position the capability to change the employee master file, including entering new employees, modifying pay rates; enter time to the payroll system, process the payroll and generate the direct deposits file

Cause: Access rights are not appropriately modified in the financial software system to prevent segregation of duties issues.

Effect: Misappropriations of assets or errors could occur and not be detected in a timely basis.

Context: This applies to the payroll of the District.

Identification as a repeat finding: This is a repeat finding.

Recommendation: Ideally, the position responsible for processing the payroll should be segregated from access to make employee master file changes including adding pay contracts and benefits. The District should evaluate the payroll software to determine if password protections within applications in regard to the master file could be limited. If capabilities do not exist to restrict access, the District should determine if a payroll change/edit report can be printed from the payroll system. This report should list all changes made to the employee master files. The changes on this report should be reviewed by a position independent from the payroll processing position.

Response and Corrective Action Plan: The District will review current processes and realign duties and system access levels to improve internal controls within the design of the payroll transaction system.

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

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

**2025-004**

**U.S. Department of Agriculture**

**Pass-Through Iowa State Board of Education**

**Child Nutrition Cluster**

**10.553 School Breakfast Program, 10.555 National School Lunch Program, 10.559 Summer Food Service Program for Children, and 10.582 Fresh Fruit and Vegetable Program**

**U.S. Department of Education**

**Pass-Through Iowa Department of Education**

**84.010A Title I Grants to Local Educational Agencies**

**Education Stabilization Fund**

**84.425B COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund**

**84.425U COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)**

(Continued)

**Marshalltown Community School District**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2025**

---

**U.S. Department of Homeland Security and Emergency Management  
Pass-Through Iowa Department of Homeland Security and Emergency Management  
97.039 Hazard Mitigation Grant Program**

**Federal Award Year: 2025, 2024, 2023**

Finding: There is a lack of segregation of duties over the cash receipts and disbursement transaction cycles related to the federal programs.

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

Condition: Adequate control procedures through the segregation of employee duties has not been achieved by the District. See Findings 2025-001, 2025-002, and 2025-003 for additional information.

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

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

Questioned costs: Not applicable.

Context: This finding applies to all transactions relating to federal awards.

Identification as a repeat finding: This is a repeat finding.

Recommendation: We realize segregation of duties is difficult with a limited number of business office employees. However, the District should continually review its procedures to obtain the maximum internal controls possible under the circumstances utilizing currently available staff, including elected officials.

Response and Corrective Action Plan: The District will review its procedures and look into possible additional controls to be implemented.

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

**IV-A-25**

Certified Budget –

Finding: Expenditures for the year ended June 30, 2025, exceeded the amounts budgeted at year-end for the instruction, support services, and noninstructional programs functions.

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

(Continued)

**Marshalltown Community School District**

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2025**

---

Response and Corrective Action Plan: The District will amend future budgets in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion: Response accepted.

**IV-B-25**

Questionable Expenditures – No expenditures were noted that we believe may not meet the requirements of public purpose as defined in an Attorney Generals opinion dated April 29, 1979.

**IV-C-25**

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-25**

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

**IV-E-25**

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-25**

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 insure that the coverage is adequate for current operations.

**IV-G-25**

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

**IV-H-25**

Certified Enrollment –

Finding: The District identified variances in certified enrollment submitted to the state in October 2024.

Recommendation: We recommend the District review certified enrollment 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-I-25**

Supplementary Weighting-

Finding: The District identified variances in supplementary weighting submitted to the state in October 2024.

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

(Continued)

**Marshalltown Community School District**

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2025**

---

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

Conclusion: Response accepted.

**IV-J-25**

Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.

**IV-K-25**

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

**IV-L-25**

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

**IV-M-25**

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, 2025, the District reported the following information regarding the statewide sales and services tax revenue in the District’s CAR.

Beginning balance	\$ 14,311,139
Revenue:	
Statewide sales and services tax revenue	7,079,443
Federal sources	2,596,058
Issuance of long term debt	30,000,000
Premium on issuance of long term debt	465,619
Other	227,253
Expenditures / transfers out:	
Instruction	3,613,574
Support services	60,463
Facilities acquisition	6,397,411
Long term debt	1,116,205
Transfers out	34,956,755
Ending balance	<u>\$ 8,535,104</u>

For the year ended June 30, 2025, the District did not reduce tax levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Marshalltown Community School District**

**Corrective Action Plan  
Year Ended June 30, 2025**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
<b>Findings Related to Basic Financial Statements:</b>				
<b>Significant Deficiencies:</b>				
<b>2025-001</b>	The District has insufficient segregation of duties over receipt transactions.	See response and corrective action plan at 2025-001.	June 30, 2026	Randy Denhem
<b>2025-002</b>	The District has insufficient segregation of duties over the cash disbursement function.	See response and corrective action plan at 2025-002.	June 30, 2026	Randy Denhem
<b>2025-003</b>	The District has insufficient segregation of duties over the payroll process.	See response and corrective action plan at 2025-003.	June 30, 2026	Randy Denhem
<b>Findings and Questioned Costs for Federal Awards:</b>				
<b>Significant Deficiencies:</b>				
<b>2025-004</b>	The District has a lack of segregation of duties over cash receipts and disbursement cycles related to the federal programs.	See response and corrective action plan at 2025-004.	June 30, 2026	Randy Denhem
<b>Other Findings Related to Required Statutory Reporting:</b>				
<b>IV-A-25</b>	Expenditures for the year ended June 30, 2024, exceeded the amounts budgeted at year-end for the instruction, support services, and noninstructional programs functions.	See response and corrective action plan at IV-A-25.	June 30, 2026	Randy Denhem
<b>IV-H-25</b>	The District identified variances in certified enrollment submitted to the state in October 2024.	See response and corrective action plan at IV-H-25.	June 30, 2026	Randy Denhem
<b>IV-I-25</b>	The District identified variances in supplementary weighting submitted to the state in October 2024.	See response and corrective action plan at IV-I-25.	June 30, 2026	Randy Denhem

## APPENDIX E – FORM OF ISSUE PRICE CERTIFICATES

### EXHIBIT A MARSHALLTOWN COMMUNITY SCHOOL DISTRICT, IOWA \$53,375,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026B

#### 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, the 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 (June 22, 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 Marshalltown 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 June 15, 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: August 3, 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**  
**MARSHALLTOWN COMMUNITY SCHOOL DISTRICT, IOWA**  
**\$53,375,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026B**

**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 June 15, 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: August 3, 2026

SCHEDULE A  
EXPECTED OFFERING PRICES  
(Attached)

SCHEDULE B  
COPY OF UNDERWRITER'S BID  
(Attached)