



**\$5,210,000\***

**Monticello Community School District, Iowa  
General Obligation School Bonds,  
Series 2026**

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

DATE: Monday, August 24, 2026  
TIME: 12:00 PM  
PLACE: District Office  
850 E Oak Street  
Monticello, IA 52310

S&P Rating: (applied for) “\_\_”

\* 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 Monticello Community School District, Iowa (the "Issuer")

Re: \$5,210,000\* General Obligation School Bonds, Series 2026, dated the date of delivery, of the Issuer (the "Bonds")

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

| <u>Coupon</u> | <u>Yield</u> | <u>Due</u>  | <u>Coupon</u> | <u>Yield</u> | <u>Due</u>  |
|---------------|--------------|-------------|---------------|--------------|-------------|
| _____         | _____        | May 1, 2027 | _____         | _____        | May 1, 2037 |
| _____         | _____        | May 1, 2028 | _____         | _____        | May 1, 2038 |
| _____         | _____        | May 1, 2029 | _____         | _____        | May 1, 2039 |
| _____         | _____        | May 1, 2030 | _____         | _____        | May 1, 2040 |
| _____         | _____        | May 1, 2031 | _____         | _____        | May 1, 2041 |
| _____         | _____        | May 1, 2032 | _____         | _____        | May 1, 2042 |
| _____         | _____        | May 1, 2033 | _____         | _____        | May 1, 2043 |
| _____         | _____        | May 1, 2034 | _____         | _____        | May 1, 2044 |
| _____         | _____        | May 1, 2035 | _____         | _____        | May 1, 2045 |
| _____         | _____        | May 1, 2036 | _____         | _____        | May 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 Monticello Community School District, in the Counties of Delaware, Dubuque Jones and Linn, State of Iowa, this 24th day of August 2026.

ATTEST:

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

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

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

## OFFICIAL TERMS OF OFFERING

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

The Bonds to be offered are the following:

**GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026**, in the principal amount of \$5,210,000\* 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, but will not exceed \$10,000,000.

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

**Optional Redemption:** The Bonds maturing after May 1, 2034, 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 beginning on May 1, 2027 and semiannually on the 1st day of May and November 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 \$52,100\* 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.

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\* Preliminary, subject to change

**Form of Bids:** All bids shall be unconditional for the entire issue of Bonds for a price of not less than 101.0% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. Award will be on a True Interest Cost Basis. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, 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.

**Sealed Bidding:** Sealed bids may be submitted and will be received at the office of the Superintendent, Monticello Community School District, 850 E Oak St., Monticello, 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:

All Bonds of each annual maturity must bear the same interest rate.

Rates of interest bid may be in multiples of 1/8th, 1/20th, or 1/100th of 1%.

No rate bid may be higher than 8%.

**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:** In order to establish the issue price of the Bonds for federal income tax purposes, the Issuer requires bidders to agree to the following, and by submitting a bid, each bidder agrees to the following.

If a bid is submitted by a potential underwriter, the bidder confirms that (i) the underwriters have offered or reasonably expect to offer the Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the bid and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, retail distribution agreement or other agreement relating to the initial sale of the Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Bonds with a separate CUSIP number constitute a separate "maturity," and the public does not include underwriters of the Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Bonds.

If, however, a bid is submitted for the bidder's own account in a capacity other than as an underwriter of the Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Bonds, the bidder shall notify the Issuer to that effect

at the time it submits its bid and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter, the Issuer shall advise the winning bidder at or prior to the time of award whether (i) the competitive sale rule or (ii) the “hold-the-offering price” rule applies.

If the Issuer advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the Purchaser will be required to deliver to the Issuer at or prior to closing a certification, substantially in the form attached hereto as EXHIBIT A-1, as to the reasonably expected initial offering price as of the award date.

If the Issuer advises the Purchaser that the requirements for a competitive sale have not been satisfied and that the hold-the-offering price rule applies, the Purchaser shall (1) upon the request of the Issuer confirm that the underwriters did not offer or sell any maturity of the Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the Issuer a certification substantially in the form attached hereto as EXHIBIT A-2, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the Issuer pursuant hereto may be taken or received on behalf of the Issuer by the Municipal Advisor.

Bidders should prepare their bids on the assumption that the Bonds will be subject to the “hold-the-offering-price” rule. Any bid submitted pursuant to the Notice of Bond Sale, Terms of Offering and Official Bid Form shall be considered a firm offer for the purchase of the Bonds, and bids submitted will not be subject to cancellation or withdrawal.

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 Bond 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.

Exhibit A-1

[\$5,210,000]

GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026  
Form of ISSUE PRICE CERTIFICATE  
(3 or More Bids)

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the obligations named above (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 [SHORT NAME OF UNDERWRITER] 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 [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.*** For purposes of this Issue Price Certificate:

(a) Issuer means Monticello Community School District, Iowa.

(b) Maturity means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) Member of the Distribution Group means (i) 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).

(d) Public means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) Sale Date means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was August 24, 2026.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’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 Closing Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP 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: September 9, 2026

**SCHEDULE A**  
**EXPECTED OFFERING PRICES**  
**(Attached)**

**SCHEDULE B**  
**COPY OF UNDERWRITER'S BID**  
**(Attached)**



**Exhibit A-2**  
**[\$5,210,000]**  
**GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026**  
**Form of ISSUE PRICE CERTIFICATE**  
**(Fewer than 3 Bids)**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”])[the “Representative”]), on behalf of itself and [UNDERWRITER OF OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. ***Initial Offering Price of the Bonds.*** [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire for the Bonds is attached to this certificate as Schedule B.

2. ***First Price at which Sold to the Public.*** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein][in Schedule C], if different].

3. ***Hold the Offering Price Rule.*** [SHORT NAME OF UNDERWRITER][Each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, 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 agreement among underwriters, selling group agreement, or third-party distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [Representative][SHORT NAME OF UNDERWRITER]’s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. ***Defined Terms.*** For purposes of this Issue Price Certificate:

(a) ***Holding Period*** means 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 (August 31, 2026), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) ***Issuer*** means Monticello Community School District, Iowa.

(c) ***Maturity*** means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) ***Member of the Distribution Group*** means (i) 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).

(e) ***Public*** means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) ***Sale Date*** means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was August 24, 2026.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM] 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 Closing Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

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

Name: \_\_\_\_\_

Dated: September 9, 2026

**SCHEDULE A**  
**Initial Offering Prices of the Bonds**  
**(Attached)**

**SCHEDULE B**  
**PRICING WIRE**  
**(Attached)**

**SCHEDULE C**  
**SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE**  
**AT THE INITIAL OFFERING PRICE**  
**(Attached)**

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 18, 2026

NEW ISSUE - DTC BOOK ENTRY ONLY

S&P Rating: (applied for) “ ”

*In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming the accuracy of certain representations and compliance with certain covenants, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code). See “TAX EXEMPTION AND RELATED TAX MATTERS”.*



\$5,210,000\*

**Monticello Community School District, Iowa  
General Obligation School Bonds Series 2026**

Dated: Date of Delivery

The General Obligation School Bonds, Series 2026 described above (the “Bonds”) of the Monticello Community School District, Iowa (the “District” or the “Issuer”) 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 “Paying Agent” or 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 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 May 1, and November 1 in each year, beginning May 1, 2027, 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 May 1, 2034, 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.

The Bonds are general obligations of the Issuer. The Bonds are payable from general ad valorem property taxes, without limitation of amount, levied against all taxable property within the boundaries of the Issuer.

**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> |
|------------------|----------------|---------------|----------------|---------------------|------------------|----------------|---------------|----------------|---------------------|
| May 1, 2027      | \$155,000      |               |                |                     | May 1, 2037      | \$225,000      |               |                |                     |
| May 1, 2028      | 120,000        |               |                |                     | May 1, 2038      | 170,000        |               |                |                     |
| May 1, 2029      | 150,000        |               |                |                     | May 1, 2039      | 175,000        |               |                |                     |
| May 1, 2030      | 155,000        |               |                |                     | May 1, 2040      | 185,000        |               |                |                     |
| May 1, 2031      | 165,000        |               |                |                     | May 1, 2041      | 190,000        |               |                |                     |
| May 1, 2032      | 175,000        |               |                |                     | May 1, 2042      | 200,000        |               |                |                     |
| May 1, 2033      | 185,000        |               |                |                     | May 1, 2043      | 205,000        |               |                |                     |
| May 1, 2034      | 195,000        |               |                |                     | May 1, 2044      | 215,000        |               |                |                     |
| May 1, 2035      | 205,000        |               |                |                     | May 1, 2045      | 220,000        |               |                |                     |
| May 1, 2036      | 215,000        |               |                |                     | May 1, 2046      | 1,705,000      |               |                |                     |

\$ \_\_\_\_\_ % 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 Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel. Dorsey & Whitney LLP is also serving as Disclosure Counsel to the Issuer in connection with the issuance of the Bonds. Piper Sandler & Co. is serving as Municipal Advisor to the Issuer in connection with the issuance of the Bonds. It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about September 9, 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, broker, salesperson or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. The Issuer considers the Official Statement to be "near final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THESE SECURITIES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THESE SECURITIES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SECURITIES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

## **FORWARD-LOOKING STATEMENTS**

This Official Statement, including appendices attached hereto, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "anticipated," "plan," "expect," "projected," "estimate," "budget," "pro forma," "forecast," "intend," or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS TO DIFFER. THE 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."

In connection with the issuance of the Bonds, the Issuer will enter into a Continuing Disclosure Certificate. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE."

**OFFICIAL STATEMENT**  
**MONTICELLO COMMUNITY SCHOOL DISTRICT, IOWA**  
**\$5,210,000\* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026**

**INTRODUCTORY STATEMENT**

This Official Statement presents certain information relating to the Monticello Community School District, Iowa (the “District” or the “Issuer”), in connection with the sale of the Issuer’s General Obligation School Bonds, Series 2026 (the “Bonds”). The Bonds are being issued to provide funds for the purpose of: (i) furnishing, equipping, constructing, improving, repairing and renovating school buildings and improving the sites therefor, including a new elementary building located on the existing high school campus, and related site and building improvements, and (ii) paying costs of issuance for the Bonds (the “Project”). See “**SOURCES AND USES OF FUNDS**” herein. The Bonds will be issued pursuant to a Resolution authorizing the issuance of Bonds expected to be adopted on or about August 24, 2026 (the “Resolution” or the “Bond Resolution”).

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

The Bonds are general obligations of the Issuer, payable from and secured by a continuing annual ad-valorem tax levied against all taxable 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 May 1 and November 1 in each year, beginning on May 1, 2027, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by electronic means, 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 Chapter 296 of the Code of Iowa, 2025, as amended (the “Act”), approval of the District voters for the issuance of \$15,000,000 General Obligation Bonds to fund the Project at an election held on November 5, 2024, and the Resolution.

**Book Entry Only System**

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

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

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\* Preliminary, subject to change

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

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC").

DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](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 into 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 interest in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

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

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

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

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

DTC may discontinue providing its services as 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 depository is not obtained, Security certificates are required to be printed and delivered.

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

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

Neither the Issuer nor the Paying Agent will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Resolution 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**

The Bonds shall be fully registered as to principal and interest in the names of the owners on the books of the District, and after such registration, payment of the principal, premium, if any, and interest thereon shall be made only to the registered owners, their legal representatives or assigns. Each Bond shall be transferable without cost to the registered owner thereof only upon the registration books of the District maintained at the principal office of the Registrar upon presentation to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form thereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner. Upon such presentation of a Bond, a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange for the original Bond.

## **Redemption**

Optional Redemption: The Issuer reserves the right to call and redeem part or all of the Bonds maturing after May 1, 2034, paid prior to and in any order of maturity on said date or on any date thereafter, upon terms of par and accrued interest.

Notice of Redemption. Notice of redemption under the provisions of the Resolution identifying the Bond or Bonds (or portion thereof) to be redeemed shall be given by electronic means or mailed by certified mail to the registered owners thereof at the addresses shown on the District’s registration books not less than thirty (30) days prior to such redemption date.

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 provided, such notice of cancellation to be made at least five days prior to the date fixed for redemption.

Mandatory Sinking Fund Redemption The Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption (by lot, as selected by the Registrar) on \_\_\_\_\_ 1 in each of the years \_\_\_\_\_ through \_\_\_\_\_ at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date in the following principal amounts:



(maturity)

## Source of Security for the Bonds

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Any alteration in property tax structure 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 negative impact, if any, on the Issuer's financial position.

On May 18, 2026, the Governor signed into law Iowa Senate File 2472 ("SF2472"), which enacts comprehensive reforms to Iowa's property tax system. SF 2472, 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). SF2472 took effect in part immediately upon enactment, with the majority of provisions applicable to fiscal years beginning on or after July 1, 2027.

As noted in "THE BONDS - Source of Security of the Bonds," under Iowa Code section 76.2 the Issuer has by resolution provided for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years.

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

Holders of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Bond Resolution.

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

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

### **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 and Other Post Employment Benefits ("OPEB")**

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 monthly 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 92.17%, 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 (market value), while its net pension liability at June 30, 2024, was approximately \$3.641 billion (market value). The IPERS ACFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, IA 50321.

Bond Counsel, Disclosure Counsel, the Underwriter, 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 \$844,819. 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 \$3,458,016, which was measured as of June 30, 2024. While the Issuer's contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the Issuer.

The Issuer administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Individuals who are employed by 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 and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability. Retired participants must be age 55 or older at retirement. At June 30, 2025, 120 active employees and six inactive employees or beneficiaries were covered by the benefit terms. The Issuer's total OPEB liability of \$825,941 was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

See “**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR FISCAL YEAR 2025**” for additional information on pension and other post-employment benefits of the Issuer.

## **Rating Loss**

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

## **Forward-Looking Statements**

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

## **Proposed Federal Tax Legislation**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals are made that would, 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. It cannot be predicted whether or in what forms any of such proposals that may be introduced or may be enacted and there can be no assurance that such proposals will not apply to the Bonds. See “**TAX EXEMPTION AND RELATED TAX MATTERS**” herein.

## **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 Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special redemption and would remain outstanding until maturity or until redeemed under the redemption provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

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

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

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

The Iowa General Assembly adopted Legislation (“HF68”) that established a standing unlimited State general fund appropriation for an Education Savings Account Fund (the “Fund”) under the control of the State 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 non-public school tuition, textbooks, software, fees, curriculum materials, and other similar expenses. As of July 1, 2025, all students attending a non-public school are eligible to participate.

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 non-public school. HF68 provides that a District is funded in an amount of \$1,176 per student for resident pupils who attend a non-public school. According to the Department of Education, there were 45 students who resided within the boundaries of the Issuer but attended non-public schools 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.

### **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.**”

### **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 cybersecurity insurance coverage. The Issuer cannot predict whether this coverage would be sufficient in the event of a cyber-incident.

## **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 Iowa Code, 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 Iowa Code, or other political subdivision.

## **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 financial statements of the Issuer as of and for the year ended June 30, 2025, included as APPENDIX D to this Official Statement have been audited by Anderson, Larkin & Co. P.C., Ottumwa, Iowa, independent auditors (the "CPA") to the extent and for the periods indicated in their report thereon. The CPA has not been engaged to perform, and has not performed, any procedures on the financial statements after June 30, 2025, and also has not performed any procedures relating to this 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 \$\_\_\_\_\_ (reflecting the par amount of the Bonds with net original issue premium of \$\_\_\_\_\_ and an underwriter's discount of \$\_\_\_\_\_).

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

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

## THE PROJECT

The Bonds are being issued to provide funds for the purposes of: (i) furnishing, equipping, constructing, improving, repairing and renovating school buildings and improving the sites therefor, including a new elementary building located on the existing high school campus and related site and building improvements; and (ii) paying costs of issuance for the Bonds.

## SOURCES AND USES OF FUNDS \*

|                        |                         |             |
|------------------------|-------------------------|-------------|
| Sources of Funds       |                         |             |
|                        | Bond Proceeds           | \$5,210,000 |
|                        | Reoffering Premium      | TBD         |
| Total Sources of Funds |                         | TBD         |
| Uses of Funds          |                         |             |
|                        | Deposit to Project fund | TBD         |
|                        | Costs of Issuance       | TBD         |
|                        | Underwriter's Discount  | TBD         |
| Total Uses of Funds    |                         | \$5,210,000 |

\* Preliminary, subject to change

## TAX EXEMPTION AND RELATED TAX MATTERS

### Federal Income Tax Exemption

The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers under the Code.

The opinion set forth in the preceding sentence will be 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 interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. In the resolution authorizing the issuance of the Bonds, the Issuer will covenant to comply with all such requirements.

There may be certain other federal tax consequences to the ownership of the Bonds by 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 and Railroad Retirement benefits, taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, and corporations that may be subject to the alternative minimum tax. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

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.

### Proposed Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or 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. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax exempt 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.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

### **Original Issue Premium**

The Bonds maturing in the years \_\_\_\_\_ are being issued at a premium to the principal amount payable at maturity. Except in the case of dealers, which are subject to special rules, Bondholders who acquire the Bonds at a premium must, from time to time, reduce their federal tax bases for the Bonds for purposes of determining gain or loss on the sale or payment of such Bonds. Premium generally is amortized for federal income tax purposes on the basis of a bondholder's constant yield to maturity or to certain call dates with semiannual compounding. Bondholders who acquire any Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes. Bondholders who acquire any Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the state and local tax consequences of owning and selling the Bonds acquired at a premium.

### **Original Issue Discount**

The Bonds maturing in the years \_\_\_\_\_ (collectively, the "Discount Bonds") are being sold at a discount from the principal amount payable on such Discount Bonds at maturity. The difference between the price at which a substantial amount of the Discount Bonds of a given maturity is first sold to the public (the "Issue Price") and the principal amount payable at maturity constitutes "original issue discount" under the Code. The amount of original issue discount that accrues to a holder of a Discount Bond under Section 1288 of the Code ("Section 1288") is excluded from federal gross income to the same extent that stated interest on such Discount Bond would be so excluded. The amount of the original issue discount that accrues with respect to a Discount Bond under Section 1288 is added to the owner's federal tax basis in determining gain or loss upon disposition of such Discount Bond (whether by sale, exchange, redemption or payment at maturity).

Interest in the form of original issue discount accrues under Section 1288 pursuant to a constant yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of original issue discount that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For purposes of the preceding sentence, the adjusted issue price is determined by adding to the Issue Price for such Discount Bonds the original issue discount that is treated as having accrued during all prior semiannual accrual periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that semiannual accrual period for federal income tax purposes is allocated ratably to the days in such accrual period.

An owner of a Discount Bond who disposes of such Discount Bond prior to maturity should consult owner's tax advisor as to the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bond prior to maturity.

Owners who purchase Discount Bonds in the initial public offering but at a price different than the Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership of Discount Bonds.

The Code contains provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Original issue discount that accrues in each year to an owner of a Discount Bond may result in collateral federal income tax consequences to certain taxpayers. No opinion is expressed as to state and local income tax treatment of original issue discount. All owners of Discount Bonds should consult their own tax advisors with respect to the federal, state, local and foreign tax consequences associated with the purchase, ownership, redemption, sale or other disposition of Discount Bonds.

## **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 Dorsey & Whitney LLP, 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. Dorsey & Whitney LLP is also serving as Disclosure Counsel to the Issuer in connection with issuance of the Bonds.

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.

### **RATING**

The Rating Agency has assigned a rating of “\_\_” to the Bonds. The rating reflects only the views of the Rating Agency, and an explanation of the significance of that rating may be obtained only from the Rating Agency and its published materials. The rating described above is not a recommendation to buy, sell or hold the Bonds. There can be no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the Rating Agency, circumstances so warrant. Therefore, after the date hereof, investors should not assume that the rating is still in effect. A downward revision or withdrawal of the rating is likely to have an adverse effect on the market price and marketability of the Bonds. The Issuer has not assumed any responsibility either to notify the owners of the Bonds of any proposed change in or withdrawal of any rating subsequent to the date of this Official Statement, except in connection with the reporting of events as provided in the Continuing Disclosure Certificate, or to contest any revision or withdrawal.

### **MUNICIPAL ADVISOR**

The Issuer has retained Piper Sandler & Co. as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Bonds. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of the Official Statement. The Municipal Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

### **CONTINUING DISCLOSURE**

The Issuer will covenant in a Continuing Disclosure Certificate 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”).

During the previous five years, the District has not failed to comply, in all material respects, with any previous undertakings it has entered into with respect to the Rule.

### **MISCELLANEOUS**

Brief descriptions or summaries of the Issuer, the Bonds, the Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the Resolution and other documents, agreements 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 and D are integral parts of this Official Statement and must be read together with all of the foregoing statements.

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



The Issuer has reviewed the information contained herein which relates to it and has approved all such information for use within this Official Statement. The execution and delivery of this Official Statement has been duly authorized by the Issuer.

MONTICELLO COMMUNITY SCHOOL DISTRICT, IOWA

Judy Hayden  
Board Secretary

## **APPENDIX A – GENERAL INFORMATION ABOUT THE ISSUER**

### **MONTICELLO COMMUNITY SCHOOL DISTRICT, IOWA**

#### **DISTRICT OFFICIALS**

|                           |                                                                                        |
|---------------------------|----------------------------------------------------------------------------------------|
| <b>PRESIDENT</b>          | Craig Stadmueller                                                                      |
| <b>BOARD MEMBERS</b>      | Mandy Norton<br>Creighton Randolph<br>Tony Amsler<br>John Schlarmann                   |
| <b>SUPERINTENDENT</b>     | Dr. Brian Jaeger                                                                       |
| <b>DISTRICT SECRETARY</b> | Judy Hayen                                                                             |
| <b>DISTRICT TREASURER</b> | Marcy Gillmore                                                                         |
| <b>DISTRICT ATTORNEY</b>  | Lynch Dallas, P.C.,<br>Cedar Rapids, IA<br><br>Ahlers & Cooney, P.C.<br>Des Moines, IA |

#### **CONSULTANTS**

|                                      |                                          |
|--------------------------------------|------------------------------------------|
| <b>BOND &amp; DISCLOSURE COUNSEL</b> | Dorsey & Whitney LLP<br>Des Moines, Iowa |
| <b>MUNICIPAL ADVISOR</b>             | Piper Sandler & Co.<br>Des Moines, Iowa  |
| <b>PAYING AGENT</b>                  | UMB Bank, n.a.<br>West Des Moines, Iowa  |

## General Information

The Monticello Community School District is located in Jones County in east central Iowa. The District includes the City of Monticello as well as unincorporated land in Jones, Linn, Dubuque, and Delaware Counties, covering approximately 190 square miles. Transportation is provided via U.S. Highway 151 as well as County Road 38. Interstate Highway 380 is located 32 miles west of the District, in nearby Cedar Rapids. Monticello is home to a regional airport with commercial airline services available in Cedar Rapids.

Monticello is home to Kirkwood Jones Regional Education Center, with local opportunities to receive college credit from Kirkwood Community College. Through a short commute, residents also have access to the main campuses of University of Iowa, Coe College, Mt. Mercy College, and Kirkwood Community College.

## District Facilities

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

| <u>Building</u>      | <u>Construction Date</u> | <u>Grades Served</u> |
|----------------------|--------------------------|----------------------|
| High School          | 1998                     | 9-12                 |
| Middle School        | 2020                     | 5-8                  |
| Carpenter Elementary | 1955                     | 2-4                  |
| Shannon Elementary   | 1961                     | PK-1                 |

Source: Monticello CSD

## Enrollment

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

| <u>Count Date</u> | <u>Fiscal Year effective</u> | <u>Certified (Resident) (1)</u> | <u>Open Enroll In</u> | <u>Open Enroll Out</u> | <u>Total Served (2)</u> |
|-------------------|------------------------------|---------------------------------|-----------------------|------------------------|-------------------------|
| October-25        | 2026-27                      | 952.20                          | 70.00                 | 57.50                  | 964.70                  |
| October-24        | 2025-26                      | 967.60                          | 63.00                 | 64.80                  | 965.80                  |
| October-23        | 2024-25                      | 968.60                          | 66.00                 | 57.20                  | 977.40                  |
| October-22        | 2023-24                      | 969.20                          | 62.10                 | 59.80                  | 971.50                  |
| October-21        | 2022-23                      | 957.60                          | 71.10                 | 41.10                  | 987.60                  |

Source: Department of Education

- 1 Used for Sales Tax distribution
- 2 Used for State Aid distribution

## Staff

Presented below is a list of the District's 282 employees.

|                 |     |                    |    |
|-----------------|-----|--------------------|----|
| Administrators: | 9   | Media Specialists: | 2  |
| Teachers:       | 122 | Nurses:            | 4  |
| Teacher Aides:  | 51  | Guidance:          | 4  |
| Custodians:     | 8   | Secretaries:       | 11 |
| Food Service:   | 17  | Transportation:    | 19 |
| Other:          | 33  | Maintenance:       | 2  |

Source: Monticello CSD

## Investment of Public Funds

The District invests its funds pursuant to Chapter 12B of the Code. Presented below is the District's investing activities as of June 30, 2026.

| <u>Type of Investment</u>   | <u>Amount Invested</u> |
|-----------------------------|------------------------|
| Local Bank Money Market     | \$5,021,576.74         |
| Local Bank Deposit Accounts | 13,885,207.82          |
| Local Bank Time CD's        | 0                      |
| ISJIT Money Market          | 747.38                 |
| ISJIT Time CD's             | 0                      |

Source: Monticello CSD

## Population

Presented below are population figures for the periods indicated for the city of Monticello:

| <u>Year</u> | <u>Population</u> |
|-------------|-------------------|
| 2020        | 4040              |
| 2010        | 3796              |
| 2000        | 3607              |
| 1990        | 3522              |
| 1980        | 3641              |
| 1970        | 3509              |

Source: U.S. Census Bureau

## Major Employers

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

| <u>Employer</u>               | <u>Business</u>                         | <u>Approximate Employees</u> |
|-------------------------------|-----------------------------------------|------------------------------|
| Monticello CSD                | Education                               | 250-499                      |
| Energy Mfg                    | Manufacturer                            | 100-249                      |
| Orbis                         | Plastic manufacturer                    | 100-249                      |
| Polo Custom Products          | Sewing contractor                       | 100-249                      |
| Comerstone Building Brands    | Metal buildings                         | 100-249                      |
| Monticello Nursing & Rehab    | Nursing home                            | 100-249                      |
| NSC Bank                      | Plastic bag manufacturer                | 50-99                        |
| Camp Courageous               | Camp                                    | 50-99                        |
| Above-Beyond Home Health Care | Hospices                                | 50-99                        |
| Advancement Services-Jones    | Social services                         | 50-99                        |
| Systems Unlimited             | Social services                         | 50-99                        |
| Fareway                       | Grocery store                           | 50-99                        |
| Foam Rubber                   | Carpet & rugs                           | 50-99                        |
| Minttex                       | Fund raising merchandise                | 50-99                        |
| AAA Budget Environmental      | Excavating contractor                   | 20-49                        |
| Monticello Ambulance          | Ambulance services                      | 20-49                        |
| Senior Housing                | Social services                         | 20-49                        |
| Herky Hawk Financial          | Bank holding company                    | 20-49                        |
| Julin Printing                | Commercial printing                     | 20-49                        |
| Yeoman & Co.                  | Tool mfg                                | 20-49                        |
| Dollar Fresh                  | Grocery store                           | 20-49                        |
| Cat Scale                     | Truck scales                            | 20-49                        |
| Innovative Ag                 | Farm supplies                           | 20-49                        |
| Monticello Equipment          | Farm equipment                          | 20-49                        |
| Oak Street Mfg                | Restaurant/commercial kitchen equipment | 20-49                        |
| Welter Storage                | Material handling equipment             | 20-49                        |

Source: Iowa Workforce Development.com/employer database

## Property Tax Assessment

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

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

| Fiscal<br>Year | Residential | Ag Land<br>& Buildings | Commercial (3) | Multi-residential | Railroad (3) | Industrial (3) | Old<br>Utilities | Ch 437<br>Utilities | Ch 428 & 438<br>Utilities |
|----------------|-------------|------------------------|----------------|-------------------|--------------|----------------|------------------|---------------------|---------------------------|
| 2026-27        | 44.5345     | 59.4401                | 90.0000        | NA                | 90.0000      | 90.0000        | NA               | 94.2059             | 98.0000                   |
| 2025-26        | 47.4316     | 73.8575                | 90.0000        | NA                | 90.0000      | 90.0000        | 100.0000         | Utilities           | Utilities                 |
| 2024-25        | 46.3428     | 71.8370                | 90.0000        | NA                | 90.0000      | 90.0000        | 100.0000         | Utilities           | Utilities                 |
| 2023-24        | 54.6501     | 91.6430                | 90.0000        | NA                | 90.0000      | 90.0000        | 100.0000         | Utilities           | Utilities                 |
| 2022-23        | 54.1302     | 89.0412                | 90.0000        | 63.7500           | 90.0000      | 90.0000        | 100.0000         | Utilities           | Utilities                 |

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Source: Iowa Department of Revenue

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2025, are used to calculate tax liability for the tax year starting July 1, 2026, through June 30, 2027. Presented below are the historic property valuations of the Issuer by class of property.

## Property Valuations

|                         |                |                |                |                |                |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| 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:            | 534,465,088    | 482,591,569    | 478,284,943    | 380,382,564    | 367,509,575    |
| Agricultural Land:      | 229,326,539    | 179,256,644    | 179,250,657    | 138,867,650    | 138,905,700    |
| Ag Buildings:           | 18,001,130     | 16,833,880     | 16,394,580     | 8,904,690      | 8,827,410      |
| Commercial:             | 74,252,093     | 59,520,708     | 58,798,313     | 51,344,467     | 49,782,645     |
| Industrial:             | 20,735,830     | 17,364,117     | 17,126,610     | 14,557,346     | 14,585,579     |
| Multiresidential:       | 0              | 0              | 0              | 0              | 9,635,729      |
| Personal RE:            | 0              | 0              | 0              | 0              | 0              |
| Railroads:              | 0              | 0              | 0              | 0              | 0              |
| Utilities:              | 18,303,772     | 18,383,854     | 19,630,643     | 19,683,361     | 21,950,101     |
| Other:                  | 0              | 0              | 0              | 0              | 0              |
| Total Valuation:        | 895,084,452    | 773,950,772    | 769,485,746    | 613,740,078    | 611,196,739    |
| Less Military:          | 1,096,000      | 1,140,000      | 1,160,000      | 531,524        | 544,488        |
| Less Homestead:         | 4,959,500      | 4,849,000      | 2,382,250      |                |                |
| Net Valuation:          | 889,028,952    | 767,961,772    | 765,943,496    | 613,208,554    | 610,652,251    |
| TIF Valuation:          | 26,496,615     | 24,259,266     | 20,789,154     | 19,699,162     | 17,913,879     |
| Utility Replacement:    | 54,061,338     | 54,820,602     | 54,324,673     | 50,628,836     | 50,166,014     |
| 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:            | 227,105,238    | 218,759,134    | 212,771,934    | 200,894,599    | 192,868,641    |
| Agricultural Land:      | 136,311,911    | 132,394,469    | 128,768,313    | 127,262,495    | 123,683,327    |
| Ag Buildings:           | 10,699,887     | 12,433,076     | 11,777,376     | 8,160,548      | 7,860,031      |
| Commercial:             | 52,307,187     | 40,855,127     | 40,049,453     | 36,275,679     | 44,462,842     |
| Industrial:             | 17,380,733     | 14,505,217     | 14,274,652     | 12,169,051     | 13,083,884     |
| Multiresidential:       | 0              | 0              | 0              | 0              | 5,836,573      |
| Personal RE:            | 0              | 0              | 0              | 0              | 0              |
| Railroads:              | 0              | 0              | 0              | 0              | 0              |
| Utilities:              | 17,937,697     | 18,383,854     | 19,630,643     | 19,683,361     | 21,950,101     |
| Other:                  | 0              | 0              | 0              | 0              | 0              |
| Total Valuation:        | 461,742,653    | 437,330,877    | 427,272,371    | 404,445,733    | 409,745,399    |
| Less Military:          | 1,096,000      | 1,140,000      | 1,160,000      | 531,524        | 544,488        |
| Less Homestead:         | 4,959,500      | 4,849,000      | 2,382,250      |                |                |
| Net Valuation:          | 455,687,153    | 431,341,877    | 423,730,121    | 403,914,209    | 409,200,911    |
| TIF Valuation:          | 26,496,615     | 24,259,266     | 20,789,154     | 19,699,162     | 17,913,879     |
| Utility Replacement:    | 6,925,319      | 6,956,777      | 7,195,578      | 6,929,533      | 7,029,761      |

| Valuation   | Fiscal      | Actual              | % Change in      | Taxable             | % Change in      |
|-------------|-------------|---------------------|------------------|---------------------|------------------|
| <u>Year</u> | <u>Year</u> | <u>Valuation</u>    | <u>Actual</u>    | <u>Valuation</u>    | <u>Taxable</u>   |
|             |             | <u>w/ Utilities</u> | <u>Valuation</u> | <u>w/ Utilities</u> | <u>Valuation</u> |
| 2025        | 2027        | 969,586,905         | 14.47%           | 489,109,087         | 5.74%            |
| 2024        | 2026        | 847,041,640         | 0.71%            | 462,557,920         | 2.40%            |
| 2023        | 2025        | 841,057,323         | 23.04%           | 451,714,853         | 4.92%            |
| 2022        | 2024        | 683,536,552         | 0.71%            | 430,542,904         | -0.83%           |
| 2021        | 2023        | 678,732,144         | 4.45%            | 434,144,551         | 2.88%            |

Source: Iowa Department of Management

## Tax Rates

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

| <u>Fiscal<br/>Year</u> | <u>General<br/>Fund</u> | <u>M'ment<br/>Fund</u> | <u>Board<br/>PPEL</u> | <u>Voter<br/>PPEL</u> | <u>Play-<br/>ground</u> | <u>Debt<br/>Service</u> | <u>Total<br/>Levy</u> |
|------------------------|-------------------------|------------------------|-----------------------|-----------------------|-------------------------|-------------------------|-----------------------|
| 2026                   | 10.55008                | 0.91262                | 0.33000               | 0.51739               | 0.00000                 | 3.55631                 | 15.86640              |
| 2025                   | 10.56683                | 0.92823                | 0.33000               | 0.48657               | 0.00000                 | 2.35049                 | 14.66212              |
| 2024                   | 10.77596                | 0.97361                | 0.33000               | 0.12603               | 0.00000                 | 2.45446                 | 14.66006              |
| 2023                   | 9.43864                 | 0.48050                | 0.33000               | 0.36441               | 0.00000                 | 3.42167                 | 14.03522              |
| 2022                   | 9.71432                 | 0.25223                | 0.33000               | 0.36819               | 0.00000                 | 3.45432                 | 14.11906              |

Source: Iowa Department of Management

## Historic Tax Rates

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

| <u>Fiscal<br/>Year</u> | <u>City</u> | <u>School</u> | <u>College</u> | <u>State</u> | <u>Assessor</u> | <u>Ag Extens</u> | <u>Hospital</u> | <u>County</u> | <u>Total Levy</u> |
|------------------------|-------------|---------------|----------------|--------------|-----------------|------------------|-----------------|---------------|-------------------|
| 2026                   | 15.22169    | 15.86640      | 1.43000        | 0.00000      | 0.49209         | 0.21411          | 0.00000         | 5.80152       | 39.02581          |
| 2025                   | 15.22169    | 14.66212      | 1.39550        | 0.00180      | 0.47675         | 0.21982          | 0.00000         | 6.21670       | 38.19438          |
| 2024                   | 15.80145    | 14.66006      | 1.39550        | 0.00180      | 0.43125         | 0.22537          | 0.00000         | 6.15500       | 38.67043          |
| 2023                   | 13.86904    | 14.03522      | 1.34462        | 0.00240      | 0.40311         | 0.22145          | 0.00000         | 5.65500       | 35.53084          |
| 2022                   | 13.86899    | 14.11906      | 1.31195        | 0.00260      | 0.37660         | 0.22637          | 0.00000         | 5.74586       | 35.65143          |

Source: Iowa Department of Management

## Tax Collection History

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

| <u>Fiscal<br/>Year</u> | <u>Amount<br/>Levied</u> | <u>Amount<br/>Collected</u> | <u>Percentage<br/>Collected</u> |
|------------------------|--------------------------|-----------------------------|---------------------------------|
| 2026                   | 7,069,046                | In collection               | NA                              |
| 2025                   | 6,391,258                | 6,385,727                   | 99.91%                          |
| 2024                   | 6,095,161                | 6,092,463                   | 99.96%                          |
| 2023                   | 5,932,570                | 5,931,961                   | 99.99%                          |
| 2022                   | 5,727,884                | 5,726,824                   | 99.98%                          |

Source: Monticello CSD

## Largest Taxpayers

Set forth in the following table are the persons or entities which represent the FY2025 estimated 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 District. The District's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.

| <u>Taxpayer</u>                 | <u>2025 Taxable Valuation</u> | <u>Percent of Total</u> |
|---------------------------------|-------------------------------|-------------------------|
| Alliance Pipeline LP            | \$8,298,418                   | 1.70%                   |
| Innovative AG Services Co       | \$6,716,459                   | 1.37%                   |
| Pembina Cochin LLC              | \$4,625,617                   | 0.95%                   |
| Frontier Warehousing LLC        | \$4,466,264                   | 0.91%                   |
| Interstate Power & Light Co     | \$4,157,241                   | 0.85%                   |
| Orbis Corporation               | \$4,097,515                   | 0.84%                   |
| IPE 1031 REV465 LLC             | \$3,949,096                   | 0.81%                   |
| HRR Land LLC                    | \$2,981,455                   | 0.61%                   |
| Buckeye Pipeline Transportation | \$2,467,943                   | 0.50%                   |
| Axgnl 1 Monticello IA LP        | \$2,316,847                   | 0.47%                   |
| Total                           |                               | 9.01%                   |

Source: County Auditor Office

## DIRECT DEBT

### General Obligation School Bonds (Debt Service)

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

| <u>Fiscal Year</u> | <u>2018 GO</u> | <u>2019 GO</u> | <u>Prepayment<br/>2019 GO</u> | <u>Prepayment<br/>2018 GO</u> | <u>12/10/25</u> | <u>9/9/26</u> | <u>Total<br/>Principal</u> | <u>Total<br/>Interest</u> | <u>Total<br/>P&amp;I</u> |
|--------------------|----------------|----------------|-------------------------------|-------------------------------|-----------------|---------------|----------------------------|---------------------------|--------------------------|
| 2027               | 515,000        | 180,000        | 0                             | 0                             | 0               | 155,000       | 850,000                    | 883,147                   | 1,733,147                |
| 2028               | 545,000        | 180,000        | 0                             | 0                             | 25,000          | 120,000       | 870,000                    | 887,468                   | 1,757,468                |
| 2029               | 565,000        | 185,000        | 0                             | 0                             | 25,000          | 150,000       | 925,000                    | 858,468                   | 1,783,468                |
| 2030               | 585,000        | 190,000        | 0                             | 0                             | 25,000          | 155,000       | 955,000                    | 827,218                   | 1,782,218                |
| 2031               | 610,000        | 190,000        | 0                             | 0                             | 25,000          | 165,000       | 990,000                    | 794,968                   | 1,784,968                |
| 2032               | 635,000        | 185,000        | 0                             | 0                             | 25,000          | 175,000       | 1,020,000                  | 761,468                   | 1,781,468                |
| 2033               | 660,000        | 185,000        | 0                             | 0                             | 25,000          | 185,000       | 1,055,000                  | 726,868                   | 1,781,868                |
| 2034               | 685,000        | 185,000        | 0                             | 0                             | 25,000          | 195,000       | 1,090,000                  | 691,018                   | 1,781,018                |
| 2035               | 710,000        | 190,000        | 0                             | 0                             | 25,000          | 205,000       | 1,130,000                  | 653,312                   | 1,783,312                |
| 2036               | 745,000        | 185,000        | 0                             | 0                             | 25,000          | 215,000       | 1,170,000                  | 614,450                   | 1,784,450                |
| 2037               | 800,000        | 160,000        | 0                             | 0                             | 25,000          | 225,000       | 1,210,000                  | 573,225                   | 1,783,225                |
| 2038               | 835,000        | 155,000        | 0                             | -175,000                      | 265,000         | 170,000       | 1,250,000                  | 530,425                   | 1,780,425                |
| 2039               |                | 1,025,000      | -1,025,000                    |                               | 1,120,000       | 175,000       | 1,295,000                  | 485,275                   | 1,780,275                |
| 2040               |                |                |                               |                               | 1,165,000       | 185,000       | 1,350,000                  | 433,475                   | 1,783,475                |
| 2041               |                |                |                               |                               | 1,210,000       | 190,000       | 1,400,000                  | 379,475                   | 1,779,475                |
| 2042               |                |                |                               |                               | 1,260,000       | 200,000       | 1,460,000                  | 323,475                   | 1,783,475                |
| 2043               |                |                |                               |                               | 1,310,000       | 205,000       | 1,515,000                  | 265,075                   | 1,780,075                |
| 2044               |                |                |                               |                               | 1,365,000       | 215,000       | 1,580,000                  | 204,352                   | 1,784,352                |
| 2045               |                |                |                               |                               | 1,420,000       | 220,000       | 1,640,000                  | 140,829                   | 1,780,829                |
| 2046               |                |                |                               |                               |                 | 1,705,000     | 1,705,000                  | 74,679                    | 1,779,679                |
| Totals:            | 7,890,000      | 3,195,000      | -1,025,000                    | -175,000                      | 9,365,000       | 5,210,000     | 24,460,000                 | 11,108,667                | 35,568,667               |

Source: Monticello CSD



## General Obligation School Capital Loan Notes (PPEL)

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

## Anticipatory Warrants

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

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

Presented below is the principal and interest due on the Issuer's outstanding School Infrastructure Sales, Services & Use Tax Revenue Bonds.

| <u>Fiscal Year</u> | <u>2019A</u> | <u>Total<br/>Principal</u> | <u>Total<br/>Interest</u> | <u>Total<br/>P&amp;I</u> |
|--------------------|--------------|----------------------------|---------------------------|--------------------------|
| 2027               | 750,000      | 750,000                    | 64,824                    | 814,824                  |
| 2028               | 768,000      | 768,000                    | 46,824                    | 814,824                  |
| 2029               | 786,000      | 786,000                    | 28,392                    | 814,392                  |
| 2030               | 397,000      | 397,000                    | 4,764                     | 401,764                  |
| Totals:            | 2,701,000    | 2,701,000                  | 144,804                   | 2,845,804                |

## **Debt Limit (1)**

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

|                                     |                |
|-------------------------------------|----------------|
| 1/1/2025 Actual Valuation:          | 969,586,905    |
| X                                   | 0.05           |
| Statutory Debt Limit:               | 48,479,345     |
| <br>Total General Obligation Debt:  | <br>24,460,000 |
| Total Lease Purchases:              |                |
| Total Loan Agreements:              |                |
| Capital Leases:                     |                |
| Total Debt Subject to Limit:        | 24,460,000     |
| Percentage of Debt Limit Obligated: | 50.45%         |

The constitutional debt limit calculation does not include the School Infrastructure Sales, Services and Use Tax Revenue Bonds. If the School Infrastructure Sales, Services and Use Tax Revenue Bonds are included in the constitutional debt limit calculation, the "Total Debt Subject to Limit" would increase \$2,701,000 to be \$27,161,000, or 56.03% of the statutory debt limit.

Source: Iowa Department of Management

## **(1) Utility Property Tax Replacement**

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

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

## Overlapping & Underlying Debt

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 Monticello      | 3,200,000               | 170,852,051                   | \$170,852,051                      | 100.00%                      | \$3,200,000              |
| Jones County            | 0                       | 1,363,024,566                 | 435,136,640                        | 31.92%                       | 0                        |
| Delaware County         | 3,610,000               | 1,692,153,317                 | 16,110,931                         | 0.95%                        | 34,371                   |
| Linn County             | 53,740,000              | 14,879,782,736                | 10,264,948                         | 0.07%                        | 37,073                   |
| Dubuque County          | 18,627,019              | 6,637,106,332                 | 1,045,401                          | 0.02%                        | 2,934                    |
| Kirkwood Cc             | 136,150,279             | 33,569,299,504                | 462,557,920                        | 1.38%                        | 1,876,041                |
| Grant Wood Aea          | 0                       | 33,636,703,764                | 462,557,920                        | 1.38%                        | 0                        |

Total Overlapping & Underlying Debt: \$5,150,419

Source: Iowa Department of Management

## Financial Summary

|                                               |               |
|-----------------------------------------------|---------------|
| Actual Value of Property, 2025:               | \$969,586,905 |
| Taxable Value of Property, 2025:              | 489,109,087   |
| Direct General Obligation Debt:               | \$24,460,000  |
| Overlapping Debt:                             | 5,150,419     |
| Direct & Overlapping General Obligation Debt: | \$29,610,419  |
| Population, 2020 US Census:                   | 6,596         |
| Direct Debt per Capita:                       | \$3,708.31    |
| Total Debt per Capita:                        | \$4,489.15    |
| Direct Debt to Taxable Valuation:             | 5.00%         |
| Total Debt to Taxable Valuation:              | 6.05%         |
| Direct Debt to Actual Valuation:              | 2.52%         |
| Total Debt to Actual Valuation:               | 3.05%         |
| Actual Valuation per Capita:                  | \$146,996     |
| Taxable Valuation per Capita:                 | \$74,152      |

Source: Iowa Department of Management

## APPENDIX B – FORM OF BOND COUNSEL OPINION

[Dated of Delivery]\*

Monticello Community School District  
Monticello, Iowa

[Underwriter]  
[ ]

We hereby certify that we have examined a certified copy of proceedings (the “Proceedings”) of the Board of Directors of Monticello Community School District (the “Issuer”), in Jones, Linn, Dubuque and Delaware Counties, State of Iowa, passed preliminary to the issue by the Issuer of its \$ \_\_\_\_\_ General Obligation School Bonds, Series 2026 (the “Bonds”), dated the date of delivery. The Bonds bear interest at the rates and are payable on the dates and in the amounts as set forth therein.

Based upon our examination, we are of the opinion, as of the date hereof, that:

1. The Proceedings show lawful authority for such issue under the laws of the State of Iowa.
2. The Bonds are valid and legally binding general obligations of the Issuer.
3. All taxable property within the corporate boundaries of the Issuer is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate.
4. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not treated as a preference item in calculating the federal alternative minimum tax imposed on noncorporate taxpayers under the Internal Revenue Code of 1986 (the “Code”). The opinions set forth in the preceding sentence are 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 interest thereon be, or continues to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.
5. Interest on the Bonds is not exempt from present State of Iowa income taxes.
6. The Bonds are not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

We express no opinion regarding other federal or state tax consequences arising with respect to the Bonds or receipt of interest thereon. We note, however, that interest on the Bonds may be taken into account in determining the adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code).

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion may be relied upon by the addressees hereof and their successors and/or assigns, and any permitted assignee of the Bonds, but only with respect to the opinions expressly set forth herein and as of the dated date hereof.

DORSEY & WHITNEY LLP  
ck/JPD

\*This form of bond counsel opinion is subject to change pending the results of the sale of the Bonds contemplated herein.

## APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

### CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Monticello Community School District (the “Issuer”) on this 9th day of September, 2026 (the “Dated Date”), in connection with the issuance of \$ \_\_\_\_\_ General Obligation School Bonds, Series 2026 (the “Series 2026 Bonds”), dated the Dated Date. The Series 2026 Bonds are being issued pursuant to a resolution of the Issuer approved on August 24, 2026 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Series 2026 Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12.

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 Report” shall mean any Annual Report provided 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 Series 2026 Bonds (including persons holding Series 2026 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2026 Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the Dissemination Agent, if any, designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“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 either (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

“Holders” shall mean the registered holders of the Series 2026 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.

“Participating Underwriters” shall mean any of the original underwriters of the Series 2026 Bonds required to comply with the Rule in connection with offering of the Series 2026 Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Iowa.

Section 3. Provision of Annual Reports.

(a) Not later than April 15 (the “Submission Deadline”) of each year following the end of the 2025-2026 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file on EMMA an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate in a format and accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and 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 Report and later than the Submission Deadline 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), and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the changed fiscal year.

(b) If the Issuer has designated a Dissemination Agent, then not later than fifteen (15) business days prior to the Submission Deadline, the Issuer shall provide the Annual Report to the Dissemination Agent.

(c) If the Issuer is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the Issuer shall, or

shall cause the Dissemination Agent (if any) to, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) The 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 audited 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 are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by State law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA when they become available.

(b) Tables, schedules or other information contained in the official statement for the Series 2026 Bonds, under the following captions:

Property Valuations,  
Tax Rates,  
Historic Tax Rates,  
Tax Collection History,  
Direct Debt,  
Debt Limit and  
Financial Summary

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. 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 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2026 Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) 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 status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.  
Note to paragraph (12): For the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation

of the obligated person, any of which reflect financial difficulties.

(b) If a Listed Event described in Section 5(a) paragraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14) or (15) has occurred and the Issuer has determined that such Listed Event is material under applicable federal securities laws, the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.

(c) If a Listed Event described in Section 5(a) paragraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12) or (16) above has occurred the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in Section (5)(a) paragraphs (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Series 2026 Bonds pursuant to the Resolution.

**Section 6. Termination of Reporting Obligation.** The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2026 Bonds 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 Annual Report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Piper Sandler & Co.

**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) (i) the amendment or waiver is 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 Series 2026 Bonds, or the type of business conducted; (ii) 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 Series 2026 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment or waiver either (1) is approved by the Holders in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (2) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or

(b) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

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 Report, 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 audited 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 Report 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 audited 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 Report 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 Report 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 Report 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 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, if any, 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 Series 2026 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 Series 2026 Bonds, and shall create no rights in any other person or entity.

Dated: Dated Date

MONTICELLO COMMUNITY SCHOOL DISTRICT

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Board Secretary

## **APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR FISCAL YEAR 2025**

The financial statements are prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles.

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.

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

JUNE 30, 2025

MONTICELLO COMMUNITY SCHOOL DISTRICT

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JUNE 30, 2025

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MONTICELLO COMMUNITY SCHOOL DISTRICT

OFFICIALS  
JUNE 30, 2025

| <u>Name</u>               | <u>Title</u>                     | <u>Term Expires</u> |
|---------------------------|----------------------------------|---------------------|
| <u>Board of Education</u> |                                  |                     |
| Craig Stadtmeuller        | President                        | 2025                |
| Mandy Norton              | Vice-president                   | 2025                |
| Mark Rieken               | Board Member                     | 2025                |
| John Schlarmann           | Board Member                     | 2027                |
| Tony Amsler               | Board Member                     | 2027                |
| <u>School Officials</u>   |                                  |                     |
| Dr. Brian Jaeger          | Superintendent                   | Indefinite          |
| Judy Hayen                | Board Secretary                  | Indefinite          |
| Marcy Gilmore             | Business Manager/Board Treasurer | Indefinite          |
| Ahlers & Cooney, P.C.     | Attorney                         | Indefinite          |
| Lynch Dallas, P.C.        | Attorney                         | Indefinite          |
| Strittmatter Law Firm     | Attorney                         | Indefinite          |



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

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

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Monticello Community School District

### Report on the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Monticello Community School District, Monticello, Iowa, as of and for the year ended June 30, 2025, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Monticello Community School District at June 30, 2025, and the respective changes in financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Monticello 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 the Monticello Community School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Monticello Community School District's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability (asset), the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 5 through 13 and 44 through 52 be presented to supplement the basic financial statements. Such information is the responsibility of the 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Monticello Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the four years ended June 30, 2024 (which are not presented herein) and expressed unmodified opinions on those statements. Other auditors previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the five years ended June 30, 2020 (which are not presented herein) and expressed unmodified opinions on those statements. The supplementary information included in Schedules 1 through 9, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 5, 2026 on our consideration of Monticello Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Monticello Community School District's internal control over financial reporting and compliance.

ANDERSON, LARKIN & CO., P.C.

*ANDERSON, LARKIN & CO., P.C.*

Ottumwa, Iowa  
January 5, 2026

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Monticello 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.

### 2025 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$13,577,367 in fiscal year 2024 to \$14,005,140 in fiscal year 2025, while General Fund expenditures increased from \$13,388,333 in fiscal year 2024 to \$13,604,531 in fiscal year 2025. The District's General Fund balance increased from \$1,660,966 in fiscal 2024 to \$2,066,575 in fiscal 2025, a 24.42% increase.
- The District's total net position increased from \$14,630,978 at June 30, 2024 to \$16,404,292 at June 30, 2025. Total revenues increased from \$18,765,897 in fiscal year 2024 to \$18,971,232 in fiscal year 2025, a 1.09% increase, while total expenses increased from \$17,077,523 in fiscal year 2024 to \$17,197,918 in fiscal year 2025, a 0.7% increase compared to the prior year. Revenues increased mainly due to an increase in operating grants, contributions and restricted interest, and property tax, while the expenses increased primarily in the instruction program.

### 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 Monticello Community School District as a whole and present an overall view of the District's finances.

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

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the schedule of changes in the District's total OPEB liability, related ratios and notes.

Supplementary Information provides detailed information about the nonmajor governmental funds and capital project accounts.

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

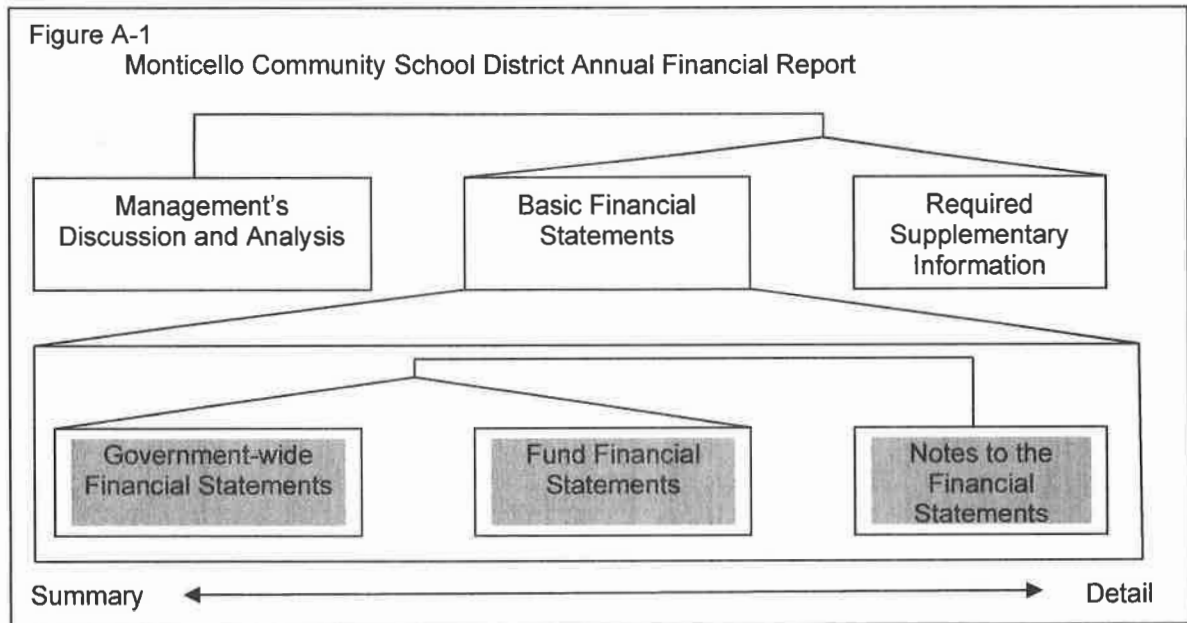




Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

| Figure A-2<br>Major features of the Government-Wide and Fund Financial Statements |                                                                                                                  |                                                                                                                                                                                                          |                                                                                                                                                                                              |                                                                                                                                                   |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                   | Government-wide statements                                                                                       | Fund Statements                                                                                                                                                                                          |                                                                                                                                                                                              |                                                                                                                                                   |
|                                                                                   |                                                                                                                  | Governmental Funds                                                                                                                                                                                       | Proprietary Funds                                                                                                                                                                            | Fiduciary Funds                                                                                                                                   |
| Scope                                                                             | Entire district (except fiduciary funds)                                                                         | The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance                                                                                 | Activities the district operates similar to private businesses: food service, daycare, preschool and resale activity                                                                         | Instances in which the district administers resources on behalf of someone else, such as scholarship programs                                     |
| Required financial statements                                                     | <ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul> | <ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures and changes in fund balances</li> </ul>                                                            | <ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in fund net position</li> <li>• Statement of cash flows</li> </ul> | <ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul> |
| 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/liability information                                               | All assets and liabilities, both financial and capital, short-term and long-term                                 | Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included                                           | All assets and liabilities, both financial and capital, and short-term and long-term                                                                                                         | All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can                       |
| Type of deferred outflow/inflow information                                       | Consumption/acquisition of net position that is applicable to a future reporting period                          | Consumption/acquisition of fund balance that is applicable to a future reporting period                                                                                                                  | Consumption/acquisition of net position that is applicable to a future reporting period                                                                                                      | Consumption/acquisition of net position that is applicable to a future reporting period                                                           |
| Type of inflow/outflow information                                                | All revenues and expenses during year, regardless of 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                                                         |

## Reporting the District's Financial Activities

### *Government-wide Financial Statements*

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

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

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

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

#### *Fund Financial Statements*

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

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

The District has three kinds of funds:

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

The District's governmental funds include the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District currently has four Enterprise Funds, the School Nutrition Fund, the Panther Academy Fund, the Preschool Fund, and the Resale Activity Fund. The District currently has two Internal Service Funds accounting for the District's partially self-funded insurance and employee flex benefits plans.

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

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

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

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

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Figure A-3  
Condensed Statement of Net Position

|                                  | Governmental<br>Activities<br>June 30, |                      | Business Type<br>Activities<br>June 30, |                  | Total<br>District<br>June 30, |                      | Total<br>Change |
|----------------------------------|----------------------------------------|----------------------|-----------------------------------------|------------------|-------------------------------|----------------------|-----------------|
|                                  | 2024                                   |                      | 2024                                    |                  | 2024                          |                      | 2024-2025       |
|                                  | 2025                                   | As Restated          | 2025                                    | As Restated      | 2025                          | As Restated          |                 |
| Current and other assets         | \$ 20,882,701                          | \$ 19,660,445        | \$ 247,180                              | \$ 355,135       | \$ 21,129,881                 | \$ 20,015,580        | 5.57 %          |
| Capital assets                   | <u>24,307,068</u>                      | <u>24,459,615</u>    | <u>52,984</u>                           | <u>41,399</u>    | <u>24,360,052</u>             | <u>24,501,014</u>    | (0.58)          |
| Total assets                     | <u>45,189,769</u>                      | <u>44,120,060</u>    | <u>300,164</u>                          | <u>396,534</u>   | <u>45,489,933</u>             | <u>44,516,594</u>    | 2.19            |
| Deferred outflows of resources   | <u>1,567,853</u>                       | <u>1,998,419</u>     | <u>59,683</u>                           | <u>175,487</u>   | <u>1,627,536</u>              | <u>2,173,906</u>     | (25.13)         |
| Long-term liabilities            | 20,429,583                             | 22,244,469           | 199,695                                 | 222,400          | 20,629,278                    | 22,466,869           | (8.18)          |
| Other liabilities                | <u>1,903,890</u>                       | <u>1,742,112</u>     | <u>57,351</u>                           | <u>59,762</u>    | <u>1,961,241</u>              | <u>1,801,874</u>     | 8.84            |
| Total liabilities                | <u>22,333,473</u>                      | <u>23,986,581</u>    | <u>257,046</u>                          | <u>282,162</u>   | <u>22,590,519</u>             | <u>24,268,743</u>    | (6.92)          |
| Deferred inflows of resources    | <u>8,092,003</u>                       | <u>7,536,087</u>     | <u>30,655</u>                           | <u>254,692</u>   | <u>8,122,658</u>              | <u>7,790,779</u>     | 4.26            |
| Net position:                    |                                        |                      |                                         |                  |                               |                      |                 |
| Net investment in capital assets | 8,330,456                              | 8,024,974            | 52,984                                  | 41,399           | 8,383,440                     | 8,066,373            | 3.93            |
| Restricted                       | 8,014,298                              | 8,296,900            | -                                       | -                | 8,014,298                     | 8,296,900            | (3.41)          |
| Unrestricted                     | <u>(12,608)</u>                        | <u>(1,726,063)</u>   | <u>19,162</u>                           | <u>(6,232)</u>   | <u>6,554</u>                  | <u>(1,732,295)</u>   | 100.38          |
| Total net position               | \$ <u>16,332,146</u>                   | \$ <u>14,595,811</u> | \$ <u>72,146</u>                        | \$ <u>35,167</u> | \$ <u>16,404,292</u>          | \$ <u>14,630,978</u> | 12.12 %         |

The District's total net position increased by 12.12%, or \$1,773,313 from the prior year.

The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment and right-to-use leased equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position remained stable, decreasing by \$282,602, or 3.41% from the prior year.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, increasing significantly by \$1,738,849, or 100.38%.

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

| Figure A-4<br>Change in Net Position                    |                                        |                      |                                         |                  |                               |                      |                 |   |
|---------------------------------------------------------|----------------------------------------|----------------------|-----------------------------------------|------------------|-------------------------------|----------------------|-----------------|---|
|                                                         | Governmental<br>Activities<br>June 30, |                      | Business Type<br>Activities<br>June 30, |                  | Total<br>District<br>June 30, |                      | Total<br>Change |   |
|                                                         | 2024                                   |                      | 2024                                    |                  | 2024                          |                      | 2024-2025       |   |
|                                                         | 2025                                   | As Restated          | 2025                                    | As Restated      | 2025                          | As Restated          |                 |   |
| Revenues                                                |                                        |                      |                                         |                  |                               |                      |                 |   |
| Program revenues:                                       |                                        |                      |                                         |                  |                               |                      |                 |   |
| Charges for services                                    | \$ 1,416,620                           | \$ 1,511,473         | \$ 500,857                              | \$ 545,587       | \$ 1,917,477                  | \$ 2,057,060         | (6.79)          | % |
| Operating grants, contributions and restricted interest | 2,109,356                              | 1,946,935            | 336,616                                 | 340,395          | 2,445,972                     | 2,287,330            | 6.94            |   |
| General revenues:                                       |                                        |                      |                                         |                  |                               |                      |                 |   |
| Property tax                                            | 6,767,336                              | 6,553,125            | -                                       | -                | 6,767,336                     | 6,553,125            | 3.27            |   |
| Income surtax                                           | 215,112                                | 359,401              | -                                       | -                | 215,112                       | 359,401              | (40.15)         |   |
| Statewide sales, services and use tax                   | 1,281,159                              | 1,276,787            | -                                       | -                | 1,281,159                     | 1,276,787            | 0.34            |   |
| Unrestricted state grants                               | 5,825,526                              | 5,682,961            | -                                       | -                | 5,825,526                     | 5,682,961            | 2.51            |   |
| Unrestricted investment earnings                        | 463,138                                | 488,074              | 16,075                                  | 22,739           | 479,213                       | 510,813              | (6.19)          |   |
| Transfers                                               | 5,000                                  | 4,452                | (5,000)                                 | (4,452)          | -                             | -                    |                 |   |
| Other                                                   | -                                      | -                    | 39,437                                  | 38,420           | 39,437                        | 38,420               | 2.65            |   |
| Total revenues                                          | <u>18,083,247</u>                      | <u>17,823,208</u>    | <u>887,985</u>                          | <u>942,689</u>   | <u>18,971,232</u>             | <u>18,765,897</u>    | 1.09            |   |
| Program expenses:                                       |                                        |                      |                                         |                  |                               |                      |                 |   |
| Instruction                                             | 9,158,332                              | 8,729,685            | 133,948                                 | 154,687          | 9,292,280                     | 8,884,372            | 4.59            |   |
| Support services                                        | 5,727,236                              | 5,832,269            | 403                                     | 261              | 5,727,639                     | 5,832,530            | (1.80)          |   |
| Non-instructional programs                              | -                                      | -                    | 716,655                                 | 614,803          | 716,655                       | 614,803              | 16.57           |   |
| Other expenses                                          | 1,461,344                              | 1,745,818            | -                                       | -                | 1,461,344                     | 1,745,818            | (16.29)         |   |
| Total expenses                                          | <u>16,346,912</u>                      | <u>16,307,772</u>    | <u>851,006</u>                          | <u>769,751</u>   | <u>17,197,918</u>             | <u>17,077,523</u>    | 0.70            |   |
| Change in net position                                  | 1,736,335                              | 1,515,436            | 36,979                                  | 172,938          | 1,773,314                     | 1,688,374            | 5.03            |   |
| Net position beginning of year, as restated             | <u>14,595,811</u>                      | <u>13,080,375</u>    | <u>35,167</u>                           | <u>(137,771)</u> | <u>14,630,978</u>             | <u>12,942,604</u>    | 13.05           |   |
| Net position end of year                                | \$ <u>16,332,146</u>                   | \$ <u>14,595,811</u> | \$ <u>72,146</u>                        | \$ <u>35,167</u> | \$ <u>16,404,292</u>          | \$ <u>14,630,978</u> | 12.12           | % |

In the fiscal year 2025, property tax, operating grants, contributions and restricted interest, and unrestricted state grants accounted for 81.30% of governmental activities revenue while charges for services and operating grants, contributions and restricted interest accounted for 94.31% of the revenue of the business-type activities.

The District's total revenues were approximately \$19.0 million, of which approximately \$18.1 million was for governmental activities and approximately \$0.9 million was for business-type activities.

As shown in Figure A-4, the District as a whole experienced a 1.09% increase in revenues and a 2.03% increase in expenses. Operating grants, contributions and restricted interest, property taxes, and unrestricted state grants increased from the prior year contributing to the increase in revenue. The increase in expenses is primarily due to an increase in instruction and support services expenses incurred compared to the prior year.

## Governmental Activities

Revenues for governmental activities were \$18,083,247 and expenses were \$16,346,912 for the year ended June 30, 2025.

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

Figure A-5

### Total and Net Cost of Governmental Activities

|                  | <u>Total Cost of Services</u> |                      |                  | <u>Net Cost of Services</u> |                      |                  |                 |
|------------------|-------------------------------|----------------------|------------------|-----------------------------|----------------------|------------------|-----------------|
|                  | June 30,                      |                      |                  | June 30,                    |                      |                  | Total<br>Change |
|                  | <u>2025</u>                   | <u>2024</u>          | <u>2024-2025</u> | <u>2025</u>                 | <u>2024</u>          | <u>2024-2025</u> |                 |
| Instruction      | \$ 9,158,332                  | \$ 8,729,685         | 4.9 %            | \$ 6,068,583                | \$ 5,783,085         | 4.9 %            |                 |
| Support services | 5,727,236                     | 5,832,269            | (1.8)            | 5,688,429                   | 5,795,756            | (1.9)            |                 |
| Other expenses   | <u>1,461,344</u>              | <u>1,745,818</u>     | (16.3)           | <u>1,063,924</u>            | <u>1,270,523</u>     | (16.3)           |                 |
| Total expenses   | \$ <u>16,346,912</u>          | \$ <u>16,307,772</u> | 0.2 %            | \$ <u>12,820,936</u>        | \$ <u>12,849,364</u> | (0.2) %          |                 |

For the year ended June 30, 2025:

- The cost financed by users of the District's programs was \$1,416,620.
- Federal and state governments along with contributions from local sources subsidized certain programs with grants and contributions totaling \$2,109,356.
- The net cost of governmental activities was financed with \$6,767,336 in property and other taxes, \$1,281,159 in statewide sales, services and use tax, \$5,825,526 in unrestricted state grants, \$215,112 in income surtax, and \$463,138 in unrestricted investment earnings.

## Business Type Activities

Revenues of the District's business-type activities for the year-end June 30, 2025, totaled \$887,985 representing a 5.80% decrease from the prior year, while expenses totaled \$851,006, a 10.56% increase from the prior year. The District's business-type activities include the School Nutrition Fund, the Panther Academy Fund, the Preschool Fund and Resale Activity Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment income and other general revenues.

During the year ended June 30, 2025, the District had a continued decrease charged services for the student meal program due to a decrease in meal purchases in the current year, compared to the prior year.

## INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balance of \$10,747,198, an increase over last year's ending combined fund balances of \$10,434,591. The primary reason for the increase in combined fund balances at the end of the fiscal year 2025 is due to an increase in the General Fund balance.

## Governmental Fund Highlights

- The District's General Fund balance increased from \$1,660,966 at June 30, 2024 to \$2,066,575 at June 30, 2025 due to an increase in state sources revenues.
- The Capital Projects Fund balance decreased from \$7,028,456 at June 30, 2024 to \$6,811,249 at June 30, 2025. This decrease is from an increase in capital outlay expenses from the prior year.

## Governmental Fund Highlights (Continued)

- The Debt Service Fund balance remained stable, increasing from \$951,128 at June 30, 2024 to \$1,017,345 at June 30, 2025, as revenues exceeded expenditures in the current year.

## Proprietary Fund Highlights

The School Nutrition Fund net position decreased from \$119,713 at June 30, 2024 to \$93,473 at June 30, 2025, representing a decrease of 21.92%. This decrease in net position was due mainly to a decrease in federal source revenue compared to the prior year. The Panther Academy Fund net position increased from \$(48,235) at June 30, 2024 to \$(8,540) at June 30, 2025, representing an increase of 82.3%. This increase in net position was due to a decrease in salaries and benefits expenses. The Preschool Fund net position increased from \$(47,463) at June 30, 2024 to \$(23,536) at June 30, 2025, representing an increase of 50.41%. This increase in net position was due mainly to a decrease in salaries and benefits expenses compared to the prior year. The Resale Activity Fund net position remained stable, decreasing from \$11,152 at June 30, 2024 to \$10,749 at June 30, 2025, representing a decrease of 3.61%.

## BUDGETARY HIGHLIGHTS

The District's revenues were \$413,815 less than budgeted revenues, a variance of 2.12%. The most significant variance resulted from the District receiving less in federal source revenues than originally anticipated. Total expenditures were less than budgeted, due primarily to the District's budget for the instruction function. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls general fund spending through its line-item budget. As a result, typically the District's certified budget should always exceed actual expenditures for the year. The District's expenditures did not exceed budgeted amounts in the current year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2025, the District had invested \$24,360,052 net of accumulated depreciation/amortization, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment and intangible assets. (See Figure A-6) This amount represents a net decrease of 0.58% from last year. More detailed information about the District's capital assets is available in Note 3 to the financial statements. Depreciation expense for the year was \$815,647. The original cost of the District's capital assets was \$36,188,240. Governmental activities account for \$35,791,981 with the remainder of \$396,259 accounted for in the Business-type activities. The largest change in capital asset activity during the year occurred in the buildings category which totaled \$22,365,161 at June 30, 2025, compared to \$22,696,722 reported at June 30, 2024. This decrease resulted from depreciation exceeding purchases during the year.

Figure A-6  
Capital Assets, Net of Depreciation

|                               | Governmental<br>Activities<br>June 30, |                      | Business Type<br>Activities<br>June 30, |                  | Total<br>District<br>June 30, |                      | Total<br>Change  |
|-------------------------------|----------------------------------------|----------------------|-----------------------------------------|------------------|-------------------------------|----------------------|------------------|
|                               | <u>2025</u>                            | <u>2024</u>          | <u>2025</u>                             | <u>2024</u>      | <u>2025</u>                   | <u>2024</u>          | <u>2024-2025</u> |
|                               | <u>As Restated</u>                     |                      |                                         |                  | <u>As Restated</u>            |                      |                  |
| Land                          | \$ 200,900                             | \$ 200,900           | \$ -                                    | \$ -             | \$ 200,900                    | \$ 200,900           | - %              |
| Buildings                     | 22,365,161                             | 22,696,722           | -                                       | -                | 22,365,161                    | 22,696,722           | (1.46)           |
| Land Improvement              | 183,744                                | 194,053              | -                                       | -                | 183,744                       | 194,053              | (5.31)           |
| Machinery and Equipment       | 1,480,527                              | 1,367,306            | 52,984                                  | 41,399           | 1,533,511                     | 1,408,705            | 8.86             |
| Right-to-use leased equipment | 76,736                                 | 634                  | -                                       | -                | 76,736                        | 634                  | 12,003.47        |
| Totals                        | \$ <u>24,307,068</u>                   | \$ <u>24,459,615</u> | \$ <u>52,984</u>                        | \$ <u>41,399</u> | \$ <u>24,360,052</u>          | \$ <u>24,501,014</u> | (0.58) %         |

## Long-Term Debt

At June 30, 2025, the District had \$15,976,612 in total long-term debt outstanding. This represents a decrease of 7.28% from last year. (See Figure A-7) Additional information about the District's long-term liability is available in Note 4 to the financial statements.

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

The District had total outstanding revenue bonded indebtedness payable from the Capital Projects: Statewide Sales, Services and Use Tax Fund of \$4,148,000 at June 30, 2025.

|                          | Figure A-7<br>Outstanding Long-term Obligations |                      |                    |
|--------------------------|-------------------------------------------------|----------------------|--------------------|
|                          | Total<br>District<br>June 30,                   |                      | Change<br>June 30, |
|                          | 2025                                            | 2024                 | 2024-2025          |
| General obligation bonds | \$ 11,750,000                                   | \$ 12,385,000        | (5.13) %           |
| Revenue bonds            | 4,148,000                                       | 4,843,000            | (14.35)            |
| Lease agreements         | 78,612                                          | 2,534                | 3002.29            |
| Totals                   | \$ <u>15,976,612</u>                            | \$ <u>17,230,534</u> | (7.28) %           |

## 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:

- Steady and/or decreased enrollment, low supplemental aid, increase in inflation and rising health insurance premiums over several years has negatively impacted the District's General Fund balance. The District continues to explore options to maintain a balanced budget.
- Legislation setting minimum teacher salaries will have a substantial impact on the District's spending authority after fiscal year 2027 when the state halts supplemental funding.
- The district has started building a new elementary school to replace two older buildings and creating a one campus district. The building is scheduled to be completed in the summer of 2027. This plan will help control costs for maintenance and transportation along with the ability to share staff between the buildings.

## 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 Marcy Gilmore, Business Manager/Board Treasurer, Monticello Community School District, 850 East Oak Street, Monticello, Iowa, 52310.

## BASIC FINANCIAL STATEMENTS



## MONTICELLO COMMUNITY SCHOOL DISTRICT

## STATEMENT OF NET POSITION

JUNE 30, 2025

|                                                          | Governmental<br>Activities | Business Type<br>Activities | Total                |
|----------------------------------------------------------|----------------------------|-----------------------------|----------------------|
| <b>ASSETS:</b>                                           |                            |                             |                      |
| Cash, cash equivalents and pooled investments            | \$ 11,972,051              | \$ 195,560                  | \$ 12,167,611        |
| Receivables:                                             |                            |                             |                      |
| Property tax:                                            |                            |                             |                      |
| Delinquent                                               | 57,502                     | -                           | 57,502               |
| Succeeding year                                          | 7,069,046                  | -                           | 7,069,046            |
| Income surtax                                            | 497,148                    | -                           | 497,148              |
| Accounts                                                 | 9,744                      | 9,495                       | 19,239               |
| Due from other governments                               | 380,993                    | 31,262                      | 412,255              |
| Prepays                                                  | 896,217                    | -                           | 896,217              |
| Inventories                                              | -                          | 10,863                      | 10,863               |
| Capital assets not being depreciated:                    |                            |                             |                      |
| Land                                                     | 200,900                    | -                           | 200,900              |
| Capital assets, net of accumulated depreciation:         |                            |                             |                      |
| Buildings, land improvements and machinery and equipment | 24,106,168                 | 52,984                      | 24,159,152           |
| <b>TOTAL ASSETS</b>                                      | <b>45,189,769</b>          | <b>300,164</b>              | <b>45,489,933</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>                   |                            |                             |                      |
| Pension related deferred outflows                        | 1,172,410                  | 50,208                      | 1,222,618            |
| OPEB related deferred outflows                           | 395,443                    | 9,475                       | 404,918              |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>              | <b>1,567,853</b>           | <b>59,683</b>               | <b>1,627,536</b>     |
| <b>LIABILITIES:</b>                                      |                            |                             |                      |
| Accounts payable                                         | 582,756                    | 3,336                       | 586,092              |
| Salaries and benefits payable                            | 1,205,891                  | 36,982                      | 1,242,873            |
| Accrued interest payable                                 | 115,243                    | -                           | 115,243              |
| Deferred revenue                                         | -                          | 17,033                      | 17,033               |
| Long-term liabilities:                                   |                            |                             |                      |
| Portion due within one year:                             |                            |                             |                      |
| General obligation bonds payable                         | 665,000                    | -                           | 665,000              |
| Revenue bonds payable                                    | 715,000                    | -                           | 715,000              |
| Compensated absences                                     | 347,041                    | 21,916                      | 368,957              |
| Lease agreements payable                                 | 18,873                     | -                           | 18,873               |
| Portion due after one year:                              |                            |                             |                      |
| General obligation bonds payable                         | 11,085,000                 | -                           | 11,085,000           |
| Revenue bonds payable                                    | 3,433,000                  | -                           | 3,433,000            |
| Net pension liability                                    | 3,299,316                  | 158,700                     | 3,458,016            |
| OPEB Liability                                           | 806,614                    | 19,079                      | 825,693              |
| Lease agreements payable                                 | 59,739                     | -                           | 59,739               |
| <b>TOTAL LIABILITIES</b>                                 | <b>22,333,473</b>          | <b>257,046</b>              | <b>22,590,519</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                    |                            |                             |                      |
| Unavailable property tax revenue                         | 7,069,046                  | -                           | 7,069,046            |
| OPEB related deferred inflows                            | 768,525                    | 18,416                      | 786,941              |
| Pension related deferred inflows                         | 254,432                    | 12,239                      | 266,671              |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>               | <b>8,092,003</b>           | <b>30,655</b>               | <b>8,122,658</b>     |
| <b>NET POSITION:</b>                                     |                            |                             |                      |
| Net investment in capital assets                         | 8,330,456                  | 52,984                      | 8,383,440            |
| Restricted for:                                          |                            |                             |                      |
| Categorical funding                                      | 98,450                     | -                           | 98,450               |
| Debt service                                             | 252,569                    | -                           | 252,569              |
| Management levy purposes                                 | 660,844                    | -                           | 660,844              |
| Student activities                                       | 191,186                    | -                           | 191,186              |
| School infrastructure                                    | 6,337,258                  | -                           | 6,337,258            |
| Physical plant and equipment                             | 473,991                    | -                           | 473,991              |
| Unrestricted                                             | (12,608)                   | 19,162                      | 6,554                |
| <b>TOTAL NET POSITION</b>                                | <b>\$ 16,332,146</b>       | <b>\$ 72,146</b>            | <b>\$ 16,404,292</b> |

See Notes to Financial Statements

MONTICELLO COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025

|                                                  |                      | <u>Program Revenues</u> |                          |
|--------------------------------------------------|----------------------|-------------------------|--------------------------|
|                                                  |                      | <u>Charges for</u>      | <u>Operating Grants,</u> |
|                                                  | <u>Expenses</u>      | <u>Services</u>         | <u>Contributions</u>     |
|                                                  |                      |                         | <u>and Restricted</u>    |
|                                                  |                      |                         | <u>Interest</u>          |
| <u>FUNCTIONS/PROGRAMS:</u>                       |                      |                         |                          |
| Governmental activities:                         |                      |                         |                          |
| Instruction:                                     |                      |                         |                          |
| Regular                                          | \$ 5,810,523         | \$ 881,471              | \$ 1,674,631             |
| Special                                          | 1,884,825            | 53,618                  | -                        |
| Other                                            | <u>1,462,984</u>     | <u>480,029</u>          | <u>-</u>                 |
|                                                  | <u>9,158,332</u>     | <u>1,415,118</u>        | <u>1,674,631</u>         |
| Support services:                                |                      |                         |                          |
| Student                                          | 896,909              | -                       | -                        |
| Instructional staff                              | 858,214              | -                       | -                        |
| Administration                                   | 1,568,692            | -                       | -                        |
| Operation and maintenance of plant               | 1,829,748            | -                       | -                        |
| Transportation                                   | <u>573,673</u>       | <u>1,502</u>            | <u>37,305</u>            |
|                                                  | <u>5,727,236</u>     | <u>1,502</u>            | <u>37,305</u>            |
| Long-term debt interest and other fiscal charges | <u>513,851</u>       | <u>-</u>                | <u>-</u>                 |
| Other expenditures:                              |                      |                         |                          |
| AEA flow through                                 | 397,420              | -                       | 397,420                  |
| Depreciation (unallocated)*                      | <u>550,073</u>       | <u>-</u>                | <u>-</u>                 |
|                                                  | <u>947,493</u>       | <u>-</u>                | <u>397,420</u>           |
| Total governmental activities                    | <u>16,346,912</u>    | <u>1,416,620</u>        | <u>2,109,356</u>         |
| Business type activities:                        |                      |                         |                          |
| Non-instructional programs:                      |                      |                         |                          |
| Food service operations                          | 716,655              | 304,897                 | 336,616                  |
| Other enterprise operations                      | 403                  | -                       | -                        |
| Community service operations                     | <u>133,948</u>       | <u>195,960</u>          | <u>-</u>                 |
| Total business type activities                   | <u>851,006</u>       | <u>500,857</u>          | <u>336,616</u>           |
| Total                                            | \$ <u>17,197,918</u> | \$ <u>1,917,477</u>     | \$ <u>2,445,972</u>      |
| <u>GENERAL REVENUES:</u>                         |                      |                         |                          |
| Property tax levied for:                         |                      |                         |                          |
| General purposes                                 |                      |                         |                          |
| Management levy                                  |                      |                         |                          |
| Capital outlay                                   |                      |                         |                          |
| Debt service                                     |                      |                         |                          |
| Income surtax                                    |                      |                         |                          |
| Statewide sales, services and use tax            |                      |                         |                          |
| Unrestricted state grants                        |                      |                         |                          |
| Unrestricted investment earnings                 |                      |                         |                          |
| Transfers                                        |                      |                         |                          |
| Other                                            |                      |                         |                          |
| Total general revenues                           |                      |                         |                          |
| Changes in net position                          |                      |                         |                          |
| Net position - Beginning of year as restated     |                      |                         |                          |
| Net position - End of year                       |                      |                         |                          |

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

See Notes to Financial Statements

Net (Expense) Revenue  
and Changes in Net Position

| Governmental<br>Activities | Business Type<br>Activities | Total                |
|----------------------------|-----------------------------|----------------------|
| \$ (3,254,421)             | \$ -                        | \$ (3,254,421)       |
| (1,831,207)                | -                           | (1,831,207)          |
| (982,955)                  | -                           | (982,955)            |
| <u>(6,068,583)</u>         | <u>-</u>                    | <u>(6,068,583)</u>   |
| (896,909)                  | -                           | (896,909)            |
| (858,214)                  | -                           | (858,214)            |
| (1,568,692)                | -                           | (1,568,692)          |
| (1,829,748)                | -                           | (1,829,748)          |
| (534,866)                  | -                           | (534,866)            |
| <u>(5,688,429)</u>         | <u>-</u>                    | <u>(5,688,429)</u>   |
| (513,851)                  | -                           | (513,851)            |
| -                          | -                           | -                    |
| <u>(550,073)</u>           | <u>-</u>                    | <u>(550,073)</u>     |
| <u>(550,073)</u>           | <u>-</u>                    | <u>(550,073)</u>     |
| <u>(12,820,936)</u>        | <u>-</u>                    | <u>(12,820,936)</u>  |
| -                          | (75,142)                    | (75,142)             |
| -                          | (403)                       | (403)                |
| -                          | 62,012                      | 62,012               |
| -                          | <u>(13,533)</u>             | <u>(13,533)</u>      |
| <u>(12,820,936)</u>        | <u>(13,533)</u>             | <u>(12,834,469)</u>  |
| 4,676,659                  | -                           | 4,676,659            |
| 410,189                    | -                           | 410,189              |
| 592,933                    | -                           | 592,933              |
| 1,087,555                  | -                           | 1,087,555            |
| 215,112                    | -                           | 215,112              |
| 1,281,159                  | -                           | 1,281,159            |
| 5,825,526                  | -                           | 5,825,526            |
| 463,138                    | 16,075                      | 479,213              |
| 5,000                      | (5,000)                     | -                    |
| -                          | 39,437                      | 39,437               |
| <u>14,557,271</u>          | <u>50,512</u>               | <u>14,607,783</u>    |
| 1,736,335                  | 36,979                      | 1,773,314            |
| <u>14,595,811</u>          | <u>35,167</u>               | <u>14,630,978</u>    |
| \$ <u>16,332,146</u>       | \$ <u>72,146</u>            | \$ <u>16,404,292</u> |

## MONTICELLO COMMUNITY SCHOOL DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025

|                                                                               | <u>General</u>      | <u>Capital<br/>Projects</u> | <u>Debt Service</u> | <u>Nonmajor</u>     | <u>Total</u>         |
|-------------------------------------------------------------------------------|---------------------|-----------------------------|---------------------|---------------------|----------------------|
| <u>ASSETS</u>                                                                 |                     |                             |                     |                     |                      |
| Cash, cash equivalents and pooled investments                                 | \$ 3,293,579        | \$ 6,892,920                | \$ 244,640          | \$ 859,074          | \$ 11,290,213        |
| Receivables:                                                                  |                     |                             |                     |                     |                      |
| Property tax:                                                                 |                     |                             |                     |                     |                      |
| Delinquent                                                                    | 41,061              | 3,310                       | 9,529               | 3,602               | 57,502               |
| Succeeding year                                                               | 4,632,080           | 391,967                     | 1,644,999           | 400,000             | 7,069,046            |
| Income surtax                                                                 | 414,290             | 82,858                      | -                   | -                   | 497,148              |
| Accounts                                                                      | 5,204               | -                           | -                   | 4,540               | 9,744                |
| Prepaid expenses                                                              | 7,849               | 24,407                      | 764,776             | -                   | 797,032              |
| Due from other governments                                                    | 246,642             | 134,351                     | -                   | -                   | 380,993              |
| <b>TOTAL ASSETS</b>                                                           | <b>\$ 8,640,705</b> | <b>\$ 7,529,813</b>         | <b>\$ 2,663,944</b> | <b>\$ 1,267,216</b> | <b>\$ 20,101,678</b> |
| <u>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</u>       |                     |                             |                     |                     |                      |
| <u>LIABILITIES:</u>                                                           |                     |                             |                     |                     |                      |
| Accounts payable                                                              | \$ 323,821          | \$ 243,739                  | \$ 1,600            | \$ 13,234           | \$ 582,394           |
| Salaries and benefits payable                                                 | 1,203,939           | -                           | -                   | 1,952               | 1,205,891            |
| <b>TOTAL LIABILITIES</b>                                                      | <b>1,527,760</b>    | <b>243,739</b>              | <b>1,600</b>        | <b>15,186</b>       | <b>1,788,285</b>     |
| <u>DEFERRED INFLOWS OF RESOURCES:</u>                                         |                     |                             |                     |                     |                      |
| Unavailable revenues:                                                         |                     |                             |                     |                     |                      |
| Succeeding year property tax                                                  | 4,632,080           | 391,967                     | 1,644,999           | 400,000             | 7,069,046            |
| Income surtax                                                                 | 414,290             | 82,858                      | -                   | -                   | 497,148              |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                    | <b>5,046,370</b>    | <b>474,825</b>              | <b>1,644,999</b>    | <b>400,000</b>      | <b>7,566,194</b>     |
| <u>FUND BALANCES:</u>                                                         |                     |                             |                     |                     |                      |
| Nonspendable                                                                  | 7,849               | 24,407                      | 764,776             | -                   | 797,032              |
| Restricted for:                                                               |                     |                             |                     |                     |                      |
| Categorical funding                                                           | 98,450              | -                           | -                   | -                   | 98,450               |
| Debt service                                                                  | -                   | -                           | 252,569             | -                   | 252,569              |
| Management levy purposes                                                      | -                   | -                           | -                   | 660,844             | 660,844              |
| Student activities                                                            | -                   | -                           | -                   | 191,186             | 191,186              |
| School infrastructure                                                         | -                   | 6,337,258                   | -                   | -                   | 6,337,258            |
| Physical plant and equipment                                                  | -                   | 449,584                     | -                   | -                   | 449,584              |
| Unassigned:                                                                   |                     |                             |                     |                     |                      |
| General                                                                       | 1,960,276           | -                           | -                   | -                   | 1,960,276            |
| <b>TOTAL FUND BALANCES</b>                                                    | <b>2,066,575</b>    | <b>6,811,249</b>            | <b>1,017,345</b>    | <b>852,030</b>      | <b>10,747,199</b>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <b>\$ 8,640,705</b> | <b>\$ 7,529,813</b>         | <b>\$ 2,663,944</b> | <b>\$ 1,267,216</b> | <b>\$ 20,101,678</b> |

MONTICELLO COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025

|                                                                                                                                                                                                                                                    |    |                    |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------|---------------------|
| <u>TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS</u>                                                                                                                                                                                                   |    | \$                 | 10,747,199          |
| 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.                                                                                                   |    |                    | 24,307,068          |
| Accounts receivable income surtax, is not available to finance current year expenditures and, therefore, is recognized as deferred inflows of resources in the governmental funds.                                                                 |    |                    | 497,148             |
| Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.                                                                           |    |                    | (115,243)           |
| Blending of internal service funds to be reflected on an entity-wide basis.                                                                                                                                                                        |    |                    | 780,661             |
| Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:                                               |    |                    |                     |
| Deferred outflows of resources                                                                                                                                                                                                                     | \$ | 1,567,853          |                     |
| Deferred inflows of resources                                                                                                                                                                                                                      |    | <u>(1,022,957)</u> | 544,896             |
| Long-term liabilities, including bonds payable, lease agreements payable, total OPEB liability, and net pension liability are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. |    |                    | <u>(20,429,583)</u> |
| <u>NET POSITION OF GOVERNMENTAL ACTIVITIES</u>                                                                                                                                                                                                     |    | \$                 | <u>16,332,146</u>   |

MONTICELLO COMMUNITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025

|                                                              | <u>General</u>      | <u>Capital<br/>Projects</u> | <u>Debt<br/>Service</u> | <u>Nonmajor</u>   | <u>Total</u>         |
|--------------------------------------------------------------|---------------------|-----------------------------|-------------------------|-------------------|----------------------|
| <u>REVENUES:</u>                                             |                     |                             |                         |                   |                      |
| Local sources:                                               |                     |                             |                         |                   |                      |
| Local tax                                                    | \$ 4,775,167        | \$ 583,921                  | \$ 1,061,619            | \$ -              | \$ 6,420,707         |
| Tuition                                                      | 728,162             | -                           | -                       | -                 | 728,162              |
| Other                                                        | 349,509             | 275,468                     | 32,668                  | 903,479           | 1,561,124            |
| State sources                                                | 7,735,408           | 1,290,170                   | 25,937                  | 10,243            | 9,061,758            |
| Federal sources                                              | 416,894             | -                           | -                       | -                 | 416,894              |
| Total revenues                                               | <u>14,005,140</u>   | <u>2,149,559</u>            | <u>1,120,224</u>        | <u>913,722</u>    | <u>18,188,645</u>    |
| <u>EXPENDITURES:</u>                                         |                     |                             |                         |                   |                      |
| Current:                                                     |                     |                             |                         |                   |                      |
| Instruction:                                                 |                     |                             |                         |                   |                      |
| Regular                                                      | 5,320,368           | 178,115                     | -                       | 473,883           | 5,972,366            |
| Special                                                      | 1,895,512           | -                           | -                       | -                 | 1,895,512            |
| Other                                                        | 1,471,279           | -                           | -                       | -                 | 1,471,279            |
|                                                              | <u>8,687,159</u>    | <u>178,115</u>              | <u>-</u>                | <u>473,883</u>    | <u>9,339,157</u>     |
| Support services:                                            |                     |                             |                         |                   |                      |
| Student                                                      | 707,392             | -                           | -                       | -                 | 707,392              |
| Instructional staff                                          | 779,862             | 83,217                      | -                       | -                 | 863,079              |
| Administration                                               | 1,440,046           | 39,246                      | -                       | 82,069            | 1,561,361            |
| Operation and maintenance of plant                           | 1,196,745           | 243,564                     | -                       | 266,929           | 1,707,238            |
| Transportation                                               | 395,907             | 148,167                     | -                       | 32,852            | 576,926              |
|                                                              | <u>4,519,952</u>    | <u>514,194</u>              | <u>-</u>                | <u>381,850</u>    | <u>5,415,996</u>     |
| Capital outlay                                               | -                   | 859,905                     | -                       | -                 | 859,905              |
| Long-term debt:                                              |                     |                             |                         |                   |                      |
| Principal                                                    | -                   | -                           | 1,330,000               | -                 | 1,330,000            |
| Interest and other fiscal charges                            | -                   | -                           | 538,559                 | -                 | 538,559              |
|                                                              | <u>-</u>            | <u>-</u>                    | <u>1,868,559</u>        | <u>-</u>          | <u>1,868,559</u>     |
| Other expenditures:                                          |                     |                             |                         |                   |                      |
| AEA flow through                                             | 397,420             | -                           | -                       | -                 | 397,420              |
| Total expenditures                                           | <u>13,604,531</u>   | <u>1,552,214</u>            | <u>1,868,559</u>        | <u>855,733</u>    | <u>17,881,037</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>400,609</u>      | <u>597,345</u>              | <u>(748,335)</u>        | <u>57,989</u>     | <u>307,608</u>       |
| Other financing sources (uses):                              |                     |                             |                         |                   |                      |
| Transfer in                                                  | 5,000               | 782,551                     | 814,552                 | -                 | 1,602,103            |
| Transfer out                                                 | -                   | (1,597,103)                 | -                       | -                 | (1,597,103)          |
| Total other financing sources (uses)                         | <u>5,000</u>        | <u>(814,552)</u>            | <u>814,552</u>          | <u>-</u>          | <u>5,000</u>         |
| Change in fund balances                                      | 405,609             | (217,207)                   | 66,217                  | 57,989            | 312,608              |
| <u>FUND BALANCES</u> - Beginning of year                     | <u>1,660,966</u>    | <u>7,028,456</u>            | <u>951,128</u>          | <u>794,041</u>    | <u>10,434,591</u>    |
| <u>FUND BALANCES</u> - End of year                           | <u>\$ 2,066,575</u> | <u>\$ 6,811,249</u>         | <u>\$ 1,017,345</u>     | <u>\$ 852,030</u> | <u>\$ 10,747,199</u> |

MONTICELLO 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

CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 312,608

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures and depreciation expense in the current year are as follows:

|                      |                  |           |
|----------------------|------------------|-----------|
| Capital outlay       | \$ 654,752       |           |
| Depreciation expense | <u>(807,299)</u> | (152,547) |

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

|          |                  |           |
|----------|------------------|-----------|
| Proceeds | (95,272)         |           |
| Repaid   | <u>1,349,194</u> | 1,253,922 |

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

5,513

Net change in the Internal Service Funds charged back against expenditures made for self-funded insurance on an entity-wide basis

35,823

Income surtax receivable is not available to finance expenditures of the current year and is recognized as deferred inflows of resources in the governmental funds.

28,746

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

824,435

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

|                         |                 |                  |
|-------------------------|-----------------|------------------|
| Compensated absences    | (347,041)       |                  |
| Pension expense - IPERS | (202,270)       |                  |
| Total OPEB liability    | <u>(22,854)</u> | <u>(572,165)</u> |

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,736,335

## MONTICELLO COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2025

|                                                 | Business Type Activities:<br>Non-Major Enterprise Funds |                    |             |                    |            | Governmental<br>Activities:<br>Internal Service<br>Funds |
|-------------------------------------------------|---------------------------------------------------------|--------------------|-------------|--------------------|------------|----------------------------------------------------------|
|                                                 | School<br>Nutrition                                     | Panther<br>Academy | Preschool   | Resale<br>Activity | Total      |                                                          |
| <b>ASSETS:</b>                                  |                                                         |                    |             |                    |            |                                                          |
| Current assets:                                 |                                                         |                    |             |                    |            |                                                          |
| Cash, cash equivalents and pooled investments   | \$ 145,093                                              | \$ 38,427          | \$ 1,291    | \$ 10,749          | \$ 195,560 | \$ 681,838                                               |
| Accounts receivable                             | 5,328                                                   | 4,167              | -           | -                  | 9,495      | -                                                        |
| Prepaid expenses                                | -                                                       | -                  | -           | -                  | -          | 99,185                                                   |
| Due from other governments                      | 31,262                                                  | -                  | -           | -                  | 31,262     | -                                                        |
| Inventories                                     | 10,863                                                  | -                  | -           | -                  | 10,863     | -                                                        |
| Total current assets                            | 192,546                                                 | 42,594             | 1,291       | 10,749             | 247,180    | 781,023                                                  |
| Noncurrent assets:                              |                                                         |                    |             |                    |            |                                                          |
| Capital assets, net of accumulated depreciation | 49,132                                                  | -                  | 3,852       | -                  | 52,984     | -                                                        |
| TOTAL ASSETS                                    | 241,678                                                 | 42,594             | 5,143       | 10,749             | 300,164    | 781,023                                                  |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>          |                                                         |                    |             |                    |            |                                                          |
| Pension related deferred outflows               | 31,481                                                  | 9,650              | 9,077       | -                  | 50,208     | -                                                        |
| OPEB related deferred outflows                  | 3,361                                                   | 3,361              | 2,753       | -                  | 9,475      | -                                                        |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES            | 34,842                                                  | 13,011             | 11,830      | -                  | 59,683     | -                                                        |
| <b>LIABILITIES:</b>                             |                                                         |                    |             |                    |            |                                                          |
| Current liabilities:                            |                                                         |                    |             |                    |            |                                                          |
| Accounts payable                                | -                                                       | 1,357              | 1,979       | -                  | 3,336      | 362                                                      |
| Compensated absences                            | 18,524                                                  | 3,392              | -           | -                  | 21,916     | -                                                        |
| Salaries and benefits payable                   | 20,127                                                  | 16,855             | -           | -                  | 36,982     | -                                                        |
| Unearned revenue                                | 17,033                                                  | -                  | -           | -                  | 17,033     | -                                                        |
| Total current liabilities                       | 55,684                                                  | 21,604             | 1,979       | -                  | 79,267     | 362                                                      |
| Noncurrent liabilities:                         |                                                         |                    |             |                    |            |                                                          |
| Net pension liability                           | 105,815                                                 | 27,296             | 25,589      | -                  | 158,700    | -                                                        |
| Total OPEB liability                            | 6,855                                                   | 6,608              | 5,616       | -                  | 19,079     | -                                                        |
| Total noncurrent liabilities                    | 112,670                                                 | 33,904             | 31,205      | -                  | 177,779    | -                                                        |
| TOTAL LIABILITIES                               | 168,354                                                 | 55,508             | 33,184      | -                  | 257,046    | 362                                                      |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>           |                                                         |                    |             |                    |            |                                                          |
| Pension related deferred inflows                | 8,161                                                   | 2,105              | 1,973       | -                  | 12,239     | -                                                        |
| OPEB related deferred inflows                   | 6,532                                                   | 6,532              | 5,352       | -                  | 18,416     | -                                                        |
| TOTAL DEFERRED INFLOWS OF RESOURCES             | 14,693                                                  | 8,637              | 7,325       | -                  | 30,655     | -                                                        |
| <b>NET POSITION:</b>                            |                                                         |                    |             |                    |            |                                                          |
| Net investment in capital assets                | 49,132                                                  | -                  | 3,852       | -                  | 52,984     | -                                                        |
| Unrestricted                                    | 44,341                                                  | (8,540)            | (27,388)    | 10,749             | 19,162     | 780,661                                                  |
| TOTAL NET POSITION                              | \$ 93,473                                               | \$ (8,540)         | \$ (23,536) | \$ 10,749          | \$ 72,146  | \$ 780,661                                               |



## MONTICELLO COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2025

|                                               | Business Type Activities   |                    |             |                    |            | Governmental<br>Activities:<br>Internal Service<br>Funds |
|-----------------------------------------------|----------------------------|--------------------|-------------|--------------------|------------|----------------------------------------------------------|
|                                               | Non-major Enterprise Funds |                    |             |                    |            |                                                          |
|                                               | School<br>Nutrition        | Panther<br>Academy | Preschool   | Resale<br>Activity | Total      |                                                          |
| Operating revenues:                           |                            |                    |             |                    |            |                                                          |
| Local sources:                                |                            |                    |             |                    |            |                                                          |
| Charges for service                           | \$ 304,897                 | \$ 158,198         | \$ 37,762   | \$ -               | \$ 500,857 | \$ -                                                     |
| Miscellaneous                                 | 39,437                     | -                  | -           | -                  | 39,437     | 1,307,194                                                |
| Total operating revenues                      | 344,334                    | 158,198            | 37,762      | -                  | 540,294    | 1,307,194                                                |
| Operating expenses:                           |                            |                    |             |                    |            |                                                          |
| Instruction:                                  |                            |                    |             |                    |            |                                                          |
| Other:                                        |                            |                    |             |                    |            |                                                          |
| Salaries                                      | -                          | -                  | 13,514      | -                  | 13,514     | -                                                        |
| Benefits                                      | -                          | -                  | -           | -                  | -          | -                                                        |
| Supplies                                      | -                          | -                  | -           | -                  | -          | -                                                        |
|                                               | -                          | -                  | 13,514      | -                  | 13,514     | -                                                        |
| Support services:                             |                            |                    |             |                    |            |                                                          |
| Administration:                               |                            |                    |             |                    |            |                                                          |
| Services                                      | -                          | 3,618              | -           | -                  | 3,618      | -                                                        |
| Transportation:                               |                            |                    |             |                    |            |                                                          |
| Services                                      | -                          | 215                | -           | -                  | 215        | -                                                        |
| Total support services                        | -                          | 3,833              | -           | -                  | 3,833      | -                                                        |
| Non-instructional programs:                   |                            |                    |             |                    |            |                                                          |
| Food service operations:                      |                            |                    |             |                    |            |                                                          |
| Salaries                                      | 284,045                    | -                  | -           | -                  | 284,045    | -                                                        |
| Benefits                                      | -                          | -                  | -           | -                  | -          | 1,299,055                                                |
| Supplies                                      | 409,884                    | -                  | -           | -                  | 409,884    | -                                                        |
| Other                                         | 14,860                     | -                  | -           | -                  | 14,860     | -                                                        |
| Depreciation                                  | 7,866                      | -                  | 482         | -                  | 8,348      | -                                                        |
|                                               | 716,655                    | -                  | 482         | -                  | 717,137    | 1,299,055                                                |
| Other enterprise operations:                  |                            |                    |             |                    |            |                                                          |
| Supplies                                      | -                          | -                  | -           | 403                | 403        | -                                                        |
| Community service operations:                 |                            |                    |             |                    |            |                                                          |
| Salaries                                      | -                          | 106,921            | -           | -                  | 106,921    | -                                                        |
| Benefits                                      | -                          | 4,765              | -           | -                  | 4,765      | -                                                        |
| Supplies                                      | -                          | 4,433              | -           | -                  | 4,433      | -                                                        |
|                                               | -                          | 116,119            | -           | -                  | 116,119    | -                                                        |
| Total non-instructional programs              | 716,655                    | 116,119            | 482         | 403                | 833,659    | 1,299,055                                                |
| Total operating expenses                      | 716,655                    | 119,952            | 13,996      | 403                | 851,006    | 1,299,055                                                |
| Operating income (loss)                       | (372,321)                  | 38,246             | 23,766      | (403)              | (310,712)  | 8,139                                                    |
| Non-operating revenues (expenses):            |                            |                    |             |                    |            |                                                          |
| Transfer out                                  | (5,000)                    | -                  | -           | -                  | (5,000)    | -                                                        |
| State sources                                 | 3,744                      | -                  | -           | -                  | 3,744      | -                                                        |
| Federal sources                               | 332,872                    | -                  | -           | -                  | 332,872    | -                                                        |
| Interest income                               | 14,465                     | 1,449              | 161         | -                  | 16,075     | 27,684                                                   |
| Total non-operating revenues                  | 346,081                    | 1,449              | 161         | -                  | 347,691    | 27,684                                                   |
| Change in net position                        | (26,240)                   | 39,695             | 23,927      | (403)              | 36,979     | 35,823                                                   |
| NET POSITION - Beginning of year, as restated | 119,713                    | (48,235)           | (47,463)    | 11,152             | 35,167     | 744,838                                                  |
| NET POSITION - End of year                    | \$ 93,473                  | \$ (8,540)         | \$ (23,536) | \$ 10,749          | \$ 72,146  | \$ 780,661                                               |

See Notes to Financial Statements

## MONTICELLO COMMUNITY SCHOOL DISTRICT

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2025**

|                                                                                                       | School<br>Nutrition | Panther<br>Academy | Non-Major<br>Enterprise,<br>Preschool | Resale<br>Activity | Total        | Governmental<br>Activities:<br>Internal Service<br>Funds |
|-------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------------------------------|--------------------|--------------|----------------------------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                                          |                     |                    |                                       |                    |              |                                                          |
| Cash received from sale of lunches and breakfasts                                                     | \$ 304,897          | \$ -               | \$ -                                  | \$ -               | \$ 304,897   | \$ -                                                     |
| Cash received from other operating activities                                                         | -                   | 158,934            | 37,762                                | -                  | 196,696      | -                                                        |
| Cash received from miscellaneous                                                                      | 39,437              | -                  | -                                     | -                  | 39,437       | 1,307,194                                                |
| Cash payments to employees for services                                                               | (368,683)           | (140,313)          | 10,147                                | -                  | (498,849)    | (57,908)                                                 |
| Cash payments to suppliers for goods and services                                                     | (398,667)           | (3,662)            | (48,050)                              | (403)              | (450,782)    | (1,249,114)                                              |
| Net cash provided (used) by operating activities                                                      | (423,016)           | 14,959             | (141)                                 | (403)              | (408,601)    | 172                                                      |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>                                              |                     |                    |                                       |                    |              |                                                          |
| Transfers out                                                                                         | (5,000)             | -                  | -                                     | -                  | (5,000)      | -                                                        |
| State grants received                                                                                 | 3,744               | -                  | -                                     | -                  | 3,744        | -                                                        |
| Federal grants received                                                                               | 286,602             | -                  | -                                     | -                  | 286,602      | -                                                        |
| Net cash provided by non-capital financing activities                                                 | 285,346             | -                  | -                                     | -                  | 285,346      | -                                                        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                                          |                     |                    |                                       |                    |              |                                                          |
| Purchase of capital assets                                                                            | (19,933)            | -                  | -                                     | -                  | (19,933)     | -                                                        |
| Interest on investments                                                                               | 14,465              | 1,449              | 161                                   | -                  | 16,075       | 27,684                                                   |
| Net cash provided (used) by investing financing activities                                            | (5,468)             | 1,449              | 161                                   | -                  | (3,858)      | 27,684                                                   |
| Net increase (decrease) in cash, cash equivalents and pooled investments                              | (143,138)           | 16,408             | 20                                    | (403)              | (127,113)    | 27,856                                                   |
| <b>CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS</b> - beginning of year                              | 288,231             | 22,019             | 1,271                                 | 11,152             | 322,673      | 653,982                                                  |
| <b>CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS</b> - end of year                                    | \$ 145,093          | \$ 38,427          | \$ 1,291                              | \$ 10,749          | \$ 195,560   | \$ 681,838                                               |
| <b>RECONCILIATION OF OPERATING LOSS TO</b>                                                            |                     |                    |                                       |                    |              |                                                          |
| <b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>                                              |                     |                    |                                       |                    |              |                                                          |
| Operating income (loss)                                                                               | \$ (523,301)        | \$ (1,167)         | \$ (12,749)                           | \$ (403)           | \$ (537,620) | \$ 8,139                                                 |
| Adjustments to reconcile operating (income) loss to net cash provided (used) by operating activities: |                     |                    |                                       |                    |              |                                                          |
| Commodities used                                                                                      | 46,270              | -                  | -                                     | -                  | 46,270       | -                                                        |
| Depreciation                                                                                          | 7,866               | -                  | 482                                   | -                  | 8,348        | -                                                        |
| Decrease in inventory                                                                                 | 6,329               | -                  | -                                     | -                  | 6,329        | -                                                        |
| Increase (decrease) in accounts receivable                                                            | (26,223)            | 736                | -                                     | -                  | (25,487)     | -                                                        |
| Increase in prepaid expenses                                                                          | -                   | -                  | -                                     | -                  | -            | (8,329)                                                  |
| Decrease in deferred outflows of resources                                                            | 74,609              | 24,911             | 16,284                                | -                  | 115,804      | -                                                        |
| Increase (decrease) in accounts payable                                                               | (2,472)             | 986                | 1,979                                 | -                  | 493          | 362                                                      |
| Increase in compensated absences                                                                      | 18,524              | 3,392              | -                                     | -                  | 21,916       | -                                                        |
| Increase (decrease) in salaries and benefits payable                                                  | 2,858               | (7,298)            | -                                     | -                  | (4,440)      | -                                                        |
| Increase (decrease) in total OPEB liability                                                           | 247                 | -                  | (27,241)                              | -                  | (26,994)     | -                                                        |
| Increase (decrease) in net pension liability                                                          | (30,052)            | (7,751)            | 20,176                                | -                  | (17,627)     | -                                                        |
| Decrease in deferred revenue                                                                          | 1,536               | -                  | -                                     | -                  | 1,536        | -                                                        |
| Decrease in deferred inflows of resources                                                             | 793                 | 1,150              | 928                                   | -                  | 2,871        | -                                                        |
| Net cash provided (used) by operating activities                                                      | \$ (423,016)        | \$ 14,959          | \$ (141)                              | \$ (403)           | \$ (408,601) | \$ 172                                                   |

**NON-CASH INVESTING, CAPITAL AND  
RELATED FINANCING ACTIVITIES:**

During the year ended June 30, 2025, the District received \$46,270 of federal commodities.

MONTICELLO COMMUNITY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2025

|                                               | Private<br>Purpose<br>Trust |                  |
|-----------------------------------------------|-----------------------------|------------------|
|                                               | <u>Scholarship</u>          | <u>Custodial</u> |
| <u>ASSETS:</u>                                |                             |                  |
| Cash, cash equivalents and pooled investments | \$ <u>16,539</u>            | \$ <u>26,668</u> |
| <u>LIABILITIES:</u>                           |                             |                  |
| None                                          | <u>-</u>                    | <u>-</u>         |
| <u>NET POSITION:</u>                          |                             |                  |
| Unrestricted                                  | \$ <u>16,539</u>            | \$ <u>26,668</u> |

MONTICELLO COMMUNITY SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
YEAR ENDED JUNE 30, 2025

|                                  | Private<br>Purpose<br>Trust<br>Scholarship | Custodial        |
|----------------------------------|--------------------------------------------|------------------|
| Additions:                       |                                            |                  |
| Local sources:                   |                                            |                  |
| Interest income                  | \$ 2,944                                   | \$ -             |
| Other                            | 9,777                                      | 12,752           |
| Total additions                  | <u>12,721</u>                              | <u>12,752</u>    |
| Deductions:                      |                                            |                  |
| Scholarships                     | <u>23,650</u>                              | <u>7,460</u>     |
|                                  | 23,650                                     | 7,460            |
| Change in net position           | (10,929)                                   | 5,292            |
| NET POSITION - beginning of year | <u>27,468</u>                              | <u>21,376</u>    |
| NET POSITION - end of year       | \$ <u>16,539</u>                           | \$ <u>26,668</u> |

## MONTICELLO COMMUNITY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Monticello Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and technical and recreational courses. The geographic area served includes the City of Monticello, Iowa, and the predominate agricultural territory in Linn, Jones, Delaware, and Dubuque counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

#### Reporting Entity

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

Jointly Governed Organization – The District participates in a jointly governed organization that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Linn, Jones, Delaware and Dubuque County Assessor's Conference Board.

#### Basis of Presentation

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

The Statement of Net Position presents the District's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

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

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The District reports the following major governmental funds:

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

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

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

The District reports the following nonmajor proprietary funds.

The Enterprise, School Nutrition Fund is used to account for the District's food service operations. The Enterprise, Panther Academy Fund is used to account for the District's childcare services. The Enterprise, Preschool Fund is used to account for the preschool services provided by the District. The Enterprise, Resale Activity Fund is used to account for District's miscellaneous resale activities.

The Internal Service Funds are used to account for the partially self-funded health insurance plan and the flex benefits program offered by the District. The Internal Service Funds are 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 that focus on net position and changes in net position. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements which require income earned be used to benefit individuals through scholarship awards. The Custodial Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments and is custodial in nature.

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year-end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt and claims and judgments are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues. When an expenditure is incurred in governmental funds that can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balances and then to less-restrictive classifications-committed, assigned and then unassigned fund balances.

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

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

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

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

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

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on the January 1, 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.

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

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

Capital Assets – Capital assets, which include property and furniture and equipment and intangibles acquired after July 1, 1980 are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use leased assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

| <u>Asset Class</u>              | <u>Amount</u> |
|---------------------------------|---------------|
| Land                            | \$ -          |
| Buildings                       | 2,500         |
| Land improvements               | 2,500         |
| Intangibles                     | 100,000       |
| Right-to-use leased assets      | 5,000         |
| Machinery and equipment:        |               |
| School nutrition fund equipment | 500           |
| Other machinery and equipment   | 2,500         |



MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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

| <u>Asset Class</u>         | <u>Estimated<br/>Useful Lives</u> |
|----------------------------|-----------------------------------|
| Buildings                  | 50 years                          |
| Land improvements          | 20 years                          |
| Intangibles                | 5-10 years                        |
| Right-to-use leased assets | 2-15 years                        |
| Machinery and equipment:   | 5-12 years                        |

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

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

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

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

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the District is reasonably certain to exercise.

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

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the District after the measurement date but before the end of the District's reporting period.

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Salaries and Benefits Payable – Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Unearned Revenue – Unearned revenues in the School Nutrition Fund are monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or as served lunches. The revenue will be considered earned when services are provided. The lunch account balances are reflected on the Statement of Net Position in the Proprietary Funds.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation and sick 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. When incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statement only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2025.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities and business type activities columns in the Statement of Net Position.

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

Total OPEB Liability – For purposes of measuring the total OPEB liability and OPEB expense, information has been determined based on the Monticello Community School District's actuarial report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund. The total OPEB liability attributable to the business type activities will be paid primarily by the Enterprise, School Nutrition Fund, the Panther Academy Fund, and the Preschool Fund.

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Nonspendable – Amounts which cannot be spent because they are legally or contractually required to be kept intact, not expected to be converted to cash or have already been spent.

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

Unassigned – All amounts not included in the preceding classifications.

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2025, there were no expenditures that exceeded the amounts budgeted.

NOTE 2: CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

The District's deposits in banks on 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 ensure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. At June 30, 2025, the District had no such investments.

At June 30, 2025, the District had investments in the Iowa Schools Joint Investment Trust Direct (ISJIT) Government Obligations Portfolio which are valued at an amortized cost of \$721. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard & Poor's Financial Services.

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 3: CAPITAL ASSETS

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

|                                              | Beginning<br>of Year<br><u>As Restated</u> | <u>Increases</u>    | <u>Decreases</u> | Balance<br>End<br>of Year |
|----------------------------------------------|--------------------------------------------|---------------------|------------------|---------------------------|
| Governmental activities:                     |                                            |                     |                  |                           |
| Capital assets not being depreciated:        |                                            |                     |                  |                           |
| Land                                         | \$ 200,900                                 | \$ -                | \$ -             | \$ 200,900                |
| Total capital assets not being depreciated   | <u>200,900</u>                             | <u>-</u>            | <u>-</u>         | <u>200,900</u>            |
| Capital assets being depreciated:            |                                            |                     |                  |                           |
| Buildings                                    | 30,200,447                                 | 203,949             | -                | 30,404,396                |
| Land improvements                            | 1,255,552                                  | -                   | -                | 1,255,552                 |
| Machinery and equipment                      | 3,597,291                                  | 355,531             | 124,057          | 3,828,765                 |
| Intangible assets                            | 67,708                                     | 95,272              | 60,612           | 102,368                   |
| Total capital assets being depreciated       | <u>35,120,998</u>                          | <u>654,752</u>      | <u>184,669</u>   | <u>35,591,081</u>         |
| Less accumulated depreciation for:           |                                            |                     |                  |                           |
| Buildings                                    | 7,503,725                                  | 535,510             | -                | 8,039,235                 |
| Land improvements                            | 1,061,499                                  | 10,309              | -                | 1,071,808                 |
| Machinery and equipment                      | 2,229,985                                  | 242,310             | 124,057          | 2,348,238                 |
| Intangible assets                            | 67,074                                     | 19,170              | 60,612           | 25,632                    |
| Total accumulated depreciation               | <u>10,862,283</u>                          | <u>807,299</u>      | <u>184,669</u>   | <u>11,484,913</u>         |
| Total capital assets being depreciated, net  | <u>24,258,715</u>                          | <u>(152,547)</u>    | <u>-</u>         | <u>24,106,168</u>         |
| Governmental activities capital assets, net  | \$ <u>24,459,615</u>                       | \$ <u>(152,547)</u> | \$ <u>-</u>      | \$ <u>24,307,068</u>      |
| Business-type activities:                    |                                            |                     |                  |                           |
| Furniture and equipment                      | 397,337                                    | 19,933              | 21,011           | 396,259                   |
| Less accumulated depreciation                | 355,938                                    | 8,348               | 21,011           | 343,275                   |
| Business-type activities capital assets, net | \$ <u>41,399</u>                           | \$ <u>11,585</u>    | \$ <u>-</u>      | \$ <u>52,984</u>          |

Depreciation/amortization expense was charged to the following functions:

|                                                    |                   |
|----------------------------------------------------|-------------------|
| Governmental activities:                           |                   |
| Instruction:                                       |                   |
| Regular                                            | \$ 92,562         |
| Support services:                                  |                   |
| Student                                            | 16,394            |
| Administration                                     | 16,134            |
| Operation and maintenance of plant                 | 132,136           |
| Unallocated depreciation                           | <u>550,073</u>    |
| Total governmental activities depreciation expense | \$ <u>807,299</u> |
| Business-type activities:                          |                   |
| Food service operations                            | \$ <u>8,348</u>   |

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 4: LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2025, are summarized as follows:

|                           | Balance<br>Beginning<br>of Year | Additions         | Reductions          | Balance<br>End<br>of Year | Due<br>Within<br>One Year |
|---------------------------|---------------------------------|-------------------|---------------------|---------------------------|---------------------------|
| Governmental activities:  |                                 |                   |                     |                           |                           |
| Lease agreements          | \$ 2,534                        | \$ 95,272         | \$ 19,194           | \$ 78,612                 | \$ 18,873                 |
| General obligation bonds  | 12,385,000                      | -                 | 635,000             | 11,750,000                | 665,000                   |
| Revenue bonds             | 4,843,000                       | -                 | 695,000             | 4,148,000                 | 715,000                   |
| Compensated absences      | -                               | 347,041           | -                   | 347,041                   | 347,041                   |
| Net pension liability     | 3,863,789                       | -                 | 564,473             | 3,299,316                 | -                         |
| Total OPEB liability      | <u>750,146</u>                  | <u>56,468</u>     | <u>-</u>            | <u>806,614</u>            | <u>-</u>                  |
| Total                     | \$ <u>21,844,469</u>            | \$ <u>498,781</u> | \$ <u>1,913,667</u> | \$ <u>20,429,583</u>      | \$ <u>1,745,914</u>       |
| Business-type activities: |                                 |                   |                     |                           |                           |
| Compensated absences      | -                               | 21,916            | -                   | 21,916                    | 21,916                    |
| Net pension liability     | 176,327                         | -                 | 17,627              | 158,700                   | -                         |
| Total OPEB liability      | <u>46,073</u>                   | <u>-</u>          | <u>26,994</u>       | <u>19,079</u>             | <u>-</u>                  |
| Total                     | \$ <u>222,400</u>               | \$ <u>21,916</u>  | \$ <u>44,621</u>    | \$ <u>199,695</u>         | \$ <u>21,916</u>          |

Lease Agreements

Prior to July 1, 2021, the District entered into lease agreements for copiers and a postage machine. The agreement requires monthly payments of \$2,003 over 5 years with incremental borrowing rates of 5.00%, and final payments due December 1, 2025 and May 1, 2025, respectively. During the year ended June 30, 2025, principal and interest paid were \$1,668 and \$89, respectively.

On July 22, 2024 the District entered into a lease agreement for copiers. The agreement requires monthly payments of \$1,790 over 6 years with incremental borrowing rates of 5.00%, and final payments due July 22, 2030. During the year ended June 30, 2025, principal and interest paid were \$17,526 and \$3,959 respectively.

Postage machine lease  
Year ending

Copier lease

| June 30, | Interest Rate | Principal     | Interest     | Total         | Interest Rate | Principal        | Interest        | Total            |
|----------|---------------|---------------|--------------|---------------|---------------|------------------|-----------------|------------------|
| 2026     | 5.00%         | 866           | 12           | 878           | 5.00%         | 18,007           | 3,478           | 21,485           |
| 2027     |               | -             | -            | -             | 5.00%         | 18,928           | 2,557           | 21,485           |
| 2028     |               | -             | -            | -             | 5.00%         | 19,897           | 1,589           | 21,486           |
| 2029     |               | -             | -            | -             | 5.00%         | <u>20,914</u>    | <u>571</u>      | <u>21,485</u>    |
|          |               | \$ <u>866</u> | \$ <u>12</u> | \$ <u>878</u> |               | \$ <u>77,746</u> | \$ <u>8,195</u> | \$ <u>85,941</u> |

Total leases  
Year ending

| June 30, | Interest Rate | Principal        | Interest        | Total            |
|----------|---------------|------------------|-----------------|------------------|
| 2026     | 5.00%         | 18,873           | 3,490           | 22,363           |
| 2027     | 5.00%         | 18,928           | 2,557           | 21,485           |
| 2028     | 5.00%         | 19,897           | 1,589           | 21,486           |
| 2029     | 5.00%         | <u>20,914</u>    | <u>571</u>      | <u>21,485</u>    |
|          |               | \$ <u>78,612</u> | \$ <u>8,207</u> | \$ <u>86,819</u> |

**MONTICELLO COMMUNITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 4: LONG-TERM LIABILITIES (Continued)**

**General Obligation Bonds**

Details of the District's June 30, 2025 general obligation indebtedness are as follows:

| Year<br>Ending<br>June 30, | <u>Bonds issued December 20, 2018</u> |                     |                     |                      | <u>Bonds issued May 1, 2019</u> |                     |                   |                     | <u>Total</u>         |                     |                      |
|----------------------------|---------------------------------------|---------------------|---------------------|----------------------|---------------------------------|---------------------|-------------------|---------------------|----------------------|---------------------|----------------------|
|                            | Interest<br>Rate                      | Principal           | Interest            | Total                | Interest<br>Rate                | Principal           | Interest          | Total               | Principal            | Interest            | Total                |
| 2026                       | 5.0                                   | 485,000             | 286,669             | 771,669              | 5.0                             | 180,000             | 106,131           | 286,131             | 665,000              | 392,800             | 1,057,800            |
| 2027                       | 5.0                                   | 515,000             | 262,419             | 777,419              | 5.0                             | 180,000             | 97,131            | 277,131             | 695,000              | 359,550             | 1,054,550            |
| 2028                       | 3.0                                   | 545,000             | 236,669             | 781,669              | 5.0                             | 180,000             | 80,013            | 260,013             | 725,000              | 316,682             | 1,041,682            |
| 2029                       | 3.0                                   | 565,000             | 220,319             | 785,319              | 3.0                             | 185,000             | 74,613            | 259,613             | 750,000              | 294,932             | 1,044,932            |
| 2030                       | 3.0                                   | 585,000             | 203,369             | 788,369              | 3.0                             | 190,000             | 69,063            | 259,063             | 775,000              | 272,432             | 1,047,432            |
| 2031-2034                  | 3-3.13                                | 3,300,000           | 737,739             | 4,037,739            | 3.0                             | 935,000             | 260,715           | 1,195,715           | 4,235,000            | 998,454             | 5,233,454            |
| 2035-2039                  | 3.38-3.50                             | <u>2,380,000</u>    | <u>169,750</u>      | <u>2,549,750</u>     | 3.0-3.13                        | <u>1,525,000</u>    | <u>110,352</u>    | <u>1,635,352</u>    | <u>3,905,000</u>     | <u>280,102</u>      | <u>4,185,102</u>     |
|                            |                                       | <u>\$ 8,375,000</u> | <u>\$ 2,116,934</u> | <u>\$ 10,491,934</u> |                                 | <u>\$ 3,375,000</u> | <u>\$ 798,018</u> | <u>\$ 4,173,018</u> | <u>\$ 11,750,000</u> | <u>\$ 2,914,952</u> | <u>\$ 14,664,952</u> |

On December 20, 2018, the District issued \$9,655,000 of general obligation bonds to finance a portion of the costs of a new middle school. The bonds bear interest at rates ranging from 3.00% to 5.00% per annum. During the year ended June 30, 2025, principal and interest paid were \$455,000 and \$309,419 respectively. On May 1, 2019, the District issued \$5,345,000 of general obligation bonds to finance a portion of the costs of a new middle school. The bonds bear interest at rates ranging from 3.00% to 5.00% per annum. During the year ended June 30, 2025, principal and interest paid were \$180,000 and \$115,131 respectively.

**Revenue Bonds**

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

| <u>Series A bonds issued June 27, 2019</u> |               |                     |                   |                     |
|--------------------------------------------|---------------|---------------------|-------------------|---------------------|
| Year Ending<br>June 30,                    | Interest Rate | Principal           | Interest          | Total               |
| 2026                                       | 2.8           | 715,000             | 90,972            | 805,972             |
| 2027                                       | 2.8           | 732,000             | 73,608            | 805,608             |
| 2028                                       | 2.8           | 750,000             | 55,824            | 805,824             |
| 2029                                       | 2.8           | 768,000             | 37,608            | 805,608             |
| 2030                                       | 2.8           | <u>1,183,000</u>    | <u>18,960</u>     | <u>1,201,960</u>    |
| Total                                      |               | <u>\$ 4,148,000</u> | <u>\$ 276,972</u> | <u>\$ 4,424,972</u> |

The District has pledged future statewide sales, services and use tax revenues to repay the \$4,385,000 and \$3,055,000 of bonds issued in June 2019. The bonds were issued to finance a portion of the costs of a new middle school and other District buildings and site improvements. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 80% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$4,424,972. For the current year, \$695,000 of principal and \$109,208 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$1,281,159. The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 4: LONG-TERM LIABILITIES (Continued)

- 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.

NOTE 5: INTERFUND TRANSFERS

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

| <u>Transfer to</u> | <u>Transfer from</u>   | <u>Amount</u>       |
|--------------------|------------------------|---------------------|
| Debt service       | SAVE                   | \$ 814,552          |
| PPEL               | Other Capital Projects | 387,105             |
| SAVE               | PPEL                   | 395,445             |
| General            | Nutrition              | 5,000               |
| Total              |                        | \$ <u>1,602,102</u> |

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

NOTE 6: PENSION PLAN – IPERS

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org). IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

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

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

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65. Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

**NOTE 6: PENSION PLAN – IPERS (Continued)**

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 totaled \$844,819.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the District reported a liability of \$3,458,016 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2024, the District's proportion was .093642 percent, which was a decrease of .002585 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$322,502. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                                              | <u>Deferred Outflows of<br/>Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                                                           | \$ 275,157                                | \$ 2,148                                 |
| Changes of assumptions                                                                                                       | -                                         | 48                                       |
| Net difference between projected and actual earnings on IPERS investments                                                    | 43,248                                    | -                                        |
| Changes in proportion and differences between District contributions and the District's proportionate share of contributions | 59,394                                    | 264,475                                  |
| District contributions subsequent to the measurement date                                                                    | <u>844,819</u>                            | <u>-</u>                                 |
| <b>Total</b>                                                                                                                 | <b>\$ <u>1,222,618</u></b>                | <b>\$ <u>266,671</u></b>                 |



MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 6: PENSION PLAN – IPERS (Continued)

\$844,819 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<br>June 30, | Total      |
|------------------------|------------|
| 2026                   | (521,147)  |
| 2027                   | 797,260    |
| 2028                   | (11,931)   |
| 2029                   | (146,960)  |
| 2030                   | (6,094)    |
| Total                  | \$ 111,128 |

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement as follows:

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of 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 since using Scale MP-2021.

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

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 6: PENSION PLAN – IPERS (Continued)

| <u>Asset Class</u>       | <u>Asset Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------|-------------------------|-----------------------------------------------|
| 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                                          |
| Total                    | <u>100.0 %</u>          |                                               |

Discount Rate – The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to currently active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) than the current rate.

|                                                              | <u>1% Decrease<br/>(6.00)</u> | <u>Discount Rate<br/>(7.00)</u> | <u>1% Increase<br/>(8.00)</u> |
|--------------------------------------------------------------|-------------------------------|---------------------------------|-------------------------------|
| District's proportionate share<br>the net pension liability: | <u>\$8,485,908</u>            | <u>\$ 3,458,016</u>             | <u>\$(752,871)</u>            |

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

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

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

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

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 | 6          |
| Active employees                                                         | 120        |
| Total                                                                    | <u>126</u> |

Total OPEB Liability – The District's total OPEB liability of \$825,941 was measured as of June 30, 2025 and was determined by an actuarial valuation as of that date.

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.

|                            |                                                |
|----------------------------|------------------------------------------------|
| Rate of inflation          |                                                |
| (effective June 30, 2024)  | 3.00% per annum.                               |
| Rates of salary increase   |                                                |
| (effective June 30, 2024)  | 3.00% per annum, including inflation           |
| Discount Rate              |                                                |
| (effective June 30, 2024)  | 3.65% compounded annually, including inflation |
| Healthcare cost trend rate | 6.25% initial rate decreasing                  |
| (effective June 30, 2024)  | annually to an ultimate rate of 5.00%.         |

Discount Rate – The discount rate used to measure the total OPEB liability was 3.65% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates 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 study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

|                                        | <u>Total OPEB<br/>Liability</u> |
|----------------------------------------|---------------------------------|
| Total OPEB liability beginning of year | \$ 796,219                      |
| Changes for the year:                  |                                 |
| Service cost                           | 46,472                          |
| Interest                               | 29,906                          |
| Change in assumptions                  | -                               |
| Benefit payments                       | <u>(46,656)</u>                 |
| Net changes                            | <u>29,722</u>                   |
| Total OPEB liability end of year       | \$ <u>825,941</u>               |

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

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

|                      | 1%<br>Decrease<br>(2.65) | Discount<br>Rate<br>(3.65) | 1%<br>Increase<br>(4.65) |
|----------------------|--------------------------|----------------------------|--------------------------|
| Total OPEB liability | \$889,520                | \$ 825,941                 | \$ 766,160               |

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates –

The following presents the total OPEB liability of the District as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.25%) or 1% higher (7.25%) than the current healthcare cost trend rates.

|                      | 1%<br>Decrease<br>(5.25) | Healthcare<br>Cost Trend<br>Rate<br>(6.25) | 1%<br>Increase<br>(7.25) |
|----------------------|--------------------------|--------------------------------------------|--------------------------|
| Total OPEB liability | \$ 741,878               | \$ 825,941                                 | \$ 924,634               |

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2025, the District recognized OPEB expense of \$51,143. At June 30, 2025, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

|                                                    | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|----------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ -                              | \$ 432,733                       |
| Change of assumptions                              | 404,918                           | 354,208                          |
| Total                                              | \$ 404,918                        | \$ 786,941                       |

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

| Year Ended<br>June 30, |              |
|------------------------|--------------|
| 2026                   | \$ (25,235)  |
| 2027                   | (25,235)     |
| 2028                   | (25,235)     |
| 2029                   | (25,235)     |
| 2030                   | (37,845)     |
| Thereafter             | (243,238)    |
|                        | \$ (382,023) |

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 8: RISK MANAGEMENT

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

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 \$397,420 for the year ended June 30, 2025 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

NOTE 10: TAX ABATEMENTS

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

Tax abatements of other entities

Other entities within the District provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa.

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

| <u>Entity</u>      | <u>Tax abatement program</u>                    | <u>Amount of tax abated</u> |
|--------------------|-------------------------------------------------|-----------------------------|
| City of Monticello | Urban Renewal and Economic Development Projects | \$ 120,681                  |

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 \$58,436.

NOTE 11: CATEGORICAL FUNDING

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

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 11: CATEGORICAL FUNDING (Continued)

The District's ending restricted balances for categorical funding as of June 30, 2025, are comprised of the following programs:

| <u>Program</u>                        | <u>Amount</u>    |
|---------------------------------------|------------------|
| Home school assistance program (HSAP) | \$ 2,844         |
| Therapeutic classroom                 | 16,836           |
| Talented and Gifted                   | 45,402           |
| Teacher Leadership Aid                | 2,639            |
| Other                                 | 13,415           |
| Professional Development              | 17,314           |
| Total                                 | <u>\$ 98,450</u> |

NOTE 12: FINANCIAL CONDITION

The Enterprise Fund – Panther Academy had a deficit net position at June 30, 2025 of \$8,540. The Enterprise Fund – Preschool had a deficit net position at June 30, 2025 of \$23,536.

NOTE 12: PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2025, it was determined that certain capital assets had not been properly recoded for the year ended June 30, 2024.

|                                                | <u>Governmental Activities</u>                 |                                       |
|------------------------------------------------|------------------------------------------------|---------------------------------------|
|                                                | <u>Government-<br/>Wide Capital<br/>Assets</u> | <u>Government-Wide<br/>Net Assets</u> |
| Balances June 30, 2024, as previously reported | \$ 26,622,272                                  | \$ 16,758,468                         |
| Change to capital assets                       | <u>(2,162,657)</u>                             | <u>(2,162,657)</u>                    |
| Balances June 30, 2024, as restated            | <u>\$ 24,459,615</u>                           | <u>\$ 14,595,811</u>                  |

NOTE 13: SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 5, 2026, the date statements were available to be issued.

NOTE 14: CHANGE IN AREA EDUCATION AGENCY FUNDING

The Governor signed House File 2612 on March 27, 2024, which changes the percentage of educational and media services funding generated through local property taxes by Districts which flow through to each Area Education Agency (AEA) beginning July 1, 2024. For fiscal year 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 AEAs. Also, for fiscal year 2026, Districts will flow through 90% (instead of 100%) of special education support services funds to AEAs, who will code the funds as a combination of state aid and property taxes.

REQUIRED SUPPLEMENTARY INFORMATION

MONTICELLO COMMUNITY SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND  
CHANGES IN BALANCES -  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS  
AND PROPRIETARY FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2025

|                                                                                                                            | Governmental<br>Funds<br><u>Actual</u> | Proprietary<br>Funds<br><u>Actual</u> | Total<br><u>Actual</u>   |
|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------------|--------------------------|
| <u>REVENUES:</u>                                                                                                           |                                        |                                       |                          |
| Local sources                                                                                                              | \$ 8,709,992                           | \$ 556,369                            | \$ 9,266,361             |
| State sources                                                                                                              | 9,061,758                              | 3,744                                 | 9,065,502                |
| Federal sources                                                                                                            | <u>416,894</u>                         | <u>332,872</u>                        | <u>749,766</u>           |
| Total revenues                                                                                                             | <u>18,188,644</u>                      | <u>892,985</u>                        | <u>19,081,629</u>        |
| <u>EXPENDITURES/EXPENSES:</u>                                                                                              |                                        |                                       |                          |
| Instruction                                                                                                                | 9,339,157                              | 13,514                                | 9,352,671                |
| Support services                                                                                                           | 5,415,996                              | 3,833                                 | 5,419,829                |
| Non-instructional programs                                                                                                 | -                                      | 833,659                               | 833,659                  |
| Other expenditures                                                                                                         | <u>3,125,884</u>                       | <u>-</u>                              | <u>3,125,884</u>         |
| Total expenditures/expenses                                                                                                | <u>17,881,037</u>                      | <u>851,006</u>                        | <u>18,732,043</u>        |
| Excess (deficiency) of revenues<br>over (under) expenditures/expenses                                                      | 307,607                                | 41,979                                | 349,586                  |
| Other financing sources (uses), net                                                                                        | <u>5,000</u>                           | <u>(5,000)</u>                        | <u>-</u>                 |
| Excess (deficiency) of revenues and other financing sources<br>over (under) expenditures/expenses and other financing uses | 312,607                                | 36,979                                | 349,586                  |
| <br>BALANCE - Beginning of year, as restated                                                                               | <br><u>10,434,591</u>                  | <br><u>35,167</u>                     | <br><u>10,469,758</u>    |
| <br><u>BALANCE</u> - End of year                                                                                           | <br>\$ <u>10,747,198</u>               | <br>\$ <u>72,146</u>                  | <br>\$ <u>10,819,344</u> |



| <u>Budgeted Amounts</u> |                     |    | <u>Final to<br/>Actual<br/>Variance</u> |
|-------------------------|---------------------|----|-----------------------------------------|
| <u>Original</u>         | <u>Final</u>        |    |                                         |
| \$ 9,485,841            | \$ 9,485,841        | \$ | (219,480)                               |
| 8,906,593               | 8,906,593           |    | 158,909                                 |
| <u>1,103,010</u>        | <u>1,103,010</u>    |    | <u>(353,244)</u>                        |
| <u>19,495,444</u>       | <u>19,495,444</u>   |    | <u>(413,815)</u>                        |
| 9,885,000               | 9,885,000           |    | 532,329                                 |
| 5,711,000               | 5,711,000           |    | 291,171                                 |
| 1,005,000               | 1,005,000           |    | 171,341                                 |
| <u>3,700,370</u>        | <u>3,700,370</u>    |    | <u>574,486</u>                          |
| <u>20,301,370</u>       | <u>20,301,370</u>   |    | <u>1,569,327</u>                        |
| (805,926)               | (805,926)           |    | 1,155,512                               |
| <u>-</u>                | <u>-</u>            |    | <u>-</u>                                |
| (805,926)               | (805,926)           |    | 1,155,512                               |
| <u>3,528,363</u>        | <u>3,528,363</u>    |    | <u>6,941,395</u>                        |
| \$ <u>2,722,437</u>     | \$ <u>2,722,437</u> | \$ | <u>8,096,907</u>                        |

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -  
BUDGETARY REPORTING  
YEAR ENDED JUNE 30, 2025

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except for the Private Purpose Trust and Custodial Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functional areas are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year ended June 30, 2025, the District did not adopt a budget amendment.

During the year ended June 30, 2025 expenditures did not exceed the amounts budgeted.

MONTICELLO COMMUNITY SCHOOL DISTRICT

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

REQUIRED SUPPLEMENTARY INFORMATION

|                                                                                                             | <u>2025</u>  | <u>2024</u>  | <u>2023</u>  |
|-------------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|
| District's proportion of the net pension liability                                                          | 0.093642 %   | 0.096227 %   | 0.101309 %   |
| District's proportionate share of the net pension liability                                                 | \$ 3,458,016 | \$ 4,440,116 | \$ 4,021,064 |
| District's covered-employee payroll                                                                         | \$ 8,686,441 | \$ 8,685,593 | \$ 8,621,727 |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 39.81 %      | 51.12 %      | 46.64 %      |
| IPERS' net position as a percentage of the total pension liability                                          | 92.30 %      | 90.13 %      | 91.40 %      |

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

| <u>2022</u>  | <u>2021</u>  | <u>2020</u>  | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  | <u>2016</u>  |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 0.098635 %   | 0.101482 %   | 0.102309 %   | 0.102730 %   | 0.102899 %   | 0.998520 %   | 0.099897 %   |
| \$ 138,278   | \$ 7,079,110 | \$ 5,924,361 | \$ 6,500,998 | \$ 6,854,378 | \$ 6,283,999 | \$ 4,935,377 |
| \$ 8,005,454 | \$ 7,997,635 | \$ 7,785,268 | \$ 7,718,946 | \$ 7,665,816 | \$ 7,073,130 | \$ 6,845,521 |
| 1.73 %       | 88.52 %      | 76.10 %      | 84.22 %      | 89.41 %      | 88.84 %      | 72.10 %      |
| 100.81 %     | 82.90 %      | 85.45 %      | 83.62 %      | 82.21 %      | 81.82 %      | 85.19 %      |

MONTICELLO COMMUNITY SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS

REQUIRED SUPPLEMENTARY INFORMATION

|                                                                    | <u>2025</u>      | <u>2024</u>      | <u>2023</u>      |
|--------------------------------------------------------------------|------------------|------------------|------------------|
| Statutorily required contribution                                  | \$ 844,189       | \$ 820,000       | \$ 819,920       |
| Contributions in relation to the statutorily required contribution | <u>(844,189)</u> | <u>(820,000)</u> | <u>(819,920)</u> |
| Contribution deficiency (excess)                                   | \$ <u>-</u>      | \$ <u>-</u>      | \$ <u>-</u>      |
| District's covered-employee payroll                                | \$ 8,942,680     | \$ 8,686,441     | \$ 8,685,593     |
| Contributions as a percentage of covered-employee payroll          | 9.44 %           | 9.44 %           | 9.44 %           |

| <u>2022</u>      | <u>2021</u>      | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 813,891       | \$ 755,714       | \$ 754,976       | \$ 734,929       | \$ 689,302       | \$ 684,557       | \$ 631,630       |
| <u>(813,891)</u> | <u>(755,714)</u> | <u>(754,976)</u> | <u>(734,929)</u> | <u>(689,302)</u> | <u>(684,557)</u> | <u>(631,630)</u> |
| \$ <u>-</u>      | \$ <u>-</u>      | \$ <u>-</u>      | \$ <u>-</u>      | \$ <u>-</u>      | \$ <u>-</u>      | \$ <u>-</u>      |
| \$ 8,621,727     | \$ 8,005,454     | \$ 7,997,635     | \$ 7,785,268     | \$ 7,718,946     | \$ 7,665,816     | \$ 7,073,130     |
| 9.44 %           | 9.44 %           | 9.44 %           | 9.44 %           | 8.93 %           | 8.93 %           | 8.93 %           |

MONTICELLO COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

YEAR ENDED JUNE 30, 2025

Changes of benefit terms:

There were no changes to benefit terms.

Changes of assumptions:

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

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

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

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

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

MONTICELLO COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE DISTRICT'S  
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES  
FOR THE LAST EIGHT YEARS  
REQUIRED SUPPLEMENTARY INFORMATION

|                                                                    | <u>2025</u>       | <u>2024</u>       | <u>2023</u>         | <u>2022</u>         | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         |
|--------------------------------------------------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Service cost                                                       | \$ 46,472         | \$ 45,118         | \$ 90,677           | \$ 88,036           | \$ 74,837           | \$ 72,657           | \$ 87,573           | \$ 85,023           |
| Interest cost                                                      | 29,906            | 28,742            | 27,538              | 25,628              | 44,276              | 41,787              | 50,277              | 46,802              |
| Differences between expected and actual experiences                | -                 | -                 | -                   | (310,505)           | -                   | (178,267)           | -                   | (21,605)            |
| Changes in assumptions                                             | -                 | (539,193)         | -                   | 147,384             | -                   | (111,621)           | -                   | 828,398             |
| Benefit payments                                                   | <u>(46,656)</u>   | <u>(39,909)</u>   | <u>(25,831)</u>     | <u>(28,201)</u>     | <u>(45,059)</u>     | <u>(46,033)</u>     | <u>(40,991)</u>     | <u>(33,677)</u>     |
| Net change in total OPEB liability                                 | 29,722            | (505,242)         | 92,384              | (77,658)            | 74,054              | (221,477)           | 96,859              | 904,941             |
| Total OPEB liability, beginning of year                            | <u>796,219</u>    | <u>1,301,461</u>  | <u>1,209,077</u>    | <u>1,286,735</u>    | <u>1,212,681</u>    | <u>1,434,158</u>    | <u>1,337,299</u>    | <u>432,358</u>      |
| Total OPEB liability, end of year                                  | \$ <u>825,941</u> | \$ <u>796,219</u> | \$ <u>1,301,461</u> | \$ <u>1,209,077</u> | \$ <u>1,286,735</u> | \$ <u>1,212,681</u> | \$ <u>1,434,158</u> | \$ <u>1,337,299</u> |
|                                                                    |                   |                   |                     |                     |                     |                     |                     |                     |
| Covered-employee payroll                                           | \$ 7,423,179      | \$ 7,206,970      | \$ 7,372,248        | \$ 7,157,522        | \$ 6,642,863        | \$ 6,449,382        | \$ 6,623,668        | \$ 6,623,668        |
|                                                                    |                   |                   |                     |                     |                     |                     |                     |                     |
| Total OPEB liability as a percentage of covered - employee payroll | 11.13%            | 11.05%            | 17.65%              | 16.89%              | 19.37%              | 18.80%              | 21.65%              | 20.19%              |

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

|                          |        |
|--------------------------|--------|
| Year ended June 30, 2025 | 3.65 % |
| Year ended June 30, 2024 | 3.65 % |
| Year ended June 30, 2023 | 2.14 % |
| Year ended June 30, 2022 | 2.14 % |
| Year ended June 30, 2021 | 3.50 % |
| Year ended June 30, 2020 | 3.50 % |
| Year ended June 30, 2019 | 3.58 % |
| Year ended June 30, 2018 | 3.58 % |
| Year ended June 30, 2017 | 3.58 % |



SUPPLEMENTARY INFORMATION

## MONTICELLO COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2025

| ASSETS                                                                    | Special Revenue     |                     | Total<br>Nonmajor<br>Governmental<br>Funds |
|---------------------------------------------------------------------------|---------------------|---------------------|--------------------------------------------|
|                                                                           | Student<br>Activity | Management          |                                            |
| Cash, cash equivalents and pooled investments                             | \$ 201,824          | \$ 657,250          | \$ 859,074                                 |
| Receivables:                                                              |                     |                     |                                            |
| Property tax:                                                             |                     |                     |                                            |
| Delinquent                                                                | -                   | 3,602               | 3,602                                      |
| Succeeding year                                                           | -                   | 400,000             | 400,000                                    |
| Accounts                                                                  | 4,540               | -                   | 4,540                                      |
| <b>TOTAL ASSETS</b>                                                       | <b>\$ 206,364</b>   | <b>\$ 1,060,852</b> | <b>\$ 1,267,216</b>                        |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>       |                     |                     |                                            |
| <u>LIABILITIES:</u>                                                       |                     |                     |                                            |
| Accounts payable                                                          | \$ 13,226           | \$ 8                | \$ 13,234                                  |
| Salaries and Benefits                                                     | 1,952               | -                   | 1,952                                      |
|                                                                           | 15,178              | 8                   | 15,186                                     |
| <u>DEFERRED INFLOWS OF RESOURCES:</u>                                     |                     |                     |                                            |
| Unavailable revenues:                                                     |                     |                     |                                            |
| Succeeding year property tax                                              | -                   | 400,000             | 400,000                                    |
| <u>FUND BALANCES:</u>                                                     |                     |                     |                                            |
| Restricted for:                                                           |                     |                     |                                            |
| Student activities                                                        | 191,186             | -                   | 191,186                                    |
| Management levy purposes                                                  | -                   | 660,844             | 660,844                                    |
| Total fund balances                                                       | 191,186             | 660,844             | 852,030                                    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <b>\$ 206,364</b>   | <b>\$ 1,060,852</b> | <b>\$ 1,267,216</b>                        |

## MONTICELLO COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025

|                                          | <u>Special Revenue</u>      |                            | Total<br>Nonmajor<br>Governmental<br>Funds |
|------------------------------------------|-----------------------------|----------------------------|--------------------------------------------|
|                                          | <u>Student<br/>Activity</u> | <u>Management<br/>Levy</u> |                                            |
| <u>REVENUES:</u>                         |                             |                            |                                            |
| Local sources:                           |                             |                            |                                            |
| Other                                    | \$ 483,663                  | \$ 419,816                 | \$ 903,479                                 |
| State sources                            | -                           | 10,243                     | 10,243                                     |
| Total revenues                           | <u>483,663</u>              | <u>430,059</u>             | <u>913,722</u>                             |
| <u>EXPENDITURES:</u>                     |                             |                            |                                            |
| Current:                                 |                             |                            |                                            |
| Instruction:                             |                             |                            |                                            |
| Regular                                  | 473,875                     | 8                          | 473,883                                    |
| Support services:                        |                             |                            |                                            |
| Administration                           | 10,468                      | 71,601                     | 82,069                                     |
| Operation and maintenance of plant       | 185                         | 266,744                    | 266,929                                    |
| Transportation                           | -                           | 32,852                     | 32,852                                     |
| Total expenditures                       | <u>484,528</u>              | <u>371,205</u>             | <u>855,733</u>                             |
| Excess of revenues<br>over expenditures  | <u>(865)</u>                | <u>58,854</u>              | <u>57,989</u>                              |
| <u>FUND BALANCES</u> - Beginning of year | <u>192,051</u>              | <u>601,990</u>             | <u>794,041</u>                             |
| <u>FUND BALANCES</u> - End of year       | <u>\$ 191,186</u>           | <u>\$ 660,844</u>          | <u>\$ 852,030</u>                          |

## MONTICELLO COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
CAPITAL PROJECT FUNDS  
JUNE 30, 2025

|                                                                               | Statewide<br>Sales,<br>Service and<br>Use Tax | Physical<br>Plant and<br>Equipment<br>Levy | Total<br>Capital<br>Project<br>Funds |
|-------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------|--------------------------------------|
| <u>ASSETS</u>                                                                 |                                               |                                            |                                      |
| Cash, cash equivalents and pooled investments                                 | \$ 6,422,698                                  | \$ 470,222                                 | \$ 6,892,920                         |
| Receivables:                                                                  |                                               |                                            |                                      |
| Property tax:                                                                 |                                               |                                            |                                      |
| Delinquent                                                                    | -                                             | 3,310                                      | 3,310                                |
| Succeeding year                                                               | -                                             | 391,967                                    | 391,967                              |
| Income surtax                                                                 | -                                             | 82,858                                     | 82,858                               |
| Prepaid expenses                                                              | -                                             | 24,407                                     | 24,407                               |
| Due from other governments                                                    | 134,351                                       | -                                          | 134,351                              |
| <b>TOTAL ASSETS</b>                                                           | <b>\$ 6,557,049</b>                           | <b>\$ 972,764</b>                          | <b>\$ 7,529,813</b>                  |
| <u>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</u>       |                                               |                                            |                                      |
| <u>LIABILITIES:</u>                                                           |                                               |                                            |                                      |
| Accounts payable                                                              | \$ 219,791                                    | \$ 23,948                                  | \$ 243,739                           |
| <u>DEFERRED INFLOWS OF RESOURCES:</u>                                         |                                               |                                            |                                      |
| Unavailable revenues:                                                         |                                               |                                            |                                      |
| Income surtax                                                                 | -                                             | 82,858                                     | 82,858                               |
| Succeeding year property tax                                                  | -                                             | 391,967                                    | 391,967                              |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                    | <b>-</b>                                      | <b>474,825</b>                             | <b>474,825</b>                       |
| <u>FUND BALANCES:</u>                                                         |                                               |                                            |                                      |
| Nonspendable                                                                  | -                                             | 24,407                                     | 24,407                               |
| Restricted for:                                                               |                                               |                                            |                                      |
| School infrastructure                                                         | 6,337,258                                     | -                                          | 6,337,258                            |
| Physical plant and equipment                                                  | -                                             | 449,584                                    | 449,584                              |
| <b>Total fund balances</b>                                                    | <b>6,337,258</b>                              | <b>473,991</b>                             | <b>6,811,249</b>                     |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <b>\$ 6,557,049</b>                           | <b>\$ 972,764</b>                          | <b>\$ 7,529,813</b>                  |

## MONTICELLO COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
CAPITAL PROJECT FUNDS  
YEAR ENDED JUNE 30, 2025

|                                                              | Statewide<br>Sales,<br>Service and<br>Use Tax | Physical<br>Plant and<br>Equipment<br>Levy | General<br>Obligation<br>Bonded<br>Construction | Total<br>Capital<br>Project<br>Funds |
|--------------------------------------------------------------|-----------------------------------------------|--------------------------------------------|-------------------------------------------------|--------------------------------------|
| <u>REVENUES:</u>                                             |                                               |                                            |                                                 |                                      |
| Local sources:                                               |                                               |                                            |                                                 |                                      |
| Local tax                                                    | \$ -                                          | \$ 583,921                                 | \$ -                                            | \$ 583,921                           |
| Other                                                        | 198,695                                       | 55,919                                     | 20,854                                          | 275,468                              |
| State sources                                                | 1,281,159                                     | 9,011                                      | -                                               | 1,290,170                            |
| Total revenues                                               | <u>1,479,854</u>                              | <u>648,851</u>                             | <u>20,854</u>                                   | <u>2,149,559</u>                     |
| <u>EXPENDITURES:</u>                                         |                                               |                                            |                                                 |                                      |
| Current:                                                     |                                               |                                            |                                                 |                                      |
| Instruction:                                                 |                                               |                                            |                                                 |                                      |
| Regular                                                      | 16,510                                        | 161,605                                    | -                                               | 178,115                              |
| Support services:                                            |                                               |                                            |                                                 |                                      |
| Instructional staff                                          | 8,984                                         | 72,774                                     | 1,459                                           | 83,217                               |
| Administration                                               | 19,622                                        | 19,624                                     | -                                               | 39,246                               |
| Operation and maintenance of plant                           | 64,863                                        | 178,701                                    | -                                               | 243,564                              |
| Transportation                                               | 109,713                                       | 38,454                                     | -                                               | 148,167                              |
| Other expenditures:                                          |                                               |                                            |                                                 |                                      |
| Capital outlay                                               | 711,289                                       | 128,405                                    | 20,211                                          | 859,905                              |
| Total expenditures                                           | <u>930,981</u>                                | <u>599,563</u>                             | <u>21,670</u>                                   | <u>1,552,214</u>                     |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>548,873</u>                                | <u>49,288</u>                              | <u>(816)</u>                                    | <u>597,345</u>                       |
| Other financing uses:                                        |                                               |                                            |                                                 |                                      |
| Transfer in                                                  | 387,105                                       | 395,446                                    | -                                               | 782,551                              |
| Transfer out                                                 | (814,552)                                     | -                                          | (782,551)                                       | (1,597,103)                          |
| Total other financing uses                                   | <u>(427,447)</u>                              | <u>395,446</u>                             | <u>(782,551)</u>                                | <u>(814,552)</u>                     |
| Change in fund balances                                      | <u>121,426</u>                                | <u>444,734</u>                             | <u>(783,367)</u>                                | <u>(217,207)</u>                     |
| <u>FUND BALANCES</u> - Beginning of year                     | <u>6,215,832</u>                              | <u>29,257</u>                              | <u>783,367</u>                                  | <u>7,028,456</u>                     |
| <u>FUND BALANCES</u> - End of year                           | \$ <u>6,337,258</u>                           | \$ <u>473,991</u>                          | \$ <u>-</u>                                     | \$ <u>6,811,249</u>                  |

## MONTICELLO COMMUNITY SCHOOL DISTRICT

## COMBINING SCHEDULE OF NET POSITION

## INTERNAL SERVICE FUNDS

JUNE 30, 2025

|                                               |    | Governmental Activities:<br>Internal Service Funds |                  |                |
|-----------------------------------------------|----|----------------------------------------------------|------------------|----------------|
|                                               |    | Partially<br>Self-funded<br>Insurance              | Flex<br>Benefits | Total          |
| <u>ASSETS:</u>                                |    |                                                    |                  |                |
| Current assets:                               |    |                                                    |                  |                |
| Cash, cash equivalents and pooled investments | \$ | 628,149                                            | \$ 53,689        | \$ 681,838     |
| Prepaid expenses                              |    | 99,185                                             | -                | 99,185         |
|                                               |    | <u>727,334</u>                                     | <u>53,689</u>    | <u>781,023</u> |
| TOTAL ASSETS                                  |    |                                                    |                  |                |
| <u>DEFERRED OUTFLOWS OF RESOURCES:</u>        |    |                                                    |                  |                |
| None                                          |    | -                                                  | -                | -              |
| <u>LIABILITIES:</u>                           |    |                                                    |                  |                |
| Accounts payable                              |    | 362                                                | -                | 362            |
| <u>DEFERRED INFLOWS OF RESOURCES:</u>         |    |                                                    |                  |                |
| None                                          |    | -                                                  | -                | -              |
| <u>NET POSITION:</u>                          |    |                                                    |                  |                |
| Unrestricted                                  |    | 726,972                                            | 53,689           | 780,661        |
|                                               |    | <u>726,972</u>                                     | <u>53,689</u>    | <u>780,661</u> |
| TOTAL NET POSITION                            | \$ | \$ 726,972                                         | \$ 53,689        | \$ 780,661     |

## MONTICELLO COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2025

|                                         | Governmental Activities:<br>Internal Service Funds |                  |              |
|-----------------------------------------|----------------------------------------------------|------------------|--------------|
|                                         | Partially<br>Self-funded<br>Insurance              | Flex<br>Benefits | Total        |
| Operating revenues:                     |                                                    |                  |              |
| Local sources:                          |                                                    |                  |              |
| Miscellaneous                           | \$ 1,247,738                                       | \$ 59,456        | \$ 1,307,194 |
| Operating expenses:                     |                                                    |                  |              |
| Support services:                       |                                                    |                  |              |
| Benefits                                | 1,241,147                                          | 57,908           | 1,299,055    |
| Operating income                        | 6,591                                              | 1,548            | 8,139        |
| Non-operating revenue:                  |                                                    |                  |              |
| Interest income                         | 27,684                                             | -                | 27,684       |
| Change in net position                  | 34,275                                             | 1,548            | 35,823       |
| <u>NET POSITION</u> - Beginning of year | 692,697                                            | 52,141           | 744,838      |
| <u>NET POSITION</u> - End of year       | \$ 726,972                                         | \$ 53,689        | \$ 780,661   |

## MONTICELLO COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2025

|                                                                                                  | Governmental Activities:<br>Internal Service Funds |                  |                    |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------|------------------|--------------------|
|                                                                                                  | Partially<br>Self-funded<br>Insurance              | Flex<br>Benefits | Total              |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>                                                     |                                                    |                  |                    |
| Cash received from miscellaneous                                                                 | \$ 1,247,738                                       | \$ 59,456        | \$ 1,307,194       |
| Cash payments to employees for services                                                          | -                                                  | (57,908)         | (57,908)           |
| Cash payments to suppliers for goods and services                                                | <u>(1,249,114)</u>                                 | <u>-</u>         | <u>(1,249,114)</u> |
| Net cash provided (used) by operating activities                                                 | <u>(1,376)</u>                                     | <u>1,548</u>     | <u>172</u>         |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>                                                     |                                                    |                  |                    |
| Interest on investments                                                                          | <u>27,684</u>                                      | <u>-</u>         | <u>27,684</u>      |
| Net increase in cash, cash equivalents and pooled investments                                    | 26,308                                             | 1,548            | 27,856             |
| <u>CASH, CASH EQUIVALENTS AND POOLED<br/>INVESTMENTS</u> - beginning of year                     | <u>601,841</u>                                     | <u>52,141</u>    | <u>653,982</u>     |
| <u>CASH, CASH EQUIVALENTS AND POOLED<br/>INVESTMENTS</u> - end of year                           | \$ <u>628,149</u>                                  | \$ <u>53,689</u> | \$ <u>681,838</u>  |
| <u>RECONCILIATION OF OPERATING LOSS TO NET CASH<br/>PROVIDED (USED) IN OPERATING ACTIVITIES:</u> |                                                    |                  |                    |
| Operating income                                                                                 | \$ 6,591                                           | \$ 1,548         | \$ 8,139           |
| Adjustments to reconcile operating income to net<br>cash provided (used) in operating activities |                                                    |                  |                    |
| Increase in prepaid expenses                                                                     | (8,329)                                            | -                | (8,329)            |
| Increase in accounts payable                                                                     | <u>362</u>                                         | <u>-</u>         | <u>362</u>         |
| Net cash provided (used) by operating activities                                                 | \$ <u>(1,376)</u>                                  | \$ <u>1,548</u>  | \$ <u>172</u>      |



MONTICELLO COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND -  
STUDENT ACTIVITY ACCOUNTS  
YEAR ENDED JUNE 30, 2025

| <u>Account</u>          | <u>Balance<br/>Beginning<br/>of Year</u> | <u>Revenues</u> | <u>Expenditures</u> | <u>Intrafund<br/>Transfers</u> | <u>Balance<br/>End<br/>of Year</u> |
|-------------------------|------------------------------------------|-----------------|---------------------|--------------------------------|------------------------------------|
| Drama/Speech            | \$ 10,894                                | \$ 19,203       | \$ 14,682           | \$ -                           | \$ 15,415                          |
| Interest                | -                                        | 12,988          | 12,988              | -                              | -                                  |
| Vocal                   | 7,780                                    | 14,536          | 17,270              | -                              | 5,046                              |
| Musical                 | 9,722                                    | 7,068           | 7,433               | -                              | 9,357                              |
| Instrumental            | 7,686                                    | 5,840           | 4,075               | -                              | 9,451                              |
| Cross Country           | 325                                      | 356             | 178                 | -                              | 503                                |
| Cheerleading            | 48                                       | 11,567          | 9,272               | -                              | 2,343                              |
| Dance team              | 96                                       | 11,530          | 10,272              | -                              | 1,354                              |
| Boys basketball         | 5,660                                    | 7,755           | 12,989              | -                              | 426                                |
| Football                | 3,686                                    | 32,649          | 33,840              | -                              | 2,495                              |
| Baseball                | 180                                      | 11,052          | 10,596              | -                              | 636                                |
| Boys soccer             | -                                        | 1,448           | 650                 | -                              | 798                                |
| Bowling                 | 194                                      | 14              | -                   | -                              | 208                                |
| Wrestling               | 1,159                                    | 6,429           | 3,767               | -                              | 3,821                              |
| Girls basketball        | 767                                      | 20              | 483                 | -                              | 304                                |
| Volleyball              | 3,941                                    | 6,256           | 4,638               | -                              | 5,559                              |
| Softball                | 1,790                                    | 5,881           | 5,706               | -                              | 1,965                              |
| Girls track             | 169                                      | 2,188           | 1,716               | -                              | 641                                |
| Girls golf              | 127                                      | 9               | -                   | -                              | 136                                |
| General athletics       | 13,659                                   | 170,141         | 173,506             | -                              | 10,294                             |
| Student council         | 8,616                                    | 2,330           | 2,711               | -                              | 8,235                              |
| HS Student organization | 3,842                                    | 273             | 45                  | -                              | 4,070                              |
| National honor society  | 18                                       | 1,036           | 1,054               | -                              | -                                  |
| Yearbook                | 14,134                                   | 3,284           | 4,005               | -                              | 13,413                             |
| Freshman                | 213                                      | 219             | 213                 | -                              | 219                                |
| Sophomore               | 2,955                                    | 228             | 2,955               | -                              | 228                                |
| Junior                  | 1,126                                    | 3,087           | 2,226               | -                              | 1,987                              |
| Senior                  | 13,292                                   | 1,963           | 2,655               | -                              | 12,600                             |
| FFA                     | 8,152                                    | 57,853          | 55,231              | -                              | 10,774                             |
| BPA                     | 5,542                                    | 19,403          | 19,403              | -                              | 5,542                              |
| FCCLA                   | -                                        | 1,314           | 1,314               | -                              | -                                  |
| Coffee club             | 4,671                                    | 1,839           | 929                 | -                              | 5,581                              |
| International club      | 1,104                                    | 79              | -                   | -                              | 1,183                              |
| Pawpcorn club           | 3,026                                    | 969             | 590                 | -                              | 3,405                              |
| SODA                    | 230                                      | 295             | 311                 | -                              | 214                                |
| Post Prom               | 7,011                                    | 29,659          | 30,080              | -                              | 6,590                              |
| MS Vocal                | 5,435                                    | 580             | 1,387               | -                              | 4,628                              |
| MS Instrumental         | 32,380                                   | 10,640          | 12,007              | -                              | 31,013                             |
| MS Student organization | 7,716                                    | 1,482           | 4,043               | -                              | 5,155                              |
| 7th grade               | 2,253                                    | 3,457           | 5,469               | -                              | 241                                |
| 8th grade               | 205                                      | 4,342           | 3,466               | -                              | 1,081                              |
| 5th grade               | 1,362                                    | 702             | 1,587               | -                              | 477                                |
| 6th grade               | 815                                      | 2,596           | 1,415               | -                              | 1,996                              |
| MS Concessions          | 63                                       | 8,825           | 7,086               | -                              | 1,802                              |
| ES Student Organization | 7                                        | 278             | 285                 | -                              | -                                  |
| Total                   | \$ 192,051                               | \$ 483,663      | \$ 484,528          | \$ -                           | \$ 191,186                         |

MONTICELLO COMMUNITY SCHOOL DISTRICT

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

|                                       | Modified Accrual Basis<br>Years Ended June 30, |                      |                      |                      |
|---------------------------------------|------------------------------------------------|----------------------|----------------------|----------------------|
|                                       | <u>2025</u>                                    | <u>2024</u>          | <u>2023</u>          | <u>2022</u>          |
| Revenues:                             |                                                |                      |                      |                      |
| Local sources:                        |                                                |                      |                      |                      |
| Local tax                             | \$ 6,420,706                                   | \$ 6,056,100         | \$ 6,057,214         | \$ 5,763,384         |
| Tuition                               | 728,162                                        | 650,370              | 629,952              | 637,932              |
| Other                                 | 1,561,124                                      | 1,637,013            | 954,803              | 752,581              |
| Intermediate sources                  | -                                              | -                    | -                    | -                    |
| State sources                         | 9,061,758                                      | 8,641,307            | 8,276,255            | 7,799,506            |
| Federal sources                       | <u>416,894</u>                                 | <u>630,904</u>       | <u>945,845</u>       | <u>1,183,086</u>     |
| Total revenues                        | \$ <u>18,188,644</u>                           | \$ <u>17,615,694</u> | \$ <u>16,864,069</u> | \$ <u>16,136,489</u> |
| Expenditures:                         |                                                |                      |                      |                      |
| Instruction:                          |                                                |                      |                      |                      |
| Regular                               | \$ 5,794,251                                   | \$ 6,065,243         | \$ 5,541,390         | \$ 5,435,800         |
| Special                               | 1,895,512                                      | 1,537,769            | 1,983,467            | 2,010,735            |
| Other                                 | 1,471,279                                      | 1,187,288            | 1,272,710            | 1,323,903            |
| Support services:                     |                                                |                      |                      |                      |
| Student                               | 885,507                                        | 755,301              | 691,574              | 649,724              |
| Instructional staff                   | 863,080                                        | 1,063,754            | 1,153,304            | 1,000,952            |
| Administration                        | 1,561,361                                      | 1,519,762            | 1,474,737            | 1,487,959            |
| Operation and maintenance<br>of plant | 1,707,238                                      | 1,426,685            | 1,468,368            | 1,653,035            |
| Transportation                        | 576,926                                        | 702,134              | 705,547              | 503,402              |
| Capital outlay                        | 859,905                                        | 702,598              | 164,763              | 125,768              |
| Long-term debt:                       |                                                |                      |                      |                      |
| Principal                             | 1,330,000                                      | 1,298,512            | 1,255,232            | 1,207,431            |
| Interest and other charges            | 538,559                                        | 590,364              | 1,060,968            | 1,084,728            |
| Other expenditures:                   |                                                |                      |                      |                      |
| AEA flow-through                      | <u>397,420</u>                                 | <u>475,295</u>       | <u>462,826</u>       | <u>462,014</u>       |
| Total expenditures                    | \$ <u>17,881,038</u>                           | \$ <u>17,324,705</u> | \$ <u>17,234,886</u> | \$ <u>16,945,451</u> |

SCHEDULE 9

| <u>2021</u>          | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 5,732,450         | \$ 5,809,463         | \$ 4,772,754         | \$ 5,024,473         | \$ 5,192,178         | \$ 5,032,917         |
| 785,086              | 668,922              | 714,472              | 811,686              | 790,296              | 842,428              |
| 733,709              | 1,280,051            | 944,971              | 814,635              | 658,750              | 678,465              |
| -                    | 9,519                | 9,879                | 9,625                | 10,564               | 2,846                |
| 7,591,058            | 7,330,056            | 7,508,492            | 7,709,080            | 7,921,900            | 7,622,015            |
| <u>690,401</u>       | <u>405,691</u>       | <u>431,682</u>       | <u>463,483</u>       | <u>517,103</u>       | <u>455,516</u>       |
| \$ <u>15,532,704</u> | \$ <u>15,503,702</u> | \$ <u>14,382,250</u> | \$ <u>14,832,982</u> | \$ <u>15,090,791</u> | \$ <u>14,634,187</u> |
| <br>                 |                      |                      |                      |                      |                      |
| \$ 4,439,766         | \$ 4,542,134         | \$ 5,255,464         | \$ 4,722,380         | \$ 5,133,196         | \$ 4,780,429         |
| 1,859,686            | 1,940,956            | 1,996,851            | 2,057,032            | 1,934,992            | 1,884,703            |
| 1,246,055            | 1,415,384            | 1,197,689            | 1,759,364            | 1,445,003            | 1,470,273            |
| <br>                 |                      |                      |                      |                      |                      |
| 614,233              | 572,157              | 505,754              | 386,530              | 586,529              | 512,063              |
| 961,290              | 1,044,409            | 650,972              | 589,945              | 551,880              | 567,882              |
| 1,480,729            | 1,400,046            | 1,605,956            | 1,333,604            | 1,320,189            | 1,223,977            |
| <br>                 |                      |                      |                      |                      |                      |
| 1,548,240            | 1,153,553            | 1,165,426            | 1,093,056            | 1,049,764            | 1,048,553            |
| 433,990              | 534,626              | 559,453              | 525,135              | 575,585              | 443,623              |
| 2,019,431            | 18,935,785           | 2,095,924            | 563,169              | 451,506              | 348,722              |
| <br>                 |                      |                      |                      |                      |                      |
| 1,141,000            | 375,000              | -                    | -                    | -                    | 680,000              |
| 1,097,636            | 782,814              | -                    | -                    | -                    | 5,920                |
| <br>                 |                      |                      |                      |                      |                      |
| <u>457,834</u>       | <u>454,282</u>       | <u>457,385</u>       | <u>460,167</u>       | <u>452,661</u>       | <u>443,230</u>       |
| \$ <u>17,299,890</u> | \$ <u>33,151,146</u> | \$ <u>15,490,874</u> | \$ <u>13,490,382</u> | \$ <u>13,501,305</u> | \$ <u>13,409,375</u> |



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

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Adam L. Sturm, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Board of Education of  
Monticello Community School District:

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Monticello Community School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Monticello Community School District's basic financial statements and have issued our report thereon dated January 5, 2026.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings as item II-A-25 that we consider to be a material weakness.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monticello Community School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 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.

## Monticello Community School District's Response to Findings

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

ANDERSON, LARKIN & CO., P.C.

ANDERSON, LARKIN & CO., P.C.

Ottumwa, Iowa  
January 5, 2026

MONTICELLO COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2025

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

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with accounting principles generally accepted in the United States of America.
- (b) Material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

II-A-25 Segregation of Duties

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

Condition – One important aspect of the internal control structure is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One individual has control over one or more of the following areas for the District:

- 1) Cash - bank reconciliations, cash receipts and the disbursement functions.
- 2) Investments – investing, detailed recordkeeping, custody of investments and reconciling earnings.
- 3) Receipts – preparing deposit slip and depositing, journalizing, recording, and reconciling.
- 4) Disbursements – purchase order processing, check preparation and approval, signing checks, mailing and recording, voucher preparation and reconciling disbursements to the check register.
- 5) Payroll – recording sick leave and vacation days, writing payroll checks and posting to the accounting system.
- 6) Financial reporting – preparing, reconciling and approving.
- 7) Computer systems – performing all general accounting functions and controlling all data input and output.
- 8) Journal entries – writing, approving, posting.

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

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

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

Response – The District will investigate available alternatives and implement when possible.

Conclusion – Response accepted.

MONTICELLO COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2025

PART III: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

- III-A-25 Certified Budget – Expenditures for the year ended June 30, 2025 did not exceed the amended certified budget.
- III-B-25 Questionable Expenditures – No expenditures we believe may not meet the requirements for public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- III-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.
- III-D-25 Business Transactions – Business transactions between the District and District officials or employees are detailed as follows:

| <u>Name, title and business connection</u>               | <u>Transaction description</u> | <u>Amount</u> |
|----------------------------------------------------------|--------------------------------|---------------|
| Daniel Sauser, Teacher                                   |                                |               |
| Father-In-Law owns Welter Storage                        | Equipment                      | \$ 12,782     |
| Callie Kromminga-Smith, Teacher                          |                                |               |
| Father Owns Kromminga Motors                             | Services/parts                 | \$ 7,285      |
| Cindy Savage, Teacher                                    |                                |               |
| Father-In-Law Owns Insurance Associates                  | Insurance                      | \$ 297,904    |
| Shirley Stadtmueller                                     |                                |               |
| Son owns All American Lawn & Landscape                   | Trees & Supplies               | \$ 285        |
| Tim and Tricia Lambert, Rileigh Newhard, AD and Teachers |                                |               |
| Brother/Brother-in-law, Father owns Monticello Sports    | Sport Supplies, Equipment      | \$ 35,512     |
| Brian and Jace Meyer, Coaches                            |                                |               |
| Owner/Father owner of Legacy Lanes                       | Bowling/Meals                  | \$ 2,267      |
| Audrey Green, Associate                                  |                                |               |
| Son owns Diamond Pi Co.                                  | Meals                          | \$ 949        |
| Joe Welsch, Custodian                                    |                                |               |
| Sister-in-law owns Hillside Bar & Grill                  | Meals/Catering                 | \$ 1,796      |

In accordance with an Attorney General's opinion dated November 9, 1976, the above transactions with relatives of District employees do not appear to represent a conflict of interest.

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

Chapter 279.7A of the Code of Iowa states in part, "A member of the board of directors of a school corporation shall not have an interest, direct or indirect, in a contract for the purchase of goods, including materials and profits, and the performance of services for the director's school corporation." Exceptions include "...if the benefit to the director does not exceed six thousand dollars in a fiscal year, and contracts made by a school board, upon competitive bid in writing, publicly invited and opened."

MONTICELLO COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2025

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

- III-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.
- III-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 ensure that the coverage is adequate for current operations.
- III-G-25 Board Minutes – We noted no transactions requiring Board approval which have not been approved by the Board.
- III-H-25 Certified Enrollment – We noted variances in the certified enrollment data certified to the Iowa Department of Education. The certified enrollment was understated by 1.0 for the October 2024 count.
- Recommendation – The District should contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.
- Response – The District's auditors will contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.
- Conclusion – Response accepted.
- III-I-25 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- III-J-25 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy.
- III-K-25 Certified Annual Report – The certified annual report was certified timely to the Iowa Department of Education, and we noted no significant deficiencies in the amounts reported.
- III-L-25 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.



MONTICELLO COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2025

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

- III-M-25 Statewide Sales, Services and Use Tax – No instances of noncompliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted. Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2025, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

|                               |                |                     |
|-------------------------------|----------------|---------------------|
| Beginning balance             |                | \$ 6,215,832        |
| Revenues/transfer in:         |                |                     |
| Sales tax revenues            | \$ 1,281,159   |                     |
| Other local revenues          | 198,695        |                     |
| Transfers in from other funds | <u>387,105</u> | <u>1,866,959</u>    |
|                               |                | 8,082,791           |
| Expenditures:                 |                |                     |
| Transfers out to other funds  | 814,552        |                     |
| Capital outlay                | 711,289        |                     |
| Support services              | <u>219,692</u> | <u>1,745,533</u>    |
| Ending balance                |                | \$ <u>6,337,258</u> |

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

- III-N-25 Deficit Balance – The Enterprise Fund –Panther Academy Fund and Enterprise – Preschool Fund had deficit net positions at June 30, 2025.

Recommendation – The District should monitor the funds and investigate alternatives to eliminate the deficits.

Response – We are monitoring these situations. We are currently analyzing alternatives to reverse the deficit balances.

Conclusion – Response accepted.