



\$6,140,000*

Maquoketa Community School District, Iowa
School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2026

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

DATE: Monday, September 21, 2026
TIME: 10:30 AM CDT
Place: District Office
612 S. Vermont St.
Maquoketa, IA 52060

Standard & Poor's Rating: "A"

* preliminary, subject to change

PIPER | SANDLER

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

OFFICIAL BID FORM

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

Re: \$6,140,000* School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2026 dated the date of delivery, of the Issuer (the "Bonds")

For all of the above Bonds, in accordance with the Official Terms of Offering, we will pay you \$_____ for Bonds bearing interest rates and maturing as follows:

<u>Coupon %</u>	<u>Yield %</u>	<u>Bonds due</u>	<u>Coupon %</u>	<u>Yield %</u>	<u>Bonds due</u>
_____	_____	June 1, 2027	_____	_____	June 1, 2040
_____	_____	June 1, 2028	_____	_____	June 1, 2041
_____	_____	June 1, 2029	_____	_____	June 1, 2042
_____	_____	June 1, 2030	_____	_____	June 1, 2043
_____	_____	June 1, 2031	_____	_____	June 1, 2044
_____	_____	June 1, 2032	_____	_____	June 1, 2045
_____	_____	June 1, 2033	_____	_____	June 1, 2046
_____	_____	June 1, 2034	_____	_____	June 1, 2047
_____	_____	June 1, 2035	_____	_____	June 1, 2048
_____	_____	June 1, 2036	_____	_____	June 1, 2049
_____	_____	June 1, 2037	_____	_____	June 1, 2050
_____	_____	June 1, 2038	_____	_____	June 1, 2051
_____	_____	June 1, 2039	_____	_____	

_____ 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 _____	_____
\$ _____	_____ 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 use 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:

NET INTEREST COST: \$ _____ TRUE INTEREST COST _____ %

Account Manager

Authorized Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Maquoketa Community School District in the Counties of Clinton, Dubuque and Jackson, State of Iowa, this 21st day of September 2026.

ATTEST:

Board Secretary

President

* Subject to change

OFFICIAL TERMS OF OFFERING

This section sets forth the description of certain 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: The Bonds to be offered are the following:

SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX REVENUE BONDS in the principal amount of \$6,140,000 (See Adjustment paragraph immediately below)*, dated the date of delivery (the "Dated Date") in the denomination of \$5,000 or multiples thereof, and maturing as shown on the front cover of the official statement.

* Adjustment to Principal Amount After Determination of Best Bid Each scheduled maturity of the Bonds is subject to increase or decrease. Such adjustments shall be made promptly after the sale and prior to the award of bids by the issuer and shall be in the sole discretion of the Issuer. The Issuer shall only make such adjustments in order to size the Bonds to provide enough funds to match actual known project costs received at bid on same date and to assure reasonable debt service coverage is met. To cooperate with any adjustment in the principal amounts, the Successful Bidder is required, as a part of its bid, to indicate its Initial Reoffering Yield and Initial Reoffering Price on each maturity of the Bonds (said price shall be calculated to the date as indicated by the Issuer). The total par amount of this issue cannot exceed \$9,000,000, although it is not expected to increase above \$6,750,000 even in the most favorable bidding environment.

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.

The Successful Bidder may not withdraw or modify its bid once submitted to the Issuer for any reason, including post bond adjustment. Any adjustment shall be conclusive, and shall be binding upon the Successful Bidder.

Optional Redemption: The Bonds maturing after June 1, 2036, 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 semiannually on each June 1 and December 1, beginning June 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 a 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 \$61,400 for the Bonds, payable to the order of the Issuer is required. 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 facsimile or email, within 10 minutes after 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 ("Purchaser"), and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 98.00% 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 on the front cover of the preliminary official statement. 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.

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. In the events of conflict with information provided by the Internet Bid System and the Official Bid terms, the Issuer, in its sole discretion, shall choose a path to resolve the conflict. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the Internet Bid System. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

Electronic Facsimile Bidding: Facsimile Bids will not be accepted.

Scaled Bidding: Sealed bids may be submitted and will be received in the office of the Superintendent, Maquoketa Community School District, 612 S. Vermont St, Maquoketa, IA.

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

The interest rates bid must be in multiples of 1/8th, 1/20th or 1/100th of 1%.

All bonds of each maturity must bear the same interest rate.

No rate for maturities 2027-2036 may be more than 2% greater than any other rate.

Rates for maturities 2037-2051 must be in level or ascending order only.

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. 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 Appendix E, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and Bond Counsel. All communications required of the Issuer under this Official Terms of Offering to establish the issue price of the Bonds may be communicated on behalf of the Issuer by the Issuer's municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer's municipal advisor.

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

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

(or lowest interest cost), as set forth in this Official Terms of Offering.

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

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

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

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

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

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

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

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

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

in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

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

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

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

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

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

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

Official Statement: The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the Issuer, shall constitute a “Final Official Statement” of the Issuer with respect to the Bonds, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). By awarding the Bonds to any underwriter or underwriting syndicate submitting an Official Bid Form therefore, the Issuer agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost, to the senior managing underwriter of the syndicate to which the Bonds, 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 CUSIP 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 Series 2026 Resolution, to provide on annual basis, annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the “Disclosure Covenants”). The information to be provided, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

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

For more information on this see Continuing Disclosure 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 Series 2026 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 Series 2026 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.

NEW ISSUE - DTC BOOK ENTRY ONLY

S & P's Rating: "A"

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



\$6,140,000*

Maquoketa Community School District, Iowa

School Infrastructure Sales, Services and Use Tax Revenue Bonds - Series 2026

Dated: Date of delivery

The School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2026 (the "Bonds") are issued by the Maquoketa Community School District, Iowa (the "Issuer") pursuant to Iowa Code Chapter 423F, as amended, (the "Act") and a Resolution authorizing the issuance of the Bonds expected to be adopted by the Board of Directors of the Issuer on October 19, 2026 to finance school infrastructure projects. The Bonds are issued 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., West Des Moines, Iowa, as Registrar and Paying Agent (the "Registrar" or the "Paying Agent"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Paying Agent 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.

The Bonds, the Outstanding Bonds and any other Parity Bonds are not general obligations of the Issuer, but are special limited obligations of the Issuer. The Bonds, the Outstanding Bonds and any other Parity Bonds are payable only from the School Infrastructure Sales, Services & Use tax (the "Tax") revenues received by the Issuer, which are pledged to the repayment of the Bonds. THE BONDS SHALL NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR CHARGE AGAINST ITS GENERAL CREDIT OR GENERAL FUNDS. NEITHER THE FAITH AND CREDIT OF THE ISSUER, NOR THE STATE OF IOWA NOR THE GENERAL TAXING POWER OF THE ISSUER, THE STATE OF IOWA OR ANY POLITICAL SUBDIVISION OF THE STATE OF IOWA, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO. See "Security and Source of Payment for the Bonds" herein.

Interest on the Bonds is payable on June 1 and December 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 a such other address as is furnished to the Paying Agent in writing by a registered owner.

The Bonds maturing after June 1, 2036, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

MATURITY SCHEDULE *

<u>Bond Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>	<u>Bonds Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>
June 1, 2027	\$350,000			565657 CA9	June 1, 2040	\$170,000			565657 CP6
June 1, 2028	220,000			565657 CB7	June 1, 2041	180,000			565657 CQ4
June 1, 2029	200,000			565657 CC5	June 1, 2042	185,000			565657 CR2
June 1, 2030	145,000			565657 CD3	June 1, 2043	195,000			565657 CS0
June 1, 2031	115,000			565657 CE1	June 1, 2044	200,000			565657 CT8
June 1, 2032	125,000			565657 CF8	June 1, 2045	205,000			565657 CU5
June 1, 2033	130,000			565657 CG6	June 1, 2046	220,000			565657 CV3
June 1, 2034	135,000			565657 CH4	June 1, 2047	225,000			565657 CW1
June 1, 2035	140,000			565657 CJ0	June 1, 2048	230,000			565657 CX9
June 1, 2036	145,000			565657 CK7	June 1, 2049	245,000			565657 CY7
June 1, 2037	150,000			565657 CL5	June 1, 2050	930,000			565657 CZ4
June 1, 2038	160,000			565657 CM3	June 1, 2051	970,000			565657 DA8
June 1, 2039	170,000			565657 CN1					

\$

%

Term bond due June 1

Yield

Cusip Num.**

Investing in the Bonds is subject to certain risks. See "CERTAIN BONDHOLDERS' RISKS" herein. In making an investment decision, investors must rely on their own examination of this issue and the terms of the offering including the merits and risk involved.

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 Dentons Davis Brown PC. It is expected that the Bonds in definitive form will be available for delivery on or about November 4, 2026. The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

The Date of this Official Statement is _____, 2026

* Preliminary, subject to change

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

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

No dealer, salesman or any other person has been authorized by the Issuer or the Underwriter 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. The information set forth herein has been provided by the Issuer. The Underwriter makes no guarantee as to accuracy or completeness of such information, and its inclusion herein (other than representations about the Underwriter) is not to be construed as a representation by the Underwriter. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE BONDS. THE ISSUER CONSIDERS THE OFFICIAL STATEMENT TO BE “NEAR FINAL” WITHIN THE MEANING OF RULE 15c2-12 OF THE SECURITIES EXCHANGE COMMISSION. STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT WHICH INVOLVES ESTIMATES, FORECASTS OR MATTERS OF OPINION, WHETHER OR NOT EXPRESSLY SO DESCRIBED HEREIN, ARE INTENDED SOLELY AS SUCH AND ARE NOT TO BE CONSTRUED AS A REPRESENTATION OF FACTS.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER’S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12.

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

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 “anticipated,” “plan,” “expect,” “projected,” “estimate,” “budget” “pro forma,” “forecast,” “intend,” or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS TO DIFFER. THE ISSUER DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE DISTRICT ON THE DATE HEREOF, AND THE DISTRICT ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS INDICATED UNDER THE CAPTION “CONTINUING DISCLOSURE.”

OFFICIAL STATEMENT
MAQUOKETA COMMUNITY SCHOOL DISTRICT, IOWA
\$6,140,000* SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX REVENUE BONDS, SERIES 2026

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Maquoketa Community School District, Iowa (the “Issuer”), in connection with the sale of the Issuer’s School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2026 (the “Bonds”). Proceeds of the Bonds, along with the proceeds of the \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2025, dated December 3, 2025 (the “Series 2025 Bonds”), and the expected issuance of approximately \$2,000,000 General Obligation School Capital Loan Notes later in 2026 will be used i) to remodel, renovate, repair, improve, furnish and equip Briggs Elementary building; and to construct, build, furnish, and equip an addition to Briggs Elementary Building, ii) to establish and fund a Debt Service Reserve Fund, and iii) to pay costs of issuance for the Bonds (the “Project”). See “**THE PROJECT**” herein. The Bonds will be issued pursuant to a resolution authorizing the issuance of the Bonds expected to be adopted by the Board of Directors (the “Board”) of the Issuer on or about October 19, 2026 (the “Series 2026 Resolution”) which supplements the resolution authorizing the Series 2025 Bonds (the “Prior Bond Resolution”) and, together with the Series 2026 Resolution, the “Resolutions”).

Prior to the adoption by the Iowa Legislature (the “Legislature”) of Chapter 423F of the Code of Iowa, as amended (the “Act”), voters in Clinton, Dubuque and Jackson Counties, authorized a school infrastructure local option sales and services tax to be used for school infrastructure purposes. Under the Act, all prior school infrastructure local option sales and services taxes were repealed on July 1, 2008, in favor of a new statewide one cent school infrastructure sales, services & use tax (the “Tax”). Under the provisions of the Act, school corporations are authorized to issue Sales Tax Revenue Bonds payable from the receipt of such Tax revenues (the “Tax Revenues”) for certain purposes, and for certain periods of time, set forth in the Act. See “**SECURITY AND SOURCE OF PAYMENT FOR THE BONDS**” herein.

Summaries and descriptions of the Issuer, the Act, the Bonds, the Series 2026 Resolution, and certain other documents are included in this Official Statement. The summaries of and references to all documents, statutes and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute or instrument. Copies of the Series 2026 Resolution may be obtained during the initial offering period by contacting the Issuer. The Issuer has agreed to provide certain continuing disclosure information after issuance of the Bonds as more fully described under “**APPENDIX C - Form of Continuing Disclosure Certificate**” – attached hereto.

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

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

The Bonds are special, limited obligations payable solely from the Tax Revenues received by the Issuer and certain funds pledged to the payment thereof in the Series 2026 Resolution. See “**SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.**”

The Bonds are being issued on a parity basis with the outstanding amount of the Series 2025 Bonds, which remain outstanding as of the date of the Series 2026 Resolution and are secured by a lien on the Tax Revenues (the “Outstanding Bonds”), in particular:

<u>Series</u>	<u>Dated Date</u>	<u>Outstanding Balance</u>
\$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2025	December 3, 2025	\$10,000,000

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.

CERTAIN BONDHOLDERS’ RISKS

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

* Preliminary, subject to change

Limited Obligations

The Bonds are not general obligations of the Issuer but are special limited obligations of the Issuer. The Bonds are payable only from (1) the Tax Revenues received by the Issuer, (2) the Sinking Fund (as defined herein) and (3) the Debt Service Reserve Fund (as defined herein), each of which are pledged to the repayment of the Bonds. **THE BONDS SHALL NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR CHARGE AGAINST ITS GENERAL CREDIT OR GENERAL FUNDS. NEITHER THE FAITH AND CREDIT OF THE ISSUER, THE COUNTY, NOR THE STATE OF IOWA NOR THE GENERAL TAXING POWER OF THE ISSUER, THE STATE OF IOWA OR ANY POLITICAL SUBDIVISION OF THE STATE OF IOWA, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO.** See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

Estimated Tax Revenues

Estimates of Tax Revenues available to pay the Bonds in the future presented herein are based on estimates provided to the Issuer by the State of Iowa Department of Revenue (the “Department”), which estimates have not been independently reviewed by any third parties. Failure to receive Tax Revenues in the amount estimated would reduce the debt service coverage ratios described herein (see “**ESTIMATED DEBT SERVICE AND COVERAGE ON THE BONDS**” herein). If such estimates vary significantly from actual Tax Revenues in the future, that variance could prevent the Issuer from making timely payments of principal of and interest on the Bonds.

While the estimated Tax Revenues set forth herein are based upon information and assumptions that the Issuer believes to be reasonable, potential purchasers of the Bonds should recognize that such estimates are subject to changes resulting from a wide variety of economic and other conditions. Therefore, no assurance can be given that the Tax Revenues will be received in the annual or aggregate amount estimated. There may be material differences between the estimated receipts and actual payment of Tax Revenues to the Issuer.

Enrollment Trends

Tax Revenues received are based on the certified enrollment of the Issuer as described herein. The District’s certified enrollment has fluctuated over the past four years. Changes in enrollment, whether up or down, will impact Tax Revenues received, the impact of which could be material. Deterioration in long term enrollment or increases in statewide enrollments not matched by increases in enrollments in the Issuer will potentially reduce the actual amount of the Tax Revenues received, and that reduction could materially alter the Issuer’s ability to repay the Bonds. See “**ESTIMATED DEBT SERVICE COVERAGE ON THE BONDS**” and “**HISTORICAL RESIDENT ENROLLMENT IN THE SCHOOL DISTRICT**” herein.

Economic Conditions

The Tax is being collected generally on the same basis as the State of Iowa (the “State”) retail sales and services tax, subject to certain exceptions. See “**SECURITY AND SOURCE OF PAYMENT FOR THE BONDS**” herein. The Tax may not be levied on the sale of property or on any service not taxed by the State. A wide variety of economic and other conditions could cause fluctuations affecting the volume of taxable sales and services within the State which would then affect the Issuer’s receipt of the Tax Revenues. The following factors, among others, may affect the economic climate of the State and the volume of taxable sales and services originated in the State (and therefore the amount of Tax Revenues collected by the State and distributed to the Issuer), to an extent which cannot be determined at this time:

- 1) Global health pandemics, including the duration and scope thereof;
- 2) Employee strikes or other adverse labor actions affecting significant employers within the State;
- 3) Increased unemployment within the State;
- 4) Population decrease or other unfavorable demographic changes in the Issuer and surrounding areas;
- 5) Decrease in the number of resident students in the Issuer’s boundaries;
- 6) Competition from sales and services providers located outside of the State;
- 7) The loss of local retail establishment or any decrease in the amount of sales generated in the State;
- 8) Natural disaster or catastrophes affecting significant portions of the Issuer and surrounding areas,
- 9) Delays in the receiving of the Tax Revenues;
- 10) Competition from Internet based sales and services providers that are currently exempt from the Tax;
- 11) Other unforeseen competitive or economic factors or acts of God.

The Revenue Purpose Statement

The Act provides that a school corporation may use Tax Revenues for school infrastructure purposes, as authorized pursuant to a Revenue Purpose Statement (the “RPS”) which must be approved by the voters at a special election held for such purpose. The voters of the Issuer approved the RPS at an election held on November 7, 2023. The RPS describes the permitted uses of the Tax Revenue and is effective until repealed or amended. The RPS may be amended from time to time by the voters in the Issuer’s boundaries. However, the RPS may not be amended in a way that would cause the school corporation to be unable to use Tax Revenues to repay validly issued School Infrastructure

Sales, Services & Use Tax Revenue Bonds, including the Bonds.

Legislative Revisions of the Act

A tax was originally enacted during the 1998 session of the Iowa General Assembly to set forth conditions under which bonds payable from a local sales and services tax may be issued (the “Prior Tax”) and was amended by the General Assembly on multiple occasions after its enactment. The Act was initially enacted to repeal the Prior Tax effective July 1, 2008. Potential purchasers of the Bonds should recognize that the Act may be amended further while the Bonds are outstanding, and such legislation could materially revise the current provisions of the Act relating to the collection, payment, application, receipt or distribution of the Tax Revenues to the Issuer, subject to constitutional restraints on impairment of contracts. It cannot be predicted whether or in what form any proposal might be enacted or whether if enacted, it would apply to the Bonds issued prior to enactment. Any such legislative amendments could adversely affect the Issuer’s ability to make timely payments of principal of and interest on the Bonds. Bond Counsel, Disclosure Counsel, the Municipal Advisor, Counsel to the Municipal Advisor, the Issuer or the Underwriter do not express any opinion regarding any pending or proposed legislation related to the Act.

In 2019, House File 546 was signed into law (the “2019 Act”) extending the Tax from December 31, 2029 to January 1, 2051. Provisions in the 2019 Act included an increase in the amount of the tax dedicated toward property tax relief, among others, under specific conditions related to the overall annual growth in the Tax, additional public hearing processes, expanded definition of “school infrastructure” and a requirement for voter re-approval of revenue purpose statements.

In 2022, the Department’s method of distributing Tax Revenues received was amended. The Act requires the Department to, annually prior to August 15, estimate the amount of revenue that will be remitted to the school corporations for the fiscal year beginning each July 1. Historically, the Department was required to remit 95% of the annual estimate of Tax revenues to be remitted to the school corporations in monthly installments over the fiscal year, and was allowed to retain 5% of the estimate until the end of the fiscal year, at which time the Department would complete an audit of the actual receipts and the actual remittances of the Tax. The Department would then reconcile the difference between the actual receipts and the estimated remittances and would remit the remaining balance to the school corporations on or around November 1 for the fiscal year ending the previous July 30 (the “Reconciliation Payment”). It was possible for the Reconciliation Payment to be a negative number if actual receipts were less than expected receipts by an amount greater than 5%. Beginning with the October 2022 transfer, the Department began transferring the actual amount of Tax Revenue attributable to each school corporation for the Tax Revenue remitted in the preceding month which eliminates the Reconciliation Payment.

The General Assembly periodically considers the creation of additional exemptions and there can be no assurance that additional sales tax exemptions will not be enacted in the future. Any such additional exemptions could materially reduce the amount of Tax Revenue allocated to the Issuer and adversely affect the Issuer’s ability to make timely payments of principal and interest on the Bonds.

Recent Legislative Revision of the Tax

On May 3, 2026, the General Assembly enacted Senate File 2472 (“SF2472”). The Governor signed SF2472 into law on May 18, 2026. SF2472 accelerates the diversion of Tax Revenues to the Property Tax Equity Relief fund (“PTR”) from its current rate of seven and one tenth percent (7.1%) to twelve and one-half percent (12.5%) for fiscal year beginning July 1, 2026; to fifteen percent (15%) for fiscal year beginning July 1, 2027; to seventeen and one-half percent (17.5%) for fiscal year beginning July 1, 2028; to twenty-two and one-half percent (22.5%) for fiscal year beginning July 1, 2029; to twenty-five percent (25%) for fiscal year beginning July 1, 2030 and each year thereafter. SF2472 also extends the Tax from January 1, 2051 to January 1, 2071. The effects of the accelerated transfer of Tax revenues to the PTR fund may result in school districts receiving less Tax Revenues and may affect the Issuer’s ability to make timely payment of principal and interest on the Bonds. See **“CERTAIN BONDHOLDERS’ RISKS – Estimated Tax Revenues”**, **“CERTAIN BONDHOLDERS’ RISKS – Enrollment Trends”**, **“CERTAIN BONDHOLDERS’ RISKS – Economic Conditions”**, **“SECURITY AND SOURCE OF PAYMENT FOR THE BONDS”**, **Tables I-II of “ESTIMATED RECEIPTS OF THE TAX AVAILABLE FOR DISTRIBUTION – PER PUPIL BASIS”**, **“ESTIMATED FUTURE SALES, SERVICES AND USE TAX RECEIPTS”**, and **ESTIMATED DEBT SERVICE AND COVERAGE ON THE BONDS”** herein.

Legislative Change Related to School Choice

In 2023 the State of Iowa adopted Legislation (“HF68”) that establishes a general fund appropriation for an Education Savings Account Fund (the “Fund”) under the control of the Iowa Department of Education (the “Department of Education”). The Fund must be used to establish individual accounts for participating pupils and to make qualified education savings account payments on behalf of parents and guardians, including payment for nonpublic school tuition, textbooks, software, fees, curriculum materials, and other similar expenses. As of July 1, 2025, all students attending a nonpublic school 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 school 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 128 students who resided within the boundaries of the Issuer but attended non-public schools for the 2022-23 school

year; 138 students for the 2023-24 school year; 144 students for the 2024-25 school year and 151 students 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. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" and "ESTIMATED FUTURE SALES, SERVICES AND USE TAX RECEIPTS" herein.

Additional Debt and Parity Bonds

The Resolutions permit the Issuer to incur additional indebtedness under certain circumstances, including bonds, notes or other obligations payable solely from the Tax Revenues on an equal basis with the Outstanding Bonds, the Bonds, and any Additional Bonds (as defined herein) as authorized to be issued under the terms of the Series 2026 Resolution that could have a lien on the Tax Revenues on a parity basis with the lien securing the Outstanding Bonds and the Bonds. Such additional debt could increase the Issuer's debt service and repayment requirement in a manner which would adversely affect debt service coverage on the Bonds and the Outstanding Bonds. The Bonds are expected to be issued as Parity Bonds.

Debt Payment History

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

Secondary Market for the Bonds

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 bond issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

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

Ratings

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

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

There is no Bond trustee or similar person to monitor or enforce the provisions of the Series 2026 Resolution. The owners of the Bonds should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal of or interest on the 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 Series 2026 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 Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Series 2026 Resolution.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Series 2026 Resolution. The remedies available to the owners of the Bonds upon an event of default under the Series 2026 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 Series 2026 Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Series 2026 Resolution, including principal of and interest on the Bonds.

Pension and OPEB Information

The Issuer contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the Issuer are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the Issuer being required to make annual contributions to IPERS. Contribution amounts are set by State statute. The IPERS Annual Comprehensive Financial Report for its fiscal year ended June 30, 2025 (the "IPERS ACFR"), indicates that as of June 30, 2025, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 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, while its net pension liability at June 30, 2024, was approximately \$3.641 billion. The IPERS ACFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, IA 50321. See "**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" for additional information on IPERS.

Bond Counsel, Disclosure Counsel, 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 \$1,078,225. 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 \$4,237,811. While the Issuer's contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the Issuer. See "**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER**" for additional information on pension and liabilities of the Issuer.

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.

Tax Matters, Bank Qualification and Loss of Tax Exemption

As discussed under the heading "**TAX EXEMPTION AND RELATED TAX MATTERS**" herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the Issuer in violation of its covenants in the Series 2026 Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

The Issuer will 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") and has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

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.

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.**”

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 Preliminary Official Statement under the heading “**THE BONDS– Redemption.**” 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.

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

Environmental and Climate-Related

Due to recent increases in the frequency and intensity of extreme weather events and natural disasters, the Issuer and its residents and businesses may experience operational disruptions and increased costs for mitigation and recovery. The increased costs of risk-mitigation and recovery efforts cannot be determined with certainty due to the multiple factors associated with these costs, including but not limited to, the future frequency and intensity of these events, future legal and regulatory requirements, the costs of labor and materials used in mitigation and recovery, insurance rates and available coverages, and the level of state and federal assistance available.

Financial Condition of the Issuer from time to time

No representation is made as to the future financial condition of the Issuer. Certain risks discussed herein could adversely affect the financial condition and/or operations of the Issuer in the future. For fiscal year ending June 30, 2024, the auditor noted a significant deficiency in internal controls regarding segregation of duties. No such deficiency was noted for fiscal year ending June 30, 2025, as set forth, in the audited financial statements attached as Appendix D.

Continuing Disclosure

A failure by the Issuer to comply with the continuing disclosure obligations (see “CONTINUING DISCLOSURE” herein) will not constitute an event of default on the Bonds. Any such failure must be disclosed in accordance with the Rule and may adversely affect the transferability and liquidity of the Bonds and their market price.

Bankruptcy and Insolvency

The rights and remedies provided in the Series 2026 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 creditors’ 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 Series 2026 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 Series 2026 Resolution. In the event the Issuer fails to comply with its covenants under the Series 2026 Resolution or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Under sections 76.16 and 76.16A of the Iowa Code, a city, county, or other political subdivision may become a debtor under Chapter Nine of

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

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, supply chain issues and negligence on the part of subcontractors, labor disputes, or unanticipated increase 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 previously issued \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2025, dated December 3, 2025, and proceeds of the yet to be issued G.O. School Capital Loan Notes will be sufficient to complete the Project; however, the cost of construction of the Project may be affected by factors beyond the control of the Issuer, including strikes, material shortages, adverse weather conditions, trade tariffs, subcontractor defaults, delays, and unknown conditions.

Damage or Destruction to Issuer’s Facilities

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

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.

Suitability of Investment

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

Risks as Employer

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

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.

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.

Factors Beyond Issuer's Control

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.

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.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

The Tax; Collection and Remittance of the Tax

Authorization

In 1998, the school districts in Iowa were allowed to implement on a county-by-county basis a \$0.01 school infrastructure local option sales and services tax, pursuant to Iowa Code Chapter 423E, to be used for school infrastructure purposes, for ten-year periods. In 2008, the Iowa Legislature adopted the Act, which replaced the Prior Tax with a statewide \$0.01 school infrastructure sales, services and use tax. Under the Act, all Prior Taxes were repealed on July 1, 2008, in favor of the new Tax to be imposed through December 31, 2029. After July 1, 2008, the use of Tax Revenues received by each school district is governed by a RPS which must be approved by voters of a school district.

On May 3, 2026, the Legislature enacted Senate File 2472 ("SF2472"). The Governor signed SF2472 into law on May 18, 2026. SF2472 accelerates the diversion of Tax Revenues to PTR from its current rate of seven and one tenth percent (7.1%) to twenty-five percent (25%) by the fiscal year beginning July 1, 2030, with each yearly increase occurring in a non-linear gradual percentage, and extends the sunset of the Tax from January 1, 2051 to January 1, 2071.

On November 7, 2023, voters in the school district approved the current RPS. The RPS describes the permitted uses of the Tax Revenue and is effective until repealed or amended. The Project is an authorized school infrastructure project under the RPS.

Issuance of Bonds

Under provisions of the Act, school corporations are authorized to issue sales tax revenue bonds payable from Tax Revenues. A school district receiving Tax Revenues may issue bonds in anticipation of the receipt of Tax Revenues and may pledge irrevocably an amount of Tax Revenues for each of the years the bonds remain outstanding to the payment of such bonds. Bonds may be issued only for one or more of the purposes set forth in the RPS as approved by the electors of the Issuer. Prior to the issuance of sales tax revenue bonds, school districts must hold a public hearing on the proposal to issue such bonds and must publish a notice of hearing not less than ten (10) nor more than twenty (20) days prior to such hearing. If a valid petition is received prior to fifteen (15) days after the public hearing calling for an election on the bonds, the school district must either submit the bond proposition to an election of the voters or abandon the issuance of bonds.

The first hearing on the Bonds, for an amount of approximately \$16,500,000 was held on January 22, 2024. The second hearing for an amount of approximately \$2,500,000 was held on August 18, 2025. No petitions were received requesting an election on the issuance of the Bonds.

Imposition and Collection

The Tax is imposed on the same basis as the State of Iowa's (the "State") other sales, services and use taxes under Iowa Code Chapter 423, subchapters II and III. See "Legislative Revisions of the Act" included in "**CERTAIN BONDHOLDERS' RISKS**".

The Tax is collected by the retailers in the State and remitted at the end of each calendar month to the State. The Department remits the Tax to the school corporations on the last day of the next month. Prior to September, 2022, the Act required the Department to, annually prior to August 15, estimate the amount of revenue that would be remitted to the school corporations for the fiscal year beginning each July 1, and to remit 95% of the annual estimate of the Tax Revenues to be remitted to the school corporations in monthly installments over the fiscal year, and was allowed to retain 5% of the estimate until the end of the fiscal year, at which time the Department would complete an audit of the actual receipts and the actual remittances of the Tax. The Department would then reconcile the difference between the actual receipts and the estimated remittances and would remit the remaining balance to the school corporations on or around November 1 for the fiscal year ending the previous June 30 (the "Reconciliation Payment"). It was possible for the Reconciliation Payment to be a negative number if actual receipts were less than expected receipts by an amount greater than 5%. The 2022 Act requires the Department to transfer monthly to each school corporation the actual amount of Tax Revenue remitted to the Department attributable to the school corporation from the preceding

month. Beginning with the October 2022 transfer, the Department transfers the actual amount of Tax Revenue attributable to each school corporation for the Tax Revenue remitted in the preceding month which eliminates the Reconciliation Payment.

The Tax is remitted to each school corporation in the State based on actual enrollment for the fiscal year in question. The actual enrollment for a fiscal year is determined by a count of those students registered to attend the school corporation as of the previous October 1, or the Monday following if October 1 is on a Saturday or Sunday (as amended from time to time in the future by the Legislature). Each school corporation receives an equal amount of revenue from the Tax, per student, and all taxes collected under the Tax will be remitted to each school corporation based on their actual enrollment as a percentage of the total enrollment in the State.

With the extension of the Tax from December 31, 2029, to January 1, 2051, a change to the calculation of the remittance to schools was made. Previously, an annual allocation of 2.1% of available revenues were diverted to the Property Tax Equity Relief fund ("PTER"). Effective July 1, 2019, that amount increased to 3.1% and allowed for an annual increase of 1.0% each subsequent year if the growth in total Tax revenues per year exceeded 2.0%. For example, if Fiscal Year 2020 Tax revenues actually grew at 4.0%, there would be a 1.0% increase in the distribution amount to the PTER fund, making that amount 4.1% instead of 3.1% and passing on to the schools 3.0% instead of 4.0% growth. In any given year, if the annual growth of the Tax revenues was less than 2.0%, no additional amount would be diverted to the PTER fund. The maximum amount of Tax dollars that could be diverted was 30.0%. The amounts diverted now to the PTER fund will be divided among schools in two categories: one portion being shared by schools above the statewide average base tax levy rate, and the other portion shared by all schools equally. The 2019 legislation also created a category of annual competitive grant funds administered through the State Department of Education for career academy infrastructure and equipment. The fund was established with \$1.0 million available in FY2020, and the fund may grow when the prior fiscal year's growth rate exceeds 2.5%. The maximum annual amount that could be diverted in the future to this career academy fund would be \$5.0 million.

With the enactment of SF2472, the Tax was extended to January 1, 2071 and the transfer of Tax revenues to the PTR fund was accelerated. For the fiscal year beginning July 1, 2026, the equity transfer percentage will be twelve and one-half percent (12.5%); for the fiscal year beginning July 1, 2027, the equity transfer percentage will be fifteen percent (15%); for the fiscal year beginning July 1, 2028, the equity transfer percentage will be seventeen and one-half percent (17.5%); for fiscal year beginning July 1, 2029, the equity transfer percentage will be twenty-two and one-half percent (22.5%); and for fiscal year beginning July 1, 2030, and each fiscal year thereafter, the equity transfer percentage will be twenty-five percent (25%).

HISTORICAL AND ESTIMATED STATEWIDE RECEIPTS OF THE TAX

Presented below is the actual or estimated receipts of the Tax by the State and the allocations to the various funds pursuant to the 2019 Act, as discussed herein:

<u>Fiscal Year</u>	<u>Total Collections</u>	<u>Allocated to PTR</u>	<u>Allocated to Career Academies</u>	<u>Allocated to schools</u>
2026	\$733,388,570	\$52,070,588	\$5,000,000	\$676,317,971
2025	694,062,710	49,278,452	5,000,000	639,784,258
2024	687,794,332	41,930,132	5,000,000	640,864,200
2023	626,759,000	38,232,299	5,000,000	583,526,701
2022	632,076,590	32,235,906	5,000,000	594,840,684

CURRENT STATEWIDE RECEIPTS OF THE TAX – AVERAGE PER PUPIL RECEIPTS (3)

<u>Fiscal Year</u>	<u>Original State Estimate</u>	<u>Statewide Disbursements (1)</u>	<u>Statewide Enrollment (2)</u>	<u>Average Revenue per Student</u>
2021	\$499,356,865	\$544,786,628	490,094	\$1,111.60
2022	540,481,659	594,840,684	484,159	1,228.61
2023	598,208,742	583,526,701	485,630	1,201.59
2024	600,005,449	640,864,200	486,476	1,317.36
2025	661,436,255	639,784,258	483,699	1,322.69
2026	652,679,943	676,317,971	480,665	1,407.05

(1) Historical Payments through Fiscal Year 2025 as provided by the Department

(2) Statewide Enrollment count is from the Prior October Count (i.e. the October 1, 2024 count is used for distributing Tax Revenues in Fiscal Year 2026)

(3) Revenue calculations are provided on an accrual basis

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ESTIMATED RECEIPTS OF THE TAX AVAILABLE FOR DISTRIBUTION – PER PUPIL BASIS (4)

Table I: Assuming No Growth in Statewide Revenues & No Enrollment Changes

Fiscal Year	Total SAVE Revenues (2)	Amount to Career Academies	Amount to “PTR” Fund	Amount of School Distribution	Statewide Certified Enrollment (3)	Average Revenue Per Student (4)(5)
6/30/26	733,388,570	5,000,000	52,070,588	676,317,982	480,665	1,407.05
6/30/27	733,388,570	5,000,000	91,673,571	636,714,999	473,329	1,345.18
6/30/28	733,388,570	5,000,000	110,008,286	618,380,285	473,329	1,306.45
6/30/29	733,388,570	5,000,000	128,343,000	600,045,570	473,329	1,267.71
6/30/30	733,388,570	5,000,000	165,012,428	563,376,142	473,329	1,190.24
6/30/31 & thereafter	733,388,570	5,000,000	183,347,143	545,041,428	473,329	1,151.51

- (1) Effective July 1, 2026 the Tax expires January 1, 2071 and schools will receive revenues for only one-half of Fiscal Year 2071
- (2) Assumes no Change in Statewide SAVE Revenues for Fiscal Year 2026
- (3) For fiscal years after 2027, there assumes no change in enrollment from the October 1, 2025 Certified Enrollment Count used for Fiscal Year 2027.
- (4) Revenue calculations are provided on an accrual basis and not cash basis.
- (5) Fiscal Year 2027 - 2031 average revenue per pupil estimate is calculated as of the Amount of School Distribution divided by October 1, 2025 certified enrollment.

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Table II: Assuming Growth in Statewide Revenues & No Enrollment Changes - using current enrollment (1) (2)(4)

Fiscal Year	Total SAVE Revenues	Amount to Career Academies	Amount To PTR	Amount To Schools (1)	Total Enrollment (3)	Average Per Student (5)
6/30/27	751,283,251	5,000,000	93,910,406	652,372,845	473,329	1,378.26
6/30/28	769,614,562	5,000,000	115,442,184	649,172,378	473,329	1,371.50
6/30/29	788,393,158	5,000,000	137,968,803	645,424,355	473,329	1,363.58
6/30/30	807,629,951	5,000,000	181,716,739	620,913,212	473,329	1,311.80
6/30/31	827,336,122	5,000,000	206,834,030	615,502,091	473,329	1,300.37
6/30/32	847,523,123	5,000,000	211,880,781	630,642,342	473,329	1,332.35
6/30/33	868,202,687	5,000,000	217,050,672	646,152,015	473,329	1,365.12
6/30/34	889,386,833	5,000,000	222,346,708	662,040,125	473,329	1,398.69
6/30/35	911,087,871	5,000,000	227,771,968	678,315,904	473,329	1,433.07
6/30/36	933,318,416	5,000,000	233,329,604	694,988,812	473,329	1,468.30
6/30/37	956,091,385	5,000,000	239,022,846	712,068,539	473,329	1,504.38
6/30/38	979,420,015	5,000,000	244,855,004	729,565,011	473,329	1,541.35
6/30/39	1,003,317,863	5,000,000	250,829,466	747,488,397	473,329	1,579.21
6/30/40	1,027,798,819	5,000,000	256,949,705	765,849,114	473,329	1,618.00
6/30/41	1,052,877,110	5,000,000	263,219,278	784,657,833	473,329	1,657.74
6/30/42	1,078,567,312	5,000,000	269,641,828	803,925,484	473,329	1,698.45
6/30/43	1,104,884,354	5,000,000	276,221,088	823,663,265	473,329	1,740.15
6/30/44	1,131,843,532	5,000,000	282,960,883	843,882,649	473,329	1,782.87
6/30/45	1,159,460,514	5,000,000	289,865,129	864,595,386	473,329	1,826.63
6/30/46	1,187,751,351	5,000,000	296,937,838	885,813,513	473,329	1,871.45
6/30/47	1,216,732,484	5,000,000	304,183,121	907,549,363	473,329	1,917.37
6/30/48	1,246,420,756	5,000,000	311,605,189	929,815,567	473,329	1,964.42
6/30/49	1,276,833,423	5,000,000	319,208,356	952,625,067	473,329	2,012.60
6/30/50	1,307,988,158	5,000,000	326,997,040	975,991,119	473,329	2,061.97
6/30/51	1,339,903,070	5,000,000	334,975,767	999,927,302	473,329	2,112.54
6/30/52	1,372,596,704	5,000,000	343,149,176	1,024,447,528	473,329	2,164.34
6/30/53	1,406,088,064	5,000,000	351,522,016	1,049,566,048	473,329	2,217.41
6/30/54	1,440,396,613	5,000,000	360,099,153	1,075,297,460	473,329	2,271.77
6/30/55	1,475,542,290	5,000,000	368,885,573	1,101,656,718	473,329	2,327.46
6/30/56	1,511,545,522	5,000,000	377,886,380	1,128,659,141	473,329	2,384.51
6/30/57	1,548,427,233	5,000,000	387,106,808	1,156,320,425	473,329	2,442.95
6/30/58	1,586,208,857	5,000,000	396,552,214	1,184,656,643	473,329	2,502.82
6/30/59	1,624,912,353	5,000,000	406,228,088	1,213,684,265	473,329	2,564.14
6/30/60	1,664,560,215	5,000,000	416,140,054	1,243,420,161	473,329	2,626.97
6/30/61	1,705,175,484	5,000,000	426,293,871	1,273,881,613	473,329	2,691.32
6/30/62	1,746,781,766	5,000,000	436,695,441	1,305,086,324	473,329	2,757.25
6/30/63	1,789,403,241	5,000,000	447,350,810	1,337,052,431	473,329	2,824.78
6/30/64	1,833,064,680	5,000,000	458,266,170	1,369,798,510	473,329	2,893.96
6/30/65	1,877,791,458	5,000,000	469,447,865	1,403,343,594	473,329	2,964.84
6/30/66	1,923,609,570	5,000,000	480,902,392	1,437,707,177	473,329	3,037.43
6/30/67	1,970,545,643	5,000,000	492,636,411	1,472,909,232	473,329	3,111.81
6/30/68	2,018,626,957	5,000,000	504,656,739	1,508,970,218	473,329	3,187.99
6/30/69	2,067,881,455	5,000,000	516,970,364	1,545,911,091	473,329	3,266.04
6/30/70	2,118,337,762	5,000,000	529,584,441	1,583,753,322	473,329	3,345.99
6/30/71	1,085,012,602	5,000,000	271,253,150	808,759,451	473,329	1,708.66

- (1) Effective July 1, 2026 the Tax expires January 1, 2071 and schools will receive revenues for only one-half of FY2071
- (2) The assumption for growth in retail sales is based on an estimated growth rate of 2.44%. The statewide average percentage increases on a 25-year, 10-year, and 5-year historical basis were 2.44%, 2.966%, and 4.62% respectively.
- (3) For Fiscal Years after 2027, no change in enrollment from the October 1, 2025 Certified Enrollment Count
- (4) Revenue calculations are provided on an accrual basis and not cash basis.
- (5) Fiscal Year 2027 - 2031 average revenue per pupil estimate is calculated by dividing the Amount of School Distribution by the October 1, 2025 certified enrollment.

CALCULATIONS OF FISCAL YEAR TOTAL COLLECTIONS

The 2022 Act requires the Department to pay the school districts in the State an amount equal to 100% of the actual amount received multiplied by the individual school district's enrollment as a percentage of total statewide school enrollment. The Department is obligated to estimate revenues as of each August 15 of the fiscal year beginning July 1 and provide that revenue estimate to the school districts in the State, for planning purposes.

HISTORICAL RESIDENT ENROLLMENT IN THE SCHOOL DISTRICT

<u>Count Date October 1</u>	<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Count Date October 1</u>	<u>Fiscal Year</u>	<u>Enrollment</u>
2001	2002-03	1,534.3	2014	2015-16	1,354.6
2002	2003-04	1,536.4	2015	2016-17	1,346.6
2003	2004-05	1,528.7	2016	2017-18	1,363.5
2004	2005-06	1,498.2	2017	2018-19	1,335.5
2005	2006-07	1,521.1	2018	2019-20	1,305.3
2006	2007-08	1,519.4	2019	2020-21	1,260.8
2007	2008-09	1,499.7	2020	2021-22	1,260.3
2008	2009-10	1,495.4	2021	2022-23	1,245.2
2009	2010-11	1,465.3	2022	2023-24	1,200.0
2010	2011-12	1,419.9	2023	2024-25	1,234.9
2011	2012-13	1,403.8	2024	2025-26	1,201.3
2012	2013-14	1,377.6	2025	2026-27	1,134.6
2013	2014-15	1,352.6			

ACTUAL HISTORIC SALES, SERVICES & USE TAX REVENUE RECEIPTS (1)

Presented below is a table illustrating the actual Tax Revenues received by the Issuer for the period indicated on an accrual basis:

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Approximate Per Student</u>
2005	\$691,407	\$452
2006	\$765,329	\$511
2007	\$821,543	\$540
2008	\$902,166	\$594
2009	\$806,367	\$538
2010	\$939,549	\$628
2011	\$1,035,173	\$706
2012	\$1,059,873	\$746
2013	\$1,157,154	\$824
2014	\$1,243,715	\$903
2015	\$1,247,906	\$923
2016	\$1,277,333	\$943
2017	\$1,265,427	\$940
2018	\$1,326,126	\$973
2019	\$1,329,116	\$995
2020	\$1,353,335	\$1,037
2021	\$1,401,480	\$1,112
2022	\$1,548,417	\$1,229
2023	\$1,495,348	\$1,201
2024	\$1,580,727	\$1,317
2025	\$1,633,366	\$1,323
2026	\$1,690,289	\$1,407

(1) Source: Iowa Department of Revenue

ESTIMATED FUTURE SALES, SERVICES & USE TAX RECEIPTS

Presented below is a table illustrating the estimated Tax Revenues received for the periods indicated, using the assumptions noted below:

Fiscal Year	Estimated Collection Without Growth (1) (3)	Estimated Collection With Growth (2) (3)
2027	1,526,245	1,563,778
2028	1,482,296	1,556,107
2029	1,438,347	1,547,122
2030	1,350,448	1,488,368
2031	1,306,498	1,475,397
2032	1,306,498	1,511,689
2033	1,306,498	1,548,867
2034	1,306,498	1,586,951
2035	1,306,498	1,625,965
2036	1,306,498	1,665,931
2037	1,306,498	1,706,873
2038	1,306,498	1,748,813
2039	1,306,498	1,791,776
2040	1,306,498	1,835,788
2041	1,306,498	1,880,874
2042	1,306,498	1,927,059
2043	1,306,498	1,974,372
2044	1,306,498	2,022,839
2045	1,306,498	2,072,489
2046	1,306,498	2,123,350
2047	1,306,498	2,175,452
2048	1,306,498	2,228,826
2049	1,306,498	2,283,502
2050	1,306,498	2,339,511
2051	1,306,498	2,396,888

- (1) Assumes revenue per pupil as outlined in "ESTIMATED RECEIPTS OF THE TAX AVAILABLE FOR DISTRIBUTION – PER PUPIL BASIS – Table I – Assuming no Growth in Statewide Revenues & No Enrollment Changes" herein. Assumes no enrollment decline or increase of students per year from October 1, 2025 count used for Fiscal Year 2027 and thereafter.
- (2) Assumes revenue per pupil increase as outlined in "ESTIMATED RECEIPTS OF THE TAX AVAILABLE FOR DISTRIBUTION – PER PUPIL BASIS – Table II – Assuming Growth in Statewide Revenue & No Enrollment Changes – using current enrollment" herein
- (3) Assumes no changes to certified enrollment count from the October 1, 2025 count used for Fiscal Year 2027 distributions.
- (4) Assumes enrollment as outlined in "ESTIMATED RECEIPTS OF THE TAX AVAILABLE FOR DISTRIBUTION – PER PUPIL BASIS – Table I" herein.

ESTIMATED DEBT SERVICE AND COVERAGE ON THE BONDS (2)

Presented below is the estimated annual debt service requirement and the estimated debt service coverage on the Outstanding Bonds and the Bonds, on an accrual basis:

Fiscal Year	SERIES 2025 P&I Payments	SERIES 2026 P&I Payments	COMBINED TOTAL P&I	No Growth Assumed		Growth Assumed	
				Estimated Collections	Estimated Coverage	Estimated Collections	Estimated Coverage
		(1)		(2) (3)		(2) (4)	
2027	678,156	494,098	1,172,254	1,526,245	1.30	1,563,778	1.33
2028	677,156	462,050	1,139,206	1,482,296	1.30	1,556,107	1.36
2029	675,756	426,050	1,101,806	1,438,347	1.30	1,547,122	1.40
2030	673,956	361,300	1,035,256	1,350,448	1.30	1,488,368	1.43
2031	676,756	324,300	1,001,056	1,306,498	1.30	1,475,397	1.47
2032	673,956	328,800	1,002,756	1,306,498	1.30	1,511,689	1.50
2033	675,756	327,800	1,003,556	1,306,498	1.30	1,548,867	1.54
2034	676,956	326,550	1,003,506	1,306,498	1.30	1,586,951	1.58
2035	677,556	325,050	1,002,606	1,306,498	1.30	1,625,965	1.62
2036	677,556	324,650	1,002,206	1,306,498	1.30	1,665,931	1.66
2037	676,956	324,050	1,001,006	1,306,498	1.30	1,706,873	1.70
2038	675,756	328,250	1,004,006	1,306,498	1.30	1,748,813	1.74
2039	673,956	327,050	1,001,006	1,306,498	1.30	1,791,776	1.78
2040	676,556	325,650	1,002,206	1,306,498	1.30	1,835,788	1.83
2041	673,356	329,050	1,002,406	1,306,498	1.30	1,880,874	1.87
2042	674,556	327,050	1,001,606	1,306,498	1.30	1,927,059	1.92
2043	674,956	329,850	1,004,806	1,306,498	1.30	1,974,372	1.96
2044	674,556	327,250	1,001,806	1,306,498	1.30	2,022,839	2.01
2045	678,356	324,450	1,002,806	1,306,498	1.30	2,072,489	2.06
2046	676,156	326,450	1,002,606	1,306,498	1.30	2,123,350	2.11
2047	678,156	323,050	1,001,206	1,306,498	1.30	2,175,452	2.17
2048	678,406	324,450	1,002,856	1,306,498	1.30	2,228,826	2.22
2049	677,625	324,888	1,002,513	1,306,498	1.30	2,283,502	2.27
2050		999,900	999,900	1,306,498	1.30	2,339,511	2.33
2051		1,000,800	1,000,800	1,306,498	1.30	2,396,888	2.39
	15,552,913	9,942,835	25,495,748				

- (1) Represents estimated Debt Service on the Bonds. Preliminary, subject to change
- (2) Future revenue estimates assume no enrollment decline or increase of students per year from October 1, 2025 count used for Fiscal Year 2027. Fiscal Year 2026 revenue estimates are based upon the October 1, 2024 count.
- (3) Assumes revenue per pupil as outlined in "ESTIMATED RECEIPTS OF THE TAX AVAILABLE FOR DISTRIBUTION – PER PUPIL BASIS – Table I" herein and District receipt estimates as outlined in "ESTIMATED FUTURE SALES, SERVICES & USE TAX RECEIPTS"
- (4) Assumes revenue per pupil as outlined in "ESTIMATED RECEIPTS OF THE TAX AVAILABLE FOR DISTRIBUTION – PER PUPIL BASIS – Table II" herein and District receipt estimates as outlined in "ESTIMATED FUTURE SALES, SERVICES & USE TAX RECEIPTS"

Summary of Bond Resolution

Definitions. The following terms with or without capitalization shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

- "Act" shall mean Iowa Code Chapter 423F, as from time to time amended and supplemented.
- "Additional Bonds" shall mean any obligation payable from School Infrastructure Tax Revenues issued on a parity with the Bonds in accordance with the provisions of this Resolution.
- "Authorized Denominations" shall mean \$5,000 or any integral multiple thereof.
- "Beneficial Owner" shall mean the person in whose name such Bond is recorded as the beneficial owner of a Bond by a Participant on the records of such Participant or such person's subrogee.
- "Bond Proceeds" shall mean the amount actually received from the sale of the Bonds and paid to the Issuer on the Closing Date.
- "Bond(s)" shall mean \$6,140,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2026, authorized to be issued by this Resolution.
- "Cede & Co." shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.
- "Closing Date" shall mean the date of the delivery of the Bonds in exchange for the agreed upon purchase price.
- "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the Issuer and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

- "Debt Service Fund" shall mean the Sinking Fund.
- "Depository Bonds" shall mean the Bonds as issued in the form of one global certificate for each maturity, registered in the Registration Books maintained by the Registrar in the name of DTC or its nominee.
- "DTC" shall mean The Depository Trust Company, New York, New York, a limited purpose trust company, or any successor book-entry securities depository appointed for the Bonds.
- "Economic Refunding" shall mean the sale and issuance of refunding bonds issued to discharge and satisfy all or a part of the Bonds or the Outstanding Bonds in accordance with Section 20 of this Resolution, and to pay costs of issuance. The refunding must (i) produce annual debt service on the refunding bonds not greater than the total (remaining) debt service on the refunded bonds; (ii) shall not have a payment in any Fiscal Year (through maturity of the new bonds) that is greater than the payment on the Bonds or Outstanding Bonds being refunded, and (iii) shall not extend the final maturity of the refunded bonds.
- "Fiscal Year" shall mean the twelve-month period beginning on July 1 of each year and ending on the last day of June of the following year, or any other consecutive twelve-month period adopted by the Governing Body or by law as the official accounting period of the Issuer. Requirements of a Fiscal Year as expressed in this Resolution shall exclude any payment of principal or interest falling due on the first day of the Fiscal Year and include any payment of principal or interest falling due on the first day of the succeeding Fiscal Year, except to the extent of any conflict with the terms of the Outstanding Bonds while the same remain outstanding.
- "Governing Body" shall mean the Board of Directors of the School District.
- "Independent Auditor" shall mean an independent firm of Certified Public Accountants, an independent financial consultant, placement agent representing the Issuer, Municipal Advisor, or the Auditor of State.
- "Issuer" and "School District" shall mean the Maquoketa Community School District, counties of Clinton, Dubuque and Jackson, State of Iowa.
- "Original Purchaser" shall mean _____.
- "Outstanding Bonds" shall mean the \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2025, dated December 3, 2025 (the "Series 2025 Bonds"), issued in accordance with the Prior Bond Resolution, all of which are still outstanding and unpaid and remain a lien on the School Infrastructure Tax Revenues.
- "Parity Bonds" shall mean School Infrastructure Sales, Services and Use Tax Revenue Bonds, notes or other obligations payable solely from the School Infrastructure Tax Revenues on an equal basis with the Outstanding Bonds and the Bonds herein authorized to be issued and shall include the Outstanding Bonds, the Bonds, and Additional Bonds as authorized to be issued under the terms of this Resolution.
- "Participants" shall mean those broker-dealers, banks and other financial institutions for which DTC holds Bonds as securities depository.
- "Paying Agent" shall mean UMB Bank, N.A., or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein as Issuer's agent to provide for the payment of principal of and interest on the Bonds as the same shall become due.
- "Permitted Investments" shall mean any investments permitted in Iowa Code Chapter 12B or Section 12C.9. All interim investments must mature before the date on which the moneys are required for payment of principal and interest on the Bonds or project costs.
- "Prior Bond Resolution" shall mean a certain resolution adopted by the Issuer on November 18, 2025 authorizing the issuance of the Series 2025 Bonds.
- "Project" shall mean a school infrastructure project as authorized by the electors at the election approving the Revenue Purpose Statement, held November 7, 2023 and the Act, including to remodel, renovate, repair, improve, furnish, and equip Briggs Elementary building; and to construct, build, furnish, and equip an addition to Briggs Elementary building.
- "Project Fund" shall mean the fund required to be established by this Resolution for the deposit of the proceeds of the Bonds.
- "Rebate Fund" shall mean the rebate fund so defined in and established pursuant to the Tax Exemption Certificate and as provided in Section 21 of this Resolution.
- "Registrar" shall mean UMB Bank, N.A. of West Des Moines, Iowa, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein with respect to maintaining a register of the owners of the Bonds. Unless otherwise specified, the Registrar shall also act as Transfer Agent for the Bonds.
- "Representation Letter" shall mean the Blanket Issuer Letter of Representations executed and delivered by the Issuer to DTC on file with DTC.
- "Reserve Fund" shall mean the reserve fund established in Section 16 of this Resolution.
- "Reserve Fund Requirement" shall mean the Series 2025 Reserve Fund Requirement, the Series 2026 Reserve Fund Requirement, and, for any future Parity Bonds secured by the Reserve Fund, an amount equal to the lesser of (a) the maximum amount of the principal and interest coming due on such Parity Bonds; (b) 10% of the stated principal amount of the Parity Bonds (for issues with original issue discount the issue price as defined in the Tax Exemption Certificate shall be substituted for the stated principal amount) or (c) 125% of the average principal and interest coming due on the Parity Bonds. For purposes of this definition: (1) "issue price" shall be substituted for "stated principal amount" for issues with original issue discount or original issue premium of more than a de minimus amount and (2) stated principal amount shall not include any portion of an issue refunded or advance refunded by a subsequent issue.
- "Revenue Estimating Conference" shall mean the state revenue estimating conference established pursuant to Iowa Code 8.22A, as amended.
- "Revenue Fund" shall mean the revenue fund established in Section 16 of this Resolution.
- "School Infrastructure Tax" shall mean the one percent (1%) sales, services and use tax imposed by the State of Iowa for school

infrastructure purposes which must be deposited into the State Secure an Advanced Vision for Education Fund and distributed to the School District pursuant to Iowa Code Section 423F.2, as amended.

- "School Infrastructure Tax Revenues" shall mean all of the revenues received by the School District in each Fiscal Year from the imposition of the School Infrastructure Tax (including, without limitation, any revenues received by the School District from interest and penalties on delinquent collections of the School Infrastructure Tax).
- "Secretary" shall mean the Secretary of the Board of Directors of the School District, or such other officer of the successor Governing Body as shall be charged with substantially the same duties and responsibilities.
- "Series 2025 Reserve Fund Requirement" means the reserve fund requirement as set forth in the Prior Bond Resolution.
- "Series 2026 Reserve Fund Requirement" means an amount equal to \$ _____, which is an amount equal to the lesser of (a) the maximum amount of the principal and interest coming due on the Bonds; (b) 10% of the stated principal amount of the Bonds (for issues with original issue discount the issue price as defined in the Tax Exemption Certificate shall be substituted for the stated principal amount) or (c) 125% of the average principal and interest coming due on the Bonds. For purposes of this definition: (1) "issue price" shall be substituted for "stated principal amount" for issues with original issue discount or original issue premium of more than a de minimus amount and (2) stated principal amount shall not include any portion of an issue refunded or advance refunded by a subsequent issue
- "Sinking Fund" shall mean the sinking fund established in Section 16 of this Resolution.
- "State" shall mean the State of Iowa.
- "Statewide Sales Tax Revenues" shall mean either (a) all revenue received by the State from the one percent (1%) sales, services and use tax imposed by the State of Iowa for school infrastructure purposes for the most recent full fiscal year, or (b) the estimate (i) provided by the Iowa Department of Revenue to Iowa school districts as the total revenue from such sales, services and use tax, which estimate is currently scheduled to be shared with Iowa school districts on or around August 31 of each year, for the fiscal year ending the following June 30 or (ii) if the bonds are to be dated not less than six months after the start of the current fiscal year, based on the most recent Revenue Estimating Conference report.
- "Statutory Reductions" shall mean the amount of any current or future statutory reductions, transfers or diversions from the Statewide Sales Tax Revenues, including without limitation amounts diverted to career academies and scheduled transfer to the State's Property Tax Equity Relief Fund.
-
- "Tax Exemption Certificate" shall mean the Tax Exemption Certificate executed by the Treasurer and delivered at the time of issuance and delivery of the Bonds.
- "Treasurer" shall mean the Treasurer of the School District or such other officer as shall succeed to the same duties and responsibilities with respect to the recording and payment of the Bonds issued hereunder.
- "Yield Restricted" shall mean any amount required to be invested at a yield that is not materially higher than the yield on the Bonds under Section 148(a) of the Internal Revenue Code or regulations issued thereunder.

Application of Bond Proceeds - Project Fund. Proceeds of the Bonds shall be applied as follows:

- An amount sufficient to meet the Series 2026 Reserve Fund Requirement shall be deposited in the Series 2026 Bond Reserve Fund Subaccount within the Reserve Fund.
- There is hereby created a Project Fund, to be held by the Issuer, into which the balance of the Bond Proceeds shall be deposited and expended therefrom to pay costs of the Project and costs of issuance. Any amounts on hand in the Project Fund shall be available for the payment of the principal of or interest on the Bonds at any time that other School Infrastructure Tax Revenues shall be insufficient to the purpose, in which event such funds shall be repaid to the Project Fund at the earliest opportunity. Any balance on hand in the Project Fund and not immediately required for its purposes may be invested not inconsistent with limitations provided by law, the Internal Revenue Code and this Resolution.

Application of Revenues. The provisions of the Prior Bond Resolution are hereby ratified and confirmed. Nothing in this Resolution shall be construed to impair the rights vested in the Outstanding Bonds. The amounts herein required to be paid into the various funds named in this Section shall be inclusive of payments required in respect to the Outstanding Bonds. The provisions of the Prior Bond Resolution authorizing the Outstanding Bonds and the provisions of this Resolution are to be construed wherever possible so that the same will not be in conflict. In the event such construction is not possible, the provisions of the Prior Bond Resolution first adopted shall prevail until such time as the Outstanding Bonds authorized by said Prior Bond Resolution have been paid in full or otherwise satisfied as therein provided at which time the provisions of this Resolution shall again prevail.

As long as any of the Outstanding Bonds, the Bonds or Parity Bonds shall be outstanding and unpaid either as to principal or interest, or until all of the Outstanding Bonds, the Bonds and any Parity Bonds then outstanding shall have been discharged and satisfied in the manner provided in this Resolution, all of the receipts of the School Infrastructure Tax Revenues shall be deposited as collected with the Issuer in a special fund to be known as the Maquoketa Community School District School Infrastructure Sales and Services Tax Revenue Fund (the "Revenue Fund"), to be held by the Issuer and shall be disbursed in the following priority and only as follows:

1. Sinking Fund. The provisions in the Prior Bond Resolution, whereby there was created and is to be maintained a Sinking Fund, to be held

by or on behalf of the Issuer and for the monthly payment into said fund from future School Infrastructure Tax Revenues such portion thereof as will be sufficient to meet the principal and interest of the Outstanding Bonds are hereby ratified and confirmed; provided, however, that the amounts to be set aside and paid into the Sinking Fund in equal monthly installments from the School Infrastructure Tax Revenues shall be sufficient to pay the principal and interest due each year, not only on the Outstanding Bonds, but also the principal and interest of the Bonds herein authorized to be issued. The required amount to be deposited in the Sinking Fund in any month shall be the equal monthly amount necessary to pay in full the installment of interest coming due on the next interest payment date on the Outstanding Bonds, and the then outstanding Bonds and Parity Bonds plus the equal monthly amount necessary to pay in full the installment of principal coming due on such Outstanding Bonds, and the then outstanding Bonds and Parity Bonds on the next succeeding principal payment date until the full amount of such installment is on hand. If for any reason the amount on hand in the Sinking Fund exceeds the required amount, the excess shall forthwith be withdrawn and paid into the Revenue Fund. Money in the Sinking Fund shall be used solely for the purpose of paying principal of and interest on the Outstanding Bonds, the Bonds and Parity Bonds as the same shall become due and payable. Accrued interest, if any, shall be deposited in the Sinking Fund.

2. Reserve Fund. There shall be created within the Reserve Fund established in the Prior Bond Resolution various subaccounts with respect to the outstanding Series 2025 Bonds, the Bonds, and Additional Bonds, if required. The money deposited into the Revenue Fund shall be disbursed on a parity basis to make deposits into the various subaccounts of the Reserve Fund for all future Additional Bonds secured thereby. The subaccounts in the Reserve Fund shall be segregated from all other funds, accounts and subaccounts established by this Resolution and any future resolution for Additional Bonds secured by the Reserve Fund, and each subaccount shall be segregated and shall not be commingled. Upon the issuance of Additional Bonds, the Issuer may provide for annual or more or less frequent payments of principal and interest into the subaccount(s) for the Additional Bonds proposed to be issued. The following subaccounts are hereby established:

a) \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2025 Reserve Fund Subaccount ("Series 2025 Bond Reserve Fund Subaccount").

The provisions in the Prior Bond Resolution whereby there was created and maintained the Reserve Fund in an amount equal to the Series 2025 Reserve Fund Requirement for the outstanding Series 2025 Bonds is hereby ratified and confirmed and a subaccount entitled "Series 2025 Bond Reserve Fund Subaccount" is hereby established. All such provisions inure to and constitute the security for the payment of principal and interest on the outstanding Series 2025 Bonds. The Series 2025 Bond Reserve Fund Subaccount shall be held by or on behalf of the Issuer solely for the purpose of paying principal at maturity of or interest on the outstanding Series 2025 Bonds when insufficient funds shall be available in the Sinking Fund. The outstanding Series 2025 Bond Reserve Fund Subaccount is not pledged or otherwise held for the benefit of the purchasers of the Bonds or Additional Bonds, when issued.

b) \$6,140,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2026 Reserve Fund Subaccount ("Series 2026 Bond Reserve Fund Subaccount").

There is hereby established a subaccount entitled "Series 2026 Bond Reserve Fund Subaccount" within the Reserve Fund in connection with the issuance of the Bonds which shall be held by or on behalf of the Issuer and which shall only secure the Bonds. In each month there shall be deposited in the Series 2026 Bond Reserve Fund Subaccount an amount equal to one hundred percent of the Series 2026 Reserve Fund Requirement; provided, however, that when the amount on deposit in the Series 2026 Bond Reserve Fund Subaccount shall be not less than the Series 2026 Reserve Fund Requirement, no further deposits shall be made into the Series 2026 Bond Reserve Fund Subaccount except to maintain such level, and when the amount on deposit in the Series 2026 Bond Reserve Fund Subaccount is greater than the balance required above, such additional amounts shall be withdrawn and paid into the Revenue Fund. Money in the Series 2026 Bond Reserve Fund Subaccount shall be used solely for the purpose of paying principal at maturity of or interest on the Bonds when insufficient funds shall be available in the Sinking Fund. Whenever it shall become necessary to so use money in the Series 2026 Bond Reserve Fund Subaccount, the payments required above shall be continued or resumed until it shall have been restored to the required minimum amount. On the Closing Date, \$ _____ of the Bond Proceeds shall be deposited in the Series 2026 Bond Reserve Fund Subaccount. The Series 2026 Bond Reserve Fund Subaccount is not pledged or otherwise held for the benefit of the purchasers or owners of the Outstanding Bonds or Additional Bonds, when issued.

The School District may establish other subaccounts within the Reserve Fund upon the issuance of Additional Bonds which are required to be secured by the Reserve Fund.

In lieu of maintaining and depositing moneys in the Reserve Fund, the Issuer may hold in deposit in the Reserve Fund, a letter of credit, surety bond or similar instrument issued by a bank, insurance company or other financial institution in an amount equal to the Reserve Fund Requirement, such bank, insurance company or other financial institution, as the case may be, having a credit rating at the time of such delivery in one of the two highest rating categories of any nationally recognized rating service (without regard to any refinements of gradation of any rating category by numerical modifier or otherwise).

3. Subordinate Obligations. Money in the Revenue Fund may next be used to pay principal of and interest on (including reasonable reserves therefor) any other obligations which by their terms shall be payable from the School Infrastructure Tax Revenues, but subordinate to the Outstanding Bonds, the Bonds and Parity Bonds.

4. Surplus Revenue. Any remaining money may be used to pay or redeem any of the Outstanding Bonds, the Bonds or Parity Bonds or may be used for any lawful purpose.

Money in the Revenue Fund shall be allotted and paid into the various funds and accounts hereinbefore referred to in the order in which said funds are listed, on a cumulative basis on or before the 15th day of each month, or on the next succeeding business day when the 15th shall not be a business day; and if in any month the money in the Revenue Fund (including the Sinking Fund or the Reserve Fund), shall be insufficient to deposit or transfer the required amount in any of said funds or accounts, the deficiency shall be made up in the following month or months after payments into all funds and accounts enjoying a prior claim to the revenues shall have been met in full. The Issuer may establish various subaccounts within each fund established by the Prior Bond Resolution or this Resolution.

Failure to make such allocation and payment without cure within thirty days shall constitute an event of default under this Resolution.

Investments. Moneys on hand in the Project Fund and all of the funds provided by this Resolution may be invested only in Permitted Investments or deposited in financial institutions which are members of the Federal Deposit Insurance Corporation, or its equivalent successor, and the deposits in which are insured thereby and all such deposits exceeding the maximum amount insured from time to time by FDIC or its equivalent successor in any one financial institution shall be continuously secured in compliance with the State Sinking Fund provided under Iowa Code Chapter 12C, or otherwise by a valid pledge of direct obligations of the United States Government having an equivalent market value. All investments shall mature before the date on which the moneys are required for the purposes for which the fund was created or otherwise as herein provided but in no event maturing in more than three years in the case of the Reserve Fund. The provisions of this Section shall not be construed to require the Issuer to maintain separate accounts for the funds created by this Section.

The Sinking Fund and the Reserve Fund shall be segregated in a separate account but may be invested in the same manner as other funds of the School District but designated as a trust fund on the books and records of the School District. The Sinking Fund and Reserve Fund shall not be available for any other purposes other than those specified in this Resolution.

All income derived from such investments in the Revenue Fund shall be regarded as School Infrastructure Tax Revenues.

Earnings on investments of the Project Fund shall be deposited in and expended from the Project Fund.

Investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective fund was created.

Prior Lien and Parity Bonds; Subordinate Obligations.

The Issuer will issue no other Additional Bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the School Infrastructure Tax Revenues having priority over the Outstanding Bonds, the Bonds or Parity Bonds.

Additional Bonds may be issued on a parity and equality of rank with the Outstanding Bonds, the Bonds and any Parity Bonds with respect to the lien and claim of such Additional Bonds to the School Infrastructure Tax Revenues and the money on deposit in the funds adopted by this Resolution, for the following purposes and under the following conditions, but not otherwise:

- a) For the purpose of refunding any of the Bonds or Parity Bonds outstanding so long as the refunding is an Economic Refunding, without complying with subsection (b) below.
- b) For the purpose of refunding any Bonds or Parity Bonds outstanding, or for other lawful purposes, provided that, before any such Additional Bonds ranking on a parity are issued, there will have been procured and filed with the Secretary, a statement of an Independent Auditor reciting the opinion based upon necessary investigations that the School Infrastructure Tax Revenues (as calculated below) were equal to at least 1.30 times the aggregate amount that will be required in each Fiscal Year following the issuance of such Additional Bonds for the payment of both principal of and interest on all Bonds or Parity Bonds then outstanding which are payable from the School Infrastructure Tax Revenues and the Additional Bonds then proposed to be issued.

For the purpose of determining the School Infrastructure Tax Revenues the Independent Auditor shall divide (1) an amount equal to (A) the Statewide Sales Tax Revenues minus (B) Statutory Reductions (such reductions, transfers or diversions to be presented for the fiscal year in which said reduction, transfer or diversion is scheduled to occur), if applicable, by (2) the most recent statewide certified enrollment, which amount shall then be multiplied by the most recent certified enrollment count for the District.

- c) the Additional Bonds must provide contributions to the Sinking Fund to pay principal and interest on the Additional Bonds on the same basis as such contributions to the Sinking Fund are made for the Bonds.
- d) for the purposes of this Section, principal and interest falling due on the first day of a Fiscal Year shall be deemed a requirement of the immediately preceding Fiscal Year.

- e) the Reserve Fund, for the Series 2025 Bonds, the Bonds and Additional Bonds, if required, must be fully funded as of the date of issue of the Additional Bonds.

The Issuer may issue any bonds, notes, or other obligations that are subordinate to the Bonds ("Subordinate Obligations").

Amendment of Resolution Without Consent. The Issuer may, without the consent of or notice to any of the holders of the Bonds and Parity Bonds, amend or supplement this Resolution for any one or more of the following purposes:

- a) to cure any ambiguity, defect, omission or inconsistent provision in this Resolution or in the Bonds or Parity Bonds; or to comply with any applicable provision of law or regulation of federal or state agencies; provided, however, that such action shall not materially adversely affect the interests of the holders of the Bonds or Parity Bonds;
- b) to change the terms or provisions of this Resolution to the extent necessary to prevent the interest on the Bonds or Parity Bonds from being includable within the gross income of the holders thereof for federal income tax purposes;
- c) to grant to or confer upon the holders of the Bonds or Parity Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the bondholders;
- d) to add to the covenants and agreements of the Issuer contained in this Resolution other covenants and agreements of, or conditions or restrictions upon, the Issuer or to surrender or eliminate any right or power reserved to or conferred upon the Issuer in this Resolution; or
- e) to subject to the lien and pledge of this Resolution additional pledged revenues as may be permitted by law.

Amendment of Resolution Requiring Consent. This Resolution may be amended from time to time if such amendment shall have been consented to by holders of not less than two-thirds in principal amount of the Bonds and Parity Bonds at any time outstanding (not including in any case any bonds which may then be held or owned by or for the account of the Issuer, but including such refunding bonds as may have been issued for the purpose of refunding any of such bonds if such refunding bonds shall not then be owned by the Issuer); but this Resolution may not be so amended in such manner as to:

- a) Make any change in the maturity or interest rate of the Bonds, or modify the terms of payment of principal of or interest on the Bonds or any of them or impose any conditions with respect to such payment;
- b) Materially affect the rights of the holders of less than all of the Bonds and Parity Bonds then outstanding; and
- c) Reduce the percentage of the principal amount of Bonds, the consent of the holders of which is required to affect a further amendment.

Discharge and Satisfaction of Bonds. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Bonds and Parity Bonds, or any of them, in any one or more of the following ways:

- a) By paying the Bonds or Parity Bonds when the same shall become due and payable; and
- b) By depositing in trust with the Treasurer, or with a corporate trustee designated by the Governing Body for the payment of said obligations and irrevocably appropriated exclusively to that purpose an amount in cash or direct obligations of the United States the maturities and income of which shall be sufficient to retire at maturity, or by redemption prior to maturity on a designated date upon which said obligations may be redeemed, all of such obligations outstanding at the time, together with the interest thereon to maturity or to the designated redemption date, premiums thereon, if any that may be payable on the redemption of the same; provided that proper notice of redemption of all such obligations to be redeemed shall have been previously published or provisions shall have been made for such publication.

Upon such payment or deposit of money or securities, or both, in the amount and manner provided by this Section, all liability of the Issuer with respect to the Bonds or Parity Bonds shall cease, determine and be completely discharged, and the holders thereof shall be entitled only to payment out of the money or securities so deposited.

THE PROJECT

Proceeds of the Bonds, along with the proceeds of the \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2025, dated December 3, 2025 (the "Series 2025 Bonds"), and the expected issuance of approximately \$2,000,000 General Obligation School Capital Loan Notes later in 2026 will be used i) to remodel, renovate, repair, improve, furnish and equip Briggs Elementary building; and to construct, build, furnish, and equip an addition to Briggs Elementary Building, ii) to establish and fund a Debt Service Reserve Fund, and iii) to pay costs of issuance for the Bonds (the "Project").

Estimated Sources & Uses of Funds*

SOURCES OF FUNDS

Bond Proceeds	\$6,140,000*
Original Reoffering Premium	

TOTAL SOURCES

USES OF FUNDS

Project Costs
Issuance Costs
Debt Service Reserve Fund
Underwriters Discount

TOTAL USES OF FUNDS

* Preliminary, subject to change

Future Debt

The District intends to issue General Obligation Capital Loan Notes ("PPEL Notes") in the amount of approximately \$2,000,000 as a component of financing for this project, and the notes are expected to be issued in late 2026 or early 2027.

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, with interest payable on June 1 and December 1, each year, beginning on June 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 a such other address as is furnished to the Paying Agent in writing by a registered owner.

Authorization for the Issuance

The Bonds are being issued pursuant to the Act and the Series 2026 Resolution expected to be adopted by the Board on or about October 19, 2026. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" herein.

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") will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, 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: 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 and www.dtc.org.

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 effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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/Registrar 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 Book Entry-Only 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 Bond Registrar for a like aggregate principal amount of Bonds or other authorized denominations of the same maturity and interest rate; provided, however, that the Bond 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 Bond 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 Bond Registrar and shall not be redelivered.

Redemption *

Optional Redemption. All of the Bonds are subject to prepayment at the option of the Issuer, as a whole or in part, and within a maturity by lot from any source of available funds, beginning June 1, 2036 and on any date thereafter, at a prepayment price equal to the principal amount of the Bonds, together with accrued interest to the date fixed for prepayment, without premium.

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

<u>_____ Term Bond</u>	
<u>Mandatory Sinking Fund Date</u>	<u>Principal Amount</u>
(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.

Notice of Redemption. Prior to the redemption of any Bonds under the provisions of the Series 2026 Resolution, the Bond Registrar shall give notice not less than thirty (30) days prior to the redemption date to each registered owner thereof.

On the dates so designated for redemption, notice having been given in the manner and under the conditions hereinabove, provided and moneys for payment of the redemption price being held in the Sinking Fund, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date. Interest on the Bonds so called for redemption shall cease to accrue; such Bonds shall cease to be entitled to any benefit hereunder, and the Bondholders shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Bonds which have been duly called for redemption, with respect to which irrevocable instructions to call for redemption at a stated redemption have been given to the Bond Registrar, and moneys for the payment the face amount thereof, premium, if any, and interest on are held in separate accounts by the Bond Registrar in trust for Bondholders shall not thereafter be deemed to be outstanding under the provisions of the Series 2026 Resolution, other than be entitled to receive payment from such sources.

* preliminary, subject to change

LITIGATION

To the best of the Issuer's knowledge, no litigation is pending or threatened which, if decided adversely to the Issuer would be likely to result, either individually or in the aggregate, in final judgments against the Issuer which would materially adversely affect the transaction contemplated by this Official Statement, the validity of the Bonds, the Issuer's ability to meet debt service payments on the Bonds when due, or its obligations under the Series 2026 Resolution, or which would materially adversely affect its financial position.

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.

TAX EXEMPTION AND RELATED TAX MATTERS

Tax Exemption

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

Subject to the Issuer's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, the interest on the Bonds is excludable from gross income for federal income tax purposes 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.

Qualified Tax Exemption Obligations

The Bonds will be designated as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), and has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. However, the Issuer's failure to comply with such covenants could cause the Bonds not to be "qualified tax-exempt obligations" and banks and certain other financial institutions would not receive more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of 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 or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

The owners of the Bonds cannot foreclose on property within the boundaries of the Issuer or sell such property in order to pay the debt service on the Bonds. In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel's opinion. The opinion will state, in part, that the obligations of the Issuer with respect to the Bonds may be subject to bankruptcy,

insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, to the exercise of judicial discretion in appropriate cases and to the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

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

LEGAL MATTERS

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

Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this Official Statement and will express no opinion with respect thereto. Bond Counsel has not participated in the preparation of this Official Statement other than to review or prepare information describing the terms of the Bonds, Iowa and Federal law pertinent to the validity of the Bonds, and the tax status of interest on the Bonds which can be found generally under the sections **"THE BONDS"**, **"SECURITY AND SOURCE OF PAYMENT 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 not been engaged, nor has it undertaken, to independently verify the accuracy, completion or fairness of such information within the Official Statement but has relied upon governmental officials, and other sources who have access to relevant data to provide accurate data. The Municipal Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

CONTINUING DISCLOSURE

The Issuer will covenant in a Continuing Disclosure Certificate (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 notices of events, if any, are also to be filed 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 the Rule.

A failure by the Issuer to comply with the Undertaking will not constitute a default under the Series 2026 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 Issuer to comply with its obligations under the Continuing Disclosure Certificate. Direct, indirect, consequential, and punitive damages shall not be recoverable by any person for any default thereunder.

If the Issuer fails to comply with any provision of the Continuing Disclosure Certificate, the sole remedy available shall be an action to compel performance. A failure by the Issuer to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

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

For the previous five (5) year period, the Issuer has only been subject to disclosure covenants since issuing the Series 2025 Bonds on December 3, 2025. Since that time, the Issuer believes it has materially complied with the Rule.

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, the Series 2026 Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the Series 2026 Resolution and other documents, agreements and statutes referred to herein, and the description of the Bonds included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entireties 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.

MAQUOKETA COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/Kristy Haxmeier
Board Secretary

APPENDIX A – GENERAL INFORMATION ABOUT THE ISSUER

MAQUOKETA COMMUNITY SCHOOL DISTRICT, IOWA

DISTRICT OFFICIALS

PRESIDENT	Michael Hayward
BOARD MEMBERS	Mary Herring Greg Bopes Kacee Nohr Tom Miller
SUPERINTENDENT	Tara Notz
DISTRICT SECRETARY	Kristy Haxmeier
DISTRICT TREASURER	Kristy Haxmeier
DISTRICT ATTORNEY	Ahlers & Cooney, P.C.

CONSULTANTS

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

General Information

The Maquoketa Community School District (the “Issuer” or “District”) is located primarily in Jackson County but includes small portions of Clinton County and Dubuque County, in Eastern Central Iowa. Jackson and Clinton Counties are the easternmost counties in the State of Iowa and are bordered on the east by the Mississippi River. The District includes the Jackson County seat community of Maquoketa, and surrounding agricultural land. Highway services are provided by U.S. Highway 61, a 4-lane divided highway linking Dubuque Iowa to the Iowa Quad Cities.

District Facilities (1)

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

<u>Building</u>	<u>Construction Date</u>	<u>Grades Served</u>
High School	1963, 2005	9-12
Middle School	1922, 1970, 1974, 1992, 2004	6-8
Briggs Elementary	1973, 1992, 2003	3-5
Cardinal Elementary	1954, 1980, 1992	PK-2

Enrollment (3)

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

<u>Count Date</u>	<u>Fiscal Year effective</u>	<u>Certified (Resident) (4) (5)</u>	<u>Open Enroll In</u>	<u>Open Enroll Out</u>	<u>Total Served (6)</u>
October-25	2026-27	1,134.60	54.30	150.60	1,038.30
October-24	2025-26	1,201.30	73.20	142.40	1,132.10
October-23	2024-25	1,234.90	65.60	134.80	1,165.70
October-22	2023-24	1,200.00	75.60	128.90	1,146.70
October-21	2022-23	1,245.20	88.20	133.70	1,199.70

Staff (1)

Presented below is a list of the Issuer's 235 employees.

Administrators:	12	Media Specialists:	0
Teachers:	105	Nurses:	3
Teacher Aids:	70	Guidance:	5
Custodians:	10	Secretaries:	10
Food Service:	0	Transportation:	12
Other:	4	Maintenance:	4

Population (2)

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

<u>Year</u>	<u>Population</u>
2020	6,128
2010	6,141
2000	6,112
1990	6,130
1980	6,313
1970	5,677

(1) Source: the Issuer

(2) Source: U.S. Census Bureau

(3) Source: Iowa Department of Education

(4) Used for Sales Tax and State Aid distribution

(5) 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.

Other Post-Employment Benefits (OPEB) (1)

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	22
<u>Active employees</u>	<u>232</u>
Total	254

Total OPEB Liability – The Issuer’s total OPEB liability of \$1,040,662 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023 for a reporting date of June 30, 2025.

Actuarial Assumptions – the total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement:

Rate of inflation	2.50%
Rates of salary increase including inflation	3.25%
Discount rate including inflation	3.97%
Healthcare cost trend rate	7.60%, gradually decreasing until reaching the ultimate trend rate of 3.90%

Mortality rates were based on the 2022 Iowa Public Employees Retirement System demographic assumptions study with mortality rates based on the Pub-2010 general mortality tables with projected mortality improvements based on scale MP-2021

Changes in the Total OPEB Liability:

Total OPEB obligation – beginning of year	\$1,039,335
Changes for the year	
Service Cost	74,168
Interest	40,938
Changes of benefit terms	-
Difference between expected & actual experiences	-
Change in assumption	(7,906)
<u>Benefit Payments</u>	<u>(105,873)</u>
Net Changes	1,327
Net OPEB obligation – end of year	\$1,040,662

Changes of assumptions reflect a change in the discount rate from 3.86% in fiscal year 2024 to 3.97% in fiscal year 2025.

(1) Source: the Issuer

Employee Pension Plan (1)

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

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

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

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

Table 1 – Issuer and Employees Contribution to IPERS.

Fiscal Year	Issuer Contribution		Issuer Employees' Contribution	
	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2020	\$963,720	9.44	\$642,139.85	6.29
2021	999,927	9.44	666,263.71	6.29
2022	1,008,983	9.44	672,299.47	6.29
2023	1,019,907	9.44	679,577.92	6.29
2024	1,013,711	9.44	675,448.81	6.29
2025	1,078,225	9.44	718,436.03	6.29

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

Table 2 – Recent returns of IPERS (1)

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

Fiscal Year Ended June 30	Investment Return %
2020	3.39
2021	29.63
2022	-3.90
2023	5.41
2024	9.07
2025	9.87

(1) Source: the Issuer

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

Table 3 – Funding Status of IPERS (1)

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2020	34,485,656,745	34,047,692,112	41,072,427,540	6,586,770,795	83.96	7,024,735,428	82.90	8,391,856,350	78.49
2021	37,584,987,296	42,889,875,682	42,544,648,750	4,959,661,454	88.34	-345,226,932	100.81	8,648,783,536	57.35
2022	39,354,232,379	40,191,566,259	43,969,714,606	4,615,482,227	89.50	3,778,148,347	91.40	9,018,019,950	51.18
2023	41,012,524,216	41,206,314,259	45,719,979,439	4,707,455,223	89.70	4,513,665,180	90.13	9,588,339,000	49.10
2024	42,927,257,062	43,661,123,300	47,302,619,657	4,375,362,595	90.75	3,641,496,357	92.30	10,003,675,315	43.74
2025	45,222,324,002	46,740,552,175	49,063,230,575	3,840,906,573	92.17	2,322,678,400	95.27	10,525,039,254	36.49

Net Pension Liabilities (2)

At June 30, 2025, the Issuer reported a liability of \$4,237,811 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7%. The Issuer’s proportion of the net pension liability was based on the Issuer’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See “**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS**” for additional information related to the Issuer’s deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

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

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

Investment of Public Funds (1)

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

<u>Type of Investment</u>	<u>Amount Invested</u>
Local Bank Money Market	\$1,649,554.73
Local Bank Deposit Accounts	9,845,529.83
Local Bank Time CD’s	1,514,803.53
ISJIT Money Market	9,151,781.79
ISJIT Time CD’s	499,447.82

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

(2) Source: the Issuer

Major Employers (2)

Presented below is a summary of the largest employers located within the Issuer:

<u>Employer</u>	<u>Business</u>	<u>Approximate Employees</u>
Maquoketa CSD	Education	100-249
Image the Possibilities	Cognitive and development disability services	100-249
Jackson Regional Healthcare	Healthcare	100-249
Pacific Coast Feather Co.	Bedding	100-249
Wal-Mart	Retail store	100-249
Dutrach Community Credit Union	Credit union	100-249
Maquoketa State Bank	Banking	50-99
Wady Industries	Steel structure manufacturer	50-99
Pearson Memorial Center	Fairgrounds	50-99
Crestridge Inc	Skilled nursing center	50-99
Maquoketa Care Center	Nursing home	50-99
Fareway	Grocery store	50-99
Maquoketa Co.	Machine shop	20-49
Precision Meatal Works	Metal goods manufacturer	20-49
Sonac USA LLC	Rendering company	20-49
Brandenburg Drainage Inc.	Drainage contractor	20-49
Clover Ridge Place	Senior citizen service org	20-49
Maquoketa Community Services	Social services	20-49
Maquoketa Family Clinic	Clinic	20-49
Medical Association – Maquoketa	Clinic	20-49
Sunshine Child care	Day care	20-49
Ohnward Bancshares	Bank holding company	20-49
Theisen Farm & Home	Farm supplies	20-49
Brad Deery Ford	Car dealer	20-49
Dollar Fresh	Grocery store	20-49
Oserhaus Pharmacy	Pharmacy	20-49

Property Tax Assessment (3) (4)

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

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

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

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

(1) Source: the Issuer

(2) Source: Iowa Workforce Development.com/employer database

(3) Source: Iowa Department of Revenue

(4) In 2023, the Legislature created a rollback for small commercial, small railroad and small industrial properties that receive the same rollback rate as residential properties receive for said year, for the valuation of those classes up to \$150,000. Valuation above \$150,000 is taxed at the above rollback rate for each of commercial, railroad and industrial.

Property Valuations (1)

Actual Valuation					
Valuation as of January	2025	2024	2023	2022	2021
Fiscal Year	<u>2026-27</u>	<u>2025-26</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>
Residential:	661,666,028	587,260,458	587,892,495	444,161,701	422,246,352
Agricultural Land:	179,496,718	134,395,603	134,460,903	110,588,650	110,643,950
Ag Buildings:	9,913,560	8,433,060	8,079,560	5,694,200	5,579,400
Commercial:	115,503,611	108,944,980	106,349,230	86,691,612	87,029,431
Industrial:	18,425,400	17,609,300	16,977,100	14,501,100	9,844,710
Multi-Residential	0	0	0	0	15,505,007
Reserved	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	3,710,040	2,740,454	2,828,127	2,392,275	4,248,831
Other:	0	0	0	0	0
Total Valuation:	988,715,357	859,383,855	856,587,415	664,029,538	655,097,681
Less Military:	1,240,000	1,324,000	1,419,800	674,128	713,020
Less Homestead:	4,829,500	4,647,500	2,174,250	0	
Net Valuation:	982,645,857	853,412,355	852,993,365	663,355,410	654,384,661
TIF Valuation:	22,349,355	22,906,300	21,800,725	22,974,278	22,931,914
Utility Replacement:	62,734,197	57,872,820	54,718,413	50,154,906	48,731,907
Taxable Valuation					
Valuation as of January	2025	2024	2023	2022	2021
Fiscal Year	<u>2026-27</u>	<u>2025-26</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>
Residential:	293,261,891	275,996,851	272,412,467	238,756,228	225,997,597
Agricultural Land:	106,693,042	99,261,233	96,592,691	101,346,794	98,518,648
Ag Buildings:	5,892,621	6,228,440	5,804,110	5,218,365	4,967,961
Commercial:	84,842,745	80,640,477	77,534,206	65,175,914	77,458,080
Industrial:	15,224,532	14,576,429	13,974,913	11,997,033	8,356,990
Multi-Residential	0	0	0	0	8,571,156
Reserved	0	0	0	0	0
Railroads:	0	0	0	0	0
Utilities:	3,635,838	2,740,454	2,828,127	2,392,275	4,248,831
Other:	0	0	0	0	0
Total Valuation:	509,550,669	479,443,884	469,146,514	424,886,609	428,119,263
Less Military:	1,240,000	1,324,000	1,419,800	674,128	713,020
Less Homestead:	4,829,500	4,647,500	2,174,250	0	
Net Valuation:	503,481,169	473,472,384	465,552,464	424,212,481	427,406,243
TIF Valuation:	22,349,355	22,906,300	21,800,725	22,771,910	22,931,914
Utility Replacement:	10,803,230	9,582,487	9,773,735	10,139,714	10,183,476

Valuation Year	Fiscal Year	Actual Valuation w/Utilities	% Change in Actual Valuation	Taxable Valuation w/Utilities	% Change in Taxable Valuation
2025	2027	1,067,729,409	14.29%	536,633,754	6.06%
2024	2026	934,191,475	0.50%	505,961,171	1.78%
2023	2025	929,512,503	26.21%	497,126,924	8.75%
2022	2024	736,484,594	1.44%	457,124,105	-0.74%
2021	2023	726,048,482	2.98%	460,521,633	0.64%

(1) Source: Iowa Department of Management

Tax Rates (1)

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

<u>Fiscal Year</u>	<u>Operating Fund</u>	<u>Management Fund</u>	<u>Board PPEL</u>	<u>Voter PPEL</u>	<u>Play Ground</u>	<u>Debt Service</u>	<u>Total Levy</u>
2026	8.82386	2.69121	0.33000	1.00000	0.00000	0.00000	12.84507
2025	8.19830	3.15573	0.33000	1.00000	0.00000	0.00000	12.68403
2024	9.86838	1.79578	0.33000	1.00000	0.00000	0.00000	12.99416
2023	10.26389	1.40543	0.33000	1.00000	0.00000	0.00000	12.99932
2022	10.35849	1.30676	0.33000	1.00000	0.00000	0.00000	12.99525

Historic Tax Rates (1)

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

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>County Assessor</u>	<u>County Ag Extens</u>	<u>County Hospital</u>	<u>County</u>	<u>Total Levy Rate</u>
2026	12.54253	12.84507	0.92744	0.00000	0.64091	0.22260	0.90695	5.37938	33.46488
2025	12.74823	12.68403	0.94807	0.00180	0.63200	0.22318	0.91674	5.41302	33.56707
2024	14.72304	12.99416	0.94840	0.00180	0.64098	0.22874	0.95508	5.07717	35.56937
2023	13.89987	12.99932	0.94542	0.00240	0.63181	0.22343	1.18799	4.91237	34.80261
2022	13.89513	12.99525	0.92357	0.00260	0.66923	0.21833	1.19257	4.81241	34.70909

Tax Collection History (2)

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

<u>Fiscal Year</u>	<u>Amount Levied</u>	<u>Amount Collected</u>	<u>Percentage Collected</u>
2026	\$6,238,392	In collection	NA
2025	6,058,206	\$6,043,549	99.76%
2024	5,675,336	5,771,926	101.70%
2023	5,721,226	5,731,594	100.18%
2022	5,788,041	5,780,309	99.87%

(1) Source: Iowa Department of Management

(2) Source: the Issuer

Largest Taxpayers (1) (2)

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

<u>Taxpayer</u>	<u>2025 Taxable Valuation</u>	<u>Percent of Total</u>
Family Dollar Services Inc.	30,567,721	5.696%
Wal-mart Real Estate Business Trust	5,312,864	0.990%
Central Iowa Power Co-op	5,508,758	1.027%
Generac Power Systems Inc.	4,450,162	0.829%
Kwip Trip, Inc	2,775,234	0.517%
TL NE Iowa, LLC	2,682,226	0.500%
HARIKRUPA, LLC	2,146,895	0.400%
Ablit Holdings LLC	2,139,124	0.399%
C&J Service Company	2,046,493	0.381%
Fareway Stores, Inc.	2,045,683	0.381%
Total		11.12%

(1) Source: Clinton, Dubuque and Jackson Counties Auditors' Offices

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

Direct Debt

General Obligation School Bonds (Debt Service) (1)

The Issuer does not have any outstanding general obligation bonds.

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

The Issuer does not have any outstanding General Obligation School Capital Loan Notes, but does intend as part of this capital project financing to issue approximately \$2,000,000 in PPEL Notes later in 2026 or early 2027.

Anticipatory Warrants (1)

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

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

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

<u>Fiscal Year</u>	<u>12/3/25</u>	<u>5/7/26</u>	<u>Total Principal</u>	<u>Total Interest</u>	<u>Total Obligations</u>
6/1/27	\$275,000	\$350,000	\$625,000	\$555,955	\$1,180,955
6/1/28	285,000	220,000	505,000	640,394	1,145,394
6/1/29	295,000	200,000	495,000	617,994	1,112,994
6/1/30	305,000	145,000	450,000	596,194	1,046,194
6/1/31	320,000	115,000	435,000	576,744	1,011,744
6/1/32	330,000	125,000	455,000	558,194	1,013,194
6/1/33	345,000	130,000	475,000	538,744	1,013,744
6/1/34	360,000	135,000	495,000	518,444	1,013,444
6/1/35	375,000	140,000	515,000	497,294	1,012,294
6/1/36	390,000	145,000	535,000	476,694	1,011,694
6/1/37	405,000	150,000	555,000	455,294	1,010,294
6/1/38	420,000	160,000	580,000	433,094	1,013,094
6/1/39	435,000	170,000	605,000	409,894	1,014,894
6/1/40	455,000	170,000	625,000	385,694	1,010,694
6/1/41	470,000	180,000	650,000	360,694	1,010,694
6/1/42	490,000	185,000	675,000	334,694	1,009,694
6/1/43	510,000	195,000	705,000	307,694	1,012,694
6/1/44	530,000	200,000	730,000	279,494	1,009,494
6/1/45	555,000	205,000	760,000	250,294	1,010,294
6/1/46	575,000	220,000	795,000	219,894	1,014,894
6/1/47	600,000	225,000	825,000	188,094	1,013,094
6/1/48	625,000	230,000	855,000	154,344	1,009,344
6/1/49	650,000	245,000	895,000	118,788	1,013,788
6/1/50		930,000	930,000	80,750	1,010,750
6/1/51		970,000	970,000	41,225	1,011,225
Totals:	\$10,000,000	\$6,140,000	\$16,140,000	\$9,596,587	\$25 736,587

(1) Source: the Issuer

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

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

	FY2027
Actual Valuation:	\$1,067,729,409
X	5%
Statutory Debt Limit:	\$53,386,470
Total General Obligation Bond Debt:	\$0
Total General Obligation Note Debt:	0
Total Lease Purchases:	0
Total Loan Agreements:	0
Capital Leases:	0
Total Debt Subject to Limit:	\$0
Percentage of Debt Limit Obligated:	0.00%

It has not been determined whether the Issuer's Sales Tax Revenue Bonds do or do not count against the constitutional debt limit. If the Bonds do count against the constitutional debt limit, the amount of debt subject to the debt limit would increase \$16,140,000 to be \$16,140,000, or 30.23% of the statutory debt limit.

(1) Direct debt source: the Issuer

(2) Valuation data source: Iowa Department of Management

(3) Utility Property Tax Replacement

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

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

(4) Preliminary, subject to change.

Overlapping & Underlying Debt (1) (3)

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

<u>Taxing Authority</u>	<u>GO Debt Outstanding</u>	<u>Taxable Valuation</u>	<u>Valuation Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
City Of Maquoketa	\$5,845,000	\$250,092,554	\$250,092,554	100.00%	\$5,845,000
City Of Baldwin	0	3,050,786	3,050,786	100.00%	0
City Of Zwingle	0	2,977,106	2,977,106	100.00%	0
Jackson County	4,845,000	1,346,331,641	498,053,576	36.99%	1,792,329
Dubuque County	18,627,019	6,637,106,332	6,748,844	0.10%	18,941
Clinton County	16,880,000	2,879,613,134	1,158,751	0.04%	6,792
Eastern Iowa Cc	49,395,000	19,088,051,493	505,961,171	2.65%	1,309,298
Mississippi Bend Aea	0	18,995,308,088	505,961,171	2.66%	0
Total:					\$8,972,361

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

Actual Value of Property, 2025	\$1,067,729,409
Taxable Value of Property, 2025	\$536,633,754
Direct General Obligation Debt:	\$0
Overlapping Debt:	\$8,972,361
Direct & Overlapping General Obligation Debt:	\$8,972,361
Population, 2020 US Census:	8,941
Direct Debt per Capita:	\$0
Total Debt per Capita:	\$1,004
Direct Debt to Taxable Valuation:	0.000%
Total Debt to Taxable Valuation:	1.672%
Direct Debt to Actual Valuation:	0.000%
Total Debt to Actual Valuation:	0.840%
Actual Valuation per Capita:	\$119,419
Taxable Valuation per Capita:	\$60,019

(1) Valuation source: Iowa Department of Management

(2) Direct debt source: the Issuer

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

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

(5) Preliminary, subject to change

APPENDIX B – FORM OF LEGAL OPINION

DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors of the Maquoketa Community School District in the Counties of Clinton, Dubuque and Jackson, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2026, by said Issuer, dated November 4, 2026, in the denominations of \$5,000 or multiples thereof, in the aggregate amount of \$_____ (the "Bonds").

The Bonds are issued pursuant to Iowa Code Chapter 423F and a Resolution Authorizing the Terms of Issuance and Providing for and Securing the Payment of School Infrastructure Sales, Services and Use Tax Revenue Bonds (the "Resolution") of the Issuer adopted October 19, 2026. Under the Resolution, the Issuer has pledged certain School Infrastructure Sales, Services and Use Tax Revenues (the "School Infrastructure Tax Revenues") for the payment of principal of, premium (if any), and interest on the Bonds when due.

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

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution 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 the Resolution, perform the agreements on its part contained therein, and issue the Bonds.
2. The Resolution has been duly adopted by the Issuer and constitutes a valid and binding agreement of the Issuer.
3. The Resolution creates a valid lien on the School Infrastructure Tax Revenues pledged by the Resolution (and defined therein) for the security of the Bonds and the Parity Bonds. The lien of the Bonds ranks on a parity as to the pledge of School Infrastructure Tax Revenues with respect to other Outstanding Bonds and Additional Bonds (as defined in the Resolution). The right to issue Additional Bonds is reserved upon conditions set forth in the Resolution.
4. The Bonds have been duly authorized and executed by the Issuer and are valid and binding limited obligations of the Issuer, payable solely from the sources provided therefor in the Resolution.

THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE ISSUER AND THE GENERAL CREDIT AND TAXING POWERS OF THE ISSUER ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL THEREOF OR INTEREST THEREON. THE ISSUER IS NOT OBLIGATED TO LEVY ANY AD VALOREM TAXES NOR TO EXPEND ANY MONIES OF THE ISSUER TO PAY THE BONDS, EXCEPT THE SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX REVENUES SPECIFICALLY PLEDGED UNDER THE RESOLUTION.

5. 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 on the Bonds 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 under Section 103 of the Code. 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.

The Issuer has designated the Bonds "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Code.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the 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 Maquoketa Community School District, State of Iowa (the "Issuer"), in connection with the issuance of \$_____ School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2026 (the "Bonds") dated November 4, 2026. The Bonds are being issued pursuant to a Resolution of the Issuer approved on October 19, 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. Annually, 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 "Current Statewide Receipts of the Tax – Average Per Pupil Receipts", "Actual Historic Sales, Services & Use Tax Revenue Receipts", "Estimated Future Sales, Services & Use Tax Receipts", "Historical Resident Enrollment in the School District", and "Estimated Debt Service and Coverage on the Bonds".

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.

MAQUOKETA 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: Maquoketa Community School District, Iowa.

Name of Bond Issue: \$_____ School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2026

Dated Date of Issue: November 4, 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____.

MAQUOKETA 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.

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**Maquoketa Community
School District**

Maquoketa, Iowa

Financial and Compliance Report
Year Ended June 30, 2025

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Maquoketa Community School District

**Board of Education and School District Administration
Year Ended June 30, 2025**

Board of Education

	Title	Term Expires
Michael Hayward	President	2027
Mary Herring	Vice President	2025
Greg Bopes	Director	2025
Kacee Nohr	Director	2027
Tom Miller	Director	2027

School District Administration

Tara Notz	Superintendent	2025
Kristy Haxmeier	Board Secretary/Treasurer and School Business Official	2025
Ahlers & Cooney P.C.	Attorney	2025
Schoenthaler, Bartelt, Kahler and Reicks	Attorney	2025

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

Independent Auditor's Report

To the Board of Education
Maquoketa Community School District
Maquoketa, Iowa

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Maquoketa Community School District, 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 the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maquoketa Community School District, Iowa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As a result, June 30, 2024 governmental activities net position was restated.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Maquoketa Community School District, Iowa's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the District's proportionate share of the net pension liability and schedules of contributions for the Iowa Public Employee's Retirement System and schedule of changes in the District's total OPEB liability and related ratios, and budgetary comparison information, on pages 4–14 and 53-62 be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of

management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Maquoketa Community School District, Iowa's basic financial statements. The supplementary information, as listed in the table of contents and the Schedule of Expenditures of Federal Awards as required by Title 2, *U.S Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The District's basic financial statements for the years ended June 30, 2016 through 2023, which are not presented herein, were audited by other auditors whose report thereon dated June 12, 2024 expressed unmodified opinions on the basic financial statements. Their report on the Schedule of Revenues by Source and Expenditures by Function for the years ended June 30, 2016 through 2023 stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements as a whole for the years ended June 30, 2016 through 2023 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2026, on our consideration of the Maquoketa Community School District, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Maquoketa Community School District, Iowa's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Maquoketa Community School District, Iowa's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

East Moline, Illinois
March 10, 2026

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Maquoketa Community School District

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

Maquoketa Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2025. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

2025 FINANCIAL HIGHLIGHTS

- The District's overall financial position has increased from the prior year. The District showed an increase in net position of \$2,220,753 during the year ended June 30, 2025.
- Total revenues for the fiscal year ended June 30, 2025 and 2024 of \$25,760,737 and \$25,712,919 were comprised of general revenues in the amount of \$17,580,352 and \$16,930,535 and program revenues totaling \$8,180,385 and \$8,782,384, respectively.
- The District's General Fund balance decreased by \$1,042,947, the unassigned fund balance decreased by \$959,992 and the restricted fund balance decreased \$82,995.

USING THIS ANNUAL REPORT

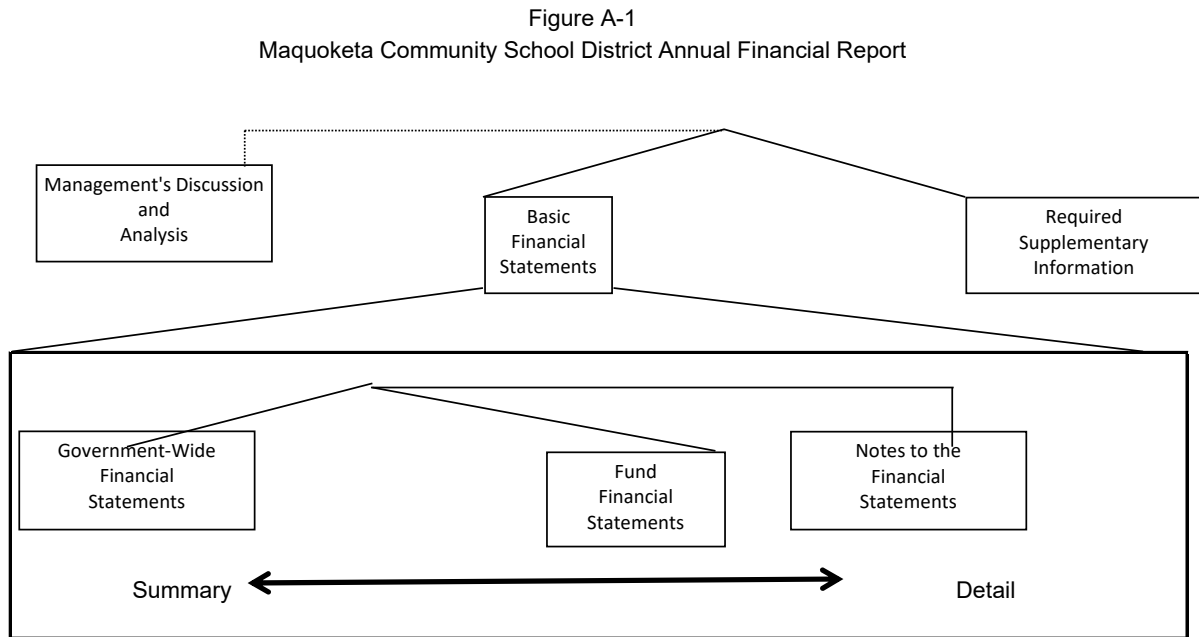
The annual report consists of a series of financial statements and other information, as follows:

- 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 Maquoketa 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 Maquoketa Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Maquoketa Community School District acts solely as an agent or custodian for the benefit of those outside of the School District.
- Notes to the financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year, as well as presenting the schedule of the District's total OPEB liability and related ratios, and the District's proportionate share of net pension liability and related pension contributions.
- Other supplementary information provides detailed information about the nonmajor funds.

Maquoketa Community School District

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

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



Maquoketa Community School District

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

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

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 student activities monies
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset and deferred outflow of resources/ liability and deferred inflow of resources information	All assets, deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter.	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Maquoketa Community School District

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

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

Governmental funds. Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial position that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information in the reconciliations following each of the governmental fund statements explains the relationship or differences between the two statements.

Maquoketa Community School District

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

The District's governmental funds include the General Fund, Management Levy Fund and the Capital Projects Fund, and nonmajor funds including the Debt Service Fund, and the special revenue funds of the Student Activity Fund and Support Trust Fund.

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

Proprietary funds. Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's enterprise fund, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District's Enterprise Fund is the School Nutrition Fund. The District uses internal service funds, the other kind of proprietary fund, to report activities that provide supplies and services for its other programs and activities. The District currently has one internal service fund.

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

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

Fiduciary funds. The District is the trustee, or fiduciary, for assets that belong to others. These funds include the Private Purpose Trust Fund and Custodial Fund.

- Private Purpose Trust Fund- The District accounts for outside donations for scholarships for individual students in this fund.
- Custodial Fund- These are funds for which the District administers and accounts for certain revenue collected for other groups.

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 Statement of Changes in Fiduciary Net Position.

Maquoketa Community School District

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position – Figure A-3 below provides a summary of the District's net position for the year ended June 30, 2025 compared to June 30, 2024.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total District		Total Percentage
	Restated				Restated		
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	2024-25
Current and other assets	\$ 22,951,994	\$ 22,046,190	\$ 1,171,167	\$ 932,768	\$ 24,123,161	\$ 22,978,958	5.0%
Capital assets	21,709,475	20,476,540	104,105	114,033	21,813,580	20,590,573	5.9%
Total assets	44,661,469	42,522,730	1,275,272	1,046,801	45,936,741	43,569,531	5.4%
Deferred outflows of resources	1,734,349	2,314,019	-	-	1,734,349	2,314,019	-25.1%
Noncurrent liabilities	8,013,704	8,791,215	-	-	8,013,704	8,791,215	-8.8%
Other liabilities	4,029,484	3,946,642	273,420	118,705	4,302,904	4,065,347	5.8%
Total liabilities	12,043,188	12,737,857	273,420	118,705	12,316,608	12,856,562	-4.2%
Deferred inflows of resources	7,029,578	6,922,837	-	-	7,029,578	6,922,837	1.5%
Net position:							
Net investment in capital assets	21,338,520	20,135,719	104,105	114,033	21,442,625	20,249,752	5.9%
Restricted	7,140,796	5,764,951	-	-	7,140,796	5,764,951	23.9%
Unrestricted	(1,156,264)	(724,615)	897,747	814,063	(258,517)	89,448	-389.0%
Total net position	\$ 27,323,052	\$ 25,176,055	\$ 1,001,852	\$ 928,096	\$ 28,324,904	\$ 26,104,151	8.5%

The District's combined net position increased by 8.5 percent or \$2,220,753 from the prior year net position.

The net investment in capital assets (e.g., land, construction in progress, infrastructure, buildings and equipment), less the related debt increased \$1,192,873 or 5.9 percent. The District purchased and constructed \$2.2 million of capital assets during the fiscal year.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$1,375,845 from the prior year, primarily from an increase in restrictions for management levy due to the District accumulating resources for future insurance and retirement payments.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from restated \$89,448 to a deficit (\$258,517).

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

Maquoketa Community School District

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

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

Figure A-4 Changes in Net Position From Operating Results

	Governmental Activities		Business-Type Activities		Total District		Total
	Not Restated		Not Restated		Not Restated		Percentage
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	2024-25
Revenues:							
Program revenues:							
Charges for services	\$ 2,426,606	\$ 2,226,042	\$ 272,453	\$ 247,231	\$ 2,699,059	\$ 2,473,273	9.1%
Operating grants and contributions and restricted interest	4,544,047	5,659,873	937,279	633,893	5,481,326	6,293,766	-12.9%
Capital grants	-	15,345	-	-	-	15,345	0.0%
General revenues:							
Property tax	5,920,746	5,538,982	-	-	5,920,746	5,538,982	6.9%
Income surtax	697,731	782,580	-	-	697,731	782,580	-10.8%
Utility excise tax	122,804	131,297	-	-	122,804	131,297	-6.5%
Other taxes	13,176	12,469	-	-	13,176	12,469	5.7%
Revenue in lieu of taxes	178,083	165,147	-	-	178,083	165,147	100.0%
Statewide sales, services and use tax	1,633,392	1,580,834	-	-	1,633,392	1,580,834	3.3%
Unrestricted state grants	8,404,989	8,030,913	-	-	8,404,989	8,030,913	4.7%
Unrestricted investment earnings	562,771	580,711	40,300	42,731	603,071	623,442	-3.3%
Miscellaneous	6,360	64,871	-	-	6,360	64,871	-90.2%
Total revenues	24,510,705	24,789,064	1,250,032	923,855	25,760,737	25,712,919	0.2%
Program expenses:							
Governmental activities:							
Instruction	14,484,604	13,597,081	-	-	14,484,604	13,597,081	6.5%
Support services	6,694,259	5,941,729	3,507	4,043	6,697,766	5,945,772	12.6%
Noninstructional	-	-	1,172,769	890,742	1,172,769	890,742	31.7%
Other expenditures	1,184,845	1,250,231	-	-	1,184,845	1,250,231	-5.2%
Total expenses	22,363,708	20,789,041	1,176,276	894,785	23,539,984	21,683,826	8.6%
Change in net position	2,146,997	4,000,023	73,756	29,070	2,220,753	4,029,093	-44.9%
Beginning net position, as restated	25,176,055	23,327,355	928,096	899,026	26,104,151	24,226,381	7.8%
Ending net position	\$ 27,323,052	\$ 27,327,378	\$ 1,001,852	\$ 928,096	\$ 28,324,904	\$ 28,255,474	0.2%

Governmental activities:

Local tax (property tax, income surtax, statewide sales, services and use tax, utility excise tax, and other taxes and revenue in lieu of taxes) and unrestricted state grants account for 69.3 percent of the total governmental activities revenue. The District's governmental activities expenses primarily relate to instructional and support services which account for 94.7 percent of the total governmental activities expenses.

The decrease in total governmental activities revenue of \$278,359 is primarily due to the decrease in operating grants and contributions of \$1,115,826 due to prior year having COVID-19 funding.

Total expenses for governmental activities increased by \$1,574,667. The increase is primarily reflected in instruction and support services due to increased costs for salaries and benefits including compensated absences.

Maquoketa Community School District

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

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

Figure A-5 Net Cost of Governmental Activities

	Total Cost of Services			Percentage Change 2024-2025	Net Cost of Services			Percentage Change 2024-2025
	Not Restated				Not Restated			
	June 30, 2025	June 30, 2024			June 30, 2025	June 30, 2024		
Instruction	\$ 14,484,604	\$ 13,597,081		6.13%	\$ 8,131,360	\$ 6,583,943		23.5%
Support services	6,694,259	5,941,729		11.24%	6,625,536	5,680,829		16.6%
Other expenses	1,184,845	1,250,231		-5.52%	636,159	623,009		2.1%
Total	\$ 22,363,708	\$ 20,789,041		7.04%	\$ 15,393,055	\$ 12,887,781		19.4%

The cost financed by users of the District's programs for the year ended June 30, 2025 was \$2,426,606 compared to year ended June 30, 2024 \$2,226,042 primarily for tuition from other districts.

Federal and state governments subsidized certain programs with grants and contributions totaling \$4,544,047 for the year ended June 30, 2025 compared to year ended June 30, 2024 \$5,675,218.

The net cost of governmental activities was financed respectively for the years ended June 30, 2025 with \$5,920,746 in property tax, \$697,731 in income surtax, \$1,633,392 in statewide sales, services and use tax, \$122,804 in utility excise tax, \$13,176 in other taxes, \$178,083 in revenue in lieu of taxes, \$8,404,989 in unrestricted state grants, and \$562,771 in unrestricted investment earnings.

Business-Type Activities

Revenues of the District's business-type activities were \$1,250,032 and expenses were \$1,176,276. The District's business-type activities include the School Nutrition Fund. Revenues of this activity were comprised of charges for service, federal and state reimbursements, and investment income.

Revenue increased \$326,177 or 35.3% due to a \$303,386 increase in operating grants and contributions. Charges for services and operating grants collectively increased \$328,608. The increase is due to the Summer Food Service Program participation by the District.

Expenses increased \$281,491 or 31.5% from increases in food service management company. Prices per meal increased approximately 31%.

Maquoketa Community School District

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

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$9,762,349; an increase of \$181,308 from last year's ending fund balances of \$9,581,041. The District spent \$829,309 for facilities in 2025 compared to \$2,882,944 in 2024.

Governmental Fund Highlights

The District's General Fund financial position decreased by \$1,042,947. The District's General Fund revenues of \$19,828,265 reflect a decrease from prior year revenue of \$21,115,353. The decrease is primarily due to a decrease in federal appropriations from the COVID-19 Education Stabilization Fund program. Expenditures reflected an increase from \$19,656,771 in 2024 to \$20,863,906 in 2025. The increase in expenditures is primarily due to expenditures for salaries and benefits and increased insurance costs.

The General Fund balance decreased from \$4,357,119 to \$3,314,172. Unassigned General Fund fund balance on June 30, 2025 is \$3,175,033 or 15 percent of total expenditures.

The Management Levy Fund fund balance increased \$971,751 from \$975,178 to \$1,946,929. The increase is due to the District accumulating resources for future retirements and insurance.

The Capital Projects Fund fund balance increased from \$3,927,550 in fiscal year 2024 to \$4,158,362 in fiscal year 2025. The District expended \$829,309 for facilities purchases and improvements in 2025 compared to \$2,882,944 in 2024 as explained above.

Proprietary Fund Highlights

The Enterprise Fund, School Nutrition Fund net position increased from \$928,096 in 2024 to \$1,001,852 in 2025. This is primarily due to charges for service and operating grants and interest income in the school nutrition program exceeding operating costs.

Maquoketa Community School District

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

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except the internal service fund, private-purpose trust fund, and custodial fund. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for individual funds are not presented in the budgetary comparison.

The District's total actual revenues were \$5,788,516 less than the total budgeted revenues, a variance of 18.5%. Total expenditures were less than budgeted by \$26,282,905, a variance of 51.2%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the District had invested \$21,813,580 net of accumulated depreciation, in a broad range of capital assets. See Figure A-6. This amount represents a net increase of \$1,223,007 from last year. More detailed information about capital assets is available in Note 5 for the financial statements. Depreciation expense for the year was \$1,027,106. Significant projects include the Briggs Elementary addition.

The original cost of the District's capital assets was \$40,757,913. Governmental funds account for \$40,248,890 with the remainder of \$509,023 the proprietary school nutrition fund.

Figure A-6 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	2024-25
Land and construction in progress	\$ 1,679,208	\$ 4,353,340	\$ -	\$ -	\$ 1,679,208	\$ 4,353,340	-61.4%
Land improvements	635,346	699,849	-	-	635,346	699,849	-9.2%
Buildings	18,368,980	14,556,277	-	-	18,368,980	14,556,277	26.2%
Machinery and equipment	849,039	707,653	104,105	114,033	953,144	821,686	16.0%
Intangible right to use IT subscription	176,902	159,421	-	-	176,902	159,421	100.0%
Total	\$ 21,709,475	\$ 20,476,540	\$ 104,105	\$ 114,033	\$ 21,813,580	\$ 20,590,573	5.9%

Maquoketa Community School District

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

Long-Term Debt

As of June 30, 2025, the District had \$11,162 in long-term obligations outstanding for an IT subscription liability.

More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The State of Iowa set the supplemental state aid for fiscal year 2026 at 2.0% from 2.25% in 2025. The District's inability to predict future revenues and continued decline in student enrollment may continue to have a significant impact on future budget discussions. As approximately 80% of the District's General Fund budget is comprised of salary and benefits, wage and salary adjustments realized through collective bargaining along with escalating health insurance premiums will have a significant impact on District expenses.
- District certified enrollment on October 1, 2025 was 1,134.6 compared to 1,201.3 on October 1, 2024.

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 Kristy Haxmeier, Board Secretary/Treasurer and School Business Official, Maquoketa Community School District, 612 S Vermont St., Maquoketa, Iowa 52060, (563) 652-4984.

Maquoketa Community School District**Statement of Net Position****June 30, 2025**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 14,070,741	\$ 1,028,148	\$ 15,098,889
Receivables:			
Property tax:			
Delinquent	65,698	-	65,698
Succeeding year	6,238,390	-	6,238,390
Income surtax	684,655	-	684,655
Accounts	132,098	-	132,098
Due from other governments	1,760,412	111,177	1,871,589
Inventories	-	31,842	31,842
Capital assets:			
Capital assets not being depreciated/amortized:			
Land and construction in progress	1,679,208	-	1,679,208
Capital assets being depreciated, net of accumulated depreciation/amortization:			
Land improvements	635,346	-	635,346
Buildings	18,368,980	-	18,368,980
Machinery and equipment	849,039	104,105	953,144
Intangible right to use IT subscription	176,902	-	176,902
Total capital assets	21,709,475	104,105	21,813,580
Total assets	44,661,469	1,275,272	45,936,741
Deferred Outflows of Resources:			
OPEB related deferred outflows	250,480	-	250,480
Pension related deferred outflows	1,483,869	-	1,483,869
Total deferred outflows of resources	1,734,349	-	1,734,349

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	2,327,301	259,839	2,587,140
Salaries and benefits payable	1,372,183	-	1,372,183
Incurred but not reported claims	330,000	-	330,000
Unearned revenue	-	13,581	13,581
Noncurrent liabilities:			
Portion due within one year:			
IT subscription obligation	11,162	-	11,162
Compensated absences	1,936,774	-	1,936,774
Total OPEB liability	105,873	-	105,873
Portion due after one year:			
Compensated absences	787,295	-	787,295
Net pension liability	4,237,811	-	4,237,811
Total OPEB liability	934,789	-	934,789
Total liabilities	12,043,188	273,420	12,316,608
Deferred inflows of resources, deferred revenue:			
Succeeding year property tax	6,238,390	-	6,238,390
OPEB related deferred inflows	336,520	-	336,520
Pension related deferred inflows	454,668	-	454,668
Total deferred inflows of resources	7,029,578	-	7,029,578
Net Position:			
Net investment in capital assets	21,338,520	104,105	21,442,625
Restricted for:			
Categorical funding	139,139	-	139,139
Debt service	2,729	-	2,729
School infrastructure	2,863,566	-	2,863,566
Management levy	1,946,929	-	1,946,929
Physical plant and equipment levy	1,848,276	-	1,848,276
Student activities	204,966	-	204,966
Support trust purposes	135,191	-	135,191
Unrestricted	(1,156,264)	897,747	(258,517)
Total net position	\$ 27,323,052	\$ 1,001,852	\$ 28,324,904

Maquoketa Community School District

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses
Governmental activities:	
Instruction:	
Regular	\$ 8,442,109
Special	3,158,314
Other	2,884,181
	<u>14,484,604</u>
Support services:	
Student	906,833
Instructional staff	1,214,469
Administration	2,933,944
Operation of plant	661,948
Transportation	977,065
	<u>6,694,259</u>
Other:	
AEA flowthrough	548,686
Unallocated depreciation*	635,267
Interest	892
	<u>1,184,845</u>
Total governmental activities	<u>22,363,708</u>
Business-type activities:	
Support services	3,507
Noninstructional programs	
Food service operations	1,172,769
Total business-type activities	<u>1,176,276</u>
Total	<u><u>\$ 23,539,984</u></u>

General revenues:

Property tax levied for:

 General purposes

 Capital outlay

 Other

Utility excise tax

Income surtax

Other taxes

Revenue in lieu of taxes

Statewide sales and services tax

Unrestricted state grants

Unrestricted investment earnings

Gain on sale of capital assets

Total general revenues

Change in net position

Net position, beginning of year, as restated

Net position, end of year

* This amount excludes the depreciation included in the direct expense of the various functions/programs.
See Notes to Basic Financial Statements.

Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 1,377,728	\$ 2,744,546	\$ -	\$ (4,319,835)	\$ -	\$ (4,319,835)
573,867	688,753	-	(1,895,694)	-	(1,895,694)
406,288	562,062	-	(1,915,831)	-	(1,915,831)
2,357,883	3,995,361	-	(8,131,360)	-	(8,131,360)
-	-	-	(906,833)	-	(906,833)
-	-	-	(1,214,469)	-	(1,214,469)
36,919	-	-	(2,897,025)	-	(2,897,025)
29,502	-	-	(632,446)	-	(632,446)
2,302	-	-	(974,763)	-	(974,763)
68,723	-	-	(6,625,536)	-	(6,625,536)
-	548,686	-	-	-	-
-	-	-	(635,267)	-	(635,267)
-	-	-	(892)	-	(892)
-	548,686	-	(636,159)	-	(636,159)
2,426,606	4,544,047	-	(15,393,055)	-	(15,393,055)
-	-	-	-	(3,507)	(3,507)
272,453	937,279	-	-	36,963	36,963
272,453	937,279	-	-	33,456	33,456
\$ 2,699,059	\$ 5,481,326	\$ -	(15,393,055)	33,456	(15,359,599)

3,807,589	-	3,807,589
647,570	-	647,570
1,465,587	-	1,465,587
122,804	-	122,804
697,731	-	697,731
13,176	-	13,176
178,083	-	178,083
1,633,392	-	1,633,392
8,404,989	-	8,404,989
562,771	40,300	603,071
6,360	-	6,360
17,540,052	40,300	17,580,352
2,146,997	73,756	2,220,753
25,176,055	928,096	26,104,151
\$ 27,323,052	\$ 1,001,852	\$ 28,324,904

Maquoketa Community School District

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

	General	Management Levy	Capital Projects	Nonmajor Governmental Funds	Total
Assets					
Cash and pooled investments	\$ 5,201,807	\$ 1,930,557	\$ 4,304,148	\$ 349,318	\$ 11,785,830
Receivables:					
Property tax:					
Delinquent	42,276	16,272	7,150	-	65,698
Succeeding year	4,265,462	1,300,000	672,928	-	6,238,390
Income surtax	684,655	-	-	-	684,655
Accounts	34,167	100	-	6,476	40,743
Due from other governments	1,359,868	-	400,544	-	1,760,412
Total assets	\$ 11,588,235	\$ 3,246,929	\$ 5,384,770	\$ 355,794	\$ 20,575,728
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,952,586	\$ -	\$ 359,793	\$ 12,085	\$ 2,324,464
Salaries and benefits payable	1,371,360	-	-	823	1,372,183
Total liabilities	3,323,946	-	359,793	12,908	3,696,647
Deferred inflows of resources, unavailable revenue:					
Succeeding year property tax	4,265,462	1,300,000	672,928	-	6,238,390
Income surtax	684,655	-	-	-	684,655
Grants	-	-	193,687	-	193,687
Total deferred inflows of resources	4,950,117	1,300,000	866,615	-	7,116,732
Fund balances:					
Restricted for:					
Categorical funding	139,139	-	-	-	139,139
Management levy purposes	-	1,946,929	-	-	1,946,929
Student activities	-	-	-	204,966	204,966
Support trust purposes	-	-	-	135,191	135,191
Debt service	-	-	-	2,729	2,729
School infrastructure	-	-	2,861,662	-	2,861,662
Physical plant and equipment levy	-	-	1,296,700	-	1,296,700
Unassigned	3,175,033	-	-	-	3,175,033
Total fund balances	3,314,172	1,946,929	4,158,362	342,886	9,762,349
Total liabilities, deferred inflows of resources and fund balances	\$ 11,588,235	\$ 3,246,929	\$ 5,384,770	\$ 355,794	\$ 20,575,728

See Notes to Basic Financial Statements.

Maquoketa Community School District

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

June 30, 2025

Total fund balances of governmental funds	\$ 9,762,349
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	21,709,475
The Internal Service Fund is used to charge costs of the District's self-funded insurance plan to the governmental funds. The net position of the Internal Service Fund is therefore included under governmental activities.	2,043,429
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	878,342
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:	
OPEB related deferred outflows of resources	250,480
OPEB related deferred inflows of resources	(336,520)
Pension related deferred outflows of resources	1,483,869
Pension related deferred inflows of resources	(454,668)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds:	
IT subscription obligation, current	(11,162)
Compensated absences	(2,724,069)
Net pension liability	(4,237,811)
Total OPEB liability	(1,040,662)
Net position of governmental activities	<u><u>\$ 27,323,052</u></u>

See Notes to Basic Financial Statements.

Maquoketa Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2025

	General	Management Levy	Capital Projects	Nonmajor Governmental Funds	Total
Revenues:					
Local sources:					
Property tax	\$ 3,807,589	\$ 1,465,587	\$ 647,570	\$ -	\$ 5,920,746
Utility excise tax	79,387	30,544	12,873	-	122,804
Income surtax	657,307	-	-	-	657,307
Other tax	8,517	3,278	1,381	-	13,176
Tuition	1,788,241	-	-	-	1,788,241
Other	616,771	300	197,502	385,079	1,199,652
State appropriations	11,346,600	44,306	1,652,065	-	13,042,971
Federal appropriations	1,523,853	-	-	-	1,523,853
Total revenues	19,828,265	1,544,015	2,511,391	385,079	24,268,750
Expenditures:					
Current:					
Instruction:					
Regular	8,353,353	558	90,631	-	8,444,542
Special	3,158,314	-	-	-	3,158,314
Other	2,742,675	-	-	357,281	3,099,956
	14,254,342	558	90,631	357,281	14,702,812
Support services:					
Student	925,496	-	-	-	925,496
Instructional staff	1,209,101	-	-	-	1,209,101
Administration	1,805,327	145,526	1,002,881	4,976	2,958,710
Operation and maintenance of plant	1,491,806	373,508	183,614	530	2,049,458
Transportation	629,148	52,672	176,194	600	858,614
	6,060,878	571,706	1,362,689	6,106	8,001,379
Other expenditures:					
Capital outlay facilities acquisition	-	-	829,309	-	829,309
AEA flowthrough	548,686	-	-	-	548,686
Debt service:					
Principal	-	-	-	10,724	10,724
Interest	-	-	-	892	892
	548,686	-	829,309	11,616	1,389,611
Total expenditures	20,863,906	572,264	2,282,629	375,003	24,093,802
Excess (deficiency) of revenues over (under) expenditures	(1,035,641)	971,751	228,762	10,076	174,948
Other financing sources (uses):					
Proceeds from sale of capital assets	4,310	-	2,050	-	6,360
Transfers in	-	-	-	11,616	11,616
Transfers (out)	(11,616)	-	-	-	(11,616)
Total other financing sources (uses)	(7,306)	-	2,050	11,616	6,360
Net change in fund balances	(1,042,947)	971,751	230,812	21,692	181,308
Fund balances, beginning of year	4,357,119	975,178	3,927,550	321,194	9,581,041
Fund balances, end of year	\$ 3,314,172	\$ 1,946,929	\$ 4,158,362	\$ 342,886	\$ 9,762,349

See Notes to Basic Financial Statements.

Maquoketa Community School District

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds to the Statement of Activities
Year Ended June 30, 2025**

Net change in fund balances - total governmental funds	\$	181,308
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	\$ 2,242,884	
Depreciation expense	(1,009,949)	1,232,935
	(6,360)	
Proceeds from sale of capital assets	(6,360)	
Gain on sale of capital assets	6,360	-

The increase in net position of the Internal Service Fund represents an overcharge to the governmental funds and is incorporated into the change in net position of governmental activities.		227,358
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in unavailable revenues:		
Income surtax		40,424
Grants		193,687

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

IT subscription obligation		10,724
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences		(547,029)
Total OPEB liability		60,383
Pension expense		747,207

Change in net position of governmental activities	\$	2,146,997
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See Notes to Basic Financial Statements.

Maquoketa Community School District

Statement of Net Position

Proprietary Funds

June 30, 2025

	Business-Type Activities	Governmental Activities
	Enterprise, School Nutrition	Internal Service Fund
Assets		
Current assets:		
Cash and pooled investments	\$ 1,028,148	\$ 2,284,911
Receivables, accounts	-	91,355
Due from other governments	111,177	-
Inventories	31,842	-
Total current assets	1,171,167	2,376,266
Noncurrent assets:		
Capital assets being depreciated, net of accumulated depreciation:		
Machinery and equipment	104,105	-
Total noncurrent assets	104,105	-
Total assets	1,275,272	2,376,266
Liabilities		
Current liabilities:		
Accounts payable	259,839	2,837
Incurred but not reported claims	-	330,000
Unearned revenue	13,581	-
Total current liabilities	273,420	332,837
Net Position		
Investment in capital assets	104,105	-
Unrestricted	897,747	2,043,429
Total net position	\$ 1,001,852	\$ 2,043,429

See Notes to Basic Financial Statements.

Maquoketa Community School District

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2025**

	Business-Type Activities	Governmental Activities
	Enterprise, School Nutrition	Internal Service Fund
Operating revenues:		
Local sources:		
Charges for service	\$ 272,453	\$ -
Miscellaneous	-	3,456,649
Total operating revenues	272,453	3,456,649
Operating expenses:		
Support services:		
Administration:		
Services	-	83,751
Operation and maintenance of plant:		
Purchased services	3,507	-
Noninstructional programs:		
Salaries	17,081	-
Benefits	2,919	3,133,270
Purchased services	398,726	9,418
Supplies	736,886	2,937
Other	-	1,399
Depreciation	17,157	-
Total operating expenses	1,176,276	3,230,775
Operating income (loss)	(903,823)	225,874
Nonoperating revenues:		
State sources	4,180	-
Federal sources	933,099	-
Interest on investments	40,300	1,484
Total nonoperating revenues	977,579	1,484
Change in net position	73,756	227,358
Net position, beginning of year	928,096	1,816,071
Net position, end of year	\$ 1,001,852	\$ 2,043,429

See Notes to Basic Financial Statements.

Maquoketa Community School District

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

	Business-Type Activities	Governmental Activities
	Enterprise, School Nutrition	Internal Service Fund
Cash flows from operating activities:		
Cash received from:		
Charges for services	\$ 272,153	\$ -
Miscellaneous services	-	3,465,022
Cash payments to:		
Employees for services	(20,000)	-
Suppliers for goods and services	(922,016)	(3,493,222)
Net cash (used in) operating activities	(669,863)	(28,200)
Cash flows from noncapital financing activities:		
State grants received	4,180	-
Federal grants received	780,508	-
Net cash provided by noncapital financing activities	784,688	-
Cash flows from capital financing activities and related activities,		
Acquisition of capital assets	(7,229)	-
Net cash (used in) operating activities	(7,229)	-
Cash flows from investing activities,		
interest on investments	40,300	1,484
Net increase (decrease) in cash and cash equivalents	147,896	(26,716)
Cash and cash equivalents:		
Beginning of year	880,252	2,311,627
End of year	\$ 1,028,148	\$ 2,284,911
(Continued)		

Maquoketa Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2025

	Business-Type Activities	Governmental Activities
	Enterprise, School Nutrition	Internal Service Fund
Reconciliation of operating income (loss) to net cash (used in) operating activities:		
Operating income (loss)	\$ (903,823)	\$ 225,874
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:		
Commodities consumed	53,347	-
Depreciation	17,157	-
(Increase) decrease in:		
Inventories	8,741	-
Accounts receivable	-	8,373
Increase (decrease) in:		
Accounts payable	155,015	(9,268)
Incurred but not reported claims	-	(253,179)
Unearned revenue	(300)	-
Net cash (used in) operating activities	\$ (669,863)	\$ (28,200)
Noncash investing, capital and financing activities:		
Federal commodities	\$ 53,347	\$ -

See Notes to Basic Financial Statements.

Maquoketa Community School District

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2025

	Private Purpose Trust		
	Scholarship		Custodial
Assets			
Cash and pooled investments	\$ 329,591	\$	25,529
Other receivables	3,191		-
Total assets	332,782		25,529
Net Position			
Held in trust for scholarships	332,782		-
Restricted for other organizations	-		25,529
Total net position	\$ 332,782	\$	25,529

See Notes to Basic Financial Statements.

Maquoketa Community School District

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended June 30, 2025

	Private Purpose Trust		Custodial	
	Scholarship			
Additions				
Local sources:				
Gifts and contributions	\$	3,250	\$	22,236
Interest income		14,450		-
Total additions		<u>17,700</u>		<u>22,236</u>
Deductions				
Scholarships awarded		15,500		-
Supplies		-		14,514
Total deductions		<u>15,500</u>		<u>14,514</u>
Change in net position		2,200		7,722
Net position, beginning of year		330,582		17,807
Net position, end of year	\$	<u><u>332,782</u></u>	\$	<u><u>25,529</u></u>

See Notes to Basic Financial Statements.

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Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 1. Significant Accounting Policies

Reporting entity:

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

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

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

Jointly governed organizations: The District participates in a jointly governed organization that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Dubuque, Clinton, and Jackson County Assessor's Conference Boards.

Basis of presentation:

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

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

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

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

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

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 1. Significant Accounting Policies (Continued)

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

Fund financial statements: The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues and expenditures or expenses, as appropriate. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. The District has the following funds:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance.

The District reports the following major governmental funds:

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

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

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

The District reports the following nonmajor governmental funds:

Special Revenue Funds: Are used to account for the revenue sources that are legally restricted to expenditures for specific purposes.

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

The Support Trust Fund, a special revenue fund, is for receipt and use of the donations for District programs.

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 1. Significant Accounting Policies (Continued)

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

Proprietary Fund Types: Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Enterprise Funds: Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The District reports the following major enterprise fund:

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

Internal Service Funds: The Internal Service Funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The District's Internal Service Fund is used to account for the premium and claim payments for the self-insured health insurance plan for District employees.

Fiduciary Fund Types: Fiduciary fund types are used to account for assets held by the District in a trustee or agency capacity for the benefit of others and cannot be used to support District activities. The District has the following fiduciary funds:

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

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

Measurement focus and basis of accounting:

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

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

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual.

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 1. Significant Accounting Policies (Continued)

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

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

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

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

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

Cash, pooled investments and cash equivalents:

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

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

Property taxes:

Property taxes receivable is recognized in the funds on the levy date that the tax asking is certified by the Board of Education to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Education is required to certify its budget to the County Auditor by April 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is recorded as a deferred inflow and will not be recorded as revenue until the year for which it is levied.

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

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 1. Significant Accounting Policies (Continued)

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..

Due from other governments:

Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Capital assets:

Capital assets, which include property, machinery and equipment and intangibles, are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Assets	Amount
Land	\$ -
Buildings	2,500
Land improvements	2,500
Intangibles	100,000
Machinery and equipment	
School Nutrition Fund equipment	500
Other machinery and equipment	2,500

Buildings, land improvements, machinery and equipment and intangibles are depreciated/amortized using the straight-line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50 years
Land improvements	20 years
Intangibles	2-10 years
Machinery and equipment	5-15 years

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 1. Significant Accounting Policies (Continued)

Leases:

The District recognizes a lease liability and an intangible right-to-use lease asset in the governmental activities of the government-wide financial statements.

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

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

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

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

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

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

As of June 30, 2025 the District does not have any leases.

Subscription-Based Information Technology Arrangements (SBITA):

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

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

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

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 1. Significant Accounting Policies (Continued)

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

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

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

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

Salaries and benefits payable:

Payroll and related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but which have balances payable in July and August 2025, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2025.

Compensated absences:

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

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

Pensions:

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

Total OPEB liability:

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

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 1. Significant Accounting Policies (Continued)

Unearned revenue:

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

Cash flows:

For the purpose of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Fund balances:

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

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

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

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

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

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

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less restrictive classifications – assigned and then unassigned fund balances.

Deferred outflows/inflows of resources:

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

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 1. Significant Accounting Policies (Continued)

In addition to liabilities, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The District reports unavailable revenue in the governmental funds balance sheet from property tax, income surtax, and grants. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the District's government-wide statements, only the succeeding year property tax revenues remain as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which levied. The District also reports pension and other post-employment benefit related deferred inflows in the government-wide statements.

Net Position:

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

Net position restricted through enabling legislation consists of \$139,139 for categorical funding, \$2,729 for debt service, \$2,863,566 for school infrastructure, \$1,946,929 for management levy, \$1,848,276 for physical plant and equipment levy, \$204,966 for student activities and \$135,191 for support trust purposes.

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

Interfund transactions:

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

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

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

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

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 2. Budgets and Budgetary Accounting

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

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

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

- In accordance with the Statutes of the State of Iowa, prior to March 15, the Board Secretary submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures or expense and the means of financing them for the upcoming year, along with estimates for the current and actual data for the preceding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at the functional area level.
- Public hearings are required to be conducted to obtain taxpayer comment.
- Prior to April 30, the budget is legally enacted through certification from the County Auditor.
- Management is authorized to transfer budgeted amounts between departments within any functional area; however, any revisions that alter the total expenditures or expenses of any functional area must be approved by the Board of Education.
- The Board of Education may amend the budget during the year by holding public hearings and certifying the amendment with the County Auditor.
- Appropriations lapse at the end of each fiscal year.
- The budget cannot be amended without the approval of the Board of Education.

Note 3. Deposits and Pooled Investments

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

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

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 3. Deposits and Pooled Investments (Continued)

Level 1 inputs are quoted prices in active markets or identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of June 30, 2025, the District's investments were as follows:

	Fair Value	Investment Maturities (in Years)				Level Input	Rating	
		<1	1-5	6-10	>10		Standard & Poor	Fitch
Investments Pools,								
Iowa Schools Joint Investment Trust (ISJIT)	\$ 1,739,158	\$ 1,739,158	\$ -	\$ -	\$ -	N/A	AAAm	N/A
Certificates of deposit	1,716,804	1,716,804	-	-	-	N/A	N/A	N/A
	<u>\$ 3,455,962</u>	<u>\$ 3,455,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			

At June 30, 2025, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Diversified Fund which are valued at amortized cost of \$1,739,158 pursuant to Rule 2a-7 under the investment Company Act of 2040. There were no limitations or restrictions on withdrawals of the ISJIT investments.

Credit risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The District does not have a policy specific to credit risk. The credit related to the District investments are in the table above.

Concentration of credit risk: The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet its anticipated cash requirements. The District does not have a policy specific to concentration of credit risk. At June 30, 2025, the District had no investments subject to concentration of credit risk.

Custodial credit risk: For deposits, this is the risk that in the event of bank failure, the District's deposits may not be returned. For an investment this is the risk that in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession not an outside party. The District's deposits in banks at June 30, 2025 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to insure that will be no loss of public funds. The District's investments are held in the name of the District and are not exposed to custodial credit risk.

Note 4. Interfund Activity

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

	Transfer in	Transfer out
Major Fund, General Fund	\$ -	\$ 11,616
Nonmajor Fund, Debt Service Fund	11,616	-
Total	<u>\$ 11,616</u>	<u>\$ 11,616</u>

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

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 5. Capital Assets

A summary of changes capital assets is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 285,211	\$ 397,115	\$ -	\$ 682,326
Construction in progress	4,068,129	971,274	4,042,521	996,882
Total capital assets not being depreciated/amortized:	4,353,340	1,368,389	4,042,521	1,679,208
Capital assets being depreciated/ amortized:				
Land improvements	2,297,639	-	-	2,297,639
Buildings	26,675,220	4,456,982	-	31,132,202
Machinery and equipment	4,779,231	403,532	265,359	4,917,404
Intangible right to use IT subscription	165,935	56,502	-	222,437
Total capital assets being depreciated/amortized	33,918,025	4,917,016	265,359	38,569,682
Less accumulated depreciation/ amortization for:				
Land improvements	1,597,790	64,503	-	1,662,293
Buildings	12,118,943	644,279	-	12,763,222
Machinery and equipment	4,071,578	262,146	265,359	4,068,365
Intangible right to use IT subscription	6,514	39,021	-	45,535
Total accumulated depreciation/ amortization	17,794,825	1,009,949	265,359	18,539,415
Total capital assets being depreciated/amortized, net	16,123,200	3,907,067	-	20,030,267
Governmental activities capital assets, net	\$ 20,476,540	\$ 5,275,456	\$ 4,042,521	\$ 21,709,475
Business-type activities:				
Capital assets being depreciated:				
Machinery and equipment	\$ 501,794	\$ 7,229	\$ -	\$ 509,023
Less accumulated depreciation	387,761	17,157	-	404,918
Total capital assets being depreciated, net	114,033	(9,928)	-	104,105
Business-type activities capital assets, net	\$ 114,033	\$ (9,928)	\$ -	\$ 104,105

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 5. Capital Assets (Continued)

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

Governmental activities:

Instruction:

Regular	\$	187,233
Other		10,099

Support services:

Instructional staff		6,703
Administration		-
Operation and maintenance of plant		36,348
Transportation		134,299
Unallocated depreciation		635,267

Total governmental activities depreciation/amortization expense	\$	1,009,949
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Business-type activities:

Food services		17,157
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Total business-type activities depreciation expense	\$	17,157
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Note 6. General Long-Term Debt

A summary of changes in general long-term debt for the year ended June 30, 2025:

	Restated Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
IT subscription obligation	\$ 21,886	\$ -	\$ 10,724	\$ 11,162	\$ 11,162
Compensated absences	2,177,040	547,029	-	2,724,069	1,936,774
Net pension liability	5,552,954	-	1,315,143	4,237,811	-
Total OPEB liability	1,039,335	1,327	-	1,040,662	105,873
Total	\$ 6,639,892	\$ 548,356	\$ 1,325,867	\$ 8,013,704	\$ 2,053,809

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

Subscription Based Information Technology Arrangements (SBITA)

The District has entered into an IT subscription agreement for Microsoft Office. The agreement began on December 1, 2023 and terminates on December 1, 2025. Annual debt service requirements for the agreement are as follows:

Year ending June 30:	SBITA			
	Rate	Principal	Interest	Total
2026	3.00%	\$ 11,162	\$ 455	\$ 11,617

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 7. Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

Plan description: The District's defined benefit OPEB plan, the Maquoketa Community School District Postemployment Plan Other Than Pensions (the Plan), provides postemployment benefits for eligible participants enrolled in its plans. The Plan is a single-employer defined benefit plan which provides medical and prescription drug benefits for retirees and their spouses and dependents. The medical/prescription drug coverage is provided through a self-funded plan with stop-loss limits from Wellmark. Under Chapter 509A.13 of the Code of Iowa, "Group Insurance for Public Employees," If a governing body has procured insurance for its employees, the governing body shall allow its employees who retired before the age of sixty-five years of age to continue participation in the group plan at the employee's own expense until the employee attains sixty-five years of age. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75 .

Benefits provided: The Plan provides healthcare benefits including medical and prescription drug benefits for retirees, spouses and their dependents. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees. The full monthly premium rates as of July 1, 2025 for each plan are as shown below:

Rate Tier	Wellmark PPO \$1,000
Single	\$ 680
Family	1,700

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

Inactive employees or beneficiaries currently receiving benefit payments	22
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	232
	<u>254</u>

Total OPEB Liability: The District's total OPEB liability of \$1,040,662 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023 for a reporting date of June 30, 2025.

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

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

Actuarial assumptions and other inputs: The total OPEB liability in June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Salary increases	3.25%
Discount rate	3.97%
Retirees' share of benefit-related costs	100%
Health care cost trend rate	7.60%
	The trend rate gradually decreasing until reaching the ultimate trend rate of 3.90%

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on 2022 Iowa Public Employees' Retirement System demographic assumptions study with mortality rates based on the Pub-2010 general mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.

Changes in the Total OPEB Liability

	<u>Increase (Decrease)</u> Total OPEB Liability (a)
Balance at July 1, 2024	\$ 1,039,335
Changes for the year:	
Service cost	74,168
Interest	40,938
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(7,906)
Benefit payments	(105,873)
Net changes	1,327
Balance at June 30, 2025	\$ 1,040,662

Changes of assumptions or other inputs reflect a change in the discount rate from 3.86% per annum in 2024 to 3.97% per annum in 2025.

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

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

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$ 1,114,776	\$ 1,040,662	\$ 971,644

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

	1% Decrease (6.6% decreasing to 2.9%)	Healthcare Cost Trend Rates (7.6% decreasing to 3.9%)	1% Increase (8.6% decreasing to 4.9%)
Total OPEB liability	\$ 932,666	\$ 1,040,662	\$ 1,169,744

For the year ended June 30, 2025, the District recognized OPEB expense of \$45,490. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 228,502	\$ 218,920
Changes of assumptions or other inputs	21,978	117,600
Net difference between projected and actual investments	-	-
Total	\$ 250,480	\$ 336,520

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

Year ended June 30:	
2026	(64,525)
2027	(62,405)
2028	(26,075)
2029	7,873
2030	5,642
Thereafter	53,450
	\$ (86,040)

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 8. Risk Management

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

The District has a self-funded health and self-funded dental insurance plan. The District purchases commercial insurance to provide for aggregate stop-loss coverage for the excess of 120% of estimated claims for the plan year and specific stop-loss reinsurance coverage for the excess of \$60,000 in insured claims for any one covered individual. Settled claims have not exceeded the coverage in any of the past three years.

Payments are made to the plan based on actuarial estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The incurred but not recorded and unpaid claims liability of \$330,000 reported in the plan at June 30, 2025 based on the requirements of GASB Statement Number 10, is recorded as a liability. Changes in the claims liability amounts for the years ended June 30, 2025 and 2024 was as follows:

	2025	2024
Claims payable, beginning of year	\$ 583,179	\$ 772,385
Incurred claims	2,652,386	2,868,702
Claim payments	2,905,565	3,057,908
Claim payable, end of year	<u>\$ 330,000</u>	<u>\$ 583,179</u>

Note 9. Pension and Retirement Benefits

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

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

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

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

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 9. Pension and Retirement 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 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before 65.

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

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

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

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

The District's contributions to IPERS for the year ended June 30, 2025 were \$1,078,225.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the District reported a liability of \$4,237,811 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2024, the District's proportion was 0.116376 percent, which was a decrease of 0.006649 from its proportion measured as of June 30, 2023.

Maquoketa Community School District

Notes to Financial Statements
Year Ended June 30, 2025

Note 9. Pension and Retirement Benefits (Continued)

For the year ended June 30, 2025, the District recognized pension expense of \$331,019. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 337,206	\$ 2,633
Changes of assumptions	-	59
Net difference between projected and actual earnings on pension plan investments	53,001	-
Changes in proportion and differences between District contributions and proportionate share of contributions	15,437	451,976
District contributions subsequent to the measurement date	1,078,225	-
Total	\$ 1,483,869	\$ 454,668

Deferred outflows of resources of \$1,078,225 related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2026	\$ (691,646)
2027	911,016
2028	(58,210)
2029	(196,518)
2030	(13,666)
Total	\$ (49,024)

There were no non-employer contributing entities to IPERS.

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 9. Pension and Retirement Benefits (Continued)

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

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

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	3.52%
International equity	13.0%	5.18%
Global smart beta equity	5.0%	4.12%
Core plus fixed income	25.5%	3.04%
Public credit	3.0%	4.53%
Cash	1.0%	1.69%
Private equity	17.0%	8.89%
Private real assets	9.0%	4.25%
Private credit	5.5%	6.62%
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 9. Pension and Retirement Benefits (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ 10,399,513	\$ 4,237,811	\$ (922,646)

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

Payables to the Pension Plan – At June 30, 2025, the District reported payables to the defined benefit pension plan of \$97,647 for legally required employer contributions and \$65,063 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$548,686 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.

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.

Note 11. Whole Grade Sharing

As allowed under Iowa code section 282, the District has whole grade sharing agreements with Delwood Community School District (DCSD) and Andrew Community School District (ACSD). Under the agreements, the District agrees to accept all DCSD and ACSD regular education students enrolled in grades 7 through 12 to attend regular classes in the District and allow participation in all extracurricular activities. DCSD and ACSD agreed to pay tuition to the District based on the number of DCSD and ACSD students enrolled in the District on October 1st of each school year. The tuition is the total sum of 92 percent of DCSD and ACSD regular program district cost per pupil plus any funds available by the state on a per-student basis. In addition, funds generated from sales tax that are on a per-student basis in Clinton County and Jackson County are part of a facility improvement program 28E agreement.

The term of the agreements are through the 2025-2026 school year. For the year ended June 30, 2025, the District revenue from the services of the sharing agreements was \$644,030.

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 12. Categorical Funding

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

Program	Amount
Gifted and talented	\$ 22,338
Early readers	14,767
Professional development	23,378
Four-year old preschool	16,900
Teacher leadership	58,536
Other	3,220
Total restricted for categorical funding	\$ 139,139

Note 13. Commitments and Contingencies

The District has financial commitments for roofing, HVAC, lighting and the Briggs Elementary School addition of \$6,346,215 as of June 30, 2025 of which \$5,039,402 of costs have been incurred. Sales tax and bond proceeds will fund the majority of these commitments.

On January 7, 2021, the District entered into a 28E Agreement as defined in the Iowa Code Chapter 28E with Eastern Iowa Community College (EICC) for the Regional Career and Technical Education Planning Cooperative (Cooperative). The Cooperative was created for high school students to access higher education opportunities and earn high school and/or college credit in a career academy model. The agreement requires the District to guarantee to pay enrollment for a minimum 35 students or 15% of District juniors and seniors served, whichever enrollment figure is lower for ten years ended June 30, 2032. The fee schedule is based on student enrollment. The annual base charge ranges from \$2,000 to \$2,814 per student. In addition to the base charge, the District pays for 30% of EICC's credit tuition rate for credits taken by each student. For the fiscal year ended June 30, 2025, the District paid approximately \$234,000 for the Cooperative.

Note 14. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2025 under tax abatement agreements of other entities.

Entity	Tax Abatement Program	Amount of Tax Abated
City of Maquoketa	Urban renewal and economic development projects	\$ 29,178

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 \$13,886.

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 15. New Governmental Accounting Standards Board (GASB) Statements

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

GASB Statement No. 101, *Compensated Absences*, issued June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (As long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 102, *Certain Risk Disclosures*, issued December 2023. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should provide information in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint. The disclosures should include descriptions of the following: (a) The concentration or constraint (b) Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (c) Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

The above statements did not have a significant impact to the District except for GASB Statement No. 101 required the District to restate beginning net position of the governmental activities.

As of June 30, 2025, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

Maquoketa Community School District

Notes to Financial Statements Year Ended June 30, 2025

Note 15. New Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.

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

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

Note 16. Restatement

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

	Governmental Activities
Net position June 30, 2024, as previously reported	\$ 27,327,378
Compensated absences liability, prior year	25,717
Compensated absences liability, change in accounting principle	(2,177,040)
Net position June 30, 2024, as restated	<u>\$ 25,176,055</u>

Note 17. Subsequent Event

On December 3, 2025, the District issued \$10,000,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds Series 2025. The bonds were issued to remodel, repair, and furnish Briggs Elementary. The bonds require interest payments semi-annually each December 1 and June 1 with rates ranging from 4.0 to 4.25 percent. Principal payments ranging from \$275,000 to \$650,000 are due each June 1 commencing June 1, 2027 and maturing June 1, 2049.

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Maquoketa Community School District

Required Supplementary Information

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

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 9,701,926	\$ 312,753
State sources	13,042,971	4,180
Federal sources	1,523,853	933,099
Total revenues	24,268,750	1,250,032
Expenditures/expenses:		
Instruction	14,702,812	-
Support services	8,001,379	3,507
Noninstructional programs	-	1,172,769
Other expenditures	1,389,611	-
Total expenditures/expenses	24,093,802	1,176,276
Excess (deficiency) of revenues over (under) expenditures/expenses	174,948	73,756
Other financing sources (uses):		
Issuance of long term debt	-	-
Proceeds from sale of capital assets	6,360	-
Transfers in	11,616	-
Transfers (out)	(11,616)	-
Total other financing sources (uses)	6,360	-
Net change in fund balance/net position	181,308	73,756
Fund balance/net position, beginning of year	9,581,041	928,096
Fund balance/net position, end of year	\$ 9,762,349	\$ 1,001,852

See Notes to Required Supplementary Information.

Total Actual		Budgeted Amounts		Final to Actual
		Original	Final	Variance
\$	10,014,679	\$ 12,357,715	\$ 12,357,715	\$ (2,343,036)
	13,047,151	14,424,583	14,424,583	(1,377,432)
	2,456,952	4,525,000	4,525,000	(2,068,048)
	25,518,782	31,307,298	31,307,298	(5,788,516)
	14,702,812	18,915,000	18,915,000	4,212,188
	8,004,886	13,207,000	13,207,000	5,202,114
	1,172,769	1,300,000	1,300,000	127,231
	1,389,611	18,130,983	18,130,983	16,741,372
	25,270,078	51,552,983	51,552,983	26,282,905
	248,704	(20,245,685)	(20,245,685)	20,494,389
	-	16,500,000	16,500,000	(16,500,000)
	6,360	50,000	50,000	(43,640)
	11,616	-	-	11,616
	(11,616)	-	-	(11,616)
	6,360	16,550,000	16,550,000	(16,543,640)
	255,064	\$ (3,695,685)	\$ (3,695,685)	\$ 3,950,749
	10,509,137			
\$	10,764,201			

Maquoketa Community School District

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

	2025	2024
Total OPEB liability		
Changes for the year:		
Service cost	\$ 74,168	\$ 59,932
Interest	40,938	27,399
Changes of benefit terms	-	-
Differences between expected and actual experience	-	291,800
Changes in assumptions or other inputs	(7,906)	8,153
Benefit payments	(105,873)	(61,067)
Net changes in total OPEB liability	1,327	326,217
Total OPEB liability - beginning	1,039,335	713,118
Total OPEB liability - ending	<u>\$ 1,040,662</u>	<u>\$ 1,039,335</u>
Covered employee payroll	\$ 11,313,065	\$ 10,628,560
Total OPEB liability as a percentage of covered employee payroll	9.20%	9.78%

Notes to Schedule:

Changes of benefit terms:

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

Changes of assumption:

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

3.97%	3.86%
-------	-------

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

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

2023		2022		2021		2020		2019		2018	
\$	76,788	\$	72,889	\$	61,656	\$	106,569	\$	100,150	\$	103,722
	15,716		22,756		26,920		52,449		49,888		40,110
	-		-		-		-		-		-
	-		(146,231)		-		(462,841)		-		-
	(93,450)		(566)		37,863		(152,082)		(5,477)		(55,236)
	(55,388)		(70,611)		(67,269)		(108,703)		(98,215)		(15,737)
	(56,334)		(121,763)		59,170		(564,608)		46,346		72,859
	769,452		891,215		832,045		1,396,653		1,350,307		1,277,448
\$	713,118	\$	769,452	\$	891,215	\$	832,045	\$	1,396,653	\$	1,350,307
\$	10,412,752	\$	10,680,815	\$	8,239,567	\$	7,832,011	\$	8,000,000	\$	8,934,281
	6.85%		7.20%		10.82%		10.62%		17.46%		15.11%
	3.69%		1.92%		2.45%		3.13%		3.62%		3.56%

Maquoketa Community School District

Required Supplementary Information

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

Iowa Public Employees' Retirement System

Last Ten Fiscal Years

	2025*	2024*	2023*	2022*
District's proportion of the net pension liability	0.116376%	0.123025%	0.132709%	0.052998%
District's proportionate share of the net pension liability	\$ 4,237,811	\$ 5,552,954	\$ 5,013,930	\$ 182,963
District's covered payroll	\$ 10,738,465	\$ 10,804,096	\$ 10,688,381	\$ 10,592,447
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.46%	51.40%	46.91%	1.73%
Plan fiduciary net pension as a percentage of the total pension liability	92.30%	90.13%	91.40%	100.81%

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

See Notes to Required Supplementary Information.

2021*	2020*	2019*	2018*	2017*	2016*
0.128637%	0.134264%	0.132921%	0.131747%	0.126467%	0.129576%
\$ 9,036,418	\$ 7,774,746	\$ 8,411,554	\$ 8,775,985	\$ 7,958,978	\$ 6,401,670
\$ 10,208,898	\$ 10,217,966	\$ 9,990,235	\$ 9,834,244	\$ 8,670,392	\$ 8,875,845
88.52%	76.09%	84.20%	89.24%	91.79%	72.12%
82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

Maquoketa Community School District

Required Supplementary Information

Schedule of District Contributions

Iowa Public Employees' Retirement System

Last Ten Fiscal Years

	2025	2024	2023	2022
Statutorily required contribution	\$ 1,078,225	\$ 1,013,711	\$ 1,019,907	\$ 1,008,983
Contributions in relation to the statutorily required contribution	\$ (1,078,225)	\$ (1,013,711)	\$ (1,019,907)	\$ (1,008,983)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 11,417,920	\$ 10,738,465	\$ 10,804,096	\$ 10,688,381
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.47%

See Notes to Required Supplementary Information.

2021	2020	2019	2018	2017	2016
\$ 999,927	\$ 963,720	\$ 964,576	\$ 892,128	\$ 878,198	\$ 774,266
\$ (999,927)	\$ (963,720)	\$ (964,576)	\$ (892,128)	\$ (878,198)	\$ (774,266)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 10,592,447	\$ 10,208,898	\$ 10,217,966	\$ 9,990,235	\$ 9,834,244	\$ 8,670,392
9.44%	9.44%	9.44%	8.93%	8.93%	8.93%

Maquoketa Community School District

Notes to Required Supplementary Information Year Ended June 30, 2025

Note 1. Budgets and Budgetary Accounting

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except the internal service, private-purpose trust and custodial funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. Encumbrances are not recognized on the GAAP basis budget and appropriations lapse at year-end.

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

The District did not exceed budgeted expenditures.

Note 2. Iowa Public Employees' Retirement System Pension Liability

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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.

Maquoketa Community School District

**Notes to Required Supplementary Information
Year Ended June 30, 2025**

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

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

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

Maquoketa Community School District

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

	Special Revenue			
	Student Activity	Support Trust	Debt Service	Total
Assets				
Cash and pooled investments	\$ 211,398	\$ 135,191	\$ 2,729	\$ 349,318
Receivables:				
Accounts	6,476	-	-	6,476
Total assets	\$ 217,874	\$ 135,191	\$ 2,729	\$ 355,794
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 12,085	\$ -	\$ -	\$ 12,085
Salaries and benefits	823	-	-	823
Total liabilities	12,908	-	-	12,908
Fund balances				
Restricted for:				
Student activities	204,966	-	-	204,966
Support trust purposes	-	135,191	-	135,191
Debt service	-	-	2,729	2,729
Total fund balances	204,966	135,191	2,729	342,886
Total liabilities and fund balances	\$ 217,874	\$ 135,191	\$ 2,729	\$ 355,794

Maquoketa Community School District

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

	Special Revenue			
	Student Activity	Support Trust	Debt Service	Total
Revenues:				
Local sources:				
Other	\$ 380,071	\$ 4,968	\$ 40	\$ 385,079
Total revenues	380,071	4,968	40	385,079
Expenditures:				
Current:				
Instruction:				
Other	357,281	-	-	357,281
Support services:				
Administration	4,976	-	-	4,976
Operation and maintenance of plant	500	30	-	530
Transportation	600	-	-	600
Debt service:				
Principal	-	-	10,724	10,724
Interest and fiscal charges	-	-	892	892
Total expenditures	363,357	30	11,616	375,003
Revenues over (under) expenditures	16,714	4,938	(11,576)	10,076
Transfers in	-	-	11,616	11,616
Net change in fund balances	16,714	4,938	40	21,692
Fund balances, beginning of year	188,252	130,253	2,689	321,194
Fund balances, end of year	\$ 204,966	\$ 135,191	\$ 2,729	\$ 342,886

Maquoketa Community School District

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

	Capital Projects Accounts		
	Statewide	Physical	
	Sales, Services	Plant and	
	and Use Tax	Equipment	
		Levy	Total
Assets			
Cash and pooled investments	\$ 2,692,277	\$ 1,611,871	\$ 4,304,148
Receivables:			
Property tax:			
Delinquent	-	7,150	7,150
Succeeding year	-	672,928	672,928
Due from other governments	171,289	229,255	400,544
Total assets	\$ 2,863,566	\$ 2,521,204	\$ 5,384,770
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities, accounts payable	\$ 1,904	\$ 357,889	359,793
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	-	672,928	672,928
Grants	-	193,687	193,687
Total deferred inflows of resources	-	866,615	866,615
Fund Balances:			
Restricted for:			
School infrastructure	2,861,662	-	2,861,662
Physical plant and equipment	-	1,296,700	1,296,700
Total fund balances	2,861,662	1,296,700	4,158,362
Total liabilities, deferred inflows of resources and fund balances	\$ 2,863,566	\$ 2,521,204	\$ 5,384,770

Maquoketa Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Fund - By Account

Year Ended June 30, 2025

	Capital Projects Accounts		
	Statewide	Physical	
	Sales, Services	Plant and	
	and Use Tax	Equipment	
		Levy	Total
Revenues:			
Local sources:			
Property tax	\$ -	\$ 647,570	\$ 647,570
Utility excise tax	-	12,873	12,873
Other tax	-	1,381	1,381
Other	-	197,502	197,502
State appropriations	1,633,392	18,673	1,652,065
Total revenues	1,633,392	877,999	2,511,391
Expenditures:			
Current:			
Instruction:			
Regular	87,760	2,871	90,631
Support services:			
Administration	770,476	232,405	1,002,881
Operation and maintenance of plant	-	183,614	183,614
Transportation	-	176,194	176,194
Other expenditures:			
Facilities acquisition	527,855	301,454	829,309
Total expenditures	1,386,091	896,538	2,282,629
Excesss (deficiency) of revenues over (under) expenditures	247,301	(18,539)	228,762
Other financing sources:			
Proceeds from sale of capital asset	-	2,050	2,050
Total other financing sources	-	2,050	2,050
Net change in fund balance	247,301	(16,489)	230,812
Fund balance, beginning of year	2,614,361	1,313,189	3,927,550
Fund balance, end of year	\$ 2,861,662	\$ 1,296,700	\$ 4,158,362

Maquoketa Community School District

Combining Statement of Net Position

Internal Service Funds

June 30, 2025

	Self Funded Insurance	Flex	Total
Assets			
Current assets:			
Cash and pooled investments	\$ 2,246,101	\$ 38,810	\$ 2,284,911
Receivables, accounts	91,355	-	91,355
Total current assets	2,337,456	38,810	2,376,266
Liabilities			
Current liabilities:			
Accounts payable	2,837	-	2,837
Incurred but not reported claims	330,000	-	330,000
Total current liabilities	332,837	-	332,837
Net Position			
Unrestricted	\$ 2,004,619	\$ 38,810	\$ 2,043,429

Maquoketa Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year Ended June 30, 2025

	Self Funded Insurance	Flex	Total
Operating revenues:			
Local sources:			
Miscellaneous	\$ 3,372,448	\$ 84,201	\$ 3,456,649
Total operating revenues	3,372,448	84,201	3,456,649
Operating expenses:			
Support services:			
Administration:			
Services	1,500	82,251	83,751
Noninstructional programs:			
Benefits	3,133,270	-	3,133,270
Purchased services	9,418	-	9,418
Supplies	2,937	-	2,937
Other	1,399	-	1,399
Total operating expenses	3,148,524	82,251	3,230,775
Operating income	223,924	1,950	225,874
Nonoperating revenues:			
Interest on investments	-	1,484	1,484
Change in net position	223,924	3,434	227,358
Net position, beginning of year	1,780,695	35,376	1,816,071
Net position, end of year	\$ 2,004,619	\$ 38,810	\$ 2,043,429

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Maquoketa Community School District

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2025

	Self Funded Insurance	Flex	Total
Cash flows from operating activities:			
Cash received from:			
Miscellaneous services	\$ 3,380,821	\$ 84,201	\$ 3,465,022
Cash payments to:			
Suppliers for goods and services	(3,410,971)	(82,251)	(3,493,222)
Net cash provided by (used in) operating activities	<u>(30,150)</u>	<u>1,950</u>	<u>(28,200)</u>
Cash flows from investing activities, interest on investments	<u>-</u>	<u>1,484</u>	<u>1,484</u>
Net increase (decrease) in cash and cash equivalents	<u>(30,150)</u>	<u>3,434</u>	<u>(26,716)</u>
Cash and cash equivalents:			
Beginning of year	2,276,251	35,376	2,311,627
End of year	<u>\$ 2,246,101</u>	<u>\$ 38,810</u>	<u>\$ 2,284,911</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$ 223,924	\$ 1,950	\$ 225,874
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
(Increase) decrease in:			
Accounts receivable	8,373	-	8,373
Increase (decrease) in:			
Accounts payable	(9,268)	-	(9,268)
Incurred but not reported claims	(253,179)	-	(253,179)
Net cash provided by (used in) operating activities	<u>\$ (30,150)</u>	<u>\$ 1,950</u>	<u>\$ (28,200)</u>

Maquoketa Community School District

**Schedule of Changes in Special Revenue Fund,
Student Activity Accounts
Year Ended June 30, 2025**

Account	Balance Beginning of Year	Revenues	Expenditures	Interfund Transfers	Balance End of Year
Interest	\$ 443	\$ 9,700	\$ -	\$ (9,781)	\$ 362
HS activity tickets	-	16,111	20	(16,091)	-
HS speech	-	236	3,403	3,167	-
Speech fundraiser	12,078	2,148	1,118	1,243	14,351
HS vocal music	-	11,193	11,101	(92)	-
Harm helpers	5,969	5,536	6,368	-	5,137
HS band	-	2,759	4,123	1,364	-
HS band tour	4,684	2,834	3,458	(2,462)	1,598
Athletics	17,491	16,991	28,363	(3,799)	2,320
Athletic awards	-	-	478	478	-
Coed cross country	-	92	1,955	1,863	-
Cross country fundraiser	2,989	3,231	1,999	-	4,221
Tennis fundraiser	3,005	111	505	-	2,611
Bowling	-	-	6,539	6,539	-
Bowling fundraiser	628	1,077	945	-	760
Cheerleaders	-	500	1,511	1,243	232
HS boys basketball	-	10,353	5,020	(5,333)	-
Boys basketball fundraiser	10,857	2,760	5,122	-	8,495
HS football	-	23,743	8,823	(14,920)	-
Football fundraiser	8,950	15,733	13,398	-	11,285
HS boys soccer	-	2,372	4,458	2,086	-
Boys soccer fundraiser	702	3,513	3,943	-	272
HS baseball	-	1,923	6,288	4,365	-
Baseball fundraiser	267	21,959	12,555	1,243	10,914
HS boys track	100	704	3,170	2,366	-
Boys track fundraiser	2,516	613	275	-	2,854
HS boys tennis	-	600	248	(352)	-
HS boys golf	-	331	1,159	828	-
Boys golf fundraiser	523	87	39	124	695
HS wrestling	-	5,651	11,027	5,376	-
HS wrestling fundraiser	2,391	3,604	2,752	-	3,243
HS girls basketball	-	11,430	14,259	2,829	-
Girls basketball fundraiser	3,780	14,617	11,775	-	6,622
HS volleyball	-	7,094	2,860	(4,234)	-
Volleyball fundraiser	9,445	11,063	13,108	-	7,400
HS girls soccer	-	1,770	2,743	973	-
HS soccer fundraiser	-	6,093	5,826	-	267

Maquoketa Community School District

**Schedule of Changes in Special Revenue Fund,
Student Activity Accounts
Year Ended June 30, 2025**

Account	Balance Beginning of Year	Revenues	Expenditures	Interfund Transfers	Balance End of Year
HS softball	\$ -	\$ 2,378	\$ 5,368	\$ 2,990	\$ -
Softball fundraiser	-	3,326	2,268	(1,058)	-
HS girls track	100	645	7,944	7,199	-
Girls track fundraiser	-	3,138	3,137	(1)	-
HS girls tennis	-	440	456	16	-
HS girls golf	-	462	919	457	-
Girls golf fundraiser	1,222	-	-	124	1,346
HS girls wrestling	-	4,319	4,284	(35)	-
HS girls wrestling fundraising	-	199	275	76	-
Weight room	-	2,641	2,604	(37)	-
Club hope	4,295	-	-	177	4,472
Yearbook	562	71	2,498	1,865	-
Diversity club	1,992	-	-	82	2,074
Winter concessions	-	45,402	30,300	(15,102)	-
Dance marathon	2,037	1,117	1,217	89	2,026
Prom	3,576	9,160	10,127	873	3,482
HS post grads	7,285	-	-	300	7,585
HS BPA	5,313	4,884	3,188	995	8,004
HOSA	13,040	577	824	1,285	14,078
FCCLA	821	778	445	48	1,202
FFA	14,004	48,690	53,735	641	9,600
National Honor Society	2,839	142	1,387	835	2,429
Student senate	9,687	1,586	821	678	11,130
Spanish club	7,813	180	-	328	8,321
Maquoketan	273	-	-	11	284
HS SADD	3,783	-	-	156	3,939
MS chorus	3,183	2,554	1,500	155	4,392
MS band	449	1,720	5,622	16,999	13,546
MS boys athletics	4,363	16,420	13,808	228	7,203
MS mat refurbishing	56	-	-	2	58
MS girls athletics	4,742	8,565	8,599	178	4,886
MSIJAG	-	763	692	-	71
MS student council	9,124	1,132	605	387	10,038
MS concessions	217	-	-	9	226
Tech students	428	250	-	18	696
Elementary chorus	230	-	-	9	239
	\$ 188,252	\$ 380,071	\$ 363,357	\$ -	\$ 204,966

Maquoketa Community School District

Schedule of Revenues by Source and Expenditures by Function

All Governmental Funds - Modified Accrual Basis

Last Ten Years

	Years Ended June 30:			
	2025	2024	2023	2022
Revenues:				
Local sources:				
Local tax	\$ 6,714,033	\$ 6,429,056	\$ 6,414,063	\$ 6,397,779
Tuition	1,788,241	1,536,666	1,539,264	1,666,332
Other	1,199,652	1,283,854	1,004,928	718,642
Intermediate sources	-	-	-	-
State sources	13,042,971	12,244,937	12,278,485	12,023,670
Federal sources	1,523,853	3,191,830	2,394,912	1,565,713
Total revenues	\$ 24,268,750	\$ 24,686,343	\$ 23,631,652	\$ 22,372,136
Expenditures:				
Instruction				
Regular	\$ 8,444,542	\$ 6,790,846	\$ 6,846,097	\$ 7,117,067
Special	3,158,314	4,492,168	4,211,098	4,391,063
Other	3,099,956	2,854,196	2,536,917	2,610,558
Support services:				
Student services	925,496	851,040	745,780	790,015
Instructional staff services	1,209,101	1,034,922	1,086,127	712,070
Administration services	2,958,710	2,080,837	2,189,245	2,120,207
Operation and maintenance of plant services	2,049,458	1,639,172	1,645,944	1,359,108
Transportation services	858,614	900,196	740,885	604,858
Other expenditures:				
Capital outlay	829,309	2,882,944	1,143,731	662,142
Long-term debt:				
Principal	10,724	-	-	-
Interest	892	-	-	-
AEA flowthrough	548,686	627,222	646,173	649,539
Total expenditures	\$ 24,093,802	\$ 24,153,543	\$ 21,791,997	\$ 21,016,627

Years Ended June 30:					
2021	2020	2019	2018	2017	2016
\$ 6,443,444	\$ 6,133,154	\$ 6,150,260	\$ 5,528,444	\$ 5,495,011	\$ 5,664,886
1,614,945	1,580,081	1,502,398	1,446,345	1,400,841	1,261,969
1,081,233	804,775	1,289,336	877,049	748,002	729,295
6,800	8,800	4,100	7,275	5,850	3,750
11,423,127	11,549,758	11,363,629	11,575,898	11,085,469	10,377,522
1,314,756	883,504	792,959	659,226	656,580	702,682
\$ 21,884,305	\$ 20,960,072	\$ 21,102,682	\$ 20,094,237	\$ 19,391,753	\$ 18,740,104
\$ 7,264,856	\$ 6,924,363	\$ 6,929,164	\$ 6,876,260	\$ 7,162,769	\$ 6,595,971
4,108,762	3,816,972	3,619,684	3,605,059	3,385,676	2,958,606
2,495,794	2,302,434	2,529,038	2,369,780	2,388,494	2,497,830
765,196	688,204	676,595	645,374	609,970	481,094
706,571	684,338	667,616	620,420	403,315	469,727
1,971,382	1,967,034	2,105,340	2,125,639	1,854,310	1,738,527
1,364,545	1,188,094	1,270,971	1,277,832	1,299,691	1,255,419
575,836	750,099	701,880	755,820	625,495	654,864
1,721,312	782,305	2,707,965	243,377	358,198	515,768
814,000	830,000	818,000	792,000	766,000	756,000
16,197	33,522	50,631	67,207	83,291	99,118
638,455	638,616	633,772	634,088	594,815	590,058
\$ 22,442,906	\$ 20,605,981	\$ 22,710,656	\$ 20,012,856	\$ 19,532,024	\$ 18,612,982

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Maquoketa Community School District

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

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Program:				
School Breakfast Program	10.553	FY25 4552	\$ -	\$ 110,270
National School Lunch Program	10.555	FY25 4553	-	386,406
Commodities -DOD (Noncash)	10.555	FY25	-	27,215
Commodities (Noncash)	10.555	FY25	-	26,132
			-	439,753
Summer Food Service Program for Children	10.559	FY25 4556	-	383,076
Total Child Nutrition Cluster Program,				
Total U.S. Department of Agriculture			-	933,099
U.S. Department of Justice				
Pass-Through Iowa Department of Public Safety				
Public Safety Partnership & Community Policing Grant	16.710	FY25 4681	-	193,687
U.S. Department of Education				
Pass-Through Iowa Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	FY25 4501	-	383,412
Special Education Cluster Program:				
Special Education - Grants to States				
IDEA, Part B	84.027	FY25 4521	-	8,597 (1)
Career and Technical Education-				
Basic Grants to States	84.048	FY25 4531	-	24,256
Supporting Effective Instruction State Grants	84.367	FY25 4643	-	55,541
Student Support and Academic				
Enrichment Program	84.424	FY25 4669	-	24,851
Education Stabilization Fund:				
COVID-19 Discretionary Grants: Rethink K-12				
Education Models Grants	84.425B	FY25 4053	-	9,525
COVID-19 ARP-Elementary and Secondary School				
Emergency Relief Fund (ARP-ESSER)	84.425U	FY25 4076	-	74,512
Total Education Stabilization Fund			-	84,037
Pass-Through Mississippi Bend Area Education Agency:				
Special Education Cluster Program:				
Special Education - Grants to States				
IDEA, Part B	84.027	FY25 4521	-	62,219 (1)
Total U.S. Department of Education			-	642,913
U.S. Department of Homeland Security				
Pass-Through Iowa Department of Homeland Security				
and Emergency Management:				
Homeland Security Grant Program	97.067	FY25 4358	-	199,392
Total Expenditures of Federal Awards			\$ -	\$ 1,969,091

(1) Total federal assistance listing number 84.027 \$70,816

See Notes to Schedule of Expenditures of Federal Awards.

Maquoketa Community School District

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

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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



**MAQUOKETA COMMUNITY
SCHOOL DISTRICT**

www.MaquoketaSchools.org



612 South Vermont Street
Maquoketa, Iowa 52060
Phone: (563) 652-4984

Maquoketa Community School District

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

Finding	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
Findings Related to Basic Financial Statements:		
<u>Significant deficiencies:</u>		
2024-001: The District has insufficient segregation of duties over receipt transactions.	Corrected.	
2024-002: The District has insufficient segregation of duties over the cash disbursement function.	Corrected.	
2024-003: The District has insufficient segregation of duties over the payroll process.	Corrected.	
2024-004: The District does not have a capital asset process which includes identifying capital asset additions and deletions, maintaining a capital asset inventory, computing depreciation and adjusting trial balances for capital asset transactions.	Corrected.	
<u>Instances of noncompliance:</u>		
2024-005: The District did not complete the June 30, 2023 single audit within 9 months of the June 30, 2023 year-end.	Corrected.	
Other Findings Related to Required Statutory Reporting:		
IV-H-24: The District identified variances in certified enrollment submitted to the state in October 2023.	Corrected.	

Tara Notz
Superintendent of
Schools

Kristy Haxmeier
Business Manager

Stacy Marcus
Director of Curriculum/
Instruction and Student Services

Dustin Cogan
Technology Director

Scott Hansen
Director of Support Services/
Transportation Director

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

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

To the Board of Education
Maquoketa Community School District
Maquoketa, 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 Maquoketa Community School District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 10, 2026.

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

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs..

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2025 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

District's Responses to the Findings

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

Purpose of This Report

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

Bohnsack & Frommelt LLP

East Moline, Illinois
March 10, 2026



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

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

To the Board of Education
Maquoketa Community School District
Maquoketa, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Maquoketa Community School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Bohnsack & Frommelt LLP

East Moline, Illinois
March 10, 2026

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Maquoketa Community School District

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

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency identified?
- Noncompliance material to financial statements noted?

☐ Yes	☒ No
☐ Yes	☒ None Reported
☐ Yes	☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency identified?

☐ Yes	☒ No
☐ Yes	☒ None Reported

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

Unmodified

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

☐ Yes	☒ No
------------------------------	--

Identification of major programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
----------------	------------------------------------

Child Nutrition Cluster Program:

10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Commodities -DOD (Noncash)
10.555	Commodities (Noncash)
10.559	Summer Food Service Program for Children

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

Auditee qualified as low-risk auditee?

☐ Yes	☒ No
------------------------------	--

(Continued)

Maquoketa Community School District

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

Part II: Findings Related to the Basic Financial Statements

Internal control deficiencies:

No matters were reported.

Instances of noncompliance:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

Part IV: Other Findings Related to Statutory Reporting

IV-A-25

Certified Budget: Expenditures for the year ended June 30, 2025 did not exceed the amounts budgeted at year-end.

IV-B-25

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

IV-C-25

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

IV-D-25

Business Transactions – No business transactions between the District and District officials or employees were noted except for the following:

Name, Title, and Business Connection	Transaction Description	Amount
Louis Clasen, Bowling Coach		
Owns Timber Lanes	Facility Usage	\$ 4,026
Colton Feller, Teacher	Services	92
Tom Miller, Board Member	Services	714
Stacy Meyer, Teacher	Services	322

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

(Continued)

Maquoketa Community School District

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

IV-E-25

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

IV-F-25

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

IV-G-25

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

IV-H-25

Certified Enrollment: No variances in certified enrollment data certified to the Iowa Department of Education were noted.

IV-I-25

Supplementary Weighting: No variances in the supplementary weighting data certified to the Iowa Department of Education were noted.

IV-J-25

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

IV-K-25

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

IV-L-25

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

(Continued)

Maquoketa Community School District

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

IV-M-25

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

Beginning balance		\$	2,614,361
Revenue / transfers in:			
Statewide sales and services tax revenue	\$	1,633,392	1,633,392
Expenditures/transfers out:			
Instruction, regular		87,760	
Support services		770,476	
Facilities acquisition		527,855	1,386,091
Ending balance		\$	2,861,662

For the year ended June 30, 2025, the District did not have a reduced tax levy as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.



**MAQUOKETA COMMUNITY
SCHOOL DISTRICT**

612 South Vermont Street
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Phone: (563) 652-4984

www.MaquoketaSchools.org



Maquoketa Community School District

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

		Contact and Anticipated Date of Completion
Findings	Corrective Action Plan	
None.		

Tara Notz
Superintendent of
Schools

Kristy Haxmeier
Business Manager

Stacy Marcus
Director of Curriculum/
Instruction and Student Services

Dustin Cogan
Technology Director

Scott Hansen
Director of Support Services/
Transportation Director

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATES

EXHIBIT A

MAQUOKETA COMMUNITY SCHOOL DISTRICT, IOWA \$6,140,000 SCHOOL INFRASTRUCTURE SALES, SERVICES AND USE TAX REVENUE 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 (September 28, 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 Maquoketa 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 21, 2026.
 - h. Underwriter means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

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

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

[UNDERWRITER]

By: _____

Name: _____

Dated: November 4, 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
MAQUOKETA COMMUNITY SCHOOL DISTRICT, IOWA
\$6,140,000 SCHOOL INFRASTRUCTURE SALES, SERVICES
AND USE TAX REVENUE 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 21, 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: November 4, 2026

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)