

\$7,700,000*
Adel-DeSoto-Minburn Community School District, Iowa
General Obligation School Bonds
Series 2026

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

DATE: Monday, September 28, 2026
TIME: 11:00 AM
PLACE: District Administration Center
215 North 11th St.
Adel, IA 50003

Moody's Rating: "Aa3"

* 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 Adel-DeSoto-Minburn Community School District, Iowa (the "Issuer")

Re: \$7,700,000* 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 Adel-DeSoto-Minburn Community School District, in the Counties of Dallas and Madison, State of Iowa, this 28th day of September 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 \$7,700,000* dated the date of delivery in the denomination of \$5,000 or multiples thereof, and maturing as shown on the front page of the official statement.

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the Issuer or its designee after the determination of the Successful Bidder. The Issuer may increase or decrease each maturity in increments of \$5,000. Interest rates specified by the Successful Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the Issuer. The total par amount will not exceed \$34,945,000.

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 \$77,000* for the Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Municipal Advisor or the Issuer will provide the apparent winning bidder (the "Purchaser") with wiring instructions, by email, within 10 minutes of the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser, and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

* 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 100% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, 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, Adel-DeSoto-Minburn Community School District, 215 North 11th St., Adel, 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 of bid may be higher than 7%.

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

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

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

(1) the Issuer shall disseminate this Official Term of Offering to potential underwriters in a manner that is reasonably

designed to reach potential underwriters;

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

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

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

(d) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

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

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

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

(f) The Issuer acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements

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

(g) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

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

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

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

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date that the Bonds are awarded by the Issuer to the winning bidder.

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

by each such Participating Underwriter of the Final Official Statement.

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

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

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

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or 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.

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

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 17, 2026

NEW ISSUE - DTC BOOK ENTRY ONLY

Rating: "Aa3"

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Interest on the Bonds is not exempt from present Iowa income taxes. The Bonds will NOT be designated as "qualified tax-exempt obligations." See "TAX EXEMPTION AND RELATED TAX MATTERS" herein for a more detailed discussion.

\$7,700,000*

Adel-DeSoto-Minburn Community School District, Iowa
General Obligation School Bonds
Series 2026

Dated: Date of Delivery

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

Interest on the Bonds is payable on May 1, and November 1 in each year, beginning June 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.

MATURITY SCHEDULE

Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **	Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **
May 1, 2027	\$285,000			006756 LN8	May 1, 2037	\$220,000			006756 LY4
May 1, 2028	150,000			006756 LP3	May 1, 2038	225,000			006756 LZ1
May 1, 2029	155,000			006756 LQ1	May 1, 2039	235,000			006756 MA5
May 1, 2030	165,000			006756 LR9	May 1, 2040	245,000			006756 MB3
May 1, 2031	170,000			006756 LS7	May 1, 2041	260,000			006756 MC1
May 1, 2032	175,000			006756 LT5	May 1, 2042	270,000			006756 MD9
May 1, 2033	185,000			006756 LU2	May 1, 2043	280,000			006756 ME7
May 1, 2034	195,000			006756 LV0	May 1, 2044	290,000			006756 MF4
May 1, 2035	200,000			006756 LW8	May 1, 2045	305,000			006756 MG2
May 1, 2036	210,000			006756 LX6	May 1, 2046	3,480,000			006756 MH0
\$ _____ %					Term bond due Priced to yield CUSIP # _____				

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel to the Issuer 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. Certain legal matters will be passed upon for the Municipal Advisor by Dorsey & Whitney LLP, Des Moines, Iowa. It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about October 27, 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.

No dealer, 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.

TABLE OF CONTENTS

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

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

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. The Issuer considers the Official Statement to be "near final" within the meaning of Rule 15c2-12 of the Securities 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 SECTIONS 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THESE SECURITIES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THESE SECURITIES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SECURITIES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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 Appendix A, 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 "plan," "expect," "estimate," "budget" 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."

OFFICIAL STATEMENT
ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT, IOWA
\$7,700,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Adel-DeSoto-Minburn 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 to: (i) construct, build, furnish, and equip a new high school building and improve the site; (ii) renovate, remodel, repair, improve, furnish and equip the DeSoto building; and (iii) pay 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 October 12, 2026 (the “Resolution” or the “Bond Resolution”).

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

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

The Bonds are general obligations of the Issuer, payable from and secured by a continuing annual ad-valorem tax levied against the property valuations 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 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, approval of the District voters for the issuance of \$58,000,000 General Obligation Bonds to fund the Project at an election held on November 7, 2023, 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.

* 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.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered in the transaction. Transfers of ownership interest in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

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

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

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

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

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

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

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

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

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

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

Transfer and Exchange

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

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

Prepayment

Optional Prepayment: The Bonds maturing after 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.

Notice of Prepayment. Prior to the redemption of any Bonds under the provisions of the Resolution, the Registrar shall give written notice not less than thirty (30) days prior to the redemption date to each registered owner thereof. Written notice shall be effective upon the date of transmission to the owner of record of the Bond.

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

_____ Term Bond
Mandatory Sinking Fund Date Principal Amount
§

(maturity)

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

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

Source of Security for the Bonds

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

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

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

BONDHOLDERS' RISKS

An investment in the Bonds is subject to certain risks. No person should purchase the Bonds unless such person understands the risks described below and is willing to bear those risks. There may be other risks not listed below which may adversely affect the value of the Bonds. In order to identify risk factors, make an informed investment decision, and if the Bonds are an appropriate investment, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto).

Tax Levy Procedures

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

the Bonds) may have to be enforced from year to year.

Changes in Property Taxation

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

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

On May 18, 2026, the Governor signed into law Iowa Senate File 2472 (the "Act"), which enacts comprehensive reforms to Iowa's property tax system. The Act, among other things: (i) reduces the school district foundation property tax levy from \$5.40 to \$5.10 per \$1,000 of assessed value beginning in fiscal year 2028 and to \$4.90 per \$1,000 beginning in fiscal year 2029; (ii) generally caps a school district's prior-year unspent balance used to calculate its authorized budget at 35% of the preceding year's authorized expenditures; (iii) increases the amount of sales and use tax revenues funds being diverted from the Secure an Advanced Vision for Education (SAVE) fund to the Property Tax Equity Relief Fund and extends the sales and use tax until January 1, 2071 (iv) restructures the homestead credit program, replacing the existing credit with a new exemption of 10% of taxable value per eligible homestead (minimum \$5,500, maximum \$20,000, indexed for inflation). The Act 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 for the Bonds**,” under Iowa Code section 76.2 the Issuer has by resolution provided for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years.

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

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

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

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

Secondary Market

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

Pension

The Issuer contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the Issuer are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the Issuer being required to make 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. See **"APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER"** for additional information on IPERS.

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

In fiscal year ended June 30, 2025, the Issuer's IPERS contribution totaled approximately \$1,730,593. 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 \$6,681,336. While the Issuer's contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may impact the finances of the Issuer. See **"APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER"** for additional information on pension and liabilities of the Issuer.

Rating Loss

Moody's Investors Service, Inc. ("Moody" or the "Rating Agency") has assigned a rating of "Aa3" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of the Rating Agency, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Forward-Looking Statements

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

Legislative Change Related to School Choice

The Legislature enacted and the Governor signed House File 68 (HF68) during its 2023 legislative session. HF68 established a standing unlimited State general fund appropriation for an Education Savings Account Fund (the "Fund") under the control of the Iowa Department of Education (the "Department of Education"). The Fund must be used to establish individual accounts for participating pupils and to make qualified education savings account payments on behalf of parents and guardians, including payment for nonpublic school tuition, textbooks, software, fees, curriculum materials, and other similar expenses. All students attending a nonpublic school are eligible for participation.

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, 2027, the SCPP is \$8,148, which amount will be deposited into the Fund, instead of being sent to the Issuer, for each qualifying student within the Issuer attending a nonpublic school. HF68 provides that a District is funded in an amount of \$1,176 per student for resident pupils who attend a nonpublic school. According to the Department of Education, there were 28 students who resided within the boundaries of the

Issuer but attended non-public schools for the 2022-23 school year; 38 students for the 2023-24 school year and 51 for 2024-25 school year and 62 for the 2025-26 school year. It is unknown how many additional students, if any, will attend non-public schools in future years, as HF68 is implemented. If a significant number of eligible students in the Issuer transition to non-public schools, it could have an adverse impact on the Issuer's finances given the reduction in per student funding the Issuer would otherwise receive. The Bonds are general obligations of the Issuer. See **"THE BONDS – Source of Security for the Bonds"** herein.

Proposed Federal Tax Legislation

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

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

DTC-Beneficial Owners

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

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

Risks as Employer

The Issuer is a major employer, combining a complex mix of full-time and part-time faculty, technical and clerical support staff and other types of workers in a single operation. As with all large employers, the Issuer bears a wide variety of risks in connection with its employees. These risks include discrimination claims, personal tort actions, work-related injuries, exposure to hazardous materials, interpersonal torts (such as between employees or between employees and students) and other risks that may flow from the relationships between employer and employee or between students and employees. Certain of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance.

Cybersecurity

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

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

Debt Payment History

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

Redemption Prior to Maturity/Loss of Premium from Redemption

In considering whether the Bonds might be redeemed prior to maturity, Bondholders should consider the information included in this Official Statement under the heading "**THE BONDS - Prepayment.**" Any person who purchases the Bonds at a price in excess of their principal amount or who holds such Bonds trading at a price in excess of par should consider the fact that the Bonds are subject to redemption prior to maturity at the redemption prices described herein in the event such Bonds are redeemed prior to maturity. See "THE BONDS – Prepayment" herein.

Clean up Costs and Liens under Environmental Statutes

The Issuer is not aware of any enforcement actions currently in process with respect to any releases of pollutants or contaminants at the Project sites. However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at future date. In the event such enforcement actions were initiated, the Issuer could be liable for the costs of removing or otherwise treating pollutants or contaminants located at the Project sites. In addition, under applicable environmental statutes, in the event an enforcement action is initiated, a lien superior to any Bondholders' lien, if any, could attach to the Project.

General Liability Claims

In recent years, the number of general liability suits and the dollar amounts of damage awards have increased nationwide, resulting in substantial increases in insurance premiums. Litigation may also arise against the Issuer from its business activities, such as its status as an employer. While the Issuer maintains general liability insurance coverage, the Issuer is unable to predict the availability or cost of such insurance in the future. In addition, it is possible that certain types of liability awards may not be covered by insurance as in effect at relevant times. Any negative impact resulting from such awards may impact the Issuer's ability to operate.

Project Completion; Risks of Construction

A delay in completion of the Project may arise from any number of other causes, including but not limited to, adverse weather conditions, unavailability of subcontractors, and negligence on the part of subcontractors, labor disputes, or unanticipated costs of construction, equipping or renovation. Any of these events or occurrences, separately or in combination, could have a material adverse effect on the Issuer's ability to complete the Project, or to complete it as planned and on schedule. The Issuer believes that the proceeds of the Bonds plus the proceeds of the \$14,555,000 General Obligation School Bonds, Series 2024, and the \$8,500,000 General Obligation School Bonds, Series 2025, authorized by the voters plus the issuance of School infrastructure Sales, Services, and Use Tax Revenue Bonds, expected to be issued in calendar year 2027, will be sufficient to complete the Project; however, the cost of construction of the Project may be affected by factors beyond the control of the Issuer, including strikes, material shortages, adverse weather conditions, trade tariffs, subcontractor defaults, delays, and unknown conditions.

Damage or Destruction to District's Facilities

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

Financial Condition of the Issuer from time to time

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

Continuing Disclosure

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

Suitability of Investment

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

Bankruptcy and Insolvency

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

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

Tax Matters, NOT Bank Qualified, and Loss of Tax Exemption

As discussed under the heading "**TAX EXEMPTION AND RELATED CONSIDERATIONS**" 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 prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

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

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

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

Factors Beyond Issuer's Control

Economic and other factors beyond the Issuer's control, such as economic recession, deflation of property values, or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the corporate boundaries of the Issuer. The State of Iowa, including the Issuer, is susceptible to tornados, flooding and extreme weather wherein winds and flooding have from time to time caused significant damage, which may have an adverse

impact on the Issuer's financial position.

Risk of Audit

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

Summary

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

LITIGATION

The District encounters litigation occasionally, as a course of business, however, no litigation currently exists that is not believed to be covered by current insurance carriers and no litigation has been proposed that questions the validity of the Bonds.

ACCOUNTANT

The accrual-basis financial statements of the Issuer included as APPENDIX D to this Official Statement have been examined by BerganKDV, Ltd (the "Accountant"), to the extent and for the periods indicated in their report thereon. The Accountant 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 \$ _____ plus accrued interest to the Closing Date.

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

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

THE PROJECT

The Bonds, are being issued to provide funds to: (i) construct, build, furnish, and equip a new high school building and improve the site; (ii) renovate, remodel, repair, improve, furnish and equip the DeSoto building; and (iii) pay costs of issuance for the Bonds.

SOURCES AND USES OF FUNDS *

Sources of Funds	Bond Principal	\$7,700,000
	Reoffering Premium	TBD
Total Sources of Funds		TBD
Uses of Funds	Deposit to Project fund	\$7,700,000
	Costs of Issuance	TBD
	Underwriter's Discount	TBD
Total Uses of Funds		\$7,700,000

* Preliminary, subject to change

TAX EXEMPTION AND RELATED CONSIDERATIONS

Tax Exemption

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

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

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

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

NOT Qualified Tax Exemption Obligations

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

Discount and Premium Bonds

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

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

Other Tax Advice

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

Audits

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

Reporting and Withholding

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

Tax Legislation

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

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

The Opinion

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

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

Enforcement

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

The owners of the Bonds cannot foreclose on property within the boundaries of the Issuer or sell such property in order to pay

the debt service on the Bonds. In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel's opinion. The opinion will state, in part, that the obligations of the Issuer with respect to the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, to the exercise of judicial discretion in appropriate cases and to the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt status of the interest thereon (see **"TAX EXEMPTION AND RELATED TAX MATTERS"** herein) are subject to the approving legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as **"APPENDIX B – FORM OF BOND COUNSEL OPINION."** Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel. Ahlers & Cooney, P.C. is also serving as Disclosure Counsel for the Issuer in connection with the issuance of the Bonds. Certain matters will be passed upon for the Municipal Advisor by Dorsey & Whitney LLP, Des Moines, Iowa.

Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this Official Statement and will express no opinion with respect thereto. Bond Counsel has not participated in the preparation of this Official Statement other than to review or prepare information describing the terms of the Bonds, Iowa and Federal law pertinent to the validity of the Bonds, and the tax status of interest on the Bonds which can be found generally under the sections **"THE BONDS"**, **"THE BONDS - Source of Security for the Bonds"**, and **"TAX EXEMPTION AND RELATED TAX MATTERS"**. Additionally, Bond Counsel has provided its form of bond counsel opinion and Issuer's continuing disclosure certificate, found in Appendices B and C.

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

MUNICIPAL ADVISOR

The Issuer has retained Piper Sandler & Co. as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Bonds. The Municipal Advisor has relied upon governmental officials, and other sources who have access to relevant data to provide accurate information and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy, completion or fairness of the Official Statement. The Municipal Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

CONTINUING DISCLOSURE

The Issuer will covenant in a Continuing Disclosure Certificate (the "Undertaking") for the benefit of the Owners and Beneficial Owners of the 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, 2027, with the Municipal Securities Rulemaking Board, at its internet repository named "Electronic Municipal Market Access" ("EMMA"). The notices of events, if any, are also to be filed with EMMA. See **"APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE."** The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in **"APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE."** These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

A failure by the District to comply with the Undertaking will not constitute a default under the Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. Any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under the Disclosure Certificate. Direct, indirect, consequential and punitive damages

shall not be recoverable by any person for any default thereunder. If the District fails to comply with any provision of the Disclosure Certificate, the sole remedy available shall be an action to compel performance. A failure by the District to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

For the previous five (5) year period, the Issuer believes it has complied with the Rule in all material respects, however, the Issuer provides the following disclosure for the sole purpose of assisting Underwriters in complying with the Rule. The Issuer's General Obligation Bonds, Series 2014, dated May 1, 2014, were paid in full on May 1, 2022 and the Issuer did not timely file a material event notice. The Issuer filed a material event notice and a notice of failure to file on July 19, 2022

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

MISCELLANEOUS

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

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

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

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

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

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT, IOWA

/s/ Josh Jacobs
Board Secretary

APPENDIX A - INFORMATION ABOUT THE ISSUER

**ADEL DESOTO MINBURN COMMUNITY SCHOOL DISTRICT, IOWA
DISTRICT OFFICIALS**

PRESIDENT	Tim Canney
BOARD MEMBERS	Nikki West Melissa Dohlman Heith Hockenberry Becky Schrock
SUPERINTENDENT	Greg Dufoe
SECRETARY/TREASURER:	Josh Jacobs
DISTRICT ATTORNEY	Ahlers & Cooney, P.C. Des Moines, Iowa

CONSULTANTS

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

General Information

Adel DeSoto Minburn Community School District is the combination of three growing towns. The district is located in Central Iowa approximately 20 minutes west of Des Moines, in the counties of Dallas and Madison.

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	1986	9-12
Middle School	2006	6-8
DeSoto Intermediate	1924, 1990	3-5
Adel Elementary	1965, 1969, 1990	PK-2

Source: the Issuer

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)(2)</u>	<u>Open Enrollment In (3)</u>	<u>Open Enrollment Out (3)</u>	<u>Total Served</u>
October-25	2026-27	2,192.4	193.4	162.9	2,222.9
October-24	2025-26	2,171.0	197.1	144.8	2,223.3
October-23	2024-25	2,165.5	203.1	129.9	2,238.7
October-22	2023-24	2,130.9	209.0	122.1	2,217.8
October-21	2022-23	2,054.8	211.0	144.2	2,121.6

Source: Department of Education

1 Used for Sales Tax distribution

2 Used for State Aid distribution

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

Staff

Presented below is a list of the District's 362 employees.

Administrators:	11	Media Specialists:	2
Teachers:	170	Nurses:	4
Teacher Aids:	70	Guidance:	9
Custodians:	13	Secretaries:	10
Food Service:	19	Transportation:	21
Other:	15	Maintenance:	2

Source: the Issuer

Other Post Employment Benefits

The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. 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. The District's total OPEB liability of \$989,923 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

Further information, including information concerning actuarial assumptions, discount rates, and deferred inflows and outflows is available in the District's 2025 Independent Audited Financial Statements, Note 9.

Source: the Issuer's Independent Audited Financial Statement

Employee Pension Plan

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

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

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

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

Table 1 – Issuer and Employees Contribution to IPERS.

Fiscal Year	Issuer Contribution		Issuer Employees' Contribution	
	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2021	1,234,830	9.44	822,784	6.29
2022	1,347,589	9.44	897,917	6.29
2023	1,475,268	9.44	982,991	6.29
2024	1,597,504	9.44	1,064,439	6.29
2025	1,719,429	9.44	1,145,679	6.29

SOURCE: the Issuer

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

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

Table 2 – Funding Status of IPERS

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2021	37,584,987,296	42,889,875,682	42,544,648,750	4,959,661,454	88.34	-345,226,932	100.81	8,648,783,536	57.35
2022	39,354,232,379	40,191,566,259	43,969,714,606	4,615,482,227	89.50	3,778,148,347	91.40	9,018,019,950	51.18
2023	41,012,524,216	41,206,314,259	45,719,979,439	4,707,455,223	89.70	4,513,665,180	90.13	9,588,339,000	49.10
2024	42,927,257,062	43,661,123,300	47,302,619,657	4,375,362,595	90.75	3,641,496,357	92.30	10,003,675,315	43.74
2025	45,222,324,002	46,740,552,175	49,063,230,575	3,840,906,573	92.17	2,322,678,400	95.27	10,525,039,254	36.49

Source: IPERS Actuarial Reports

For a description of the assumptions used when calculating the funding status of IPERS for the fiscal year noted herein, see IPERS ACFRs.

Table 3 – Recent returns of IPERS

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

Fiscal Year Ended June 30	Investment Return %
2021	29.63
2022	-3.90
2023	5.41
2024	9.07
2025	9.70

Net Pension Liabilities.

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The Issuer was required to implement GASB 68 in their year end June 30, 2015 financial statements.

At June 30, 2025, the Issuer reported a liability of \$6,681,336 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7.0%. The Issuer's proportion of the net pension liability was based on the Issuer's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See "**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS**" for additional information related to the Issuer's deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

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

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

Investment of Public Funds

The Issuer invests its funds pursuant to Chapter 12B of the Code. Presented below is the District's investing activities as of July 31, 2026.

<u>Type of Investment</u>	<u>Amount Invested</u>
Local Bank Money Market	\$0
Local Bank Deposit Accounts	5,810,391.20
Local Bank Time CD's	0
ISJIT Money Market	25,293,190.98
ISJIT Fixed Investments	6,742,839.91
ISJIT Time CD's	0

Source: the Issuer

Population

Presented below are population figures as officially reported by the U.S. Census for the periods indicated for the cities of Adel, DeSoto and Minburn:

<u>Year</u>	<u>Adel</u>	<u>DeSoto</u>	<u>Minburn</u>
2020	6,153	915	325
2010	3,682	1,050	365
2000	3,435	1,009	391
1990	3,304	1,033	346
1980	2,846	1,035	390
1970	2,419	572	378
1960	2,060	369	357
1950	1,784	273	353

Source: U.S. Census Bureau

Major Employers

Due to the close proximity, many district residents find employment in the Des Moines metropolitan area. Presented below is a summary of the largest employers in the District:

<u>Employer</u>	<u>Business</u>	<u>Approximate Employees</u>
Adel-DeSoto-Minburn CSD	Education	336
Midwest Oil Seeds	Seeds and bulb -- retail	250-499
Iowa Spring Mfg	Spring manufacturer	100-249
Monarch Material Group	Window manufacturer	100-249
United Brick & Tile	Clay brick manufacturer	100-249
Dallas County	County government	100-249
Adel Acres	Nursing home	50-99
Kuder Inc.	Education Assessment	50-99
Adel Appliance Repair	Appliance Repair	50-99
Hawkeye Breeder	Livestock breeder	20-49
BASE	Employee benefit and comp plans	20-49
Dallas County Ambulance	Ambulance service	20-49
Valo Biomedica	Poultry meds & vaccines	20-49
Adel Vet Clinic	Veterinary clinic	20-49
Archer Home Services	Appliances	20-49
Fareway	Grocery Store	20-49
Hopkin & Huebner	Attorneys	20-49

Source: Locationone.com

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

Source: Iowa Department of Revenue

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 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 (2)

Actual Valuation					
Valuation as of January	2025	2024	2023	2022	2021
<u>Fiscal Year</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>
Residential:	1,319,200,847	1,140,342,743	1,022,720,374	799,530,573	649,773,488
Agricultural Land:	158,064,300	114,643,770	114,711,440	92,902,000	93,168,667
Ag Buildings:	5,790,530	5,814,100	5,394,550	4,029,780	3,641,540
Commercial:	134,771,997	118,479,234	114,786,797	87,669,590	80,476,068
Industrial:	28,383,479	27,809,531	21,162,169	15,927,240	14,261,873
Multiresidential:	0	0	0	0	11,842,356
Personal RE:	0	0	0	0	0
Railroads:	1,479,657	1,419,212	1,421,339	1,393,172	1,386,665
Utilities:	4,202,647	12,466,003	15,266,167	14,492,438	15,765,310
Other:	0	0	0	0	0
Total Valuation:	1,651,893,457	1,420,974,593	1,295,462,836	1,015,944,793	870,315,967
Less Military:	1,206,203	1,243,313	1,257,454	576,255	571,022
Less Homestead:	4,366,702	4,055,303	1,865,117		
Net Valuation:	1,646,320,552	1,415,675,977	1,292,340,265	1,015,368,538	869,744,945
TIF Valuation:	44,472,507	43,308,199	41,663,247	42,096,170	36,522,420
Utility Replacement:	183,182,550	186,406,186	176,410,407	163,414,942	120,117,523
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:	572,082,740	526,222,704	458,591,075	423,040,470	340,415,588
Agricultural Land:	93,951,034	84,673,013	82,405,278	85,138,176	82,958,487
Ag Buildings:	3,441,885	4,294,143	3,875,288	3,693,016	3,242,481
Commercial:	103,777,723	90,959,162	87,608,400	66,683,930	71,415,007
Industrial:	24,287,025	23,835,994	18,181,071	13,687,192	12,762,542
Multiresidential:	0	0	0	0	7,184,990
Personal RE:	0	0	0	0	0
Railroads:	1,309,307	1,256,331	1,257,711	1,236,451	1,247,999
Utilities:	4,118,596	12,466,003	15,266,167	14,492,438	15,765,310
Other:	0	0	0	0	0
Total Valuation:	802,968,310	743,707,350	667,184,990	607,971,673	534,992,404
Less Military:	1,206,203	1,243,313	1,257,454	576,255	571,022
Less Homestead:	4,366,702	4,055,303	1,865,117		
Net Valuation:	797,395,405	738,408,734	664,062,419	607,395,418	534,421,382
TIF Valuation:	44,472,507	43,279,920	41,508,185	42,070,247	36,522,420
Utility Replacement:	58,633,971	54,231,889	54,718,032	56,829,328	58,257,906

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2025	1,873,975,609	13.89%	900,501,883	7.73%
2024	1,645,390,362	8.96%	835,920,543	9.99%
2023 (1)	1,510,107,007	23.72%	760,009,210	7.64%
2022	1,220,879,650	18.95%	706,294,993	12.25%
2021	1,026,384,888	15.41%	629,201,708	7.88%
2020	931,716,008	4.77%	583,240,966	5.45%
2019 (2)	888,907,643	9.27%	553,072,275	10.65%

Source: Iowa Department of Management

(1) Source: Dallas and Madison County Auditor's office final County tax list. After the final property assessment appeal process, the final aggregated actual valuation and taxable valuations were reported as \$1,510,104,007 and \$760,009,210. The valuation information provided by class in the foregoing table from the Department of Management is utilizing an estimated aggregated actual valuation of \$1,510,413,919 and taxable valuation of \$760,288,636, and that information is not updated by the Department of Management.

(2) Source: Dallas County Auditor's office provided an adjusted 1/1/2019 Actual Valuation based on property assessment adjustments as noted above after the Department of Management by class of property valuation (\$889,326,433) were provided.

Tax Rates

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

<u>Fiscal</u> <u>Year</u>	<u>Operating</u> <u>Fund</u>	<u>Management</u> <u>Fund</u>	<u>Board</u> <u>PPEL</u>	<u>Voter</u> <u>PPEL</u>	<u>Play</u> <u>Ground</u>	<u>Debt</u> <u>Service</u>	<u>School</u> <u>House</u>	<u>Total</u> <u>Levy</u>
2027	11.11061	1.04319	0.33000	1.34000	0.00000	4.05000	0.00000	17.87380
2026	11.75609	0.39741	0.33000	1.34000	0.00000	4.05000	0.00000	17.87350
2025	11.46336	0.69562	0.33000	1.34000	0.00000	4.05000	0.00000	17.87898
2024	10.56221	1.05386	0.33000	1.34000	0.00000	4.05000	0.00000	17.33607
2023	10.59620	1.34980	0.33000	1.34000	0.00000	4.05000	0.00000	17.66600
2022	11.10359	2.06618	0.33000	1.00000	0.00000	4.04837	0.00000	18.54814

Source: Iowa Department of Management

Historic Tax Rates

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

City of Adel

<u>Fiscal</u> <u>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</u> <u>Levy Rate</u>
2027	13.43496	17.87380	0.80808	0.00000	0.30611	0.06982	0.57000	3.39896	36.46173
2026	13.25836	17.87350	0.78046	0.00000	0.31587	0.07241	0.58393	3.50685	36.39138
2025	14.23745	17.87898	0.75916	0.00180	0.33067	0.07629	0.58393	3.58451	37.45279
2024	14.47631	17.33607	0.74410	0.00180	0.31908	0.07868	0.58393	2.96949	36.50946
2023	14.30235	17.66600	0.69448	0.00240	0.21526	0.08590	0.54482	3.05184	36.56305
2022	14.30235	18.54814	0.67789	0.00260	0.22521	0.05732	0.52950	3.46118	37.80419

City of DeSoto

<u>Fiscal</u> <u>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</u> <u>Levy Rate</u>
2027	13.18294	17.87380	0.80808	0.00000	0.30611	0.06982	0.57000	3.39896	36.20971
2026	13.47444	17.87350	0.78046	0.00000	0.31587	0.07241	0.58393	3.50685	36.60746
2025	13.54018	17.87898	0.75916	0.00180	0.33067	0.07629	0.58393	3.58451	36.75552
2024	13.61437	17.33607	0.74410	0.00180	0.31908	0.07868	0.58393	2.96949	35.64752
2023	12.79502	17.66600	0.69448	0.00240	0.21526	0.08590	0.54482	3.05184	35.05572
2022	12.68943	18.54814	0.67789	0.00260	0.22521	0.05732	0.52950	3.46118	36.19127

City of Minburn

<u>Fiscal</u> <u>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</u> <u>Levy Rate</u>
2027	15.74956	17.87380	0.80808	0.00000	0.30611	0.06982	0.57000	3.39896	38.77633
2026	15.25809	17.87350	0.78046	0.00000	0.31587	0.07241	0.58393	3.50685	38.39111
2025	16.28257	17.87898	0.75916	0.00180	0.33067	0.07629	0.58393	3.58451	39.49791
2024	16.35070	17.33607	0.74410	0.00180	0.31908	0.07868	0.58393	2.96949	38.38385
2023	16.38158	17.66600	0.69448	0.00240	0.21526	0.08590	0.54482	3.05184	38.64228
2022	14.52298	18.54814	0.67789	0.00260	0.22521	0.05732	0.52950	3.46118	38.02482

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</u> <u>Year</u>	<u>Amount</u> <u>Levied</u>	<u>Amount</u> <u>Collected</u>	<u>Percentage</u> <u>Collected</u>
2027	\$15,615,058	In collection	In collection
2026	14,476,229	In collection	In collection
2025	13,150,136	13,131,515	99.86%
2024	11,820,258	11,804,516	99.87%
2023	10,736,343	10,704,918	99.71%
2022	10,453,066	10,609,055	101.49%

Source: the Issuer

Largest Taxpayers

Set forth in the following table are the persons or entities which represent the 2025 largest taxpayers within the Issuer, as provided by the Auditors Offices of each of said counties. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District. The District's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u>	<u>2025 Taxable Valuation</u>	<u>Percent of Total</u>
Mid American Energy	60,781,856	6.75%
Stine Seed Farm Inc	13,324,954	1.48%
Midwest Oilseeds Inc	8,819,326	0.98%
Heartland Co-op	7,956,624	0.88%
Realty Income Properties 31, LLC	5,090,454	0.57%
Kwik Trip, Inc.	5,087,397	0.56%
Caseys Marketing Company	4,784,853	0.53%
Northern Natural Gas Co 8015	3,918,593	0.44%
Hy-Vac FKA Hy-Vac Laboratory Eggs Company	3,818,992	0.42%
Sioux City Brick & Tile Company	3,798,618	0.42%
Total of Top 10 Taxpayers:		13.04%

Source: Dallas and Madison County Auditor's Offices

⁽¹⁾ Utility Property Tax Replacement

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

The utility replacement tax statute states that the utility replacement tax collected by the State and allocated among local taxing cities (including the Issuer) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. However, utility property is not subject to the levy of property tax by political subdivisions, only the utility replacement tax and statewide property tax. It is possible that the Issuer's authority to levy taxes to pay principal and interest on the Bonds could be adjudicated to be proportionately reduced in future years if the utility replacement tax were to be other than "taxable property" for purposes of computing the Issuer's levy limit under Iowa Code Section 298.18, as amended from time to time. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the Issuer can issue or (ii) adversely affect the Issuer's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds.

{Remainder of page left blank intentionally}

Direct Debt

General Obligation School Bonds (Debt Service)

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

Fiscal					Prepay FY24				Principal	Interest	P&I
Year	<u>12/20/19</u>	<u>5/1/20</u>	<u>4/29/21</u>	<u>4/27/22</u>	<u>5/1/20</u>	<u>10/29/24</u>	<u>7/30/25</u>	<u>10/27/26</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
2027	120,000	135,000	450,000	535,000		215,000	180,000	285,000	1,920,000	1,698,249	3,618,249
2028	125,000	145,000		1,030,000		245,000	190,000	150,000	1,885,000	1,753,966	3,638,966
2029	125,000	140,000		1,090,000		260,000	200,000	155,000	1,970,000	1,667,116	3,637,116
2030	135,000	145,000		1,105,000		270,000	210,000	165,000	2,030,000	1,608,641	3,638,641
2031	140,000	145,000		1,130,000		285,000	220,000	170,000	2,090,000	1,548,066	3,638,066
2032	150,000	140,000		1,155,000		300,000	230,000	175,000	2,150,000	1,483,794	3,633,794
2033	155,000	140,000		1,190,000		310,000	240,000	185,000	2,220,000	1,416,006	3,636,006
2034	155,000	140,000		1,220,000		325,000	255,000	195,000	2,290,000	1,345,719	3,635,719
2035	1,445,000	330,000				120,000	270,000	200,000	2,365,000	1,271,281	3,636,281
2036	1,490,000	325,000				130,000	280,000	210,000	2,435,000	1,201,369	3,636,369
2037	1,535,000	325,000				135,000	295,000	220,000	2,510,000	1,128,449	3,638,449
2038	1,580,000	325,000				140,000	310,000	225,000	2,580,000	1,056,626	3,636,626
2039	1,625,000	330,000				145,000	320,000	235,000	2,655,000	981,956	3,636,956
2040		2,005,000			-990,000	1,140,000	330,000	245,000	2,730,000	903,750	3,633,750
2041						2,230,000	345,000	260,000	2,835,000	803,556	3,638,556
2042						2,320,000	360,000	270,000	2,950,000	688,369	3,638,369
2043						2,410,000	380,000	280,000	3,070,000	567,948	3,637,948
2044						2,510,000	395,000	290,000	3,195,000	442,436	3,637,436
2045							3,020,000	305,000	3,325,000	311,588	3,636,588
2046								3,480,000	3,480,000	158,340	3,638,340
Totals:	8,780,000	4,770,000	450,000	8,455,000	-990,000	13,490,000	8,030,000	7,700,000	50,685,000	22,037,224	72,722,224

Source: the Issuer

*Escrow of Bond dated May 1, 2020. On May 1, 2024, the Issuer escrowed \$990,000 of the \$2,005,000 principal due on May 1, 2040, of the bond dated May 1, 2020. The escrow does not include any interest payments due, only principal due. The funds in the escrow are invested in SLGS. The escrows are escrowed to the first call date of the bonds dated May 1, 2020, which is May 1, 2027. The escrow is irrevocable.

General Obligation School Capital Loan Notes (PPEL)

The District does not have any outstanding general obligation 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 are the principal and interest due on the District's outstanding school infrastructure sales, services and use tax revenue bonds, presented by fiscal year and issue:

Fiscal Year	Series A 28-Mar-16	Series B 28-Mar-16	28-Oct-25	Principal Total	Interest Total	Payment Total
2027	135,000	135,000	200,000	470,000	878,383	1,348,383
2028	140,000	140,000	210,000	490,000	861,768	1,351,768
2029	142,500	142,500	220,000	505,000	844,198	1,349,198
2030			525,000	525,000	825,788	1,350,788
2031			550,000	550,000	799,538	1,349,538
2032			580,000	580,000	772,038	1,352,038
2033			610,000	610,000	743,038	1,353,038
2034			640,000	640,000	712,538	1,352,538
2035			670,000	670,000	680,538	1,350,538
2036			705,000	705,000	647,038	1,352,038
2037			740,000	740,000	611,788	1,351,788
2038			775,000	775,000	574,788	1,349,788
2039			815,000	815,000	536,038	1,351,038
2040			845,000	845,000	503,438	1,348,438
2041			880,000	880,000	469,638	1,349,638
2042			915,000	915,000	434,438	1,349,438
2043			955,000	955,000	396,694	1,351,694
2044			995,000	995,000	356,106	1,351,106
2045			1,040,000	1,040,000	312,575	1,352,575
2046			1,085,000	1,085,000	267,075	1,352,075
2047			1,135,000	1,135,000	218,250	1,353,250
2048			1,185,000	1,185,000	167,175	1,352,175
2049			1,235,000	1,235,000	113,850	1,348,850
2050			1,295,000	1,295,000	58,275	1,353,275
Totals:	417,500	417,500	18,805,000	19,640,000	12,784,985	32,424,985

Source: the Issuer

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:

	<u>FY27</u>
Actual Valuation:	1,873,975,609
X	<u>0.05</u>
Statutory Debt Limit:	93,698,780
 Total GO Bond Debt:	 50,685,000
Total GO PPEL Debt:	0
Total Tech Leases:	
Capital Leases:	
Total Debt Subject to Limit:	<u>50,685,000</u>
Percentage of Debt Limit Obligated:	54.09%

The constitutional debt limit calculations does not include the District's School Infrastructure Sales, Services and Use Tax Revenue Bonds. If the District's School Infrastructure Sales, Services and Use Tax Revenue Bonds are included in the constitutional debt limit calculations, the "Total Debt Subject to Limit" would increase \$19,640,000 to be \$70,325,000, or 75.05% of the statutory debt limit.

(1) Utility Property Tax Replacement

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

The utility replacement tax statute states that the utility replacement tax collected by the State and allocated among local taxing cities (including the Issuer) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. However, utility property is not subject to the levy of property tax by political subdivisions, only the utility replacement tax and statewide property tax. It is possible that the Issuer's authority to levy taxes to pay principal and interest on the Bonds could be adjudicated to be proportionately reduced in future years if the utility replacement tax were to be other than "taxable property" for purposes of computing the Issuer's levy limit under Iowa Code Section 298.18, as amended from time to time. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the Issuer can issue or (ii) adversely affect the Issuer's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds.

Source: Iowa Department of Management

Overlapping & Underlying Debt

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

<u>Taxing Authority</u>	<u>Outstanding Debt</u>	<u>2024 Taxable Valuation</u>	<u>Taxable Value Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
City Of Adel	3,845,000	320,038,425	320,038,425	100.00%	5,845,000
City Of De Soto	2,321,000	73,897,647	73,897,647	100.00%	2,587,000
City Of Minburn	132,000	13,158,126	13,158,126	100.00%	160,000
City Of Waukeec	127,759,461	2,684,322,444	190,781	0.01%	12,425
Dallas County	16,970,000	10,807,117,645	818,749,263	7.56%	1,679,060
Madison County	6,102,854	1,326,954,375	17,171,280	1.27%	97,421
Des Moines Area Cc	68,145,000	70,226,515,406	835,920,543	1.05%	1,032,494
Heartland Aea	0	69,999,578,107	835,920,543	1.05%	0
Total:					11,413,400

Source: Iowa Department of Management

Financial Summary

Actual Value of Property, 2025:	1,873,975,609
Taxable Value of Property, 2025:	900,501,883
Direct General Obligation Debt:	50,685,000
Overlapping Debt:	11,413,400
Direct & Overlapping General Obligation Debt:	62,098,400
Population, 2020 US Census:	10,253
Direct Debt per Capita:	4,943
Total Debt per Capita:	6,057
Direct Debt to Taxable Valuation:	5.629%
Total Debt to Taxable Valuation:	6.896%
Direct Debt to Actual Valuation:	2.705%
Total Debt to Actual Valuation:	3.314%
Actual Valuation per Capita:	182,773
Taxable Valuation per Capita:	87,828

Source: Iowa Department of Management

APPENDIX B – FORM OF LEGAL OPINION

DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors of the Adel-DeSoto-Minburn Community School District in the Counties of Dallas and Madison, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Bonds, Series 2026, by said Issuer, dated October 27, 2026, in the denominations of \$5,000 or multiples thereof, in the aggregate amount of \$ _____ (the "Bonds").

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

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

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

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

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

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

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

AHLERS & COONEY, P.C.

APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

DRAFT

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Adel-DeSoto-Minburn Community School District, State of Iowa (the "Issuer"), in connection with the issuance of \$_____ General Obligation School Bonds, Series 2026 (the "Bonds") dated October 27, 2026. The Bonds are being issued pursuant to a Resolution of the Issuer approved on _____, 2026 (the "Resolution"). The Issuer covenants and agrees as follows:

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

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

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

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

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close.

"Dissemination Agent" shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

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

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

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

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

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

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

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

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

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Financial Information.

- a. The Issuer shall, or shall cause the Dissemination Agent to, not later than the 15th day of April of each year following the close of the Issuer's fiscal year (currently June 30), commencing with information for the 2026/2027 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a

package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

- b. If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.
- c. The Dissemination Agent shall:
 - i. each year file Annual Financial Information with the National Repository; and
 - ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

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

- a. The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time Annual Financial Information is required to be filed pursuant to Section 3(a), the Annual Financial Information filing shall contain unaudited financial statements of the type included in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Financial Information when they become available.
- b. A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the captions "Property Valuations", "Tax Rates", "Historic Tax Rates", "Tax Collection History", "Direct Debt", "Debt Limit", and "Financial Summary".

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

Section 5. Reporting of Significant Events.

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

Obligation of the Issuer, any of which reflect financial difficulties.

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

Section 6. Additional Filing. The Issuer's audited financial statements for fiscal year ending June 30, 2026 were not available for inclusion in the Final Official Statement. The Issuer agrees to file these audited financial statements in the same manner as the Annual Financial Information when they become available.

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

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

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

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

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

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

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

Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

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

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

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

Date: _____ day of _____, 2026.

ADEL-DESOTO-MINBURN COMMUNITY
SCHOOL DISTRICT, STATE OF IOWA

By: _____
President

ATTEST:

By: _____
Secretary of the Board of Directors

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF
FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: Adel-DeSoto-Minburn Community School District, Iowa.

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

Dated Date of Issue: October 27, 2026

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

Dated: _____ day of _____, 20____.

ADEL-DESOTO-MINBURN COMMUNITY
SCHOOL DISTRICT, STATE OF IOWA

By: _____
Its: _____

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

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

The remainder of this page was left blank intentionally.

**Adel-DeSoto-Minburn Community School District
Adel, Iowa**

Basic Financial Statements

June 30, 2025

**Adel-DeSoto-Minburn Community School District
Table of Contents**

Elected Officials and Administration	1
Independent Auditor's Report	3
Management's Discussion and Analysis	7
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	20
Statement of Activities	21
Governmental Fund Financial Statements	
Balance Sheet	22
Reconciliation of the Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes in Fund Balances	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	28
Proprietary Fund Financial Statements	
Statement of Net Position	29
Statement of Revenue, Expenses, and Changes in Fund Net Position	30
Statement of Cash Flows	31
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	32
Statement of Changes in Fiduciary Net Position	32
Notes to Basic Financial Statements	33
Required Supplementary Information	
Schedule of Budgetary Comparison of Revenue, Expenditures/Expenses, and Changes in Balances - Budget to Actual - All Governmental Funds and Proprietary Funds	60
Notes to Required Supplementary Information - Budgetary Reporting	61
Schedule of District's Proportionate Share of the Net Pension Liability	62
Schedule of District Contributions	63
Notes to Required Supplementary Information - Pension Liability	65
Schedule of Changes in Total OPEB Liability, Related Ratios and Notes	66
Supplementary Information	
Nonmajor Governmental Funds	
Schedule of Changes in Student Activity Special Revenue Fund	71
Capital Projects Fund Accounts	
Combining Balance Sheet	72
Combining Schedule of Revenue, Expenditures, and Changes in Balances	73
Schedule of Revenue by Source and Expenditures by Function - All Governmental Fund Types	74
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	77
Schedule of Findings and Responses	79

**Adel-DeSoto-Minburn Community School District
Board of Education and Administration
June 30, 2025**

<u>Board of Education</u>	<u>Position</u>	<u>Term Expires</u>
Tim Canney	President	2027
Bart Banwart	Vice President	2025
Heith Hockenberry	Board Member	2027
Nikki West	Board Member	2027
Melissa Dohlman	Board Member	2025
<u>School Officials</u>		
Greg Dufoe	Superintendent	Indefinite
Joshua Jacobs	Board Secretary/Treasurer and School Business Official	Indefinite
Ahlers & Cooney, P.C.	Attorney	Indefinite

(THIS PAGE LEFT BLANK INTENTIONALLY)



Independent Auditor's Report

To the School Board
Adel-DeSoto-Minburn Community School District
Adel, Iowa

Report on Audit of the Basic Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Adel-DeSoto-Minburn Community School District, Adel, Iowa, as of and for the year ended June 30, 2025, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to in the first paragraph 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 Adel-DeSoto-Minburn Community School District, Adel, Iowa, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to 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 the Financial Statements section of our report. We are required to be independent of Adel-DeSoto-Minburn Community School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The management of Adel-DeSoto-Minburn Community School District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 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, which raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Auditing Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the District's internal control over financial reporting and compliance.

BerganKDV, Ltd.

St. Cloud, Minnesota
January 8, 2026

(THIS PAGE LEFT BLANK INTENTIONALLY)

Adel-DeSoto-Minburn Community School District Management's Discussion and Analysis

Adel-DeSoto-Minburn 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 this narrative overview and analysis.

Financial Highlights

- The assets and deferred outflows of resources of Adel-DeSoto-Minburn Community School District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$35,386,854.
- General Fund revenues increased from \$26,934,731 in fiscal 2024 to \$29,007,562 in fiscal 2025, while General Fund expenditures increased from \$27,108,973 in fiscal 2024 to \$28,803,601 in fiscal 2025. The District's General Fund balance decreased from \$5,243,673 in fiscal 2024 to \$5,092,598 in fiscal 2025. General Fund revenues increased due to an increase in state funding related to the amount received per student and an increase in the number of students served. General Fund expenditures increased due to the increase in salaries and benefits and additional programming. There was also a restatement that decreased beginning General Fund fund balance by \$335,760.

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 Adel-DeSoto-Minburn Community School District as a whole and present an overall view of the District's finances.

The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Adel-DeSoto-Minburn Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Adel-DeSoto-Minburn Community School District acts solely as a custodian for the benefit of those outside of the District.

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

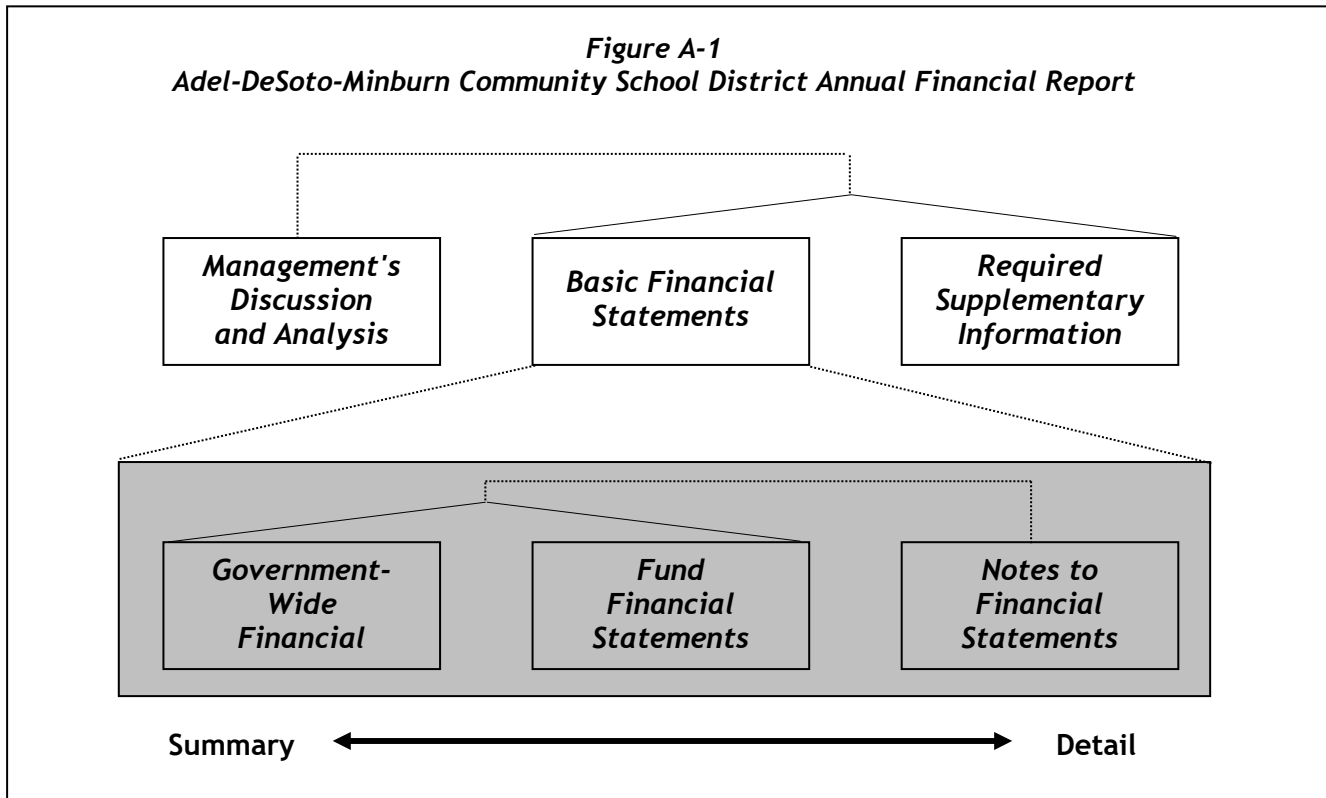
Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the schedule of changes in total OPEB liability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

Supplementary Information provides detailed information about the nonmajor governmental funds.

**Adel-DeSoto-Minburn Community School District
Management's Discussion and Analysis**

USING THIS ANNUAL REPORT (CONTINUED)

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



**Adel-DeSoto-Minburn Community School District
Management's Discussion and Analysis**

USING THIS ANNUAL REPORT (CONTINUED)

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

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements				
	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and Child Care	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and custodial monies
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures and changes in fund balances	• Statement of net position • Statement of revenue expenses, and changes in fund net position • Statement of cash flows	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/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 assets 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 assets that is applicable to a future reporting period	Consumption/acquisition of net assets that is applicable to a future reporting period
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid	Revenue 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 revenue 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

Adel-DeSoto-Minburn Community School District Management's Discussion and Analysis

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 revenue 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 nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

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

- *Governmental Activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property 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 and child care 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 it is properly using certain revenue 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 (a) how cash and other financial assets that can readily be converted to cash flow in and out and (b) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

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

**Adel-DeSoto-Minburn Community School District
Management's Discussion and Analysis**

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES (CONTINUED)

Fund Financial Statements (Continued)

1. *Governmental Funds (Continued)*: The required financial statements for governmental funds include a balance sheet and a statement of revenue, 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 provides more detail and additional information, such as cash flows. The District's enterprise funds are the School Nutrition Fund and Child Care Fund.

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

3. *Fiduciary Funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include the Private Purpose Trust Fund.

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

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

The required financial statements for fiduciary funds include a statement of fiduciary net position and a statement of changes in fiduciary net position.

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

Adel-DeSoto-Minburn Community School District Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	Governmental Activities		Business-Type Activities		Total District		
	June 30,		June 30,		June 30,		Percent
	2025	2024	2025	2024	2025	2024	Change
Current and other assets	\$ 47,088,000	\$ 33,284,147	\$ 554,401	\$ 857,598	\$ 47,642,401	\$ 34,141,745	39.54%
Capital assets	51,589,155	47,740,942	259,332	293,909	51,848,487	48,034,851	7.94%
Total assets	98,677,155	81,025,089	813,733	1,151,507	99,490,888	82,176,596	21.07%
Deferred outflows of resources	2,939,096	3,576,498	100,215	121,224	3,039,311	3,697,722	-17.81%
Total assets and deferred outflows of resources	\$101,616,251	\$ 84,601,587	\$ 913,948	\$ 1,272,731	\$102,530,199	\$ 85,874,318	19.40%
Current liabilities	\$ 6,176,036	\$ 4,864,538	\$ 49,766	\$ 59,170	\$ 6,225,802	\$ 4,923,708	26.45%
Long-term liabilities	45,531,047	34,596,304	252,617	298,618	45,783,664	34,894,922	31.20%
Total liabilities	51,707,083	39,460,842	302,383	357,788	52,009,466	39,818,630	30.62%
Deferred inflows of resources	15,116,131	13,745,998	17,748	16,571	15,133,879	13,762,569	9.96%
Net position							
Net investment in capital assets	21,002,637	20,679,089	259,332	293,909	21,261,969	20,972,998	1.38%
Restricted	13,083,035	11,633,522	-	-	13,083,035	11,633,522	12.46%
Unrestricted	707,365	(917,864)	334,485	604,463	1,041,850	(313,401)	-432.43%
Total net position	34,793,037	31,394,747	593,817	898,372	35,386,854	32,293,119	9.58%
Total liabilities, deferred inflows of resources and net position	\$101,616,251	\$ 84,601,587	\$ 913,948	\$ 1,272,731	\$102,530,199	\$ 85,874,318	19.40%

The District's total net position increased 9.6%, or \$3,093,735, from the prior year. The primary reason for the increase was an increase in capital assets due to increased purchases.

The largest portion of the District's net position is invested in capital assets (e.g., land, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets, this amount increased due to current year additions and debt payments outpacing depreciation and new debt issued.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$1,449,513, or 12.5%, over the prior year due to decreased spending on capital projects funded by Statewide Sales Services and Use Tax.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased \$1,355,251. The increase in unrestricted net position was primarily a result of a decrease in the net pension liabilities due to changes in actuarial assumptions.

Adel-DeSoto-Minburn Community School District Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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

**Figure A-4
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total District		Percent
	2025	2024	2025	2024	2025	2024	Change
Revenues							
Program revenues							
Charges for services	\$ 2,715,125	\$ 2,616,619	\$ 683,685	\$ 627,056	\$ 3,398,810	\$ 3,243,675	4.78%
Operating grants and contributions and restricted interest	4,588,654	4,533,866	445,667	488,991	5,034,321	5,022,857	0.23%
Capital grants and contributions and restricted interest	250,000	-	-	-	250,000	-	N/A
General revenues							
Property tax	13,366,442	12,022,558	-	-	13,366,442	12,022,558	11.18%
Statewide sales, services and use tax	2,864,289	2,807,166	-	-	2,864,289	2,807,166	2.03%
Unrestricted state grants	13,640,980	12,883,863	-	-	13,640,980	12,883,863	5.88%
Unrestricted investment earnings	1,133,667	873,137	33,926	49,657	1,167,593	922,794	26.53%
Other	23,478	1,318,259	-	1,648	23,478	1,319,907	-98.22%
Total revenues	<u>38,582,635</u>	<u>37,055,468</u>	<u>1,163,278</u>	<u>1,167,352</u>	<u>39,745,913</u>	<u>38,222,820</u>	<u>3.98%</u>
Program Expenses							
Instruction	18,541,120	16,947,745	-	-	18,541,120	16,947,745	9.40%
Support services	11,822,298	10,828,138	-	-	11,822,298	10,828,138	9.18%
Noninstructional programs	-	-	1,469,735	1,446,343	1,469,735	1,446,343	1.62%
Other	4,483,265	4,523,544	-	-	4,483,265	4,523,544	-0.89%
Total expenses	<u>34,846,683</u>	<u>32,299,427</u>	<u>1,469,735</u>	<u>1,446,343</u>	<u>36,316,418</u>	<u>33,745,770</u>	<u>7.62%</u>
Change in net position before transfers	3,735,952	4,756,041	(306,457)	(278,991)	3,429,495	4,477,050	23.40%
Transfers	(1,902)	(8,296)	1,902	8,296	-	-	N/A
Change in net position	3,734,050	4,747,745	(304,555)	(270,695)	3,429,495	4,477,050	23.40%
Beginning of year net position	31,394,747	25,854,451	898,372	1,169,067	32,293,119	27,023,518	19.50%
Error correction (See note 13)	(335,760)	792,551	-	-	(335,760)	792,551	-142.36%
Beginning of year net position, restated	<u>31,058,987</u>	<u>26,647,002</u>	<u>898,372</u>	<u>1,169,067</u>	<u>31,957,359</u>	<u>27,816,069</u>	<u>14.89%</u>
End of year net position	<u>\$ 34,793,037</u>	<u>\$ 31,394,747</u>	<u>\$ 593,817</u>	<u>\$ 898,372</u>	<u>\$ 35,386,854</u>	<u>\$ 32,293,119</u>	<u>9.58%</u>

In fiscal year 2025, property tax, statewide sales, services and use tax and unrestricted state and federal grants accounted for 77.4% of governmental activities revenue while charges for service and operating grants, other and unrestricted interest accounted for 100% of business-type activities revenue. The District's total revenue was approximately \$39.7 million, of which approximately \$38.6 million was for governmental activities and \$1.1 million was for business-type activities.

As shown in Figure A-4, the District as a whole experienced a 4.0% increase in revenue and a 7.6% increase in expenses. The increase in revenues was due to increases in student counts and amount received per student. The increase in expenses is primarily due to the increased wages and benefits and increased programming.

Governmental Activities

Revenue for governmental activities was \$38,582,635 and expenses were \$34,846,683, which amounted to an increase in net position of \$3,734,050 for the year ended June 30, 2025. There was also a decrease to beginning net position for \$335,760 due to the correction of an error.

**Adel-DeSoto-Minburn Community School District
Management's Discussion and Analysis**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities (Continued)

The following table presents the total and net cost of the District's major governmental activities; instruction, support services, non-instructional programs and other expenses for the year ended June 30, 2025, compared to the year ended June 30, 2024.

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

	Total Cost of Service			Net Cost of Service		
	2025	2024	Percentage Change	2025	2024	Percentage Change
Instruction	\$ 18,541,120	\$ 16,947,745	9.40%	\$ 12,100,163	\$ 10,849,935	11.52%
Support Services	11,822,298	10,828,138	9.18%	11,561,690	10,820,002	6.85%
Other	4,483,265	4,523,544	-0.89%	3,631,051	3,479,005	4.37%
Total	\$ 34,846,683	\$ 32,299,427	7.89%	\$ 27,292,904	\$ 25,148,942	8.53%

For the year ended June 30, 2025:

- The cost financed by users of the District's programs was \$2,715,125.
- Federal and state governments and private entities subsidized certain programs with grants and contributions totaling \$4,588,654.
- The net cost of governmental activities was financed with \$16,230,731 in property and other taxes, \$13,640,980 in unrestricted state and federal grants, \$1,133,667 in unrestricted investment earnings and \$23,478 in other revenues.

Business-Type Activities

Revenue for business-type activities during the year ended June 30, 2025, was \$1,163,278, representing a 0.4% decrease over the prior year, while expenses totaled \$1,469,735, a 1.6% increase over the prior year due to increased food costs. The District's business-type activities include the School Nutrition Fund and Child Care Fund. Revenue of these activities was comprised of charges for service, federal and state reimbursements and grants and investment earnings.

- Charges for service represent 58.8% of total revenue for fiscal years 2025. This represents the amount paid by students/staff for daily food service and amounts generated by child care services.
- Federal and state operating grants, included reimbursement for meals, payments for free and reduced lunches, commodities provided to the District and other miscellaneous grants, totaled \$445,667, or 38.3% of total revenue.

Adel-DeSoto-Minburn Community School District Management's Discussion and Analysis

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of \$27,963,195, an increase of \$11,836,161 from last year's ending fund balances of \$16,462,794. The primary reason for the increase in combined fund balances at the end of fiscal year 2025 was due to a bond issuance in 2025. Revenue increased from the prior year; \$2,838,540, or 7.9% due to increased state grants received and an increase in the property tax levy. Expenditures increased 14.6% due to increases in salaries and benefits and increased programming.

Governmental Fund Highlights

The General Fund is the chief operating fund of the District. At the end of fiscal year 2025, unassigned fund balance of the General Fund was \$3,996,532 while total fund balance decreased from \$5,243,673 at the end of fiscal year 2024 to \$5,092,598 the end of fiscal year 2025.

The General Fund balance increased by \$184,685, or 3.5%, during the current fiscal year. The primary reasons for this increase were fund operations. There was also a restatement for the correction of an error that decreased beginning fund balance by \$335,760.

The Management Levy Fund balance decreased from \$3,021,836 at the end of fiscal year 2024 to \$2,838,345 at the end of fiscal year 2025. Current year expenditures included insurance costs.

The Capital Projects Fund balance increased from \$6,671,045 as of June 30, 2024, to \$18,272,459 as of June 30, 2025. Revenues stayed consistent due to consistent Statewide sales services and use tax revenues. Expenditures increased due to larger capital project expenditures. There was also a large bond issuance in this fund in 2025 causing the large increase in fund balance.

Proprietary Fund Highlights

School Nutrition Fund net position was \$445,623 as of June 30, 2025. Revenue decreased due to no longer receiving supply chain assistance. Expenses increased due to increasing food costs.

BUDGETARY HIGHLIGHTS

In accordance with state law, the school board annually adopts a budget following the public notice and hearing requirements. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The District adopts a budget in April for the following year and at the same time considers a budget amendment for expenditures for the current year. The District did not amend its original budget for fiscal year 2025.

A schedule showing the original and final budget amounts compared to the District's actual financial activity is provided in this report as required supplementary information.

The District's total revenue was \$1,923,024 more than total budgeted revenue, a variance of 5.1%, primarily due to receiving more local sources aid than anticipated.

**Adel-DeSoto-Minburn Community School District
Management's Discussion and Analysis**

BUDGETARY HIGHLIGHTS (CONTINUED)

Total expenditures were \$37,877,346 less than total budgeted expenditures, a variance of 46.7%, primarily due to conservative budgeting mostly related to capital projects.

The certified budget was not exceeded in any individual functions during the year and the District's total spending authority was not exceeded.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the District had invested \$51,848,487, net of accumulated depreciation/amortization, in a broad range of capital assets, including land, buildings and improvements, land improvements, equipment, furniture and construction in progress (See Figure A-6). This represents a net increase of 7.9% from last year. More detailed information about the District's capital assets is presented in Note 4 to the financial statements. Depreciation/amortization expense was \$3,156,084 for Governmental Activities and \$34,577 for Business-Type Activities.

The original cost of the District's capital assets was approximately \$82.4 million. Governmental funds account for approximately \$81.7 million with the remainder of approximately \$0.7 million accounted for in the Proprietary Funds.

**Figure A-6
Capital Assets, Net of Depreciation/Amortization**

	Governmental Activities		Business-Type Activities		Total District		Percentage Change
	June 30,		June 30,		June 30,		
	2025	2024	2025	2024	2025	2023	
Land	\$ 5,028,151	\$ 5,028,151	\$ -	\$ -	\$ 5,028,151	\$ 5,028,151	0.00%
Construction in progress	6,155,980	585,096	-	-	6,155,980	585,096	952.13%
Buildings and Improvements	34,922,248	36,524,951	-	-	34,922,248	36,524,951	-4.39%
Improvements other than buildings	3,669,461	3,986,738	-	-	3,669,461	3,986,738	-7.96%
Right-to-use leased equipment	38,252	62,412	259,332	293,909	297,584	356,321	-16.48%
Machinery and equipment	1,775,063	1,553,594	-	-	1,775,063	1,553,594	14.26%
Total	\$ 51,589,155	\$ 47,740,942	\$ 259,332	\$ 293,909	\$ 51,848,487	\$ 48,034,851	7.94%

Long-Term Debt

As of June 30, 2025, the District had \$46,981,720 of total long-term debt outstanding. This represents an increase of 7.9% from last year (See Figure A-7). Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

The Constitution of the State of Iowa limits the amount of debt districts can issue to 5% of the assessed value of all taxable property within the District. The District's outstanding debt is significantly below its constitutional debt limit of approximately \$41.8 million.

**Adel-DeSoto-Minburn Community School District
Management's Discussion and Analysis**

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Debt (Continued)

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

	Total District		
	June 30,		
	2025	2024	Percent Change
General obligation bonds	\$ 37,355,000	\$ 24,900,000	50.0%
Revenue bonds	1,100,000	1,360,000	-19.1%
Leases payable	40,863	65,296	-37.4%
Net pension liability	6,461,067	7,769,213	-16.8%
Total OPEB liability	957,053	989,671	-3.3%
Unamortized bond premium	1,067,737	736,557	45.0%
Total	\$ 46,981,720	\$ 35,820,737	31.2%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- Approximately 78.2% of the general fund budget is salary and benefits. Current economic factors have driven district staff wage settlements higher than the increase the district has received in supplemental state aid growth.
- The District's unspent budget authority remained stable and at a healthy percentage during fiscal year 2025 and is projected to remain stable for the 2026 fiscal year.
- The District concluded the Facility Master Planning (FMP) Committee during the 2022-23 fiscal year. The committee concluded with giving recommendation to pursue building a new high school. In November of 2023 the voters of Adel DeSoto Minburn Community School District approved a General Obligation Bond of \$58,000,000. The new high school construction project started in April 2025 and scheduled to be open in the fall of 2027. The district has upcoming construction projects at DeSoto Intermediate, Adel Elementary, and current Middle/High School campus.
- One of the key elements of the State of Iowa school aid formula is certified enrollment. As of October 1, 2024, certified enrollment increased by 6 students.
- In 2022, the district hired RSP to project enrollment for the next ten (10) years. Based on this report the district was projected to increase by 600 students, however, the enrollment has not met those projections of 60 students annually. The District will continue to monitor enrollment on a yearly basis.

**Adel-DeSoto-Minburn Community School District
Management's Discussion and Analysis**

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 Joshua Jacobs, Board Secretary/Treasurer and School Business Official, Adel-DeSoto-Minburn Community School District, 215 N. 11th Street, Adel, Iowa, 50003.

BASIC FINANCIAL STATEMENTS

Adel-DeSoto-Minburn Community School District
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 30,877,370	\$ 575,080	\$ 31,452,450
Receivables			
Property tax - delinquent	66,153	-	66,153
Property tax - succeeding year	14,476,229	-	14,476,229
Accounts receivable	17,304	685	17,989
Leases receivable	169,255	-	169,255
Internal balances	38,816	(38,816)	-
Due from other governmental units	951,432	-	951,432
Inventory	-	17,452	17,452
Prepaid items	491,441	-	491,441
Capital assets, net of accumulated depreciation/amortization	40,405,024	-	40,405,024
Capital assets not being depreciated	11,184,131	259,332	11,443,463
Total assets	<u>98,677,155</u>	<u>813,733</u>	<u>99,490,888</u>
Deferred Outflows of Resources			
Deferred outflows related to OPEB	61,183	2,101	63,284
Deferred outflows related to pensions	2,877,913	98,114	2,976,027
Total deferred outflows of resources	<u>2,939,096</u>	<u>100,215</u>	<u>3,039,311</u>
 Total assets and deferred outflows of resources	<u><u>\$ 101,616,251</u></u>	<u><u>\$ 913,948</u></u>	<u><u>\$ 102,530,199</u></u>
Liabilities			
Accounts and contracts payable	\$ 1,318,692	\$ 2,301	\$ 1,320,993
Salaries and benefits payable	2,624,606	4,885	2,629,491
Interest payable	199,899	-	199,899
Due to other governmental units	582,166	-	582,166
Unearned revenue	-	42,058	42,058
Bonds payable			
Due within one year	1,410,000	-	1,410,000
Due in more than one year	38,112,737	-	38,112,737
Leases payable			
Due within one year	25,489	-	25,489
Due in more than one year	15,374	-	15,374
Total OPEB liability			
Due within one year	15,184	522	15,706
Due in more than one year	941,869	32,348	974,217
Net pension liability - due in more than one year	6,461,067	220,269	6,681,336
Total liabilities	<u>51,707,083</u>	<u>302,383</u>	<u>52,009,466</u>
Deferred Inflows of Resources			
Property tax levied for succeeding year	14,476,229	-	14,476,229
Deferred inflow related to leases	123,112	-	123,112
Deferred inflows related to OPEB	512,685	17,608	530,293
Deferred inflows related to pensions	4,105	140	4,245
Total deferred inflows of resources	<u>15,116,131</u>	<u>17,748</u>	<u>15,133,879</u>
Net Position			
Net investment in capital assets	21,002,637	259,332	21,261,969
Restricted for			
Categorical funding	506,168	-	506,168
Debt service	1,199,920	-	1,199,920
School infrastructure	7,698,104	-	7,698,104
Physical plant and equipment	480,524	-	480,524
Student activities	359,974	-	359,974
Management levy purposes	2,838,345	-	2,838,345
Unrestricted	707,365	334,485	1,041,850
Total net position	<u>34,793,037</u>	<u>593,817</u>	<u>35,386,854</u>
 Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 101,616,251</u></u>	<u><u>\$ 913,948</u></u>	<u><u>\$ 102,530,199</u></u>

See notes to basic financial statements.

Adel-DeSoto-Minburn Community School District
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expenses), Revenue, and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
Instruction	\$ 18,541,120	\$ 2,715,125	\$ 3,725,832	\$ -	\$ (12,100,163)	\$ -	\$ (12,100,163)
Support Services							
Student	858,515	-	-	-	(858,515)	-	(858,515)
Instructional staff	2,405,590	-	-	-	(2,405,590)	-	(2,405,590)
Administration	3,244,274	-	-	-	(3,244,274)	-	(3,244,274)
Operation and maintenance of plant	3,229,017	-	-	-	(3,229,017)	-	(3,229,017)
Transportation	1,580,972	-	10,608	-	(1,570,364)	-	(1,570,364)
Facilities acquisition	503,930	-	-	250,000	(253,930)	-	(253,930)
AEA Flow through	852,214	-	852,214	-	-	-	-
Interest and fiscal charges	1,188,747	-	-	-	(1,188,747)	-	(1,188,747)
Unallocated depreciation	2,442,304	-	-	-	(2,442,304)	-	(2,442,304)
Total governmental activities	34,846,683	2,715,125	4,588,654	250,000	(27,292,904)	-	(27,292,904)
Business-type activities							
Noninstructional programs							
Food service operations	1,425,157	611,640	445,667	-	-	(367,850)	(367,850)
Child care operations	44,578	72,045	-	-	-	27,467	27,467
Total business-type activities	1,469,735	683,685	445,667	-	-	(340,383)	(340,383)
Total	\$ 36,316,418	\$ 3,398,810	\$ 5,034,321	\$ 250,000	(27,292,904)	(340,383)	(27,633,287)
General revenues							
Taxes							
Property taxes, levied for general purposes					8,440,119	-	8,440,119
Property taxes, levied for debt service					3,128,055	-	3,128,055
Property taxes, levied for management levy					508,428	-	508,428
Property taxes, levied for capital outlay					1,289,840	-	1,289,840
Unrestricted statewide sales, services, and use tax					2,864,289	-	2,864,289
Unrestricted state grants					13,640,980	-	13,640,980
Unrestricted investment earnings					1,133,667	33,926	1,167,593
Insurance recovery					14,022	-	14,022
Gain on disposal of capital assets					9,456	-	9,456
Transfers					(1,902)	1,902	-
Total general revenues					31,026,954	35,828	31,062,782
Change in net position					3,734,050	(304,555)	3,429,495
Net position - beginning					31,394,747	898,372	32,293,119
Error correction (See Note 13)					(335,760)	-	(335,760)
Net position - beginning, as restated					31,058,987	898,372	31,957,359
Net position - ending					\$ 34,793,037	\$ 593,817	\$ 35,386,854

See notes to basic financial statements.

Adel-DeSoto-Minburn Community School District
Balance Sheet - Governmental Funds
June 30, 2025

	General (10)	Management Levy (22)	Capital Projects	Debt Service (40)
Assets				
Cash and Investments				
Cash and investments	\$ 7,391,499	\$ 2,834,878	\$ 18,904,833	\$ 1,383,921
Receivables				
Property tax - delinquent	41,231	2,468	6,556	15,898
Property tax - succeeding year	9,379,760	315,003	1,395,988	3,385,478
Accounts receivable	9,910	999	5,225	-
Lease receivable	169,255	-	-	-
Due from other governmental units	470,336	-	472,594	-
Due from other funds	38,816	-	-	-
Prepaid items	491,441	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 17,992,248</u>	<u>\$ 3,153,348</u>	<u>\$ 20,785,196</u>	<u>\$ 4,785,297</u>
Liabilities				
Accounts and contracts payable	\$ 191,305	\$ -	\$ 1,116,749	\$ -
Salaries and benefits payable	2,623,307	-	-	-
Due to other governmental units	582,166	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>3,396,778</u>	<u>-</u>	<u>1,116,749</u>	<u>-</u>
Deferred Inflows of Resources				
Property tax levied for				
succeeding year	9,379,760	315,003	1,395,988	3,385,478
Related to leases	123,112	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>9,502,872</u>	<u>315,003</u>	<u>1,395,988</u>	<u>3,385,478</u>
Fund Balances				
Nonspendable for				
Prepaid items	491,441	-	-	-
Restricted for				
Categorical funding	506,168	-	-	-
Debt service	-	-	-	1,399,819
School infrastructure	-	-	17,791,935	-
Physical plant and equipment	-	-	480,524	-
Management levy purposes	-	2,838,345	-	-
Student activities	-	-	-	-
Assigned for				
Student activities	98,457	-	-	-
Unassigned	3,996,532	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>5,092,598</u>	<u>2,838,345</u>	<u>18,272,459</u>	<u>1,399,819</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,992,248</u>	<u>\$ 3,153,348</u>	<u>\$ 20,785,196</u>	<u>\$ 4,785,297</u>

See notes to basic financial statements.

Nonmajor		Total
Student Activity		Governmental
(21)		Funds
\$ 362,239	\$	30,877,370
-		66,153
-		14,476,229
1,170		17,304
-		169,255
8,502		951,432
-		38,816
-		491,441
<u>\$ 371,911</u>	<u>\$</u>	<u>47,088,000</u>
\$ 10,638	\$	1,318,692
1,299		2,624,606
-		582,166
<u>11,937</u>		<u>4,525,464</u>
-		14,476,229
-		123,112
-		14,599,341
-		491,441
-		506,168
-		1,399,819
-		17,791,935
-		480,524
-		2,838,345
359,974		359,974
-		98,457
-		3,996,532
<u>359,974</u>		<u>27,963,195</u>
<u>\$ 371,911</u>	<u>\$</u>	<u>47,088,000</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)

**Adel-DeSoto-Minburn Community School District
Reconciliation of the Balance Sheet to
the Statement of Net Position - Governmental Funds
June 30, 2025**

Total fund balances - governmental funds	\$ 27,963,195
--	---------------

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds:

Cost of capital assets	81,766,453
Less accumulated depreciation/amortization	(30,177,298)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

Bonds payable	(38,455,000)
Unamortized premiums	(1,067,737)
Leases payable	(40,863)
Total OPEB liability	(957,053)
Net pension liability	(6,461,067)

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions and OPEB that are not recognized in the governmental funds:

Deferred outflows related to pensions	2,877,913
Deferred inflows related to pensions	(4,105)
Deferred inflows related to OPEB	(512,685)
Deferred outflows related to OPEB	61,183

Governmental funds do not report a liability for accrued interest on bonds until due and payable.	(199,899)
---	-----------

Total net position - governmental activities	<u><u>\$ 34,793,037</u></u>
--	-----------------------------

Adel-DeSoto-Minburn Community School District
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Fund
Year Ended June 30, 2025

	General (10)	Management Levy (22)	Capital Projects	Debt Service (40)
Revenues				
Revenue from local sources				
Local property taxes	\$ 8,296,474	\$ 499,711	\$ 1,268,914	\$ 3,077,305
Tuition	1,867,372	-	-	-
Other local and county revenues	507,850	142,500	683,542	72,189
Revenue from state sources	17,809,802	8,717	2,885,215	50,750
Revenue from federal sources	526,064	-	250,000	-
Total revenues	<u>29,007,562</u>	<u>650,928</u>	<u>5,087,671</u>	<u>3,200,244</u>
Expenditures				
Current				
Instruction				
Regular	11,622,500	254,023	20,586	-
Special	3,963,489	-	-	-
Other	2,227,331	-	-	-
Support services				
Student	882,125	-	-	-
Instructional staff	1,931,142	-	912,765	-
Administration	789,221	52,971	-	-
School administration	1,757,586	-	-	-
Business and central administration	635,094	-	82,459	-
Operation and maintenance of plant	2,780,344	430,163	26,721	-
Transportation	1,235,436	97,262	372,139	-
Other expenditures				
AEA flowthrough	852,214	-	-	-
Facilities acquisition	-	-	6,597,139	-
Capital outlay	127,119	-	-	-
Debt service				
Principal	-	-	-	2,384,433
Interest and fiscal charges	-	-	193,965	1,018,123
Total expenditures	<u>28,803,601</u>	<u>834,419</u>	<u>8,205,774</u>	<u>3,402,556</u>
Excess of revenues over (under) expenditures	203,961	(183,491)	(3,118,103)	(202,312)
Other Financing Sources (Uses)				
Insurance recoveries	-	-	14,022	-
Proceeds from the sale of capital assets	9,356	-	-	-
Bond premium	-	-	443,929	-
Bond issuance	-	-	14,555,000	-
Transfers in	38,816	-	-	320,164
Transfers out	(67,448)	-	(293,434)	-
Total other financing sources (uses)	<u>(19,276)</u>	<u>-</u>	<u>14,719,517</u>	<u>320,164</u>
Net change in fund balances	184,685	(183,491)	11,601,414	117,852
Fund Balances				
Beginning of year	5,243,673	3,021,836	6,671,045	1,281,967
Error correction (See note 13)	(335,760)	-	-	-
Beginning of year, restated	<u>4,907,913</u>	<u>3,021,836</u>	<u>6,671,045</u>	<u>1,281,967</u>
End of year	<u>\$ 5,092,598</u>	<u>\$ 2,838,345</u>	<u>\$ 18,272,459</u>	<u>\$ 1,399,819</u>

See notes to basic financial statements.

<u>Nonmajor</u>		<u>Total</u>
<u>Student Activity</u>		<u>Governmental</u>
<u>(21)</u>		<u>Funds</u>
\$ -	\$	13,142,404
-		1,867,372
621,048		2,027,129
-		20,754,484
-		776,064
<u>621,048</u>		<u>38,567,453</u>
-		11,897,109
-		3,963,489
494,248		2,721,579
-		882,125
-		2,843,907
-		842,192
-		1,757,586
-		717,553
11,199		3,248,427
-		1,704,837
-		852,214
-		6,597,139
		127,119
-		2,384,433
-		1,212,088
<u>505,447</u>		<u>41,751,797</u>
115,601		(3,184,344)
-		14,022
100		9,456
-		443,929
-		14,555,000
-		358,980
-		(360,882)
<u>100</u>		<u>15,020,505</u>
115,701		11,836,161
244,273		16,462,794
-		(335,760)
<u>244,273</u>		<u>16,127,034</u>
<u>\$ 359,974</u>	<u>\$</u>	<u>27,963,195</u>

**Adel-DeSoto-Minburn Community School District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the
Statement of Activities - Governmental Funds
Year Ended June 30, 2025**

Net change in fund balances - total governmental funds	\$ 11,836,161
--	---------------

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the useful lives as depreciation expense:

Capital outlays	7,004,297
Depreciation/amortization expense	(3,156,084)

OPEB are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.	(69,214)
---	----------

Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net position in the Statement of Activities.	2,384,433
--	-----------

Pension expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	718,341
--	---------

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(89,408)
--	----------

Governmental funds report the effect of premiums when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	112,749
--	---------

Proceeds and premiums from long-term debt are recognized as an other financing source, increasing fund balance in the governmental fund statements, but have no effect on net position in the Statement of Activities:

Bonds issued	(14,555,000)
Premiums issued	(443,929)

Long-term assets will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are not recognized as revenues in the funds.	(8,296)
---	---------

Change in net position - governmental activities	\$ 3,734,050
--	--------------

Adel-DeSoto-Minburn Community School District
Statement of Net Position - Proprietary Funds
June 30, 2025

	Business-Type Activities		
	School Nutrition (61)	Nonmajor Child Care Fund (62)	Total
Assets			
Current			
Cash and cash equivalents	\$ 417,530	\$ 157,550	\$ 575,080
Accounts receivable	168	517	685
Inventory	17,452	-	17,452
Total current assets	<u>435,150</u>	<u>158,067</u>	<u>593,217</u>
Noncurrent			
Capital assets, net of accumulated depreciation	258,523	809	259,332
Total assets	<u>693,673</u>	<u>158,876</u>	<u>852,549</u>
Deferred Outflows of Resources			
Deferred outflows related to OPEB	1,977	124	2,101
Deferred outflows related to pensions	93,326	4,788	98,114
Total deferred outflows of resources	<u>95,303</u>	<u>4,912</u>	<u>100,215</u>
Total assets and deferred outflows of resources	<u>\$ 788,976</u>	<u>\$ 163,788</u>	<u>\$ 952,764</u>
Liabilities			
Current			
Accounts payable	\$ 2,301	\$ -	\$ 2,301
Due to other funds	38,816	-	38,816
Salaries and benefits payable	3,017	1,868	4,885
Total OPEB liability	491	31	522
Unearned revenue	42,058	-	42,058
Total current liabilities	<u>86,683</u>	<u>1,899</u>	<u>88,582</u>
Noncurrent			
Net pension liability	209,521	10,748	220,269
Total OPEB liability	30,444	1,904	32,348
Total liabilities	<u>326,648</u>	<u>14,551</u>	<u>341,199</u>
Deferred Inflows of Resources			
Deferred inflows related to OPEB	16,572	1,036	17,608
Deferred inflows related to pensions	133	7	140
Total deferred inflows of resources	<u>16,705</u>	<u>1,043</u>	<u>17,748</u>
Net Position			
Investment in Capital Assets	258,523	809	259,332
Unrestricted	187,100	147,385	334,485
Total net position	<u>445,623</u>	<u>148,194</u>	<u>593,817</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 788,976</u>	<u>\$ 163,788</u>	<u>\$ 952,764</u>

See notes to basic financial statements.

Adel-DeSoto-Minburn Community School District
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities		
	School Nutrition (61)	Nonmajor Child Care Fund (62)	Total
Operating Revenues			
Local sources			
Charges for services	\$ 611,640	\$ 72,045	\$ 683,685
Operating Expenses			
Noninstructional programs			
Salaries and benefits	581,325	36,276	617,601
Employee benefits	139,794	4,274	144,068
Purchased services	26,492	255	26,747
Supplies	620,705	3,504	624,209
Other	22,533	-	22,533
Depreciation	34,308	269	34,577
Total operating expenses	1,425,157	44,578	1,469,735
Operating income loss	(813,517)	27,467	(786,050)
Nonoperating Revenues			
Federal sources	439,283	-	439,283
State sources	6,384	-	6,384
Investment income	27,204	6,722	33,926
Total nonoperating revenues	472,871	6,722	479,593
Loss before transfers and capital contributions	(340,646)	34,189	(306,457)
Transfers in	40,718	-	40,718
Transfers out	(38,816)	-	(38,816)
Total transfers and capital contributions	1,902	-	1,902
Change in net position	(338,744)	34,189	(304,555)
Net Position			
Beginning of year	784,367	114,005	898,372
End of year	\$ 445,623	\$ 148,194	\$ 593,817

Adel-DeSoto-Minburn Community School District
Statement of Cash Flows -
Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities		
	School	Nonmajor	
	Nutrition (61)	Child Care	
		Fund (62)	Total
Cash Flows - Operating Activities			
Cash received from miscellaneous operating activities	\$ -	\$ 72,095	\$ 72,095
Cash received from sale of lunches and breakfast	652,180	-	652,180
Payments to employees	(743,629)	(42,703)	(786,332)
Payments to suppliers	(585,259)	(3,846)	(589,105)
Net cash flows - operating activities	(676,708)	25,546	(651,162)
Cash Flows - Noncapital Financing Activities			
State grants received	6,384	-	6,384
Federal grants received	352,229	-	352,229
Transfers to other funds	(38,816)	-	(38,816)
Transfers from other funds	40,718	-	40,718
Net cash flows - noncapital financing activities	360,515	-	360,515
Cash Flows - Investment Activities			
Interest received	27,204	6,722	33,926
Net change in cash and cash equivalents	(288,989)	32,268	(256,721)
Cash and Cash Equivalents			
Beginning of year	706,519	125,282	831,801
End of year	\$ 417,530	\$ 157,550	\$ 575,080
Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities			
Operating income (loss)	\$ (813,517)	\$ 27,467	\$ (786,050)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities			
Commodities used	95,685	-	95,685
Depreciation	34,308	269	34,577
Accounts receivable	725	50	775
Inventory	(1,746)	-	(1,746)
Pension expense	(21,505)	(1,945)	(23,450)
OPEB expense	446	(289)	157
Accounts payable	(9,468)	(87)	(9,555)
Salaries and benefits payable	(1,451)	81	(1,370)
Unearned revenue	999	-	999
Due to/from other funds	38,816	-	38,816
Net adjustments	136,809	(1,921)	134,888
Net cash flows - operating activities	\$ (676,708)	\$ 25,546	\$ (651,162)
Non-Cash Investing, Capital and Related Financing Activities			
During the year ended June 30, 2025 the District received federal commodities.	\$ 95,685	\$ -	\$ 95,685

See notes to basic financial statements.

Adel-DeSoto-Minburn Community School District
Statement of Fiduciary Net Position
June 30, 2025

	Private Purpose Trust
Assets	
Current	
Cash and investments	<u>\$ 550</u>
Net Position	
Held in trust	<u><u>\$ 550</u></u>

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

	Private Purpose Trust
Net Position	
Beginning of year	<u>\$ 550</u>
End of year	<u><u>\$ 550</u></u>

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adel-DeSoto-Minburn Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades preschool, kindergarten through twelve and special education at all levels. The geographic areas served include the Cities of Adel, DeSoto, and Minburn, Iowa and the predominate agricultural territories in Dallas and Madison County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

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

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

B. Basic Financial Statement Information

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 three categories:

1. Net Investment in Capital Assets

Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

2. Restricted Net Position

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

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statement Information (Continued)

3. Unrestricted Net Position

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

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

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

The District reports the following major governmental funds:

General Fund - This fund is the general operating fund of the District. All general tax revenues and other revenues that are 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.

Management Levy Fund - This fund is utilized to account for property tax and other revenues used for the payment of early retirement benefits, workmen's comprehensive claims and the District's property insurance.

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

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

The District reports the following major proprietary fund:

Enterprise - School Nutrition Fund - This fund is used to account for the District's food service operations.

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statement Information (Continued)

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

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

C. Measurement Focus and Basis of Accounting

The government-wide financial statements and the 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 District considers revenues to be available if they are collected within 60 days after year end.

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

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

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

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

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

D. Cash, Cash Equivalents, and 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.

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

E. 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. Current year property tax receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. 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 deferred 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 1-1/2% per month penalty for delinquent payments; is based on June 30, 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.

F. Due from Other Governmental Units

Due from other governments represents primarily amounts due from the State of Iowa, also included are amounts due for various shared revenue, grants, and reimbursements from other governments.

G. 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.

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Prepaid items

Prepaid items represent costs associated with multi-year curriculum programs which were paid in full in the current and prior years.

I. Capital Assets

Capital assets, which include property, 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 lease assets, the measurement of which is discussed 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 \$5,000 for governmental activities and \$500 for the proprietary School Nutrition Fund and estimated useful lives in excess of two years.

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

Asset Class	Estimated Useful Lives (in Years)
Buildings	20 - 50
Land improvements	20
Intangibles	3 - 10
Right-to-use leased assets	2 - 15
Machinery and equipment	5 - 12

J. Leases

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

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

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Leases (Continued)

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

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

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

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

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

Additionally, Adel-DeSoto-Minburn Community School District is a lessor for noncancellable lease of District property. The District recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the Adel-DeSoto-Minburn Community School District determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

Adel-DeSoto-Minburn Community School District uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net assets applicable to a future period(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 project and actual earnings on pension plan investments, and contributions from the District after the measurement date by before the end of the District's reporting period.

L. Salaries and Benefits Payable

Payroll and related expenditures for employees with annual contracts corresponding to a current school year, which are payable in July and August have been accrued as liabilities.

M. Compensated Absences

Compensated absences consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. The District has no compensated absences liability at June 30, 2025.

N. Long-Term Obligations

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net position. Bond premiums are amortized over the life of the bonds using the straight-line method. Refunding of debt may result in deferred gains or losses and are reported as deferred inflows and outflows of resources. The difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of long-term debt interest and fiscal charges using the straight-line method.

In the fund financial statements, governmental fund types recognize premiums, and issuance costs during the current period. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. 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.

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Total OPEB Liability

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

Q. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenue is measurable, it is 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 consist of property tax receivable and other receivables not collected within sixty days after year end and succeeding year property tax receivables that will not be recognized until the year for which it is levied.

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

R. Fund Balances

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

- **Nonspendable Fund Balances** - These are amounts which cannot be spent because they are legally or contractually required to be intact or are not expected to be converted to cash.
- **Restricted Fund Balances** - These are amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, granters, or state or federal laws or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted fund balance.
- **Assigned Fund Balances** - These are amounts the Board of Education or administration intends to use for a specific purpose.
- **Unassigned Fund Balances** - All amounts not included in the preceding classifications.

S. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as required supplementary information. During the year ended June 30, 2025, expenditures/expenses did not exceed budgeted amounts.

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Estimates and Assumptions

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. Deposits

The District's deposits in banks at June 30, 2025, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the *Code of Iowa*. This chapter provides for additional assessments against the depositories to 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 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 deposits of \$5,484,961 and the Private Purpose Trust Fund had deposits of \$550. The District also has \$5,500 in petty cash.

B. Investments

At June 30, 2025, the District had investments as follows:

	Amortized Cost
Iowa Schools Joint Investment Trust (ISJIT)	
Diversified Portfolio (amortized cost)	\$ 24,971,989
UMB Bank	
Pre-Levy Escrow (SLGS)	990,000
Total	<u>\$ 25,961,989</u>

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 \$24,971,989. 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. The State and Local Government Securities mature in 2027 and are valued at fair value using Level 2 inputs. Of the total investment amount, \$21,591,044 was considered nonpooled.

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

C. Deposits and Investments

The following is a summary of total deposits and investments:

District Funds	
Deposits (Note 2.A.)	\$ 5,484,961
Investments (Note 2.B.)	25,961,989
Petty cash	5,500
Private Purpose Trust Fund (Note 2.A.)	<u>550</u>
Total deposits and investments	<u><u>\$ 31,453,000</u></u>

Deposits and investment at June 30, 2025, are presented as follows:

Statement of Net Position	
Cash and Investments	\$ 31,446,950
Statement of Fiduciary Net Position	
Custodial Fund	
Cash and cash equivalents	<u>550</u>
Total deposits and investments	<u><u>\$ 31,447,500</u></u>

NOTE 3 - INTERFUND ACTIVITY

A. Interfund Transfers

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

Transfer In	Transfer Out	Amount
Debt Service	Capital Projects	\$ 293,434
General Fund	Enterprise - School Nutrition	38,816
Enterprise - School Nutrition	General Fund	40,718
Debt Service	General Fund	<u>26,730</u>
Total		<u><u>\$ 399,698</u></u>

The transfer from the General Fund to the Debt Service Fund was for principal and interest payments on the District's indebtedness from lease agreements.

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 3 - INTERFUND ACTIVITY (CONTINUED)

A. Interfund Transfers (Continued)

The transfer from the Capital Projects to the Debt Service Fund was for principal and interest payments on the District's revenue bond indebtedness.

The transfer from the General Fund to the Enterprise - School Nutrition Fund was for grant reimbursement.

The transfer from the Enterprise - School Nutrition fund to the General Fund was for indirect cost.

B. Interfund Receivables/Payable

The District's Enterprise - School Nutrition Fund owed the General Fund \$38,816 for indirect cost amounts not paid until after year end.

Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements

NOTE 4 - CAPITAL ASSETS

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

	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 5,028,151	\$ -	\$ -	\$ 5,028,151
Construction in progress	585,096	5,570,884	-	6,155,980
Total capital assets not being depreciated	<u>5,613,247</u>	<u>5,570,884</u>	<u>-</u>	<u>11,184,131</u>
Capital assets being depreciated/amortized				
Buildings	56,421,075	522,325	-	56,943,400
Land improvements	7,221,864	-	-	7,221,864
Right-to-use leased equipment	96,637	-	-	96,637
Machinery and equipment	5,560,421	911,088	151,088	6,320,421
Total capital assets being depreciated/amortized	<u>69,299,997</u>	<u>1,433,413</u>	<u>151,088</u>	<u>70,582,322</u>
Less accumulated depreciation/amortization for				
Buildings	19,896,124	2,125,028	-	22,021,152
Land improvements	3,235,126	317,277	-	3,552,403
Right-to-use leased equipment	34,225	24,160	-	58,385
Machinery and equipment	4,006,827	689,619	151,088	4,545,358
Total accumulated depreciation/amortization	<u>27,172,302</u>	<u>3,156,084</u>	<u>151,088</u>	<u>30,177,298</u>
Total capital assets being depreciated/ amortized, net	<u>42,127,695</u>	<u>(1,722,671)</u>	<u>-</u>	<u>40,405,024</u>
Governmental activities capital assets, net	<u>\$ 47,740,942</u>	<u>\$ 3,848,213</u>	<u>\$ -</u>	<u>\$ 51,589,155</u>
Business-Type Activities				
Furniture and equipment	\$ 661,067	\$ -	\$ -	\$ 661,067
Less accumulated depreciation	<u>367,158</u>	<u>34,577</u>	<u>-</u>	<u>401,735</u>
Business-type activities capital assets, net	<u>\$ 293,909</u>	<u>\$ (34,577)</u>	<u>\$ -</u>	<u>\$ 259,332</u>

Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense was charged to the following functions:

Governmental Activities	
Instruction	\$ 398,677
Support Services	
Instructional staff	109,771
Administration	13,456
Operation and maintenance of plant	10,446
Transportation	181,430
Unallocated	<u>2,442,304</u>
Total depreciation/amortization expense - governmental activities	<u><u>\$ 3,156,084</u></u>
Business-Type Activities	
Food service operations	\$ 34,308
Future Farmers of America	<u>269</u>
Total depreciation expense - business type activities	<u><u>\$ 34,577</u></u>

NOTE 5 - LONG-TERM LIABILITIES

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

	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 24,900,000	\$ 14,555,000	\$ 2,100,000	\$ 37,355,000	\$ 1,410,000
Revenue bonds	1,360,000	-	260,000	1,100,000	-
Unamortized premium on bonds payable	736,557	443,929	112,749	1,067,737	-
Leases payable	65,296	-	24,433	40,863	25,489
Net pension liability	7,769,213	-	1,308,146	6,461,067	-
Total OPEB liability	<u>989,671</u>	<u>-</u>	<u>32,618</u>	<u>957,053</u>	<u>15,184</u>
Total	<u><u>\$ 35,820,737</u></u>	<u><u>\$ 14,998,929</u></u>	<u><u>\$ 3,837,946</u></u>	<u><u>\$ 46,981,720</u></u>	<u><u>\$ 1,450,673</u></u>

Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements

NOTE 5 - LONG-TERM LIABILITIES (CONTINUED)

	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year	Due Within One Year
Business-Type Activities					
Net pension liability	\$ 262,988	\$ -	\$ 42,719	220,269	\$ -
Total OPEB liability	35,630	-	2,760	32,870	522
Total	<u>\$ 298,618</u>	<u>\$ -</u>	<u>\$ 45,479</u>	<u>\$ 253,139</u>	<u>\$ 522</u>

A. General Obligation Bonds

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

Year Ending June 30,	Total General Obligation Bonds			Total
	Interest Rate	Principal	Interest	
2026	3.00-5.00%	\$ 1,410,000	\$ 1,199,398	\$ 2,609,398
2027	3.00-5.00%	1,455,000	1,153,798	2,608,798
2028	3.00-5.00%	1,545,000	1,095,148	2,640,148
2029	3.00-5.00%	1,615,000	1,024,548	2,639,548
2030	2.00-5.00%	1,655,000	983,048	2,638,048
2031-2035	2.00-5.00%	8,975,000	4,221,423	13,196,423
2036-2040	2.00-4.00%	11,230,000	2,957,575	14,187,575
2041-2044	4.00%	9,470,000	965,600	10,435,600
Total		<u>\$ 37,355,000</u>	<u>\$ 13,600,538</u>	<u>\$ 50,955,538</u>

On December 20, 2019, the District issued \$9,995,000 of general obligation bonds for the construction of Meadow View Elementary School. The bonds bear interest at rates ranging from 2.00% to 3.00% per annum. During the year ended June 30, 2025, principal and interest paid were \$560,000 and \$225,348, respectively.

On May 1, 2020, the District issued \$5,755,000 for the construction of Meadow View Elementary School. The bonds bear interest 3.00% per annum. During the year ended June 30, 2025, principal and interest paid were \$140,000 and \$151,200, respectively.

On April 29, 2021, the District issued \$4,730,000 in general obligation bonds with interest rates ranging from 3.00-5.00% to refund Series 2012 and Series 2015 bonds. During the year ended June 30, 2025, principal and interest paid were \$500,000 and \$58,500, respectively.

On April 27, 2022, the District issued \$9,100,000 in general obligation bonds with interest rates ranging from 2.00-5.00% which was used to refund Series 2014 bonds. During the year ended June 30, 2025, principal and interest paid were \$0 and \$227,900, respectively.

Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements

NOTE 5 - LONG-TERM LIABILITIES (CONTINUED)

A. General Obligation Bonds (Continued)

On October 29, 2024, the District issued \$14,555,000 in general obligation bonds with interest rates ranging from 4.00-5.00% for the construction of new high school. During the year ended June 30, 2025, principal and interest paid were \$900,000 and \$312,155, respectively.

B. Revenue Bonds

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

Year Ending June 30,	Total Revenue Bonds			Total
	Interest Rate	Principal	Interest	
2026	2.25-2.50%	\$ -	\$ -	\$ -
2027	2.40-2.50%	265,000	24,242	289,242
2028	2.50-2.55%	270,000	17,788	287,788
2029	2.50-2.70%	280,000	10,945	290,945
2030	2.50-2.70%	285,000	3,705	288,705
Total		<u>\$ 1,100,000</u>	<u>\$ 56,680</u>	<u>\$ 1,156,680</u>

The District has pledged future statewide sales, services and use tax revenues to repay the \$3,160,000 of bonds issued in March 2016. The bonds were issued for the purpose of financing a portion of the costs of various District construction projects. 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 2029. 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 10% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$1,156,680. For the current year, \$260,000 in principal and \$33,434 in interest was paid on the bonds and total statewide sales, services and use tax revenues were \$2,864,289.

The resolution providing for the issuance of the Series 2016 statewide sales, services and use tax revenue bonds requires the District to set aside each month an amount equal to 1/6 of the upcoming bi-annual interest payments and 1/12 of the upcoming annual principal payments.

Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements

NOTE 5 - LONG-TERM LIABILITIES (CONTINUED)

C. Lease Payable

Details of the District's June 30, 2025 Lease payable is as follows:

Year Ending June 30,	Copier Lease Payable			Total
	Interest Rate	Principal	Interest	
2026	4.24%	\$ 25,489	\$ 1,241	\$ 26,730
2027	4.24%	15,374	218	15,592
Total		\$ 40,863	\$ 1,459	\$ 42,322

In November 2022, the District entered into a lease agreement for copiers. The agreement requires 48 monthly payments of \$2,228 with an implicit interest rate of 4.24% and final payment due January 2027. During the year ended June 30, 2025, the District paid \$24,433 of principal and \$2,297 of interest, respectively.

NOTE 6 - PENSION AND RETIREMENT BENEFITS

A. Plan Description

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

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

B. 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.

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 6 - PENSION AND RETIREMENT BENEFITS (CONTINUED)

B. Pension Benefits (Continued)

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

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

C. 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.

D. 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 one percentage point. IPERS' Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2025, pursuant to the required rate, regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2025, were \$1,730,593.

**E. Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions**

As of June 30, 2025, the District reported a liability of \$6,681,336 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. As of June 30, 2024, the District's proportion was 0.180929% which was an increase of 0.006825% from its proportion measured as of June 30, 2023.

Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements

NOTE 6 - PENSION AND RETIREMENT BENEFITS (CONTINUED)

E. Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2025, the District recognized pension expense of \$988,802.

As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 531,639	\$ 4,152
Changes of assumptions	-	93
Net difference between projected and actual earnings on IPERS investments	83,563	-
Changes in proportion and differences between District contributions and proportionate share of contributions	630,232	-
District contributions subsequent to the measurement date	1,730,593	-
	<u>\$ 2,976,027</u>	<u>\$ 4,245</u>
Total		

The \$1,730,593 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 Ending June 30,	Amount
2026	\$ (654,093)
2027	1,820,822
2028	197,791
2029	(147,211)
2030	23,880
	<u>23,880</u>
Total	<u>\$ 1,241,189</u>

There were no non-employer contributing entities to IPERS.

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 6 - PENSION AND RETIREMENT BENEFITS (CONTINUED)

F. Actuarial Assumptions

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

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Salary increases (effective June 30, 2017)	3.25% to 16.25%, average, including inflation. Rates vary by membership group.
Long-term Investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.6% inflation assumption and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2024, valuation was based on the results of a quadrennial experience study covering the period of July 1, 2017, through June 30, 2021.

Mortality rates used in the 2024 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0 %	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	169.00
Private equity	17.0	8.89
Private real assets	9.0	4.25
Private credit	5.5	6.62
Total	100.0 %	

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 6 - PENSION AND RETIREMENT BENEFITS (CONTINUED)

G. Discount Rate

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

H. Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability	\$ 16,395,878	\$ 6,681,336	\$ (1,454,645)

I. Pension Plan Fiduciary Net Position

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

J. Payables to IPERS

At June 30, 2025, all legally required employee contributions withheld from employee wages have been remitted to IPERS.

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year.

NOTE 8 - AREA EDUCATION AGENCY SUPPORT

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 \$852,214 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.

Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. 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.

B. Benefit Provided

Individuals who are employed by Adel-DeSoto-Minburn 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.

C. Members

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

Inactive employees or beneficiaries currently receiving benefits	4
Active employees	<u>329</u>
Total	<u><u>333</u></u>

D. Actuarial Assumptions

The total OPEB liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumption and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Discount rate	5.20% compounded annually, including inflation
Rates of Salary increases	3.25% -16.25% variable based upon years of service, including inflation
Rates of Inflation	2.60% per annum.
Healthcare cost trend rate	8.00% decreasing to an ultimate rate of 4.14% at 2043
Mortality Assumptions	Pre-retirement - PubG-2010 Employer Table, Generational using MP-2021; Post-retirement - PubG-2010 Healthy Annuitant, Generational using MP-2021.

The actuarial assumptions used in the July 1, 2023, valuation was based on the results of an actuarial experience study for the period July 1, 2022, through June 30, 2023.

The discount rate used to measure the total OPEB liability was 5.20% based on the 20-year municipal bond yield.

Changes in assumptions since the prior valuation are as follows:

- The discount rate was updated from 3.93% to 5.20%.

Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

D. Actuarial Assumptions (Continued)

Discount Rate

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

E. Total OPEB Liability

The District's total OPEB liability of \$989,923 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

	Total OPEB Liability (a)
Balances at July 1, 2024	<u>\$ 1,025,301</u>
Changes for the year	
Service cost	105,917
Interest	43,961
Assumption changes	(122,428)
Differences between expected and actual economic experience	(37,348)
Benefit payments	<u>(25,480)</u>
Net changes	<u>(35,378)</u>
Balances at June 30, 2025	<u><u>\$ 989,923</u></u>

F. OPEB Liability Sensitivity

The following presents the District's net OPEB liability calculated using the discount rate of 5.20% as well as the liability measured using 1 percentage point lower and 1 percentage point higher than the current discount rate.

	1% Decrease in Discount Rate (4.20%)	Current Discount Rate (5.20%)	1% Increase in Discount Rate (6.20%)
Total OPEB liability	\$ 1,085,697	\$ 989,923	\$ 902,298

Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

F. OPEB Liability Sensitivity (Continued)

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 healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate.

	1% Decrease in Trend Rate (7.0% Decreasing to 3.14)	Current Trend Rate (8.0% Decreasing to 4.14%)	1% Increase in Trend Rate (9.0% Decreasing to 5.14%)
Total OPEB liability	\$ 864,647	\$ 989,923	\$ 1,140,591

G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of \$94,851. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 354,556
Changes of assumptions	63,284	175,737
Total	<u>\$ 63,284</u>	<u>\$ 530,293</u>

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

Year Ending June 30,	Total
2026	\$ (55,027)
2027	(55,027)
2028	(53,827)
2029	(54,765)
2030	(54,982)
Thereafter	(193,381)
Total	<u>\$ (467,009)</u>

Adel-DeSoto-Minburn Community School District
Notes to Basic 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 Chapter 15 and 403 of the *Code of Iowa*. Additionally, governmental entities may offer an urban revitalization tax abatement program pursuant to Chapter 404 of the *Code of Iowa*. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2025, under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of DeSoto	Urban renewal and economic development projects	\$ 43,838
City of Adel	Urban renewal and economic development projects	6,138
City of Minburn	Urban renewal and economic development projects	266
Total		<u>\$ 50,242</u>

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 \$25,418.

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.

Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements

NOTE 11 - CATEGORICAL FUNDING (CONTINUED)

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

Home school assistance program	\$ 4,285
Gifted and talented programs	156,277
Four-year-old preschool	42,417
Teacher salary supplement	20,071
Successful progression for early readers	75,611
Professional development	207,152
Other	355
Total	<u><u>\$ 506,168</u></u>

NOTE 12 - CONSTRUCTION COMMITMENTS

The District entered into one contracts related to construction projects totaling \$56,350,000 for a new school building. As of June 30, 2025, costs of \$2,319,657 had been incurred against the contracts. The balance of \$54,030,343 remaining at June 30, 2025 will be paid as work on the project progresses.

NOTE 13 - RESTATEMENTS AND ADJUSTMENTS OF BEGINNING FUND BALANCE AND NET POSITION

During the year ended June 30, 2024, there was an error in recording benefits payable. This resulted in a decrease in General Fund fund balance and governmental net position of \$335,760.

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances

	<u>Governmental Activities</u>	<u>General Fund</u>
6/30/2024, as previously reported	\$ 31,394,747	\$ 5,243,673
Error correction	<u>(335,760)</u>	<u>(335,760)</u>
6/30/2024, as adjusted or restated	<u><u>\$ 31,058,987</u></u>	<u><u>\$ 4,907,913</u></u>

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.

**Adel-DeSoto-Minburn Community School District
Notes to Basic Financial Statements**

NOTE 15 - SUBSEQUENT EVENT

On July 30, 2025 the District issued General Obligation Bonds in the amount of \$8,500,000 and on October 28, 2025 the District issued School Infrastructure Sales, Services and Use Tax Revenue Bonds in the amount of \$19,000,000.

REQUIRED SUPPLEMENTARY INFORMATION

Adel-DeSoto-Minburn Community School District
Schedule of Budgetary Comparison of Revenue,
Expenditures/Expenses and Changes in Balances
Budget to Actual - All Governmental Funds and Proprietary Funds
Year Ended June 30, 2025

	Budgeted Amounts	Actual		Variance with
	Original and Final	Governmental Funds	Proprietary Funds	Final Budget - Over (Under)
Revenues				
Local sources	\$ 16,450,957	\$ 17,036,905	\$ 717,611	\$ 1,303,559
State sources	20,166,750	20,754,484	6,384	594,118
Federal sources	1,190,000	776,064	439,283	25,347
Total revenues	<u>37,807,707</u>	<u>38,567,453</u>	<u>1,163,278</u>	<u>1,923,024</u>
Expenditures				
Instruction	19,284,860	18,582,177	-	(702,683)
Support services	13,156,864	11,996,627	-	(1,160,237)
Noninstructional programs	1,723,125	-	1,469,735	(253,390)
Other expenditures	46,934,029	11,172,993	-	(35,761,036)
Total expenditures	<u>81,098,878</u>	<u>41,751,797</u>	<u>1,469,735</u>	<u>(37,877,346)</u>
Excess of revenues over (under) expenditures	(43,291,171)	(3,184,344)	(306,457)	39,800,370
Other Financing Sources (Uses)				
(Net)	<u>35,000,000</u>	<u>15,020,505</u>	<u>1,902</u>	<u>(19,977,593)</u>
Net change in fund balance	<u>\$ (8,291,171)</u>	<u>\$ 11,836,161</u>	<u>\$ (304,555)</u>	<u>\$ 19,822,777</u>
Fund Balance				
Beginning of year		16,462,794	898,372	
Error correction (See Note 13)		(335,760)	-	
Beginning of year, restated		<u>16,127,034</u>	<u>898,372</u>	
End of year		<u>\$ 27,963,195</u>	<u>\$ 593,817</u>	

**Adel-DeSoto-Minburn Community School District
Notes to the Required Supplementary Information-
Budgetary Reporting**

This budgetary comparison is presented as required supplementary information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major special revenue fund.

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

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

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

Adel-DeSoto-Minburn Community School District
Schedule of District's Proportionate Share
of the Net Pension Liability
Iowa Public Employees' Retirement System
Last Ten Years

Measurement Date	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.1461%	\$ 7,218,985	\$ 10,010,470	72.11%	85.19%
2017	0.1448%	9,112,214	10,389,832	87.70%	81.82%
2018	0.1540%	10,261,120	11,498,466	89.24%	82.21%
2019	0.1573%	9,951,443	11,819,709	84.19%	83.62%
2020	0.1573%	9,108,326	11,972,267	76.08%	85.45%
2021	0.1553%	10,910,157	12,325,763	88.52%	82.90%
2022	0.1612%	225,943	13,080,837	1.73%	99.60%
2023	0.1687%	6,696,560	14,275,307	46.91%	91.41%
2024	0.1741%	8,032,201	15,628,898	51.39%	90.13%
2025	0.1809%	6,681,336	16,930,275	39.46%	92.30%

Adel-DeSoto-Minburn Community School District
Schedule of District Contributions
Iowa Public Employees' Retirement System
Last Ten Years

<u>Fiscal Year Ending June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2016	\$ 927,812	\$ 927,812	\$ -	\$ 10,389,832	8.93%
2017	1,026,813	1,026,813	-	11,498,466	8.93%
2018	1,055,500	1,055,500	-	11,819,709	8.93%
2019	1,130,182	1,130,182	-	11,972,267	9.44%
2020	1,163,552	1,163,552	-	12,325,763	9.44%
2021	1,234,831	1,234,831	-	13,080,837	9.44%
2022	1,347,589	1,347,589	-	14,275,307	9.44%
2023	1,475,368	1,475,368	-	15,628,898	9.44%
2024	1,598,218	1,598,218	-	16,930,275	9.44%
2025	1,730,593	1,730,593	-	18,332,553	9.44%

(THIS PAGE LEFT BLANK INTENTIONALLY)

**Adel-DeSoto-Minburn Community School District
Notes to the Required Supplementary Information -
Pension Liability**

Changes of Benefit Terms

There are no significant changes in benefit terms.

Changes of Assumptions

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

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

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 7.0%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

Adel-DeSoto-Minburn Community School District
Schedule of Changes in Total OPEB Liability,
Related Ratios and Notes

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Total OPEB Liability				
Service cost	\$ 96,514	\$ 89,192	\$ 83,991	\$ 100,792
Interest	31,696	36,424	30,644	23,661
Differences between expected and actual experience	-	-	(189,149)	(12,613)
Changes of assumptions	(21,317)	29,521	114,291	4,482
Benefit payments	(46,070)	(41,410)	(35,517)	(41,515)
Net change in total OPEB liability	60,823	113,727	4,260	74,807
Beginning of year	811,688	872,511	986,238	990,498
End of year	<u>\$ 872,511</u>	<u>\$ 986,238</u>	<u>\$ 990,498</u>	<u>\$ 1,065,305</u>
Covered employee payroll	\$ 10,869,352	\$ 10,516,016	\$ 11,412,681	\$ 11,068,353
Total OPEB liability as a percentage of covered-employee payroll	8.03%	9.38%	8.68%	9.62%

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

Change 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	5.20%
2024	3.93%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.58%
2017	3.87%

Additional changes in assumptions since the prior valuation are as follows.

- None

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
\$ 127,476	\$ 95,256	\$ 120,532	\$ 105,917
24,797	37,591	39,800	43,961
(133,175)	(21,121)	(152,879)	(37,348)
(66,214)	(10,359)	(9,758)	(122,428)
(36,540)	(30,280)	(25,130)	(25,480)
<u>(83,656)</u>	<u>71,087</u>	<u>(27,435)</u>	<u>(35,378)</u>
 1,065,305	 981,649	 1,052,736	 1,025,301
 <u>\$ 981,649</u>	 <u>\$ 1,052,736</u>	 <u>\$ 1,025,301</u>	 <u>\$ 989,923</u>
 \$ 13,434,437	 \$ 13,065,134	 \$ 14,201,799	 \$ 13,798,101
 7.31%	 8.06%	 7.22%	 7.17%

(THIS PAGE LEFT BLANK INTENTIONALLY)

SUPPLEMENTARY INFORMATION

(THIS PAGE LEFT BLANK INTENTIONALLY)

Adel-DeSoto-Minburn Community School District
Schedule of Changes in Student Activity
Special Revenue Fund
Year Ended June 30, 2025

<u>Account</u>	<u>Balance - Beginning of Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Intrafund Transfer</u>	<u>Balance - End of Year</u>
FCCLA	\$ 103	\$ 361	\$ 162	\$ -	\$ 302
Interest	-	1,170	-	-	1,170
Athletics	50,513	86,344	62,163	17,733	92,427
Golf	-	5,968	4,898	(1,070)	-
Weight Program	-	2,237	2,892	655	-
Boys Basketball	3,944	20,844	8,190	(8,600)	7,998
Football	-	56,666	45,917	2,500	13,249
Boys Soccer	3,000	18,395	18,636	-	2,759
Baseball	-	16,786	18,130	4,581	3,237
Boys Track	-	8,416	5,103	(2,125)	1,188
Boys Cross Country	1,200	109	4,810	3,781	280
Wrestling	1,341	19,509	14,379	(1,062)	5,409
Girls Basketball	3,616	21,631	21,591	-	3,656
Volleyball	3,364	25,365	14,605	(6,200)	7,924
Girls Soccer	1,479	7,422	4,423	-	4,478
Softball	370	12,311	14,906	3,817	1,592
Girls Track	2,447	16,147	10,691	(2,500)	5,403
Girls Cross Country	526	1,035	4,609	3,473	425
Ecology	6,509	-	-	(6,509)	-
FFA	84,359	46,554	31,590	-	99,323
Esports	1,197	3,622	1,307	-	3,512
Other clubs	525	-	-	-	525
Prom	6,449	9,471	5,671	-	10,249
Concessions	19,979	154,893	118,855	(32,114)	23,903
Drama	11,930	12,296	10,460	1,350	15,116
Speech Contest	8,818	1,137	2,651	(1,350)	5,954
National Honor Society	1,327	496	927	-	896
Danz Team	-	21,440	26,420	5,719	739
Spanish Club	223	-	-	-	223
Thespian Club	-	1,566	1,428	(132)	6
Student Council	6,286	12,486	10,792	1,675	9,655
TSA	120	4,755	3,309	-	1,566
Yearbook	14,532	4,748	2,371	-	16,909
Cheerleading	-	11,060	13,007	5,445	3,498
Academic Decathlon	522	-	119	-	403
MS Show Choir	1,127	1,780	2,565	600	942
M.S Cross Country	184	-	500	316	-
M.S Boys Track	2,066	4,658	-	(3,000)	3,724
M.S Student Council	3,157	2	2,143	-	1,016
M.S Baseball	-	1,515	2,412	2,344	1,447
M.S Yearbook	2,824	1,813	-	-	4,637
D.S Student Council	236	-	-	-	236
Bowling	-	1,104	6,263	5,321	162
DECA	-	3,421	3,311	2,375	2,485
M.S Girls Wrestling	-	-	2,977	2,977	-
Best Buddies	-	1,000	264	-	736
Dungeons and Dragons Club	-	615	-	-	615
Total	\$ 244,273	\$ 621,148	\$ 505,447	\$ -	\$ 359,974

Adel-Desoto-Minburn Community School District
Combining Balance Sheet -
Capital Projects Fund Accounts
June 30, 2025

	Capital Projects			
	Statewide Sales, Services and Use Tax (33)	Physical Plant and Equipment Levy (36)	Capital Projects from GO Bonds Fund (31)	Total
Assets				
Cash and investments	\$ 8,301,972	\$ 509,030	\$ 10,093,831	\$ 18,904,833
Receivables				
Property tax - delinquent	-	6,556	-	6,556
Property tax - succeeding year	-	1,395,988	-	1,395,988
Accounts receivable	3,559	1,666	-	5,225
Due from other governmental units	472,594	-	-	472,594
Total assets	<u>\$ 8,778,125</u>	<u>\$ 1,913,240</u>	<u>\$ 10,093,831</u>	<u>\$ 20,785,196</u>
Liabilities				
Accounts and contracts payable	<u>\$ 47,354</u>	<u>\$ 36,728</u>	<u>\$ 1,032,667</u>	<u>\$ 1,116,749</u>
Deferred Inflows of Resources				
Unavailable revenue				
- succeeding year property tax	<u>-</u>	<u>1,395,988</u>	<u>-</u>	<u>1,395,988</u>
Fund Balances				
Restricted				
School infrastructure	8,730,771	-	9,061,164	17,791,935
Physical plant and equipment	<u>-</u>	<u>480,524</u>	<u>-</u>	<u>480,524</u>
Total fund balances	<u>8,730,771</u>	<u>480,524</u>	<u>9,061,164</u>	<u>18,272,459</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,778,125</u>	<u>\$ 1,913,240</u>	<u>\$ 10,093,831</u>	<u>\$ 20,785,196</u>

Adel-DeSoto-Minburn Community School District
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances - Capital Projects Fund Accounts
Year Ended June 30, 2025

	Capital Projects			
	Statewide Sales, Services and Use Tax (33)	Physical Plant and Equipment Levy (36)	Capital Projects from GO Bonds Fund (31)	Total
Revenues				
Revenue from local sources				
Local property taxes	\$ -	\$ 1,268,914	\$ -	\$ 1,268,914
Other local and county revenues	284,649	25,189	373,704	683,542
Revenue from state sources	2,864,289	20,926	-	2,885,215
Revenue from federal sources	250,000	-	-	250,000
Total revenues	<u>3,398,938</u>	<u>1,315,029</u>	<u>373,704</u>	<u>5,087,671</u>
Expenditures				
Current				
Instruction				
Regular	-	20,586	-	20,586
Support services				
Instructional staff	-	912,765	-	912,765
Administration	-	82,459	-	82,459
Operation and maintenance of plant	-	26,721	-	26,721
Transportation	-	372,139	-	372,139
Facilities acquisition and construction	941,636	61,259	5,594,244	6,597,139
Debt service				
Interest and fiscal charges	-	-	193,965	193,965
Total expenditures	<u>941,636</u>	<u>1,475,929</u>	<u>5,788,209</u>	<u>8,205,774</u>
Excess of revenues over (under) expenditures	2,457,302	(160,900)	(5,414,505)	(3,118,103)
Other Financing Sources (Uses)				
Insurance recoveries	-	14,022	-	14,022
Bond proceeds	-	-	14,555,000	14,555,000
Bond premium	-	-	443,929	443,929
Transfers in	523,260	-	-	523,260
Transfers out	(293,434)	-	(523,260)	(816,694)
Total other financing sources (uses)	<u>229,826</u>	<u>14,022</u>	<u>14,475,669</u>	<u>14,719,517</u>
Net change in fund balances	2,687,128	(146,878)	9,061,164	11,601,414
Fund Balances				
Beginning of year	<u>6,043,643</u>	<u>627,402</u>	<u>-</u>	<u>6,671,045</u>
End of year	<u>\$ 8,730,771</u>	<u>\$ 480,524</u>	<u>\$ 9,061,164</u>	<u>\$ 18,272,459</u>

Adel-DeSoto-Minburn Community School District
Schedule of Revenue by Source and Expenditures by Function
- All Governmental Fund Types
(Modified Accrual Basis)
Last Ten Years

	Fiscal Year			
	2025	2024	2023	2022
Revenue				
Local sources				
Local tax	\$ 13,142,404	\$ 11,816,801	\$ 10,715,432	\$ 10,619,324
Tuition	1,867,372	1,825,436	1,778,845	1,658,100
Other	2,027,129	1,721,973	1,296,969	887,781
State sources	20,754,484	19,664,574	18,446,962	16,916,316
Federal sources	776,064	700,129	1,259,161	1,599,283
Total revenue	<u>38,567,453</u>	<u>35,728,913</u>	<u>33,497,369</u>	<u>31,680,804</u>
Expenditures				
Instruction				
Regular	11,897,109	10,746,826	10,628,390	10,619,035
Special	3,963,489	3,807,012	3,924,702	4,022,513
Other	2,721,579	2,563,273	2,063,368	1,858,330
Support Services				
Student	882,125	747,806	774,169	729,253
Instructional staff	2,843,907	1,897,063	2,425,037	2,347,681
Administration	3,317,331	3,130,867	3,201,697	2,940,519
Operation and maintenance of plant	3,248,427	2,938,697	2,802,885	2,481,330
Transportation	1,704,837	1,293,676	1,489,759	1,147,441
Noninstructional programs	-	-	-	-
Other expenditures				
AEA flowthrough	852,214	1,044,539	982,501	930,678
Facilities acquisition	5,824,060	5,942,283	-	-
Capital outlay	127,119	111,739	3,663,410	3,476,248
Debt Service				
Principal	2,384,433	1,438,420	2,019,457	11,050,967
Interest and fiscal charges	1,985,167	755,331	843,585	1,011,578
Total expenditures	<u>\$ 41,751,797</u>	<u>\$ 36,417,532</u>	<u>\$ 34,818,960</u>	<u>\$ 42,615,573</u>

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 10,075,584	\$ 8,997,771	\$ 8,370,727	\$ 7,721,772	\$ 7,218,108	\$ 7,192,335
1,670,826	1,560,395	1,749,452	1,761,476	1,813,953	1,704,179
743,862	954,093	1,018,393	1,053,865	852,020	857,324
15,328,630	14,024,857	13,335,554	12,396,056	11,708,404	10,582,046
1,175,514	462,635	509,640	542,312	429,718	349,082
28,994,416	25,999,751	24,983,766	23,475,481	22,022,203	20,684,966
9,070,658	8,117,690	8,288,760	8,681,055	7,910,637	7,593,239
3,686,268	2,871,315	2,660,973	2,805,185	2,627,142	2,464,471
1,729,145	1,764,555	1,752,480	1,584,460	1,535,723	1,448,325
657,932	575,896	493,946	526,723	498,074	543,413
1,588,612	1,324,158	1,190,515	1,166,232	1,261,472	688,787
2,594,128	2,473,103	2,348,381	2,484,629	2,451,094	2,113,444
2,293,712	2,092,322	2,096,583	1,977,598	1,798,873	1,628,147
946,743	907,379	1,033,325	1,011,498	839,282	733,730
-	-	3,000	4,500	8,566	-
866,713	784,700	736,793	692,034	634,483	613,779
-	-	-	-	-	-
13,440,495	4,531,060	682,006	1,202,948	2,643,812	8,016,441
6,730,000	1,895,000	1,740,000	1,665,000	1,154,178	1,772,424
1,060,800	591,594	620,325	642,101	674,887	602,400
\$ 44,665,206	\$ 27,928,772	\$ 23,647,087	\$ 24,443,963	\$ 24,038,223	\$ 28,218,600

(THIS PAGE LEFT BLANK INTENTIONALLY)



**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Basic Financial Statements Performed in Accordance
with *Government Auditing Standards***

Independent Auditor's Report

To the School Board
Adel-DeSoto-Minburn Community School District
Adel, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Adel-DeSoto-Minburn Community School District, Adel, Iowa, as of and for the year ending June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 8, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's basic 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 did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses identified as Audit Findings 2025-001 and 2025-002.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic 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 basic financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters that are described in part II of the accompanying Schedule of Findings and Responses.

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 basic financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the 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.

BerganKDV, Ltd.

St. Cloud, Minnesota
January 8, 2026

**Adel-DeSoto-Minburn Community School District
Schedule of Findings and Responses**

SECTION I - FINANCIAL STATEMENT FINDINGS

Audit Finding 2025-001

Criteria:

Internal control that supports the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

Condition:

During the year ended June 30, 2025, the District had a lack of segregation of accounting duties due to a limited number of office employees. This lack of segregation of accounting duties can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- The Business Manager can reconcile receipts received, enter receipts into the accounting system, and prepare the bank reconciliation.
- The Business Manager has access to all areas of the accounting system.
- The Business Manager reconciles property taxes and federal receivables and capital assets without review.
- The Business Manager has the ability to make journal entries without review.
- There were instances of gate receipt reconciliation not having multiple signatures.

Management is aware of this condition and will take certain steps to compensate for the lack of segregation. However, due to the small accounting staff needed to handle all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct.

Context:

This finding impacts the internal control over financial reporting.

Cause:

There are a limited number of office employees.

Effect or Potential Effect:

The lack of adequate segregation of accounting duties could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Recommendation:

Continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

**Adel-DeSoto-Minburn Community School District
Schedule of Findings and Responses**

SECTION I - FINANCIAL STATEMENT FINDINGS (CONTINUED)

Audit Finding 2025-001 (Continued)

Views of the Responsible Officials and Planned Corrective Action:

CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding
Administration will add additional internal controls where the benefit exceeds the cost.
3. Official Responsible for Ensuring CAP
Josh Jacobs, Business Manager, is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP
The planned completion date for the CAP is June 30, 2026.
5. Plan to Monitor Completion of CAP
The School Board will be monitoring this CAP.

**Adel-DeSoto-Minburn Community School District
Schedule of Findings and Responses**

SECTION I - FINANCIAL STATEMENT FINDINGS (CONTINUED)

Audit Finding 2025-002

Criteria:

Internal control that supports the District's ability to initiate, record, process and report financial data requires controls to ensure all required adjustments to the financial statements are properly recorded.

Condition:

During the course of our audit, we proposed a material audit adjustment that would not have been identified as a result of the District's internal controls, and therefore, could have resulted in a material misstatement of the District's financial statements. Also the district identified an error correction relating to a previous period. In order to ensure financial statements were free from material misstatement, audit adjustments were required to adjust due from other governments. An error correction related to a prior period was required to correct benefits payable.

Context:

This finding impacts the internal control over financial reporting.

Cause:

There are a limited number of office employees.

Effect or Potential Effect:

Internal controls that fail to identify necessary adjustments could result in material misstatements to the financial statements.

Recommendation:

Review District activity and ensure all necessary adjustments to financial data are recorded.

Views of the Responsible Officials and Planned Corrective Action:

CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding
The District will thoroughly review activity throughout the year and ensure all necessary adjustments to financial data are recorded.
3. Official Responsible for Ensuring CAP
Josh Jacobs, Business Manager, is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP
The planned completion date for the CAP is June 30, 2026.
5. Plan to Monitor Completion of CAP
The School Board will be monitoring this CAP.

**Adel-DeSoto-Minburn Community School District
Schedule of Findings and Responses**

SECTION II - OTHER FINDINGS RELATED TO STATUTORY REPORTING

II-A-25 - Certified Budget

We noted no instances where the expenditures for the year ended June 30, 2025 exceeded the certified budget.

II-B-25 - Questionable Expenditures

We noted no expenditures that may not meet the requirements of public purpose as defined in an Attorney General's Opinion dated April 25, 1979.

II-C-25 - Travel Expense

No expenditures of District money for travel expenses of spouse of District officials or employees were noted. No travel advances to District officials or employees were noted.

II-D-25 - Business Transactions

There were no transaction between the District and District officials.

II-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*.

II-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 coverage is adequate for current operations.

II-G-25 - Board Minutes

No transactions were found that we believe should have been approved in the Board minutes but were not.

II-H-25 - Certified Enrollment

Finding:

The following variances in the basic enrollment data certified to the Iowa Department of Education were noted:

- The District counted one student that was not enrolled.

The error resulted in the District over reporting by one student.

Auditor's Recommendation:

The District should review procedures to ensure accurate counts are taken throughout the year and accurate enrollment data is certified to the Iowa Department of Education.

District's Response and Corrective Action Plan:

The District will contact the Iowa Department of Education and Iowa Department of Management notifying them of the above changes. The District will continue to monitor reconciliations of District information to information certified to the Iowa Department of Education.

Auditor's Conclusion:

Response accepted.

**Adel-DeSoto-Minburn Community School District
Schedule of Findings and Responses**

SECTION II - OTHER FINDINGS RELATED TO STATUTORY REPORTING (CONTINUED)

II-I-25 - Supplementary Weighting

There were no variances noted in the supplementary weighting data certified to the Iowa Department of Education.

II-J-25 - Deposits and Investments

No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the *Code of Iowa* and the District's investment policy were noted.

II-K-25 - Certified Annual Report

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

II-L-25 - Categorical Funding

No instances were found of categorical funding being used to supplant rather than supplement other funds.

II-M-25 - Statewide Sales, Services, and Use Tax

No instances of noncompliance with the allowable use of the statewide sales, services, and use tax revenue provided in Chapter 423F.3 of the *Code of Iowa* were noted.

Pursuant to Chapter 423F.5 of the *Code of Iowa*, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2025, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 6,043,643
Revenue/other financing sources		
Sales tax revenue	\$ 2,864,289	
Other local revenue	284,649	
Transfer from other funds	523,260	
Federal sources	<u>250,000</u>	<u>3,922,198</u>
Expenditures/transfers out		
School infrastructure construction	941,636	
Transfer to other funds		
Debt service fund	<u>293,434</u>	<u>1,235,070</u>
Ending balance		<u><u>\$ 8,730,771</u></u>

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

**Adel-DeSoto-Minburn Community School District
Adel, Iowa**

**Schedule of Expenditures of Federal Awards
And Reports on Compliance with Uniform Guidance**

June 30, 2025

**Adel-DeSoto-Minburn Community School District
Table of Contents**

Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	2
Report on Compliance for each Major Federal Program and on Report Internal Control over Compliance in Accordance with the Uniform Guidance	3
Schedule of Findings and Questioned Costs	6

**Adel-DeSoto-Minburn Community School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025**

Federal Agency/Pass Through Agency/Program Title	Federal Assistance Listing Number	Expenditures
U.S. Department of Agriculture		
Through Iowa Department of Education		
Child Nutrition Cluster		
Commodities Programs (noncash assistance)	10.555	\$ 95,685
School Breakfast	10.553	52,627
Summer Food Service	10.559	10,426
COVID-19 School Nutrition Program	10.555	722
Type A Lunch	10.555	279,143
Total Child Nutrition Cluster		<u>438,603</u>
Through Iowa Department of Education		
Local Food for Schools	10.185	1,402
Total U.S. Department of Agriculture		<u>440,005</u>
U.S. Department of Education		
Through Heartland Area Education Agency		
Special Education Grants to States Cluster	84.027	92,167
Through Dallas Center-Grimes Community School District		
Career and Technical Education - Basic Grants to States	84.048	9,696
Through Iowa Department of Education		
Title I Grants to Local Educational Agencies	84.010	138,711
Title IIA - Federal Teacher Quality Program	84.367	26,911
Student Support and Academic Enrichment Program (Title IV)	84.424	10,000
Total through Iowa Department of Education		<u>175,622</u>
Total U.S. Department of Education		<u>277,485</u>
U.S. Department of Treasury		
Through Iowa Department of Education		
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	250,000
Total Federal Expenditures		<u>\$ 967,490</u>

Adel-DeSoto-Minburn Community School District
Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes of net assets, or cash flows of the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - PASS-THROUGH GRANT NUMBERS

All pass-through entities listed above use the same Assistance Listing numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

NOTE 4 - INVENTORY

Inventories of commodities donated by the U.S. Department of Agriculture are recorded at market value in the Food Service Fund as inventory. Revenue and expenditures are recorded when commodities are used.

NOTE 5 - INDIRECT COST RATE

The District did not elect to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.



**Report on Compliance for Each Major Federal Program
and Report on Internal Control over Compliance in Accordance with
the Uniform Guidance**

Independent Auditor's Report

To the School Board
Adel-DeSoto-Minburn Community School District
Adel, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Adel-DeSoto-Minburn Community School District, Adel, Iowa with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget* (OMB) Compliance Supplement that could have a direct and material effect on the District's major federal program for the year ended June 30, 2025. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance.

In our opinion, Adel-DeSoto-Minburn Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

Report on Internal Control over Compliance (Continued)

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Adel-DeSoto-Minburn Community School District, Adel, Iowa, as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 8, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BerganKDV, Ltd.

St. Cloud, Minnesota
January 8, 2026

**Adel-DeSoto-Minburn Community School District
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes 2025-001 and 2025-002
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516?	No

Identification of Major Programs

Assistance Listing No:	10.553/10.555/10.559
Name of Federal Program or Cluster:	Child Nutrition Cluster
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low risk auditee?	No

**Adel-DeSoto-Minburn Community School District
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION II - FINANCIAL STATEMENT FINDINGS

Audit Finding 2025-001

Criteria:

Internal control that supports the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

Condition:

During the year ended June 30, 2025, the District had a lack of segregation of accounting duties due to a limited number of office employees. This lack of segregation of accounting duties can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- The Business Manager can reconcile receipts received, enter receipts into the accounting system, and prepare the bank reconciliation.
- The Business Manager has access to all areas of the accounting system.
- The Business Manager reconciles property taxes and federal receivables and capital assets without review.
- The Business Manager has the ability to make journal entries without review.
- There were instances of gate receipt reconciliation not having multiple signatures.

Management is aware of this condition and will take certain steps to compensate for the lack of segregation. However, due to the small accounting staff needed to handle all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct.

Context:

This finding impacts the internal control over financial reporting.

Cause:

There are a limited number of office employees.

Effect or Potential Effect:

The lack of adequate segregation of accounting duties could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Recommendation:

Continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

**Adel-DeSoto-Minburn Community School District
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

Audit Finding 2025-001 (Continued)

Views of the Responsible Officials and Planned Corrective Action:
CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding
Administration will add additional internal controls where the benefit exceeds the cost.
3. Official Responsible for Ensuring CAP
Josh Jacobs, Business Manager, is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP
The planned completion date for the CAP is June 30, 2026.
5. Plan to Monitor Completion of CAP
The School Board will be monitoring this CAP.

**Adel-DeSoto-Minburn Community School District
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

Audit Finding 2025-002

Criteria:

Internal control that supports the District's ability to initiate, record, process and report financial data requires controls to ensure all required adjustments to the financial statements are properly recorded.

Condition:

During the course of our audit, we proposed a material audit adjustment that would not have been identified as a result of the District's internal controls, and therefore, could have resulted in a material misstatement of the District's financial statements. Also the district identified an error correction relating to a previous period. In order to ensure financial statements were free from material misstatement, audit adjustments were required to adjust due from other governments. An error correction related to a prior period was required to correct benefits payable.

Context:

This finding impacts the internal control over financial reporting.

Cause:

There are a limited number of office employees.

Effect or Potential Effect:

Internal controls that fail to identify necessary adjustments could result in material misstatements to the financial statements.

Recommendation:

Review District activity and ensure all necessary adjustments to financial data are recorded.

Views of the Responsible Officials and Planned Corrective Action:

CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the audit finding.
2. Actions Planned in Response to Finding
The District will thoroughly review activity throughout the year and ensure all necessary adjustments to financial data are recorded.
3. Official Responsible for Ensuring CAP
Josh Jacobs, Business Manager, is the official responsible for ensuring corrective action of the deficiency.
4. Planned Completion Date for CAP
The planned completion date for the CAP is June 30, 2026.
5. Plan to Monitor Completion of CAP
The School Board will be monitoring this CAP.

**Adel-DeSoto-Minburn Community School District
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATES

EXHIBIT A

ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT, IOWA \$ _____ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("Purchaser") hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.
2. Initial Offering Price of the Hold-the-Offering-Price Maturities.
 - a. Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.
 - b. As set forth in the Terms of Offering, Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.
3. Defined Terms.
 - a. General Rule Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."
 - b. Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."
 - c. Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (October 5, 2026), or (ii) the date on which Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
 - d. Issuer means Adel-DeSoto-Minburn Community School District.
 - e. Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.
 - f. Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
 - g. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September 28, 2026.
 - h. Underwriter means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury

Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., Bond Counsel, in 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: October 27, 2026

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

EXHIBIT A
ADEL-DESOTO-MINBURN COMMUNITY SCHOOL DISTRICT, IOWA
\$ _____ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("Purchaser"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. Reasonably Expected Initial Offering Price.
 - a. As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Purchaser to purchase the Bonds.
 - b. Purchaser was not given the opportunity to review other bids prior to submitting its bid.
 - c. The bid submitted by Purchaser constituted a firm offer to purchase the Bonds.
2. Defined Terms.
 - a. Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
 - b. Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
 - c. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is September 28, 2026.
 - d. Underwriter means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

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

[UNDERWRITER]

By: _____
Name: _____

Dated: October 27, 2026

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)